



# afbi

**AGRI-FOOD  
& BIOSCIENCES  
INSTITUTE**

**Annual Report &  
Accounts**

**2023-2024**

Science with Impact – delivering scientific research  
and services to support Northern Ireland

Laid before the Northern Ireland Assembly  
under the Agriculture (Northern Ireland) Order 2004  
by the Department of Agriculture, Environment and Rural Affairs  
on 5 July 2024

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# Performance Report

# 1. Performance Report

## 1.1 Performance Report – Overview

### 1.1.1 Purpose

The purpose of this performance report is to provide insight into the work of the Agri-Food and Biosciences Institute (AFBI), setting out the organisation’s vision, mission and strategic outcomes. It also sets out the key risks facing the institute and an analysis of AFBI’s performance against the KPIs for 2023-24.

### 1.1.2 Chair’s Overview

On behalf of the board, I am pleased to present the Annual Report and Accounts for AFBI for 2023-24.

AFBI science plays a crucial role in supporting the work of the Department of Agriculture, Environment and Rural Affairs (DAERA) and the agri-food industry. This includes providing the statutory and analytical testing, monitoring and surveillance, research and development, emergency response and expert scientific advice required.

In recent years, the importance of the science that AFBI undertakes and the role it plays in helping provide the evidence and solutions to local and global challenges has been increasingly recognised. As an organisation we play a vital role in issues such as climate change, food security, protection of our natural and marine environments, food safety and the detection and control of animal and plant diseases.

During 2023-24, AFBI has continued to deliver excellent scientific services, research and advice to DAERA and our wide range of external funders and customers. Key highlights include the successful delivery of Year 2 of the Soil Nutrient Health Scheme, a truly innovative scheme designed to deliver the twin goals of environmental and economic benefit.

This annual report reflects on some of our many achievements, as well as acknowledging some of the challenges faced. Despite these challenges, during the year we have developed a bold new corporate plan for the period 2023-2027. In partnership with DAERA we also continue to make real and meaningful progress across a range of estate and IT projects which are vital to provide the underpinning infrastructure which the organisation needs for the future.

I would also take this opportunity to thank my non-executive colleagues on the board for their commitment and support to the organisation. Along with my fellow board members, we take the public responsibilities entrusted to us extremely seriously and will continue to oversee AFBI and to uphold the core values of the organisation.

The greatest asset in AFBI is its people and it is a privilege to witness their expertise and commitment. I am incredibly proud to be part of AFBI and I acknowledge and recognise the magnificent work of AFBI staff.

Finally, I would also thank the Executive Management Team (EMT) for their hard work and commitment in delivering against our many scientific and corporate objectives.



**Colin Coffey, CDir FlOD  
Chair**

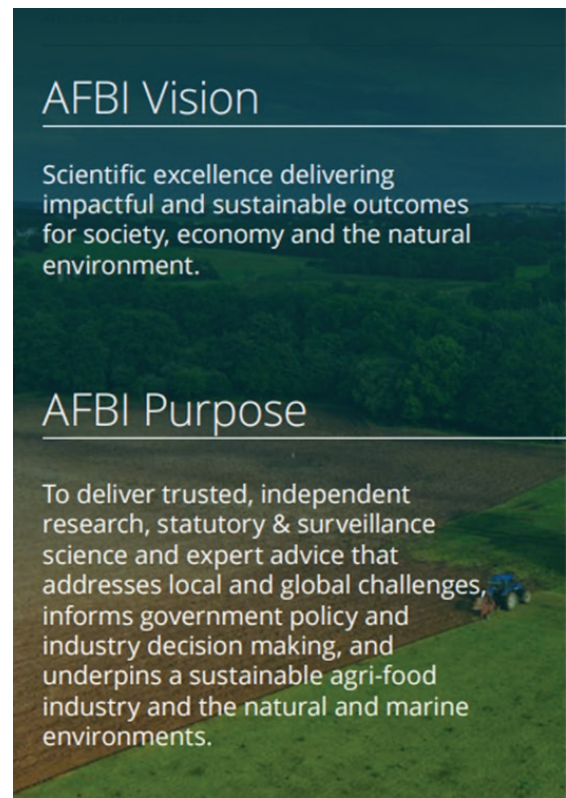


### 1.1.3 Chief Executive's perspective on performance

During 2023-24, the Institute continued to successfully deliver a substantial and increasing programme of scientific work for DAERA and other funders alongside continued progress of key infrastructural and other corporate initiatives. This again occurred against a challenging backdrop including the continued impact of significant core budgetary pressures and an increasingly competitive staff recruitment and retention environment.

We developed and launched a new corporate plan for 2023-2027 during the year. This new corporate plan sets out the high-level objectives which our science aims to achieve across our three core science themes alongside our ambition to continually increase the quality and relevance of our science and the enabling investments needed in our systems, estate and people. The plan includes updates to our vision, purpose and values and provides AFBI, with a strong strategic direction for the coming years. We have since drafted a new Science Strategy 2030 which further supports and compliments the corporate plan and which sets out the scientific direction of our work areas and to deliver on the many local and global challenges.

The organisation has continued to lead or contribute to a number of substantial infrastructural, IT and other change projects over the course of 2023-24. Notably a contract for a replacement marine research vessel was awarded during the year. This research vessel will be a critical part of the Institute's future science platform and provide the necessary capability to



undertake scientific work on the sustainable management of marine ecosystems and natural resources, biodiversity, and future climate action plans.

From an IT infrastructural perspective, a new project and portfolio management (PPM) system continued to be developed and rolled out across the Institute and when fully embedded will be a key part of our business management systems. We have embarked on a further project, with the support of SIB, to look at our future digital, data and technology needs.

Colleagues have also played major roles in a number of major DAERA-led infrastructural projects such as the new animal health sciences building, a ruminant emissions facility planned for our Hillsborough site and a replacement laboratory information management system (the ISLAND project). We very much welcome DAERA funding and support of these various investments which are critical to providing the facilities needed to deliver future science needs and to modernise how we operate.

Information on our science programmes and key achievements are provided later in this report but some aspects are worth

particularly highlighting. Under the theme of 'Leading Improvements in the agri-food industry to enhance its sustainability' substantial programmes of work on approaches and inhibitors to reduce methane emissions from ruminants are underway, methane being an important greenhouse gas. The theme of 'Protecting animal, plant and human health' includes substantial programmes of statutory and surveillance work undertaken for DAERA. This also includes increasing testing requirements arising from the Windsor Framework.

Our research work on bovine tuberculosis (bTB) is internationally recognised and a critical part of the evidence base on bTB.

The challenges facing the environment in Northern Ireland were acutely highlighted in the summer of 2023 with the occurrence of severe algal blooms on Lough Neagh and which attracted national and international media attention. The scientific work undertaken by AFBI under the theme of 'Enhancing the natural and marine environments' formed a critical part of the evidence base for the issues affecting Lough Neagh and again highlighted the importance of the long-term nature of much of the science that AFBI undertakes. This, and the work undertaken on the Soil Nutrient Health Scheme, are prime examples of the ambition set out in our vision and purpose.

The external funding landscape in which we operate continues to be extremely positive. The holistic and applied nature of the work which we undertake means that we are well placed strategically to avail of these opportunities with some substantial successes during the year. Our participation in the two SFI/DAERA/UKRI co-centres of Sustainable and resilient food systems and Climate+ are prime examples.

AFBI is fundamentally a knowledge organisation and entirely dependent on attracting and retaining the best scientists and supporting staff within what is an increasingly competitive environment. A project on recruitment and retention was commenced during the year and aims to set

out how we can better recruit and retain the talent that AFBI needs to deliver not only on our current commitments but for the future ahead.

I would like to finish by paying tribute to and thanking my Executive team and colleagues across the Institute for their hard work and dedication in what has been an extremely busy and at times challenging year but also one with many notable successes.

#### 1.14 AFBI Purpose and Activities

AFBI is Northern Ireland's largest agri-food science organisation. As a non-departmental public body (NDPB) sponsored by DAERA, AFBI science plays a crucial role in providing the underpinning statutory and surveillance science, research and development work, emergency response capability and expert scientific advice required to support the various work programmes of our sponsoring department and the wider requirements of the agri-food industry.

AFBI has a broad remit of work including providing vital support to an industry which is a key economic driver within Northern Ireland while delivering wider societal benefit in areas such as the environment and food safety.

Against a backdrop of global and local challenges, including the threats posed by climate change, new and emerging animal and plant diseases, and the increasing requirement to balance environmental and economic sustainability, the need for science to provide the evidence base, inform policy making and develop solutions has never been greater.

AFBI aims to meet these challenges through our work which centres on our three key themes of:

- Leading improvements in the agri-food industry to enhance its sustainability.
- Protecting animal, plant and human health.
- Enhancing the natural and marine environments.

The Executive Management Team structure of AFBI is headed by a CEO and four Directors:



Detailed information of the governance structures of AFBI, including the AFBI Board and supporting committees are provided within the corporate governance report of this Annual Report and Accounts.

As an NDPB AFBI’s main point of contact with its sponsoring department, DAERA, is via DAERA’s AFBI Sponsor Branch (ASB). Regular meetings are held with ASB where matters relating to corporate governance, performance measurement, budgets, financing and accountability matters are discussed. A wider delivery partner relationship also exists between AFBI’s science branches and the policy branches in DAERA who specify DAERA’s required programme of scientific services. The DAERA-directed AFBI Research Evidence and Innovation Work Programme oversees AFBI’s research work aligned with DAERA’s policy needs.

AFBI’s responses to DAERA in-year budget monitoring rounds and comprehensive spending reviews are all channelled through ASB.

### 1.1.5 Key risks to the achievement of AFBI’s business objectives

Managing risks to the achievement of AFBI objectives is intrinsically linked to the business planning and performance management process. AFBI has therefore continued to work to ensure greater integration of AFBI’s risk management processes and business planning to ensure that when managers and staff are setting objectives they are simultaneously identifying and measuring the potential impact of key risks.

In terms of the key risks to the achievement of AFBI’s objectives, 12 risks are currently identified on the corporate risk register (CRR). These are summarised in table 1. In addition to the existing controls in place to manage these risks, a number of additional actions have been put in place to manage the risks down to the specified target level and progress is subject to oversight by the Audit and Risk Assurance Committee (ARAC) and board.



AFBI Corporate Risks 2023-24	
<b>CR1</b>	Failure in corporate governance, control and/or accountability leading to reputational damage, financial irregularity or fraud.
<b>CR2</b>	Future public sector spending and inflationary pressures impacts on AFBI's ability to deliver work programmes.
<b>CR3</b>	Failure to deliver budget outturn within agreed budget tolerance.
<b>CR4</b>	Failure to proactively identify and respond to the increasing pace of scientific development, industry need and technological change will adversely affect AFBI's future sustainability and delivery to its funders.
<b>CR5</b>	Failure to provide external emergency response capability (ERC) requirements and maintain internal business continuity will negatively impact AFBI's service delivery and reputation.
<b>CR6</b>	Failure to recruit, retain and develop AFBI's workforce and an over reliance on agency staff or ineffective hybrid working may result in AFBI being unable to deliver science needs and fulfil its business objectives.
<b>CR7</b>	Failure to have a fit for purpose AFBI estate will negatively impact on our ability to deliver the required functions for DAERA and external funders, and negatively affect AFBI's reputation.
<b>CR8</b>	Failure to provide secure, adequate IT systems (including LIMs and FBMS) and capacity to support management decision-making will adversely impact the delivery and efficiency of AFBI's services.
<b>CR9</b>	Failure to comply with health and safety, biocontainment, waste management and related legislation and requirements could adversely impact on the health and safety of staff and others and /or impact on the health status of NI's animal population.
<b>CR10</b>	Continued uncertainty around the impact of the NI protocol including import/export controls and the levels and types of testing required impacts on AFBI's ability to deliver on DAERA testing requirements.
<b>CR11</b>	Failure to manage the impacts of the level and pace of internal changes in systems and working practices negatively impacts AFBI staff and service delivery.
<b>CR12</b>	Failure to mitigate the threat of and effectively respond to a cybersecurity attack or other interruption to business continuity negatively impacts AFBI's operations and reputation.

*Table 1: AFBI Corporate risks 2023-24*

### **Risk Removed during 2023-24**

Following a legal settlement, one risk (CR10) 'Legal issues in relation to the significant royalties monies owed to the public purse could lead to significant financial and reputational impacts' was removed from the CRR.

## Analysis of Risk Profile

AFBI's Risk Review Group meets on a regular basis to consider current and emerging issues and the impact on the risk profile as well as updates on actions in place to manage and monitor all AFBI's corporate risks. In particular the following issues have been kept under review:

### People

In common with many other organisations, AFBI is currently operating in a much more challenging staff recruitment and retention environment with a very buoyant local employment market for many of the skills that the organisation requires and depends on. During the year there was a high level of recruitment activity undertaken but there continues to be a significant number of agency workers and vacant posts across the institute. The recruitment risk is being managed through a workforce plan and the embedding and development of the new staff are being managed through induction processes and training.

Following participation in the Northern Ireland Statistics and Research Agency (NISRA) staff survey for the first time in 2021-22 AFBI has also been implementing an action plan to address issues identified as impacting on staff engagement. AFBI has participated in the NISRA survey in early 2024-25 and the effectiveness of these actions will be assessed.



### Emerging Risk Issues for 2023-24

#### Public Sector Funding Pressures

The continued inflationary pressures affecting many of our estate and laboratory inputs together with resource funding constraints presented a significant 2023-24 budgetary pressure. Costs versus the budget settlement for 2023-24 were kept under review and bids made through the normal in-year monitoring round processes. Budgetary needs were addressed through the budget setting process, refining where necessary to ensure scientific programmes and projects plans were prioritised and aligned within budgetary constraints.

## 1.1.6 Performance Summary 2023-24

This year saw the development of a new corporate plan which sets out AFBI's ambitions for the period 2023-2027. AFBI's vision, purpose and strategic priorities are set out in figure 1.

*Figure 1: AFBI's vision, purpose, and strategic priorities for the period 2023-27*

### Vision:

Scientific excellence delivering impactful and sustainable outcomes for society, economy and the natural environment.

### Purpose:

To deliver trusted, independent research, statutory & surveillance science, and expert advice that addresses local and global challenges, informs government policy and industry decision making, and underpins a sustainable agri-food industry and the natural and marine environments.

### Strategic Priorities:

Our scientific outcomes and knowledge makes AFBI a national and global leader in agri-food science

1: Leading improvements in the agri-food industry to enhance its sustainability

2: Protecting animal, plant and human health

3: Enhancing the natural and marine environment

4: Delivering quality outcomes and impact

5: Enabling world class science through excellence in people, places & technology

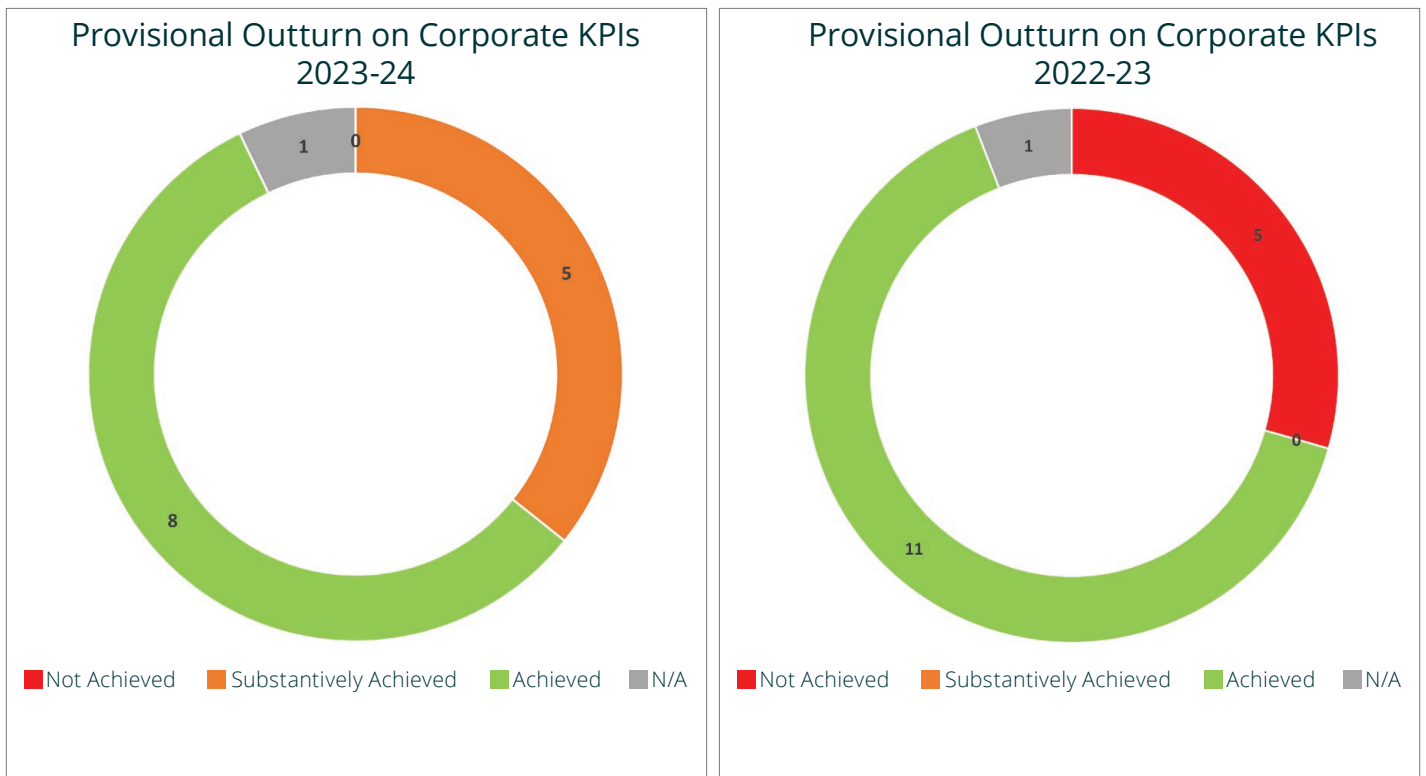
## Overview of Performance

Table 2: Summary Outturn Performance

Status	Definition	2023-24	%	2022-23	%
Red	KPIs where commitments are not achieved	0	0%	5	29%
Amber	KPIs where commitments were substantively achieved	5	35%	0	0%
Green	Achieved	8	57%	11	65%
N/A	No longer applicable	1	7%	1	6%
Total		14		17	

There were eight corporate KPIs fully achieved with five substantively achieved representing an improvement in outturn performance in comparison with the previous year. This is a positive outcome given the contextual challenges of funding uncertainty and staffing challenges faced by AFBI during the financial year.

Figure 2: Comparison of KPI Outturn 2023-24 and 2022-23



## Progress towards key Strategic Priorities in 2023-24

### Leading improvements in the agri-food industry to enhance its sustainability



Over the coming years the agri-food industry must reduce its environmental footprint to help deliver long-term sustainability. A key focus of research in AFBI is therefore to reduce the emissions of greenhouse gases (methane and nitrous oxide), as well as the excretion of phosphorus and nitrogen from meat and milk production systems, as well as making better use of organic manures from livestock.

During the year there have been a number of projects which have been taken forward to achieve this goal, such as a project entitled 'Beyond early life programming of enteric methane emissions – BELCH<sub>4</sub>'. This is a

DAERA-funded project which will focus on the lifetime impact of early interventions in dairy heifer rearing to reduce the potential of the rumen to generate methane. A number of other projects have also progressed well during the year with a range of funders and are now reporting outcomes which the agri-food industry can adopt. These include the impact of lower protein concentrations, as well as non-human edible feed ingredients, in dairy cow diets on the environmental impact of dairy systems.

A major work programme on the impact of novel methane inhibitors to reduce methane emissions from cattle is also progressing,

especially with our colleagues in QUB and Teagasc. Research also continues to work with the National Inventory and sharpen the data for Northern Ireland for all livestock species.

