

**ANNUAL REPORT**  
**WAGENINGEN UNIVERSITY 2019**

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## Key Figures

**Table 1** Key financial figures for Wageningen University

	2016	2017	2018	2019
Government funding excluding targeted subsidies	182.4	189.9	202.5	226.4
Tuition and tuition fees <sup>1)</sup>	32.3	36.9	37.8	38.1
Research funding and targeted subsidies	28.3	28.6	32.2	34.3
Matching market and contract research	60.1	59.1	60.0	64.1
Investments in buildings and land	4.0	3.7	6.4	17.7
Investments in other tangible assets	12.3	9.5	11.3	15.4
Net result	-2.5	13.2	27.6	20.0
<b>Wageningen University capital</b>				
Capital invested in fixed assets	258.7	247.4	238.0	248.1
Equity capital	151.2	164.4	192.0	212.0
Total capital	353.1	348.0	369.6	405.3
Solvency ratio (%)	42.8%	47.3%	51.9%	52.3%
<b>Liquid assets Wageningen University</b>				
Liquid assets	44.9	53.9	88.9	114.2
Current ratio	0.5	0.6	0.8	0.9

<sup>1)</sup> Excluding course fees

## Management Report

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

## Financial Report

### Results developments

In 2019, Wageningen University recorded a positive result of €20.0 million, which is a decrease of €7.6 million in comparison to 2018. This result was better than was expected in the budget.

In 2019, Wageningen University, on the basis of the annual reporting guidelines, was forced to attribute the additional funding for the Science & Technology Sector Plan (€1.8 million) and the Van Rijn funding (€4.5 million) to the result, while the additional expenditures associated with these funds only takes place in later years. Consequently, the result is €6.3 million higher than if the income and expenses were to be matched on a one-to-one basis. The operating result, without these exceptional items, comes to €13.7 million.

In 2019, Wageningen University significantly caught up in scaling up its personnel and facilities, causing expenses to increase by €29.6 million. Attracting sufficient personnel on a timely basis and realising the supporting facilities is a major challenge. In the primary process, Wageningen University has therefore been unable to spend about €14 million in funding, not at the department level and not at the corporate level. It is difficult to find qualified staff and recruitment takes time. This means that the workforce has not expanded in line with the regular increase in funding as a result of the growth in student numbers and the increase in research funding and contract research funding.

**Table 2** Wageningen University results (in € millions)

	2019	2018
Departments	15.7	14.8
Central departments		
- Operational result	-1.8	4.0
- Incidental result	6.3	7.8
- Addition made to the appropriated reserve for project costs in later years	-0.2	1.0
<b>Operating result based on the Ministry of Education, Culture and Science guidelines</b>	<b>20.0</b>	<b>27.6</b>

The departments achieved a positive joint annual result of €15.7 million, which is an increase of €0.9 million in comparison to 2018. All departments achieved a positive result. These positive results are mostly due to the abovementioned factors.

The operating result of the central departments amounted to €-1.8 million. This is €5.8 million lower than in 2018. Early on in the year, the Executive Board decided to provide additional funding to the organisation to encourage chair groups to recruit additional staff. This caused the results of the central departments to decrease. The corporate departments also found it difficult to scale up quickly and to attract additional staff. This means that a positive result was achieved in the (policy) budgets of the corporate departments too.

In addition, the Executive Board and Corporate Staff processed a number of incidental result entries amounting to €6.1 million that will be offset by negative results over the coming years. This concerns the funding allocated in December 2019 on the basis of the Van Rijn Committee Report (€4.5 million), the additional funding for science & technology research (€1.8 million), as well as the expenditures for internal projects for which funding was received in previous years (€-0.2 million). It was no longer possible to disburse the Van Rijn funding and the science & technology research funding in 2019. However, the annual reporting guidelines require that this income be recognised in the year of receipt. The funds will be spent over the coming years, which then will produce a lower result. Wageningen University has formed a special-purpose reserve for these funds. As prescribed in the regulations, direct government funding is recognised as income by Wageningen University. Income related to project costs that will be incurred in later years is calculated as income in the reporting year

and a write-down in later years. The distortion this causes is neutralised via the appropriated reserve. In accordance with this approach, €0.2 million of the result was added to this appropriated reserve in 2019. The estimated proceeds from the valorisation of fixed assets were not realised in 2019 due to the nitrogen crisis, which caused real estate developers to be reticent in finalising their purchases.

### Revenue and costs developments

Revenue in 2019 increased by €22.3 million. The basic funding, government funding excluding earmarked funds and tuition fees rose from €240.2 million to €264.4 million.

Government funding increased by €23.9 million in 2019 in comparison to 2018. Effective from 1 January 2018, Wageningen University has been funded by the Ministry of Education, Culture and Science (OCW). During the 'harmonisation' of Wageningen University's funding in 2019 in line with the OCW funding model, the so-called capping rule was abolished. This capping rule, which was part of the funding methodology of the Ministry of Economic Affairs and Climate Policy (EZK), stipulated that government funding for Wageningen University could not increase, nor decrease, by more than 2% annually. Aside from the elimination of the capping rule, Wageningen University received additional funding in 2019 (approximately €6 million) as part of the fixed funding components so that the existing capping (approximately €12 million in 2018) has been partially offset. Due to the higher input parameters – in this case the number of funded registered students, degrees and PhD graduations – government funding increased by €4.0 million. As a result of the adjustment of the OCW's macro framework due to the overall increase in the number of students in academic education (reference frameworks), another €2.0 million was added to this in 2019.

