

ANNUAL REPORT
WAGENINGEN RESEARCH FOUNDATION 2019

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Executive Board and Supervisory Board

The Executive Board of Wageningen Research Foundation

Prof. L.O. Fresco (President)
Prof. A.P.J. Mol (Vice President / Rector Magnificus)
L.A.C. Buchwaldt MBA (Member)

The Supervisory Board of Wageningen Research Foundation ¹

Ir. J.R.V.A. Dijsselbloem ² (Chair)
Prof. S. Korver (Vice Chair)
Drs. T Klimp
Dr. R.P. Smith RA
M.A. Verhoef

¹ Until 1 July 2019, mr. B.J. Marttin was a member of the Supervisory Board

² Until 1 April 2019 prof. M.J. Cohen was Chair of the Supervisory Board.

Key Figures

Tabel 1 *Financial key figures Wageningen Research*

	2016	2017	2018	2019
Turnover	299.2	299.4	321.9	344.0
Proportion of revenue from LNV (%)	40	38	42	43
Investments in buildings and land	14.3	16.6	17.7	9.8
Investments in other tangible fixed assets	3.8	5.5	7.2	13.7
Net result	2.7	4.2	10.4	14.9
Wageningen Research Capital				
Capital invested in fixed assets	335.4	336.1	339.5	339.0
Equity capital	304.5	308.7	319.1	334.0
Total capital	542.9	525.1	547.9	555.8
Solvency ratio (%)	56.1	58.8	58.2	60.1
Liquid assets Wageningen Research				
Liquid assets	115.8	93.8	117.7	129.2
Current ratio	1.5	1.4	41.3	1.4

Management Report

The Management Report of Wageningen Research is included in the Wageningen University and Research integrated annual report. This Report can be found on the WUR website.

Annual Financial Report

Results developments

Wageningen Research Foundation obtained a positive net result of €14.9 million in 2019. This result is €4.5 million higher than the net result for 2018 (€10.4 million). The pre-tax result from ordinary operational activities amounted to €19.4 million.

The reason for this improved result is due to a combination of good economic market conditions, the growth provided for in the 2019 budget and the shortages on the labour market. Due to the filled orderbook and the inability to fully staff job vacancies, WR did everything in its power to achieve the contracted project objectives. As a result, relatively greater use was made of WR employees for external contracts than provided for in the budget.

Tabel 2 Breakdown of the result of Wageningen Research Foundation (in € millions)

	2019	2018
Result from institutes and primary process	13.0	9.2
Result from housing and internal WW/BW premiums including cost of capital	7.0	9.0
Central departments:		
Incidental result	1.0	-2.9
Operational	-0.6	-1.5
Result before tax Wageningen Research	20.4	13.8
Corporate tax	-5.3	-3.4
Deferred tax asset	0.8	0.0
Net result Wageningen Research	14.9	10.4

The institutes achieved a positive joint annual result of €13.0 million, an increase of €3.8 million in comparison to 2018. The positive results of the institutes are mostly due to the abovementioned factors. The result for 2019 was positively affected by a number of incidental result components, totalling €1.0 million:

- Reorganisations and “werkenderwijs” programmes and other provisions € 0.1 million
- Sale of fixed assets € 0.9 million

Revenue and costs developments

The turnover of 2019 was €344.0 million, an increase of 6.8% as a result of growing demand. For 2018, the total turnover was €321.9 million. The growth in research turnover (turnover fewer secondary activities and other income) was 9.1%. Wageningen Research’s largest client is the Ministry of Agriculture, Nature and Food Quality (LNV), which generates approximately 43% of the total turnover (49% of research turnover). LNV’s research programme has increased by €13.6 million in comparison to 2018, to a total of €149.2 million. Another important development was the €7.8 million increase in turnover from the NVWA research programme as a result of the merger with NVWA.

In comparison to 2018, staff expenses increased by €18.0 million to €205.8 million. There are two underlying factors to account for this, namely the average number of FTE excluding interns/trainees increased by 177 and there was a salary increase of 2.0%. The expenses for temporary employees and contracted personnel are higher than in 2018.

In 2019, a provision for a deferred tax asset was made relating to the differences between the valuations for tax and commercial purposes of assets that are likely to be realised in the next five years. This resulted in an incidental positive result of €0.8 million.

Balance sheet developments

At the end of 2019, liquidity had increased by €11.4 million compared to 2018 (€117.7 million), to €129.2 million.

The following are the factors that explain the increase:

Tabel 3 Wageningen Research liquidity development (in € millions)

	2019
Net result	+16.6
Net decrease in fixed assets (investments minus depreciation and sales)	-2.3
Increase in short-term debt/decrease in receivables	+5.8
Decrease in provisions	-4.2
Decrease in long-term debt and receivables	-4.3
Result from participating interests	-0.2
Total change in cash and cash equivalents	+11.4

The change in fixed assets consists of €18.9 million of building and inventory depreciation; investment expenditures (including participating interests and members' capital) in the amount of €-24.3 million; and divestments in the amount of €3.1 million.

The amount of the advances received, including funds to be paid to partners, amounted to €71.0 million on the balance sheet date. Due to the positive result, solvency rose to 60.1%. At year-end 2018, solvency was 58.2%.

Changes in legal structure and capital interests

There were no changes to the group in 2019.

Outlook 2020

Wageningen Research Foundation is expected to have a positive result of €1.0 million in 2020.

Wageningen Research Foundation has defined five programmes in the WUR 2019-2022 Strategic Plan – Finding Answers Together – that are aligned with the agendas of the Ministry of Agriculture, Nature and Food Quality (LNV) as well as other ministries, the Top Sectors, the Sustainable Development Goals, and the European Agenda. The programmes are focused on continuous improvement to maintain excellence in research in line with these themes.

Total revenue for 2020 is forecasted to be €361.8 million. This is €17.8 million higher than in 2019. Most of this increase is from contract research (€10 million), followed by the Top Sectors (both the Ministry of Economic Affairs and Climate (EZK) and the business community) with an increase of €7 million. In addition there is an increase in co-funding and subsidies of €2 million, an increase in programme funding (including SRT) of €1 million and an increase of €1 million in secondary activities. The knowledge base stays the same and other income is budgeted €2.0 million lower.

Investment activities are budgeted at €37.6 million and are, therefore, €19.2 million higher than the budgeted depreciation. The most important investments are in the thermal energy storage systems on Campus (€10.2 million), changes in the animal accommodations of the WBVR Institute (€9.6 million) and major overhauls (€4.3 million). The decentralised investments are budgeted at €9.4 million, of which €4.1 million is for laboratory equipment and €1.5 million for software.

Wageningen Research expects a liquid assets balance of €95.0 million for 2020. This is €34.2 million lower than this figure in 2019. The budgeted decrease is mostly due to the investment expenditures.

At 60%, solvency in 2020 will remain the same as in 2019.

Annual Financial Accounts

Consolidated balance sheet after the allocation of the net result

Balance sheet	31-12-2019	31-12-2018
ASSETS		
FIXED ASSETS		
(1) Intangible fixed assets	716	566
(2) Tangible fixed assets	298,555	296,659
(3) Financial fixed assets	39,724	42,317
Total fixed assets	338,995	339,542
CURRENT ASSETS		
(4) Inventory	4,007	3,869
(5) Receivables and accrued assets	83,600	86,776
(6) Liquid assets	129,162	117,721
Total current assets	216,769	208,366
TOTAL ASSETS	555,764	547,908
CAPITAL AND LIABILITIES		
EQUITY CAPITAL		
Statutory reserve	455	0
Other reserves	333,547	319,147
(7) TOTAL EQUITY CAPITAL	334,002	319,147
(8) PROVISIONS	21,103	25,289
(9) LONG-TERM DEBT	41,152	47,332
(10) SHORT-TERM DEBT	159,507	156,140
TOTAL LIABILITIES	555,764	547,908

Consolidated profit and loss statement

	Results for 2019	Results for 2018 ³
INCOME		
	25,869	24,487
	93,295	73,592
	24,754	24,298
	60,419	57,249
	98,821	99,351
	35,875	37,261
	4,920	5,644
(11) Total income	343,953	321,882
EXPENDITURES		
(12) Personnel costs	205,805	187,831
(13) General costs	64,679	63,685
(14) Specific costs	50,499	53,052
Total expenditures	320,983	304,568
Other income and expenditures	0	0
OPERATING RESULT	22,970	17,314
(15) Financial income and expenditures	-3,867	-3,881
RESULT FROM OPERATIONAL ACTIVITIES BEFORE TAX	19,103	13,433
(16) Taxation on operational activities	-4,491	-3,433
(17) Result from participating interests	243	442
RESULT FROM OPERATIONAL ACTIVITIES AFTER TAX	14,855	10,442
Third-party share	0	0
Exceptional income and expenditures	0	0
NET RESULT	14,855	10,442

³ Comparing figures for 2018 have been amended on account of the changes that were made to the processing of the 2019 Atvet project

Consolidated cash flow statement

	Results for 2019	Results for 2018
OPERATIONAL ACTIVITIES		
Net result	14,855	10,442
Depreciation and impairments	18,891	17,451
	33,746	27,893
Change in provisions	-4,186	-1,745
Change in inventory	-138	340
Change in receivables	3,176	4,260
Change in short-term debt	3,367	20,917
Result from non-consolidated participating interests	-243	-442
	1,976	23,330
Cash flow from operational activities	35,722	51,223
INVESTMENT ACTIVITIES		
Investments in intangible assets	-498	5
Investments in buildings and land (incl. WIU)	-9,834	-17,791
Investments in other tangible assets	-13,739	-7,229
Investments in participating interests and members' capital	-264	-458
Divestments of fixed assets	3,134	1,061
Cash flow from investment activities	-21,201	-24,412
FINANCING ACTIVITIES		
Change in long-term receivables from the LNV	3,944	3,944
Deferred tax receivable	-845	0
Change in long-term debt to the LNV	-6,201	-6,104
Change in other long-term debt	22	-682
Cash flow from financing activities	-3,080	-2,842
CASH FLOW	11,441	23,969
CHANGE IN LIQUID ASSETS		
Balance of liquid assets on 1 January	117,721	93,752
Balance of liquid assets on 31 December	129,162	117,721
Change in liquid assets	11,441	23,969

Accounting Principles

General

The Wageningen Research Foundation has its registered office in Wageningen and is registered in the commercial register under number 09098104.

The annual financial report was prepared and validated by the Executive Board on 20 April 2020 and approved by the Supervisory Board on 20 May 2020. The annual financial report was prepared in accordance with the below accounting principles. Any departure from these principles is stated alongside the relevant financial information.

The figures for the previous financial year are in accordance with the figures in the annual financial report of the relevant year. Variations may arise as a result of corrections, shifts between items or changes in the rounding-off method. Where this is applicable and of relevant significance, this is reported.

