

Agriculture and Horticulture Development Board

Inspiring farmers, growers and industry
to succeed in a rapidly changing world



Annual Report and Accounts 2019/20

HC 411



Agriculture and Horticulture Development Board Annual Report and Accounts 2019/20

(For the year ending 31 March 2020)

Presented to the UK Parliament, the Scottish Parliament, the Welsh Parliament and the Northern Ireland Assembly, pursuant to Article 13 of The Agriculture and Horticulture Development Board Order 2008 (S.I. 2008, No. 576)

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The Agriculture and Horticulture Development Board (AHDB) is funded from levies paid by farmers, growers and others in the supply chain. Because the levy is statutory, AHDB is classified as a non-departmental public body (NDPB) and comes under the sponsorship of the Department for Environment, Food and Rural Affairs (Defra).

Eleventh Annual Report to the Secretary of State for Environment, Food and Rural Affairs, the Scottish Ministers, the Welsh Ministers and the Northern Ireland Ministers, and Statement of Accounts for the year ended 31 March 2020.

Auditor: Comptroller and Auditor General, National Audit Office
157–197 Buckingham Palace Road, London SW1W 9SP

AHDB Board and statutory committees at 31 March 2020

AHDB is managed by a Board whose members are appointed by Ministers from all four constituent countries of the UK. The Board normally consists of ten members: the Chair, three independent members, and six who are also chairs of AHDB's sector boards.

AHDB Board

Chair:

*Sir Peter Kendall

Independent members:

*Will Lifford

George Lyon

Janet Swadling

Specialist members and Sector Board chairs:

Hayley Campbell-Gibbons, Chair of AHDB Horticulture Sector Board

Sophie Churchill OBE, Chair of AHDB Potato Sector Board

*Gwyn Jones, Chair of AHDB Dairy Sector Board

Paul Temple, Chair of AHDB Cereals & Oilseeds Sector Board

Adam Quinney, Chair of AHDB Beef & Lamb Sector Board

Mike Sheldon, Chair of AHDB Pork Sector Board

**Denotes end of term in office on 31 March 2020.*

The following new members were appointed by Ministers from 1 April 2020: Nicholas Saphir as Chair and Sarah Pumfrett as an independent member.

Biographical details of Board members are published on www.ahdb.org.uk.

A register of AHDB Board Member interests is maintained and can be obtained by writing to: Corporate Administration, Agriculture and Horticulture Development Board, Stoneleigh Park, Kenilworth, Warwickshire CV8 2TL.

Statutory committees

AHDB Audit and Risk Assurance Committee

*Will Lifford (Chair) – AHDB independent Board Member

Sophie Churchill OBE – AHDB Board Member

*Philip Huggon – independent member of the AHDB Potato Sector Board

*Gwyn Jones – AHDB Board Member

*David Neal-Smith – independent member of the AHDB Cereals & Oilseeds Sector Board

Mike Sheldon – AHDB Board Member

Janet Swadling – AHDB independent Board Member

**Denotes end of term in office on 31 March 2020.*

Audit and Risk Assurance Committee terms of reference are published on www.ahdb.org.uk

Sarah Pumfrett takes over as Chair of the Audit and Risk Assurance Committee from 1 April 2020.

AHDB Remuneration and Nominations Committee

George Lyon (Chair) – AHDB independent Board Member

Hayley Campbell-Gibbons – AHDB Board Member

*Sir Peter Kendall – AHDB Board Chair

Adam Quinney – AHDB Board Member

Paul Temple – AHDB Board Member

**Denotes end of term in office on 31 March 2020.*

Remuneration and Nominations Committee terms of reference are published on www.ahdb.org.uk

Chair's foreword

This is the first time for generations that farming, growing and land management has faced so much immediate and potential change.

New trade arrangements in the wake of exiting the EU, climate change and sustainability, competitive productivity and the potential shortage of labour are all challenges to be set against the refocusing of government policy towards agriculture and land management.



If this was not enough to be considering during the year under review, the end of the year was defined by the beginning of an epidemic that will dominate the coming months and may well significantly affect future policy towards food supply.

Looking at the last year, it is clear that AHDB has made strides in laying new foundations for the industry to remain fit for the future. The organisation has continued to make its mark overseas, with our export team working collaboratively with industry and government to re-focus efforts on opening new markets and further developing those which are already established. While facing challenges from those attacking the meat and dairy sectors with factually incorrect statements, AHDB balanced the debate with facts. With the addition of new areas of work, such as the potentially transformational new livestock traceability project and our network of Monitor and Strategic Farms, we are in a good position to build for further future success in resetting the debate.

It is imperative that we maintain the momentum across the whole of agriculture and horticulture. As we consider our future strategy, it is vital that we understand consumer trends and other drivers for the future. Delivering a great strategy will need a joined-up organisation working and communicating effectively both internally and with others in the industry in order to make a difference for farmers, growers and processors.

With this very much front of mind, there has never been a time when the industry has had more need for an effective provider of an evidenced-based approach. Our agriculture and horticulture industries are constantly evolving. While we can't ignore that the current challenges are great, the opportunities to refocus farming, growing and land management for a profitable future are real and considerable. AHDB has a vital role to play and should take centre stage in driving the industry to maximise its full potential domestically and on the global stage.

On behalf of the Board, I thank Peter Kendall for his six years as Chair and for having delivered an organisation that is in a good place to face the challenges that lie ahead.

Nicholas Saphir
Chair
Agriculture and Horticulture Development Board

1 July 2020

Nicholas has a wide background in agriculture and horticulture, having built a public company farming, processing and trading fruit and vegetables in the UK, Europe, southern Africa and South America. His dairy experience includes spending the last 18 years building the Organic Milk Producers' Cooperative (Omsco) into becoming the world's second largest dedicated organic milk cooperative with exports of cheese, butter and infant formula grade milk powders to the USA, EU and Australasia. He also has a long and successful record of chairing industry and government bodies in the food and farming sector, including being the chairman of the Central Council for Agricultural and Horticultural Cooperation, founder chairman of Food from Britain, president of the Fresh Produce Consortium and chairman of the Agricultural Forum.

Performance report

From the Chief Executive and Accounting Officer

Overview

AHDB has delivered a number of significant milestones during the 2019/20 financial year. Our network of hugely popular Monitor and Strategic Farms delivering farmer-to-farmer learning grew to 68 in total. Our knowledge exchange work generated an average anticipated return on investment of £6 for every pound spent; exports of UK red meat posted one of the strongest years on record, at more than £1.5 billion, and we drove forward development of the transformational Livestock Information Programme.



Peter's leadership was fundamental to creating the one AHDB with more focus and preparing us for fewer, high impact programmes of work. We look forward to our new Chair, Nicholas Saphir, helping to shape the next phase of AHDB's development, working on an exciting new strategy, focusing on market potential and farm performance.

There has been a phenomenal team effort this year across the organisation on the Brexit work stream, pulling together all our tools and digital support to provide critical information and helping make sense of it for the industry. The confident and authoritative approach of our market analysts at the huge number of conferences and events nationwide has not gone unnoticed, really impressing people with the depth of their knowledge and market insight.

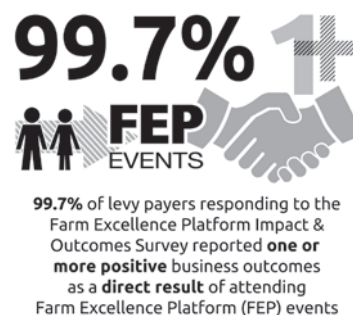
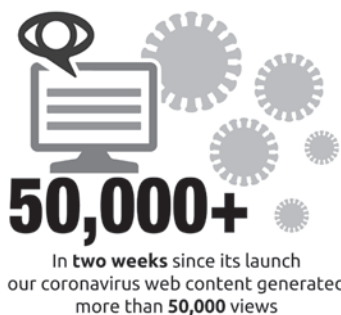
Our environment goal is to reduce the impact of agriculture on air, water and soil while maintaining productive farming systems and to support the drive to achieve net zero by 2040. Our role is to help farmers and growers comply with environmental legislation and provide guidance on accessing environmental support, showcase how good environmental management delivers financial benefits and to be a trusted source of information on the environmental footprint of UK livestock and crop production.

In the last year we funded an extensive programme of research and knowledge exchange on soil management, GREATsoils – a significant range of practical information, guides and tools for farmers and growers. Developing sustainable integrated pest management (IPM) systems, reducing reliance on conventional pesticides and minimising environmental impact continued to be a core part of our research programme. On air quality, we funded research into updating standard ammonia emissions factors for pig farms to assess the performance and environmental impact of new buildings and feeding regimes. We also continued to develop the Nutrient Management Guide (RB209). Our website and App provide regularly updated information about rainfall, allowing farmers and growers to refine their nutrient management seasonally, saving money and loss of nitrogen to water, protecting the environment.



2019 was one of the **strongest** years on record for **exports** of **UK red meat** worth **£1.5 billion**

The operating environment for our levy-paying farmers, growers and processors has been tough. Characterised by extremely wet weather, the ongoing uncertainties over exiting the EU and the coronavirus (COVID-19) pandemic at the tail-end of the year, all made business planning more complex than usual. These unprecedented circumstances increased demand for AHDB's independent, evidence-based information and insight. Our ability to react quickly at a time of national crisis saw us launch our coronavirus (COVID-19) website page on 19 March 2020, with advice for farmers, growers and the industry. In two weeks, coronavirus (COVID-19) web content, including the main page, market analysis and frequently asked questions sections generated more than 50,000 views.



This independent, evidence-based approach of ours has provided timely, critical information and insight for the industry to help it prepare for whatever challenges are coming over the horizon. We've made great strides this year and I'm even more excited about what's to come.

We said farewell to Chairman Peter Kendall at the end of March 2020 as he came to the end of his six-year tenure.

Those farmers and growers engaged with our wider Farm Excellence Platform (FEP) love it, taking actions from Strategic and Monitor Farm meetings back on to farm where it is delivering measurable improvements in profit and productivity. We are rapidly expanding our FEP network of Monitor and Strategic host farms to conduct future technical work. By the end of 2020 we will have expanded the network of farms across all sectors to 100. In

our latest FEP Impact & Outcomes Survey of levy payers who had attended at least one FEP event in 2019, 99.7% reported one or more positive business outcomes as a direct result of attending FEP events. This highlighted that farmer-to-farmer learning is a powerful asset, the full potential of which we have started to realise. 58% of levy payers that took part in that same survey stated there was a financial benefit of attending the FEP events. 22% were able to quantify this benefit and among these respondents, the average benefit was £54k.

Industry reputation has increasingly been in the spotlight, with poorly evidenced and un-evidenced challenges to farming, red meat and dairy, on environmental and health grounds. AHDB has taken the lead role in balancing the debate with evidence and driving attitudinal change from consumers. In the three years since AHDB implemented a strategic approach to meat and nutrition work, we have seen the sentiment towards red meat improve by nearly two percentage points. We have also played an important part in facilitating wider stakeholder discussions around reputational messages. This is about ensuring the industry is less defensive and has a coherent, coordinated approach to reputational messages.

Shortly after the end of the financial year, Defra published the outcome of the significant Request for Views consultation on AHDB, which had given the industry opportunity to consider our performance and future direction. It's a really good barometer check for us with our farmers and growers. Defra now feels it has the broad picture of how respondents feel about the AHDB, identifying our strengths and areas where we know we can improve and they would like us to improve. The executive team will work with the Board, Defra, devolved administrations and key stakeholders on the best way forward to respond to the results. We will think about what the make-up and the focus of the organisation is and should be in the future as part of our new strategy. Further references to the Request for Views are on pages 10, 14, 15, 18 and 22.

On 20 January 2020 we also had the additional challenge of an electrical fire closing our HQ building for more than two months. The successful implementation of our Business Continuity Plan enabled us to have our critical on-site IT services up and running again with zero data loss exceeding defined Recovery Time Objectives. Staff were able to operate from a combination of temporary office space and home working. This meant that disruption was kept to a minimum and we were able to continue delivering efficient services to levy payers. These temporary working arrangements also enabled AHDB staff to seamlessly transition into home working following the outbreak of coronavirus (COVID-19) in the UK.

Driving transformational change for the industry remains at the heart of what we do, with farmers, growers and processors. Standout landmarks from this year included:

- The launch of the Livestock Information Limited (LI Limited), a subsidiary company, to build the new multi-species livestock traceability service for England. LI Limited is a core part of the AHDB family, where we are working collaboratively with the industry and government. It's not the first time we've done a statutory service, but the first time it's been on this scale. The team is building a service that livestock farmers tell us could be truly transformational for the livestock sectors. The Secretary of State touched on this at the Oxford Farming Conference, highlighting how it will

showcase traceability, underpin consumer confidence and future export strategy

- The transitioning of our domestic marketing work away from products to focus on reputation management. Our dairy and red meat marketing teams have done innovative, award-winning work that has been widely noticed and appreciated by the industry. The 'Department of Dairy Related Scrumptious Affairs' campaign, jointly funded with Dairy UK, beat stiff international competition to win the IMP Group Yves Boutonnat Trophy at the World Dairy Summit in Istanbul which was a fantastic achievement
- Our export team continued to work in close partnership with industry and government to develop emerging market opportunities at a critical time as the country prepares to leave the EU. In 2019 we exported £2.7 billion worth of red meat, potatoes, cereal and oilseed products to countries all over the world. There are too many successes to mention. However, the consolidation of our market access for beef to China – worth an estimated £230 million in the first five years – was a key milestone

£2.7B 

In 2019 we exported **£2.7 billion** worth of **red meat, potatoes and cereal and oilseed products** to countries all over the world.

- AHDB-funded research generates an average anticipated return on investment (ROI) of £11 for every pound of levy spent. We have been driving even more focus into our technical programmes, concentrating on four core areas of integrated pest management (IPM), animal health and welfare, environment and farm business
- Over 100 Farmbench groups, facilitated by a range of partner organisations across the UK, met to confidentially compare their costs of production. Almost 2,500 farm businesses are now using our Farmbench benchmarking tool which was relaunched in October 2019
- AHDB developed a new genetic evaluations database for beef and lamb, incorporating on-line data entry, calculation of inbreeding co-efficient, genetic trends and flock reporting.
- AHDB has been taking a lead role in the industry-wide collaboration on skills for agriculture and horticulture. Significant work is underway to support a number of recommendations to drive improvements in productivity. An example was the progress made towards setting up a professional skills body for agriculture and horticulture.

These points illustrate just some of the good work we have delivered over the last year. This report summarises our performance in the 12 months to 31 March 2020.

AHDB purpose and corporate priorities

2019/20 marked the final year for our three-year Inspiring Success strategy, with us focusing effort around six core priorities. AHDB corporate priorities for 2019/20 were:



Brexit/Fit for the Future: Helping farmers, growers and processors understand their costs through the new Farmbench tool, updating the Brexit impact assessment, developing Brexit toolkits, scenarios planning for business and contingency planning for a no-deal Brexit scenario.



Data and digital: Delivering the Livestock Information Programme, a data-sharing code of practice to unlock the potential in farm data, a new website and improved digital offer for farmers, growers and industry, and targeting our communications through an improved customer relationship management database (CRM).



Domestic market: Understanding the consumer, building product and industry reputation, increasing trust in products, underpinning perception of farming systems and collaborating with Red Tractor.



Export: Focusing on priority markets in the USA and Asia Pacific, opening new opportunities in markets worldwide, communicating under the UK Government's 'GREAT' British branding to consumers and trade internationally and collaborating across government and industry.



Farm Excellence: Growing farmer-to-farmer learning through the network of Monitor and Strategic Farms, working in collaboration with third parties and engaging with more farmers on improving business and technical performance.



Productivity: Co-ordinating industry-led input in to the Food & Drink Sector Council, leading on the development of 'What Works' for farming, focusing on skills supporting uptake of innovation and delivering new technical programmes on integrated pest management (IPM), the environment and antibiotic usage as part of a wider animal health and welfare programme.

Performance

Delivering against corporate priority – *Brexit/Fit for the Future*



More than 20,000 people have subscribed to receive Market Intelligence publications across all sectors covered by AHDB

- More than 20,000 people have subscribed to receive Market Intelligence publications across all sectors covered by AHDB
- We delivered 24 Brexit briefings during the year, reaching over 1,100 levy payers and stakeholders, such as banks and farm business consultants
- In the 12 months to 18 December 2019, Brexit content on the AHDB website generated more than 94,000 visits
- The Market Intelligence arable team engaged with over 900 farmers/stakeholders through June and July 2019 on its crop tour
- Between April and December 2019, Market Intelligence presented to over 7,000 farmers and stakeholders at a range of events and meetings

Delivering against corporate priority – *Data and digital*



The AHDB website achieved more than 3 million page views this year

- The AHDB website achieved more than 3 million page views this year
- Our Recommended Lists web page generated more than 64,000 views
- The RB209 Nutrient Management Guide content generated more than 77,000 views
- AHDB's podcast portfolio generated more than 68,000 listens
- Our events portal (launched in February 2019) had more than 163,000 page views
- There were more than 320,000 views of our website Knowledge Library
- We saw a 30% increase in AHDB twitter followers with over 10,000 engagements
- AHDB Facebook followers increased by 104% with nearly 19,000 engagements

Delivering against corporate priority – Domestic market

£17.7M
£1=£11.89



Over three bursts of activity the lamb campaign generated **£17.7 million** of incremental spend – a return on retail sales of fresh primary lamb of **£11.89 for every £1** invested

- Over three bursts of activity the lamb campaign generated £17.7 million of incremental spend – a return on retail sales of fresh primary lamb of £11.89 for every £1 invested
- The Food Advisory Board (FAB) of independent experts was launched in November 2019 to help restore balance in the media debate on matters relating to health, nutrition and environment
- Pork medallion sales rose 24% year on year 2018 to 19 as a result of the midweek meal pork marketing campaign
- Shopper attitudes to primary pork as suitable for a midweek meal increased by 9% points (v's pre-Pork Medallions midweek meals campaign, 2017)
- Year two of 'The Department of Dairy Related Scrumptious Affairs' campaign maintained an 8% reduction in those planning to reduce their dairy consumption and an 11% reduction in those planning to switch into dairy alternatives
- We ran an influencer campaign where 11 influencers created dishes featuring watercress and promoted the health benefits in accompanying posts on Instagram
- We delivered a schools Grow-Your-Own-Watercress pilot project in 10 schools
- The cross-sector 'Ordinary Food is Good Enough' social media video campaign highlighted the huge amount of unsubstantiated mixed messages around food and diet

Delivering against corporate priority – Export



Exports of pig meat to non-EU countries in the year to November 2019 increased by **23% in volume** and **57% in value**, driven by demand from China

- Pig meat exports increased in volume by 9% and in value by 24% in the 2019 calendar year
- Exports of pig meat to non-EU countries increased by 23% in volume and 57% in value in the 2019 calendar year, driven by demand from China
- AHDB continued to fund 80% of the role of the agriculture counsellor in Beijing
- We participated in more than 20 international trade shows in 2019, including Anuga in Cologne, delivered by our Export team in collaboration with industry exporters

- An export agreement was finalised and signed in October 2019, meaning British beef will be shipped to China for the first time in 20 years in 2020
- In March 2020 the USA agreed equivalence of standards on the UK's disease control measures, meaning that after the final administrative details are carried out, beef can be shipped to the USA. This deal is estimated to be worth around £66 million to UK businesses over the first five years
- AHDB was recognised as a key supporter of the UK Government's 'GREAT' campaign - promoting the UK to the rest of the world - having been granted 'privileges' in use of the brand. This gives AHDB the ability to use the added collateral built up by UK Government funding of 'GREAT' and the use of the Union flag logo on trade activity overseas, adding significant recognition in market

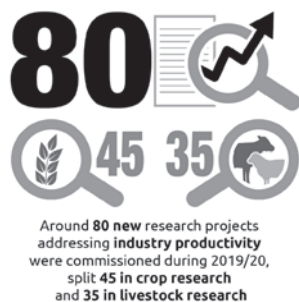
Delivering against corporate priority – Inspiring Farm Excellence



We now have a network of **22 Monitor Farms** and **46 Strategic Farms**. In addition to the meetings held on those Farms, we also delivered **587** other technical events over the course of the year and were involved in **233** discussion groups

- Our network of hugely popular Farm Excellence hosts delivering farmer-to-farmer learning grew to 22 Monitor Farms and 46 Strategic Farms in 2019/20, with plans to reach 100 farms in total by the end of 2020/21
- This network includes nine Monitor Farms in Scotland, run jointly with Quality Meat Scotland (QMS), and three Strategic Dairy Farms in Wales which were launched in 2019/20 in partnership with Farming Connect
- In addition to the meetings held on those farms, we also delivered 587 other technical events over the course of the year and were involved in 233 discussion groups
- 99.7% of levy payers who responded in our latest Farm Excellence Platform (FEP) Impact & Outcomes Survey and had attended at least one FEP event in 2019, reported one or more positive business outcomes as a direct result of attending FEP events
- 93% of levy payers responding to the FEP Impact & Outcomes Survey stated that the benefits experienced would have a positive impact on costs, productivity or profitability
- Of those respondents, 58% of levy payers said there has or will be a financial benefit to their business as a direct result of attending FEP events
- 97% of stakeholders responding to the FEP Impact & Outcomes Survey anticipated wider benefits to the industry as a result of these events

Delivering against corporate priority – *Productivity*



- AHDB was integral to the formation and progress of the work of the Food and Drink Sector Council's Agricultural Productivity Working Group (APWG), bringing together a wide range of industry representatives to establish a new roadmap for the future of farming productivity. AHDB also provided the secretariat for the APWG which has published a report and recommendations on improving industry productivity
- A new Business Insights and Skills team was established to focus on industry skills, leadership and behaviour change insights
- Around 80 new research projects addressing industry productivity were commissioned during 2019/20 – 45 in crop research and 35 in livestock research
- A 'pilot' was developed with BBSRC to commission £250k of work on priority pests and diseases in horticulture via AHDB, funding five short-term projects. These cover a diverse range of key pest and disease threats, from the identification of the brown marmorated stink bug to the control of basal rots in onions
- 87% of pig herds in England are now registered and benchmark their medicine and antibiotic use with AHDB.
- AHDB is involved in a £3 million Rural Development Programme for England (RDPE) programme of work on Porcine Reproductive & Respiratory Syndrome (PRRS)
- Following Welsh Government approval of a £6.5 million grant in 2018 for the delivery of the Dairy Improvement Programme in Wales, which runs until June 2023, 500 farms have now been recruited to our HerdAdvance programme to pilot how improving disease control awareness and pre-emptive animal health and welfare management on Welsh dairy farms can improve on-farm efficiencies and profitability
- Funding to support research on the control of Cereals and Barley Yellow Dwarf Virus enabled a new project to investigate novel approaches to aphid and virus management given the loss of neonicotinoids and increasing aphid resistance to pyrethroid insecticides
- AHDB worked with the Agrimetrics Innovation Centre to classify research data sets that we hold as a first step towards more effective management and exploitation of our data resources

Key issues and risks

Our risk management policy is a key element of our internal control and corporate governance framework. During the year ended 31 March 2020, the risk policy was reviewed and updated along with the Board's risk appetite (see page 20 for more detail).