A special focus has been on nitrogen excretion from poultry and the maintenance energy requirements for beef cattle. A major DAERA-funded project to strengthen the data with regard to the emissions from grasslands on high organic soils (peat) commenced and will work with the UK Centre of Ecology and Hydrology as well as the James Hutton Institute to inform the Land Use, Land Use Change and Forestry Inventory.

In partnership with QUB and UU, AFBI secured a number of significant funding bids including the SFI/DAERA/UKRI co centres of Sustainable and Resilient Food Systems and Climate+ and the UKRI funded Land Use and Net Zero (LUNZ) – Hub. The AFBI work within these projects includes diets to drive ‘low carbon pork’, improvements in soil health and land use for human food production as well as alternative swards to promote biodiversity and reduce emissions and economic modelling to understand the key considerations within a just transition for food production systems.

AFBI lead Northern Ireland’s representation within the LUNZ – Hub consortium, which is led between James Hutton Institute and University of Leicester. This strategically important project represents an important interface between government departments and academia across the four nations of the UK. AFBI will specifically support this project through the development of land use scenario and pathway planning as well as providing specific expertise aligned with farming systems and soil health.

Harnessing the power of data on the journey to develop and enhance model development and ultimately provide positive transformation within agri-food systems is also a key goal. The roll out of ‘Food Futures’ to a group of 130 pilot farmers in partnership with the Livestock and Meat Commission (LMC) and the Farm Quality

Assurance Scheme was well received and has enhanced the Food Futures tool to the point of commercialisation. The application of data analytics to the EU-funded Innovar project to establish wheat varieties that had ‘high performance and low risk’ (HPLR) across the different climates, environments and soil types across Europe has resulted in another tool for arable farmers to enable sustainable practices to be adopted. An AFBI-developed dairy systems model is now in place which is designed to enable policy makers assess the optimum system for dairy farming in NI under a range of pricing structures, input costs and environmental outputs. Work has progressed well during the year on a similar beef model. For the first time a model to assess the most appropriate placement of forestry and woodlands in NI, to support policy development has been used by policy makers and the AFBI ‘Input/Output’ model continues to be used to support climate action plans, with a focus on all 82 sectors within Northern Ireland.

A major DAERA-funded project, the Northern Ireland Farm Animal BioBank (NIFAB) started in 2022 and now has eight PhD students aligned with it. With over nine billion records logged, many of which represent difficult-to-measure metrics such as feed efficiency, the aforementioned students’ projects are interrogating this significant bio-data-bank to design algorithms, investigate relationships and build new indices to ultimately design new breeding traits and indexes for the NI cattle herd which will support the delivery of both productivity and environmental targets for NI farming.

Whilst livestock production dominates the NI agri-food industry, a goal of AFBI’s is to explore the opportunity for non-livestock-based food products. During the year discussions and relationships have been fostered with potential academic and commercial partners to bring forward proposals to investigate this area.

During the year AFBI also launched its latest grass varieties that were successful on national recommended lists - Galgorm, Tollymore and Richhill. Furthermore, for



the first time an AFBI variety (Galgorm) topped the recommended list of varieties for the Republic of Ireland. During the year Barenburg were confirmed as AFBI's commercialisation partner for the next ten years. AFBI also submitted a five-year road map and an associated proposal to DAERA to further enhance the scientific advances within grass breeding.

Finally, the adaptation of the NI agri-food sector to the changing climate is critical. AFBI's grassland and arable programmes of research continue to explore the adoption of multispecies swards, cover crops and novel crops, the use of conventional and novel organic manures on crop and sward productivity and soil health. Furthermore, the focus on agroforestry continues with proposals being made to explore the adoption of such platforms for young stock.

## Protecting Animal, Plant and Human Health



The work undertaken by AFBI under this strategic priority is directed towards protecting Northern Ireland society from the threats of animal and plant diseases as well as food contaminants, both chemical and microbiological. The work is fundamental to DAERA and the agri-food industry in order to meet national and international trade requirements in relational food products, agricultural produce, plants and livestock. AFBI's work in these spheres is critical to the economy, society and the environment of Northern Ireland.

Our ability to trade as a region is critically dependent on demonstrating freedom from transboundary and notifiable diseases and AFBI plays an important role in active surveillance testing programmes providing evidence of regional disease status for DAERA animal and plant health policy, supporting compliance with European legislation, supporting trade guarantees, supporting DAERA and the industry to prevent disease incursions and protecting public health through detection of diseases transmissible to humans.



During 2023-24 over 250 thousand tests were delivered by AFBI for statutory animal disease surveillance purposes alone. These surveillance programmes are coupled to capabilities for mounting an emergency response should a notifiable transboundary disease, such as avian influenza, occur in the province. During the year AFBI undertook testing of a significant number of wild bird cases of avian influenza. The current circulating strain of the virus (H5N1) has effectively become endemic within wild bird populations, rather than the seasonal patterns seen with previous incursions. During the third quarter of 2023-24 there were two suspects raised for avian influenza in commercial flocks, thankfully neither was confirmed as positive. Bluetongue virus in GB during 2023-24 has resulted in heightened alert status in Northern Ireland. A very significant uplift in testing has resulted from this, including two suspect cases. Thankfully no virus incursion into Northern Ireland has been detected to date. AFBI continues to provide testing support and advice to DAERA across the range of epizootic disease threats.

The risk of new and emerging diseases, including those arising from or linked to changing climate conditions, will potentially bring new disease challenges to NI and it is important that AFBI has the capability and capacity to respond to these challenges.

Endemic diseases in animals have a negative effect on productivity, competitiveness and greenhouse gas emissions. AFBI's contribution in this area is a robust passive surveillance programme, monitoring animal diseases and changing patterns of disease, as well as supporting disease control and eradication programmes such as bovine viral diarrhoea (BVD) and bovine tuberculosis. During 2023-24 over 2,600 post-mortems were undertaken and over 81,000 samples received for testing as part of the passive surveillance programme. In addition, a high volume of tests were conducted in year as part of the BVD eradication programme.

The institute also has a major on-going programme of work on bovine tuberculosis spanning both diagnosis and research and development directed at understanding the disease and the factors influencing its transmission and spread. This work includes the application of advanced genomic sequencing techniques to increase understanding of disease transmission within and between cattle and wildlife hosts.

Our food safety work provides surveillance and emergency response to chemical and microbiological contaminants in products of animal origin. AFBI works closely with both DAERA and our agri-food industry to provide scientific evidence that our food products are safe to eat and meet the stringent requirements for trade. During 2023-24 AFBI has further expanded our mass spectrometer capacity as well as providing additional testing and advice on chemical and microbiological food hazards, including antimicrobial resistance (AMR).

Protecting and enhancing our plant health is of fundamental importance to deliver healthy environments which promote biodiversity, carbon sequestration and wider societal wellbeing. Tree diseases such as sudden oak death, *Phytophthora ramorum*, and ash dieback, *Hymenoscyphus fraxineus*, have the power to destroy native tree populations and alter the appearance of the landscape. Plant health protection has a long history in Ireland fuelled by the devastation caused by potato late blight (*Phytophthora infestans*), which was the causative agent of the Irish famine 1845-1852. Working closely with DAERA's plant health teams, AFBI's surveillance and emergency response capabilities underpin the health of forests and plant-based ecosystems. Northern Ireland (along with the Republic of Ireland) has the greatest number of plant health protected zones in the EU demonstrating our high plant health status.

As an island epidemiological unit, we have many advantages but there are constant plant health threats on the horizon. In total, there are over 1,400 plant pests and diseases listed on the UK and EU plant health risk registers. Ongoing work, concerns preparation for emerging *Phytophthora* species, such as *Phytophthora pluvialis* attacking western hemlock and Douglas fir in GB, as well as insect pests such as emerald ash borer, *Agilus planipennis*, a destructive pest of ash, which is encroaching on eastern EU states. Invasive and endemic threats to bee health are also monitored by AFBI such as small hive beetle, *Aethina tumida*, which is an invasive pest of honeybee colonies found in southern Italy in 2014 and Asian hornet *Vespa velutina*, a honeybee predator, which is now being found regularly in England.

In addition to plant health, AFBI entomologists also have a role to play in safeguarding animal health. In late 2023, bluetongue virus, which is vectored by biting midges, was detected in multiple premises in England, prompting us to place out UV-light traps to catch midges, determine their flight season and risk of disease transmission.

Control of plant pests and diseases is often based on the use of pesticides. Approval and usage of pesticides is subject to alteration due to the significant environmental and human health implications of their use. AFBI monitors pesticide usage on crops by a stratified random selection of holdings followed by targeted interviews with growers. Knowledge of pesticide use is fundamental to designing policies to protect the environment and human health.

AFBI's work on plant health is supported by a targeted research programme including work in relation to state-of-the-art analytics and advances in knowledge to support efficient and effective surveillance and monitoring work and emergency response capabilities.

EU exit and the Windsor Framework have brought additional requirements for AFBI around official food and feed controls as well as animal health and welfare. Our existing UK National Reference Laboratories have been supplemented with equivalent European National Reference Laboratories which has expanded our existing networks within animal and plant health plus food safety. These networks are vitally important, providing timely knowledge and access to scientific resources, such as protocols and reagents, in order to respond to official controls and animal/plant health challenges. A further requirement arising from EU Exit is the need for any activities undertaken for official control purpose to be accredited to ISO17025 by our existing UK body, UKAS, and also an accreditation body in an EU member state. The Irish National Accreditation Board (INAB) was selected by our competent authorities and a first assessment visit undertaken by them during 2023-24. The outcome from this visit was a recommendation for accreditation subject to clearance of any findings raised. This unique requirement will mean that AFBI are the first organisation in Northern Ireland to hold accreditation from both a UK and EU accreditation body.

## Enhancing the natural and marine environments



### SOIL NUTRIENT HEALTH SCHEME

Throughout 2023-24 AFBI continued to undertake work supporting this strategic priority.

The AFBI Oceanography and Limnology team maintain internationally significant long-term monitoring programmes essential for understanding our freshwater lakes and marine ecosystems, notably for responses to pressures such as climate change and contaminants.

The Long-Term Ecological Research (LTER) network delivers baseline monitoring for agriculture and wastewater pollutants in our major freshwater bodies, whilst the marine monitoring programme assesses the environmental health of our seas. This work supports DAERA by addressing emerging

scientific priorities such as understanding carbon storage, climate driven coastal erosion & plankton communities. AFBI's modelling helps to forecast the recovery of lakes that have been enriched with phosphorus. Work to identify the sources of nutrient enrichment of our freshwater bodies and coastal waters has been conducted and the refinement of models are ongoing. The ecosystem modelling of land-sea systems has supported improving the nation's water quality by advising Northern Ireland Water (NIW), DAERA, and the Northern Ireland Environment Agency (NIEA) on wastewater infrastructure investments. Investigation into the impacts of climate in both marine and lake systems has led to the identification of frequent marine heatwaves in the Irish Sea.

The recent integration of Northern Ireland's oceanographic monitoring programme into the ICES report on ocean climate contributes to pan-Atlantic observations of sea temperatures to support international climate change assessments, including those of the Intergovernmental Panel on Climate Change (IPCC).

A new observation platform for Lough Neagh has been built and installed in 2023, to monitor lake water quality in an ecosystem observed to be currently undergoing rapid change, and a new real-time dissolved oxygen monitoring buoy will identify impacts associated with rising temperatures, whilst directly supporting the management of fisheries within the lough.

Enabled by long-term data collection, DAERA & EU funded projects have delivered added value to the core national monitoring and modelling programmes. The importance of the evidence base and science from AFBI's soil-to-sea science programme, covering long-term environmental monitoring, catchment monitoring and modelling has become particularly pertinent to support policy decisions to address the ecological crisis in Lough Neagh, becoming visible in 2023 through the prolonged summer blue-green algal bloom that also affect coastal bathing water quality. Investment in analytical capacity during 2023-24 has also developed the capacity for understanding carbon fluxes and stores using both in-situ and laboratory equipment in survey programmes in both freshwater and marine environments.

AFBI also continues to do work covering surveillance, analytical and technical support, and specialist advice in the fields of soil, water quality, air quality, biodiversity, agro-forestry, nutrient management and environmental protection. This helps DAERA to meet legislative requirements as well as formulate policy to reduce carbon footprint and meet targets for greenhouse gas emissions and other environmental obligations.

The UK Environmental Change Network (ECN) data, and its interpretation, continues to make significant contributions to a range

of projects and programmes that underpin policy decisions across a range of science and policy areas. These include:

- The provision of supporting data for large-scale ecosystem assessments, such as the UK National Ecosystem Assessment (NEA).
- Support for assessments of key impacts and predictions of responses to future scenarios, such as. Review of Transboundary Air Pollutants (RoTAP).
- Supporting data for monitoring networks that operate at different temporal or spatial scales, such as the UK Countryside Survey.
- Support for natural resource management through provision of data on biodiversity.

The Glenwherry Hill Regeneration Partnership (GHRP) outcomes in 2023-24 include AFBI's Habitat Condition Survey Report, Irish hare population density estimates, attendance at board and subgroup meetings, RSPB bird counts, raptor population ecology, habitat management techniques and Irish grouse counts. The project had considerable attention this year with a record breeding season for curlew, *Numenius arquata*, an endangered and declining species throughout its range.

A key highlight has been the delivery of year 2 of the DAERA-funded Soil Nutrient Health Scheme, which is one of the most comprehensive regional soil nutrient sampling schemes to be undertaken anywhere in the world and is being rolled out on a zonal basis with all the zones to be completed by 2026.

In 2023-24 this scheme was opened to farmers in Zone 2 (County Fermanagh and parts of counties Armagh and Tyrone). The information gathered is aimed at allowing farmers to optimise the application of crop nutrients to their soils with a resulting reduction in nutrient loss to waterbodies and is built on the back of 30 years of high quality AFBI research on soil nutrients, water and air quality and carbon sequestration.

## Quality and impact of AFBI Science



The quality and impact of the science that AFBI undertakes are core to our vision and purpose. The publication of peer reviewed papers in international journals, as well as the publication of technical reports, seminars, and presentations locally, nationally and internationally to stakeholders represent important pathways to drive impact from the science the Institute conducts. The statutory testing undertaken by AFBI is delivered in accordance with rigorous international quality standards (ISO 17025). AFBI also has ISO 9001 certification with research and development work undertaken under this standard.

During 2023-24 AFBI delivered over 858 activities which disseminated the latest research to a wide range of stakeholders

by ways of pathways to impact. Within this, over 108 peer review academic papers were accepted for publication in international journals, which also reflects a mark of quality of AFBI's science being accepted by the academic community. Almost 258 knowledge transfer events were delivered, over 71 press releases were produced and AFBI experts contributed to over 153 committees which support national and international agri-food and marine industries. AFBI's scientific leaders are also directly or indirectly supporting 75 PhD Students at varying stages of their PhD.

In the past year AFBI benefited from the UK Government's competitive Research and Innovation Organisations Infrastructure Fund.

Through this, AFBI was successful in obtaining funding for a clustered IT server and supporting network equipment for the RV *Corystes*. This system will replace outdated analogue data hardware and technologies on *Corystes* with a fully digital system, consolidating current and future scientific data capture needs and to facilitate the move to a new ship. The equipment purchased, and the data stored on it, will move to the new vessel and integrate with its new systems.

### External Funding

AFBI has had a successful year in securing new external contracts which complement and enhance AFBI science. The year ended with AFBI securing 33 new external contracts with a value more than £7million.

### All Island Funding

AFBI enjoyed success in the 2023 DAFM-DAERA: Competitive Call for Research Proposals funded through the Department of Agriculture, Food and Marine (DAFM) in ROI and DAERA in NI in support of joint proposals that will benefit the local rural and agri-food sectors. Building on the success of previous years, 2023-24 saw the widest range of topics within the broad areas of shared strategic relevance. Five projects with a total value of c £1.675m received funding under the following three topics:

- Theme I - GHG Emission Inventories.
- Theme II - Developing and validating novel alternative stimulants and fertilisers to reduce and replace chemical fertiliser developing and validating novel alternative stimulants.
- Theme III - Breeding or Production of Sustainable Agriculture or Forest Material Fertilisers to reduce and replace chemical fertilizer and Breeding or Production of Sustainable Agriculture or Forest Material.

### Horizon Europe Grant Funding

During this reporting period, the UK formally associated to the Horizon Europe funding programme in December 2023. Since January 2024 organisations and researchers from UK and Northern Ireland have the same access to Horizon Europe grant funding as their European counterparts with the money once again being paid to winning applicants directly from the European Commission. Under the Pillar II Global and Industrial Challenges, there is funding of approx. €1bn per year available for research and innovation for “Cluster 6, Food, Bioeconomy, Natural Resources, Agriculture and Environment” with additional funding of similar magnitude for challenges under ‘Missions’ and researcher development (Marie Skłodowska Curie Actions).

### AFBI Forage Grass Variety Testing and Commercialisation

AFBI continues its commitment to further development of grass varieties and during this reporting period, AFBI entered into a new contract with a commercial partner to improve the genetic quality of NI grasslands via the provision to farmers of improved perennial ryegrass varieties, with improvements in key traits, such as yield, quality, persistence and disease resistance. This offers a huge opportunity to aid grassland farmers in meeting their environmental obligations by producing new improved varieties that incorporate novel traits and this will also encourage increased re-seeding in Northern Ireland. Work carried out via this project will enable the best varieties to be chosen before they are passed to the funder for multiplication, submission to national list testing and ultimately commercialisation of the grass seed to the livestock industry in NI. As the work is intended to reach market, this will have a positive effect on the DAERA-funded work programme.

## Enabling world leading science through excellence in people, places and technology

The quality, dedication and expertise of staff is pivotal to AFBI's success and in 2023-24 AFBI delivered the staff engagement action plan, arising from the last People Survey. Promoting a culture of excellence, commitment, and responsibility within a supportive and stimulating environment is fundamental to delivering AFBI's objectives.

### Staff Engagement Scores

In 2021 AFBI took part in the NICS People Survey which was conducted by NISRA across the nine Northern Ireland ministerial departments as well as the Public Prosecution Service and the Health and Safety Executive for NI. This enabled AFBI to benchmark scores across a range of public sector employers. A key outcome of the survey is an employee engagement index (EEI) score which is based on the weighted average of responses to the five employee engagement questions. AFBI participated in the NISRA survey in 2024-25 to reassess levels of engagement and responses indicated an employee engagement index of 56%.

### Technology Update

AFBI are committing resources to install and develop systems that aim to future proof technology utilisation across AFBI and will also address replacement of any remaining existing AFBI end-of-life technology.

The AFBI project and portfolio management (PPM) system went live in May 2023 and is contracted through the CORA system. AFBI customised and configured the CORA out of the box (OOTB) platforms to provide five specific workstreams meeting the AFBI specialist provision. CORA is also used by DAERA to manage the Evidence and Innovation (E&I) funding stream. AFBI have worked progressively in design and delivering the automation of its DAERA-funded E&I projects on its CORA based workstream. Quarter 3 E&I reporting to DAERA was fully automated with work scheduled to extract

2023-24 annual reports for transfer to DAERA by May 2024.

The AFBI PPM is completing the first of two years' business process re-engineering and has achieved progress with data input on External Contract (previously Non-AWP) to work towards more effective capture, monitoring, management and performance reporting in 2024-25. The final bespoke development for the AFBI PPM finance module now permits time recording to be updated daily and presented on projects as actual costs. The module also imports non-staff expenditure from the Opera finance system through daily updates for more accurate project monitoring against assigned budgets and assigned tasks, KPIs and milestones.

The proposed new finance business management system (FBMS) has been the subject of a dedicated AFBI system team supported by key finance and digitisation advisors from the Strategic Investment Board (SIB) and a Business Analyst under a memorandum of understanding with the Department of Finance (DoF) Digital Shared Services. AFBI determined a comprehensive service blueprint to evidence the future AFBI finance requirements. AFBI worked with the Integr8 project being led by the Department of Finance in relation to optioneering. The preferred option is now the subject of an outline business case submitted for approval to DAERA and DoF in May 2024 which is meeting DAO 06/2015 and bringing AFBI into alignment with the new future proofed Digital, Security and Finance Shared Services technology award of contract in early 2024.