General principles for the preparation of the annual financial accounts

Wageningen Research Foundation, Wageningen Research Holding B.V. and a number of subsidiaries are grouped together. Staff are employed by Wageningen Research and are allocated to the various operating companies on the basis of the actual wage costs incurred. Wageningen Research owns the real estate used by the operating companies pursuant to contracts for use.

Monetary assets and liabilities in foreign currencies are converted at the exchange rate on the balance sheet date.

Exchange rate differences are included in the profit and loss statement. Revenues and expenses in foreign currency are included in the profit and loss statement at the exchange rate on the date of receipt or payment.

The annual financial accounts are prepared pursuant to the Netherlands Civil Code, Book 2, Title 9, and the accounting standards issued by the Dutch Accounting Standards Board.

Use of estimates

The preparation of the annual financial accounts demands that the board draw conclusions and makes estimates and motivations that affect the accounting principles and reported value of fixed assets and obligations, as well as of income and expenditures. The actual outcome will deviate from these estimates. The estimates and underlying motivations are continually evaluated. Adjustments to estimates are implemented in the period during which the adjustment is made as well as the following periods that are affected by this adjustment. The principal items subject to estimates are:

- Valuation and life span of fixed assets
- Provisions for receivables and projects
- Provisions
- Claims

Consolidation

The consolidated reports incorporate the annual financial accounts of Wageningen Research, its subsidiaries and other organisations over which the institution exercises control (pursuant to the actual situation) or central management. The subsidiaries are legal entities directly or indirectly controlled by Wageningen Research, given that the institution possesses the majority of the voting rights or can control the financial and operational activities in some other manner. Also taken into account are potential voting rights that may be exercised directly on the balance sheet date.

The annual financial accounts of Wageningen Research, its subsidiaries and other organisations over which the institution exercises control (pursuant to the actual situation) or central management are fully incorporated into the consolidated financial report. Third party shares with respect to the group capital and the group result are reported separately.

Tabel 4 Consolidated participating interests

	Shareholder	Registered office	% ultimo 2018	% ultimo 2019
Agri New ventures B.V.	WBG	Wageningen	100%	100%
Wageningen Research Holding B.V.	Wageningen Research	Wageningen	100%	100%
Exploitiemaatschappij Windmolenparken Lelystad B.V.	WBG	Wageningen	100%	100%
Wageningen Business Generator B.V.	Holding	Wageningen	100%	100%
Windmolenpark Neushoortocht B.V.	WBG	Wageningen	100%	100%
Windmolenpark Mammoethocht B.V.	WBG	Wageningen	100%	100%

Tabel 5 Non-consolidated participating interests valued at acquisition cost

	Shareholder	Registered office	% ultimo 2018	% ultimo 2019
Bfactory B.V.	WBG	Wageningen	17%	17%
Isolife B.V.	WBG	Wageningen	5%	5%
Telemetronics Biometry B.V.	WBG	Heteren	4%	4%
Wageningen Science & Technology Consulting Services Ltd.	Holding	Beijing	100%	100%
Wageningen UR Uganda ltd.				

Tabel 6 Non-consolidated participating interests valued at net asset value

	Shareholder	Registered office	% ultimo 2018	% ultimo 2019
CoVaccine B.V.	WBG	Lelystad	25%	25%
Fresh Forward Holding B.V.	WBG	Wageningen	49%	49%
Knowhouse B.V.	WBG	Horst	30%	30%
VOF Oostwaardhoeve	ANV	Slotdorp	50%	50%

ACCOUNTING POLICIES FOR THE VALUATION OF ASSETS AND LIABILITIES

General

Receivables and payables are stated at fair value on initial recognition after which they are stated at amortised cost minus any necessary provision for uncollectible debts. The amortised cost generally matches the nominal value, unless stated otherwise.

The amortised cost is the amount at which a financial asset or financial liability is stated in the balance sheet on initial recognition, less principal repayments, increased or decreased by the cumulative amortisation calculated on the basis of the effective interest method of the difference between the initial amount and the instalment and less any write-offs (direct or by making a provision) due to impairments or uncollectible debts.

Intangible fixed assets

Development costs, patents and licences, software, goodwill and production rights are not capitalised unless they are purchased from third parties or the production costs can be reliably established. In addition, the intangible fixed asset must be capable of generating future economic benefits. Intangible fixed assets are valued at acquisition or production cost. Amortisation is applied in proportion to the realisation of the forecast revenue over five years. When revenue realisation cannot be reliably determined, the straight line method is used. Pursuant to statutory obligations, a statutory reserve is maintained for the capitalised amount of internal development costs. Write-offs as a result of impairment, sale, loss or discontinuation are listed separately.

Tangible fixed assets

Tangible fixed assets are valued at acquisition price or production cost minus accumulated depreciation. Depreciation is applied using the straight line method on the basis of the estimated useful life and the residual value. Depreciation is proportionally applied in the purchase year.

Tangible fixed assets under construction or in production are valued at the acquisition price or for the amount that has already been invoiced to the company by third parties. Investments of less than €5,000 are charged directly to the profit and loss statement.

Tabel 7 Depreciation periods

Asset type	Linear depreciation in years
Company property / Work in progress	None
Site layout and infrastructure	60 years straight line
Buildings	
Shell	60 years straight line
Finishings (limited to company building end date)	30 years straight line
Fittings and furnishings/interior of company buildings (limited to company building end date)	15 years straight line
Greenhouses, sheds, sundry buildings/structures	15 years straight line
Machinery and equipment:	
Office furniture / machines and equipment / inventory of restaurant facilities / fiber optic network / other inventory	10 years straight line
Laboratory equipment / audio-visual equipment / vehicles / PR and information material	5/8 years straight line
ICT equipment including software (network hardware)	5 years straight line
ICT equipment including software (other hardware)	4 years straight line

Acquired investment subsidies and amounts from externally-financed projects are deducted from the capitalised amount in the year of purchase. Subsidies received for the purchase of assets required for the primary operations are shown as liabilities and are released during the useful life of the asset.

Highly specialised equipment that can only be used for a specific project and that does not have any value beyond this project, is capitalised but is depreciated in its entirety over the potentially shorter duration of the project (in accordance with the accounting principles). This is because the economic life of this specialised equipment is equal to the project's duration. The demo greenhouses are an example of this and are depreciated over a period of 5 years.

The expenditures for major overhauls are included in the cost price of the assets as soon as these costs are incurred and comply with the capitalisation criteria. The book value of the components that are replaced is then considered as disposed and is charged to the profit and loss statement as a lumpsum. All other maintenance costs are directly charged to the profit and loss statement.

The institution carries out an evaluation on each balance sheet date to determine whether there are indications that a fixed asset may be subject to an impairment. Should there be any such indications, then the realisable value of the asset is determined. If the realisable value of the individual asset cannot be determined, then the realisable value of the cash flow generating unit to which the asset belongs is determined. An impairment is applicable when the book value of an asset is higher than the realisable value, where the realisable value is higher than the market value and the business value.

When it is determined that an impairment that was included in the past no longer exists or has decreased, then the increased book value of the asset is set no higher than the original book value would have been without the application of the impairment of the asset.

Fixed assets that are no longer usable for the primary operations are not depreciated. Write-offs as a result of impairment, sale, loss or discontinuation are listed separately.

Financial fixed assets

Participating interests and capital of members over whose business and financial policy the institution exerts a significant influence are valued at net asset value. This value is determined on the basis of the group's accounting principles for the valuation and determination of the result.

Participating interests and capital of members over whose business and financial policy the institution does not exert a significant influence are valued at acquisition cost. The valuation of these assets takes into account any permanent decline in value, where relevant.

Inventory

This item is comprised of the trading stock, finished product, livestock and stock of harvested agricultural produce. The trading stock and finished product are valued in accordance with the FIFO method at the acquisition cost or production cost increased by a margin for indirect costs.

The valuation of the livestock and stock of harvested agricultural produce is based on market prices. The value of unmarketable stock or stock with a lower market value is decreased accordingly. On the basis of the average annual use in the last 10 years, antisera were found that according to this calculation had been in stock longer than 3 years.

The stock of finished product is valued in accordance with the FIFO method at the acquisition cost or production cost increased by a margin for the indirect costs.

Receivables and accrued assets

Receivables are valued at nominal value less a provision for uncollectible debts, where relevant.

Project costs yet to be invoiced - third party contract research

Project costs for services provided yet to be invoiced are valued at the cost of direct material use and labour, increased by a margin for indirect costs. Invoiced instalments and forecast losses on projects are deducted from this balance. The result is allocated in proportion to the progress (proportion of actual costs incurred) of a project. After accounting for the prepayments that have been received, projects with

a debit balance are then included under short-term receivables. Projects with a negative balance are included under the prepayments item of short-term debt.

Equity capital

- Issued capital
The nominal value of issued and paid-in capital is included under this item.
- Statutory reserve
Pursuant to statutory obligations, a statutory reserve is maintained for the capitalised amount of internal development costs.
- General reserve
This reserve is credited with the operating result in any year in which the result is not allocated to a specific use.

Provisions

Unless otherwise stated, provisions are valued at nominal value. The amount of the provision recognised is the best estimate of the amount that will be required to settle the relevant obligations and losses on the balance sheet date.

Provisions are created for:

- legally enforceable obligations or actual obligations that exist on the balance sheet date
- it is probable that the settlement of obligations will probably require an outflow of funds
- a reliable estimate can be made of the extent of those obligations

Provision for unemployment insurance obligations

Provisions for unemployment insurance obligations are determined as the cover required for the unemployment insurance obligations on the balance sheet date and the expected future obligations in relation to personnel that have already left and personnel with a temporary employment contract.

Provision for WGA/ZW-flex

The provision for the Return to Work (Partially Disabled Persons) Regulations (WGA) and Sickness Benefits Act (ZW-flex) covers the obligations for which the organisation bears the risk as of 1 January 2016, as anticipated on the balance sheet date.

Other personnel provisions – service bonuses

The anticipated obligation arising from future service (anniversary) bonuses is determined on the basis of historical information and withdrawals are made on a realisation basis. The present value is determined on the basis of the prevailing market rate of interest for Wageningen Research.

Other personnel provisions - pensions

The pension provider for the whole of Wageningen UR is the ABP. Pension accrual takes place on the basis of the average earnings system (*middelloodsysteem*).

The current coverage ratio rose from 97.1% to 97.8% in 2019. The policy coverage (the average of the current coverage ratios across the last twelve months) rose in 2019 from 101.5% to 103.8%, ending up 0.4% under the required minimum. This coverage will on the one hand be decisive in increasing pensions. Partial indexation is possible with a policy coverage of 110% or higher. ABP may index fully starting from 123%. This means that with the current 103.8%, we are still far from this objective. On the other hand, the policy coverage can play a role in decreasing pensions.

If this policy coverage until 2021 were to remain below the required level of 104.2% and the current coverage ratio at the end of 2021 is also lower than 104.2%, a lowering of pensions is inevitable.

With the price increase (indexation), ABP now expects that it is unlikely that it will be able to increase the pensions in the coming years. ABP estimates the probability that it will have to reduce the pensions in 2021 to be small.