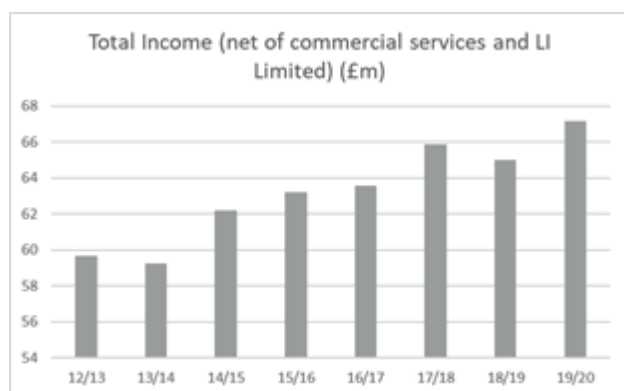
Over the year we actively managed a number of risks to the delivery of our strategy. The primary risks, were:

- **Coronavirus** – Managing the impact on operations of the global coronavirus (COVID-19) pandemic dominated the last two months of the year, with the AHDB response co-ordinated through our Business Continuity Plan team
- **Exiting the EU** – This continues to create some degree of uncertainty, both for our industry and for AHDB as an organisation. There are both risks and opportunities, including potential structural change to the industry
- **Data and information management/cyber security** – As with many organisations, we have faced increasing cyber risks, with the number of attempts of spearphishing and ransomware attacks escalating over recent years
- **Health and safety** – A new health and safety dashboard and a revised health and safety training policy gave the Board and Leadership Team greater management control of the risks in this important area
- **Legacy pension schemes** – The organisation is responsible for the funding of two legacy defined benefit pension schemes which are vulnerable to market volatility
- **Support of levy payers** – AHDB's reputation is vital to maintaining the engagement and support of levy payers. The clarity and effectiveness of our communications needs to be managed alongside consistent excellence in delivery
- **Project management** – With our focus on larger, more ambitious projects, there has been a need to enhance the sophistication of our project management approach
- **Livestock Information Programme (LIP)** – Building a new multispecies animal traceability system for England carries a number of risks, particularly those associated with the build of a new IT system and its integration with legacy IT systems
- **Request for Views** – The results of this government consultation on AHDB were published on 20 April 2020 showing an appetite for change in AHDB's governance, how we demonstrate value for money and the holding of a regular ballot on levies/strategy
- **VAT status** – Throughout 2019/20 the VAT status of AHDB levies remained under review by HMRC. If the VAT status of the levies were changed, then AHDB would no longer be able to reclaim input VAT on supplies, potentially costing AHDB an estimated £5.5 million per annum.

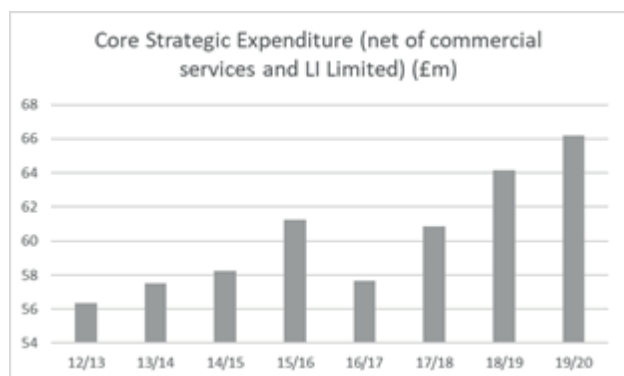
Detail on AHDB's risk appetite and further information on these primary risks and the results of internal audits and progress made on other internal governance matters can be found in the governance statement, page 18.

Financial performance

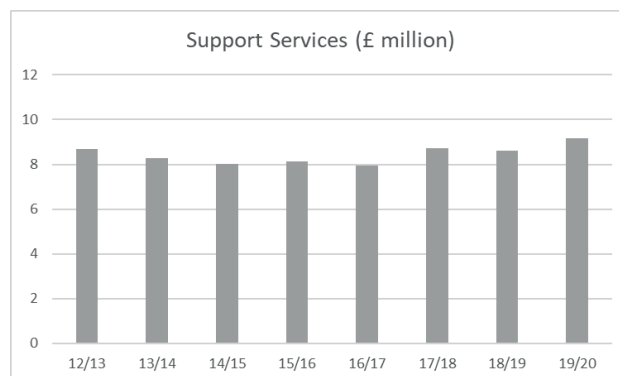
Our total income for core activities during 2019/20 (excluding any commercial or LI Limited activities) was £67.2 million (2018/19 £65.0 million), whilst operating expenditure on core strategic activities was £66.2 million (2018/19, £64.2 million). Excluding pension asset/liability movements and revaluation we closed the year with an underlying deficit of £0.6 million attributable to AHDB activity. Including LI Limited, the underlying AHDB Group deficit was £2.6 million; more details about the Group results are available in the Accountability Report, Financial results on page 16.



Gross levy income for 2019/20 was £1.8 million higher due primarily to increased production in the Cereals and Oilseeds sector, along with increased activity in the red meat sectors, and EU grant income was £0.3 million higher than in 2018/19. Expenditure on core strategic activities increased in Research and Knowledge Exchange, Trade Development (Exports), Livestock Information Programme and Digital and Creative, and decreased in Levy Payer Communications.



During 2019/20, AHDB ring-fenced £2 million of red meat levies to be spent on activities that had been jointly agreed with the red meat levy boards in Wales and Scotland. This recognised that a proportion of cattle, sheep and pigs slaughtered in England, which gives rise to the levy that AHDB collects, spend much of their economic lives in Wales and Scotland. This fund was spent on agreed activities that provided benefits to levy payers across Great Britain. Defra is working with the Scottish and Welsh governments and the levy bodies to provide a solution through the Agriculture Bill to allow a scheme to redistribute such red meat levy among the levy bodies.



AHDB has invested in its support capability, where necessary, for example, to support developments in cyber security, support front-line staff working with levy payers and to support LI Limited. Central support is expected to account for around 9% of income per annum for the next few years, due to the complexities of our organisation, governance and statutory requirements. For example, the imperative that we are able to hypothecate levies to six individual sectors, and the servicing of six sector boards, and associated panels and committees.

Our sector boards, associated staff costs and historic sector-specific costs account for circa 4% income. A breakdown of how the levy from each sector is spent can be found in Note 2a on page 44.

Advertising and publicity: Marketing, which includes advertising and publicity, plays a key role in a number of our delivery programmes across trade development, export development, levy payer communications and digital and creative output which include website development, video and graphic design. In 2019/20, AHDB spent £10.9 million on marketing (£11.6 million in 2018/19). Further information can be found on page 9 under the section *Delivering against corporate priority – Domestic market*, on page 9 under the section *Delivering against corporate priority – Export* and in Table 2a on page 44.

Corruption and bribery: AHDB is committed to ensuring that the risk of fraud, corruption and bribery in all its forms is minimised. Our anti-fraud policy and gifts and hospitality policy inform staff of our approach to this serious area and incorporate a fraud response plan. We follow the Nolan Committee's seven principles of public life and these, together with our policies, and our financial systems and checks, contribute to minimising risk in this area.

Human rights and social matters

Our people are essential to delivering our outcome-focused work for farmers, growers and processors. As a responsible employer, we are committed to equality and diversity in the workplace, and train and develop our management teams to embrace the values of our policy. During 2019/20, we continued to implement our Succession Planning and Talent Management Strategy, and, as part of our long-term commitment to diversity, inclusion and gender balance, we continued to actively review the issue of gender pay. The services we deliver to levy payers are designed to promote a successful agricultural and horticultural sector, which supports successful rural communities (see the Staff report on page 23).

Sustainable development performance

We act responsibly as an employer and as an organisation through such mechanisms as encouraging car sharing, waste recycling and purchasing from sustainable sources, where possible.

Strategy for sustainability: AHDB's Environmental and Sustainability Strategy was produced in March 2017 to help reduce AHDB's carbon footprint. A Green Forum of staff members was established to help drive and review progress on the strategy, as well as to act as a champion in raising awareness around the organisation. Meetings were held quarterly in 2019. The meeting chair also achieved a certificate as an Associate Member of the Institute of Environmental Management & Assessment (IEMA).

Greenhouse gas emissions: AHDB's carbon footprint, measured in tonnes of CO₂, (see table), shows that travel accounted for more than half of the emissions during the year, reflecting the nature of AHDB's business.

Fleet: At the year end, AHDB was liaising with Defra and the Environment Agency to ensure we align with the UK Government's environmental strategy targets.

At 31 March 2020 AHDB had five commercial vehicles on its fleet, one of which is a fully electric Nissan ENV200. The average CO₂ emission of the commercial fleet is 125gsm. AHDB had 84 vehicles on its company car fleet, including seven ultra-low emission vehicles (ULEV). 83 vehicles meet Euro 6 standard. In addition there were five company cars on order, four of which are hybrids.

AHDB actively encouraged staff to seek alternatives to long-distance driving through use of webinars, digital conferencing and video facilities. This behaviour change was given a significant boost by the enforced home-working at the end of the year due to the coronavirus outbreak, which reinforced and embedded a behavioural change.

Finite resource consumption: On water, our HQ used 1,140 cubic metres during 2019/20, down marginally on the 1,194 cubic metres used in 2018/19.

AHDB greenhouse gas emissions:

Greenhouse Gas Emissions	Year ended 31 March 2020		Year ended 31 March 2019	
	Measure	Tonnes CO ₂	Measure	Tonnes CO ₂
Scope 1: Direct Emissions				
Bulk Fuels:				
Vehicles (miles)	1,256,084	363	1,113,905	321
Heating oil (litres)	6,001	16	2,000	5
Gas (kWh)	19,548	4	23,669	4
Scope 2: Energy Indirect				
Electricity (kWh)	998,970	253	804,347	226
Scope 3: Other Indirect Emissions:				
Rail travel (miles)	212,884	13	256,727	17
Air travel (miles)	358,653	61	610,943	122
Travel by non-AHDB-owned transport (miles)	598,341	173	961,209	277
Waste management (tonnes)	31	7	30	7
Total		890		980
Tonnes/£m income		13.3		14.4

Waste minimisation and management: Although there are still no council-run waste-recycling collections at our main office site, we recycle waste paper, cardboard, plastic bottles and printer cartridges. During 2019/20, we recycled 15.41 tonnes of our waste with a further 17.44 tonnes going to landfill; 1.9 tonnes was collected as food waste.

Sustainable procurement: AHDB procurement strategy requires sustainable sourcing where feasible. We used the UK Government's Energy Performance Contract for our energy (gas and electricity). Our paper comes from sustainable sources and our leased vehicle fleet has moved towards hybrid vehicles.

Sustainable construction: AHDB undertook no material construction or refurbishment during 2019/20.

Climate change adaptation: We continued to encourage the conservation and enhancement of on-farm biodiversity, soils and water as a positive business benefit within areas of our research and knowledge transfer work. We lease our main offices and the responsibility for the natural environment of Stoneleigh Park rests with our landlord.

Performance analysis

Our farmers, growers and processors quite rightly expect to see a return on their levy investment. During 2019/20, AHDB continued to improve how we demonstrate good value for money through greater focus on appraising and evaluating our work, measuring performance and impact.

AHDB now examines all proposed levy-payer-facing activities costing over £50,000 through a standard 'Investment Test' to ensure they fit with our strategy and can demonstrate value for money. We ensured all existing activity meeting the threshold was appraised through the Investment Test process in 2019.

To assess the impact of our work, we have also put in place a more rigorous bottom-up programme of evaluation of all our levy-payer-facing activities.

Key performance indicators

AHDB has a set of corporate key performance indicators (KPIs) outlined in our Strategy 2017-2020. These track the progress of both the industry and AHDB's performance against headline measures.

Six of these measures are based around an annual levy payer satisfaction survey. Three of these six measures showed little annual improvement and didn't meet the three year targets set. Now we are at the end of the 2017-2020 strategy, the AHDB Board and Leadership Team are overseeing a piece of work to identify, analyse and test what lies behind these responses and understand what motivates different groups to engage in different ways. Evidence from levy-payers actively engaged with AHDB services shows distinctly more positive levy-payer feedback. Therefore, we will need fresh approaches to lifting levy-payer engagement across the industry as we roll out the next five year strategy. The work underway will inform changes in our future activities, our communications and ways of measuring.

1. Improvements in productivity and competitiveness that come as a result of our activities

Tracking industry progress in key areas such as productivity, profitability and output enables us to see industry changes as a result of our activities. These measures may change as a result of factors outside of our direct control, for instance weather and exchange rates. So, while they do not necessarily measure the impact and effectiveness of AHDB in isolation, they provide a useful indicator of progress. 2017 numbers re-stated due to HM Revenue and Customs regularly publishing updated data.

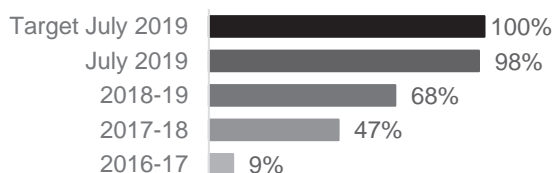
Measure	2013	2017	2018	% Change 2013 - 2018
Agriculture GVA (Gross value added)	£9,400 million	£10,212 million	£9,586 million	2%
Net trade balance for food and agricultural products	-£23,082 million	-£24,617 million	-£24,295 million	-5%
UK total factor productivity (2010 = 100)	100	106	104	4%
Total income from farming (TIFF)	£5,841 million	£5,720 million	£4,644 million	-20%
Agricultural income within TIFF	£30,319	£29,418	£23,643	-22%
Total value of all UK exports in food, drink and agri-products	£20,470 million	£22,316 million	£22,517 million	10%
Value of UK exports for unprocessed products directly supported by AHDB export activity	£2,406 million	£2,544 million	£2,466 million	2.5%

2. A higher return on investment for levy raised and an ability to demonstrate it

Measure: Formal appraisal of all levy-payer-facing spend over £50,000 takes place before spend is committed

Target: All levy-payer-facing spend appraised by July 2019

Percentage of programmes of work appraised by Investment Test



Performance: 98% of all levy-payer-facing activity within our current AHDB Strategy 2017-2020 was appraised internally by the Investment Test process by July 2019; this included all new activity since April 2016. One programme of work was outstanding and was appraised in November 2019

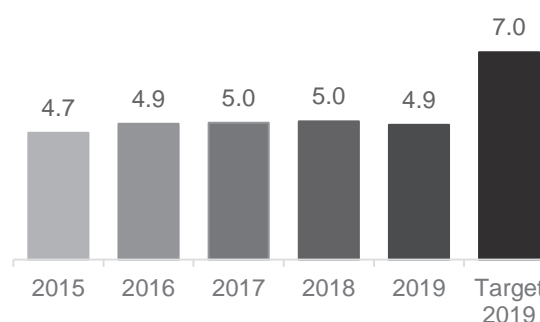
Measure: Formal evaluation processes are embedded across the organisation

Target: An annual evaluation summary report and triennial performance report produced

Performance: The evaluation report was produced in April 2020 to finalise appraisal of our current AHDB Strategy 2017-2020, demonstrating an estimated return on investment for some programmes of work

Measure: Levy payers are confident that levy investment delivers good value

Target: Average rating of 7 out of 10 by 2019

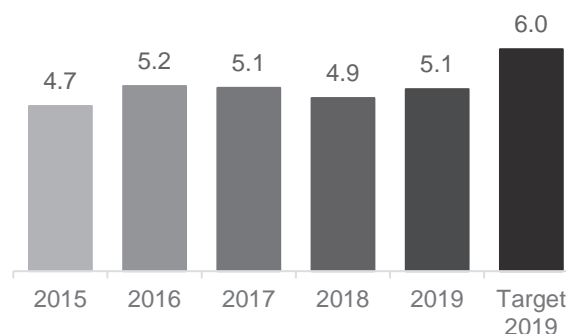


Source: AHDB Levy Payer Satisfaction Survey 2015-19

Performance: In 2019, levy payers rated AHDB at a mean score of 4.9 out of 10 in providing good value in return for levy. This remains similar to previous years. This target was not met. See the comment in the introduction to this section on page 12

Measure: Levy payer satisfaction with AHDB

Target: Average rating of 6 out of 10 by 2019

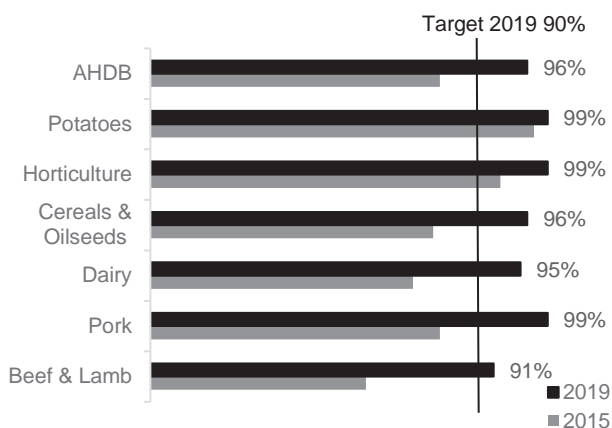


Source: AHDB Levy Payer Satisfaction Survey 2015-19

Performance: In 2019, levy payers rated their satisfaction with AHDB in meeting their business needs at a mean score of 5.1 out of 10. This remains similar to previous years, but a slight increase of 0.2 on 2018. This target was not met. See the comment in the introduction to this section on page 12

3. Recognition by the industry of AHDB as the knowledge house for the food and farming industry

Measure: Awareness of AHDB by sector
Target: 90% awareness of AHDB by 2019

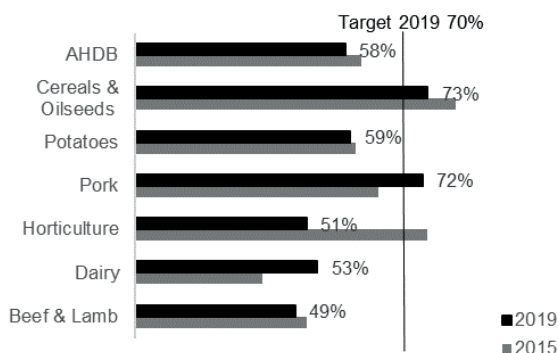


Source: AHDB Levy Payer Satisfaction Surveys 2015 and 2019

Performance: Awareness of AHDB in 2019 exceeded our target of 90% in all sectors. Awareness of AHDB was highest amongst the Potatoes, Horticulture and Pork sectors at 99%. Awareness of AHDB reached 96% overall, up from 83% in 2015

Measure: Percentage of all levy payers claiming to have made changes to farming or production methods and practices as a result of AHDB tools or services

Target: 70% making changes by 2019



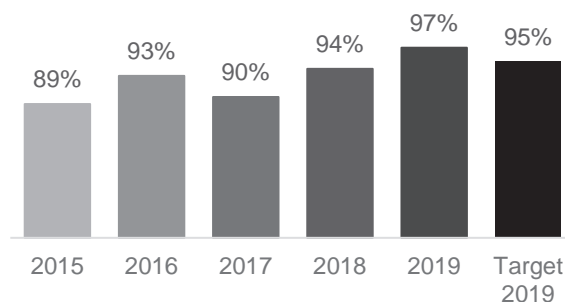
Source: AHDB Levy Payer Satisfaction Surveys 2015 and 2019

Performance: Levy payers making any changes to farming or production methods and practices as a result of AHDB tools or services reached 58% for AHDB overall in 2019, down from 61% in 2015. Cereals and Oilseeds and Pork are the only sectors to have met the 2019 target of 70%, at 73% and 72% respectively

4. A stronger appetite for AHDB services and information among leading producers

Measure: Awareness of AHDB among top-performing levy payers

Target: 95% awareness of AHDB by top-performing levy payers by 2019

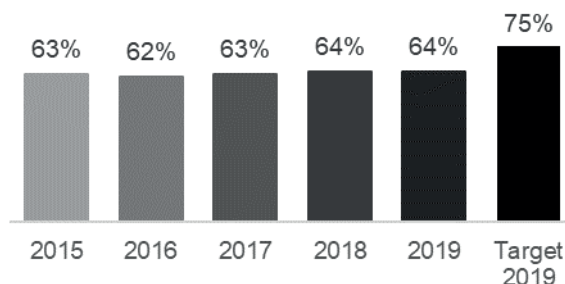


Source: AHDB Levy Payer Satisfaction Survey 2015–19

Performance: In 2019, there was a 97% awareness of AHDB among top-performing levy payers, classed as innovators or early adopters, one percentage point greater than awareness among all AHDB levy payers. This is an increase on 2018, exceeding our 2019 target of 95%

Measure: Percentage of the top-performing levy payers claiming to have made changes to farming or production methods and practices as a result of AHDB tools or services

Target: 75% of top-performing levy payers making changes by 2019



Source: AHDB Levy Payer Satisfaction Surveys 2015 and 2019

Performance: Changes to farming or production methods and practices as a result of AHDB tools or services were seen in 64% of top-performing levy payers in 2019. This remains similar to previous years. This target was not met. See the comment in the introduction to this section on page 12

Levies and levy ballot process

An ultimate test of levy payer satisfaction with our performance is provided under the AHDB Order 2008, the Statutory Instrument under which AHDB operates. It allows levy payers to request a ballot on the continuance of a particular levy. If 5% of levy payers in any sector write to AHDB, within a 90-day period, a ballot will be held for that levy and the results sent to Ministers for a decision. AHDB received no ballot requests during 2019/20. This ballot process will change in the future as a result of the Request for Views on the future of AHDB, published by Defra on 20 April 2020.