The approval of expenditure of the preferred option will permit AFBI to avail of the adoption of the approved DoF Integr8 technology contract for an integrated financial and human resource management fully transitioned from Account NI and HRConnect scheduled for November 2027.

## Estate Update

During 2023-24 work commenced on a strategic review of the AFBI estate with the project being led by the Strategic Investment Board (SIB) and supported by DAERA Estate Transformation Division (ETD) and AFBI representatives. The purpose of this strategic review is to feed into and support DAERA's long-term estate strategy and to develop a clearer understanding as to how AFBI's land and property holdings can be reconfigured and reorganised over the short, mid and long-term, to serve both current and emerging policy/corporate requirements of DAERA and AFBI. A Review Report on Draft Emergent Strategy Proposals (13 Recommendations in total along with a series of next steps) was developed and submitted to the project board on 16 March 2023 for review. The report was subsequently updated and presented to the DAERA Departmental Board in May 2023 which noted the recommendations and next steps and were content for the review to proceed. A similar update was presented to the AFBI board on 4 July 2023 and the board was content to support the general direction of travel.

External consultants were procured through DoF CPD Construction Division and have been working with the review team to test proposals identified through the strategic review team for the potential reconfiguration of the AFBI estate and provide an assessment of the feasibility of these proposals.

This work will include the development of three masterplan options for each site at Hillsborough and Stormont and recommendation by the consultants of a preferred option. As pre-requisite to master planning, technical due diligence and associated investigations were undertaken in order to address the information gaps and technical/professional issues identified by DAERA and provide an overarching site-specific development assessment report for both AFBI Stormont and AFBI Hillsborough sites and to provide a traffic assessment for AFBI Newforge. The conclusions from these reports will be used to aid DAERA's understanding of the substantive risks/issues/constraints associated with each of the AFBI/DAERA sites.

DAERA continues to invest in capital infrastructure projects for the AFBI estate on the basis of requirements associated with health and safety, animal welfare, energy and sustainability, relevant scientific policies/strategies, and to underpin the AFBI scientific Assigned Work Programme (AWP). Larger examples include the current project for the AFBI Stormont Animal Health Sciences Building (AHSB), AFBI/CAFRE integrated beef facilities; and AFBI Hillsborough ruminant emissions research facility (RERF) projects. Planning permission was received for the AHSB during 2023-24 and planning permission is currently being sought for the RERF.

Maintenance of the AFBI Estate is a constant throughout the year with an annual statutory planned preventative maintenance (PPM) schedule in place for each site as well as the usual reactive (defects) maintenance, and a range of minor works projects based on business need.



## 1.2 Performance Report – Performance Analysis

### 1.2.1 Purpose and Structure

The purpose of the performance analysis is to provide a detailed view of the organisation's performance during the 2023-24 year.

#### Performance – 2023-24 Key Performance Indicators

To measure progress towards the achievement of the corporate outcomes, AFBI set 14 KPIs for 2023-24. Outturn performance against these was monitored and reported to AFBI's Executive Management Team (EMT), the board and DAERA on a quarterly basis. Table 3 summarises AFBI's outturn performance against its 2023-24 business plan KPIs subject to validation by AFBI's Internal Audit provider.

*Table 3: Business Plan Target Outcomes 2023-24*

Business Plan Target	Outcome	Analysis
KPI 1 – Delivery of the DAERA Evidence & Innovation Research Programme to defined standards.	Substantively Achieved	AFBI exceeded the proposed outputs from projects and met the final impact report requirements. A total of 26 projects were due in 23/24. Twenty-four were delivered within budget and 19 were delivered within expected timelines and budget.
KPI 2 - Delivery of 90% Non- AWP research projects and analytical testing to customer satisfaction as being on time and on budget.	Substantively Achieved	A total of 40 'non AWP' projects were completed in 23/24. Thirty-four (85%) were completed as per agreement with customers and within budget.
KPI 3 – Delivery of Scientific Service programmes to DAERA to defined standards.	Achieved	98.7% of DAERA Tests delivered to standards (261,025 of 264,460).
KPI 4 - Delivery of agreed animal and plant health, food safety and fishery emergency response requirements to DAERA.	Achieved	Agreed requirements were delivered.
KPI 5 - Delivery of year 2 of the Soil Nutrient Health Scheme in line with project plan.	Achieved	Provisional outturn reflects that this has been achieved in line with project plan.
KPI 6 - By 31 March 2024 we will have achieved a score of 2500 with regard to AFBI's scientific outputs as pathways to impact.	Achieved	AFBI achieved a score of 2718.

Business Plan Target	Outcome	Analysis
KPI 7 – Finalisation of the AFBI Science Strategy to 2030 and related action plan by 31 March 2024.	Substantively Achieved	Draft AFBI Science Strategy was presented to the Science Strategy Committee and the AFBI Board in this reporting year. Current timelines mean that finalisation of the Strategy was not achieved by 31 March 2024.
KPI 8 – Take forward project to prepare for planned Peer Review of AFBI Science.	Achieved	A framework for a peer review was developed and agreed.
KPI 9 – Delivery of staff engagement action plan for 2023-24.	Substantively Achieved	Significant progress was made on the action plan in 2023-24. Out of 35 actions, 20 are Green, 10 are Amber, and 5 are Red.
KPI 10 - To undertake a review of recruitment and retention and develop potential solutions.	Substantively Achieved	The first phase in the project is complete. This was to understand the challenges with regards to the recruitment and retention in AFBI. In the next financial year the project aims to finalise benchmarking, and develop the priorities of the options presented.
KPI 11 - Business case developed for a new finance & business management system.	Achieved	The project board reviewed the draft FBMS outline business case (OBC) on 4 March 2024 and updated the board on the preferred option on the 7 March. OBC submitted to DAERA's Economic Research Branch prior to year-end for consideration of approval of expenditure to Department of Finance (DoF) and will align to the DoF delivery plan for Integr8 in 2027-28.
KPI 12 – Provisional resource and capital outturn to be between 99% and 100% of Final Budget for 2023-24.	Achieved	Provisional resource and capital outturn within threshold.
KPI 13 - Progress ship procurement subject to business case approval and funding.	Achieved	Procurement process for the new research vessel is complete and the ship build contract has been awarded.
KPI 14 - Delivery of planned Green Growth capital expenditure for 2023- 24 subject to budget availability and Business Case approval.	Not Applicable	Given the definition of the KPI, there will be no capital expenditure in 2023-24 given the need for further business case approvals. It is therefore agreed with the AFBI Board that this measure is marked as no longer applicable.

### 1.2.2 Financial Performance for the year

AFBI’s Statement of Comprehensive Net Expenditure shows a net expenditure for the year of £57,752k (2022-23: £54,408k).

Total income (excluding royalties) for the year increased from £22,347k in 2022-23 to £23,687k in 2023-24, an increase of £1,340k (6%). This is due to new projects advanced during the year particularly the Soil Nutrient Health Scheme Project.

Total operating expenditure (excluding royalties) for the year has increased by £3,027k in 2023-24 to £81,413k, an increase of 4%. This is as a result of new business as identified above and general inflation.

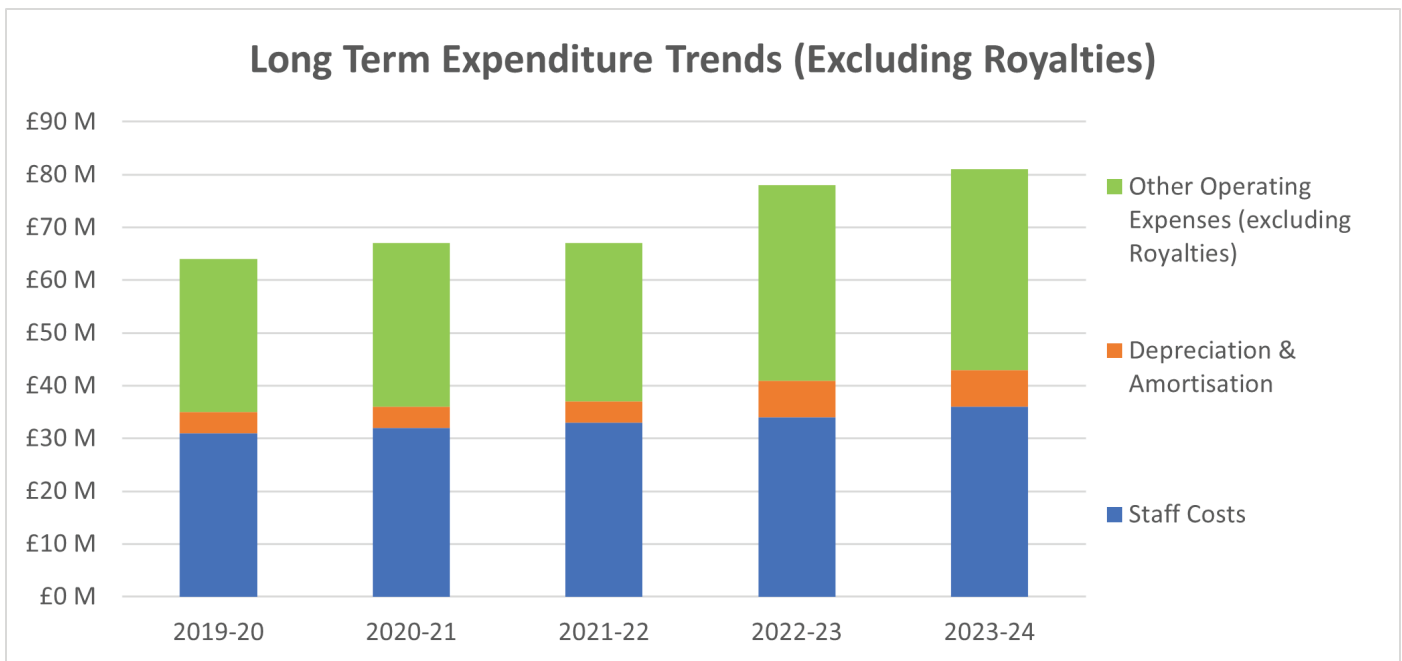
Staff costs increased by £2,427k (7%) to £36,329k in 2023-24. This increase is a result of a number of permanent vacancies being filled during the year and the 2023 pay award.

### Long-term expenditure trends

There are no expectations that the long-term expenditure trend will be significantly different in the context of external income generated. As a result of leaving the EU, AFBI’s involvement in EU INTERREG projects will come to an end prior to 2027. However, AFBI continues to seek funding from a variety of local, national and international research funding bodies and commercial organisations including EU Horizon Europe funding.

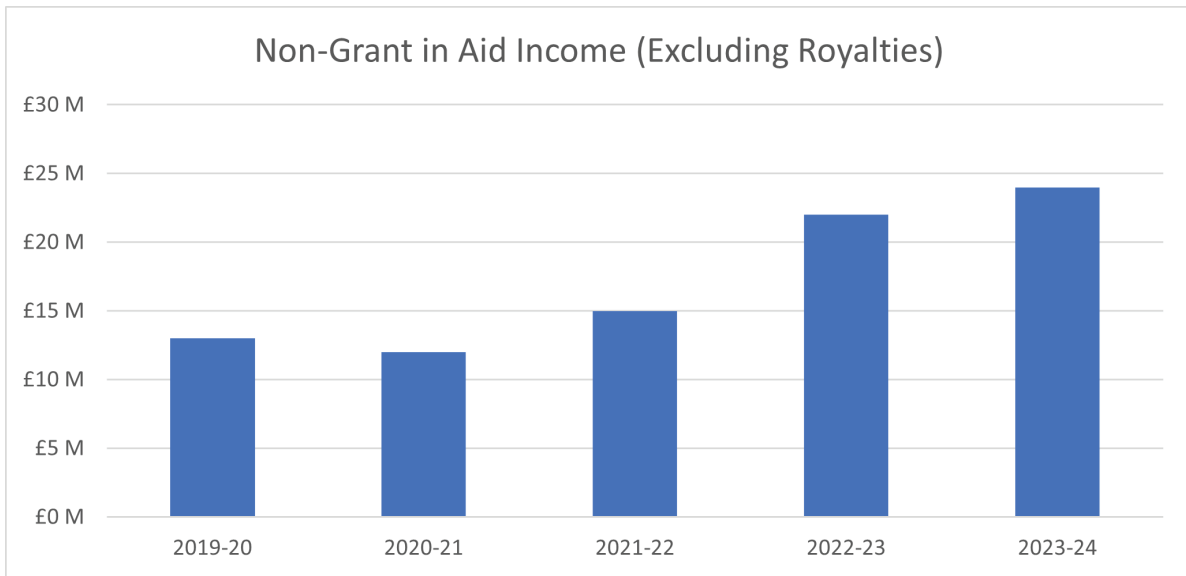
The DAERA funded Soil Nutrient Health Scheme (SNHS) that includes soil collection, soil analysis, soil carbon analysis and aerial scanning of above ground biomass has progressed in 2023-24. The scheme will run for four years with an investment of up to £45m.

Figure 3: Long Term Expenditure Trends



## Non-Grant-In-Aid Income

Figure 4: Non grant-in-aid revenue is shown excluding royalties



As an NDPB, AFBI has the opportunity to attract external income to supplement grant-in-aid (GIA). Since its establishment, AFBI has pursued relevant opportunities to grow external income.

In terms of the trend, AFBI has grown external income, excluding royalties, from £10m in 2015-16 to approximately £24m in 2023-24. This has been achieved through significant success in securing INTERREG and other competitive funding projects.

The level of income received from EU grants has reduced to £1,477k (2022-23: £5,067k) as shown in Note 4 to the Accounts due to completion of significant Interreg projects. AFBI are exploring additional sources of research and development (R&D) funding including the forthcoming PEACE Plus initiative, and eligibility to the UKRI funding through Public Sector Research Establishment status.

This level of funding is expected to continue having been supplemented by the new Soil Nutrient Health Scheme (SNHS).

### Royalty Income

AFBI has historically received royalty income from the sale of vaccine products in various countries worldwide. In recent years a number of the underpinning patents have

come to an end with an associated reduction in royalty income. During 2022-23 all parties to the royalties relating to the porcine vaccine agreed a full and final settlement on these royalties relating to all outstanding liabilities. Therefore, during 2023-24 there was no royalty income received in relation to this vaccine (2022-23: £2,091k).

### Going Concern

The Statement of Financial Position at 31 March 2024 shows net assets of £25,984k (2023: £23,227k).

The Budget Act (Northern Ireland) 2024, which received Royal Assent on 14 March 2024, together with the Northern Ireland Spring Supplementary Estimates 2023-24 which were agreed by the Assembly on 9 April 2024, provide the statutory authority for the Executive’s final 2023-24 expenditure plans. The Budget Act (Northern Ireland) 2024 also provides a Vote on Account to authorise expenditure by departments and other bodies into the early months of the 2024-25 financial year.

At the date of this report the accounting officer has no reason to believe that further support beyond 31 March 2024 will not be forthcoming due to the protections laid down in The Agriculture (Northern Ireland) Order

2004. Therefore, it has been considered appropriate to adopt a going concern basis for the preparation of the 2023-24 financial statements.

### Supplier Payment Policy

AFBI is committed to the Better Payments Practice Code as set out in Annex 4.6 of Managing Public Money and is subject to the Late Payment of Commercial Debt Regulations 2002. AFBI comply with the British Standard for Achieving Good Payment Performance in Commercial Transactions (BS 7890).

Payment is regarded as late if it is made outside the agreed terms, or 30 days after the receipt of a valid invoice where no terms are agreed. In response to the 2008 economic position, the Department for Business Enterprise and Regulatory Reform (BERR) announced that central government was committed to paying businesses in 10 days.

In 2023-24 AFBI paid 81% (2022-23: 80%) of the invoices in accordance with the agreed terms or within 30 days.

AFBI is also committed to the 10-day prompt payment of supplier invoices. The performance outturn for the 10-day prompt payment was 65% for 2023-24. The performance for the 2022-23 year on this 10-day target was 54%.

AFBI do not utilise shared services for payment of supplier invoices therefore the prompt payment statistics are not comparable to the published NICS government statistics.

### Events since the end of the financial year

There have been no significant events since the end of the financial year which would affect the results for the year or the assets and liabilities at the year end.

## 1.2.3 Corporate Social Responsibility Social

While AFBI does not have a dedicated policy, the principles of corporate and social responsibility are embedded within its key activities for example through commitment to equality, sustainable development, environmental protection.

### Human Rights

AFBI is committed to respecting human rights. We aim to ensure that the services we provide and the activities that we undertake have a positive impact on society. AFBI complies with Section 75 statutory equality obligations and all aspects of its equality agenda in the delivery of policy and delivery of services.

### Anti-Bribery and Corruption

FBI's Counter Fraud Policy and Fraud Response Plan sets out how AFBI complies with the Bribery Act 2010 and DAO (DoF) 09/11 Bribery Act 2010 which clarifies how the Bribery Act 2010 applies to public servants in Northern Ireland. The standards of conduct of all staff are set out within the NICS HR Handbook Section 6.01 (Standards of Conduct), which indicates that all staff should conduct themselves with honesty and impartiality at all times. Hence it is not acceptable for any staff member to receive any benefit that may be perceived as having the potential to compromise personal judgement on work related issues.

### Diversity, Equity & Inclusion

AFBI values and welcomes diversity and is committed to creating a truly inclusive workplace for all. In line with Section 75 equality legislation. Diversity and inclusion are promoted in AFBI via the Diversity, Equity and Inclusion (DEI) working group, to create a working environment where individual differences are valued and respected.

Equality and diversity training is a mandatory requirement of all AFBI staff. In year AFBI retained Bronze Diversity Mark NI status, and have a new Diversity, Equity and Inclusion Strategy.

## **Sustainability**

The Climate Change Act (Northern Ireland) 2022 sets a clear statutory target of net zero emissions by 2050. This legislation places a statutory duty on all government departments to exercise their functions in a manner that is consistent with achieving that target as far as possible.

The requirements contained within the Climate Change Act are underpinned by a number of additional key strategic drivers which require actions that contribute to achieving net zero, a clean environment rich in biodiversity and promoting a sustainable economy. These include for example draft Programme for Government (PfG), draft Green Growth Strategy for Northern Ireland, draft Environment Strategy and Environmental Improvement Plan, the Executive's Energy Strategy for Northern Ireland, the Energy Management Strategy, draft Circular Economy Strategy and the UN 2030 Agenda for Sustainable Development. In addition, under the Wildlife and Natural Environment Act (Northern Ireland) 2011, the statutory duty of every public body, in exercising any function, is to further the conservation of biodiversity as far as is consistent with the proper exercise of those functions.

AFBI assisted DAERA in the achievement of this objective through conducting underpinning research and provision of specialist advice on production of biomass and renewable energy, nutrient management, bioremediation of farm and municipal effluents and greenhouse gas production by livestock and soils.

AFBI are also required to meet the climate act targets and recognise the opportunities offered by more sustainable working practices. During 2023-24, AFBI established a Sustainability Working Group to take forward the development of a Sustainability Strategy for AFBI to bring together the initiatives already in train and actions to ensure AFBI's future compliance.

## **Energy & Sustainability Management**

The ageing nature of the AFBI estate building infrastructure presents significant challenges in terms of reducing energy usage and improving the overall sustainability of the facilities platform. However, AFBI has been working closely with DAERA Estate Transformation Division (ETD) and their Estate Sustainability & Energy Efficiency Branch (ESEEB) to take forward a range of initiatives to improve energy efficiency and assist in reduction of the carbon footprint of the AFBI estate. These initiatives for AFBI fall under the DAERA Estate Sustainability Action Plan (Built Estate) 2022-2027.