There was no obligation to make up any shortfall as a result of ABP's coverage ratio. This is why no provisions have been recognised.

Provisions for reorganisation expenses

This provision was formed to cover anticipated costs incurred as a result of decisions regarding current or intended reorganisations that have been made and announced within the organisation.

Provision for product and contract risks

This provision covers the expected cost of loss-making contracts, guarantees and claims arising from services and products delivered to third parties.

Long-term debt

Long-term debt concerns liabilities that are due in more than one year from the end of the relevant financial year.

Short-term debt

Short-term debt concerns liabilities that are due within one year from the end of the relevant financial year.

ACCOUNTING POLICIES TO DETERMINE INCOME AND EXPENDITURE

General

Income and expenditures are the proceeds and costs which can be allocated to the relevant financial year or activity, regardless of whether they have resulted in receipts and payments during the annual reporting period.

Income is recognised in the year in which the products were delivered or the services provided to clients. Losses and risks arising before the end of the financial year are taken into account if they are known before the preparation of the annual financial report.

The income from contract research is determined on the basis of the direct costs, including a supplement for indirect costs to a maximum of the rate to be paid by the finance provider. Results are calculated in proportion to the progress of the project.

Revenue from the Ministry of Agriculture, Nature and Food Quality (LNV) falling under the TO2 funding regulation is determined on the basis of the direct costs, including a margin for indirect costs. The margin for indirect costs is determined once a year in accordance with the prevailing system for calculating the margin. Results are calculated in proportion to the progress of the project.

Taxation

Taxation on the profits includes the corporate tax (payable and deductible) for the entire financial year. The payable and deductible corporate income tax for the financial year is the corporate income tax expected to be payable for the taxable profit in the financial year, taking into account the fiscal legislation and facilities, calculated on the basis of tax rates set on the reporting date, and any corrections to the taxes owed for prior years, such as fiscally compensable losses from prior financial years.

In addition, Wageningen Research has made a provision for deferred taxes, based on the difference between the valuations for tax and commercial purposes of tangible fixed assets (in particular company buildings) at the time of the introduction of the liability to pay tax. Since the period within which taxable profits at Wageningen Research can be considered probable is relatively short, in part due to the lack of a profit motive over the long-term, the deferred tax is calculated for a period of 5 years.

Accounting principles for the preparation of the cash flow statement

The cash flow statement was prepared using the indirect method. The cash in the Cash Flow Statement consists of the liquid assets. Cash flows in foreign currency are converted at the estimated average exchange rate.

Interest income and expenses, dividends received and income taxes are recorded under the cash flow from operational activities. Dividends paid are recognised under the cash flow from financing activities. The acquisition of group companies and the proceeds from the disposal of group companies are recognised under the cash flow from investment activities, insofar as payment was made in cash. The cash at the disposal of the group companies is deducted from the acquisition cost or the sales price, respectively.

Transactions that do not involve the exchange of cash, including financial leases, are not included in the cash flow statement. The portion of the payment of lease instalments pertaining to a financial lease relating to repayment is classified as an expenditure from financing activities and the portion relating to the interest is classified as an expenditure from operational activities. Receipts from a sale and finance leaseback transaction are presented as receipts from financing activities.

SYSTEM CHANGES

Not applicable.

CHANGES IN THE ACCOUNTING ESTIMATES

On the basis of the new findings (number of m² of contaminated soil), the Oostwaardhoeve provision was re-calculated for the 2019 financial year. In addition, the accounting parameters used to estimate the unemployment insurance (WW) and civil (BW) obligations and the future transition payments were re-assessed. For the 2019 financial year, the accounting estimate for current payments was reduced from 80% to 70% and the future unemployment insurance (WW) and civil (BW) obligation for the current workforce was reduced from 20% to 18%. The other rates, such as the percentages for the transition payment and for the 'restitutions' remained unchanged. These probabilities are 20% and 10%, respectively. The adjustments in the rates used to determine the provision are the result of a retrospective audit and the changed economic situation for Wageningen Research (also see Taxation).

Notes to the Balance Sheet

(1) INTANGIBLE FIXED ASSETS

	Development costs	Software	Prepaid intangible assets	Total
Book value 31-12-2018	0	566	0	566
Investments	0	43	455	498
Divestments	0	0	0	0
Amortisation	0	348	0	348
Write-downs	0	0	0	0
Book value 31-12-2019	0	261	455	716
Acquisition value 31-12-2018	2,116	4,035	0	6,151
Divestments 2019	0	-14	0	-14
Acquisitions in 2019	0	43	455	498
Accumulated amortisation	1,966	3,803	0	5,769
Accumulated write-downs	150	0	0	150
Book value 31-12-2019	0	261	455	716

The ARTIS software package and the Nile AM project are recognised under development costs. Both have been fully written-off. The financial information system Agresso, MyPortal and ADP are recognised under software. The prepaid intangible assets concern the development of Open Up. A statutory reserve in the amount of these prepayments has been created for Open Up.

(2) TANGIBLE FIXED ASSETS

	Land	Buildings	Autom. app. and other inventory	Work in progress	Not in use	Total
Book value 31-12-2018	99,185	179,913	14,872	2,689	0	296,659
Investments	121	8,824	13,739	889	0	23,573
Decommissioning	0	0	0	0	0	0
Divestments	2,258	78	798	0	0	3,134
Depreciation	7	12,421	6,115	0	0	18,543
Write-downs	0	0	0	0	0	0
Book value 31-12-2019	97,041	176,238	21,698	3,578	0	298,555
Acquisition value 31-12-2018	101,597	421,135	73,699	2,689	0	599,120
Acquisitions in 2019	121	8,824	13,739	889	0	23,573
Decommissioning	0	0	0	0	0	0
Acquisition value of divestments in 2019	2,258	2,550	3,853	0	0	8,661
Acquisition value 31-12-2019	99,460	427,409	83,585	3,578	0	614,032
Accumulated depreciation	638	216,181	61,887	0	0	278,706
Accumulated write-downs	1,781	34,990	0	0	0	36,771
Book value 31-12-2019	97,041	176,238	21,698	3,578	0	298,555
Divestments of which:						
- Acquisition price	2,258	2,550	3,853	0	0	8,661
- Depreciation	0	2,472	3,055	0	0	5,527
Total divestments	2,258	78	798	0	0	3,134

€9.3 million was added to the work in progress line item for investments in buildings and land in 2019, and €9.0 million was withdrawn due to completion. The other changes in the work in progress line item are equipment investments and withdrawals.

The addition to the work in progress line item includes the following projects:

Portacabins €0.9 million; Impulse Ventilation €0.6 million; ASG relocation €0.6 million; expansion of Bleiswijk office and laboratory €0.5 million; solar panels €1.0 million; Lelystad fire alarm system €0.4 million; daylight-free greenhouse €0.4 million; PSG temporary accommodations €0.4 million and various projects €4.5 million.

Completed: ASG relocation €1.0 million; portacabins €1.0 million; Impulse Ventilation €0.7 million; expansion of Bleiswijk office and laboratory €0.6 million; Edelhertweg solar panels €0.5 million; ASG solar panels €0.5 million; Axis ventilation €0.7 million; Lelystad fire alarm system €0.5 million and other projects € 3.5 million.

In 2019, €0.1 million of land was purchased in Wageningen and €2.3 million of land was sold in Wageningen.

Wageningen Research immovable property is insured for € 430.5 million (reference date: 1-7-2019). The Valuation of Immovable Property Act (WOZ) value is €191.6 million (reference date: 1-1-2019).

(3) FINANCIAL FIXED ASSETS

	31-12-2019	31-12-2018
Participating interests in group companies	2,081	2,083
Other participating interests	54	54
Receivables from group companies	0	0
Receivables from other affiliated parties	0	0
Members' capital	2,778	2,269
Other receivables	270	270
Receivables from LNV	33,696	37,641
Deferred tax receivable	845	0
Total financial fixed assets	39,724	42,317

Tabel 8 Breakdown of participating interests in group companies

Description	31-12-2018	Investments / disinvestments	Other changes	Downward revaluation	Results for 2019	31-12-2019
CoVaccine BV	18	0	0	0	0	18
Fresh Forward Holding B.V.	2,065	0	-245	0	243	2,063
Knowhouse B.V.	0	0	0	0	0	0
Nsure Holding BV	0	0	0	0	0	0
VOF Oostwaardhoeve	0	0	0	0	0	0
Total	2,083	0	-245	0	243	2,081

Tabel 9 Breakdown of other participating interests

Description	31-12-2018	Investments / disinvestments	Other changes	Downward revaluation	Results for 2019	31-12-2019
Beijing China	53	0	0	0	0	53
Bfactory B.V.	0	0	0	0	0	0
Isolife B.V.	1	0	0	0	0	1
Telemetronics Biometry B.V.	0	0	0	0	0	0
Total	54	0	0	0	0	54

Tabel 10 Breakdown of members' capital

Description	31-12-2018	Change	31-12-2019
Avebe	17	-16	1
Cosun	40	2	42
Dutch Greentech Fund/SHIFT invest	430	65	495
EBOP	1	0	1
Forfarmers	2	-2	0
FrieslandCampina	1,038	8	1,046
Fruitmasters	2	0	2
Hoeve Americ	0	23	23
Innovation Industries	631	399	1,030
MKP Agro	0	17	17
Nedato	1	0	1
Potatopol	3	0	3
Vof de Groot	0	13	13
Windunie	104	0	104
Total	2,269	509	2,778

Tabel 11 Breakdown of the receivables from the Ministry of Agriculture, Nature and Food Quality (LNV)

Description	Total	Interest	Accumulated amortisation	Long-term	Short-term
Transfer of buildings and land in connection with the privatisation of Wageningen Research	83,949	0%	58,797	22,352	2,800
Transfer of buildings and land in connection with the integration of Applied Plant Research	28,702	0%	18,417	9,328	957
Transfer of IAC and ILRI buildings and land	5,627	0%	3,423	2,016	188
Total	118,278	0%	80,637	33,696	3,945

€3.9 million of the receivables is due each year and is included under other receivables. The long-term part of the receivables related to the Biovergister fermentation unit (€0.3 million) is recognised under other receivables.

(4) **INVENTORY**

	31-12-2019	31-12-2018
Trading stock	1,873	1,802
Livestock	1,465	1,165
Harvested agricultural produce	1,327	1,626
Stock of semi-finished goods	0	0
Prepayments for stock	0	0
Subtotal Inventory	4,665	4,593
Less: provision for obsolescence	-658	-724
Total Inventory	4,007	3,869

(5) **RECEIVABLES AND ACCRUED ASSETS**

	31-12-2019	31-12-2018
Receivables	33,714	40,867
Less: provision for uncollectible receivables	-2,193	-2,564
Total accounts receivable	31,521	38,303
Cost of work carried out for third parties	405,252	407,059
Less: Invoiced instalments	381,756	379,783
Orders from third parties other than LNV	23,496	27,276
Less: anticipated losses	-1,630	-1,750
Included under short-term debt	6,245	8,623
Project costs yet to be invoiced	28,111	34,149
Advances	2,078	579
VAT to be received	3,592	0
Receivables from group companies	0	0
Receivables from affiliated parties	9,890	6,124
Receivables from students	0	0
Accrued assets	4,205	3,703
Other	4,203	3,918
Total advances and accrued assets	23,968	14,324
Total receivables and accrued assets	83,600	86,776

The balance of orders from third parties consists of projects with a positive balance (the value of the work performed is greater than the invoiced instalments) and projects with a negative balance (the value of the invoiced instalments exceeds the value of the work performed). Projects with a negative balance are included under short-term debt.