Since June 2019 our Horticulture Sector Board has been examining ways to modify the levy, with two distinct streams of work underway: 1) Exploring a phased reduction to the levy rate, and 2) Looking at amending the Statutory Instrument to update the calculation equation to better reflect modern growing practices. In March 2020, UK Ministers approved the AHDB Board recommendation for

the levy on horticulture products to be reduced by 10% with effect from 1 April 2020.

Board scrutiny

We are structured with six advisory committees, known as sector boards, which help the AHDB Board and staff to shape all of our strategic work programmes and to challenge and scrutinise delivery. This supplements the scrutiny provided by the Audit and Risk Assurance Committee – please see the governance statement for more information on page 18.



The sector boards also monitor that the levy raised from an industry sector has been spent to the benefit of that sector. This particular aspect is a requirement under the Statutory Instrument and is seen as very important by levy payers and farming unions. Our financial management processes and reports provide evidence that this is being delivered.

These sector boards are predominantly made up of levy payers, providing an important level of direct accountability for AHDB.

We ensure there is a regular turnover of sector board members and 16 replacement board members were recruited in the latter part of the year, 13 started on 1 April 2020 and three on 27 April 2020. The six industry specialists on the main AHDB Board act as the Chairs for the six sector boards. (A list of sector board members can be found on page 68).

During the past year, the main AHDB Board held six meetings. In addition, the six sector boards held 29 meetings between them (30 meetings in 2018/19; 33 in 2015/16).

Summary and look ahead

As the Minister, Victoria Prentis MP said in her foreword to the Request for Views consultation report: the AHDB is a vital resource as the industry transforms itself in the coming years. The responses show that the majority of respondents feel there is a need for a statutory levy to continue. The fragmented nature of some sectors of the farming industry means that there is a strong case for some form of statutory levy to support collective endeavour in areas such as market access, research and development, technical advice and knowledge exchange.

It is clear that many levy payers value AHDB's position as a trusted and independent source of information and expertise. Equally, the Request for Views revealed some areas where there is scope for improvement. It is apparent that respondents want to see an overhaul of the current structures of AHDB and a reform of its governance so that it is operating in a more modern and effective way. AHDB must take seriously the need to reduce bureaucracy, give greater accountability to levy payers and ensure a wider representation of levy-payer views.

I believe we have an extensive role to play, not only in helping drive the industry's future competitiveness, but in so many other areas. Managing the reputation of agriculture knowledge exchange and research, market development at home and overseas and consumer and retail insight – all of these factors and more will play a key role in driving the transformational change which the industry needs to meet the challenges that lie ahead and maximise the opportunities presented.

Jane King
Chief Executive and Accounting Officer
Agriculture and Horticulture Development Board

1 July 2020

Accountability report

Corporate governance report

Board's report

Introduction

AHDB is an executive non-departmental public body (NDPB) sponsored by Defra. As such, its Board is made up of members appointed by ministers, rather than directors. It was created on 1 April 2008, when the functions, responsibilities, assets and liabilities of five independent predecessor levy bodies were transferred to the Agriculture and Horticulture Development Board (AHDB). This transfer was in accordance with the Statutory Instrument (the Agriculture and Horticulture Development Board Order 2008), which defines AHDB's statutory purposes as:

- Increasing efficiency or productivity in the industry
- Improving marketing in the industry
- Improving or developing services that the industry provides or could provide to the community
- Improving the ways in which the industry contributes to sustainable development

AHDB provides the agriculture and horticulture sectors with cost-effective, relevant services, which support the sectors' long-term sustainability. Our strategy to deliver these services is described in the performance report on page 6.

The composition of the Board of AHDB is reported on page 4. Details of the Accounting Officer, who is the Chief Executive of AHDB, are reported on page 24.

Any interests held by AHDB Board Members in other relevant organisations are disclosed in Note 18 of the financial statements.

AHDB's corporate governance is described and reviewed in the governance statement on pages 18 to 22.

AHDB is funded by statutory levies paid by farmers, growers and others in the supply chain. Levies raised from each commodity sector are ring-fenced to ensure they only benefit the sector from which they were raised.

Financial results

AHDB's overall Group results show a net total comprehensive expenditure of £1.5 million (2018/19: expenditure of £5.0 million). The Group deficit for the year reduced as it includes a reduction in the historic defined benefit pension scheme deficit of £1.2 million, as opposed to an increase in the deficit of £4.1 million in 2018/19. Compared to 2018/19, gross levy income increased by £1.8 million and non-levy income fell by £2.6 million, mainly owing to discontinued commercial operations. The Group total operating expenditure (excluding pension items) was £0.9 million greater in 2019/20, along with net non-operating items being £0.15 million greater mainly due to the effect of a property revaluation. AHDB Group received funding from Defra, accounted as Financing through the Group reserves, to cover the expenditure undertaken by Livestock Information (LI) Limited.

The underlying core levy board deficit for the year was £0.6 million (2018/19: £0.9 million deficit), which excludes the impact of pension scheme movements, LI Limited and property revaluations. This underlying deficit was the continuation of the plan to reduce reserves towards their target level. More details about AHDB core levy board activity is available in the Performance Report, Financial Performance on page 11

The Group cash balance at the end of the year was £24.9 million. Cash at bank is a fundamental component of our reserves policy, which is designed to fund a fluctuating working capital cycle, as well as maintain a base fund to protect AHDB's ability to continue to provide levy-payer services, should circumstances lead to an unexpected short-term reduction in our income. Cash is usually at its lowest in the summer months. We plan to reduce reserves over the next three years to the Board approved target level.

Pension schemes

In accordance with the Government Financial Reporting Manual for the year ended 31 March 2020, AHDB accounts for its pension scheme obligations under the requirements of IAS 19 (revised): there are legacy pension schemes from the Meat and Livestock Commission (MLC) and Home Grown Cereals Authority (HGCA), with recognition of pension liabilities of £5.6 million and £0.7 million, respectively, in the AHDB statement of financial position. These assets and liabilities belong to the pension schemes and, in accordance with the Pension Scheme Surpluses (Valuation) Regulations 1987, are not available to AHDB.

At 31 March 2020 virtually all AHDB current employees were part of a defined contribution pension scheme. However, AHDB is the participating employer responsible for two legacy defined benefit pension schemes from MLC and HGCA two of the predecessor bodies that formed AHDB. These schemes are reported on in more detail in Note 17. The members of the schemes are previous employees of MLC and HGCA, many are pensioners, and most of the rest no longer work for AHDB (deferred members of the scheme). AHDB is responsible for ensuring members receive their benefits.

The MLC has a triennial valuation due on 31 March 2021, where the position of the scheme, if it remains in deficit would require investment from AHDB in the form of an enhanced recovery plan. However, it is not possible to predict what the position will be at that point and could be considerably better (or worse). Both pension schemes have taken steps to reduce the volatility they are exposed to through liability-driven-investment approaches, and the MLC scheme also has 68% of its liabilities covered by bought-in insurance policies.

Payment policy

AHDB's policy is to pay accounts according to suppliers' payment terms or, where such terms are not specified, to pay within 30 days of agreement of the amount invoiced.

Contractors

AHDB uses the services of specialist individual contractors to provide specific services where the resource is not available in-house and where it would not be commercially or operationally viable to provide the resource internally. During 2019/20, the cost of services provided by such contractors was £1,290k (2018/19: £1,186k).

Environmental issues (sustainable development)

Please see performance report on page 12.

Auditor

The external auditor of AHDB and its subsidiary Livestock Information Limited is the Comptroller and Auditor General (C&AG) who is appointed by statute for AHDB. Services are limited to the statutory audit and no fees were paid in respect of non-audit services.

Personal data-related incidents

AHDB has had no material data-related incidents that required reporting to the ICO. There were 17 personal data incidents logged during the year, with ten of these reported to Defra. All the incidents were used as opportunities to reinforce staff understanding and training and to also improve systems and processes. Data incidents ranged from the loss of encrypted AHDB mobile phones by members of staff through to a programming code error in the Farmbench system, giving some users access to data they shouldn't have been able to see.

A complaint made to the ICO during the 2018/19 financial year on AHDB's handling of a Subject Access Request (SAR) concluded during 2019/20 with agreed actions for AHDB to meet in responding to any future SARs. AHDB received one SAR during 2019/20.

Authorisation for issue

The Accounting Officer authorised these statements for issue on the date of the C&AG's audit certificate.

Statement of the Accounting Officer's responsibilities

Under the Agriculture and Horticulture Development Board Order 2008, the Secretary of State, with the consent of HM Treasury, has directed AHDB to prepare, for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of AHDB and of its income and expenditure, statement of financial position and cash flows for the financial year.

In preparing the accounts, AHDB and its Accounting Officer must comply with the requirements of the Government Financial Reporting Manual and, in particular, to:

- Observe the Accounts Direction issued by Ministers, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis
- State whether applicable accounting standards, as set out in the Government Financial Reporting Manual, have been followed, and disclose and explain any material departures in the financial statements
- Prepare the financial statements on a going-concern basis
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable, and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable

The Accounting Officer of the Department for Environment, Food and Rural Affairs has appointed the Chief Executive as the Accounting Officer of AHDB. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding AHDB's assets, are set out in Managing Public Money, published by the HM Treasury.

Disclosure of audit information to the Comptroller and Auditor General

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that AHDB's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

Governance statement 2019/20

AHDB is an executive non-departmental public body established under the Agriculture and Horticulture Development Board Order 2008. AHDB levy income is covered by HM Treasury rules for the governance of public money, and the Department for Environment, Food and Rural Affairs (Defra) acts as AHDB's 'sponsor' Government department. As AHDB's Accounting Officer, I am accountable to Ministers in Defra and the devolved administrations on the appropriate use of levy funds and corporate governance standards applicable to public bodies. A Framework Document sets out the arrangements within which AHDB, Defra and the devolved administrations are required to operate in their relationship.

As Accounting Officer, I am responsible for maintaining a sound process of governance and system of internal control that supports the achievement of AHDB's policies, aims and objectives, while safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

Governance framework – AHDB Board and committees

The AHDB Board normally consists of 10 members: the chairman, three independent members and six specialist members who are also chairs of the sector boards (see below). The members are appointed by Ministers from all four constituent countries of the UK – see listing on page 4.

In keeping with the corporate governance code for central government, the Board operates with the support of two subcommittees, an Audit and Risk Assurance Committee (ARAC), and a Remuneration and Nominations Committee.

In order to maintain customer focus, AHDB also operates with six committees, known as sector boards, representing the commodity sectors covered by its statutory remit. Sector boards comprise members appointed by AHDB to provide expertise on their specific sector and include at least one independent member per sector. Each board has functions delegated from the AHDB Board, including to develop the most appropriate strategies to meet the challenges of their sector, within the framework of the AHDB Corporate Strategy.

The AHDB Board splits its time between corporate governance matters, monitoring performance and planning for the future. In particular, the Board has considered:

- The future strategy for AHDB and top line Request for Views feedback
- The Livestock Information Programme (LIP) and the establishment of Livestock Information Limited (LI Limited)
- Exiting the EU and its implications for the industry and AHDB
- The future of potato storage research
- Development of our Farmbench benchmarking system
- How we develop our communications and technical campaigns
- How we work closely in partnership with other bodies such as Quality Meat Scotland
- How we evaluate the effectiveness of our work
- Our ambition for the Farm Excellence network

Attendance of the Board members at the Board and Committee meetings held during the year, was:

	Board		ARAC		Remuneration	
	Available	Attended	Available	Attended	Available	Attended
Peter Kendall	6	6	N/A	N/A	4	3
Hayley Campbell-Gibbons	6	6	N/A	N/A	4	4
Sophie Churchill	6	5	4	3	N/A	N/A
Gwyn Jones	6	5	4	3	N/A	N/A
Will Lifford	6	6	4	4	N/A	N/A
George Lyon	6	6	N/A	N/A	4	4
Adam Quinney	6	6	N/A	N/A	4	4
Janet Swadling	6	6	4	4	N/A	N/A
Paul Temple	6	6	N/A	N/A	4	4
Mike Sheldon	6	6	4	3	N/A	N/A
Phil Huggon	N/A	N/A	4	4	N/A	N/A
David Neal-Smith	N/A	N/A	4	4	N/A	N/A

Please note: Phil Huggon and David Neal-Smith are members of ARAC only.

As at 31 March 2020 the following board members' terms ended, Sir Peter Kendall, Gwyn Jones and Will Lifford. Sophie Churchill's and Mike Sheldon's terms ended on 9 April 2020. There was one vacancy on the Board as at 1 April 2020.

Nicholas Saphir was appointed as Chair for three years from 1 April 2020 to replace Sir Peter Kendall. Sarah Pumfrett was appointed as an independent board member and Chair of ARAC for three years from 1 April 2020 to replace Will Lifford.

Mike Sheldon was reappointed for an additional two year term from 10 April 2020. Sophie Churchill agreed to have her term extended by three months from 10 April 2020.

CEO/Accounting Officer and Leadership Team attended Board meetings. There were no other changes during the 2019/20 financial year.

The AHDB Executive Leadership Team

The AHDB Leadership Team (listed on page 24) are the executives who are responsible for ensuring delivery of the strategy set by the Board, and supervising the day-to-day management operations within AHDB. The team meets weekly to monitor and review both the performance of the organisation and manage specific operational matters.

Board performance and effectiveness

The effectiveness of the Board is assessed by the Chair conducting individual appraisals of each Board member on an annual basis. The Board also assesses its own effectiveness by individually completing evaluations following each Board meeting. The process for assessing Board effectiveness includes annual completion by all Board members of a Board effectiveness review document (based on a National Audit Office (NAO) template). The results of the 2018/19 exercise were reviewed in May 2019 and areas for development were identified by the Board. The 2019/20 survey will be discussed in early 2020/21.

Conflicts of interest have been declared and monitored throughout the year. Conflicts that have needed to be managed include: Will Lifford as Chair of the LIP Programme Board / Interim Chair of LI Limited and also Chair of ARAC. Mike Sheldon as a member of AHDB ARAC, Chair of LI Limited ARAC and Non-Executive Director of LI Limited. Another member of the ARAC has chaired all discussions of LIP/LI Limited at ARAC meetings. The AHDB Board has also managed potential conflicts related to MLC Pension Scheme and HGCA Pension Plan for board members and senior executives who are also directors of the Pension Trustee company for the Scheme

and Plan by being clear in respective meetings which interest they represent and not participating in items where there is a conflict.

Audit and Risk Assurance Committee (ARAC)

Membership of the ARAC is detailed on page 4. Meeting attendance is covered in the table on page 19.

The broad thrust of the ARAC Terms of Reference is supporting the Accounting Officer with a constructive and challenging approach. The remit of the ARAC includes advising the Accounting Officer and Board on strategic processes for risk assessment, management and control, governance and the governance statement. It also considers the planned activity and results of both internal and external audit.

The ARAC has supervised the development of effective Board governance on behalf of levy payers. This has been achieved by ensuring processes are in place that enable the executive to be held to account. Such processes include informative and transparent reporting, internal audit of key operating systems, and risk assessments.

The ARAC is satisfied that the general level of management control is sufficient to assure the Board and levy payers that the focus of AHDB is on ensuring good value for the monies raised by the levies across all six sectors.

The ARAC ensured that it received enough information through the year to assure itself that sufficient progress was made on key areas including the Livestock Information Programme and data and information management/cyber security.

In reviewing the effectiveness of AHDB's internal control, the ARAC undertook the following key activities:

Internal control: Assurance was obtained that key internal control recommendations made by internal and external auditors have been implemented by management. ARAC requests explanations and agrees what remedial steps will be taken for any actions that have been delayed.

Financial reporting: An understanding of the current areas of greatest financial risk and how the executive is managing these effectively was obtained. Significant risks and exposures were discussed with management, and the internal and external auditors. Management's plans to minimise and manage such risks were discussed, including the ongoing VAT case (refer to specific risks, page 22), the contingency reserves policy and cash flow policy.

Internal audit: The activities and organisational structure of the internal audit function were reviewed and assurance was provided that no unjustified restrictions or limitations were imposed. The ARAC ensured that significant findings and recommendations made by the internal auditors were received and discussed on a timely basis and that management responded appropriately.

External audit: The external auditor's proposed audit scope and approach were reviewed and assurance was provided that no unjustified restrictions or limitations had been placed on the scope. The ARAC considered the independence of the external auditor, ensured that significant findings and recommendations were received and discussed on a timely basis and that management responded appropriately to recommendations.

Risk: Business risks were monitored and the risk policy reviewed. Please see below for more detail on risks.

Remuneration and Nominations Committee

Membership of the Remuneration and Nominations Committee is detailed on page 4, and attendance is recorded in the table on page 19. The Committee is chaired by an independent AHDB Board Member and includes three sector chairs from the Board, plus the AHDB Chair. The Remuneration and Nominations Committee meets at least twice a year, to:

- Approve the implementation of government guidelines on pay
- Assess the annual performance of the Chief Executive and Leadership Team
- Determine the strategic direction of compensation and benefits across the organisation, providing the AHDB Board with assurances on performance and reward
- Oversee the recruitment process for sector board members.

During 2019/20, the Committee reviewed the gender pay gap within AHDB and the actions being taken to reduce this. It also reviewed how car/fleet benefits were provided to staff, the sector board recruitment process and considered the triennial valuation for the HGCA Pension Plan, a legacy defined benefit pension scheme for which AHDB is the principal employer.

Quality of management information

The Board considers the quality of management information it receives as being acceptable for the purpose of enabling it to make its decisions to discharge its duties. There has been an improvement in the format and quality of information the Board received during 2019/20 and further work will be implemented when the new AHDB strategy is published with updated targets. In addition, the Terms of Reference of the ARAC has been clarified to explicitly include reviewing the effectiveness of systems that provide assurances about project and activity delivery.

Corporate governance effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the process of governance. My review of the effectiveness is informed by the work of the internal auditors and the Chief Officers within AHDB, who have responsibility for the development and maintenance of the governance processes and internal control framework, as well as comments made by the external auditor in its management letter and other reports.

I have been advised by the Board and the ARAC in my review of the effectiveness of the system of internal control. AHDB embraces the principles and requirements of good corporate governance. The process of corporate governance and system of internal control continued to be embedded throughout the organisation during the year ended 31 March 2020 and up to the date of approval of the Annual Report and Accounts, and accords with HM Treasury guidance.

The Board considers it has complied with the corporate governance in central government department's code of good practice insofar as it applies to externally funded arm's-length bodies. The only exception was that an independent person has not been involved in the review of board effectiveness over the past three years. The AHDB Board felt it would be more valuable to include independent

input into the review process for 2020/21 after the new chair and board members have been appointed, where it is likely to add more value as a new board develops its ways of working.

No significant internal control issues were brought forward from 2018/19 and no new ones were raised in 2019/20.

Whistleblowing policy

AHDB is committed to high standards of openness and accountability, and concerns about malpractice are taken very seriously. A disclosure to AHDB, based on an honest and reasonable suspicion that malpractice has occurred, is occurring or is likely to occur, will be protected. Employees who raise concerns reasonably and responsibly will not be penalised. During the financial year, there were no concerns raised under the whistleblowing policy.

The whistleblowing policy was reviewed during 2019/20 and considered by both the Board and the ARAC. An updated version was approved in January 2020. There were no whistleblowing cases during 2019/20.

Risk management

During the year ended 31 March 2020, as Chief Executive I acted as sponsor of AHDB's corporate governance and risk management programme, with the Chief Finance and Operations Officer operating as a key manager. We reviewed and updated the way we manage risks within AHDB, to better align the organisation with the latest thinking on risk management. A new risk management policy and appetite was approved by the Board in January 2020.

The risk management policy constitutes a key element of our internal control and corporate governance framework. Chief Officers and Directors, as Senior Team members, are responsible for ensuring that risks to the delivery of our strategy and to AHDB have been properly identified and assessed across their work areas. They are responsible for escalating risks to the Leadership Team for its attention, as appropriate.

Risk appetite

AHDB's risk appetite was reviewed and increased by the Board. It provides guidance to management on the level of risk considered appropriate, and recognises that an aversion to risk must not prevent AHDB from taking opportunities that will aid successful and innovative development in line with its strategic plan. Being prepared to take higher risks is matched by robust risk management and internal control environments to ensure those higher risks are taken with due consideration and with the appropriate management. An example of taking more risks is the joint work with Defra on the Livestock Information Programme.

The Board requires a low-risk appetite to be applied to matters impacting on health and safety or other legal and regulatory matters.

Specific risks

The primary risks that were identified and managed during the past year, were:

Coronavirus

Managing the impact on operations of the global coronavirus pandemic dominated the last two months of the year. The AHDB response was co-ordinated through its Business Continuity Plan team with the focus on:

- Implementing government advice
- Protecting staff and enabling safe and healthy home working
- Working with the wider industry to maintain food supplies
- Delivering meaningful services to farmers, growers and the food supply chain

Exiting the EU

In terms of the specific risk environment, exiting the EU continues to create some degree of uncertainty, both for our industry and for AHDB as an organisation. AHDB has assessed a number of risks in relation to Brexit, such as:

- Structural change to the industry and changes to AHDB levy income as a result
- The potential for changes to AHDB's remit brought about as a consequence of changes to agriculture policies across the UK (including devolved administrations)

While AHDB's primary focus in relation to Brexit is to help prepare our farmers, growers and industry for change, we continue to assess possible medium to long-term risks and opportunities of leaving the EU. We will closely follow negotiations on the future relationship between the UK and EU the terms of which are likely to have a significant bearing on our industry.