The following is a summary of the initiatives taken forward in 2023-24:

- Installation of automated metering reading (AMR) smart meters for electricity, heating gas and water across all AFBI sites.
- LED lighting upgrades have been undertaken at AFBI Newforge, Loughgall Churchfield, and Newforge sites with projects at Hillsborough and Loughgall Manor Estate due to be undertaken in 2024-25.
- Upgrades of Building Energy Management Systems (BEMS) at Newforge and Stoney Road.
- Review of solar photovoltaic (PV) installations at Hillsborough commissioned and commencing in April 2024-25.
- Carbon baselining exercise – DAERA commissioned carbon baseline reports covering Scope 1 and 2 greenhouse gas (GHG) emissions for its built estate including the AFBI estate. Scope 1 emissions are direct GHG emissions from sources owned or controlled by the organisation, such as fuel combustion for heating, transportation, and refrigerant gases. Scope 2 emissions are indirect GHG emissions from the production of the energy purchased and used by the organisation, such as electricity. The study undertaken included emissions from heating fuels, transportation fuels, and electricity. The GHG emissions were reported in carbon dioxide equivalent (CO<sub>2</sub>e), and a proposed methodology was provided for ongoing monitoring, assessment and reporting of these emissions. The outworkings of this project and the carbon baselining tool developed, will greatly assist AFBI going forward to track its Scope 1 and Scope 1 GHG emissions each year by quantity and cost.
- Crossnacreevy decarbonisation plan – DAERA commissioned a report to develop strategies for reducing GHG emissions associated with building energy at the selected pilot site, this being AFBI Crossnacreevy. The report assessed and reported on current energy management practices, identified opportunities to reduce consumption and GHG emissions through changes to building fabrics, space and domestic hot water heating, lighting, onsite renewable energy generation, and explored the possibility of substituting the space heating with alternative low-carbon technologies.
- Carbon literacy training – through DAERA, AFBI staff have availed of online climate change training offered by Climate Smart, in conjunction with Keep Northern Ireland Beautiful. The aims of the training were to introduce (i) climate science and how climate change will impact us globally and locally, (ii) policies and strategies for climate action and meeting net zero targets, (iii) climate actions for a low carbon and climate resilient society, and (iv) explore solutions to climate change within your area of work. Following on from the successful pilot of Climate Smart, the sessions are live on the NICS LInKS system from March 2024.

## Capital Build Projects

In terms of the proposal capital new build project being developed by DAERA and AFBI for the AFBI estate, DAERA is expected to lead by example in relation to carbon reduction and climate change actions and consequently the overarching target for this project should be to minimise whole life carbon (WLC) emissions through the consideration of both aspects of carbon emissions; operational and embodied.

The proposed new Animal Health Sciences Building (AHSB) for AFBI Stormont, is currently committed to a BREEAM Excellent target which will ensure its construction meets an environmental benchmark rating in line with the top 10% of UK new non-domestic buildings. Considerable discussion has been undertaken to ensure that the new building will align with the new and higher environmental standards in relation to net zero and a review of its energy strategy was undertaken in 2020. This moved the energy supply from gas-fired boilers to air source heat pumps as the NICS supply for electricity is generated from renewable sources. Additionally, the building has included 700sqm of photovoltaic (PV) panels to further enhance its environmental credentials. Consideration is also being given to explore future possibilities to procure renewable gas which is not yet available.

In terms of the proposed ruminant emissions research facility (RERF) for AFBI Hillsborough, it is being designed to reduce its WLC, targeting net zero operational carbon without offsetting where possible and taking actionable steps to reduce embodied carbon. WLC is the entire amount of carbon produced by a built asset and includes both embodied and operational emissions.

Embodied emissions are comprised by the materials and energy used to produce and assemble them during manufacture and construction. Operational emissions are generated by the building's operations during its lifetime. As part of RIBA Stage 3 design, CPD included a low zero carbon report. The report assessed the most suitable low zero carbon technologies to be incorporated into the facility to best meet the net zero operational carbon project objective. It was concluded that the most suitable low zero carbon technologies that could be integrated into the proposed build are solar PVs for electricity generation, air source heat pumps for heating, ground water cooling and rainwater recovery. However, the report did recommend that to achieve net zero aspirations, further investigations would be required around the exact amount of PV and our ability to export electricity to the NIE network/grid. A further report was commissioned by DAERA to review proposals current for the RERF against the terms of operational net zero. Building plans, draft equipment schedules and assumptions gathered about operating times were used to develop an energy consumption profile of the building including its facilities and equipment.

The AFBI/CAFRE Integrated Beef Facilities project currently underway is adopting a similar approach in terms of reducing WLC, targeting net zero operational carbon, and taking actionable steps to reduce embodied carbon.

## Procurement

All of AFBI's procurement is carried out under the guidance of a centre of procurement expertise (COPE) as mandated in MPMNI. AFBI's COPE is DoF's Construction and Procurement Delivery (CPD). All contracts are let following CPD guidance. Sustainability is considered as standard in every contract/tender exercise and where appropriate forms part of the tender specification and award criteria.



### Energy Consumption Monitoring

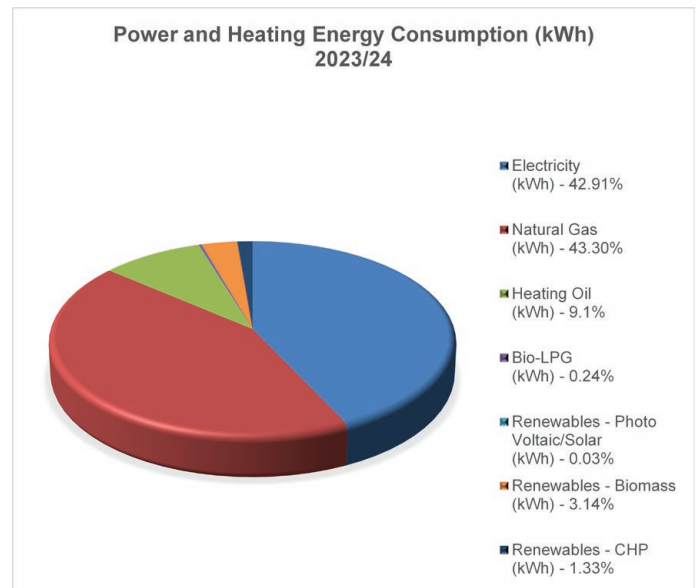
AFBI has been collecting its energy data since 2014, initially under the Carbon Reduction Commitment Energy Efficiency Scheme (CRCEES) implemented by the UK Environment Agency, and latterly for DAERA and the Strategic Investment Board (on behalf of DfE).

As noted above, there is ongoing focus within the AFBI estate to reduce energy consumption and our carbon footprint. Using the carbon baseline tool developed for the whole of the DAERA estate, using 2019-20 as the baseline year for annual energy consumption, AFBI is able to demonstrate how the Institute has reduced its total energy consumption and Scope 1 and 2 GHG footprint.

From the DAERA carbon baselining, it was clearly demonstrated that the largest component of the Scope 1 and 2 GHG footprint in all reporting years were from GHG emissions associated with the consumption of electricity and transportation fuels, followed by natural gas and kerosene. Of transportation fuels, the largest contributors to total consumption and CO<sub>2</sub>e emissions is marine gas oil, followed by gas oil and DERV for fleet vehicles. Other fuel types including biomass, biogas and LPG/bio-LPG had smaller contributions to the overall footprint. Gases used in laboratories made up a very small proportion of the Scope 1 and 2 emissions. Whilst fugitive emissions from refrigerant gases also contribute to Scope 1 and 2 emissions more data gathering is required before these can be reported.

For 2023-24, as per previous years, most of the energy consumption was from electricity and natural gas, making up on average 86% of total energy consumption with heating oil (a mixture of kerosene and gas oil) making up 9%. Other fuels, these being, LPG, biogas, biomass, CHP and solar PV made up approximately 5% of total energy consumption (see Figure 5).

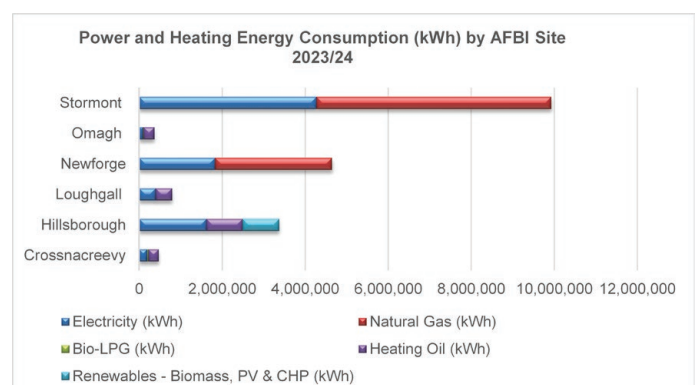
Figure 5: Power and heating energy consumption (kWh) 2023-24



In terms of AFBI’s Scope 1 and 2 GHG footprint, power and heating consumption accounted for 3,723 tCO<sub>2</sub>e of emissions in 2023-24 with electricity and natural gas accounting for majority of this footprint at 16,853,890 tCO<sub>2</sub>e.

With regard to energy consumption for individual AFBI sites, the Stormont site is the largest user accounting for 51% of energy usage on the AFBI estate with the Newforge Lane and Hillsborough sites accounting for 24% and 17%, respectively. The smaller AFBI satellite sites at Crossnacreevy, Loughgall and Omagh account for 8% in total of the energy consumption.

Figure 6: Power and heating energy consumption (kWh) by AFBI site 2023-24



From 2019-20 to 2023-24 AFBI has successfully reduced its energy consumption in terms of power and heat by some 22% being reduced from 25,146,358 kilowatt-hours (kWh) in 2019/20 (baseline year) to 19,552,180 kWh in 2023/24. The greatest reduction in energy consumption was from natural gas which has been reduced from 12,539,214 kWh in 2019/20 to 8,465,287 kWh in 2023/24, approximately 32%. This has resulted due to a concerted effort to manage the heating more efficiently on the AFBI Newforge and Stormont sites, investment by DAERA in more efficient heating systems for both sites (particularly AFBI Newforge), and latterly the use of automated metering reading (AMR) smart meters to monitor usage and identify any issues with heating systems at an early stage. Electricity usage is relatively stable from year to year across sites with an overall 6% reduction from 2019-20 to 2023-24.

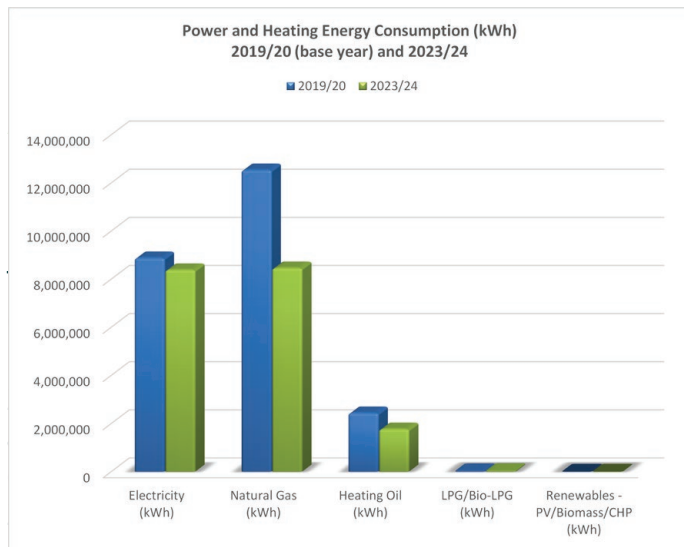


Figure 8: Heat and power CO<sub>2</sub>e emissions (tonnes/year) 2019-20 (baseline year) and 2023-24

It is notable, however, that AFBI’s Scope 1 and 2 GHG footprint in 2023-24 for power and heat was approximately 3,700 tCO<sub>2</sub>e which is a reduction of 28% from the baseline year of 2019-20.

During 2024-25 AFBI will work with DAERA to update the carbon baseline tool for 2023-24 data for power, heat, transport, laboratory gases and refrigerant gases usage across the estate, and along with the report produced on the pilot site decarbonisation plan for AFBI Crossnacreevy, begin to further plan carbon reduction measures.

### Waste

Under current legislation AFBI must incinerate certain types of waste, i.e. transmissible spongiform encephalopathies (TSE) waste. This waste is transported to Great Britain by licensed contractors where incineration takes place. Other clinical waste which can be autoclaved is treated mainly on-site. Where autoclave facilities are at full capacity, AFBI uses a licensed off-site heat treatment facility.

Various recycling measures are in place for paper, cardboard, plastics, glass, metal, wood, toner cartridges, batteries, waste engine oils and vehicles which are surplus to requirements.

AFBI’s plans over the forthcoming financial years is to continue to increase levels of recycling within the estate. This process coupled with improved site management will increase and enhance AFBI’s environmental credentials.

**Dr Stanley McDowell, BVM&S, MSc, DLSTH, PhD, MRCVS**

**Chief Executive and Accounting Officer**

**2 July 2024**

# Accountability Report

## 2. Accountability Report

### 2.1 Corporate Governance Report

#### 2.1.1 The Directors' Report

##### AFBI Board

AFBI is managed by a non-executive board which has responsibility for providing strategic leadership for the organisation. The main purpose of the board is to ensure that AFBI is successful in delivering the policies and priorities of DAERA and the minister by providing strategic leadership to AFBI and ensuring effective performance management of AFBI.

##### Role of the Chair of AFBI

The chair is personally responsible and accountable to the minister for the performance of AFBI and for the strategic leadership and control of the board. The chair is responsible for ensuring that AFBI's policies and actions support the minister's and DAERA's wider strategic policies and that its affairs are conducted with probity.

The chair shares with other AFBI board members the corporate responsibilities set out in the Management Statement and Financial Memorandum (MSFM), and in particular for ensuring that AFBI fulfils the aims and objectives set by DAERA and approved by the minister. The Chair also sets performance measures for the board and individual board members and appraises performance.

##### Board Members

Members are appointed in accordance with the Office of the Commissioner for Public Appointments (OCPA) NI Code of Practice. The terms of appointment of members, the chair and deputy chair are normally for a three-year period with a possibility of an extension. The remuneration of board members is as disclosed within the Remuneration Report section of this Annual Report and Accounts.

AFBI maintains a register of interest for Board Members on its website and this can be accessed via <https://www.afbini.gov.uk/content/membership-afbi-board#toc-0>.

##### Board Sub-Committees

There are five sub-committees of the board. For further information on these please note the following:

- Scope of the sub-committees detailed in their terms of reference is summarised within the Governance Statement section of this Annual Report and Accounts.
- Membership of the sub-committees can be found in the board/sub-committee attendance table within the Governance Statement.

## Executive Management Team

During 2023-24 the Executive Management Team of the Institute was made up as follows:

- Chief Executive Officer - Dr Stanley McDowell.
- Director of Sustainable Agri-Food Science Division (SAFSD) - Dr Elizabeth Magowan.
- Director of Veterinary Science Division (VSD) - Dr Alastair Douglas.
- Director of Environment and Marine Sciences (EMSD) - Mr Pieter-Jan Schön.
- Interim Director of Finance and Corporate Affairs Division (FCAD) – Mr Ivor Johnston.

EMT generally meets formally twice monthly for EMT Finance and EMT General meetings and quarterly for EMT Science and EMT Corporate Project meetings. These have standing agenda covering finance, resources, operational management, health and safety and business development. Additional EMT meetings are also held as required.

## Details of significant interests held by EMT members

EMT members do not hold any other directorships or any other significant interests which may conflict or be perceived to conflict with their management responsibilities.

## Personal Data Incidents

During 2023-24 there were 18 personal data incidents investigated, up from 13 reported the previous year. Of the 18, nine involved error in the release of diagnostic reports, five involved other email-related errors, four arose from failures of internal records management and one involved the loss of an encrypted mobile device. All these incidents were handled under the AFBI data breach management plan and assessed as being low impact. There was no requirement to report to the Information Commissioner's Office (ICO) as there was no risk to the rights and freedoms of individuals involved. Data Protection Officer (DPO) and Senior Information Risk Owner (SIRO) were informed.

There were no reported significant personal data losses in the course of the year.

## Corporate Complaints

AFBI has a corporate complaints policy in place and this is available via the AFBI website. In addition, guidance has been provided to ensure staff awareness of the process to follow to ensure that complaints are appropriately managed and responded to. Monitoring and reporting arrangements are also in place to ensure that any issues or trends are identified and where appropriate lessons learned are disseminated through the organisation.

AFBI received 6 complaints during 2023-24 (10 during 2022-23).

All complaints were recorded, investigated and concluded in line with the policy along with details of action taken and outcomes following the complaint.

## Health, Safety and Compliance

Health, Safety, and Compliance Branch (HSC) is a dedicated team of professionals who offer guidance and assistance to AFBI in ensuring compliance with relevant legislation concerning safety, waste management, and environmental protection. By fostering a culture of excellence, dedication, and accountability, HSC works closely with scientific colleagues to improve operational policies and procedures and implement proactive measures for the overall management of health, safety, and wellbeing.

Throughout the upcoming year, HSC will conduct regular reviews and audits to identify areas for improvement, provide guidance, and enhance the overall health and safety culture within the organization. The team aims to establish a safety and waste management system that conforms to ISO 45001 (safety) and ISO 14001 (environmental) management standards, ensuring that AFBI not only meets legal requirements but also adopts best practices in these areas.

Regular reports on safety culture and assurance are provided to the Executive Management Team (EMT), with immediate notification if necessary.

## Quality Assurance

AFBI's senior management is committed to providing scientific services that consistently meet customer and statutory and regulatory requirements, and to enhancing its customers' satisfaction. The organisation holds two internationally recognised quality assurance standards providing customers with a formal recognition of the technical competence, impartiality, and performance capability of the laboratory.

- **ISO 9001:2015** certification covers research and development and the provision of most of its scientific and diagnostic services.
- **ISO 17025:2017** accreditation is maintained for statutory testing and in accordance with regulatory and customer requirements in areas such as food safety, disease surveillance and diagnosis and feed analysis.

Compliance is monitored annually by independent assessment bodies. The ISO 9001 audit was carried out in January 2024 by NQA and certification was retained. ISO 17025 laboratory areas were audited in September 2023 by the United Kingdom Accreditation Service (UKAS) and our accreditation status was confirmed (UKAS Lab No. 2632).

AFBI is in the process of seeking ISO17025 accreditation by the EU-based accreditation body, INAB, as required by the Northern Ireland Protocol and EU official controls legislation.

### 2.1.1.1 Statement of Accounting Officer's Responsibilities

Under the Agriculture (Northern Ireland) Order 2004, the Agri-Food and Biosciences Institute is required to prepare for each financial year, accounts in the form and on the basis set out in the accounts direction given by DAERA with the approval of Department of Finance (DoF). The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the institute, and of its income and expenditure, statement of financial position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the Government Financial Reporting Manual and in particular to:

- Observe the Accounts Direction issued by DoF, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- Make judgments 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 accounts.
- Prepare the accounts 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.

DAERA has appointed the Chief Executive Officer of AFBI as Accounting Officer of the institute, with responsibility for preparing the institute's accounts and for transmitting them to the Comptroller and Auditor General.

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 the assets of the Institute for which the Accounting Officer is responsible, are set out in the Accounting Officers' Memorandum issued by DoF and published in Managing Public Money NI (MPMNI).

### Disclosure to Auditor

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

### 2.2.2 Governance Statement

The Governance Statement for the year ended 31 March 2024 has been produced in line with guidance issued by the Department of Finance (DoF) in Dear Accounting Officer letter DAO 10/12 and Annex A.3.1 of Managing Public Money Northern Ireland (MPMNI).

## Scope and Responsibility

As Accounting Officer, I am responsible for managing and controlling the resources used in AFBI, in accordance with the responsibilities assigned to me in MPMNI. The Governance Statement sets out the governance, risk management and internal control arrangements in operation within AFBI during the financial year which have assisted me in discharging this stewardship role.

The governance structures and processes, risk management and internal controls during the year were effective. There was a continued focus on strengthening governance arrangements and internal controls through the implementation of recommendations resulting from internal and external audit recommendations and updating key governance policies in line with established best practice guidance.