The €3.9 million portion of the receivables from the Ministry of Agriculture, Nature and Food Quality (LNV) that becomes due each year is included under other receivables.

The receivables from affiliated parties relate to a receivable from Wageningen University. Of this receivable €0.6 million is immediately claimable. Wageningen University has a debt of € 9.3 million to Wageningen Research Foundation relating to the financing of the assets of Facilities and Services. This debt is not immediately claimable. The debt is not subject to interest.

(6) **LIQUID ASSETS**

	31-12-2019	31-12-2018
Cash	11	16
Bank account (incl. balancing entries)	104,151	92,705
Deposits	25,000	25,000
Total liquid assets	129,162	117,721

€111.2 million of the liquid assets balance of €129.2 million is freely available. Wageningen Research manages €18.0 million in project funding that must be paid to contractors in phases. Wageningen Research has a relatively high liquidity position because many of its projects are funded in advance. The advance funds amount to €74.6 million, including funds to be paid to partners.

(7) **EQUITY CAPITAL**

	General reserve	Statutory reserve	Total
Balance as at 31-12-2017	308,705	0	308,705
Result appropriation	10,442	0	10,442
Balance as at 31-12-2018	319,147	0	319,147
Result appropriation	14,855	0	14,855
Withdrawal from the reserve	-455	455	0
Balance as at 31-12-2019	333,547	455	334,002

The entire positive net result of €14.9 million recorded for the financial year has been transferred to the general reserve. The statutory reserve has been maintained in relation to the Open Up prepayments.

(8) **PROVISIONS**

	31-12-2018	Addition	Withdrawal	Release	31-12-2019
Unemployment insurance obligations	5,293	1,291	1,029	524	5,031
WGA/ZW-flex	1,414	884	679	0	1,619
Other personnel provisions	5,354	1,158	726	325	5,461
Reorganisation expenses	6,227	486	2,148	796	3,769
Product and contract risks	1,206	657	100	0	1,763
Other material provisions	5,795	0	567	1,768	3,460
Total provisions	25,289	4,476	5,249	3,413	21,103

Tabel 12 Breakdown of the term of the provisions

	31-12-2019	31-12-2018
Short-term (expires within 1 year)	7,368	5,764
Long-term (expires between 1 and 5 years)	10,170	13,704
Long-term (expires after 5 years)	3,565	5,821
Total provisions	21,103	25,289

Provisions for unemployment insurance obligations have been determined as the cover required for the unemployment insurance obligations on the balance sheet date and the expected future obligations in relation to personnel that have already left and personnel with a temporary employment contract. In 2019, an addition of €1.0 million was made and €0.2 million was released.

The provision for Return to Work (Partially Disabled Persons) Regulations (WGA) obligations covers the anticipated obligations pursuant to the WGA and Sickness Benefits Act (ZW-flex). Wageningen Research decided to bear the risk associated with the Return to Work (Partially Disabled Persons) Regulations (WGA) and ZW-flex.

The reorganisation provision has been established for anticipated costs relating to reorganisations implemented earlier. In 2019, additions were made to the provision for a limited number of reorganisations and learning while working 'werkenderwijs' programmes.

The product and contract risks, as well as the other staff-related and tangible provisions relate to claims against Wageningen Research by third parties.

The other tangible provisions cover the anticipated costs of removing asbestos and contaminated soil.

(9) LONG-TERM DEBT

	LNV	Other	Financial lease	Total
Balance as at 1-1-2018	50,828	3,290	0	54,118
Increase in 2018	0	184	0	184
Decrease in 2018	6,104	866	0	6,970
Balance as at 1-1-2019	44,724	2,608	0	47,332
Increase in 2019	0	194	0	194
Decrease in 2019	6,202	172	0	6,374
Balance as at 31-12-2019	38,522	2,630	0	41,152

Tabel 13 Breakdown of the debt to LNV

Description	Loan	Interest	Accumulated amortisation	Long-term	Short-term
Transfer of buildings and land in connection with the privatisation of Wageningen Research	135,408	4.50%	103,173	27,178	5,057
Transfer of buildings and land in connection with the integration of Applied Plant Research	28,701	5.20%	18,417	9,327	957
Transfer of IAC and ILRI buildings and land	5,627	5.00%	3,423	2,016	188
Total	169,736		125,013	38,521	6,202

The repayment of these loans will amount to €6.2 million in 2020. This amount is included under other short-term debt. €22.9 million of the long-term debt has a term of less than 5 years.

Tabel 14 *Supplementary information regarding other long-term debt*

	Loan	Interest	Accumulated amortisation	Long-term	Short-term
LTO-Wageningen Research research fund	10,118	6%	6,500	2,618	1,000
Total	10,118		6,500	2,618	1,000

The repayment of this loan will amount to €1.0 million in 2020. This amount is included under other short-term debt. The long-term constituent has a term of less than 5 years. The other long-term debts represent an insignificant amount.

(10) SHORT-TERM DEBT

	31-12-2019	31-12-2018
Advance payments from third parties	64,771	68,357
Prepayments - project costs still to be invoiced	6,245	8,623
Debt to suppliers	9,532	10,670
Notes payable	0	0
Taxes payable	20,266	11,530
Pension premiums payable	0	0
Debts to group companies	0	0
Debts to affiliated parties	0	0
LNV programme research yet to be completed	21,505	20,505
Advance payments of HCU operating contribution	5,589	5,547
Deferred liabilities	6,911	7,387
Other	24,688	23,521
Total short-term debts	159,507	156,140

Other debt includes the employee holiday allowance owed on the balance sheet date (€6.5 million). The annual repayment of the long-term debt to the Ministry of Agriculture, Nature and Food Quality (LNV) in the amount of €6.2 million and the short-term constituent of the other long-term loans (€1.0 million) are also included as other debt.

At the beginning of 2019, the *Subsidieregeling instituten voor toegepast onderzoek* (Funding Regulations for Institutes of Applied Research) (Government Gazette 2018, no. 5475) went into effect for Wageningen Research¹⁾.

The balance of the yet to be completed LNV programme research concerns the surplus or shortfall, respectively, pursuant to Article 43.1 of the Funding Regulations (total of €4.6 million) and a balance of €16.9 million for LNV projects of extended duration.

An advance in the amount of €5.6 million was received for the operation of the High Containment Unit (HCU).

The LNV projects with an extended duration primary consist of projects that in the context of the programme research have reached the completion phase, which is to be completed in 2020. In accordance with the Funding Regulations, the surplus at the end of 2019 (€4.6 million) is used to offset LNV project shortfalls that may arise in the 2020 financial year.

In 2019, the total available Ministry of Agriculture, Nature and Food Quality (LNV) funding amounted to €157.1 million (2018: € 149.9 million), of which €6.9 million will be paid to partners in consortium agreements.

¹⁾ The 'Funding Regulations for Institutes of Applied Research' replaces the Subsidy Regulations for the Agricultural Research Service Foundation (Regeling Subsidie Stichting Dienst Landbouwkundig Onderzoek) (Government Gazette 1999, no 65).

OBLIGATIONS AND RIGHTS NOT INCLUDED IN THE BALANCE SHEET (CONSOLIDATED)

Obligations entered into relating to investments, rentals, operating leases and similar agreements at year-end 2019 amounted to €30.3 million. The instalments included in these obligations that expire within one year amount to €18.1 million. The instalments that expire between one and five years amount to €10.5 million.

Omschrijving	Totaal bedrag verplichtingen	Waarvan vervallend binnen 1 jaar	Waarvan vervallend tussen 1 en 5 jaar	Waarvan vervallend na 5 jaar
Investerings	6.685	6.685	0	0
Huurverplichtingen	11.699	6.459	3.534	1.706
Leaseverplichtingen	762	338	424	0
Onderhoudscontracten	785	685	100	0
Verzekeringen	251	251	0	0
Elektra	6.082	1.953	4.129	0
Gas	2.810	941	1.869	0
Onderhoudscontracten Surfned en KPN	1.262	779	483	0
	30.336	18.091	10.539	1.706

On the balance sheet date, Wageningen Research had a bank guarantee facility of €1.0 million and has provided bank guarantees as collateral in the amount of €0.3 million.

The patent and licence rights, pig manure production rights, and milk quota have been obtained free of charge or are valued at zero in accordance with the accounting principles. In addition, a number of fixed assets were acquired free of charge within the scope of the merger of the practical training centres. In the event of the sale of these assets that were acquired free of charge, Wageningen Research will incur an obligation to the original contributors.

Land at the Mansholtlaan (Born-Oost) has been granted to a third party on the basis of a long-term lease.

Wageningen Research has contributed to a switching station on Campus. If the network administrator creates other connections to this station, Wageningen Research will receive a maximum benefit of €1.5 million.

As a result of the transfer of NVWA employees with a deviating collective labour agreement (CLA) to Wageningen Research, an agreement for compensation for the period 2020-2040 was put in place.

Wageningen Research has sold the plant breeder's rights to its apple programme. Part of the selling price is dependent on the revenue realised by the buyer through to 2031. These future proceeds have not yet been recognised in the income.

Wageningen Research Windmolenparken Group Companies

Wageningen Research has granted a right of superficies for the construction of wind turbines to the wind farm companies Mammoethocht B.V. and Neushoorntocht B.V.