Data and information management/cyber security

As with many organisations, we face ever-increasing cyber risks, with the number of attempts of spear phishing and ransomware attacks escalating over recent years. Our Information Services team has been successfully managing these risks and has ensured staff remain aware and alert to the issues.

Our ongoing plans to improve our cyber security maturity were given greater focus and momentum over the last year through the appointment, in February 2019, of a Head of Information Management and Security. All staff are now required to annually complete an online training module on Managing Information Securely, in addition to the mandatory GDPR e-learning training module already in place on handling personal data.

Each Chief Officer is responsible for proper data handling within their area of responsibility. The organisation holds an Information Asset Register that is managed by the Data Protection Officer.

As with other organisations we continue to grow our maturity in this area, with the resulting reduction of risks in both GDPR and cyber security. See section on personal data-related incidents on page 17.

Health and safety

AHDB aims to ensure that excellence in health and safety management is embedded within the organisation. A new health and safety dashboard was implemented to give the AHDB Board and Leadership Team greater visibility of

health and safety trends. A revised health and safety training policy was adopted in 2019/20 and health and safety training was delivered to the AHDB Board and targeted staff groups during the year. After identification that a key area to develop further was the research unit at Sutton Bridge, a plan of activity was implemented as well as an ongoing programme of training that was maintained throughout the year and will continue to be run annually.

Legacy pension schemes

The organisation is responsible for the funding of two legacy defined benefit pension schemes. These schemes are vulnerable to the same potential risks all defined benefit schemes are and they did experience volatility during 2019/20. AHDB is working with the Trustee Directors to support the reduction of volatility in the schemes. Please see note 17 for more information.

Support of levy payers

The organisation's reputation is vitally important in terms of being able to maintain the engagement, support and influence with levy payers. The clarity and effectiveness of our communications is an important risk for the organisation to manage, as is the consistency of excellence in delivery.

Although exiting the EU has taken some of the focus of our communications for the past year, the greater ambition and risk appetite requires continued stringent justification of financial return. Management has developed tools to evaluate the returns on investment of both proposed and delivered activities. This important work is ongoing.

We are also developing our communications approach to focus on key campaigns around a few core messages that we want to get across effectively to farmers, growers and the industry.

Project management

AHDB has recognised that, with its' focus on larger, more ambitious projects and activities to deliver benefit to levy payers, there was a need to enhance the sophistication of our project management approach. The Project Management Office (PMO) has had a positive impact in this area, but it is recognised that there is still some way to go. AHDB's stated objective is to achieve P3M3 Level 3 for Project Management. Progress against this stated objective will be assessed in spring 2020.

The new strategy being developed will continue the process of reducing the number of work streams and projects we are undertaking in order to focus on those that can have the most impact on the industry.

Livestock Information Programme (LIP)

We are working in partnership with the industry and Defra to deliver the Livestock Information Programme (LIP) – a new multispecies animal traceability system for England. This is being delivered by Livestock Information Limited – a subsidiary company, jointly owned by Defra and AHDB. It is building a system which will replace three existing separate systems and deliver cost savings for government and added-value benefits for the industry.

The programme will identify and develop opportunities that will provide insight into how the industry operates, with the ambition to improve productivity and enhance competitiveness. A number of risks are being managed,

particularly those associated with the build of a new IT system, its integration with other existing IT systems and, in due course, its effective implementation with users in government and industry.

The impact of coronavirus is likely to impact workflow and timelines for this work.

Request for Views

A consultation on AHDB was run during the autumn of 2018 by Defra, the Welsh and Scottish Governments and developed in consultation with Northern Ireland's Department of Agriculture, Environment and Rural Affairs. The Board was briefed on the top-line findings in November 2019 which showed an overall majority in favour of retaining statutory levies but an appetite for change in governance, demonstrating value for money and the holding of a regular ballot on levies/strategy. The final Request for Views report and analysis was published by Defra on 20 April 2020.

VAT status

Throughout the 2019/20 financial year, the VAT status of AHDB levies remained under review by HMRC, with no decision made. If the VAT status of the levies was changed, then AHDB would no longer be able to effectively reclaim input VAT on supplies for levy-funded services, leading to a significantly increased cost of purchased goods and services, potentially costing AHDB an estimated £5.5 million per annum. This value in any given year is dependent upon the finally agreed application of any decision, the proportion of AHDB costs that incur VAT and the proportion of AHDB's other income generated from the supply of services.

HMRC has previously confirmed there will be no retrospective change. AHDB continued to take steps to identify the potential necessary changes to services if the VAT status of the levy were to change.

Internal audit and assurances

Throughout 2019/20, AHDB's internal audit function was outsourced to RSM. The function operates to standards defined in the Government Internal Audit Standards. The internal audit function has a central role in assessing the robustness of the implementation of the risk management strategy and management of internal controls across AHDB. It provides information on the various strengths and weaknesses, and advises on where improvements are necessary and desirable for the good governance of AHDB. The internal audit plan for AHDB is set annually and approved by the ARAC. RSM's annual internal audit report for 2019/20 gave the second highest rating of 'reasonable assurance' for AHDB, the same as the previous year. There are four possible rating categories, from 'Substantial' through 'Reasonable' and 'Partial' to 'No' assurance.

During 2019/20, the internal audit areas covered, were:

- Forecasting and Budgeting – reasonable assurance
- External Communication and Engagement – reasonable assurance
- Matrix Structure/Impact Reporting, advisory only – no assurance rating expected
- Legal Compliance, advisory only – no assurance rating expected
- Key Financial Controls – substantial assurance
- Market Intelligence – reasonable assurance

There were no high-priority recommendations made by RSM from the internal audits carried out during the year. Management undertook to implement the required actions and some were in progress before the end of the financial year.

AHDB has considered the overall management of internal control and governance throughout the year and can confirm there are no issues requiring specific disclosure beyond those explained above.

Internal audit arrangements for 2020/21 are for RSM to supply a full internal audit service for a third year. During 2020 we will go out to tender for internal audit services for 2021/22 and subsequent years.

Other assurances

During 2019/20, two areas of operation were accredited to ISO 9001 for their quality management systems. The ISO 9001 standard pulls together policies, processes and procedures safeguarding the quality, efficiency and consistency of our systems. Accreditation applies to primary data provision in our Market Intelligence division and services provided at our Sutton Bridge research facility.

Remuneration and staff report

Membership of the Remuneration and Nominations Committee

Membership of the Remuneration and Nominations Committee consists of five AHDB Board Members appointed by the Board. The Chair of the Committee throughout the year was George Lyon, an independent AHDB Board Member. The other members of the Committee as at 31 March 2020 were Hayley Campbell-Gibbons, Sir Peter Kendall, Adam Quinney and Paul Temple. Membership is reviewed periodically or on termination of a member's appointment to the Board.

Policy on the remuneration of the Board, Chief Executive and senior managers

The remuneration of Board members is determined by Defra Ministers. There are no pension arrangements or performance-related emoluments in place for any Board members.

The Remuneration and Nominations Committee's function in relation to its responsibilities regarding remuneration is as follows (a summary of the activity of the Committee regarding Nominations is included in the governance statement on page 18):

- Advise Defra on the number of days' commitment required from AHDB Board Members
- Set the remuneration for the sector board members
- Advise the Board, in consultation with Defra, on the performance objectives and remuneration terms linked to these objectives for the AHDB Chief Executive
- Advise the Board on the total remuneration packages for the senior managers in the AHDB Group, including pay, benefits and pension arrangements. The definition of senior managers is AHDB Chief Executive and Chief Officers
- Advise the Board, in consultation with the Chief Executive, on the proposals for any annual review for staff in general and have oversight of AHDB's salary structure
- Provide oversight to Board on the pension schemes

In detail, the Remuneration and Nominations Committee is specifically charged with determining AHDB's policy on the remuneration of those covered by the scope of this committee to ensure these packages are appropriate to attract, retain and motivate senior staff of appropriate calibre, in line with the needs of AHDB and the industry.

In this context, the Committee gives full consideration to the best-practice provisions for remuneration policy, contracts and compensation.

See tables on the following pages for full details of the remuneration of the Board and senior managers.

Methods used to assess whether performance conditions are met

The Committee considers and, if appropriate, approves the Chair of the Board's recommendation concerning the salary for the Chief Executive on an annual basis.

Proportion of remuneration which is subject to performance conditions

None of the remuneration of any AHDB Board Member is subject to performance conditions.

The amount of senior managers' remuneration that is subject to performance conditions, where agreed, is restricted under government pay guidelines to a maximum of 10% of salary. No members of the Leadership Team were eligible for performance-related pay in 2019/20.

Policy on duration of contracts, notice periods and termination payments

Ministers have the right to terminate the appointment of any Board member for any reason specified in the Statutory Instrument 2008 No. 576 (Schedule 2, paragraph 2(3)).

Board members may resign by written notice to the Secretary of State or other Ministers, if appropriate. This does not require a notice period and no termination payments apply.

Senior AHDB staff are appointed on permanent contracts. All their notice periods are six months to reflect the business needs of the organisation and any termination payments made would be on contractual terms only.

(Details of AHDB Board Members and Board statutory committees are shown on page 4. Sector board members are shown on page 68).

Contracts of employment for the Leadership Team

Set out below are details of the contracts of employment for AHDB's Leadership Team as at 31 March 2020.

	Contract start date	Contract expiry date	Contract notice period	Unexpired term
Jane King: Chief Executive Officer	01-Feb-15	Indefinite	6 months	Not applicable
Ken Boyns: Chief Finance and Operations Officer	01-Jul-16	Indefinite	6 months	Not applicable
Rebecca Geraghty: Chief Technical Officer	08-Oct-18	Indefinite	6 months	Not applicable
Tom Hind: Chief Strategy Officer	05-Oct-15	Indefinite	6 months	Not applicable
Richard Laverick: Chief LIP Officer	01-Sep-18	Indefinite	6 months	Not applicable
Christine Watts: Chief Communications and Market Development Officer	14-Jan-16	Indefinite	6 months	Not applicable

The contract start date is the date at which the employee took up their current position.

Remuneration of the Leadership Team (audited)

Set out below are details of the remuneration of AHDB's Leadership Team during the year to 31 March 2020. Benefits include the provision of a company car, private health cover and, where applicable, other miscellaneous allowances and holiday buy-back arrangements. No other non-cash benefits were provided.

	Basic salary (Bands of £5,000)		Bonus (Bands of £5,000)		Benefits in kind (Nearest £100)		Pension benefit (Nearest £000)		Total (Bands of £5,000)	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19 restated	2019-20	2018-19
Jane King: Chief Executive Officer	135-140	130-135	-	-	10,300	10,100	14,000	13,000	160-165	155-160
Ken Boyns: Chief Finance and Operations Officer	95-100	95-100	-	-	7,400	7,200	12,000	12,000	115-120	110-115
Rebecca Geraghty: Chief Technical Officer	80-85	80-85	-	-	11,300	8,100	1,000	20,000	95-100	110-115
Tom Hind: Chief Strategy Officer	105-110	105-110	-	-	7,400	5,900	11,000	11,000	125-130	120-125
Richard Laverick: Chief LIP Officer	90-95	85-90	-	-	7,400	7,200	9,000	9,000	105-110	105-110
Christine Watts: Chief Communications and Market Development Officer	115-120	110-115	-	-	6,600	6,600	12,000	11,000	130-135	130-135

Pension scheme particulars of the Leadership Team (audited)

Set out below are the pension scheme particulars of AHDB's Leadership Team during the year to 31 March 2020.

	Pension Scheme details	Employees contribution rate	Employers contribution rate
Jane King: Chief Executive	AHDB Group Personal Pension Plan	10.0%	10.0%
Ken Boyns: Chief Finance and Operations Officer	AHDB Group Personal Pension Plan	5.0%	12.5%
Rebecca Geraghty: Chief Technical Officer	HGCA Defined Benefit Scheme (to 31 Oct 2019)	6.5%	29.6%
Rebecca Geraghty: Chief Technical Officer	AHDB Group Personal Pension Plan (from 1 Jan 2020)	3.0%	6.0%
Tom Hind: Chief Strategy Officer	AHDB Group Personal Pension Plan	5.0%	10.0%
Richard Laverick: Chief LIP Officer	AHDB Group Personal Pension Plan	23.0%	10.0%
Christine Watts: Chief Communications and Market Development Officer	AHDB Group Personal Pension Plan	5.0%	10.0%

Pension entitlement of the Leadership Team: defined benefit schemes (audited)

Set out below are details of the pension benefits accrued at and earned by each of AHDB's Leadership Team who were members of a defined benefit scheme during the year to 31 March 2020.

	Total accrued pension			Cash equivalent transfer value		
	Annual entitlement as at 31-Mar-20 £'000	Real terms inc in year £'000	Annual entitlement as at 31-Mar-19 £'000	As at 31-Mar-20 £'000	Real terms inc in year £'000	As at 31-Mar-19 £'000
	Rebecca Geraghty: Chief Technical Officer *	25-30	0-2.5	25-30	761	138

* Active member of HGCA Defined Benefit Scheme until 31 October 2019

Total accrued pension

The accrued annual pension entitlement shown is the amount that would be paid each year on retirement, based on service to the end of the current year. The increase in the additional pension earned during the year excludes any increase for inflation.

Cash equivalent transfer value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. It is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. CETVs are calculated on the Trustee's current CETV basis, adopted for the HGCA Pension Plan.

Pension entitlement of the Leadership Team: defined contribution schemes (audited)

Set out below are details of the employer's contributions made on behalf of AHDB's Leadership Team who were members of a defined contribution scheme during the year to 31 March 2020.

	Employer's contributions	
	For the year ended 31-Mar-20	For the year ended 31-Mar-19
	£'000	£'000
Jane King: Chief Executive	14	13
Ken Boyns: Chief Finance and Operations Officer	12	12
Rebecca Geraghty: Chief Technical Officer	1	-
Tom Hind: Chief Strategy Officer	11	11
Richard Laverick: Chief LIP Officer	9	9
Christine Watts: Chief Communications and Market Development Officer	12	11

Fair pay report (audited)

In accordance with the requirements of the Hutton Fair Pay Review, AHDB is required to disclose the relationship between the remuneration of the highest-paid executive of AHDB and the median remuneration of AHDB's workforce.

The annualised banded remuneration, excluding pension benefit, of the highest-paid executive employed by AHDB at 31 March 2020 was £145k–£150k (2018/19: £140k–£145k). The range of remuneration for 2019/20 commenced at £10k–£15k (2018/19: £15k–£20k). The median remuneration of the workforce was £39,643, a ratio of 3.7 times compared to 2018/19 (£37,836, 3.8 times).

In 2019/20 and 2018/19, no employees received remuneration higher than the annualised amount paid to the Chief Executive. Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include employer pension contributions and the cash equivalent transfer value of pensions

Emoluments of AHDB Board Members (audited)

Set out below are details of the emoluments of AHDB's Board Members during the year ended 31 March 2020. No other cash or non-cash benefits were provided to AHDB Board Members.

	For the year ended 31-Mar-20 £'000	For the year ended 31-Mar-19 £'000
Peter Kendall: Chair of AHDB (Re-appointed 1 April 2017)	50-55	50-55
Hayley Campbell-Gibbons: Chair of AHDB Horticulture Sector Board (Appointed: 1 November 2018)	30-35	10-15
Sophie Churchill: Chair of AHDB Potatoes Sector Board (Appointed 10 April 2017, extended to 9 July 2020)	30-35	30-35
Gwyn Jones: Chair of AHDB Dairy Sector Board (Re-appointed 1 October 2016, extended to 31 March 2020)	30-35	30-35
Will Lifford: Independent Board Member of AHDB (Re-appointed 1 April 2016, extended to 31 March 2020)	10-15	10-15
George Lyon: Independent Board Member of AHDB (Re-appointed 1 April 2018)	10-15	10-15
Adam Quinney: Chair of AHDB Beef and Lamb Sector Board (Re-appointed 23 November 2018)	30-35	30-35
Mike Sheldon: Chair of AHDB Pork Sector Board (Re-appointed 10 April 2020, extended to 9 April 2022)	30-35	30-35
Janet Swadling: Independent Board Member of AHDB (Appointed: 31 May 2018)	10-15	5-10
Paul Temple: AHDB Chair of Cereals & Oilseeds Sector Board (Re-appointed 1 April 2018)	30-35	30-35

The emoluments of AHDB's Board Members during the year ended 31 March 2020 were paid on the basis that a certain number of planned days were worked. George Lyon was appointed as Chair of MLCSL as of 1 March 2016, and resigned when MLCSL was sold on 30 November 2018. He was paid nothing during 2019/20 (2018/19: £5-£10k) for this role. George Lyon was paid £0-5k for being a HGCA Pension Plan Trustee Director (2018/19 £0-£5k). Will Lifford was paid £0-£5k for additional days for chairing the Livestock Information Programme Board (LIP)/Interim Chair of LI Limited (2018/19 £0-£5k). Mike Sheldon was paid £0-5k for being an MLC Pension Scheme Trustee Director and £0-5k as a LI Limited board member (both nil in 2018/19). Full year equivalent during 2018/19 for Hayley Campbell-Gibbons and Janet Swadling £30-35k and £10-15k respectively.

Set out below are the details of Board members' terms of office (not subject to audit):

	Contract start date	Contract end date
Nicholas Saphir: Chair of AHDB	01-Apr-20	31-Mar-23
Peter Kendall: Chair of AHDB	01-Apr-14	31-Mar-20
Hayley Campbell-Gibbons: Chair of AHDB Horticulture Sector Board	01-Nov-18	31-Oct-21
Sophie Churchill: Chair of AHDB Potatoes Sector Board	10-Apr-17	09-Jul-20
Gwyn Jones: Chair of AHDB Dairy Sector Board	01-Oct-14	31-Mar-20
Will Lifford: Independent Board Member of AHDB	01-Apr-13	31-Mar-20
George Lyon: Independent Board Member of AHDB	01-Apr-15	31-Mar-21
Sarah Pumfrett: Independent Board Member of AHDB	01-Apr-20	31-Mar-23
Adam Quinney: Chair of AHDB Beef and Lamb Sector Board	23-Nov-15	31-Mar-21
Mike Sheldon: Chair of AHDB Pork Sector Board	10-Apr-17	09-Apr-22
Janet Swadling: Independent Board Member of AHDB	31-May-18	31-Mar-21
Paul Temple: Chair of AHDB Cereals and Oilseeds Sector Board	01-Apr-15	31-Mar-21

Nicholas Saphir and Sarah Pumfrett were both appointed for a three-year term from 1 April 2020. Sophie Churchill had her term extended for three months to 9 July 2020. Mike Sheldon had his term extended for two years to 9 April 2022.

Staff report

AHDB is supported by a dedicated team of permanent staff.

Staff costs and average numbers (audited): For the year ended 31 March 2020, we employed an average full-time equivalent ('FTE') of 496 staff (469 in previous year), of which 17 staff were funded through non-levy sources (10 in the previous year). A further four were employed under other contractual arrangements on levy activities and none on commercial operations (2018/19: five and none, respectively).

AHDB activity-based headcount has increased during 2019/20 for several reasons. Our Digital & Creative team has expanded further to meet the increasing demand. We also have additional headcount to develop the Livestock Information Programme, Dairy DIP programme in Wales and an increase for the bureau staff, providing services to AHDB and Defra, having transferred part way through 2018/19. There has also been an increased number of maternity covers required compared with previous years.

To ensure control of headcount numbers, we set the cap for 2020/21 at 499 FTE for levy-dependent posts.

Our staff turnover ran at 15.2%, down from 17.5% on the previous year (AHDB only). Total staff costs for 2019/20 were £25.0 million (2018/19: £27.9 million). Further breakdown of staff costs is included in Note 3 on page 48.

Staff composition: The gender split of the average full-time equivalent staff employed across the whole of AHDB in 2019/20 was 185 (37%) male and 311 (63%) female (2018/19: 43% male, 57% female). For staff working on levy-dependent activities, the split was 179 (37%) male and 301 (63%) female (2018/19: 37% male, 63% female). At 31 March 2020, of the six members of the Leadership Team, three were male and three were female (31 March 2019: three male, three female).

Sickness absence data: Absence due to sickness is monitored across the AHDB group (inc. LI Limited) and, in the year ended 31 March 2020, days lost through sickness equated to 6.7 days per full-time-equivalent employee or 2.9% of total attendance (2019: 6.8 days, 3.0%).

Annual staff survey: AHDB commenced a new Employee survey with Gallup Q12 survey in April 2018, which enabled us to more easily review data and benchmark with external organisations. The new survey is designed around 12 questions, which are grouped into a hierarchy of needs at work. An engagement index is produced, which allows AHDB to better compare our employee engagement with other companies. AHDB aspires to become an employer of choice and ongoing work continues to develop the organisational culture of AHDB. The survey was run in May 2019 for the second time and progress was made within the year moving from the 20th percentile to the 33rd percentile on our Staff Engagement rating. This progress is an indication that action planning and open dialogue, have increased the overall staff engagement. The plan for 2020 is to launch the "our voice" forum to ensure employee engagement is at the forefront of AHDB's people strategy.

Human resources (HR) strategy: During 2019/20, we implemented our HR strategy to support AHDB's purpose and corporate priorities. The components within the HR strategic work streams are aligned to:

- i. Delivering high-quality HR support to enable managers to maximise employee **performance and engagement**.
- ii. Developing and maintaining transparent and **consistently applied HR policies and procedures**.
- iii. Designing and **embedding a talent management framework** for recruitment, succession planning, talent management, leadership and development of employees.
- iv. Developing a transparent and equitable **reward structure**.
- v. Developing and maximising the use of **IT systems**.

Through the strategy, AHDB has been driving a change in culture towards a more performance-driven and learning organisation that will be more outcome-focused. The Succession Planning and Talent Management strategy approved by the AHDB Board was implemented in 2018/19. As part of that strategy, HR has successfully worked with managers to undertake succession planning for key roles.