## Governance Arrangements

### Governance Framework

AFBI's governance framework sets out the roles, responsibilities and procedures for the effective and efficient conduct of the organisation's business. AFBI is committed to ensuring governance arrangements are in line with established best practice and that AFBI is accountable and transparent for its decisions and activities. Annex A to the Governance Statement illustrates AFBI's Governance and Risk Assurance Framework.

## Governance Structure

The Minister for Agriculture, Environment and Rural Affairs is responsible and answerable to the Northern Ireland Assembly (the Assembly) for the exercise of the powers on which the administration of the department depends. The minister has a duty to hold the Assembly to account, and be held to account, for the policies, decisions and actions of the department including AFBI as one of its NDPBs.

While in practice NDPBs operate with some independence and are not under day-to-day ministerial control, ministers are nevertheless ultimately accountable to the Assembly for NDPBs' activities and performance. This is because they are responsible for the founding legislation of NDPBs; have influence over the strategic direction of NDPBs; appoint the boards of NDPBs; and have the ultimate sanction of abolition or reform subject to the NI Executive's approval where this requires a change in statute.

DAERA's Permanent Secretary is appointed as DAERA's Departmental Accounting Officer by DoF. DAERA's AFBI Sponsor Branch (ASB) is responsible for managing the overall relationship between DAERA and AFBI. ASB holds monthly finance and governance meetings with AFBI and facilitates quarterly accountability meetings between the Senior Sponsor and me as part of its governance oversight. DAERA's Departmental Accounting Officer has designated me as the Accounting Officer for AFBI.

As Accounting Officer, I am personally responsible for safeguarding the public funds for which I have charge, for ensuring propriety and regularity in the handling of those public funds and for the day-to-day operations and management of AFBI.

In fulfilling my duties as AFBI's Accounting Officer I am supported by my Executive Management Team and a non-executive board.



## The Board

AFBI's board is made up by fully non-executive board members appointed by the DAERA minister. Appointments are made in line with the code of practice issued by the Office of the Commissioner for Public Appointments Northern Ireland.

The main responsibilities of the Board are to ensure that AFBI fulfils the aims and objectives set by DAERA and approved by the minister, monitoring AFBI's compliance with applicable law and policy and for promoting the efficient, economic and effective use of staff and other resources by AFBI. The board fulfils its responsibilities by establishing the overall strategic direction of AFBI and by challenging EMT in business planning, target setting and delivery of performance against agreed targets.

The board operates within AFBI's board operating framework which sets out the broad governance structures for the board. It also defines the key roles and responsibilities which underpin the relationship between AFBI and DAERA.

## Board Sub-Committees

Decision-making powers are reserved to the board and five sub-committees operated in an advisory capacity in line with their terms of reference.

*Figure 9: AFBI's board and its sub-committees*



## Board/Sub Committee Attendance

The attendance of members at board and sub-committee meetings during the year is summarised as follows:

*Table 4: AFBI board members attendance at meetings 2023-24*

AFBI Board	Board Attendance	ARAC Attendance	FBSC Attendance	OD&HR Attendance	SSC Attendance	OGC Attendance
Mr Colin Coffey (Chair)	9/9					
Mrs Roberta Brownlee (Deputy Chair)	9/9		2/3	3/3		3/3
Ms Kate Burns*	4/5		2/2		2/2	
Mr David Campbell	8/9		2/3		2/3	
Mrs Daphne Johnston	9/9	6/6		3/3		
Mr Alan Moore	8/9	5/6				3/3
Mr Ian Murphy	9/9	6/6	3/3			
Mr Tim McClelland	8/9				3/3	3/3
Prof Sally Shortall	4/9			3/3		
Mr Tom Tynan	8/9		3/3		3/3	
Mr Tom Wright	9/9	6/6		3/3		
Mr Martyn Blair	6/9	4/6			3/3	
Mr Bill Montgomery	8/9		3/3			3/3
Ms Therese Rafferty	8/9			3/3		3/3

\*Ms Kate Burns completed her Term of Office on 30 September 2023.

## Board Performance & Quality of Information used by the Board

In line with best practice an external review of board effectiveness was completed in 2023-24 and provided a positive conclusion.

The board reaffirmed that its role was to set the strategic direction of the organisation, provide constructive challenge, ensure robust governance, hold the EMT to account, set the tone of the organisation, ensure that relations with stakeholders are managed effectively and that it is answerable to the DAERA minister. The review indicated that the board considered that it was operating effectively.

Furthermore, the review demonstrated that the Board understands its role and strategic priorities and that it promoted high standards of governance, risk and financial management and a culture of performance and delivery.

The quality of information provided to the board by EMT is of a high standard with executive, financial, whistleblowing and risk register reports provided on a regular basis.

## Compliance with Corporate Governance Code

As the Accounting Officer of a non-departmental public body of a Northern Ireland department, in line with DAO 06/13, I can confirm that AFBI, as an arm's length body of DAERA, complies with all relevant aspects of the corporate governance in central government departments. This is set by the Code of Good Practice NI published by DoF in 2013.

## Conflicts of Interest

On appointment, board members are required to provide a list of all interests which might give rise to a conflict of interest. At every board and sub-committee meeting a standing agenda item on declarations of interest is included and brought to the attention of the members by the chair. Board papers are not circulated to members who

have declared or are deemed to have a specific conflict of interest. Where a conflict of interest is declared, it is recorded and the relevant member(s) leave the board meetings for the specific agenda item. Members are also asked regularly to update their declarations.

## Risk Management Framework and Structure

AFBI has a well embedded risk management and internal control framework in place with direct involvement of EMT through the Risk Review Group. AFBI's risk management strategy clearly sets out the roles, responsibilities, procedures and risk appetite for risk management within AFBI.

Risk management is a standing agenda item for board and ARAC meetings and AFBI's risk register is reviewed by both meetings on a quarterly basis. AFBI's internal and external auditors attend ARAC meetings and therefore provide a further layer of external scrutiny and challenge.

## Information Risk

AFBI's approach to the management of information security risks is proportionate to the nature of the risks and the comparatively limited amount of personal or sensitive information handled by AFBI and its delivery network.

In line with the wider NICS and AFBI's hybrid working policy, many AFBI staff work securely from home for part of the week. Associated risks are managed by IT Assist network security arrangements and AFBI guidance on electronic communications.

Staff receive regular on-line bite-size refresher training on IT and Information security topics on external threats such as cyber-attacks through spam/phishing emails. Information security guidance was available to staff alongside additional IT equipment in order to mitigate risks arising from this.

## Internal Controls

An important element of AFBI's risk management framework is the system of internal control. This is designed to manage AFBI's risks to a reasonable level, rather than to eliminate all risk of failure to achieve aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. A system of internal control was in place throughout the year and is in accordance with guidance defined in MPMNI.

## Assurance Statements

Additional assurances are provided through the quarterly assurance statements provided by AFBI's directors. In turn the CEO provides a quarterly assurance statement to ASB in DAERA in advance of the accountability meetings and a copy of the quarterly statement is provided to ARAC and the board. The assurance statements confirmed that the necessary internal controls were in place to provide reasonable assurance across the various areas of internal control.

This assurance is subject to the issues set out under the Significant Issues section of the Governance Statement.

## Financial Management

AFBI's system of internal financial control is based on a framework of financial information, financial procedures, segregation of duties and a system of delegation and accountability. These include annual budgeting, in year forecasting, corporate budget monitor reports and divisional and branch reports.

## Fraud & Whistleblowing/Raising Concerns

Mechanisms for reporting actual or suspected Fraud are detailed in AFBI's counter fraud policy and fraud response plan and procedures for handling cases of whistleblowing/raising concerns are contained within the AFBI whistleblowing and raising concerns policy and supplementary whistleblowing and raising concerns guidance for Staff.

All cases of actual or suspected fraud that came to my attention during the year were reported to DAERA's Principal Accounting Officer, the Comptroller and Auditor General of the Northern Ireland Audit Office (NIAO), AFBI's Chair and the Chair of AFBI's ARAC.

There were four fraud and raising concerns/whistleblowing cases raised and investigated within AFBI in 2023-24.

## Key Assurance Providers

### AFBI's Internal Audit

AFBI's internal audit function is carried out by an external professional accounting firm which was appointed in accordance with the Public Sector Internal Audit Standards (PSIAS). Under the terms of the appointment, a director in the firm acts as AFBI's Head of Internal Audit, who provides me with an independent opinion on AFBI's systems of risk management, control and governance and AFBI received an overall satisfactory level of assurance in respect of 2023-24.

PSIAS require AFBI's internal auditors to bring to my attention those significant control issues which may be relevant to the preparation of my Governance Statement. Internal audit provided no Priority 1 recommendations in 2023-24.

Internal audit conducted eight audits during the year including a follow up review of all audit recommendations. This showed satisfactory progress in the implementation of recommendations. The results of this audit work are summarised in table 5.

Table 5: Internal audit reports 2023-24

Audit	Assurance Rating	No of Recommendations by Priority Rating		
		1	2	3
Validation of KPI Outturn Performance (22-23)	N/A	-	-	-
Review of Compliance with GDPR	Satisfactory	-	4	7
Review of Royalty Management	Satisfactory	-	-	1
Review of Procurement and supplier contract management	Satisfactory	-	4	7
Review of HR management (Recruitment & Selection)	Satisfactory	-	-	6
Review of Compliance with business reporting requirements (Divisional level)	Satisfactory	-	2	4
Review of Payroll, pensions, Travel and Subsistence	Satisfactory	-	4	-
Follow up on Audit Recommendations	N/A	-	-	-
Total				

### Audits Classified as Limited

None of the internal audit reviews from the 2023-24 audit plan was provided with a limited assurance.

### External Assurance - NIAO

The financial statements are audited by the Comptroller and Auditor General (C&AG), in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. She is head of the NIAO. She and her staff are totally independent of government, and she reports her findings to the Northern Ireland Assembly.

The annual fee for the audit of financial statements for 2023-24 is expected to be £135,000 (2022-23: £135,000).

### Monitoring the Implementation of Recommendations

The status of all internal and external audit recommendations are reported to the Audit and Risk Assurance Committee to ensure that these are effectively implemented in line with agreed implementation dates. Internal audit also undertake an annual follow up exercise to validate the reported position on the implementation of recommendations.

## Significant Issues

Significant issues noted by Internal Audit over the period:

For the period internal audit have concluded that AFBI's systems in relation to risk management, control and governance were adequate and operated effectively thereby providing satisfactory assurance in relation to the achievement of AFBI's objectives.

### Significant control issues reported:

#### AFBI's Current Finance System

The previously reported issues with the stability and reliability of AFBI's finance system following an upgrade in March 2022 were largely addressed in late 2022, when an updated version of the IT systems software was re-established on new servers.

There were no finance system performance issues experienced during 2023-24 and AFBI continue to implement the action plan developed to address the lessons identified by AFBI's internal auditors report following the 2022 incident.

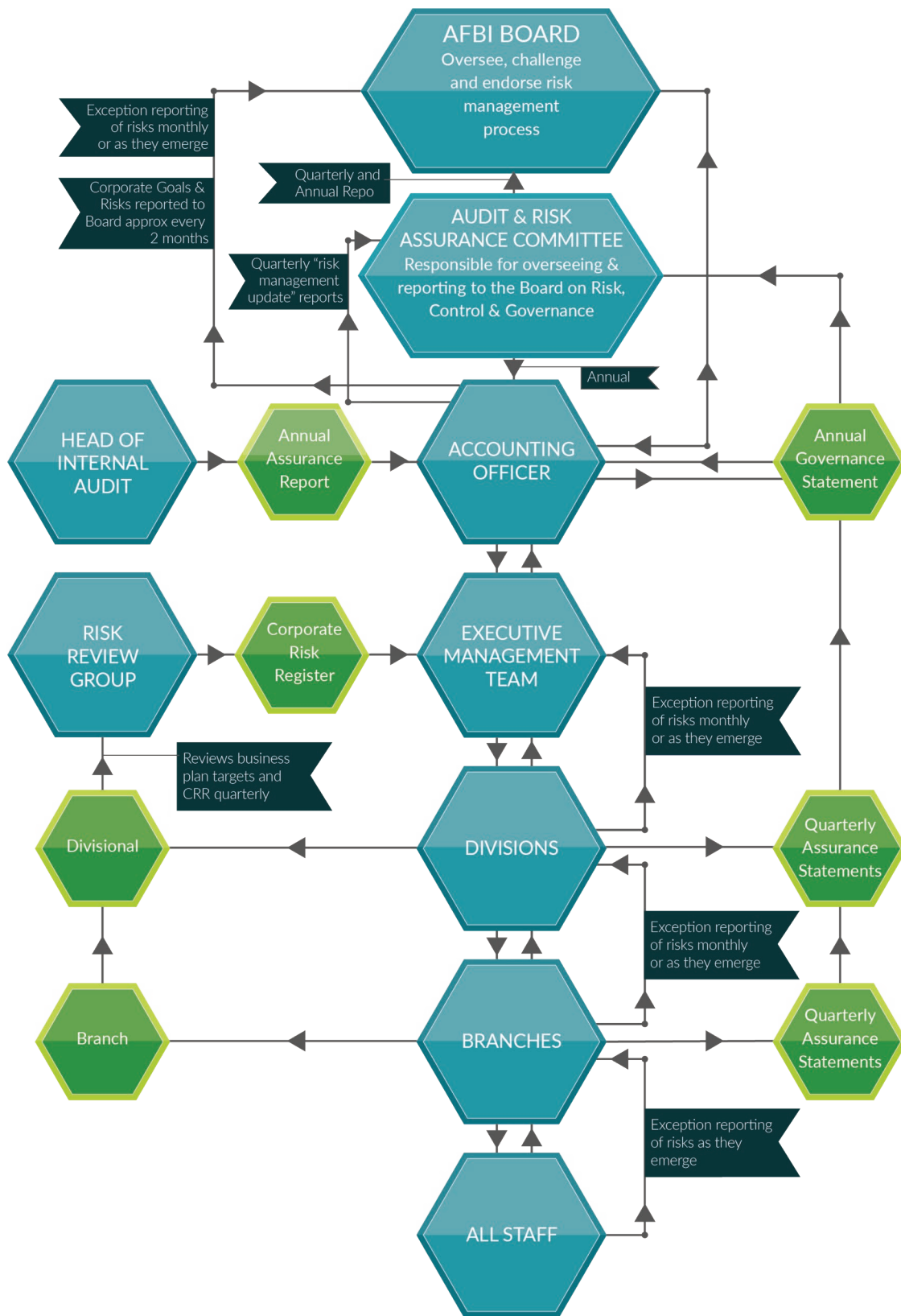
## Corporate Systems

AFBI is also progressing a number of projects to mitigate significant risks in relation to a number of its key systems. In relation to the need for a new finance and business management system (FBMS), AFBI has put in place a dedicated project team and engaged external expertise from the Strategic Investment Board to investigate and advise on alternative finance systems, including the development of the required business case and project plans. The preferred option is now the subject of an outline business case submitted for approval to DAERA and DoF in May 2024 which is meeting DAO 06/2015 and bringing AFBI into alignment with the new future-proofed Digital, Security and Finance Shared Services technology award of contract in 2024.

### Any incidents of irregular/unlawful spend.

No incidents of irregular/unlawful spend have been identified.

Annex A: AFBI's Governance and Risk Assurance Framework



## 2.2 Remuneration & Staff Report

The purpose of this remuneration and staff report is to set out AFBI's remuneration policy for directors and board members, how that policy has been implemented and the amounts awarded to directors and board members. In addition this report provides details on remuneration of staff which is key to accountability and best practice in corporate governance.

The remuneration of the board is set by DAERA. Increases are calculated in line with the recommendations of the Senior Salaries Review Body. There are no arrangements in place for the payment of a bonus. Neither the chair nor any board member receives pension contribution from AFBI or DAERA.

AFBI reimburses the chair and board members for any incidental expenses incurred for carrying out their duties relevant to the organisation.

### Chair and Board Members

The chair is normally appointed for a fixed period of three years, the deputy chair for three years and the board members are appointed for a fixed period of three or four years. Thereafter, they are re-appointed in accordance with the Code of Practice.



## Details of remuneration of the Chair and Board Members (Audited)

In 2023-24, the remuneration for members of the board was:

*Table 6: Remuneration for chair and board members*

Board Member	2023-24				2022-23			
	Salary (to nearest £'000)	Benefits in kind (to nearest £'00)	Pension Benefits (to nearest £'000)	Total (to nearest £'000)	Salary (to nearest £'000)	Benefits in kind (to nearest £'00)	Pension Benefits (to nearest £'000)	Total (to nearest £'000)
Mr Colin Coffey, Chair	25-30	-	-	25-30	25-30	-	-	25-30
Mrs Roberta Brownlee, Deputy Chair	10-15	-	-	10-15	10-15	-	-	10-15
Ms Kate Burns*	0-5	-	-	0-5	5-10	-	-	5-10
Mr David Campbell	0-5	-	-	0-5	5-10	-	-	5-10
Mrs Daphne Johnston	5-10	-	-	5-10	5-10	-	-	5-10
Mr Tim McClelland	5-10	-	-	5-10	5-10	-	-	5-10
Mr Alan Moore	5-10	-	-	5-10	5-10	-	-	5-10
Mr Ian Murphy	5-10	-	-	5-10	5-10	-	-	5-10
Prof Sally Shortall	0-5	-	-	0-5	5-10	-	-	5-10
Mr Tom Tynan	0-5	-	-	0-5	0-5	-	-	0-5
Mr Tom Wright	5-10	-	-	5-10	5-10	-	-	5-10
Mr Martyn Blair	5-10	-	-	5-10	5-10	-	-	5-10
Mr Bill Montgomery	5-10	-	-	5-10	5-10	-	-	5-10
Ms Thérèse Rafferty	5-10	-	-	5-10	5-10	-	-	5-10

\*Ms Kate Burns completed her Term of Office on 30 September 2023.

## Chief Executive and Executive Management Team

### Remuneration Policy

The pay remit for the Northern Ireland Civil Service, including senior civil servants (SCS), is normally approved by the Minister of Finance. Following the Secretary of State for Northern Ireland's 27 April 2023 written ministerial statement (WMS) on the budget, the NI public sector pay policy guidance was published on 31 May 2023 in FD (DoF) 05/23. This was subsequently updated on 12 March 2024 in FD (DoF) 04/24 to reflect the return of Executive ministers and revised departmental budgets.

Annual NICS pay awards are made in the context of the wider public sector pay policy. The pay award for NICS non-industrial staff, including SCS, for 2023-24 has been finalised and was paid in June 2024. The 2023-24 pay award for NICS industrial staff has also been finalised and was paid in May 2024.

The pay of NICS staff is based on a system of pay scales for each grade, including SCS, containing a number of pay points from minimum to maximum, allowing progression towards the maximum based on performance.

### Service contracts

The Civil Service Commissioners (NI) Order 1999 requires appointments in AFBI to be made on merit on the basis of fair and open competition. The recruitment code published by the Civil Service Commissioners for Northern Ireland specifies the circumstances when appointments may be made by exception to merit.

Unless otherwise stated, the officials covered by this report hold appointments that are open-ended. Early termination, other than for misconduct, would result in consideration of the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners for Northern Ireland can be found at [www.nicscommissioners.org](http://www.nicscommissioners.org).

## Salary and Pension Entitlements

The following sections provide details of the remuneration and pension interests of AFBI's EMT.

### Remuneration (including salary) and pension entitlements (Audited):

*Table 7: Remuneration (including salary) and pension entitlements (audited)*

Name	2023-24				2022-23			
	Salary (to nearest £'000)	Benefits in kind (to nearest £'00)	Pension Benefits (to nearest £'000)	Total (to nearest £'000)	Salary (to nearest £'000)	Benefits in kind (to nearest £'00)	Pension Benefits (to nearest £'000)	Total (to nearest £'000)
Dr S McDowell CEO	100-105	-	48	148-153	95-100	-	(45)	50-55
Mrs J Kelly Director FCAD**	-	-	-	-	45-50 (FTE 75- 80)	-	20	65-70
Dr E Magowan Director SAFSD	80-85	-	35	115-120	75-80	-	(3)	72-77
Dr A Douglas Director VSD	80-85	-	(11)	69-74	75-80	-	(26)	49-54
Mr Pieter-Jan Schön Director EMSD	75-80	-	37	112-117	75-80	-	(4)	71-76

\*The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights.