Notes to the Profit and Loss Statement

(11) INCOME

	2019	2018
Basic funding		
Direct government funding LNV	0	0
Knowledge base LNV	25,847	24,466
Tuition fees (statutory)	0	0
Tuition fees (institutional)	22	21
Total basic funding	25,869	24,487
Programme funding		
Policy Support Research LNV	34,912	24,944
Statutory Research Tasks LNV	48,142	46,405
NVWA programme research	7,803	0
NWO - research funding	2,438	2,243
LNV and OCW targeted grants	0	0
Total programme funding	93,295	73,592
Co-funding and subsidies		
Research stimulation funds	4,301	3,952
EU funding programmes	20,453	20,346
Total co-funding and subsidies	24,754	24,298
Top Sectors		
Top Sectors LNV	40,285	39,821
Top Sectors research stimulation funds	6,065	6,521
Top Sectors business	14,069	10,907
Total Top Sectors	60,419	57,249
Bilateral market		
Contract research LNV	4,216	7,428
Product Boards contract research	118	-1,035
Other public organisations contract research	43,179	41,628
Business community contract research	47,623	47,548
Charitable organisations contract research	208	213
Wageningen University contract research	3,477	3,569
Total bilateral market	98,821	99,351
Secondary activities		
Sales	9,974	9,858
Proceeds from patents and licenses	1,675	1,305
Analyses and advice	8,000	7,946
Courses	51	70
Wind turbines	3,208	2,720
Facility Services	576	1,467
External rental proceeds	12,343	14,180
Grants	48	-285
Total secondary activities	35,875	37,261
Other income		
Internal rental proceeds	824	704
Sale of fixed assets	1,154	272
Other income	2,942	4,668
Total Other income	4,920	5,644
Total income	343,953	321,882

(12) **Personnel costs**

	2019	2018
Personnel costs		
Cost of permanent personnel	160,965	151,606
Cost of temporary personnel	18,676	12,703
Temporary employees and contracted personnel	16,800	14,776
Other personnel costs	6,880	6,482
Addition to provision for unemployment insurance obligations	767	143
Addition to provision for WGA/ZW-flex	884	823
Addition to other personnel provisions	833	1,298
Total personnel costs	205,805	187,831

The direct personnel costs of temporary and permanent personnel increased by €15.3 million. On the one hand, this increase is due to a 177 FTE increase, excl. interns/trainees, and, on the other, due to a salary increase of 2.0%.

Permanent employment contracts are included under permanent personnel. Fixed-term employment contracts are included under temporary personnel.

The average number of employees, excl. interns/trainees, amounted to 2,426 (2018: 2,249) in the reporting year. The personnel costs include social security costs of €17.6 million (2018: €15.9 million) and €22.8 for pension premiums (2018: € 19.8 million).

In the year under review, Wageningen Research's share in the remuneration of the Executive Board amounted to €0.3 million (2018: € 0.3 million). This amount includes pensions and similar obligations. The cost of permanent personnel includes an amount of €42,000 (2018: €32,000) for Supervisory Board member remuneration. The Remuneration Section contains the remuneration statement in accordance with the Senior Executives in the Public and Semi-Public Sector (Standards for Remuneration) Act (WNT).

(13) **General costs**

	2019	2018
General costs		
Accommodation costs	16,752	15,436
Depreciation and amortisation of tangible and intangible fixed assets	18,891	17,451
Exceptional changes in the value of tangible and intangible fixed assets	0	0
Other equipment costs	12,080	11,959
Other general costs	18,377	18,097
Additions to the provisions:		
Reorganisation expenses	-310	-267
Product and contract risks	657	-72
Other provisions	-1,768	1,081
Total additions to the general provisions	-1,421	742
Total general costs	64,679	63,685

The €18.4 million in other general costs are made up of office expenses including telephone, postage, and copying costs (€1.2 million); books and subscriptions (€1.4 million); travelling and accommodation costs (€6.9 million); lease and rental cars (€0.7 million); PR activities (€0.4 million); Representation costs (€0.2 million); provision for bad debts (€0.1 million); provision for project losses (€-0.1 million); catering (€1.5 million); and other costs (€6.1 million). Part of the general costs concern direct project costs. This concerns an amount of €15.9 million.

The other cost items include the following auditor's costs:

A. Audit of the annual financial accounts	€	154,000	2018: €192,000
B. Other audit work	€	451,000	2018: €302,000
C. Advisory services	€	208,000	2018: €237,000

Tabel 15 Breakdown of depreciation and changes in value

	2019	2018
Depreciation and Amortisation		
Intangible fixed assets	348	394
Tangible fixed assets	18,543	17,057
Financial fixed assets	0	0
Total Depreciation and Amortisation	18,891	17,451
Changes in value		
Intangible fixed assets	0	0
Tangible fixed assets	0	0
Financial fixed assets	0	0
Total change in value	0	0

Tabel 16 Breakdown of exceptional changes in value

	2019	2018
none	0	0
Total change in value	0	0

(14) **Specific costs**

	2019	2018
Specific costs		
Specific costs	21,689	21,504
Services provided by third parties	28,385	30,085
Contributions and grants	425	1,463
Total specific costs	50,499	53,052

(15) **Financial income and expenditures**

	2019	2018
FINANCIAL INCOME AND EXPENDITURES		
Financial income	59	154
Financial expenditures	-3,926	-4,035
Total financial income and expenditures	-3,867	-3,881

Financial income includes any interest revenue received on bank deposits during the year under the review. Financial expenditures include the €4.0 million interest paid on loans from the Ministry of Agriculture, Nature and Food Quality (LNV) for the financing of the buildings and land.

(16) **Taxation on operational activities**

	2019	2018
TAXATION ON OPERATIONAL ACTIVITIES		
Tax on operational activities (corporate tax)	-4,491	-3,433
Total tax on operational activities	-4,491	-3,433

Wageningen Research became liable for tax in 2016. The corporate tax payable is calculated on the basis of the taxable result. Due to the valuation differences between the balance sheet for tax purposes and the balance sheet for reporting purposes, and the related higher tax deductions, Wageningen Research's taxable result is (€20.7) million. The difference between the effective tax burden and the nominal rate is marginal (< 1%) due to the processing of the deferred tax asset. The resulting difference is due to the remaining differences in the value of the assets and liabilities.

(17) **Result from participating interests**

	2019	2018
RESULT FROM PARTICIPATING INTERESTS		
Fresh Forward Holding B.V.	437	543
Isolife	5	0
Oostwaardhoeve Beheer BV	0	-29
Total result from participating interests	243	442

The result from participating interests is valued at net asset value and at acquisition cost.

Result appropriation

The Executive Board of Wageningen Research proposed that the net result of €14.9 million be allocated to the general reserve.

Post balance sheet events

In March 2020, Wageningen Research was confronted with the corona crisis. The government measures designed to curb this crisis and the development of the economic conditions in the countries where our clients are located, will have an impact on Wageningen Research Foundation's operational activities over the short and medium-term. At the time of the preparation of this annual financial report, it was as yet not possible to determine the impact on Wageningen Research Foundation's result with sufficient reliability. The potential decrease in contract research and the direct costs of the crisis could lead to a lower result. On the other hand there may be a potential delay in the organisation's targeted growth, which could result in one-off lower costs in 2020. Wageningen Research Foundation is taking a maximum one-year decrease of 25% in contract research for business into account. Wageningen Research Foundation has sufficient financial buffers to be able to continue operating in the event of an expected drop in revenue.

Company Balance Sheet

After the allocation of the net result

	31-12-2019	31-12-2018
ASSETS		
FIXED ASSETS		
(18) Intangible fixed assets	716	566
(19) Tangible fixed assets	298,555	296,657
(20) Financial fixed assets	47,901	50,306
Total fixed assets	347,172	347,529
CURRENT ASSETS		
(21) Inventory	4,007	3,869
(22) Receivables and accrued assets	82,956	87,237
(23) Liquid assets	124,147	114,115
Total current assets	211,110	205,221
TOTAL ASSETS	558,282	552,750
CAPITAL AND LIABILITIES		
(24) EQUITY CAPITAL	334,002	319,147
EQUALISATION ACCOUNT	0	0
(25) PROVISIONS	21,103	25,289
(26) LONG-TERM DEBT	41,152	47,332
(27) SHORT-TERM DEBT	162,025	160,982
TOTAL LIABILITIES	558,282	552,750

Company Profit and Loss Statement

	2019	2018
INCOME	340,342	319,444
EXPENDITURES		
Personnel costs	205,805	187,831
General costs	62,127	61,524
Specific costs	49,816	52,338
Total expenditures	317,748	301,693
Other income and expenditures		
OPERATING RESULT	22,594	17,751
Financial income and expenditures	-3,867	-3,881
RESULT FROM OPERATIONAL ACTIVITIES BEFORE TAX	18,727	13,870
Taxation on operational activities	-4,522	-3,433
Result from participating interests	650	5
RESULT FROM OPERATIONAL ACTIVITIES AFTER TAX	14,855	10,442
Third-party share	0	0
Exceptional income and expenditures	0	0
NET RESULT	14,855	10,442

Notes to the Company Annual Financial Accounts

General

Unless otherwise stated, the accounting principles included in the notes to the consolidated annual financial accounts also apply to the company annual financial accounts.

(18) INTANGIBLE FIXED ASSETS

	Development costs	Software	Prepaid intangible assets	Total
Book value 31-12-2018	0	566	0	566
Investments	0	43	455	498
Divestments	0	0	0	0
Amortisation	0	348	0	348
Write-downs	0	0	0	0
Book value 31-12-2019	0	261	455	716
Acquisition value 31-12-2018	2,116	4,035	0	6,151
Divestments 2019	0	-14	0	-14
Acquisitions in 2019	0	43	455	498
Accumulated amortisation	1,966	3,803	0	5,769
Accumulated write-downs	150	0	0	150
Book value 31-12-2019	0	261	455	716

The ARTIS software package and the Nile AM project are recognised under development costs. Both have been fully written-off. The financial information system Agresso, MyPortal and ADP are recognised under software. The prepaid intangible assets concern the development of Open Up. A statutory reserve in the amount of these prepayments has been maintained for Open Up.

(19) TANGIBLE FIXED ASSETS

	Land	Buildings	Autom. app. and other inventory	Work in progress	Not in use	Total
Book value 31-12-2018	99,185	179,913	14,870	2,689	0	296,657
Investments	121	8,824	13,739	889	0	23,573
Decommissioning	0	0	0	0	0	0
Divestments	2,258	78	798	0	0	3,134
Depreciation	7	12,421	6,113	0	0	18,541
Write-downs	0	0	0	0	0	0
Book value 31-12-2019	97,041	176,238	21,698	3,578	0	298,555
Acquisition value 31-12-2018	101,597	375,580	73,690	2,689	0	553,556
Acquisitions in 2019	121	8,824	13,739	889	0	23,573
Decommissioning	0	0	0	0	0	0
Acquisition value of divestments in 2019	2,258	2,550	3,853	0	0	8,661
Acquisition value 31-12-2019	99,460	381,854	83,576	3,578	0	568,468
Accumulated depreciation	638	170,626	61,878	0	0	233,142
Accumulated write-downs	1,781	34,990	0	0	0	36,771
Book value 31-12-2019	97,041	176,238	21,698	3,578	0	298,555
Divestments of which:						
- Acquisition price	2,258	2,550	3,853	0	0	8,661
- Depreciation	0	2,472	3,055	0	0	5,527
Total divestments	2,258	78	798	0	0	3,134

€9.3 million was added to the work in progress line item for investments in buildings and land in 2019, and €9.0 million was withdrawn due to completion. The other changes in the work in progress line item are equipment investments and withdrawals.

The addition to the work in progress line item includes the following projects:

Portacabins €0.9 million, Impulse Ventilation €0.6 million, ASG relocation €0.6 million, expansion of Bleiswijk office and laboratory €0.5 million, solar panels €1.0 million, Lelystad fire alarm system €0.4 million, daylight-free greenhouse €0.4 million, PSG temporary accommodations €0.4 million and various projects €4.5 million.