The aim is to enable managers to further develop their skills, knowledge and understanding, ensuring that AHDB has a consistent approach to recruiting talent.

Gender pay gap: AHDB has a long-term commitment to diversity, inclusion and gender balance, and we are actively tackling the issue of gender pay as part of this. At April 2019, AHDB's mean gender pay gap was 19.5% and the median gender pay gap was 19.2% (April 2018: 21.0% and 20.4%, respectively). Progress is closely monitored on a regular basis towards our commitment to close the overall mean and median gender pay gap.

Consultants and off-payroll arrangements: AHDB spent £13k on the services of external consultants during 2019/20 (2018/19: £39k) and made the reportable off-payroll payments set out on page 29.

Additional Information (not audited)

Staff policies: The Leadership Team meets regularly and is charged with disseminating policy to staff through a system of team briefings, meetings and other staff communications.

We are committed to ensuring equality and diversity in the workplace and ensure we train and develop our management teams to embrace the values of our policy. We are registered as a Disability Confident employer and are working closely with Defra on an equality and diversity working group.

We recognise and accept our responsibility for the health, safety and welfare at work of all employees (on AHDB premises or on AHDB business elsewhere), in accordance with the Health and Safety at Work etc Act 1974 and all relevant health, safety and environmental codes of practice and legislation currently in force. We attach the greatest importance to the health, safety and welfare of employees and others who may be affected by our work.

Compensation and exit packages agreed for the year to 31 March 2020 (audited)

Exit packages cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	for the year ended 31 March 2020	for the year ended 31 March 2019	for the year ended 31 March 2020	for the year ended 31 March 2019	for the year ended 31 March 2020	for the year ended 31 March 2019
< £10,000	-	12	-	5	-	17
£10,000 - £25,000	-	-	-	2	-	2
£25,000 - £50,000	-	-	-	1	-	1
£50,000 - £75,000	-	-	-	-	-	-
£75,000 - £150,000	-	-	-	-	-	-
Total number of exit packages	-	12	-	8	-	20
Total cost	-	£26,129	-	£71,991	-	£98,120

Any exit packages were in accordance with relevant pension scheme rules and contractual entitlements. None of the exit packages related to senior managers in the years ended 31 March 2020 or 2019.

Off-payroll engagements

Off-payroll engagements as of 31 March 2020, for more than £245 per day and lasting for longer than six months

No. of existing engagements as of 31 March 2020	16
Of which...	
No. that have existed for less than one year at time of reporting	0
No. that have existed for between one and two years at time of reporting	0
No. that have existed for between two and three years at time of reporting	0
No. that have existed for between three and four years at time of reporting	2
No. that have existed for four or more years at time of reporting	14

New off-payroll engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020, for more than £245 per day and lasting for longer than six months

No. of new engagements, or those that reached six months in duration between 1 April 2019 and 31 March 2020	7
Of which...	
No. assessed as caught by IR35	0
No. assessed as not caught by IR35	7
No. engaged directly (via PSC contracted to AHDB) and are on the AHDB payroll	0
No. of engagements reassessed for consistency / assurance purposes during the year	3
No. of engagements that saw a change to IR35 status following the consistency review	0

The engagements noted in the 'new off-payroll engagements' table above relate to contracts that were novated from AHDB to LI Limited during the course of the reporting year and therefore do not appear in the 'off-payroll engagements' table which records the position as at 31 March 2020. There were no off-payroll engagements of Board members and/or senior officials with significant financial responsibility between 1 April 2019 and 31 March 2020.

Parliamentary accountability and audit report (audited)

Regularity of expenditure – AHDB has considered all of its activities during the year and confirms they are in accordance with the legislation authorising them. AHDB incurred no losses totalling more than £300,000 in the year or gifts or special payments totalling more than £300,000 in the year.

Contingent liabilities, Note 16 to the Accounts, details our contingent liabilities. There are no remote contingent liabilities.

Jane King
Chief Executive and Accounting Officer
Agriculture and Horticulture Development Board

1 July 2020

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament, the Scottish Parliament, the Welsh Parliament and the Northern Ireland Assembly

Opinion on financial statements

I certify that I have audited the financial statements of Agriculture and Horticulture Development Board for the year ended 31 March 2020 under the Natural Environment and Rural Communities Act 2006. The financial statements comprise: the Consolidated Statement of Comprehensive Net Expenditure, the Consolidated and AHDB Statements of Financial Position, the Consolidated and AHDB Statements of Movements in Reserves, the Consolidated and AHDB's Cash Flow Statements; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the group's and of Agriculture and Horticulture Development Board's affairs as at 31 March 2020 and of the group's and the parent's deficit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Natural Environment and Rural Communities Act 2006 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the Agriculture and Horticulture Development Board in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

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

- the Agriculture and Horticulture Development Board's use of the going concern basis of accounting in the

preparation of the financial statements is not appropriate; or

- the Agriculture and Horticulture Development Board have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Agriculture and Horticulture Development Board'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.

Responsibilities of the Board and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Board and the Chief Executive as Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Natural Environment and Rural Communities Act 2006.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the Agriculture and Horticulture Development Board's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures,

and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.
- Conclude on the appropriateness of the Agriculture and Horticulture Development Board use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agriculture and Horticulture Development Board or where relevant, the group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause Agriculture and Horticulture Development Board (or where relevant, the group) to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Other Information

The Board and the Accounting Officer are responsible for the other information. The other information comprises information included in the annual report, but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Natural Environment and Rural Communities Act 2006;

- in the light of the knowledge and understanding of the group and the parent and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and
- the information given in Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

3 July 2020

Financial statements 2019/20

Consolidated statement of comprehensive net expenditure for the year ended 31 March 2020

	Note	For the year ended 31-Mar-20 £'000	Continued £'000	For the year ended 31-Mar-19 £'000	Continued £'000	Discontinued £'000
Income						
Gross levy	2a	59,947	59,947	58,133	58,133	-
Non-levy sources	2a	7,224	7,224	9,890	6,877	3,013
Total income		67,171	67,171	68,023	65,010	3,013
Operating expenditure						
Levy collection						
Staff costs	2a, 3	(367)	(367)	(557)	(557)	-
Other costs	2a, 4	(880)	(880)	(734)	(734)	-
Core strategic activities						
Staff costs	2a, 3	(23,796)	(23,796)	(24,345)	(22,213)	(2,132)
Other costs	2a, 4	(44,375)	(44,375)	(42,882)	(41,364)	(1,518)
Current pension service cost	17f	(879)	(879)	(783)	(783)	-
Past pension service cost	17f	-	-	(2,213)	(2,213)	-
Total operating expenditure		(70,297)	(70,297)	(71,514)	(67,864)	(3,650)
Surplus/(deficit) on ordinary activities before interest and taxation		(3,126)	(3,126)	(3,491)	(2,854)	(637)
Interest receivable		118	118	135	129	6
Interest payable		(16)	(16)			
Other finance income relating to pension schemes	17e	(101)	(101)	(103)	(103)	-
Surplus/(deficit) on ordinary activities before taxation		(3,125)	(3,125)	(3,459)	(2,828)	(631)
Taxation	5	(23)	(23)	(25)	(24)	(1)
Surplus/(deficit) for the financial year		(3,148)	(3,148)	(3,484)	(2,852)	(632)
Other comprehensive income						
Surplus/(deficit) for the financial year		(3,148)	(3,148)	(3,484)	(2,852)	(632)
Net gain/(loss) on revaluation of property, plant and equipment	10	(121)	(121)	-	-	-
Net gain/(loss) on revaluation of pension assets and liabilities	17e	1,730	1,730	(1,539)	(1,539)	-
Total comprehensive income/(expenditure)		(1,539)	(1,539)	(5,023)	(4,391)	(632)
Attributable to:						
AHDB Share		(565)	(565)	(5,023)	(4,391)	(632)
NCI Share of Livestock Information Limited		(974)	(974)	-	-	-

Note 1:

These accounts incorporate movements in pension scheme assets and liabilities which do not form part of the reserves available for levy payer delivery activities. Those pension scheme liabilities recognised in the AHDB's accounts decreased by £1.2 million in 2019/20 (2018/19: increase of £4.1 million). Excluding pension scheme asset movements and revaluation of property, a deficit of £0.6 million excluding Livestock Information Limited (LI Limited), or £2.6 million including LI Limited was recorded in the year (2018/19: deficit of £0.9 million). Further information regarding pensions is shown in Note 17 to the accounts.

Note 2:

AHDB does not produce a separate parent statement of comprehensive income and net expenditure. The above statement reports the consolidated performance of the Group, including subsidiaries.

Note 3:

AHDB holds a controlling interest in LI Limited. AHDB holds 51% of member voting rights and holds influence over the appointments for a majority of Board Directors. AHDB has fully consolidated the financial results of LI Limited as part of the financial results for the AHDB Group. The other Member of LI Limited is Defra. Defra's interest is represented as a non-controlling interest in AHDB's consolidated statement of comprehensive net expenditure.

Note 4:

AHDB's share of the total comprehensive income/(expenditure) is comprised of its 51% share of LI Limited's deficit, being £1.0 million, and AHDB's stand-alone surplus of £0.4 million including pension movements and property revaluations.

The notes on pages 38 to 43 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

as at 31 March 2020

	Note	As at 31-Mar-20		As at 31-Mar-19	
		£'000	£'000	£'000	£'000
Non-current assets					
Property, plant and equipment	6	2,074		2,745	
Intangible assets	8	3,658		-	
Receivables due greater than one year		-		250	
Total non-current assets			5,732		2,995
Current assets					
Trade and other receivables	11	12,887		11,377	
Cash at bank and in hand	12	24,861		26,976	
Total current assets			37,748		38,353
Total assets			43,480		41,348
Current liabilities					
Trade and other payables	13	(13,281)		(12,721)	
Total current liabilities			(13,281)		(12,721)
Non-current assets plus net current assets			30,199		28,627
Non-current liabilities					
Pension liability	17f	(6,303)		(7,471)	
Total non-current liabilities			(6,303)		(7,471)
Net assets			23,896		21,156
Reserves					
Accumulated funds		26,691		28,424	
Total pension reserve		(6,303)		(7,471)	
Revaluation reserve		-		203	
Financing					
Financing from sponsoring department		2,286		-	
Financing from sponsoring department - Non Controlling Interest share		2,196		-	
Non Controlling Interest Surplus/(Deficit) for the year		(974)		-	
Total reserves			23,896		21,156

Note 1:

AHDB holds a controlling interest in Livestock Information Limited (LI Limited). AHDB holds 51% of member voting rights and holds influence over the appointments for a majority of Board Directors. AHDB has fully consolidated the financial results of LI Limited as part of the financial results for the AHDB Group. The other Member of LI Limited is Defra. Defra's interest is represented as a non-controlling interest in AHDB's consolidated statement of financial position.

The financial statements on pages 32 to 66 were approved by the AHDB Board and signed on its behalf, by:

Nicholas Saphir
Chair

Jane King
Chief Executive and Accounting Officer

1 July 2020

AHDB statement of financial position as at 31 March 2020

	Note	As at 31-Mar-20		As at 31-Mar-19	
		£'000	£'000	£'000	£'000
Non-current assets					
Property, plant and equipment	7	1,683		2,033	
Intangible assets	9	195			
Investments	10	391		712	
Receivables due greater than one year	11	-		250	
Total non-current assets			2,269		2,995
Current assets					
Trade and other receivables	11	12,900		11,377	
Cash at bank and in hand	12	24,823		26,976	
Total current assets			37,723		38,353
Total assets			39,992		41,348
Current liabilities					
Trade and other payables	13	(12,288)		(12,721)	
Total current liabilities			(12,288)		(12,721)
Non-current assets plus net current assets			27,704		28,627
Non-current liabilities					
Pension liability	17f	(6,303)		(7,471)	
Total non-current liabilities			(6,303)		(7,471)
Net assets			21,401		21,156
Reserves					
Accumulated funds		27,704			28,627
Total pension reserve		(6,303)			(7,471)
Total reserves			21,401		21,156

The financial statements on pages 32 to 66 were approved by the AHDB Board and signed on its behalf, by:

Nicholas Saphir
Chair

Jane King
Chief Executive and Accounting Officer

1 July 2020

Consolidated cash flow statement for the year ended 31 March 2020

	Note	For the year ended 31-Mar-20 £'000	For the year ended 31-Mar-19 £'000
Cash flows from operating activities			
Surplus/(deficit) on ordinary continued activities before taxation	2a	(3,125)	(2,828)
Surplus/(deficit) on discontinued activities before taxation	2a	-	(631)
Adjustments for:			
Interest receivable		(118)	(135)
(Profit)/loss on transfer of subsidiary		-	(295)
Depreciation and amortisation	6	242	260
Current pension service cost	17e	879	783
Past service cost	17e	-	2,213
Other finance income	17e	101	103
(Increase)/decrease in inventories		-	12
(Increase)/decrease in trade and other receivables	11	(1,260)	397
Increase/(decrease) in trade and other payables	13	560	319
Tax paid		(23)	(25)
Defined benefit scheme pension contributions paid	17f	(418)	(525)
Cash flows from operating activities		(3,162)	(352)
Cash flows from investing activities			
Interest received		118	135
Profit/(loss) on transfer of subsidiary		-	295
Payments to acquire property, plant and equipment	6	(77)	(202)
Payments to acquire intangible assets	8	(3,476)	-
Cash flows from investing activities		(3,435)	228
Cash flow from financing activities			
Financing from sponsoring department		2,286	-
Financing from sponsoring department - Non Controlling Interest		2,196	-
Cash flows from financing activities		4,482	-
Increase in cash and cash equivalents		(2,115)	(124)
Balance at 1 April 2019		26,976	27,100
Net change in cash and cash equivalents		(2,115)	(124)
Balance at 31 March 2020	12	24,861	26,976

Note 1:

AHDB holds a controlling interest in Livestock Information Limited (LI Limited). AHDB holds 51% of member voting rights and holds influence over the appointments for a majority of Board Directors. AHDB has fully consolidated the financial results of LI Limited as part of the financial results for the AHDB Group. The other Member of LI Limited is Defra. Defra's interest is represented as a non-controlling interest in AHDB's consolidated cash flow statement.

AHDB cash flow statement

for the year ended 31 March 2020

	For the year ended 31-Mar-20 £'000	For the year ended 31-Mar-19 £'000
Cash flows from operating activities		
Surplus/(deficit) on ordinary activities before taxation	(1,139)	(2,385)
Adjustments for:		
Interest receivable	(118)	(129)
(Profit)/loss on transfer of subsidiary	-	(295)
Distribution of profits from subsidiary	-	(700)
Depreciation and amortisation	232	250
Depreciation of asset held in investment	11	11
Current pension service cost	879	783
Past service cost	-	2,213
Other finance income	101	103
(Increase)/decrease in trade and other receivables	(1,273)	(186)
Increase/(decrease) in trade and other payables	(433)	920
Tax paid	(23)	(24)
Defined benefit scheme pension contributions paid	(418)	(525)
Cash flows from operating activities	(2,181)	36
Cash flows from investing activities		
Interest received	118	129
Profit/(loss) on transfer of subsidiary	-	295
Distribution of profits from subsidiary	-	700
Payments to acquire property, plant and equipment	(77)	(202)
Payments to acquire intangible assets	(13)	
Cash flows from investing activities	28	922
Increase in cash and cash equivalents	(2,153)	958
Balance at 1 April 2019	26,976	26,018
Net change in cash and cash equivalents	(2,153)	958
Balance at 31 March 2020	24,823	26,976

Consolidated statement of movement in reserves for the year ended 31 March 2020

	Note	Accumulated reserve £'000	Financing reserve £'000	Pension reserve £'000	Revaluation reserve £'000	Total reserves £'000
Balance at 1 April 2018		29,334	-	(3,358)	203	26,179
Surplus/(Deficit) for the year	2b	(3,484)	-	-	-	(3,484)
Pension(loss)/gain	17f	-	-	(1,539)	-	(1,539)
Other comprehensive income		-	-	(1,539)	-	(1,539)
Transfers from pensions reserve		2,574	-	(2,574)	-	-
Balance as at 31 March 2019		28,424	-	(7,471)	203	21,156
Surplus/(Deficit) for the year	2a	(3,148)	-	-	-	(3,148)
Net gain/(loss) on revaluation	2a	(121)	-	-	-	(121)
Pension gain/(loss)		-	-	1,730	-	1,730
Other comprehensive income		(121)	-	1,730	-	1,609
Net gain/(loss) on revaluation					(203)	(203)
Transfers from pensions reserve		562	-	(562)	-	-
Grants from sponsoring department		-	2,286	-	-	2,286
Non Control Interest - Livestock Information Limited		-	2,196	-	-	2,196
Balance as at 31 March 2020		25,717	4,482	(6,303)	-	23,896

Reserves are allocated to the reporting segments as detailed below:

AHDB Beef & Lamb		8,012	-	(3,733)	-	4,279
AHDB Cereals & Oilseeds		5,882	-	(703)	-	5,179
AHDB Dairy		3,130	-	-	-	3,130
AHDB Horticulture		5,334	-	-	-	5,334
AHDB Pork		3,908	-	(1,867)	-	2,041
AHDB Potatoes		1,438	-	-	-	1,438
Livestock Information Limited		(1,987)	4,482	-	-	2,495
Total		25,717	4,482	(6,303)	-	23,896

Explanatory notes:

Pension reserve

All assets and liabilities in relation to the MLC and HGCA Pension Schemes, in accordance with the Pension Scheme Surpluses (Valuation) Regulations 1987, are separately ring-fenced from AHDB's normal operating activities and relate to the red meat (i.e. AHDB Beef & Lamb, and AHDB Pork) and AHDB Cereals & Oilseeds sectors respectively only, having no financial impact on any other sector within AHDB.

AHDB holds a controlling interest in Livestock Information Limited (LI Limited). AHDB holds 51% of member voting rights and holds influence over the appointments for a majority of Board Directors. AHDB has fully consolidated the financial results of LI Limited as part of the financial results for the AHDB Group. The other member of LI Limited is Defra. Defra's interest is represented as a non-controlling interest in AHDB's consolidated movement in reserves.

AHDB statement of movement in reserves for the year ended 31 March 2020

	Accumulated reserve £'000	Pension reserve £'000	Total reserves £'000
Balance at 1 April 2018	28,463	(3,358)	25,105
Surplus for the year	(2,410)	-	(2,410)
Pension (loss)/gain	-	(1,539)	(1,539)
Other comprehensive income	-	(1,539)	(1,539)
Transfers from pensions reserve	2,574	(2,574)	-
Balance as at 31 March 2019	28,627	(7,471)	21,156
Deficit for the year	(1,161)	-	(1,161)
Net gain/(loss) on revaluation	(121)	-	(121)
Pension gain/(loss)	-	1,730	1,730
Other comprehensive income	(121)	1,730	1,609
Net gain/(loss) on revaluation	(203)	-	(203)
Transfers from pensions reserve	562	(562)	-
Balance as at 31 March 2020	27,704	(6,303)	21,401

Reserves are allocated to the reporting segments as detailed below:

AHDB Beef & Lamb	8,012	(3,733)	4,279
AHDB Cereals & Oilseeds	5,882	(703)	5,179
AHDB Dairy	3,130	-	3,130
AHDB Horticulture	5,334	-	5,334
AHDB Pork	3,908	(1,867)	2,041
AHDB Potatoes	1,438	-	1,438
Total	27,704	(6,303)	21,401

Notes to the financial statements

1. Principal accounting policies

The accounts are prepared in accordance with the Agriculture and Horticulture Development Board Order 2008 and the accounts direction issued by the Secretary of State for Environment, Food and Rural Affairs. The accounts direction requires compliance with HM Treasury's Financial Reporting Manual (FReM) and any other guidance issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS), as adapted or interpreted for the public sector.

Where the FReM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the non-departmental public body (NDPB) for the purpose of giving a true and fair view, has been selected. The particular policies adopted by the NDPB are described below. They have been applied consistently in dealing with items that are considered material to the accounts. AHDB applies accounting standards upon formal adoption in the FReM.

IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, requires disclosures in respect of new IFRSs, amendments and interpretations that are, or will be, applicable after the reporting period. IFRS 16 has been issued by the International Accounting Standards Board and is applicable for annual reporting periods commencing 1 January 2019 and will be adopted by the FReM for future reporting periods from 1 April 2021, and will supersede all existing IFRS standards on leases.

IFRS 16 will be adopted from 1 April 2021 and is expected to have a considerable impact in financial reporting terms. Upon transition, AHDB will adopt the modified retrospective approach and intends to apply the available practical expedients as directed by the FReM. The initial lease liability will be calculated by reference to the remaining lease payments discounted at an appropriate rate at the date of initial application. The corresponding Right of Use Asset will be calculated by reference to the lease liability adjusted for any prepaid or accrued lease payments immediately before the date of initial application. It is anticipated, that if IFRS 16 was adopted at 1 April 2020, it would require additional assets, with an initial recognisable value of £5.3 million to be recognised on the balance sheet, with a corresponding £5.3 million lease liability, and therefore no impact on net assets, and an insignificant impact anticipated on net expenditure for the year ending 31 March 2021.

Going concern

Views on the future role of AHDB were sought by Defra and the Devolved Administrations from the industry in the autumn of 2018. Analysis of these views has been completed, with Ministers from all four constituent countries of the UK now having considered the overall results, options and recommendations for change. The results of this exercise were published on the 20 April 2020 and supported the continuation of a statutory levy along with regular ballots on whether levies should continue. There are no legislative changes planned that would adversely impact the role of AHDB. As a result, AHDB is satisfied that its level of reserves is adequate to meet its ongoing obligations for the next 12 months.

AHDB, like most organisations, has been impacted by the COVID-19 coronavirus pandemic. AHDB has assessed the increased economic uncertainty and financial risks arising from this pandemic by undertaking an updated forecast of planned 2020/21 activities and modelling cashflow scenarios. The 2020/21 forecast included new AHDB marketing activities that were specifically formulated to support our levy payers during the pandemic. As a result of the updated forecasting and cashflow analysis undertaken, AHDB are content that the level of cash reserves are sufficient to meet the liquidity requirements over the next 12 months.