\*\*Mrs Josephine Kelly resigned as FCAD Director on 2 October 2022. Mr Ivor Johnston was appointed interim FCAD Director on 30 August 2022. Mr Johnston is a temporary staff member employed via an agency with salary costs equivalent to NICS Grade 5 band (£75-80k FTE). The total salary and service costs paid to the agency relating to this appointment are included within Note 3 of the Financial Statements.

**Salary:**

Salary includes gross salary, overtime and any other allowance to the extent that it is subject to UK taxation and any gratia payments.

**Benefits in kind:**

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument.

**Fair pay disclosure [Audited Information]**

*Table 8: Fair pay disclosure*

	2023-24	2022-23
Band of Highest Paid Director's Total Remuneration* (£'000)	£100-105	£95-100
Median Total Remuneration* (£)	£29,859	£29,307
Ratio**	3.43:1	3.33:1

\*Total remuneration includes salary, non-consolidated performance-related pay, and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

AFBI are required to disclose the relationship between the mid-point remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in AFBI in the financial year 2023-24 was £100,000 - £105,000 (2022-23, £95,000 - £100,000). This was 3.43 times (2022-23, 3.33) the median remuneration of the workforce, which was £29,859 (2022-23, £29,307).

The relationship between the mid-point of the highest pay band and the remuneration of the organisation's workforce is disclosed in table 8.

*Table 9: Relationship between the mid-point of the highest pay band and the remuneration of the organisation's workforce*

2023-24	25th Percentile	Median	75th Percentile
Total Remuneration (£)	£24,507	£29,859	£36,002
Pay Ratio	4.18:1	3.43:1	2.76:1
2022-23	25th Percentile	Median	75th Percentile
Total Remuneration (£)	£23,955	£29,307	£35,450
Pay Ratio	4.07:1	3.33:1	2.75:1

Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

For 2023-24, the 25th percentile, median and 75th percentile remuneration values consisted solely of salary payments.

In 2023-24, no employees (2022-23, 0), received remuneration in excess of the highest-paid director.

Remuneration ranged from £21,053 to £102,500 (2022-23, £19,121 to £97,500).

## Percentage Change in Remuneration

The percentage change in respect of AFBI is shown in the following table. The change in ratio between current year and prior year is due to change in the staff composition. The mid-point of the highest paid director has been used to calculate the highest paid director change.

*Table 10: Percentage change in remuneration*

Percentage Change For:	2023-24 v 2022-23
Average employee salary and allowances	3.12%
Highest paid director's salary and allowances	4.88%

No performance pay or bonuses were payable to the highest paid director in these years.

**Pension Entitlements (Audited):***Table 11: Pension Entitlements (Audited)*

Name	Accrued pension at pension age as at 31/03/24 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/24	CETV at 31/03/23*	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Dr S McDowell CEO	55-60 plus a lump sum of 55-60	2.5-5 plus a lump sum of 0-2.5	1,326	1,203	38	-
Dr E Magowan Director SAFSD	30-35	0-2.5	529	463	21	-
Dr A Douglas Director VSD	35-40 plus a lump sum of 90-95	0-2.5 plus a lump sum of 0	844	807	(22)	-
Mr P J Schön Director EMSD	35-40	0-2.5	651	571	25	-

\*31st March 2023 CETV disclosure values in the table above will not match those submitted in last year's accounts due to the McCloud remedy and subsequent rollback of the system.

## Northern Ireland Civil Service (NICS) Pension Schemes

Pension benefits are provided through the Northern Ireland Civil Service pension schemes which are administered by Civil Service Pensions (CSP).

The alpha pension scheme was initially introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of members of the Classic, Premium, Classic Plus and Nuvos pension arrangements (collectively known as the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS (NI)]) also moved to alpha from that date. Transitional protection measures introduced alongside these reforms meant any members who on 1 April 2012 were within 10 years of their normal pension age remained in their previous scheme arrangement (full protection) and those who were between 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age (tapered protection).

### McCloud Judgment

In 2018, the Court of Appeal found that the transitional protections put in place back in 2015 that allowed older workers to remain in their original scheme, were discriminatory on the basis of age. As a result, steps have been taken by the Department of Finance to remedy this discrimination.

The Department has now made regulations which remedy the discrimination by:

- ensuring all active members are treated equally for future service as members of the reformed alpha scheme only from 1 April 2022, and
- providing each eligible member with options to have their pension entitlements for the period when the discrimination existed between 1 April 2015 and 31 March 2022 (the remedy period) retrospectively calculated under either the current (reformed) scheme rules, or the old (pre-reform) legacy rules which existed before 2015.

This means that all active NICS Pension Scheme members are in the same pension scheme, alpha, from 1 April 2022 onwards, regardless of age. This removes the discrimination going forwards in providing equal pension provision for all scheme members.

The Department is now implementing the second part of the remedy, which addresses the discrimination which was incurred by affected members between 1 April 2015 and 31 March 2022.

Eligible members with relevant service between 1 April 2015 and 31 March 2022 (the Remedy Period) will now be entitled to a choice of alternative pension benefits in relation to that period. i.e. calculated under the pre-reformed PCSPS(NI) 'Classic', 'Premium' or 'Nuvos' rules or alternatively calculated under the reformed alpha rules. As part of this 'retrospective' remedy most active members will now receive a choice about their remedy period benefits at the point of retirement. This is known as the Deferred Choice Underpin (DCU). For those members who already have pension benefits in payment in relation to the Remedy Period, they will receive an Immediate Choice which will be issued by 31 March 2025.

At this stage, allowance has not yet been made within CETVs for this remedy. Further information on the remedy will be included in the NICS pension scheme accounts which, once published, are available at the Department of Finance's website.

As part of the remedy involves rolling back all remediable service into the relevant legacy PCSPS(NI) arrangement for the 7-Year Remedy Period, the value of pension benefits may change for affected members and some figures previously reported may change. The 2023-24 pension disclosures above are calculated based on HM Treasury guidance using;

- Rolled back opening balance
- Rolled back closing balance
- CETV calculated by CSP on the rolled back basis
- No restatement of prior year figures where disclosed.

## Alpha

Alpha is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current accrual rate is 2.32%.

Currently new entrants joining can choose between membership of alpha or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (Partnership Pension Account).

## Information on the PCSPS(NI) – Closed Scheme

Staff in post prior to 30 July 2007 were eligible to be in one of three statutory based 'final salary' legacy defined benefit arrangements (Classic, Premium and Classic Plus). From April 2011, pensions payable under these arrangements have been reviewed annually in line with changes in the cost of living. New entrants who joined on or after 1 October 2002 and before 30 July 2007 will have chosen between membership of Premium or joining the Partnership Pension Account.

New entrants who joined on or after 30 July 2007 were eligible for membership of the legacy PCSPS (NI) Nuvos arrangement or they could have opted for a Partnership Pension Account. Nuvos was also a CARE arrangement in which members accrued pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate of accrual was 2.3%.

Benefits in Classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For Premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike Classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic Plus is essentially a variation of Premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per Classic.



## Partnership Pension Account

The Partnership Pension Account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

Active members of the pension scheme will receive an Annual Benefit Statement. The accrued pension quoted is the pension the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age.

The normal scheme pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. The Scheme Pension age is 60 for any pension accrued in the legacy Classic, Premium, and Classic Plus arrangements and 65 for any benefits accrued in Nuvos. Further details about the NICS pension schemes can be found at the Civil Service Pensions website.

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2023 was 6.7% and HM Treasury has announced that public service pensions will be increased accordingly from April 2024.

Employee contribution rates for all members for the period covering 1 April 2024 – 31 March 2025 are set out in table 12:

### Scheme Year 1 April 2024 to 31 March 2025

*Table 12: Employee contribution rates 2024-25*

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates – all members
From	To	From 01 April 2024 to 31 March 2025
£0	£26,302.49	4.6%
£26,302.50	£59,849.99	5.45%
£59,850.00	£160,964.99	7.35%
£160,965.00 and above		8.05%

## Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) 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. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) Regulations 1996 (as amended) and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may have been due when pension benefits are taken. The Lifetime Allowance will end in April 2024 and will be replaced by the Lump Sum Allowance and The Lump Sum And Death Benefit Allowance.

HM Treasury provides the assumptions for discount rates for calculating CETVs payable from the public service pension schemes. On 27 April 2023, HM Treasury published guidance on the basis for setting the discount rates for calculating cash equivalent transfer values payable by public service pension schemes. In their guidance of 27 April 2023, HM Treasury advised that, with immediate effect, the discount rate adopted for calculating CETVs should be in line with the new SCAPE discount rate of 1.7% above CPI inflation, superseding the previous SCAPE discount rate of 2.4% above CPI inflation. All else being the same, a lower SCAPE discount rate leads to higher CETVs. See the HM Treasury Guidance of 27 April 2023.

## Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period (which therefore disregards the effect of any changes in factors).

## Compensation for loss of office (Audited)

No compensation has been paid to senior officers by AFBI during the year for loss of office.

## 2.2.1 Staff Report

### Staff costs (Audited):

Table 13: Staff costs (audited)

	Permanently employed staff	Others	2023-24 Total	2022-23 Total
	£'000	£'000	£'000	£'000
Wages and salaries	24,502	2,806	27,308	25,645
Social security costs	2,521	-	2,521	2,216
Other pension costs	6,500	-	6,500	6,041
Sub Total	33,523	2,806	36,329	33,902
Less recoveries in respect of outward secondments	(282)	-	(282)	(95)
Total net costs	33,241	2,806	36,047	33,807

During 2023-24 £2,806k (2022-23, £4,016k) was spent on other staff which relates to agency staff employed on a temporary contract.

Additional staff costs were capitalised during the year of £317k (2022-23: £791k).

### Pension scheme details

The Northern Ireland Civil Service main pension schemes are unfunded multi-employer defined benefit schemes but AFBI is unable to identify its share of the underlying assets and liabilities. The Public Service Pensions Act (NI) 2014 provides the legal framework for regular actuarial valuations of the public service pension schemes to measure the costs of the benefits being provided. These valuations inform the future contribution rates to be paid into the schemes by employers every four years following the scheme valuation. The Act also provides for the establishment of an employer cost cap mechanism to ensure that the costs of the pension schemes remain sustainable in future.

The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2020 scheme valuation was completed by GAD in October 2023. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2024 to 31 March 2027.

The Cost Cap Mechanism (CCM) is a measure of scheme costs and determines whether member costs or scheme benefits require adjustment to maintain costs within a set corridor. Reforms were made to the CCM which was applied to the 2020 scheme valuations and included the introduction of a reformed-scheme-only cost control mechanism which assesses just the costs relating to reformed schemes (alpha for the NICS) and introduced an economic check. Prior to the cost control mechanism reforms, legacy scheme (PCSPS(NI)) costs associated with active members were also captured in the mechanism. The reformed-scheme-only design and the economic check were applied to the 2020 scheme valuations for the devolved public sector pension schemes, including the NICS pension scheme. The 2020 scheme valuation outcome was that the core cost cap cost of the scheme lies within the 3% cost cap corridor. As there is no breach of the cost control mechanism, there is no requirement for the Department of Finance to consult on changes to the scheme. Further information can be found on the Department of Finance website.

For 2023-24, employers' contributions of £6,500k were payable to the NICS pension arrangements (2022-23, £6,041k) at one of three rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £39,236 (2022-23, £32,791) were paid to one or more of the panel of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2022-23, 8% to 14.75%) of pensionable pay.

The partnership pension account offers the member the opportunity of having a 'free' pension. The employer will pay the age-related contribution and if the member does contribute, the employer will pay an additional amount to match member contributions up to 3% of pensionable earnings.

Employer contributions of £1,156, 0.5% (2022-23 £1,137, 0.5%) of pensionable pay, were payable to the NICS Pension schemes to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension providers at the reporting period date were £Nil. Contributions prepaid at that date were £Nil.

No person (2022-23: one person) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £Nil (2022-23: £8,863).

## Average number of persons employed (Audited)

The average number of whole-time equivalent persons employed during the year was as follows:

*Table 14: Average number of persons employed*

	Permanent staff	Others	2023-24 Total	2022-23 Total
Directly Employed	646	72	718	743
Other	-	14	14	14
Staff engaged on capital projects	1	3	4	13
<b>Total</b>	<b>647</b>	<b>89</b>	<b>736</b>	<b>770</b>

Other directly employed staff are defined as agency staff employed on a temporary contract.

The staff turnover percentage for 2023-24 was 10% (2022-23: 16%). This figure is calculated based on permanently employed staff and therefore excludes agency. AFBI continues to monitor turnover rates and support initiatives to maintain a healthy level of turnover. Monitoring exit interview data coupled with other research, helps us to understand our people's experience of working in AFBI and take appropriate action to improve effectiveness, including where turnover becomes problematic.

**Staff Composition (Audited)**

As at 31 March 2024 the number of the staff employed by AFBI was as set out in table 15:

*Table 15: Staff composition*

	Males	Females	Total
Board	9	5	14
Executive Management Team	3	1	4
Other staff	379	304	683
Total	391	310	701

**Reporting of Civil Service and other compensation schemes – exit packages (Audited)**

There were 2 exit packages in 2023-24 (2022-23: 2). Prior year comparatives are shown in brackets.

*Table 16: Exit packages*

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	- (2)	- (-)	- (2)
£10,000 - £25,000	- (-)	- (-)	- (-)
£25,000 - £50,000	- (-)	1 (-)	1 (-)
£50,000 - £100,000	- (-)	1 (-)	1 (-)
£100,000 - £150,000	- (-)	- (-)	- (-)
£150,000 - £200,000	- (-)	- (-)	- (-)
Total number of exit packages	- (2)	2 (-)	2 (2)
Total resource cost/£	- (10,762)	92,264 (-)	92,264 (10,762)

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme (Northern Ireland) (CSCS (NI)), a statutory scheme made under the Superannuation (Northern Ireland) Order 1972. Table 16 shows the total cost of exit packages agreed and accounted for in 2023-24 and 2022-23. £92,264 exit costs were paid in 2023-24, the year of departure (2022-23, £10,762). Where the Institute has agreed early retirements, the additional costs are met by the Institute and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

AFBI's accounting policy in respect of pensions is at Note 1 to the accounts.

### Off-Payroll Payments

The Institute had no off-payroll engagements during 2023-24 (2022-23: Nil).

### Consultancy Costs

The Institute did not incur any consultancy costs during the year (2022-23: Nil).

### Sickness absence

The average number of working days lost per staff absence was 10.6 days for 2023-24 (12.6 days in 2022-23).

### Provision of information to and consultation with employees

AFBI ensures that all staff are kept informed of plans and developments through meetings, monthly team briefs, staff newsletters and the publication of business and training plans. Staff have access to welfare services and trade union membership. AFBI use the established Whitley process of staff consultation. The Whitley Council and Committees provide an agreed forum for discussion and they are attended by employer and employee (trade union) representatives.

### Career Development

AFBI recognises the importance of having skilled and engaged employees and continues to invest in learning and development.

AFBI continues to promote opportunities for career development internally and during the course of this year a number of staff have achieved promotion in a wide range of disciplines and grades.

One of AFBI's strategic goals is to sustain and develop our knowledge base through attracting and investing in talented people.

In support of this objective, AFBI's Learning and Development Unit provide expert advice on learning and development opportunities covering the diverse range of skills required across the organisation.

This Unit also administers AFBI's Assistance to Study programme which has provided support for staff this year in their pursuit of professional qualifications specific to AFBI's business.

Training is delivered using a variety of delivery channels (including on-line, webinars) providing flexible access to learning. Coherent pathways are aligned to both corporate needs and the wider NICS Competency Framework.

### Recruitment

AFBI continues to develop its workforce in line with its business aims and has made a number of new appointments this year, covering grades across the scientific, administrative and industrial disciplines. These reflect both permanent and temporary appointments.

### Work Experience

AFBI is committed to providing work experience opportunities for students at all levels to assist them in developing the key skills required to be successful in today's working environment.

A number of students in higher education were given the opportunity to develop key work-related skills through a relevant, supervised work placement programme. Work placements of shorter duration were also given to students covering a range of areas within AFBI.

## Diversity, Equity & Inclusion

AFBI continues to meet its statutory obligations under the Fair Employment & Treatment (NI) Order 1998, which includes submission of an annual fair employment monitoring return and annual review of progress to the Equality Commission for NI (ECNI).

As a public authority, AFBI has due regard to the need to promote equality of opportunity and regard to the desirability of promoting good relations across a range of categories outlined in the Section 75 of the Northern Ireland Act 1998 in carrying out its functions.

AFBI's commitment to equality of opportunity and to creating and sustaining a working environment where everyone is treated with respect and dignity, free from any form of inappropriate behaviour, and one in which all employees can give of their best, is embodied in the AFBI value 'Respect' and its associated behaviours, and in the dignity at work policy to which AFBI adheres. This policy is available to all staff through the HR Connect portal and the AFBI intranet. AFBI's commitment to equality of opportunity is embedded in the equality awareness training for all staff.

Information and guidance to staff on a wide range of equal opportunity issues is available on the AFBI intranet.

## Employment of People with Disabilities

As part of the overall Equality Scheme and Disability Action Plan, AFBI is fully committed to ensuring that all of its policies and working practices meet or exceed the requirements of the Disability Discrimination Act 1995. Disability awareness is embedded in equality training for all staff.

AFBI applies the recruitment principles as set out in the Recruitment Code of the Civil Service Commissioners for Northern Ireland, appointing candidates based on merit through fair and open competition. Recruitment and selection training, which includes raising awareness of unconscious bias, is offered to all members of AFBI recruitment panels.

To maintain and promote a diverse and inclusive workforce, AFBI has policies in place to support adjustments to the working environment required by disabled persons including personal emergency evacuation plans where necessary.

AFBI engages with Ulster Supported Employment Limited (USEL) and Disability Action in the employment of disabled persons.

AFBI is committed to working towards creating a truly inclusive workplace where all colleagues feel valued.

### RESPECT



We value and empower each other, celebrating our diversity, respecting our differences, and ensuring a safe and inclusive environment, where we can bring our full and true selves to work.



## Staff Engagement Scores

In 2021 AFBI took part in the NICS People Survey which was conducted by NISRA across the nine NICS ministerial departments as well as the Public Prosecution Service and the Health and Safety Executive for NI. This enabled AFBI to benchmark scores across a range of public sector employers. A key outcome of the survey is an employee engagement index (EEI) score. The score is established based on the weighted average of responses to the five employee engagement questions. AFBI participated in the survey in the first quarter of 2024-25 and responses indicated an EEI of 56%.

## Security of Personal Data

AFBI is committed to the safeguarding of personal data and has set in place appropriate technical and organisational measures to ensure its security. Staff are provided with mandatory annual training in data protection issues, reinforced by advice and guidance on the AFBI intranet. All members of staff have been advised that it is their personal responsibility to ensure that any document with sensitive information, including personal data, is appropriately secured and to ensure that, in the case of data held electronically, appropriate access controls are put in place. All staff have a data protection-related performance target set in their annual reports.

Data protection impact assessments/ screening exercises are used extensively by staff to assess and reduce information risk in new or changing work areas - AFBI teams carried out 18 of these during 2023-24.

In line with AFBI's encryption of external communications policy, staff use an encrypted webmailer application to safeguard the contents of emails containing personal data being shared external to the NIGOV network. These measures enhance AFBI's compliance with Article 32 of the GDPR and meets the ICO's recommendation to reduce the risk of personal information being intercepted during electronic transmission.



**Dr Stanley McDowell, BVM&S, MSc,  
DLSHTM, PhD, MRCVS**

**Chief Executive and Accounting Officer**

**2 July 2024**

## 2.3 Assembly Accountability and Audit Report

### 2.3.1 Assembly Accountability Disclosure Notes

The following sections are subject to audit.