Completed: ASG relocation €1.0 million, portacabins €1.0 million, Impulse Ventilation €0.7 million, expansion of Bleiswijk office and laboratory €0.6 million, Edelhertweg solar panels €0.5 million, ASG solar panels €0.5 million, Axis ventilation €0.7 million, Lelystad fire alarm system €0.5 million and other projects € 3.5 million.

In 2019, €0.1 million of land was purchased in Wageningen and €2.3 million of land was sold in Wageningen.

Wageningen Research immovable property is insured for € 430.5 million (reference date: 1-7-2019). The Valuation of Immovable Property Act (WOZ) value is €191.6 million (reference date: 1-1-2019).

(20) **FINANCIAL FIXED ASSETS**

	31-12-2019	31-12-2018
Participating interests in group companies	11,888	11,238
Other participating interests	53	53
Receivables from group companies	0	0
Receivables from other affiliated parties	0	0
Members' capital	1,149	1,104
Other receivables	270	270
Receivables from LNV	33,696	37,641
Deferred tax receivable	845	0
Total financial fixed assets	47,901	50,306

Tabel 17 Breakdown of the participating interests in group companies

Description	31-12-2018	Investments /disinvestm ents	Other changes	Downward revaluation	Results for 2019	31-12-2019
Wageningen Research Holding	11,238	0	0	0	650	11,888
Total	11,238	0	0	0	650	11,888

Tabel 18 Breakdown of the other participating interests line item

Description	31-12-2018	Investments /disinvestm ents	Other changes	Downward revaluation	Results for 2019	31-12-2019
Beijing China	53	0	0	0	0	53
Bfactory B.V.	0	0	0	0	0	0
Total	53	0	0	0	0	53

Tabel 19 Breakdown of Members' Capital line item

Description	31-12-2018	Change	31-12-2019
Avebe	17	-16	1
Cosun	40	2	42
EBOP	1	0	1
Forfarmers	2	-2	0
FrieslandCampina	1,038	8	1,046
Fruitmasters	2	0	2
Hoeve Americ	0	23	23
MKP Agro	0	17	17
Nedato	1	0	1
Potatopol	3	0	3
Vof de Groot	0	13	13
Total	1,104	45	1,149

Tabel 20 Breakdown of the receivables from LNV

Description	Total	Interest	Accumulated amortisation	Long-term	Short-term
Transfer of buildings and land in connection with the privatisation of Wageningen Research	83,949	0%	58,797	22,352	2,800
Transfer of buildings and land in connection with the integration of Applied Plant Research	28,702	0%	18,417	9,328	957
Transfer of IAC and ILRI buildings and land	5,627	0%	3,423	2,016	188
Total	118,278	0%	80,637	33,696	3,945

€3.9 million of the receivables is due each year and is included under other receivables.

The long-term part of the receivables related to the Biovergister fermentation unit (€0.3 million) is recognised under other receivables.

(21) INVENTORY

	31-12-2019	31-12-2018
Trading stock	1,873	1,802
Livestock	1,465	1,165
Harvested agricultural produce	1,327	1,626
Stock of semi-finished goods	0	0
Prepayments for stock	0	0
Subtotal Inventory	4,665	4,593
Less: provision for obsolescence	-658	-724
Total Inventory	4,007	3,869

(22) RECEIVABLES AND ACCRUED ASSETS

	31-12-2019	31-12-2018
Receivables	33,537	40,631
Less: provision for uncollectible receivables	-2,193	-2,564
Total accounts receivable	31,344	38,067
Cost of work carried out for third parties	405,252	407,059
Less: Invoiced instalments	381,756	379,783
Orders from third parties other than LNV	23,496	27,276
Less: anticipated losses	-1,630	-1,750
Included under short-term debt	6,245	8,623
Project costs yet to be invoiced	28,111	34,149
Advances	2,078	579
VAT to be received	3,592	0
Receivables from group companies	0	1,140
Receivables from affiliated parties	9,890	6,124
Receivables from students	0	0
Accrued assets	3,737	3,260
Other	4,204	3,918
Total advances and accrued assets	23,501	15,021
Total receivables and accrued assets	82,956	87,237

The balance of orders from third parties consists of projects with a positive balance (the value of the work performed is greater than the invoiced instalments) and projects with a negative balance (the value of the invoiced instalments exceeds the value of the work performed). Projects with a negative balance are included under short-term debt.

The €3.9 million portion of the receivables from the Ministry of Agriculture, Nature and Food Quality (LNV) that becomes due each year is included under other receivables.

The receivables from affiliated parties relate to a receivable from Wageningen University. Of this receivable €0.6 million is immediately claimable. Wageningen University has a debt of € 9.3 million to Wageningen Research Foundation relating to the financing of the assets of Facilities and Services. This debt is not immediately claimable. The debt is not subject to interest.

(23) LIQUID ASSETS

	31-12-2019	31-12-2018
Cash	11	16
Bank account (incl. balancing entries)	99,136	89,099
Deposits	25,000	25,000
Total liquid assets	124,147	114,115

€106.2 million of the liquid assets balance of €124.2 million is freely available. Wageningen Research manages €18 million in project funding that must be paid to contractors in phases. Wageningen Research has a relatively high liquidity position because many of its projects are funded in advance. The advance funds amount to €74.6 million, including funds to be paid to partners.

(24) EQUITY CAPITAL

	General reserve	Statutory reserve	Total
Balance as at 31-12-2017	308,705	0	308,705
Result appropriation	10,442	0	10,442
Balance as at 31-12-2018	319,147	0	319,147
Result appropriation	14,855	0	14,855
Withdrawal from the reserve	-455	455	0
Balance as at 31-12-2019	333,547	455	334,002

The entire positive net result of €14.9 million recorded for the financial year has been transferred to the general reserve. The statutory reserve has been maintained in relation to the Open Up prepayments.

(25) PROVISIONS

	Balance 31-12-2018	Addition	Withdrawal	Release	Balance 31-12-2019
Unemployment insurance obligations	5,293	1,291	1,029	524	5,031
WGA/ZW-flex	1,414	884	679	0	1,619
Other personnel provisions	5,354	1,158	726	325	5,461
Reorganisation expenses	6,227	486	2,148	796	3,769
Product and contract risks	1,206	657	0	100	1,763
Other material provisions	5,795	0	567	1,768	3,460
Total provisions	25,289	4,476	5,149	3,513	21,103

Tabel 21 Breakdown of the term of the provisions

	31-12-2019	31-12-2018
Short-term (expires within 1 year)	7,368	5,764
Long-term (expires between 1 and 5 years)	10,170	13,704
Long-term (expires after 5 years)	3,565	5,821
Total provisions	21,103	25,289

Provisions for unemployment insurance obligations have been determined as the cover required for the unemployment insurance obligations on the balance sheet date and the expected future obligations in relation to personnel that have already left and personnel with a temporary employment contract. In 2019, an addition of €1.0 million was made and €0.2 million was released.

The provision for Return to Work (Partially Disabled Persons) Regulations (WGA) obligations covers the anticipated obligations pursuant to the WGA and Sickness Benefits Act (ZW-flex). Wageningen Research decided to bear the risk associated with the Return to Work (Partially Disabled Persons) Regulations (WGA) and ZW-flex.

The reorganisation provision has been established for anticipated costs relating to reorganisations implemented earlier. In 2019, additions were made to the provision for a limited number of reorganisations and learning while working 'werkenderwijs' programmes.

The product and contract risks, as well as the other staff-related and tangible provisions relate to claims against Wageningen Research by third parties.

The other tangible provisions cover the anticipated costs of removing asbestos and contaminated soil.

(26) LONG-TERM DEBT

	LNV	Other	Financial lease	Total
Balance as at 1-1-2018	50,828	3,290	0	54,118
Increase in 2018	0	184	0	184
Decrease in 2018	6,104	866	0	6,970
Balance as at 1-1-2019	44,724	2,608	0	47,332
Increase in 2019	0	194	0	194
Decrease in 2019	6,202	172	0	6,374
Balance as at 31-12-2019	38,522	2,630	0	41,152

Tabel 22 Breakdown of the debt to LNV

Description	Loan	Interest	Accumulated amortisation	Long-term	Short-term
Transfer of buildings and land in connection with the privatisation of Wageningen Research	135,408	4.50%	103,173	27,178	5,057
Transfer of buildings and land in connection with the integration of Applied Plant Research	28,701	5.20%	18,417	9,327	957
Transfer of IAC and ILRI buildings and land	5,627	5.00%	3,423	2,016	188
Total	169,736		125,013	38,521	6,202

The repayment of these loans will amount to €6.2 million in 2020. This amount is included under other short-term debt. €22.9 million of the long-term debt has a term of less than 5 years.

Tabel 23 Supplementary information regarding other long-term debt

	Loan	Interest	Accumulated amortisation	Long-term	Short-term
LTO-Wageningen Research research fund	10,118	6%	6,500	2,618	1,000

Total	10,118	6,500	2,618	1,000
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The repayment of this loan will amount to €1.0 million in 2020. This amount is included under other short-term debt. The long-term constituent has a term of less than 5 years. The other long-term debts represent an insignificant amount.

(27) **SHORT-TERM DEBT**

	31-12-2019	31-12-2018
Advance payments from third parties	64,771	68,357
Prepayments - project costs still to be invoiced	6,245	8,623
Debt to suppliers	9,532	10,516
Notes payable	0	0
Taxes payable	20,118	11,530
Pension premiums payable	0	0
Debts to group companies	0	0
Debts to affiliated parties	2,714	5,093
LNV programme research yet to be completed	21,505	20,505
Advance payments of HCU operating contribution	5,589	5,547
Deferred liabilities	6,863	7,284
Other	24,688	23,527
Total short-term debts	162,025	160,982

Other debt includes the employee holiday allowance owed on the balance sheet date (€6.5 million). The annual repayment of €6.2 million to the Ministry of Agriculture, Nature and Food Quality (LNV) and the short-term constituent of the other long-term loans (€1.0 million) are also included as other debt.

At the beginning of 2019, the Subsidieregeling instituten voor toegepast onderzoek (Funding Regulations for Institutes of Applied Research) (Government Gazette 2018, no. 5475) went into effect for Wageningen Research*).

The balance of the yet to be completed LNV programme research concerns the surplus or shortfall, respectively, pursuant to Article 43.1 of the Funding Regulations (total of €4.6 million) and a balance of €16.9 million for LNV projects of extended duration.

An advance in the amount of €5.6 million was received for the operation of the High Containment Unit (HCU).

The LNV projects with an extended duration primary consist of projects that in the context of the programme research have reached the completion phase, which is to be completed in 2020. The surplus at the end of 2019 (€4.6 million) in accordance with the Funding Regulations is used to offset LNV project shortfalls that may arise in the 2020 financial year.

In 2019, the total available Ministry of Agriculture, Nature and Food Quality (LNV) funding amounted to €157.1 million (2018: € 149.9 million), of which €6.9 million will be paid to partners in consortium agreements.