Accounting convention

The consolidated accounts have been prepared on a going concern basis, under the historical cost convention, modified to account for the revaluation of tangible fixed assets in line with IAS 16 'Property, Plant and Equipment'.

Consolidation

The consolidated financial statements incorporate the financial statements of AHDB and its subsidiaries. Where necessary, adjustments are made to bring the accounting policies under UK generally accepted accounting principles (UK GAAP), as used in the individual financial statements of the subsidiaries, into line with those used by AHDB in its consolidated financial statements. In accordance with IFRS, inter-company transactions are eliminated. There is further information regarding the consolidation and investments of the group in Note 10.

In reference to the UK GAAP adjustment for the consolidation of Livestock Information Limited (LI Limited), income received from Defra is recognised as Financing directly through the Group reserves, offsetting the deficit recorded for LI Limited in the Consolidated statement of comprehensive net expenditure.

Notes to the financial statements

1. Principal accounting policies (continued)

Segmental reporting

In addition to presenting the consolidated financial results and financial position in the financial statements, a breakdown of those results and balances by business segment is provided, in line with IFRS 8 'Segmental Reporting'. The presentation of segmental information is based on the external and regulatory environments in which AHDB operates, being the statutory obligation to report and account for levies on a sector basis. The business segments are AHDB Beef & Lamb, AHDB Cereals & Oilseeds, AHDB Dairy, AHDB Horticulture, AHDB Pork, AHDB Potatoes and Livestock Information Limited. The segmental reporting disclosures can be found in Note 2a.

Research and development expenditure

Research and development expenditure is charged as it is incurred, on an accruals basis and is not capitalised in the statement of financial position. The terms of the statutory instrument that established AHDB, prevent AHDB from restricting access of other parties to future benefits of the research activities it undertakes. As a result, the research and development expenditure does not meet the requirements for capitalisation under IAS 38 'Intangible Assets'.

Leases

Operating lease rentals are charged to the income and expenditure account in equal instalments over the lease term. AHDB does not operate any finance leases.

Assets under construction

Assets under construction are shown at accumulated cost. Costs considered for capitalisation follow the guidance of FReM and include the asset's purchase (if applicable), any costs directly attributable to bringing the asset to its location and condition for intended use and any costs for dismantling, removal or site restoration (if so obliged).

Once the asset is completed it is transferred to the relevant asset class with depreciation or amortisation commencing when the asset is brought into service.

Property, plant and equipment

Property, plant and equipment include assets purchased directly by AHDB and assets for which the legal title transferred to AHDB under the Agriculture and Horticulture Development Board Order 2008.

Expenditure on property, plant and equipment of £1,000 is capitalised when it is probable that the asset will generate future economic benefits. On initial recognition, assets are valued at cost and any costs attributable to bringing them into working condition. All property, plant and equipment are reviewed annually for impairment and are carried at fair value. Land and buildings are stated at their fair value, based on a periodic professional valuation. All non-property assets are deemed to be short-life or low-value assets and are valued on the basis of depreciated replacement cost as an approximation of fair value. Assets held for resale by way of freehold property have been valued in the consolidated accounts under IFRS 5, at the lower of carrying value and estimated net realisable value.

Intangible assets

Intangible assets are non-monetary assets without physical substance and comprise of software licences and internally developed IT software, including assets under construction. The capitalisation threshold is £1,000. These assets are only revalued where it is possible to obtain a reliable market value. When fully operational in the business, internally generated software is stated at a proxy for fair value, being indexed amortised replacement cost.

Depreciation and amortisation

Depreciation and amortisation is calculated so as to write off the cost or valuation of fixed assets, less their estimated residual values, on a straight-line basis over the expected useful lives of the assets, as follows:

- Freehold buildings: 10 to 50 years
- Leasehold improvements: Life of lease
- Plant and machinery: 3 to 10 years
- Fixtures and fittings: 1 to 10 years
- Motor vehicles: 2.5 to 5 years
- IT – Computer hardware: 1 to 5 years
- IT – Computer software: 1 to 10 years

Freehold land is not depreciated.

Notes to the financial statements

1. Principal accounting policies (continued)

Provisions

A provision is recognised where there is a legal or constructive obligation arising from past events and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognised is the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date.

Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated at the rate ruling at the date of the transaction.

All foreign exchange differences are taken to the statement of comprehensive income in the year in which they arise.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks and other financial institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less. The carrying amount of these assets approximates their fair value. We also have a short-term investment, placed on term deposits to mature on 18 June (12-month term). A further investment is held in a 32 day notice account. Please see Note 12.

Financial instruments

AHDB does not hold any complex financial instruments. The only financial instruments included in the accounts are receivables and payables.

Financial assets comprise receivables that are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at fair value and, subsequently, held at amortised cost after an appropriate provision for expected credit loss.

Financial liabilities comprise trade and other payables, and other financial liabilities. They are initially recognised at the fair value of consideration received, less directly attributable transaction costs. They are, subsequently, measured at amortised cost.

Pensions

AHDB operates both defined benefit and defined contribution schemes for the benefit of employees.

a) Defined benefit schemes

For defined benefit retirement schemes, the cost of providing benefits is determined using the projected unit method, with actuarial valuations being carried out at each reporting date. Current service cost is recognised in operating costs in the period in which the defined benefit obligation increases as a result of employee services. Actuarial gains and losses are recognised in full in the period in which they occur in other comprehensive income. The actuarial valuations are obtained at least triennially and are updated at each reporting date. The resulting defined benefit asset and liability are shown gross in the notes to the financial statements.

Past service costs are recognised immediately, to the extent that benefits are already vested. Otherwise, such costs are amortised on a straight-line basis over the period until the benefits vest.

Settlements are recognised when a transaction is entered into that eliminates all further legal or constructive obligations for benefits under a scheme.

Curtailments are recognised when a commitment is made to a material reduction in the number of employees covered by a scheme.

The retirement benefit obligations recognised in the statement of financial position represent the present value of the defined benefit obligations, as reduced by the fair value of scheme assets and any unrecognised past service cost.

The expected return on scheme assets and the unwinding of the discount on defined benefit obligations are recognised within interest income and expenditure, respectively.

More detailed information can be found in Note 17 to the accounts.

Notes to the financial statements

1. Principal accounting policies (continued)

b) Defined contribution schemes

The amounts charged as expenditure for the defined contribution scheme represent the contributions payable by AHDB for the accounting period in respect of these schemes.

Levy income

AHDB raises statutory levies from the meat and livestock (cattle, sheep and pigs) sectors in England; commercial horticulture, milk and potato sectors in Great Britain; and cereals and oilseeds sector in the UK. Levy income is based on the latest available estimates of sector-specific levy quantities, as billable within the provisions of Schedule 3 of the AHDB Order 2008. (The levy rates in operation during 2019/20 can be found on page 67)

The value of levies recognised in the financial statements is a combination of actual levies invoiced during the year and an accrual for any non-invoiced levy income for the full financial year. A calculation to ascertain the hypothetical levy gap has not been carried out, as it is not deemed to be material.

Under IFRS 15, a contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time, and a contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

a) Red meat levies (deployed by AHDB Beef & Lamb and AHDB Pork)

Red meat levies consist of two parts: the producer levy and the slaughterer/exporter levy. The producer element is collected and held on trust for AHDB by slaughterers and exporters who pay the levy directly to AHDB. Levy is calculated on the number of animals slaughtered or exported and these details are notified to AHDB through the completion of regular returns. Upon receipt of the return, AHDB calculates the levy due and issues an invoice for payment.

b) Cereals and oilseeds levies (deployed by AHDB Cereals & Oilseeds)

The cereal levy is based on weight and has two elements; a grower levy and a buyer levy. A buyer of cereals must deduct the grower levy element from the price paid and hold it on trust for AHDB. Five per cent of the combined grower and buyer levy is then taken as commission by the buyer and the remainder paid to AHDB. For oilseeds, there is only a grower levy and so a buyer must deduct all the levy from the price paid to the grower and hold it on trust, then pay it to AHDB. Levy is also payable on cereals that are processed, with differential rates applying, dependent on whether the cereals are processed into feeding stuffs or non-feeding stuffs. Any person who is liable to pay levy has 28 days from the dates specified in the legislation to submit a return for cereals and oilseeds to AHDB. Payment of the levy to AHDB is then required within 21 days from the end of the 28-day return period. Cereal grower, buyer and processor levies are invoiced quarterly in arrears and oilseed grower levy biannually in arrears. At the year end, an estimate is made for levy income relating to the period 1 January to 31 March and is accounted for as a contract asset, within accrued income. This is derived using the latest market intelligence and analysis of historical trends.

c) Milk levy (deployed by AHDB Dairy)

A person who buys milk from a producer pays a levy to AHDB, which the buyer deducts from the price paid to the producer. Levy is also payable by those producers who sell their milk directly to the public from their holding, as defined in the Order. Milk levy is based on volume. Milk buyers notify AHDB at the end of every month the amount of milk bought in that month. Direct sellers of milk are required by 14 May each year to notify AHDB of the amount of milk produced on that holding for the previous year ending 1 April. The levy due from both buyers and direct sellers is payable on invoice.

d) Horticulture levies (deployed by AHDB Horticulture)

Levy is payable on vegetables grown in the open (except potatoes, where there are separate arrangements), fruit, flowers and bulbs, hardy and nursery stock, protected crops and herbs. There is a threshold above which levy becomes payable, such that if a horticultural grower's adjusted sales figure, made during the accounting year of the grower that ended in any year ending 31 March, is £60,000 or more, levy will be due. With the exception of mushrooms, the levy is calculated as a percentage of the adjusted sales figure. Levy due is payable on invoice. Any person liable to pay horticultural levy completes the appropriate form and returns it to AHDB on, or by, 30 June each year. The basis of levy on mushrooms is based on litres of mushroom spawn or compost containing mushroom spawn used or sold. Levy becomes due if, in any year ending 31 March, a person buys more than 700 litres of mushroom spawn or compost containing mushroom spawn. Levy is payable on invoice and can be paid by four equal direct debit payments in July, September, December and March.

Notes to the financial statements

1. Principal accounting policies (continued)

e) Potato levies (deployed by AHDB Potatoes)

Potato buyers, as well as potato growers, are required to pay levy. The levy on potato growers is based on area planted, with a minimum threshold at which levy becomes payable of three hectares. Buyers of potatoes are levied on weight, with a minimum threshold at which levy becomes payable of 1,000 tonnes bought in any year ending 30 June. Each year, growers must submit a return by 1 June, giving details of the area planted, or intended to be planted, that calendar year and the identity of the fields planted. The levy due is paid to AHDB by 1 December following. Buyers liable to pay levy, submit monthly returns to AHDB by the 28th day of each month, giving the tonnage bought in the previous month. Levy is payable on invoice and can be paid by three equal direct debit payments in December, February and May.

Income recognition

All income is recorded on a gross basis in the consolidated statement of comprehensive net expenditure, except where AHDB is acting as an agent in making payments to third parties. In such instances, income and expenditure are offset and, therefore, not recorded in the financial statements. In year ended 31 March 2020, AHDB acted as an EU grant agent on the EU Pigs project.

Non-levy income comprises several sources, including grant income and other small amounts of levy-work-related income. Non-levy income is recognised at the point at which the obligation is fulfilled in line with the contract.

Notes to the financial statements

2a. Analysis of income and expenditure by segment: actual for the year ended 31 March 2020

Accounting standard requires entities to report their performance by segment, which AHDB complies with by analysing its income and expenditure by its six sectors and their subsidiary Livestock Information Limited.

	AHDB Beef & Lamb £'000	AHDB Cereals & Oilseeds £'000	AHDB Dairy £'000	AHDB Horticulture £'000	AHDB Pork £'000	AHDB Potatoes £'000	Livestock Information Limited £'000	AHDB Group total £'000
Income								
Gross levy	16,814	11,963	7,559	8,395	9,432	5,784	-	59,947
<i>Non-levy sources:</i>								
Fee and grant income	1,514	201	878	550	502	549	-	4,194
EU grant income	1,105	-	533	1	11	-	-	1,650
Livestock Information & Movement System	889	-	474	-	17	-	-	1,380
<i>Subtotal non-levy sources</i>	3,508	201	1,885	551	530	549	-	7,224
Total income	20,322	12,164	9,444	8,946	9,962	6,333	-	67,171
Operating expenditure								
Levy collection	(232)	(538)	(52)	(123)	(157)	(145)	-	(1,247)
<i>Core strategic activities:</i>								
Research and Development and Knowledge Exchange	(4,025)	(6,837)	(4,559)	(6,289)	(2,588)	(3,415)	-	(27,713)
Livestock Information & Movement System	(1,146)	-	(611)	-	(22)	-	(1,987)	(3,766)
Trade Development	(4,526)	(196)	(1,215)	(158)	(3,452)	(553)	-	(10,100)
Export Development	(5,369)	(332)	(387)	(19)	(887)	(281)	-	(7,275)
Supply chain integration	-	-	-	-	-	-	-	-
Market Intelligence	(1,178)	(901)	(724)	(135)	(731)	(560)	-	(4,229)
Levy Payer Communications	(1,025)	(1,230)	(692)	(638)	(691)	(592)	-	(4,868)
Digital & Creative	(536)	(521)	(276)	(214)	(531)	(235)	-	(2,313)
Support and other expenditure	(1,654)	(1,579)	(1,226)	(1,097)	(1,202)	(1,149)	-	(7,907)
Commercial services	-	-	-	-	-	-	-	-
<i>Subtotal core strategic activities:</i>	<i>(19,459)</i>	<i>(11,596)</i>	<i>(9,690)</i>	<i>(8,550)</i>	<i>(10,104)</i>	<i>(6,785)</i>	<i>(1,987)</i>	<i>(68,171)</i>
Current pension service cost	(533)	(79)	-	-	(267)	-	-	(879)
Past pension service cost	-	-	-	-	-	-	-	-
Total operating expenditure	(20,224)	(12,213)	(9,742)	(8,673)	(10,528)	(6,930)	(1,987)	(70,297)

Support and other expenditure includes the cost of central functions, such as Finance, HR, and Information Systems; the cost of the AHDB and Sector Boards, bad debt provisions, non-operating expenditure as well as some final salary pension scheme adjustments.

Notes to the financial statements

2a. Analysis of income and expenditure by segment: actual for the year ended 31 March 2020 (continued)

	AHDB Beef & Lamb £'000	AHDB Cereals & Oilseeds £'000	AHDB Dairy £'000	AHDB Horticulture £'000	AHDB Pork £'000	AHDB Potatoes £'000	Livestock Information Limited £'000	AHDB Group total £'000
Surplus/(deficit) on ordinary activities before interest and taxation	98	(49)	(298)	273	(566)	(597)	(1,987)	(3,126)
Interest receivable	37	24	11	28	5	13	-	118
Interest payable	(5)	(4)	(4)	(1)	(1)	(1)	-	(16)
Other finance income/expenditure	(67)	(1)	-	-	(33)	-	-	(101)
Surplus/(deficit) on ordinary activities before taxation	63	(30)	(291)	300	(595)	(585)	(1,987)	(3,125)
Taxation	(8)	(5)	(2)	(5)	(1)	(2)	-	(23)
Surplus/(deficit) for the financial year	55	(35)	(293)	295	(596)	(587)	(1,987)	(3,148)
Net gain on revaluation of property, plant and equipment	-	-	-	-	-	(121)	-	(121)
Net gain/(loss) on revaluation of pension assets and liabilities	1,600	(670)	-	-	800	-	-	1,730
Total comprehensive income/(expenditure)	1,655	(705)	(293)	295	204	(708)	(1,987)	(1,539)

AHDB parent figures

AHDB does not produce a separate parent statement of comprehensive income. Its results are included in the group results above, consolidated with its subsidiaries as detailed in Note 10. Assets and liabilities are not separately reported by sector.

Underlying surplus/(deficit)

The above includes the movements on pension scheme assets and liabilities and property, plant and equipment which are not part of AHDB's available reserves. Excluding those movements, the net trading performance is:

	AHDB Beef & Lamb £'000	AHDB Cereals & Oilseeds £'000	AHDB Dairy £'000	AHDB Horticulture £'000	AHDB Pork £'000	AHDB Potatoes £'000	Livestock Information Limited £'000	AHDB Group total £'000
Total comprehensive income/(expenditure)	1,655	(705)	(293)	295	204	(708)	(1,987)	(1,539)
Revaluation on property, plant and equipment	-	-	-	-	-	121	-	121
Movement on Pension Asset/Liability	(1,200)	632	-	-	(600)	-	-	(1,168)
Underlying surplus/(deficit) for the financial year	455	(73)	(293)	295	(396)	(587)	(1,987)	(2,586)

Notes to the financial statements

2b. Analysis of income and expenditure by segment: actual for the year ended 31 March 2019

Accounting standard requires entities to report their performance by segment, which AHDB complies with by analysing its income and expenditure by its six sectors.

	AHDB Beef & Lamb £'000	AHDB Cereals & Oilseeds £'000	AHDB Dairy £'000	AHDB Horticulture £'000	AHDB Pork £'000	AHDB Potatoes £'000	AHDB Group total £'000
Income							
Gross levy	16,350	10,913	7,525	8,242	9,237	5,866	58,133
<i>Non-levy sources:</i>							
Fee and grant income	2,596	156	1,460	500	385	441	5,538
EU grant income	357	-	563	30	65	324	1,339
Commercial services income	2,009	-	-	-	1,004	-	3,013
<i>Subtotal non-levy sources</i>	4,962	156	2,023	530	1,454	765	9,890
Total income	21,312	11,069	9,548	8,772	10,691	6,631	68,023
Operating expenditure							
Levy collection	(239)	(483)	(48)	(162)	(144)	(215)	(1,291)
<i>Core strategic activities:</i>							
Research and Development and Knowledge Exchange	(4,338)	(6,465)	(4,547)	(5,934)	(2,616)	(3,206)	(27,106)
Livestock Information & Movement System	(748)	-	(398)	-	(14)	-	(1,160)
Trade Development	(3,129)	(215)	(1,633)	(115)	(3,327)	(962)	(9,381)
Export Development	(5,364)	(409)	(337)	(17)	(787)	(296)	(7,210)
Supply chain integration	-	-	-	-	-	-	-
Market Intelligence	(1,300)	(879)	(738)	(128)	(701)	(570)	(4,316)
Levy Payer Communications	(1,534)	(1,280)	(755)	(726)	(832)	(541)	(5,668)
Digital & Creative	(437)	(434)	(234)	(239)	(455)	(203)	(2,002)
Support and other expenditure	(1,465)	(1,470)	(1,187)	(1,078)	(1,138)	(978)	(7,316)
Commercial services	(2,045)	-	-	-	(1,023)	-	(3,068)
<i>Subtotal core strategic activities:</i>	(20,360)	(11,152)	(9,829)	(8,237)	(10,893)	(6,756)	(67,227)
Current pension service cost	(467)	(83)	-	-	(233)	-	(783)
Past pension service cost	(1,467)	(13)	-	-	(733)	-	(2,213)
Total operating expenditure	(22,533)	(11,731)	(9,877)	(8,399)	(12,003)	(6,971)	(71,514)

Support and other expenditure includes the cost of central functions, such as Finance, HR, and Information Systems; the cost of the AHDB and Sector Boards, bad debt provisions, non-operating expenditure as well as some final salary pension scheme adjustments.

Notes to the financial statements

2b. Analysis of income and expenditure by segment: actual for the year ended 31 March 2019 (continued)

	AHDB Beef & Lamb £'000	AHDB Cereals & Oilseeds £'000	AHDB Dairy £'000	AHDB Horticulture £'000	AHDB Pork £'000	AHDB Potatoes £'000	AHDB Group total £'000
Surplus/(deficit) on ordinary activities before interest and taxation	(1,221)	(662)	(329)	373	(1,312)	(340)	(3,491)
Interest receivable	34	25	15	30	20	11	135
Other finance income/expenditure	(67)	(3)	-	-	(33)	-	(103)
Surplus/(deficit) on ordinary activities before taxation	(1,254)	(640)	(314)	403	(1,325)	(329)	(3,459)
Taxation	(6)	(4)	(3)	(6)	(4)	(2)	(25)
Surplus/(deficit) for the financial year	(1,260)	(644)	(317)	397	(1,329)	(331)	(3,484)
Net gain on revaluation of property, plant and equipment	-	-	-	-	-	-	-
Net gain/(loss) on revaluation of pension assets and liabilities	(1,067)	61	-	-	(533)	-	(1,539)
Total comprehensive income/(expenditure)	(2,327)	(583)	(317)	397	(1,862)	(331)	(5,023)

AHDB parent figures

AHDB does not produce a separate parent statement of comprehensive income. Its results are included in the group results above, consolidated with its subsidiaries as detailed in Note 10. Assets and liabilities are not separately reported by sector.

Commercial trading subsidiary

Prior to the disposal of MLC SL, the trading subsidiary, the income and expenditure is included above in the AHDB Beef & Lamb and AHDB Pork results as Commercial Services income and expenditure.