#### **Losses**

AFBI does not have any losses to report which either individually or collectively exceed £300,000.

#### **Special Payments**

AFBI does not have any special payments to report which either individually or collectively exceed £300,000.

#### **Audited Remote Contingent Liabilities**

AFBI does not have any remote contingent liabilities to report.

#### **Audited Fees and charges (Audited)**

This note is for fees and charges purposes and not for IFRS 8 Operating Segments purposes.

Table 17 summarises the range of activities undertaken by AFBI against which it receives income, in excess of £1m.

Table 17: Sources of income in excess of £1m

Income Source	2023-24 Income £'000	2023-24 Full Cost £'000	2023-24 Surplus/ (Deficit) £'000	Financial Objective	Commentary
Income from Commercial Contracts	14,625	14,340	286	To recover the full costs of services provided.	Overall full cost recovery achieved with marginal over recovery. Within the income from Commercial Contracts, a number of individual contracts have failed to achieve full cost recovery in the current year due to a number of factors.
<b>Total</b>	<b>14,625</b>	<b>14,340</b>	<b>286</b>		
Income Source	2022-23 Income £'000	2022-23 Full Cost £'000	2022-23 Surplus/ (Deficit) £'000	Financial Objective	Commentary
Income from Commercial Contracts	12,015	11,770	245	To recover the full costs of services provided.	Overall full cost recovery achieved with marginal over recovery. Within the income from Commercial Contracts, a number of individual contracts have failed to achieve full cost recovery in the current year due to a number of factors.
<b>Total</b>	<b>12,015</b>	<b>11,770</b>	<b>245</b>		

### Disclosure to Auditor

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



Dr Stanley McDowell, BVM&S, MSc, DLSHTM, PhD, MRCVS  
Chief Executive and Accounting Officer

2 July 2024

# 3. The Certificate of the Comptroller and Auditor General to the Northern Ireland Assembly

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## Opinion on financial statements

I certify that I have audited the financial statements of the Agri-Food and Biosciences Institute for the year ended 31 March 2024 under the Agricultural (Northern Ireland) Order 2004. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union and interpreted by the Government Financial Reporting Manual.

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 Agri-Food and Biosciences Institute's affairs as at 31 March 2024 and of the Agri-Food and Biosciences Institute's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Agricultural (Northern Ireland) Order 2004 and the Department of Agriculture, Environment and Rural Affairs directions issued thereunder.

## Opinion on regularity

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

## Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies 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 this certificate.

My staff and I are independent of the Agri-Food and Biosciences Institute in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

## Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Agri-Food and Biosciences Institute's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Agri-Food and Biosciences Institute's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for the Agri-Food and Biosciences Institute is adopted in consideration of the requirements set out in the Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

## Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, and my audit certificate and report. The Board and the Accounting Officer are responsible for the other information included in the annual report. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report I do not express any form of assurance conclusion thereon.

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 I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with the Department of Agriculture, Environment & Rural Affairs directions made under the Agricultural (Northern Ireland) Order 2004; and
- the information given in the 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

In the light of the knowledge and understanding of the Agri-Food and Biosciences Institute and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. 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
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; 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 the Department of Finance’s guidance.

## 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 Accounting Officer are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;

- ensuring the annual report, which includes the Remuneration and Staff Report is prepared in accordance with the applicable financial reporting framework; and
- assessing Agri-Food and Biosciences Institute’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Agri-Food and Biosciences Institute will not continue to be provided in the future.

## 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 Agricultural (Northern Ireland) Order 2004.

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

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Agri-Food and Biosciences Institute through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Agricultural (Northern Ireland) Order 2004;
- making enquires of management and those charged with governance on the Agri-Food and Biosciences Institute's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Agri-Food and Biosciences Institute's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
  - performing analytical procedures to identify unusual or unexpected relationships or movements;
  - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
  - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
  - investigating significant or unusual transactions made outside of the normal course of business.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

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

### Report

In my report on the audit of the 2022-23 financial statements, I drew attention to the risks associated with the AFBI financial systems and the inability of the finance team to properly support the accounts production and audit process. In that report, I urged AFBI to:

- take steps to address the financial control weaknesses identified and to progress procurement and implementation of a new financial system at the earliest possible opportunity; and
- consider how it might streamline its accounts preparation process and support delivery of certified accounts prior to summer recess.

During 2023-24, AFBI put in place a significantly enhanced financial reporting team dedicated to the accounts production and pre-summer recess audit process. Whilst AFBI has successfully met the pre-summer recess deadline, due to the limitations of the financial systems, significantly more audit testing was required than would normally be the case for an organisation of AFBI's size and complexity.

I would again urge AFBI to continue to progress the procurement and implementation of a new financial system at the earliest possible opportunity.

I will continue to keep this area under review in future audits.



**Dorinnia Carville**  
**Comptroller and Auditor General**  
**Northern Ireland Audit Office**

106 University Street

BELFAST

BT7 1EU

**4 July 2024**



# Financial Statements

## 3. Financial Statements

### Statement of Comprehensive Net Expenditure for the year ended 31 March 2024

	Note	2023-24 £000	2022-23 £000
<b>Income</b>			
Revenue from contracts with customers	4	(19,191)	(18,447)
Other operating income	4	(4,515)	(5,991)
Total operating income		(23,706)	(24,438)
<b>Expenditure</b>			
Staff costs	3	36,329	33,902
Purchase of good and services	3	26,546	24,557
Depreciation and impairment charges	3	7,105	7,183
Provision expense	3	103	(131)
Other operating expenditure	3	11,375	13,056
Total operating expenditure		81,458	78,567
<b>Net operating expenditure</b>		57,752	54,129
Corporation tax charge/(credit)	3	-	279
<b>Net expenditure for the year</b>		57,752	54,408
<b>Other comprehensive net expenditure</b>			
Net (gain)/loss on revaluation of property, plant and equipment	5/10	9	(1,123)
Net (gain) on revaluation of Intangible assets	6/10	(15)	(54)
<b>Comprehensive net expenditure for the year</b>		57,746	53,231

The notes on pages 78 to 99 form part of these accounts.

## Statement of Financial Position as at 31 March 2024

	Note	2023-24		2022-23	
		£000	£000	£000	£000
<b>Non-current assets:</b>					
Property, plant and equipment	5	22,089		17,241	
Intangible assets	6	2,808		2,509	
Right of Use Asset	7	23,041		26,881	
Biological assets	8	1,101		1,393	
Trade and other receivables	13	136		-	
<b>Total non-current assets</b>			49,175		48,024
<b>Current assets:</b>					
Inventories	11	646		601	
Trade and other receivables	13	15,688		16,496	
Cash and cash equivalents	12	(37)		199	
<b>Total current assets</b>			16,297		17,296
<b>Total assets</b>			65,472		65,320
<b>Current liabilities</b>					
Trade and other payables	14	(14,791)		(13,444)	
Lease Liability	14	(3,628)		(3,594)	
Provisions	15	(838)		(830)	
<b>Total current liabilities</b>			(19,257)		(17,868)
<b>Total assets less current liabilities</b>			46,215		47,452
<b>Non-current liabilities</b>					
Lease Liability	14	(18,666)		(22,294)	
Deferred Income	14	(1,544)		(1,919)	
Provisions	15	(21)		(12)	
Total non-current liabilities			(20,231)		(24,225)
<b>Total assets less total liabilities</b>			25,984		23,227
<b>Taxpayers' equity and other reserves</b>					
Revaluation Reserve			3,160		3,909
General Fund			22,824		19,318
<b>Total Equity</b>			25,984		23,227

The financial statements on pages 74 to 77 were approved by the Board on 2 July 2024 and were signed on its behalf by:

Signed




**Colin Coffey, CDir FloD**

Chair  
2 July 2024

**Dr Stanley McDowell, BVM&S, MSc,  
DLSHTM, PhD, MRCVS**

Chief Executive and Accounting Officer  
2 July 2024

The notes on pages 78 to 99 form part of these accounts.

## Statement of Cash Flows for the year ended 31 March 2024

	Note	2023-24		2022-23	
		£000	£000	£000	£000
<b>Cash flows from operating activities</b>					
Net operating expenditure			(57,752)		(54,408)
Adjustment for non-cash transactions	3	8,115		8,031	
(Increase) / Decrease in trade receivables	13	544		(2,613)	
(Increase) / Decrease in inventories	11	(45)		110	
Increase / (Decrease) in trade payables	14	833		1,010	
Use of provisions	15	(85)		(153)	
			9,362		6,385
Net cash outflow from operating activities			(48,390)		(48,023)
<b>Cash flows from investing activities</b>					
Purchase of plant and equipment	5	(8,284)		(3,917)	
Purchase of intangible assets	6	(496)		(888)	
Introduction of IFRS 16		(8,268)		(8,514)	
Purchase of biological assets	8	(11)		(12)	
Proceeds of disposal of property, plant and equipment		592		111	
Proceeds of disposal of biological assets		1,081		922	
Net cash outflow from investing activities			(15,386)		(12,298)
<b>Cash flows from financing activities</b>					
Grant from sponsoring department		59,700		55,000	
Payment of Lease Liability		3,594		3,560	
Payment of Interest		246		280	
Net financing			63,540		58,840
Net increase (decrease) in cash and cash equivalents in the period			(236)		(1,481)
<b>Cash and cash equivalents at the beginning of the year</b>	12		199		1,680
<b>Cash and cash equivalents at the end of the year</b>	12		(37)		199

The notes on pages 78 to 99 form part of these accounts.

## Statement of Changes in Taxpayers' Equity for the year ended 31 March 2024

	Note	General Fund	Revaluation Reserve	Taxpayers' equity
		£000	£000	£000
Balance at 31 March 2022		15,059	4,253	19,312
Grant from sponsoring entity		55,000	-	55,000
Net gain on revaluation of plant and equipment	5	-	1,123	1,123
Net gain on revaluation of intangible assets	6	-	54	54
Right of Use Asset equity addition	7	1,273	-	1,273
Release of Lease equity	7	(159)	-	(159)
Relifing adjustment	5/6	-	-	-
Release prior years relifing		480	(480)	-
Notional charges - IT Assist	3	1,032	-	1,032
Transfers between reserves		1,041	(1,041)	-
Net expenditure for the year		(54,408)	-	(54,408)
Balance at 31 March 2023		19,318	3,909	23,227
Grant from sponsoring entity		59,700	-	59,700
Net gain/loss on revaluation of plant and equipment	5	-	(9)	(9)
Net gain/loss on revaluation of intangible assets	6	-	15	15
Release of Lease equity	7	(159)	-	(159)
Relifing adjustment	5/6	188	(188)	-
Release prior years relifing		9	-	9
Notional charges - IT Assist	3	953	-	953
Transfers between reserves		567	(567)	-
Net expenditure for the year		(57,752)	-	(57,752)
Balance at 31 March 2024		22,824	3,160	25,984

The notes on pages 78 to 99 form part of these accounts.

# Notes to the accounts for the year ended 31 March 2024

## 1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2023-24 Government Financial Reporting Manual (FReM) issued by the Department of Finance (DoF). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of AFBI for the purpose of giving a true and fair view has been selected. The particular policies adopted by AFBI are described below. They have been applied consistently in dealing with items that are considered material to the accounts. These financial statements have been prepared in sterling and are rounded to the nearest £'000.

### Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of plant and equipment, intangible assets, biological assets and inventories.

### Property, plant and equipment

AFBI does not own any land or buildings but leases them from DAERA.

Other non-property assets are stated at current cost using appropriate indices to account for the effects of inflation. The date of the revaluation is the reporting date of 31 March each year.

The threshold for capitalisation is £5,000 excluding any VAT capitalised. AFBI capitalises grouped assets. "Grouped assets" are a collection of assets which

individually may be valued at less than the threshold but which together form a single collective asset valued above it, because the items fulfil all the following criteria:

- The items are functionally interdependent.
- Items are all purchased at a point in time and are all likely to be disposed of at the same point in time.

### Donated fixed assets

Donated fixed assets are capitalised at their fair value on receipt and this value is credited to the General Fund. Donated fixed assets are valued and depreciated as described below for purchased assets. Gains and losses on revaluations are also taken to the General Fund and, each year, an amount equal to the depreciation charge on the asset is released from the donated asset charged to the Statement of Comprehensive Net Expenditure. Any impairment on donated assets charged to the Statement of Comprehensive Net Expenditure is matched by a transfer from the General Fund.

### Depreciation

Depreciation is charged on a straight line basis in order to write off the valuation of assets, less estimated residual value, of each asset over the expected useful life. Assets are generally depreciated from the period of acquisition and not depreciated in the period of disposal. However, an exception to this practice occurs when AFBI makes a late addition in the financial year. Where the cost of the asset remains unpaid at the date the financial statements are prepared, the depreciation charge for the asset is included in the following year's financial statements.

The useful lives of tangible assets, which are reviewed annually, are:

Plant	2 to 45 years
Equipment	2 to 30 years
Transport equipment: ship/boats	5 to 20 years
Transport equipment: vehicles	4 to 30 years
Information technology: computers	3 to 25 years

The useful lives of intangible assets, which are reviewed annually, are:

Software licences	3 to 20 years
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### Intangible assets

Software licences are stated at current cost using appropriate indices to account for the effects of inflation. Software assets are depreciated from the period of acquisition and not depreciated in the period of disposal.

The threshold for capitalisation is £5,000 excluding any VAT capitalised.

### Assets under construction

Items classified as under construction are recognised in the Statement of Financial Position (SoFP) to the extent that money has been paid or a liability has been incurred. Assets under Construction are carried at cost. Assets under Construction are not depreciated until they are commissioned.

### Biological assets

Biological assets comprise cattle, sheep and pigs which are used for research purposes. They are categorised according to the attributes used in the market to facilitate their valuation at the reporting date. Cattle were further grouped as follows:

- Beef cattle are grouped by gender, breed and age.
- Dairy cattle are grouped by lactation and breed.

Biological assets are valued at fair value less estimated costs at the point of sale at the end of the reporting period. This is further disclosed in accordance with IAS 41 Agriculture, by showing the aggregate value of purchases, sales, and changes in value due to changes in physical conditions of the herd and changes in the value of the herd due to changes in market price.

Changes in value due to changes in physical conditions of the herd represent births which took place during the current financial year. The economic value of these transactions is debited or credited to the Statement of Comprehensive Net Expenditure when they occur.

Changes in value of the herd due to changes in market price represent the difference between the purchase cost or the value brought forward of each animal and the market value at the end of the reporting period. The difference is recognised in the Statement of Comprehensive Net Expenditure.

Each year the market values used in the year-end valuation of the cattle are subject to an independent review.

## **Inventories**

Inventories are valued at the lower of cost and net realisable value.

## **Research and Development Expenditure**

Research and development expenditures include all costs relating to the scientific and technical patent work, education and training necessary to ensure the development, start-up and commercialisation of new or improved products or processes.

### **Research expenditure is recognised as an expense when incurred.**

Development expenditure on new or substantially improved products is capitalised as an intangible asset and amortised through cost of sales over the expected useful life of the product concerned. Capitalisation commences from the point at which the technical feasibility and commercial viability of the product can be demonstrated and AFBI Management is satisfied that it is probable that future economic benefit will result from the product once completed. This is usually at the point of regulatory filing in a major market and approval is highly probable. Capitalisation ceases when the product is ready for launch.

## **Cash and cash equivalents**

Cash and cash equivalents comprise of cash and deposits with commercial banks. At each year end, the carrying value of cash at bank and in hand approximates their fair value due to their short-term nature.

## **Operating income**

Operating income is in line with IFRS 15 disclosure of income as either Revenue from contracts with customers or Other Operating Income. Revenue from contracts with customers is income that relates directly to operating activities of AFBI and comprises fees and charges, to be recovered for services provided to external customers, Royalties, charter of ship and rents receivable. Other Operating Income is income received from EU initiatives and other various Grants.

## **Grant income**

Grants for revenue purposes that are received to finance the purchase of specific goods or services are reported as income in the Statement of Comprehensive Net Expenditure.

Grants for capital purposes that are received to finance the purchase of tangible non-current assets are reported as deferred income and released to the Statement of Comprehensive Net Expenditure on a systematic and rational basis over the useful lives of the related assets.

## **Employee benefits**

Under the requirements of IAS 19 Employee Benefits, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year end. The figure has been based on a specific report run from the Personnel system which calculates the yearend balance using leave balances on the system.



## Leases

IFRS 16 Leases has been implemented from 1 April 2022. It largely removes the distinction between operating and finance leases and introduces a single lease accounting model for lessees. A lessee is required to recognise ('right-of-use') assets and liabilities for all leases.

At inception of a contract, AFBI will assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time. To assess whether a contract conveys the right to control the use of an identified asset, AFBI assesses whether:

- The contract involves the use of an identified asset.
- AFBI has the right to obtain substantially all of the economic benefit from the use of the asset throughout the period of use.
- AFBI has the right to direct how and for what purpose the asset is used for.

## Right of use assets

AFBI recognises a right of use asset and lease liability at the commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs, prepayments or incentives, and costs related to restoration at the end of a lease. The right of use assets are subsequently measured at either fair value or current value in existing use in line with property, plant and equipment assets. The cost measurement model in IFRS 16 is used as an appropriate proxy for current value in existing use or fair value for the majority of leases (consistent with the principles for subsequent measurement of property, plant and equipment) except for those which meet one of the following:

- A longer-term lease that has no provisions to update lease payments for market conditions or if there is a significant period of time between those updates.
- The fair value or current value in existing use of the underlying asset is likely to fluctuate significantly due to changes in market prices.

The right of use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis of those of property, plant and equipment assets.

AFBI applies IAS 36 Impairment of Assets to determine whether the right of use asset is impaired and to account for any impairment loss identified.

## Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that cannot be readily determined, the rate provided by HM Treasury (0.95% for leases recognised in 2022).

The lease payment is measured at amortised cost using the effective interest method. It will be re-measured when there is a change in future lease payments arising from a change in the index or rate, if there is a change in AFBI's estimates of the amount expected to be payable under a residual value guarantee, or if AFBI changes its assessment of whether it will exercise a purchase, extension or termination option.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments.
- Variable lease payments that depend on an index or a rate, initially measured using the index rate as at the commencement date.

At the commencement of a lease, AFBI recognises a right of use asset and a lease liability.

### Financial instruments

AFBI is not allowed to borrow or invest surplus funds as per the Management Statement and Financial Memorandum. AFBI has financial instruments in the form of trade receivables and payables and cash and cash equivalents. Financial assets and liabilities are generated by operational activities and are not held to handle the risk profile facing AFBI in undertaking its operations.

#### – **Liquidity risk**

AFBI's net revenue resource requirements are financed by the Grant-In-Aid agreed with DAERA, as is its capital expenditure. It is not, therefore, exposed to significant liquidity risks.

#### – **Interest rate risk**

All AFBI's financial assets and liabilities carry nil rate of interest and it is not therefore exposed to significant interest rate risk.

#### – **Foreign currency risk**

The majority of AFBI's operations, assets and liabilities are denominated in sterling. Transactions in foreign currencies are translated into sterling using the rate at the date of the transactions. Balances held in foreign currencies are translated at the rate of exchange ruling at the date of the SoFP. Exchange differences are recognised in the SoCNE in the period in which they arise. See note 9 for additional information.

### Trade Receivables

Trade receivables are recognised and carried at fair value less a provision for non-recovery. AFBI applies the simplified approach for expected credit losses as permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivable.

### Provisions

AFBI makes provisions for liabilities and charges where, at the Statement of Financial Position date, a legal or constructive liability exists (i.e. a present obligation for past events exists), where the transfer of economic benefits is probable and a reasonable estimate can be made. Where the time value of money is material, AFBI discounts the provision to its present value using a standard government discount rate.

### Critical accounting estimates and key judgements

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying AFBI's accounting policies. AFBI continually evaluates its estimates, assumptions and judgements based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates.