OBLIGATIONS AND RIGHTS NOT INCLUDED IN THE BALANCE SHEET (COMPANY)

Obligations entered into relating to investments, rentals, operating leases and similar agreements at year-end 2019 amounted to €30.3 million. The instalments included in these obligations that expire within one year amount to €18.1 million. The instalments that expire between one and five years amount to €10.5 million.

Omschrijving	Totaal bedrag verplichtingen	Waarvan vervallend binnen 1 jaar	Waarvan vervallend tussen 1 en 5 jaar	Waarvan vervallend na 5 jaar
Investerings	6.685	6.685	0	0
Huurverplichtingen	11.699	6.459	3.534	1.706
Leaseverplichtingen	762	338	424	0
Onderhoudscontracten	785	685	100	0
Verzekeringen	251	251	0	0
Elektra	6.082	1.953	4.129	0
Gas	2.810	941	1.869	0
Onderhoudscontracten Surfnat en KPN	1.262	779	483	0
Totaal	30.336	18.091	10.539	1.706

On the balance sheet date, Wageningen Research had a bank guarantee facility of €1.0 million and has provided bank guarantees as collateral in the amount of €0.3 million.

The patent and licence rights, pig manure production rights, and milk quota have been obtained free of charge or are valued at zero in accordance with the accounting principles. In addition, a number of fixed assets were acquired free of charge within the scope of the merger of the practical training centres. In the event of the sale of these assets that were acquired free of charge, Wageningen Research will incur an obligation to the original contributors.

Land at the Mansholtlaan (Born-Oost) has been granted to a third party on the basis of a long-term lease.

As a result of the transfer of NVWA employees with a deviating collective labour agreement (CLA) to Wageningen Research, an agreement for compensation for the period 2020-2040 was put in place.

Wageningen Research has contributed to a switching station on Campus. If the network administrator creates other connections to this station, Wageningen Research will receive a maximum benefit of €1.5 million.

Wageningen Research has sold the plant breeder's rights to its apple programme. Part of the selling price is dependent on the revenue realised by the buyer through to 2031. These future proceeds have not yet been recognised in the income.

Remuneration

The remuneration for executives from Wageningen UR was established in accordance with the rules of the Standard Remuneration Act for Public and Semi-public Sector Senior Officials (WNT). The remuneration of Supervisory Board members is in accordance with the WNT standards. In compliance with Article 1.1 of the WNT, Wageningen UR has summarised the remuneration of the Executive Board members and the Supervisory Board members in the tables 25 and 26.

Tabel 24 Remuneration for executives

Statement of changes 2019 (amounts in €)		Fresco	Mol	Buchwaldt
A.	Remuneration	194,000	194,000	194,000
	minus additional tax liability for car	-	-	-
A1.	Remuneration minus additional tax liability	194,000	194,000	194,000
B.	Compensation in the event of termination of contract	-	-	-
C.	Personal expenses			
	Representation costs	2,400	2,400	2,400
	Domestic travel expenses	23,064	11,206	10,348
	International travel expenses	11,011	7,338	3,141
	Other expenses	-	-	-
C1.	Personal expenses	36,475	20,944	15,889
D.	Total expenses	230,475	214,944	209,889

Distribution across components ¹⁾		Fresco	Mol	Buchwaldt
A.	Remuneration minus additional tax liability			
53.0%	Wageningen University	102,820	102,820	102,820
47.0%	Wageningen Research	91,180	91,180	91,180
B.	Compensation in the event of termination of contract			
53.0%	Wageningen University			
47.0%	Wageningen Research			
B.	Personal expenses			
	Wageningen University	29,338	15,655	12,905
	Wageningen Research	7,137	5,289	2,984

¹⁾ The commitment of the Executive Board for Wageningen University and Wageningen Research is 50% each. Due to the maximum amounts set out in the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act (WNT) for charged-on employees, not all costs are charged on to the Wageningen Research Foundation.

Tables 25 and 26 contain the consolidated information about the remuneration of the Wageningen UR governance union. For users of the annual financial report, the tables provide insight into the total costs of the top-level executives, Supervisory Board members and non-executives. This statement differs from statutory statements as the legislation requests information by entity. The statutory statements are included in Appendix 1. These are consistent with the consolidated statements shown below.

Tabel 25 Remuneration of top-level executives (amounts in €1)

The WNT applies to the Wageningen Research Foundation. In 2019, the maximum remuneration applicable to the Wageningen Research Foundation was €194,000 (general maximum remuneration).

	L.O. Fresco	A.P.J. Mol	L.A.C. Buchwaldt
Job Title	Executive Board President	Executive Board member	Executive Board member
Period of employment in 2019	1-1 to 31-12	1-1 to 31-12	1-1 to 31-12
Extent of employment in FTE	1	1	1
(Fictitious) Employment relationship	Yes	Yes	Yes
Remuneration			
Remuneration and taxable expense reimbursements	172,975.04	172,861.76	172,860.92
Remuneration payable for 2017	21,024.96	21,138.24	21,139.08
<i>Subtotal</i>	<i>194,000.00</i>	<i>194,000.00</i>	<i>194,000.00</i>
Individual maximum remuneration	194,000.00	194,000.00	194,000.00
-/- unduly paid amount			
Total remuneration	194,000.00	194,000.00	194,000.00
Reason for exceeding norm and other notes	N/A	N/A	N/A
Data from 2018			
Period of employment in 2018	1-1 to 31-12	1-1 to 31-12	1-1 to 31-12
Scope of employment in FTE	1	1	1
Remuneration			
Remuneration	189,038.76	169,628.16	169,660.92
Provisions for remuneration payable for 2016	20,527.80	19,371.84	19,339.08
Total remuneration	209,566.56	189,000.00	189,000.00
Individual maximum remuneration	209,566.56	189,000.00	189,000.00

Within our organisation, those who are identified as top level executives with an employment contract do not have an employment contract with any other semi-public (WNT) institution(s) as managing top level executives (who entered employment from 1 January 2019).

Tabel 26 Remuneration for supervisors (amounts in €, excluding VAT)

	M.J. Cohen	J.R.V.A. Dijsselbloem	B.J. Marttin ¹⁾	R.P. Smith	S. S. Korver ²⁾	M.A. Verhoef	T. Klimp ³⁾
Job Title	Chair	Chair	Member	Member	Member	Member	Member
Period of employment in 2019	1-1 to 31-3	1-4 to 31-12	1-1 to 30-6	1-1 to 31-12	1-1 to 31-12	1-1 to 31-12	1-9 to 31-12
Remuneration							
Remuneration	4,225.26	12,675.00	5,633.70	11,517.40	11,267.40	11,517.40	0.00
Individual maximum remuneration	7,175.34	21,924.66	9,620.27	19,400.00	19,400.00	19,400.00	19,400
-/- unduly paid amount	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total remuneration	4,225.26	12,675.00	5,633.70	11,517.40	11,267.40	11,517.40	0.00
Reason for exceeding norm and other notes	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Payment on termination of employment	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Data from 2018							
Duration of appointment in 2018	1-1 to 31-12		1-1 to 31-12	1-1 to 31-12	1-1 to 31-12	1-1 to 31-12	1-9 to 31-12
Remuneration							
Remuneration	17,060.64		11,267.40	11,871.41	11,267.40	11,267.40	0.00
Provisions for remuneration payable for 2016	0.00		0.00	0.00	0.00	0.00	0.00
Total remuneration	17,060.64		11,267.40	11,871.41	11,267.40	11,267.40	0.00
Individual maximum remuneration	28,350.00		18,900.00	18,900.00	18,900.00	18,900.00	6,265.48

¹⁾ No payment to the person concerned in connection with a third party agreement

²⁾ Remuneration to company Korver Beheer en Management

³⁾ Ms. Klimp has, in line with her employer's policy, decided not to accept remuneration for her activities.

Supplementary information

Statutory rules on result appropriation

The Wageningen Research Foundation statutes do not contain any provision for the allocation of the result.

Auditor's report by the independent auditor

To: the Executive Board and the Supervisory Board of Wageningen Research Foundation

The auditor's report on the 2019 financial statements is included in the Annual Report

Our opinion

We have audited the financial statements for 2019 of the Wageningen Research Foundation in Wageningen.

In our opinion:

- The financial statements included in this annual report give a true and fair representation of the size and composition of the capital of Wageningen Research Foundation as of 31 December 2019 and of its result for the year 2019, in accordance with Title 9, Book 2 of the Dutch Civil Code and the WNT Policy Rules 2019.

The financial statements consist of:

- the consolidated and company balance sheet as at 31 December 2019;
- the consolidated and company profit and loss statement for 2019;
- the explanatory notes comprising a summary of the accounting principles and other explanatory information, as well as Appendix 1 Statutory Remuneration Reporting Requirements.

The basis of our opinion

Our audit was conducted in accordance with Dutch law, including the Dutch auditing standards and the WNT Audit Protocol 2019. Our responsibilities under those standards are further described in the 'Our responsibilities regarding the audit of the financial statements' section of our report.

We are independent of Wageningen Research Foundation in accordance with the Audit Firms Supervision Act (Wta), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, regulation regarding the independence of accountants providing assurance services) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, regulation on professional conduct for accountants).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis on uncertainty concerning the corona crisis

Developments relating to the corona (COVID-19) virus have a major impact on the health of people and our society, and as such also on the operational and financial performance of organisations and the assessment of their ability to maintain continuity. The financial statements and the corresponding auditor's report are a snapshot in time. The situation is changing from day to day and inherently leads to uncertainty. Wageningen Research Foundation too is confronted with this uncertainty, as set out in the Risk Section of the Management Report on page 69 and 70 and in the explanatory notes to the post balance sheet events on page 30. We draw your attention to these notes. Our opinion has not been adjusted in light of these developments.

No audit activities were carried out with regard to the overlapping rule of Article 1.6a of the WNT and Article 5 paragraph 1 sub (j) of the WNT Implementation Regulations.

In accordance with the WNT Audit Protocol 2019, we did not audit the overlapping rule as set out in Article 1.6a WNT and Article 5, paragraph 1 sub j of the WNT Implementation Regulations. This means that we did not check to see whether or not the norm has been exceeded by a managing top-level executive due to possible employment as a managing top-level executive at other institutions governed by the WNT, as well as whether or not this is accurately reflected in the required explanatory notes.

Statement on the other information included in the annual report

In addition to the annual financial statements and the associated audit report, the annual report contains other information consisting of:

- the Management Report, including the annual financial report;
- other data;
- key figures and the other information.

On the basis of the following activities, we believe that the other information:

- is consistent with the annual financial statements and does not contain any material deviations;
- contains all the information which is required under Title 9 Book 2 of the Dutch Civil Code.

We have read the other information and, based on our knowledge and the understanding gained from the audit of the annual financial statements and elsewhere, considered whether the other information contains material deviations. With the tasks we performed, we have fulfilled the requirements set out in Title 9 Book 2 of the Dutch Civil Code and the Dutch Standard 720. These activities are not as extensive as our auditing activities relating to the annual financial statements.