Underlying surplus/(deficit)

The above includes the movements on pension scheme assets and liabilities and property, plant and equipment which are not part of AHDB's available reserves. Excluding those movements, the net trading performance is:

	AHDB Beef & Lamb £'000	AHDB Cereals & Oilseeds £'000	AHDB Dairy £'000	AHDB Horticulture £'000	AHDB Pork £'000	AHDB Potatoes £'000	AHDB Group total £'000
Total comprehensive income/(expenditure)	(2,327)	(583)	(317)	397	(1,862)	(331)	(5,023)
Movement on Pension Asset/Liability	2,800	(87)	-	-	1,400	-	4,113
Underlying surplus/(deficit) for the financial year	473	(670)	(317)	397	(462)	(331)	(910)

Notes to the financial statements

3. Staff numbers and related costs

	For the year ended 31 March 2020			For the year ended 31 March 2019		
	Staff with a permanent (UK) employment contract	Other staff engaged on the objectives of AHDB	Total staff	Staff with a permanent (UK) employment contract	Other staff engaged on the objectives of AHDB	Total staff
Numbers employed						
The average full-time equivalent numbers employed by AHDB during the year, were:						
Commercial activities	-	-	-	69	-	69
AHDB activities – Non-levy-dependent	17	-	17	10	-	10
AHDB activities – Levy-dependent	479	4	483	459	5	464
Livestock Information Limited	1	-	1	-	-	-
Total	497	4	501	538	5	543
Staff costs	£'000	£'000	£'000	£'000	£'000	£'000
Salaries – Commercial activities	-	-	-	1,915	-	1,915
Social security costs – Commercial activities	-	-	-	217	-	217
Salaries – AHDB activities	19,782	231	20,013	18,744	196	18,940
Social security costs – AHDB activities	2,523	-	2,523	2,278	-	2,278
Salaries – Livestock Information Limited	6	-	6	-	-	-
Social security costs – Livestock Information Limited	1	-	1	-	-	-
Defined benefit scheme current service costs (Note 17e)	879	-	879	783	-	783
Defined benefit scheme past service costs (Note 17e)	-	-	-	2,213	-	2,213
Defined contribution scheme costs	1,619	-	1,619	1,552	-	1,552
Total staff costs	24,810	231	25,041	27,702	196	27,898

Notes to the financial statements

4. Income and expenditure on ordinary activities of the group before interest and taxation

	For the year ended 31-Mar-20 £'000	For the year ended 31-Mar-19 £'000
Surplus/(deficit) on ordinary activities before interest and taxation is stated after charging/(crediting)		
Rentals under operating leases:		
- Leasehold property rents	492	427
- Vehicle leases	505	614
- Hire of equipment	55	80
Research and development and knowledge exchange expenditure	27,713	27,106
Exchange (gains)/losses	-	-
Auditors remuneration and expenses	122	93
Non-cash items:		
Depreciation and amortisation	241	260
Impairment of receivables	129	(50)

5. Taxation

	For the year ended 31-Mar-20 £'000	For the year ended 31-Mar-19 £'000
Current tax		
UK corporation tax on commercial profits for the period	-	-
UK corporation tax on interest income for the period	23	25
Under-provision in respect of prior years	-	-
Over-provision in respect of prior years	-	-
Current tax charge for the year	23	25

The tax on commercial profits assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained in the next table.

Notes to the financial statements

5. Taxation (continued)

	For the year ended 31-Mar-20 £'000	For the year ended 31-Mar-19 £'000
Surplus/(deficit) on ordinary activities before taxation	(3,125)	(3,459)
Surplus/(deficit) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(594)	(657)
Effects of:		
Income not chargeable for taxation purposes	12,763	12,352
Expenditure not deductible for taxation purposes	(13,356)	(13,009)
Standard rate of corporation tax in the UK of 19% (2018: 19%) on interest receivable	23	25
Under-provision in respect of prior years	-	-
Over-provision in respect of prior years	-	-
Current tax charge for the year	23	25

6. Property, plant and equipment

Group	Land £'000	Buildings £'000	Leasehold improvements £'000	IT equipment £'000	Plant and machinery £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost or valuation								
As at 1 April 2018	165	621	1,864	290	1,230	231	4	4,405
Additions	-	-	14	182	6	-	-	202
Disposals	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
As at 31 March 2019	165	621	1,878	472	1,236	231	4	4,607
As at 1 April 2019	165	621	1,878	472	1,236	231	4	4,607
Additions	-	-	-	77	-	-	-	77
Disposals	-	-	-	-	-	-	-	-
Transfer	-	-	-	(182)	-	-	-	(182)
Revaluation	(102)	(264)	-	-	-	-	-	(366)
As at 31 March 2020	63	357	1,878	367	1,236	231	4	4,136
Depreciation								
As at 1 April 2018	-	(13)	(434)	(229)	(758)	(164)	(4)	(1,602)
Charge for year	-	(14)	(125)	(38)	(61)	(22)	-	(260)
Relating to disposals	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
As at 31 March 2019	-	(27)	(559)	(267)	(819)	(186)	(4)	(1,862)
As at 1 April 2019	-	(27)	(559)	(267)	(819)	(186)	(4)	(1,862)
Charge for year	-	(15)	(127)	(19)	(58)	(23)	-	(242)
Relating to disposals	-	-	-	-	-	-	-	-
Revaluation	-	42	-	-	-	-	-	42
As at 31 March 2020	-	-	(686)	(286)	(877)	(209)	(4)	(2,062)
Net book value as at								
31 March 2020	63	357	1,192	81	359	22	-	2,074
Net book value as at 31 March 2019	165	594	1,319	205	417	45	-	2,745

Freehold property at Sutton Bridge was valued at 31 March 2020 at open market valuation for restricted use, in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors in the United Kingdom by Bidwells, Chartered Surveyors. The valuation was £420k, which will be depreciated to allow for wear and tear from the valuation date.

Notes to the financial statements

7. Property, plant and equipment

AHDB	Land £'000	Buildings £'000	Leasehold improvements £'000	IT equipment £'000	Plant and machinery £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost or valuation								
As at 1 April 2018	-	51	1,864	290	723	231	4	3,163
Additions	-	-	14	182	6	-	-	202
Transfer	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2019	-	51	1,878	472	729	231	4	3,365
As at 1 April 2019	-	51	1,878	472	729	231	4	3,365
Additions	-	-	-	77	-	-	-	77
Disposals	-	-	-	-	-	-	-	-
Transfer	-	-	-	(182)	-	-	-	(182)
Revaluation	-	(22)	-	-	-	-	-	(22)
As at 31 March 2020	-	29	1,878	367	729	231	4	3,238
Depreciation								
As at 1 April 2018	-	-	(434)	(229)	(251)	(164)	(4)	(1,082)
Charge for year	-	(5)	(125)	(38)	(60)	(22)	-	(250)
Relating to disposals	-	-	-	-	-	-	-	-
As at 31 March 2019	-	(5)	(559)	(267)	(311)	(186)	(4)	(1,332)
As at 1 April 2019	-	(5)	(559)	(267)	(311)	(186)	(4)	(1,332)
Charge for year	-	(4)	(127)	(19)	(59)	(23)	-	(232)
Relating to disposals	-	-	-	-	-	-	-	-
Revaluation	-	9	-	-	-	-	-	9
As at 31 March 2020	-	-	(686)	(286)	(370)	(209)	(4)	(1,555)
Net book value as at 31 March 2020	-	29	1,192	81	359	22	-	1,683
Net book value as at 31 March 2019	-	46	1,319	205	417	45	-	2,033

Notes to the financial statements

8. Intangible Assets

Group	Software Licence £'000	Software Development £'000	Asset under Construction £'000	Total £'000
Cost or valuation				
As at 1 April 2018	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
Transfer	-	-	-	-
Revaluation	-	-	-	-
As at 31 March 2019	-	-	-	-
As at 1 April 2019	-	-	-	-
Additions	-	-	3,476	3,476
Disposals	-	-	-	-
Transfer	-	-	182	182
Revaluation	-	-	-	-
As at 31 March 2020	-	-	3,658	3,658
Depreciation				
As at 1 April 2018	-	-	-	-
Charge for year	-	-	-	-
Relating to disposals	-	-	-	-
Revaluation	-	-	-	-
As at 31 March 2019	-	-	-	-
As at 1 April 2019	-	-	-	-
Charge for year	-	-	-	-
Relating to disposals	-	-	-	-
Revaluation	-	-	-	-
As at 31 March 2020	-	-	-	-
Net book value as at 31 March 2020	-	-	3,658	3,658
Net book value as at 31 March 2019	-	-	-	-

The value of additions through the year relates to the build of the IT system that will be the core of the Livestock Information Service being developed by Livestock Information Limited (LI Limited). The value incorporates both system licence and direct development costs. The group incurred £630k as non-capitalised research and development expenditure related to the asset during 2019/20.

Notes to the financial statements

9. Intangible Assets

AHDB	Software Licence £'000	Software Development £'000	Asset under Construction £'000	Total £'000
Cost or valuation				
As at 1 April 2018	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
Transfer	-	-	-	-
Revaluation	-	-	-	-
As at 31 March 2019	-	-	-	-
As at 1 April 2019	-	-	-	-
Additions	-	-	13	13
Disposals	-	-	-	-
Transfer	-	-	182	182
Revaluation	-	-	-	-
As at 31 March 2020	-	-	195	195
Depreciation				
As at 1 April 2018	-	-	-	-
Charge for year	-	-	-	-
Relating to disposals	-	-	-	-
Revaluation	-	-	-	-
As at 31 March 2019	-	-	-	-
As at 1 April 2019	-	-	-	-
Charge for year	-	-	-	-
Relating to disposals	-	-	-	-
Revaluation	-	-	-	-
As at 31 March 2020	-	-	-	-
Net book value as at 31 March 2020	-	-	195	195
Net book value as at 31 March 2019	-	-	-	-

Notes to the financial statements

10. Investments

Sutton Bridge Experimental Unit Limited

Sutton Bridge Experimental Unit Limited (SBEU) is a company limited by shares, with AHDB holding 808,000 £1 nominal value ordinary shares representing 100% of the issued share capital of the company. SBEU owns the freehold land and buildings interest in the potato industry's Research and Development facility, Sutton Bridge Experimental Unit, which is based at Spalding. SBEU's financial results for the year have been consolidated as part of the financial results for AHDB Potatoes in the analysis of income and expenditure by segment in Note 2. Its balance sheet forms a part of the AHDB Group consolidated statement of financial position. SBEU had a deficit of £118k for the year ended 31 March 2020 (2019: £12k). This property was last professionally revalued at £420k as at 31 March 2020, based on its restricted use. The carrying value of AHDB's investment in SBEU as a result of the revaluation of the property is £391k. The balance of £29k is reflected in AHDB's Property, Plant & Equipment.

	Group As at 31-Mar-20 £'000	AHDB As at 31-Mar-20 £'000	Group As at 31-Mar-19 £'000	AHDB As at 31-Mar-19 £'000
AHDB investment in SBEU	-	391	-	712

Other subsidiary undertakings

Livestock Information Limited

Livestock Information Limited (LI Limited) is a company limited by guarantee with two members, AHDB and Defra. LI Limited was incorporated on 18 July 2019, becoming operational on 1st October 2019. The first accounting period for LI Limited is from 18 July 2019 to 31 March 2020. The registered address is AHDB Stoneleigh Park, Kenilworth, Warwickshire CV8 2TL. The company has been incorporated to manage the development and implementation of a new Livestock Information Service, providing multi-species livestock information, identification and traceability.

AHDB holds a controlling interest in LI Limited. AHDB holds 51% of member voting rights and holds influence over the appointments for a majority of Board Directors. AHDB has fully consolidated the financial results of LI Limited as part of the financial results for the AHDB Group. The other Member of LI Limited is Defra. Defra's interest is represented as a Non Controlling Interest in AHDB's financial statements.

Notes to the financial statements

11. Trade and other receivables

	Group As at 31-Mar-20 £'000	AHDB As at 31-Mar-20 £'000	Group As at 31-Mar-19 £'000	AHDB As at 31-Mar-19 £'000
Amounts falling due within one year				
Levy income receivable	4,832	4,832	3,698	3,698
Receivables for fee and other income	603	603	387	387
Provision for bad and doubtful debts	-	-	-	-
Expected credit loss	(618)	(618)	(490)	(490)
Accrued EU grant income	810	810	390	390
Prepayments and accrued income	7,088	7,088	6,777	6,777
Amounts owed by subsidiary undertakings	-	13	-	-
Balances with central government bodies	172	172	615	615
Total amounts falling due within one year	12,887	12,900	11,377	11,377

	Group As at 31-Mar-20 £'000	AHDB As at 31-Mar-20 £'000	Group As at 31-Mar-19 £'000	AHDB As at 31-Mar-19 £'000
Receivables past due				
Up to 3 months past due	1,555	1,555	976	976
3 to 6 months past due	363	363	360	360
Over 6 months past due	767	767	600	600
	2,685	2,685	1,936	1,936

	Group As at 31-Mar-20 £'000	AHDB As at 31-Mar-20 £'000	Group As at 31-Mar-19 £'000	AHDB As at 31-Mar-19 £'000
Amounts falling due greater than one year				
Prepayments and accrued income	-	-	250	250
Total amounts falling due greater than one year	-	-	250	250

12. Cash and cash equivalents

	Group 2019-2020 £'000	AHDB 2019-2020 £'000	Group 2018-19 £'000	AHDB 2018-19 £'000
Balance at 1 April	26,976	26,976	27,100	26,018
Net change in cash and cash equivalents	(2,115)	(2,153)	(124)	958
Balance at 31 March	24,861	24,823	26,976	26,976
Balances at 31 March were:				
Short term investment	6,000	6,000	6,000	6,000
Commercial banks and cash in hand	18,861	18,823	20,976	20,976
Balance at 31 March	24,861	24,823	26,976	26,976

The short-term investment represents a fund of £3 million, placed on term deposits to mature on 18 June 2020 (12-month term). A further £3 million is held in a 32-day notice account.

Notes to the financial statements

13. Trade and other payables

	Group As at 31-Mar-20 £'000	AHDB As at 31-Mar-20 £'000	Group As at 31-Mar-19 £'000	AHDB As at 31-Mar-19 £'000
Amounts falling due within one year				
Trade payables	1,684	1,661	1,371	1,371
Accruals and deferred income	9,623	8,370	9,580	9,580
Other payables	321	321	325	325
Corporation tax	23	23	24	24
VAT	456	881	746	746
Other taxation and social security	935	932	578	578
Defra underwrite for redundancy	-	-	-	-
Pig Industry Development Scheme Fund	76	76	76	76
Other Defra Bodies	163	24	21	21
Total amounts falling due within one year	13,281	12,288	12,721	12,721
Intragovernment balances				
Balances with central government bodies	1,578	1,861	1,369	1,369

Contract liabilities primarily relate to the advanced consideration of levy income received from customers, for which income is recognised over the period for which services are provided. As levy income is recognised across the financial year, there are no contract liabilities the end of the financial year.

Notes to the financial statements

14. Financial commitments

	Group As at 31-Mar-20 £'000	AHDB As at 31-Mar-20 £'000	Group As at 31-Mar-19 £'000	AHDB As at 31-Mar-19 £'000
Capital expenditure commitments				
Contracted for	1,291	80	-	-
Approved research projects				
Within one year	9,430	9,430	8,949	8,949
Thereafter	6,018	6,018	9,641	9,641
	15,448	15,448	18,590	18,590
Operating leases				
As at 31 March, AHDB was committed to future minimum lease payments under non-cancellable operating leases for each of the following periods:				
Property				
Within one year	629	629	295	295
Between two and five years	2,064	2,064	53	53
Over five years	-	-	-	-
	2,693	2,693	348	348
Vehicles				
Within one year	369	369	347	347
Between two and five years	392	392	448	448
	761	761	795	795
Equipment				
Within one year	28	28	23	23
Between two and five years	5	5	25	25
	33	33	48	48

Approved research projects represent expenditure with third parties, which has been contracted, as distinct from projects at the stage of having been approved and budgeted. These accounts are prepared on a going concern basis; it is assumed that future income will be available to meet these commitments.

Capital expenditure commitments include contracts with third parties for the further development and completion of the IT system that will be the core of the Livestock Information Service being developed by LI Limited.

Notes to the financial statements

15. Financial instruments

Because of the nature of its activities and the way in which AHDB is financed, it is not exposed to the degree of financial risk faced by other business entities. Moreover, financial instruments play a much more limited role than would be typical of the listed companies to which IFRS 7 mainly applies.

Financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing AHDB in undertaking its activities or for trading. The fair values of all its financial assets and liabilities are approximate to their amortised costs as follows:

	Group As at 31-Mar-20 £'000	Group As at 31-Mar-20 £'000	Group As at 31-Mar-19 £'000	Group As at 31-Mar-19 £'000
	Financial assets at amortised cost	Other financial liabilities	Financial assets at amortised cost	Other financial liabilities
Trade receivables				
Levy receivable	4,832		3,698	
Receivables for fees	603		387	
Accrued income (less prepayments)	6,633		5,882	
Intragovernment balances	172		615	
Receivables due greater than one year	-		250	
Cash and equivalents	24,861		26,976	
Trade and other payables				
Trade payables		1,684		1,371
Accruals		9,623		9,580
Pig Industry Development Scheme Fund		76		76
Intragovernment balances		163		21
Other		321		325
Total	37,101	11,867	37,808	11,373

Credit and liquidity risk

AHDB is exposed to the usual credit risk and cash flow risk associated with invoicing on credit and manages this through credit control procedures. The nature of its financial instruments means it is not subject to price risk or liquidity risk.

Interest rate risk

AHDB is not exposed to any interest rate risk. All surplus funds are placed on deposit with commercial banks at the prevailing deposit interest rate. Where possible, funds are placed on fixed-term deposit in order to optimise return. The opportunity to do so is restricted by the fluctuations in our cash flow cycle and our practice of placing funds only with institutions holding a credit rating matching/exceeding that of our regular corporate bankers, currently Barclays Bank plc.

Foreign currency risk

AHDB's exposure to foreign currency risk is not currently significant.

Market and price risk

AHDB's level of income is affected in some sectors by general economic and market conditions. These are monitored and analysed by AHDB Market Intelligence to provide guidance as to future commodity trends. AHDB uses this guidance to inform its future cash projections and assist with decision-making regarding the timing of incurring variable costs.

Notes to the financial statements

16. Contingent liabilities

There were no contingent liabilities at 31 March 2020 of a significant nature to require reporting.

There is one ongoing investigation and should this be ruled against AHDB then, under a worst case scenario, would give rise to a potential liability of up to £0.1m. In the opinion of management, the liability, if any, arising following a decision will not have a significant impact on the financial position or the results of AHDB.

17. Pensions

AHDB operates a number of approved retirement benefit arrangements in the UK, encompassing both defined benefit (DB) schemes and defined contribution (DC) schemes.

17a. Group Personal Pension Plans

AHDB Pension Scheme

The AHDB pension scheme is a group personal pension plan, whereby AHDB has selected a pension scheme and provider that it believes to be suitable for its employees. The Scheme had a total of 484 members as at 31 March 2020 (31 March 2019: 458 members). The normal current employee and employer contribution rates are 3%/6%, 4%/8% and 5%/10%, respectively. The scheme is provided by Legal & General. The cost to AHDB of operating the scheme during the year ended 31 March 2020 was £1,578k (2018/19: £1,483k). The value of outstanding contributions as at 31 March 2020 was £137k (31 March 2019: £122k).

17b. Information about the legacy pension schemes

Introduction

The MLC Pension Scheme and HGCA Pension Plan are schemes that were in existence before AHDB was formed and the members of the schemes are almost entirely pensioners or deferred members (employees who left AHDB or its predecessor bodies but have not yet retired). This means the assets and liabilities of the scheme relate almost entirely to ex-employees of MLC or HGCA.

Defined benefit schemes

The DB schemes expose the organisation to the usual risks involved in ensuring the schemes are adequately funded to meet their future obligations. These risks are mitigated as far as possible by ensuring employees make contributions at a reasonable rate and by adopting asset-liability matching strategies, where possible. AHDB does not consider there to be any significant entity or plan-specific risks, or any significant concentrations of risk.

MLC Pension Scheme

AHDB is the principal employer in a contributory pension scheme providing defined benefits to legacy MLC employees and ex-employees, based on final pensionable salary. This scheme is closed to new entrants and on 31 March 2020 there were only 10 members of AHDB staff actively contributing to this scheme. There were 1,306 members of the defined benefit section of the scheme on 31 March 2019. The assets of the scheme are held separately from those of AHDB, being invested with insurance and investment companies. The scheme has provision for pensions in payment to be increased by 5% per annum or the percentage shown in the Pension Increases Order, if lower. If the percentage shown in the Order exceeds 5% per annum, there is provision in the scheme rules for pensions in payment to be increased beyond 5% per annum by the Trustees, with AHDB's consent. Contributions to the scheme are charged to AHDB's income and expenditure account and are determined by a qualified actuary on the basis of annual valuations, using the projected unit method. The employer's contributions to the scheme in 2020/21 are estimated to be £0.3 million, including recovery plan contribution.

Actuarial valuations are usually prepared on a triennial basis. The latest valuation was completed as at 31 March 2018 and indicated a funding deficit of £0.5 million. The recovery plan agreed between the MLC Pension Scheme Trustees and AHDB, concerning the funding of the deficit, was for the recovery plan to be funded over three financial years, with the last payment made in April 2020.

A substantial part of the scheme's assets are represented by buy-in policies with insurance providers (Aviva and Just Retirement – now known as Just) to cover the future liabilities of the scheme in relation to the in-payment pension obligations at that time. This was achieved to reduce the scheme's and the employer's risk exposure to future downturns in asset performance and improvements in longevity. Under the terms of the buy-in, the annuity policy is in the name of the Trustee and, as such, is considered a qualifying investment of the Scheme. Due to market conditions, the policy attracts an income related to the Retail Price Index (RPI), while the pension payments from the Scheme have guaranteed increases at the Consumer Price Index (CPI). While CPI remains lower than RPI, a small surplus will be generated and added to the total scheme assets for the benefit of the Scheme as a whole. We are monitoring the consultation regarding the future of RPI as this may impact on the scheme funding position depending on the final decision. As shown in note 17d page 62, at 31 March 2020, 68% of the scheme's total assets were represented by the buy-in policies. The assets of the policies have

been valued for AHDB's accounting purposes, using an IAS 19 discount rate, which ensures the assets are valued on a basis consistent with that used to value the future liabilities they are in place to settle.