## Estimation techniques used and changes in accounting estimates

Provision is made for all debts greater than 90 days old which are considered doubtful.

The effect of a change in accounting estimate is recognised by including it in the Statement of Comprehensive Net Expenditure in:

- The period of the change, if the change affects that period only.
- The period of the change and future periods, if that change affects both.

## Value added tax

Value added tax (VAT) is accounted for in accordance with the Statement of Standard Accounting Practice 5, in the absence of an International Financial Reporting Standard (IFRS). Amounts are shown net of VAT and irrecoverable VAT is charged to the Statement of Comprehensive Net Expenditure, or included in the capitalised cost of fixed assets.

## Operating segments

IFRS 8 Operating Segments requires the identification of operating segments on the basis of internal reporting in order to allocate resources to each specific segment and assess its performance.

AFBI has completed a review against the criteria set out in IFRS 8 and considers that the disclosure format within the accounts meets IFRS 8 criteria.

## Contingent liabilities

In addition to contingent assets & liabilities disclosed in accordance with IAS 37, AFBI discloses for Assembly reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to the Assembly in accordance with the requirements of Managing Public Money Northern Ireland.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to the Assembly separately noted.

Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Assembly.

## Reserves

### **Revaluation Reserve**

The Revaluation Reserve reflects the unrealised balance of the cumulative indexation and revaluation adjustments to assets other than donated assets and those funded by grants.

### **General Fund**

The General Fund represents AFBI's total assets less total liabilities which is not represented by other reserves and financing items.

## Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS (NI)), which is a defined benefit scheme and is unfunded. AFBI recognises the expected cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS (NI) of amounts calculated on an accruals basis.

All pension contributions are charged to the Statement of Comprehensive Net Expenditure when incurred.

## **Accounting standards, interpretations and amendments to published standards adopted in the year ended 31 March 2024**

The Institute has reviewed the standards, interpretations and amendments to published standards that became effective during 2023-24 and which are relevant to its operations. The Institute anticipates that the adoption of these standards will have no material impact on AFBI's financial position or results of operations.

Accounting standards, interpretations and amendments to published standards not yet effective

IFRS 17 Insurance Contracts will replace IFRS 4 Insurance Contracts and is effective for accounting periods beginning on or after 1 January 2023. In line with the requirements of the FReM, IFRS 17 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2025.

## 2. Statement of Operating Expenditure by Operating Segment

AFBI has three sciences divisions supported by the Finance and Corporate Affairs Division (FCAD). The operational divisions are:

Sustainable Agri-Food Sciences Division (SAFSD) provides statutory services and provides specialist advice to DAERA. Further SAFSD provides scientific support for the growth, sustainability and competitiveness of Northern Ireland's farming, and agri-food industries.

Veterinary Sciences Division (VSD) delivers world class veterinary science to the animal, food and fish-based sectors of the agri-food industry.

Environment and Marine Sciences Division (EMSD) focuses on evidence-based science, which is key to addressing the significant environmental challenges whilst ensuring the sustainable use of natural resources and the future prosperity of the agri-food sector.

### Analysis of net expenditure by segment

#### 2023-24

	EMSD £000	FCAD £000	SAFSD £000	VSD £000	Total £000
Gross expenditure	23,992	27,638	14,295	15,533	81,458
Income	(16,496)	(98)	(4,045)	(3,067)	(23,706)
Net expenditure	7,496	27,540	10,250	12,466	57,752

#### 2022-23

	EMSD £000	FCAD £000	SAFSD £000	VSD £000	Total £000
Gross expenditure	21,194	29,008	14,070	14,574	78,846
Income	(14,271)	(2,204)	(5,278)	(2,685)	(24,438)
Net expenditure	6,923	26,804	8,792	11,889	54,408

In accordance with IFRS 8, as total assets, net assets or additional information are not reported separately to AFBI's Board, no disclosure in respect of assets and liabilities has been made.

### 3. Expenditure

	Note	2023-24 £000		2022-23 £000	
<i>Staff costs<sup>1</sup></i>					
Wages and salaries		24,502		21,629	
Other pension costs		6,500		6,041	
Agency workers		2,806		4,016	
Social security costs		2,521		2,216	
			36,329		33,902
<i>Purchase of Goods &amp; Services</i>					
Laboratory expenditure		4,850		4,127	
Ship operating costs		3,476		3,673	
Contracted out services		12,265		9,523	
Operating expenses		1,723		1,552	
Agriculture / Horticultural / Livestock costs		1,653		2,048	
Office Costs		1,526		1,199	
Maintenance of machinery and vehicles		1,183		1,310	
EU Interreg contractor payments		(130)		1,125	
			26,546		24,557
<i>Other expenditure</i>					
Accommodation costs		7,182		8,259	
Irrecoverable VAT		2,661		3,062	
Personnel costs		963		883	
Royalty costs		45		460	
Lease Interest Costs – RoUA		246		280	
External Audit fees <sup>2</sup>		169		212	
Internal Audit fees		40		36	
			11,306		13,192
<i>Non-cash items</i>					
Depreciation	5	3,215		3,365	
Amortisation	6	209		137	
RoUA depreciation	7	3,681		3,681	
			7,105		7,183

<sup>1</sup> Further analysis of staff costs is located in the Staff Report (on page 72)

<sup>2</sup> During the year AFBI did not purchase any non-audit services from its auditor (NIAO) (2022-23: £ Nil).

	Note	2023-24 £000		2022-23 £000	
Notional Charges		953		1,032	
Indexation of fixed assets	10	22		(19)	
(Profit)/Loss on disposal of biological assets		(33)		14	
(Profit) on disposal of non-current assets		(256)		(77)	
Increase/(Decrease) in debt provision		128		50	
Changes due to changes in physical condition of biological assets		(160)		(64)	
Change in market value of biological assets		(585)		(1,072)	
			69		(136)
Provisions provided for in year	15	135		46	
Provisions not required written back	15	(32)		(177)	
			103		(131)
Taxation charge			-		279
			81,458		78,846

## 4. Income

	2023-24	2022-23
	£000	£000
<b>Revenue from contracts with customers</b>		
Income from analytical, diagnostic work and research contracts	17,547	14,952
Royalties	19	2,091
Sale of milk and general produce	953	1,235
Charter of the ship	347	20
Recoveries in respect of outward secondments	282	95
Rents receivable	43	54
	19,191	18,447
<b>Other Operating income</b>		
EU Grant	1,477	5,067
Other Grants	3,038	924
<b>Total</b>	<b>23,706</b>	<b>24,438</b>



## 5. Property, Plant and Equipment

### 2023-24

	Information Technology	Plant & Machinery	Transport Equipment	*Assets Under Construction	Total
	£000	£000	£000	£000	£000
<b>Cost or valuation</b>					
At 1 April 2023	1,877	44,682	6,104	1,702	54,365
Additions	4	1,685	206	6,531	8,426
Disposals	(24)	(2,690)	(50)	-	(2,764)
Reclassification	-	1,099	70	(1,169)	-
Revaluations & Impairments	7	94	-	-	101
<b>At 31 March 2024</b>	<b>1,864</b>	<b>44,870</b>	<b>6,330</b>	<b>7,064</b>	<b>60,128</b>
	Information Technology	Plant & Machinery	Transport Equipment	Assets Under Construction	Total
<b>Depreciation</b>					
At 1 April 2023	1,444	30,449	5,231	-	37,124
Charge for the year					
Relieving adjustment	-	-	-	-	-
Disposals	(22)	(2,359)	(50)	-	(2,431)
Reclassification	-	-	-	-	-
Revaluations & Impairments	5	131	(4)	-	132
<b>At 31 March 2024</b>	<b>1,582</b>	<b>31,055</b>	<b>5,402</b>	<b>-</b>	<b>38,039</b>
<b>Carrying amount</b>					
At 31 March 2023	433	14,233	873	1,702	17,241
<b>Carrying amount</b>					
At 31 March 2024	282	13,815	928	7,064	22,089
<b>Asset financing:</b>					
Owned	282	13,815	928	7,064	22,089
Finance leased	-	-	-	-	-
On-balance sheet PFI contracts	-	-	-	-	-
Carrying amount at 31 March 2024	282	13,815	928	7,064	22,089

\*Included in these figures is £7k donated by DAERA in relation to a Research Vessel and crane requiring additional work by AFBI to enable it to be brought into use. At that time, the asset will be moved to Transport Equipment.

## 5. Property, Plant and Equipment

2022-23

	Information Technology	Plant & Machinery	Transport Equipment	Assets Under Construction	Total
	£000	£000	£000	£000	£000
<b>Cost or valuation</b>					
At 1 April 2022	1,952	40,462	5,404	2,246	50,064
Additions	30	2,417	192	470	3,109
Disposals	(152)	(2,122)	(59)	-	(2,333)
Reclassification	(8)	807	215	(1,014)	-
Revaluations & Impairments	55	3,118	352	-	3,525
<b>At 31 March 2023</b>	<b>1,877</b>	<b>44,682</b>	<b>6,104</b>	<b>1,702</b>	<b>54,365</b>
<b>Depreciation</b>					
At 1 April 2022	1,309	27,770	4,595	-	33,674
Charge for the year					
Relieving adjustment	-	-	-	-	-
Disposals	(146)	(2,112)	(39)	-	(2,297)
Reclassification	(2)	(148)	148	-	(2)
Revaluations & Impairments	40	2,036	308	-	2,384
<b>At 31 March 2023</b>	<b>1,444</b>	<b>30,449</b>	<b>5,231</b>	<b>-</b>	<b>37,124</b>
<b>Carrying amount</b>					
At 31 March 2022	643	12,692	809	2,246	16,390
<b>Carrying amount</b>					
At 31 March 2023	433	14,233	873	1,702	17,241
<b>Asset financing:</b>					
Owned	433	14,233	873	1,702	17,241
Finance leased	-	-	-	-	-
On-balance sheet PFI contracts	-	-	-	-	-
Carrying amount at 31 March 2023	433	14,233	873	1,702	17,241

## 6. Intangible assets

Intangible assets comprise of software systems and licences.

### 2023-24

Cost or valuation	Intangibles £000	AUC £000	Total £000
At 1 April	1,639	2,048	3,687
Additions	9	487	496
Disposals	(89)	-	(89)
Reclassification	99	(99)	-
Revaluation & Impairments	54	-	54
At 31 March	1,712	2,436	4,148
<b>Amortisation</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 April	1,178	-	1,178
Charge for the year	209	-	209
Relifing	-	-	-
Disposals	(86)	-	(86)
Revaluations	39	-	39
At 31 March	1,340	-	1,340
<b>Carrying amount</b>			
At 31 March	372	2,436	2,808

### 2022-23

Cost or valuation	Intangibles £000	AUC £000	Total £000
At 1 April	1,575	1,091	2,666
Additions	28	860	888
Disposals	(14)	-	(14)
Reclassification	(97)	97	-
Revaluation & Impairments	147	-	147
At 31 March	1,639	2,048	3,687
<b>Amortisation</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 April	963	-	963
Charge for the year	136	-	136
Relifing	-	-	-
Disposals	(14)	-	(14)
Revaluations	93	-	93
At 31 March	1,178	-	1,178
<b>Carrying amount</b>			
At 31 March	461	2,048	2,509

## 7. Right of Use Asset

	Buildings £000	2023-24 Total £000	2022-23 Total £000
<b>Cost or valuation</b>			
At 1 April	26,881	26,881	-
Additions	-	-	30,721
Release from General Fund	(159)	(159)	(159)
Depreciation	(3,681)	(3,681)	(3,681)
At 31 March	23,041	23,041	26,881

## 8. Biological Assets

	2023-24 £000	2022-23 £000
Valuation as at 1 April	1,393	1,181
Purchases	11	12
Decreases due to sales	(1,048)	(936)
Changes in value of herd due to changes in physical condition		
Deaths	(65)	(54)
Births	225	118
Changes in value due to changes in market price	585	1,072
Valuation as at 31 March	1,101	1,393

## 9. Financial Instruments

As the cash requirements of AFBI are met through Grant-In-Aid provided by DAERA and commercial income received, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with AFBI's expected purchase and usage requirements and AFBI is therefore exposed too little credit, liquidity or market risk. AFBI has taken steps to mitigate the exchange rate risk by setting up a Euro bank account and making payments in Euro to EU partners and sub-contractors where appropriate.

## 10. Indexation

### Breakdown of impairments/indexation by category

	2023-24 £000	2022-23 £000
Charged to statement of comprehensive net expenditure	22	(19)
Charged to revaluation reserve	(6)	(1,177)
	16	(1,196)

## 11. Inventories

	2023-24 £000	2022-23 £000
Feedstuffs and sundry stocks	425	406
Consumables at Newforge and Stoney Road sites	221	195
	646	601

## 12. Cash and cash equivalents

	2023-24 £000	2022-23 £000
Balance at 1 April	199	1,680
Net change in cash and cash equivalent balances	(236)	(1,481)
Balance at 31 March	(37)	199
The following balances at 31 March were held at:		
Commercial banks and cash in hand	(37)	199
Balance at 31 March	(37)	199

## 13. Trade receivables and other current assets

	2023-24 £000	2022-23 £000
<b>Amounts falling due within one year</b>		
Prepayments	648	424
Accrued Income	8,168	7,144
EU Grant Accrued Income	2,579	5,763
Trade Receivables	4,264	2,551
Other Receivables	29	344
VAT	-	270
	15,688	16,496
<b>Amounts falling due after more than one year</b>		
Prepayments	136	-
	15,824	16,496

## 14. Trade payables and other current liabilities

	2023-24 £000	2022-23 £000
<b>Amounts falling due within one year</b>		
VAT	154	-
Other Taxation and Social Security	-	273
Trade Payables	1,543	281
Other Payables	46	279
Lease Liability	3,628	3,594
Capital Creditors	1,748	1,607
Accruals	10,137	10,233
Deferred Income <sup>3</sup>	1,163	771
	18,419	17,038
<b>Amounts falling due after more than one year</b>		
Lease Liability	18,666	22,294
Deferred Income <sup>4</sup>	1,544	1,919
	20,210	24,213

<sup>3</sup> Within deferred income, £1,560k (2022-23: £1,754k) relates to grant funding secured for the purchase of capital assets and has been treated as deferred income. The method of income recognition is in line with the depreciation of these assets. During this financial year, depreciation of £702k (2022-23: £510k) was charged on these assets and an equivalent amount of income was released to SoCNE.

<sup>4</sup> See previous note.

## 15. Provisions for liabilities and charges

### 2023-24

	Legal £000	Other £000	Total £000
Balance at 31 March 2023	105	737	842
Provided in the year	127	7	134
Provisions not required written back	(15)	(17)	(32)
Provisions utilised in year	(85)	-	(85)
Balance at 31 March 2024	132	727	859

#### *Analysis of expected timing of discounted flows*

	Legal £000	Other £000	Total £000
Not later than one year	132	706	838
Later than one year and not later than five years	-	21	21
Later than five years	-	-	-
Balance at 31 March 2024	132	727	859

### 2022-23

	Legal £000	Other £000	Total £000
Balance at 31 March 2022	363	763	1,126
Provided in the year	27	19	46
Provisions not required written back	(149)	(28)	(177)
Provisions utilised in year	(136)	(17)	(153)
Balance at 31 March 2023	105	737	842

#### *Analysis of expected timing of discounted flows*

	Legal £000	Other £000	Total £000
Not later than one year	105	725	830
Later than one year and not later than five years	-	12	12
Later than five years	-	-	-
Balance at 31 March 2023	105	737	842

Provisions have not been discounted as the time value of money is not material.

## Legal

This relates to personal injury legal cases and intellectual property claims. Legal claims are assessed by independent solicitors and a provision of 100% of the likely maximum claim value is made. This percentage is to be reviewed on an ongoing basis to ensure it continues to represent a reasonable estimate of the expenditure on such claims.

## Other

The Court of Appeal (CoA) judgment from 17 June 2019 (PSNI v Agnew) determined that claims for Holiday Pay shortfall can be taken back to 1998. However, the PSNI appealed the CoA judgment to the Supreme Court. The Supreme Court hearing was scheduled for June 2021 but this was subsequently adjourned, the Supreme made it's ruling on 4 October 2023. Department of Finance (NI) is currently considering this decision and will advise Departments and ALB's as to the financial implications and next steps required. Holiday Pay provision has been estimated and covers the period from November 1998 to 31 March 2018. There are still some very significant elements of uncertainty around this estimate for a number of reasons:

- The DoF response to the Supreme Court (as detailed above).
- Lack of accessible data for years previous to 2011.
- Ongoing negotiations with Trade Unions.



## 16. Capital commitments

AFBI had no capital commitments during 2023-24 (2022-23: £Nil).

## 17. Leases

### 17.1 Operating leases

	2023-24 £000	2022-23 £000
Buildings		
Not later than one year	3,628	3,594
Later than one year and not later than five years	14,862	14,722
Later than five years	3,804	7,572
Present Value of obligations	<b>22,294</b>	<b>25,888</b>
Total Present Value of obligations	<b>22,294</b>	<b>25,888</b>
Current Portion	3,628	3,594
Non-current Portion	18,666	22,294

### 17.2 Cash Outflow for Leases

	2023-24 £000	2022-23 £000
Total Cash flow outflow for Lease	26,881	30,721
Present Value of Cash flow outflow	25,888	29,449

## 18. Commitments under PFI contracts

AFBI had no PFI contracts during 2023-24 (2022-23: £Nil).

## 19. Other financial commitments

	2023-24 £000	2022-23 £000
Photocopiers		
Not later than one year	3	8
Later than one year and not later than five years	3	6
	6	14

## 20. Contingent Liability disclosed under IAS 37

### Public Sector Pensions - Injury to Feelings Claims

The Department of Finance (DoF) is a named Respondent in a class action affecting employers across the public sector and is managing claims on behalf of the Northern Ireland Civil Service (NICS) Departments. This is an extremely complex case and may have significant implications for the NICS and wider public sector. However the cases are at a very early stage of proceedings and until there is further clarity on potential scope and impact, a reliable estimate of liability cannot be provided.

## 21. Related-party transactions

### Government

DAERA is the sponsor department of AFBI with which it had various material transactions during the year and is regarded as a related party. DAERA's executive agencies also had transactions with AFBI.

In addition AFBI had some transactions with other government departments and central government bodies. Most of these transactions have been with Northern Ireland departments and their executive agencies such as DoF (including CPD and Pensions Branch), Invest NI, FSA (NI) and Northern Ireland Water.

### CIELivestock Limited (CIEL)

AFBI is a Category A member of the Centre for Innovation Excellence in Livestock Limited (CIEL). CIEL is one of a number of Centres for Agricultural Innovation, a collaborative model between the agri-tech sector and government. These centres have been set up to help the UK turn agricultural innovation into commercial opportunities for UK businesses, encourage inward investment and improve farming practice.

Becoming a member in 2015-16, this enabled AFBI to be part of a wider group of highly regarded research bodies. To date it has allowed AFBI to avail of income from CIEL which it has used to purchase equipment to promote, develop and facilitate the advancement of the UK livestock industry.

Below is a summary of the financial transactions between AFBI and CIEL during the financial year.

AFBI issued sales invoices with supporting claim information totalling £79,451 to CIEL in the year to 31 March 2024 (2022-23: £158,219).

In 2023-24 AFBI received £64,007 net of VAT (2022-23: £162,912) from CIEL. The amount owed by CIEL to AFBI at 31 March 2024 was £112,097 net of VAT (2022-23: £96,653).

## Other

A review of the conflict of interest declarations completed during the year was carried out and other than those noted above, no Board member, key manager or other related party has undertaken any material transactions with AFBI during the year.

Any other compensation payments issued to the AFBI Board in relation to IAS 19 Employee Benefits are disclosed within the Remuneration Report.

## 22. Third-party assets

AFBI does not hold any third party assets.

## 23. Events after the Reporting Period

AFBI does not have any events after the reporting period to disclose.

### Date of authorisation for issue

The Chair and Accounting Officer authorised these financial statements on 4 July 2024.