The Executive Board is responsible for the preparation of the other information, including the Management Report and other data, the key figures and other information in accordance with Title 9 Book 2 of the Dutch Civil Code.

Description of responsibilities in relation to the financial statements

Responsibilities of the Executive Board and the Supervisory Board regarding the financial statements. The Executive Board is responsible for the preparation and accurate presentation of the financial statements in accordance with Title 9 Book 2 of the Dutch Civil Code and the WNT Policy Rules 2019. In this context, the Executive Board is responsible for such internal control as the board deems necessary to ensure that the financial statements are drawn up free of material misstatement, whether due to fraud or error.

In drawing up the annual financial accounts, the Wageningen Research Foundation must consider whether the company is able to continue its activities on a going concern basis. Based on the aforementioned reporting system, the Board must draw up the financial statements based on this continuity assumption, unless the Executive Board intends to liquidate the foundation, to terminate the commercial activities, or if termination is the only realistic alternative. In the financial statements, the Executive Board should disclose events and circumstances that may cast significant doubt on the Wageningen Research Foundation's ability to maintain continuity in its operating activities.

The Supervisory Board is responsible for overseeing the financial reporting process of the Wageningen Research Foundation.

Our responsibilities regarding the audit of the financial statements

We are responsible for planning and performing the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence on which to base our opinion.

Our audit was performed with a high, but not absolute, degree of certainty, which means it is possible that we have not detected all material errors or fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence users' economic decisions that are made on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have maintained professional scepticism throughout the audit and exercised professional judgement where necessary, in accordance with the Dutch auditing standards, the WNT Audit Protocol 2019, as well as ethical and independence requirements. Our audit included the following elements:

- identifying and assessing the risks that the financial statements contained material deviations as a result of error or fraud, determining and performing audit procedures in response to these risks, and obtaining audit information that is sufficient and suitable to serve as a basis for our judgement. In case of fraud, the risk of a material deviation not being discovered is greater than with errors. In case of fraud, there may be question of collusion, forgery, the intentional omission of payment records, the intentional misrepresentation of events, or the circumvention of the internal control;
- obtaining insight into the internal controls relevant to the audit in order to select audit procedures which are appropriate in the circumstances. These procedures are not intended to express an opinion on the effectiveness of the Foundation's internal control;
- evaluating the appropriateness of the accounting principles used and the reasonableness of the estimates and related disclosures made by the Executive Board in the financial statements;

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- concluding that the continuity assumption used by the Executive Board is acceptable. This includes determining, on the basis of the obtained audit information, whether events and circumstances have taken place that may cast significant doubt on the Foundation's ability to maintain continuity in its activities. If we conclude that there is a material uncertainty, we are obliged, in our auditor's report, to draw attention to the relevant disclosures in the financial statements. If the notes are inadequate, we are required to modify our report. Our conclusions are based on the auditing information obtained until the date of our audit report. However, future events or circumstances may prevent a Company from maintaining its continuity;
 - evaluating the presentation, structure, and content of the financial statements and included notes; and
 - evaluating whether the financial statements provide a true and fair representation of the underlying transactions and events.

We communicate with the Executive Board on various topics, including the planned scope and timing of the audit, as well as significant audit findings, including any significant deficiencies in internal control.

Eindhoven, 27 May 2020

Ernst & Young Accountants LLP

signed by H.E. Oostdijck RA

Other information

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Overview of property sales and purchases

Grond, terrein en infrastructuur	HA	Aankoop	Verkoop
Aankoop grond De Born Oost	0,22	121	
Verkoop grond De Born Oost	0,45		15
Verkoop grond Wageningen Campus West	41,60		2.243
Subtotaal grond, terrein en infrastructuur		121	2.258

Gebouwen	Aankoop	Verkoop
Subtotaal gebouwen	0	0

Totaal	121	2.258
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Uitsplitsing Verkoop	Verkoopopbrengst	Boekwaarde	Boekwinst
Verkoop grond De Born Oost	0	15	-15
Verkoop grond Wageningen Campus West	3.157	2.243	914
Totalen	3.157	2.258	899

Excluding proceeds from the sale of equipment

Accountability of LNV funding 2019

Subsidieverlening aan Stichting Wageningen Research 2019	x € 1.000	
<i>Project- en programmasubsidies</i>		
Kennisbasis	24.545	
Kenniscommunicatie	248	
BO	13.798	
Topsector Agri Food	28.870	
Topsector Tuinbouw	12.506	
Topsector missiegedreven kennis- en innovatieprogramma's	3.802	
Wettelijke onderzoeksTaken	45.231	
<i>Additionele projecten</i>		
Klimaatveloppe incl. consortium deel partners	21.557	
Afghanistan project	4.317	
BRO	1.641	
	733	
Totaal ontvangen project- en programmasubsidies	157.248	
<i>Overige bijdragen</i>		
- Compensatie aflossing lening	2.800	
- Compensatie aflossing lening PO	957	
- Compensatie lening IAC / ILRI	188	
- Correctie vraagtuitval ivm kwijtschelding lening	-56	
- BTW Wageningen Research	32.456	
- Betaling via Laser/honingregeling	-149	
Totaal subsidieverlening Stichting WR 2019	193.443	brief met referentienummer DGA-DKI19283366 d.d. 05 december 2019
Subsidieverlening LNV verwerkt via balans		
Compensatie aflossing lening LNV-deel WR	2.800	Balanspost LNV Vordering
Compensatie aflossing lening LNV-deel PO	957	Balanspost LNV Vordering
Compensatie aflossing lening LNV-deel IAC/ILRI	188	Balanspost LNV Vordering
BTW WR	32.456	Afloop via balans
Klimaatveloppe consortium deel partners	4.317	Afloop via balans
Atvet	1.456	Afloop via balans
deel partners WPR	1.163	Afloop via balans
Afronding	0	Afloop via balans
Subsidieverlening LNV verwerkt via balans	43.336	
Te verantwoorden baten LNV	150.108	
Toename Nog af te ronden programmaonderzoek LNV	-1.000	Balanspost nog uit te voeren onderzoek
Correctie BTW veehouderijsectoren 2016-2018	-312	Balanspost afdracht fiscus
Toename Vooruitontvangen HCU-exploitatiebijdrage	-42	Balanspost HCU-exploitatie
LNV Demokassen	433	Balanspost Demokassen
Verantwoorde baten jaarrekening Stichting WR	149.186	

To supplement the above accounts, in 2019, an amount of €2,456,209 was spent on the Agriculture ATVET Afghanistan project – the main phase of which started on 1 November 2011 and will continue until 31 October 2021 – of which €1,455,623 was paid to NAEC (2018: €1,782,247 of which €1,245,844 was paid to NAEC; 2017: €1,798,806; 2016: €1,883,156; 2015: €2,608,552; 2014: €6,219,696; 2013: €4,004,000; 2012: €2,452,000 and 2011: € 42,500).

Appendix 1: Statutory Accountability for Remuneration

Tables 27 and 28 provide the statutory accountability statements about the remuneration of top-level executives, Supervisory Board members and non-executives. The consolidated information about the governance union of Wageningen University & Research is included in Tables 25 and 26 of the annual financial statements and is consistent with Tables 27 and 28. Within our organisation, those who are identified as managing top level executives with an employment contract do not have an employment contract with any other semi-public (WNT) institution(s) as managing top level executives (who entered employment from 1 January 2018).

Tabel 27 Remuneration of executives (amounts in €)

The WNT applies to the Wageningen Research Foundation. In 2019, the maximum remuneration applicable to the Wageningen Research Foundation was €194,000 (general maximum remuneration).

	L.O. Fresco	A.P.J. Mol	L.A.C. Buchwaldt
Job Title	Executive Board Chair	Executive Board member	Executive Board member
Period of employment in 2019	1-1 to 31-12	1-1 to 31-12	1-1 to 31-12
Extent of employment in FTE	0.5	0.5	0.5
(Fictitious) Employment relationship	No	No	No
Remuneration			
Remuneration and taxable expense reimbursements	81,298.27	81,245.03	81,244.63
Remuneration payable for 2017	11,708.58	13,796.34	13,796.74
<i>Subtotal</i>	<i>93,006.85</i>	<i>95,041.37</i>	<i>95,041.37</i>
Individual maximum remuneration	97,000.00	97,000.00	97,000.00
-/- unduly paid amount			
Total remuneration	93,006.85	95,041.37	95,041.37
Reason for exceeding norm and other notes	N/A	N/A	N/A
Data from 2018			
Period of employment in 2018	1-1 to 31-12	1-1 to 31-12	1-1 to 31-12
Scope of employment in FTE	0.5	0.5	0.5
Remuneration			
Remuneration	105,256.86	104,914.05	98,952.96
Provisions for remuneration payable for 2016			
Total remuneration	105,256.86	104,914.05	98,952.96

The overrun (Ms Fresco) is respected under the interim provisions of 1 January to 30 June 2018. Within our organisation, those who are identified as top level executives with an employment contract do not have an employment contract with any other semi-public (WNT) institution(s) as managing top level executives (who entered employment from 1 January 2019).

Tabel 28 Remuneration for supervisors (amounts in €, excluding VAT)

	M.J. Cohen	J.R.V.A. Dijssebloem	B.J. Marttin ¹⁾	R.P. Smith	S. S. Korver ²⁾	M.A. Verhoef	T Job title
Chair	Member	Member	Member	Member	Member	Member	Member
Period of employment in 2019	1-1 to 31-3	1-4 to 31-12	1-1 to 30-6	1-1 to 31-12	1-1 to 31-12	1-1 to 31-12	1-1 to 31-12
Remuneration							
Remuneration	2,233.05	6,337.50	2,816.85	6,086.95	5,633.70	6,086.95	0.00
Individual maximum remuneration	7,175.34	21,924.66	9,620.27	19,400.00	19,400.00	19,400.00	19,400.00
-/- unduly paid amount	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total remuneration	2,233.05	6,337.50	2,816.85	6,086.95	5,633.70	6,086.95	0.00
Reason for exceeding norm and other notes	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Payment on termination of employment	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Data from 2018							
Duration of appointment in 2018	1-1 to 31-12		1-1 to 31-12	1-1 to 31-12	1-1 to 31-12	1-1 to 31-12	1-9 to 31-12
Remuneration							
Remuneration	8,450.52		5,633.70	5,633.70	5,633.70	5,633.70	0.00
Provisions for remuneration payable for 2016	0.00		0.00	0.00	0.00	0.00	0.00
Total remuneration	8,450.52		5,633.70	5,633.70	5,633.70	5,633.70	0.00
Individual maximum remuneration	28,350.00		18,900.00	18,900.00	18,900.00	18,900.00	6,265.48

¹⁾ No payment to the person concerned in connection with a third party agreement

²⁾ Remuneration to company Korver Beheer en Management

³⁾ Ms. Klimp has, in line with her employer's policy, decided not to accept remuneration for her activities.