The first policy was acquired in June 2011 to guarantee the obligations of pensions in payment at that date and of those pensioners' dependants in future. A further tranche of liabilities was added to the policy in July 2013, to cover pensions that had come into payment since June 2011, again including pensions falling due in future to those pensioners' dependants. This policy is held with Aviva. In March 2016, a further policy was acquired from Just to cover pensions that have come into payment since July 2013. The valuation method used to value the assets placed on the buy-in policies with Aviva and Just is consistent with that used last year. It has been calculated as the present value of the future expected policy income stream, using the same assumptions as used to calculate the defined benefit obligation, except that the policy income in excess of Guaranteed Minimum Pensions (GMP) and GMP accrued post 5 April 1988 are assumed to increase in line with RPI inflation with relevant caps applied rather than CPI. These assumptions have been selected because the incomes from the policies match the corresponding pension payments from the scheme in all other aspects. By using these assumptions, in future years the asset value on the buy-in policy will move in line with the corresponding liabilities, while still allowing for the expected higher future income stream if RPI is assumed to be higher than CPI. We are monitoring the current consultation about potential changes to RPI and considering the possible implications for the scheme. The RPI and CPI accounting disclosure assumptions as at 31 March 2020 reflect our current assessment of the potential changes to the RPI in the future and the extent to which financial markets have already priced in these changes.

The Pension Scheme Trustee board has moved to a fiduciary management approach and the managers have partially invested in a liability-driven-investment approach to try and reduce the potential volatility the scheme is exposed to. The effect of the ruling in the Lloyds Trustees vs Lloyds Bank PLC and Others [2018] case on Guaranteed Minimum Pensions (GMP) has been taken into account in the valuation of the liabilities of the scheme.

HGCA Pension Plan

The plan provides benefits to legacy HGCA employees, based on final salary. This plan is closed to new entrants and, on 31 March 2020, there were two members of staff actively contributing to this plan. The assets of the plan exist to provide benefits for all the members of the plan – current pensioners, deferred members (ex-employees who are yet to retire) and the few AHDB employees still contributing to the plan. Actuarial valuations are usually prepared on a triennial basis. The latest valuation was completed as at 31 March 2019 and indicated a funding deficit of £1.1 million. The recovery plan agreed between the HGCA Pension Plan Trustees and AHDB, concerning the funding of the deficit, specified recovery plan contributions of £289k pa (from 1 April 2020), plus £25k pa contribution to plan expenses, payable monthly. The funding shortfall is expected to be eliminated by 30 September 2022, based on the technical assumptions. Actual experience might be worse or better than the technical assumptions. The employer's contributions to the plan in 2020/21 are estimated at £329k including recovery plan contribution but excluding payments for expenses. The effect of the ruling in the Lloyds Trustees vs Lloyds Bank PLC and Others [2018] case on GMP equalisation has been taken into account in the valuation of the liabilities of the plan.

We have considered whether AHDB has an unconditional right to a refund of any surplus on the HGCA Pension Plan under IFRIC14 and have determined that under the deed and rules AHDB does not have such a right due to the powers of the Trustee.

Defined contribution schemes

MLC Pension Scheme

The defined contribution section of the MLC Pension Scheme had a total of 10 active members as at 31 March 2020 (31 March 2019: 11 members). The current employee and employer contribution rates are 5% and 7%, respectively. The cost to AHDB of operating the scheme during the year ended 31 March 2020 was £41k (2018/19: £69k) and the value of outstanding contributions as at 31 March 2020 was £3k (31 March 2019: £4k). This scheme was closed to new members in 2008, when AHDB set up the AHDB Pension Scheme for newly appointed employees.

Notes to the financial statements

17. Pensions (continued)

17c. Principal assumptions

The adoption of CPI rather than RPI as the basis for calculating future pension payment increases has been used as one of the principal assumptions to calculate the different scheme liabilities, from 1 April 2011 onwards. This is in accordance with IAS 19 and as required by HM Treasury.

The principal assumptions used to calculate the different scheme liabilities include:

	MLC Pension Scheme		HGCA Pension Plan	
	31-Mar-20 % pa	31-Mar-19 % pa	31-Mar-20 % pa	31-Mar-19 % pa
Price inflation	2.0	2.6	2.0	2.6
Rate of increase in pay	2.0	2.6	2.0	2.6
Rate of increase of pensions in payment*	2.1	2.6	2.1	2.6
Rate of increase for deferred pensioners*	2.0	2.6	2.0	2.6
Discount rate	2.2	2.3	2.2	2.3

* In excess of any Guaranteed Minimum Pension (GMP) element

Under the mortality tables and projections adopted, the assumed future life expectancies are as follows:

	MLC Pension Scheme		HGCA Pension Plan	
	31-Mar-20 years	31-Mar-19 years	31-Mar-20 years	31-Mar-19 years
Male currently aged 65	22.7	22.6	23.2	23.1
Female currently aged 65	24.4	24.3	24.9	24.8
Male currently aged 50	23.9	23.8	24.5	24.4
Female currently aged 50	25.7	25.7	26.3	26.2

The sensitivity of the value placed on the schemes' liabilities is reviewed as part of the process in setting the assumptions. To determine the sensitivity of the defined benefit obligation to changes in the key assumptions, an approximate basis change, based on the split of obligations between activities, deferrals, pensioners and dependants, and the estimated duration of each set of liabilities, was carried out. Examples of changes in the value of scheme liabilities, in the event of any given assumption changing in isolation, are noted below.

The effect of a decrease in the assumed discount rate of 0.5% would increase liabilities by 7.1% in the MLC Scheme and by 9.7% in the HGCA Plan.

If the RPI price inflation measure applied were to be increased by 0.25%, it would impact on all linked assumptions such as the corresponding CPI assumption, pension increase assumptions and the long-term salary growth assumption, and liabilities would increase by 2.3% in the MLC Scheme and by 4.5% in the HGCA Plan.

If the gap between RPI and CPI was to increase by 0.2% then there would be a decrease in liabilities by 1.7% in the MLC Scheme and by 3.4% in the HGCA Plan.

Notes to the financial statements

17. Pensions (continued)

17d. Assets

The major categories of assets as a proportion of the fair value of total plan assets are as follows:

	MLC Pension Scheme		HGCA Pension Plan	
	31-Mar-20 % pa	31-Mar-19 % pa	31-Mar-20 % pa	31-Mar-19 % pa
Equities	11.5	20.8	-	-
Bonds	6.1	-	-	-
Diversified growth	-	9.7	46.7	49.9
Liability driven	7.0	-	52.6	49.4
Property	1.8	-	-	-
Annuities	68.0	69.3	0.6	0.6
Cash	1.3	0.2	0.1	0.1
Other	4.3			

17e. Components of defined benefit cost for the 12 months ended 31 March 2019

Analysis of amounts charged to statement of comprehensive income:

	MLC Pension Scheme		HGCA Pension Plan		Total Pension Schemes	
	For the year ended 31-Mar-20 £'000	For the year ended 31-Mar-19 £'000	For the year ended 31-Mar-20 £'000	For the year ended 31-Mar-19 £'000	For the year ended 31-Mar-20 £'000	For the year ended 31-Mar-19 £'000
Current service cost	(200)	(200)	(54)	(60)	(254)	(260)
Past service cost	-	(2,200)	-	(13)	-	(2,213)
Administration costs	(600)	(500)	(25)	(23)	(625)	(523)
Net interest on net defined benefit liability/(asset)	(100)	(100)	(1)	(3)	(101)	(103)
Total income/(expense) recognised in profit and loss	(900)	(3,000)	(80)	(99)	(980)	(3,099)

Notes to the financial statements

17. Pensions (continued)

17e. (continued)

Analysis of the amounts charged to other comprehensive income:

	MLC Pension Scheme		HGCA Pension Plan		Total Pension Schemes	
	For the year ended 31-Mar-20 £'000	For the year ended 31-Mar-19 £'000	For the year ended 31-Mar-20 £'000	For the year ended 31-Mar-19 £'000	For the year ended 31-Mar-20 £'000	For the year ended 31-Mar-19 £'000
Actuarial gains and (losses) on assets	(7,800)	5,000	(533)	87	(8,333)	5,087
Experience gains and (losses) on liabilities	2,000	(300)	490	5	2,490	(295)
Gains (losses) from changes to assumptions	8,200	(6,300)	1,760	(927)	9,960	(7,227)
Change in irrecoverable surplus	-	-	(2,387)	896	(2,387)	896
Total amount (charged)/credited in other comprehensive income	2,400	(1,600)	(670)	61	1,730	(1,539)

17f. Reconciliation of the present value of the defined benefit obligation and the fair value of the plan assets to the assets and liabilities recognised in the statement of financial position

	MLC Pension Scheme		HGCA Pension Plan		Total Pension Schemes	
	As at 31-Mar-20 £'000	As at 31-Mar-19 £'000	As at 31-Mar-20 £'000	As at 31-Mar-19 £'000	As at 31-Mar-20 £'000	As at 31-Mar-19 £'000
Present value of defined benefit obligation	(208,800)	(224,600)	(23,143)	(25,311)	(231,943)	(249,911)
Fair value of plan assets	203,200	217,200	25,392	25,792	228,592	242,992
Surplus/(deficit) on Scheme	(5,600)	(7,400)	2,249	481	(3,351)	(6,919)
Irrecoverable surplus (effect of asset ceiling)	-	-	(2,952)	(552)	(2,952)	(552)
Net asset/(liability) recognised in Statement of Financial Position	(5,600)	(7,400)	(703)	(71)	(6,303)	(7,471)

Notes to the financial statements

17. Pensions (continued)

17f. Reconciliation to the statement of financial position

Analysis of the movement in surplus/(deficit) during the year:

	MLC Pension Scheme		HGCA Pension Plan		Total Pension Schemes	
	For the year ended 31-Mar-20 £'000	For the year ended 31-Mar-19 £'000	For the year ended 31-Mar-20 £'000	For the year ended 31-Mar-19 £'000	For the year ended 31-Mar-20 £'000	For the year ended 31-Mar-19 £'000
Surplus/(deficit) in the Scheme at start of year	(7,400)	(3,200)	(71)	(158)	(7,471)	(3,358)
Contributions paid	300	400	118	125	418	525
Current service cost	(200)	(200)	(54)	(60)	(254)	(260)
Past service cost	-	(2,200)	-	(13)	-	(2,213)
Net interest on net defined benefit (asset)/liability	(100)	(100)	(1)	(3)	(101)	(103)
Administration costs	(600)	(500)	(25)	(23)	(625)	(523)
Actuarial (loss)/gain	2,400	(1,600)	(670)	61	1,730	(1,539)
Surplus/(deficit) in the Scheme at end of year	(5,600)	(7,400)	(703)	(71)	(6,303)	(7,471)

Please note contributions paid include recovery plan payments.

17g. Reconciliation of opening and closing balances of the present value of the defined benefit obligation

Change in scheme liabilities:

	MLC Pension Scheme		HGCA Pension Plan		Total Pension Schemes	
	For the year ended 31-Mar-20 £'000	For the year ended 31-Mar-19 £'000	For the year ended 31-Mar-20 £'000	For the year ended 31-Mar-19 £'000	For the year ended 31-Mar-20 £'000	For the year ended 31-Mar-19 £'000
Balance at 1 April	(224,600)	(220,500)	(25,311)	(24,401)	(249,911)	(244,901)
Current service cost	(200)	(200)	(54)	(60)	(254)	(260)
Interest cost	(5,000)	(5,200)	(576)	(578)	(5,576)	(5,778)
Contributions by plan participants	(100)	(100)	(9)	(11)	(109)	(111)
Actuarial gains/(losses) on experience	2,000	(300)	490	5	2,490	(295)
Actuarial gains/(losses) on demographic assumptions	(500)	1,200	-	461	(500)	1,661
Actuarial gains/(losses) on financial assumptions	8,700	(7,500)	1,760	(1,388)	10,460	(8,888)
Benefits paid	10,900	10,200	557	674	11,457	10,874
Past service cost	-	(2,200)	-	(13)	-	(2,213)
Scheme liabilities at end of year	(208,800)	(224,600)	(23,143)	(25,311)	(231,943)	(249,911)

Notes to the financial statements

17. Pensions (continued)

17g. Reconciliation of opening and closing balances of the fair value of plan assets

Change in scheme assets:

	MLC Pension Scheme		HGCA Pension Plan		Total Pension Schemes	
	For the year ended 31-Mar-20 £'000	For the year ended 31-Mar-19 £'000	For the year ended 31-Mar-20 £'000	For the year ended 31-Mar-19 £'000	For the year ended 31-Mar-20 £'000	For the year ended 31-Mar-19 £'000
Balance at 1 April	217,200	217,300	25,792	25,657	242,992	242,957
Expected return on plan assets	4,900	5,100	588	609	5,488	5,709
Return on scheme assets greater/(less) than discount rate	(7,800)	5,000	(533)	87	(8,333)	5,087
Contributions by the employer	300	400	118	125	418	525
Contributions by the plan participants	100	100	9	11	109	111
Administration costs	(600)	(500)	(25)	(23)	(625)	(523)
Benefits paid	(10,900)	(10,200)	(557)	(674)	(11,457)	(10,874)
Fair value of assets at end of year	203,200	217,200	25,392	25,792	228,592	242,992

The actual return of plan assets in the MLC Pension Scheme was a loss of £2.9 million (2018/19: gain of £10.1 million). The actual return of plan assets in the HGCA Pension Plan was a gain of £0.1 million (2018/19: gain of £0.7 million).

17h. Maturity profile of defined benefit obligation

The expected cash outlay required to meet defined benefit obligations as they arise over the next 10 years, are:

	MLC £000	HGCA £000
Expected benefit payments made during 2020/21	10,300	721
Expected benefit payments made during 2021/22	9,900	687
Expected benefit payments made during 2022/23	10,400	772
Expected benefit payments made during 2023/24	10,000	778
Expected benefit payments made during 2024/25	10,300	778
Expected benefit payments 2025/26 to 2029/30	51,800	4,081

Notes to the financial statements

18. Related party transactions

AHDB is a non-departmental public body (NDPB) funded by statutory levies and sponsored by the Department for Environment, Food and Rural Affairs (Defra). Defra is a government department which is regarded as a related party. Defra is the sponsoring department of the other arm's-length bodies listed below and, by virtue of their relationship with Defra, are also regarded as related parties.

The main government bodies AHDB had transactions with during the year were Defra and other Defra bodies, HMRC and the Health and Safety Executive (HSE). The AHDB Group structure including Livestock Information (LI) Limited is noted on pages 32 and 54.

Gwyn Jones is chairman of the Responsible Use of Medicines in Agriculture (RUMA), with transactions of £22.1k during the year and no balance was due at 31 March 2020.

Peter Kendall is and Mike Sheldon was (until 30 November 2019), a director of Assured Food Standards (AFS), with transactions of £257.5k during the year and no balance was due at 31 March 2020.

All the above transactions were on an arm's-length basis.

Statutory levies were paid on an arm's-length basis by businesses in which AHDB Board Members or close family members were involved, as shown in the table below:

AHDB Board member	Levy paying entity	Relationship of AHDB Board member to Levy paying entity	Sector
Peter Kendall	W J Kendall & Sons	Partner	Cereals & Oilseeds
Adam Quinney	A C & S E Quinney	Partner	Beef & Lamb
Paul Temple	H S Temple & Son	Partner	Cereals & Oilseeds/Beef

Statutory levies were paid on an arm's-length basis by businesses in which AHDB Leadership Team members or close family members were involved, as shown in the table below:

AHDB Leadership Team member	Levy paying entity	Relationship of AHDB LT member to Levy paying entity	Sector
Christine Watts	E W & R W Watts, Wishaw	Spouse of Partner	Cereals & Oilseeds/Potatoes

No other AHDB Board Members, senior executive staff or other related parties have undertaken any material transactions with AHDB.

There are no company directorships or other significant interests that AHDB considers may conflict with management responsibilities.

Transactions with senior members of staff can be found in the remuneration and staff report on page 23.

19. Events after the reporting date

The World Health Organisation declared that the coronavirus (COVID-19) was a global pandemic on 11 March 2020 and the pandemic situation continues to evolve. For AHDB's 2019/20 reporting period, the main financial risk owing to the pandemic was the adequacy of provisions against outstanding levy monies recorded as due or to be invoiced as at 31 March 2020 for specific sectors. After careful assessment, there were no adjustments required to the amounts recognised in the financial statements at the reporting date specifically in relation to the financial risks arising from the pandemic.

There were no other events after the reporting date that require disclosure or adjustment to the financial statements. The Accounting officer authorised these statements for issue on the date of the C&AG's audit certificate.

Annex – Unaudited information

Levy rates in operation during 2019/20

SECTOR	Standard levy rate 2019/20
Pigs (England)	£ per head
Producer	0.85
Slaughterer/exporter of live pigs	0.20
Beef and Lamb (England)	£ per head
Cattle (excluding calves)	
Producer	4.05
Slaughterer/exporter of live cattle	1.35
Calves	
Producer	0.08
Slaughterer/exporter of live calves	0.08
Sheep	
Producer	0.60
Slaughterer/exporter of live sheep	0.20
Milk (GB)	Pence per litre
Buyers and direct sellers of milk	0.060
Cereals and oilseeds (UK)	Pence per tonne
Cereal grower	46.00
Cereal buyer	3.80
Cereal processor (human and industrial)	9.50
Cereal processor (feed)	4.60
Oilseeds	75.00
Horticulture (GB)	% sales turnover
Horticulture products	0.50
Mushroom spawn	Pence per litre
- Agaricus	8.0
- Non-agaricus	2.0
Potatoes (GB)	
Potato growers	£42.62 per hectare
Purchasers of potatoes	£0.1858 per tonne

Note: Higher rates apply for overdue payment.

AHDB Sector Boards at 31 March 2020

AHDB Pork Sector Board

Mike Sheldon, (Chair)
Chris Aldersley, processor
Robert Beckett, pig farmer, Yorkshire
Timothy Bradshaw, pig farmer, Yorkshire
Richard Buckle, pig farmer, Yorkshire
Adam Cheale, processor
Nick Davies, processor
Mark Highton, processor
Robert Mutimer, pig farmer, Norfolk
***Robert Shepherd**, pig farmer, Hampshire
Simon Watchorn, pig farmer, Suffolk
***Iain Wylie**, independent member

**Denotes end of term in office on 31 March 2020*

*The following new members were appointed from 1 April 2020:
Rupinder Ashworth, Robin Thompson*

AHDB Dairy Sector Board

***Gwyn Jones**, (Chair)
David Craven, dairy farmer, Cheshire
Andrew Fletcher, dairy farmer, Cheshire
Elizabeth Haines, dairy farmer, Shropshire
Oliver Hall, independent member
Ian Harvey, dairy farmer, Cornwall
Mary Quicke, dairy farmer, Devon
Peter Rees, dairy farmer, Carmarthenshire
Scott Shearlaw, dairy farmer, Ayrshire
****Richard Soffe**, independent member
Joseph Towers, dairy farmer, Lancashire

**Denotes end of term in office on 31 March 2020*

***Richard Soffe was appointed Interim Chair of the Dairy Sector Board from 1 April 2020, until a chair is appointed by UK Ministers*

AHDB Beef & Lamb Sector Board

Adam Quinney, (Chair)
***Philip Abbott**, sheep farmer, Warwickshire
***Peter Baber**, sheep farmer, Devon
Colin Bateman, producer, Cumbria
Trevor Bellis, processor, Stafford
Conor Colgan, producer, Northumberland
***Stephen Conisbee**, livestock farmer and butcher, Surrey
***James Evans**, livestock farmer, Shropshire
***Gill Fine**, independent member
Laurie Ibbotson, processor
***Duncan Nelless**, livestock farmer, Northumberland
James Shouler, producer, Oxfordshire
Richard Sparey, producer, Herefordshire
Stephen Thompson, processor
Robert Venner, auctioneer

**Denotes end of term in office on 31 March 2020*

*The following new members were appointed from 27 April 2020:
Anne-Marie Hamilton, James Taylor, Paul Unwin*

AHDB Horticulture Sector Board

Hayley Campbell-Gibbons, (Chair)
*****Jamie Dewhurst**, hardy nursery stock grower, Warwickshire
****Martin Emmett**, bulbs and outdoor flowers consultant, West Sussex
***Martin Evans**, independent member
Roma Gwynn, independent member
Robert James, specialist in protected edibles, Kent
Robert Saunders, specialist in fruit agronomy, Kent
***Alison Spaul**, independent member
***Neville Stein**, independent member
***Dr Louise Sutherland**, specialist in fresh produce and soft fruit, Lincolnshire

**Denotes end of term in office on 31 March 2020*

***Denotes end of term in office on 30 September 2019*

**** Jamie Dewhurst was appointed from 1 November 2019*

*The following new members were appointed from 1 April 2020:
Michael Barker, Mark Eves, Peter Judge, Keston Williams*

AHDB Cereals & Oilseeds Sector Board

Paul Temple, (Chair)
***Ian Backhouse**, grower, East Yorkshire
Tony Bell, animal feed sector, Yorkshire
Jane Biss, processor
***Bob King**, processor
Howard Leland, processor
Russ McKenzie, grower, Cambridgeshire
***Andrew Moir**, grower, Aberdeenshire
***David Neal-Smith**, independent member
****Andrew Osmond**, grower, Hampshire and Dorset
***James Price**, grower, Oxfordshire
Mark Wood, grower, Herefordshire

**Denotes end of term in office on 31 March 2020*

*** Denotes end of term in office on 19 October 2019*

*The following new members were appointed from 1 April 2020:
David Bell, Clare Bend, Iain Davies, James Standen,
Patrick Stephenson, David Walston*

AHDB Potatoes Sector Board

Sophie Churchill, OBE (Chair)
James Cargill, potato grower, Aberdeenshire
***Philip Huggon**, independent member
Alison Levett, independent member
Daniel Metheringham, processor
Jonathan Papworth, potato grower, Cambridgeshire
Will Shakeshaft, potato grower, Cambridgeshire
Andrew Skea, potato grower, Angus
****Mark Taylor**, fresh supply, Lincolnshire
Michael Welham, potato grower, Essex and Suffolk
Christopher Wilson, potato grower, Somerset

**Denotes end of term in office on 31 March 2020*

*** Denotes end of term in office on 31 January 2020*

*The following new member was appointed from 1 April 2020:
Mark Wilcox*



Registered office:

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