In May 2019, the Van Rijn Advisory Committee presented the 'Switchover' [Wissels om] Report. This report provides various recommendations concerning the funding of Higher Education. On the basis of this report, the 4TU in 2019 received additional funding for Science & Technology Education and, effective from 2020, various changes will be made to the Ministry of Education, Culture and Science's funding methodology. In 2019, the additional government funding for Wageningen University in respect of the Van Rijn recommendations amounted to €4.5 million. In addition, in 2019, additional funding to the tune of €1.8 million was received for the Science & Technology Sector Plan.

An adjustment amounting to €4.5 million was made to compensate for increased wage costs. Furthermore, to compensate for lost earnings due to the halving of the statutory tuition fee for first year Bachelor's students, a figure of €1.4 million was added to the direct government funding. Due to an overall lumpsum discount, the government funding decreased by €0.5 million. Other minor changes finally came to a total adjustment of €0.2 million.

The income from work for third parties increased by 7% to €98.5 million. This income consists of programme funding (research funding and targeted subsidies), which increased by 7% to €34.3 million; co-funding projects and matching market funding, which increased by 10% to €19.0 million; and contract research and top sectors, which increased by 6% to €45.2 million.

In comparison to 2018, staff expenses increased by €28.6 million to €245.9 million. This is due to higher staffing levels (+187 FTE), 3.4% higher salary costs per FTE, an increase in other personnel costs by €7.9 million and other effects (€0.4 million). In 2018, the number of staff increased from 2,818 FTE to 3,005 FTE.

Income was €17.8 million higher than budgeted (exclusive of the valorisation of surplus real estate). This is partially due to the following items that were not included in the budget: the Van Rijn funding, the Science & Technology Sector Plan funding (together €6.3 million) and the higher revenue from third party contract research, secondary activities and other income (€11.8 million). The proceeds from tuition fees was €2.9 million lower than budgeted due to lower student enrolment from non-EEA countries, as well as regular students (€1.0 million). In addition, the waivers were recognised under expenses in the budget and as negative income in the actual figures (€1.9 million).

Costs were €5.2 million lower than budgeted. The above-referenced factors relating to the upscaling of personnel and facilities played a major role in this respect. In addition, it should be noted that in the budget the costs for new activities are included under general and specific expenses. Actual implementation shows that these activities are partially carried out by new personnel. This causes a shift from tangible costs to personnel costs when comparing the budgeted and actual figures.

### Balance sheet developments

The liquidity of Wageningen University increased in 2019 from €88.9 million to €114.2 million. The factors that affected this increase in liquidity are listed in Table 3.

**Table 3** Wageningen University liquidity overview

	2019
Result excl. participating interests	19.9
Increase in fixed assets (investments minus depreciation and sales)	-10.1
Increase in short-term receivables	-0.2
Increase in short-term debts	16.7
Decrease in provisions	-0.4
Decrease in long-term debt	-0.6
<b>Total</b>	<b>25.3</b>

The increase in fixed assets is caused by investments in land and buildings (€17.7 million), and machinery and equipment (€15.4 million). The increase in short-term debts is due to the increase in paid advances. The total liquidity of €114.2 million includes advances of €127.0 million, of which €8.0 million are funds to be passed on to partners. These funds to be passed on to partners were received due to Wageningen University being the lead party for a number of consortia. These funds will be passed on to partners in 2020.

Wageningen University's solvency ratio was 52.3% on 31 December 2019. This was 52.0% in 2018.

### Changes in legal structure and capital interests

There were no changes in the legal structure in 2019.

### Outlook 2020

For 2020, Wageningen University expects to achieve an operational result (excluding exceptional income) of -€3.0 million. The result will decrease sharply compared to 2019 due to the additional expenses in relation to the continually increasing number of students. The additional staff, which were recruited towards the end of 2019, will be fully included in the budget for 2020.

Turnover is expected to increase to €396.8 million in 2020. This €12.0 million increase is caused by an increase in basic funding of €13.8 million to a total of €278.2 million and an increase in research funding and contract research funding of €0.9 million to a total of €99.4 million. The other income (excluding exceptional income) will decrease by €2.7 million to €19.2 million.

Government funding will increase by €11.4 million to €237.8 million. Of this, €3.8 million is related to an increase in funding variables and €4.4 million is related to anticipated additional funding to cover salary and price increases that has not yet been received. In addition, during the transfer from LNV to OCW, OCW has made additional funding available to partially offset the existing capping. The effect of the Van Rijn funding, the Quality Agreements and the Science & Technology Sector Plan totals €1.8 million.

Tuition fees will increase by €2.3 million to €40.4 million due to the rise in student numbers. The total number of Bachelor's and Master's students will increase from 12,300 students in October 2019 to an estimated 12,666 students in October 2020.

Direct personnel costs will increase by €15.4 million to €261.3 million. This is caused by an increase in staffing levels by 318 FTE to a total of 3,323 FTE, a decline in other personnel costs by €11.7 million due to a decrease in the number of temporary employees and a 3.0% rise in average salary costs due to increases and wage cost developments.

Liquidity will decrease by €24.2 million to €90.0 million. With a cash position of €90.0 million, the continuity of business operations in 2020 is guaranteed. However, should an additional need for liquidity arise, Wageningen University also has the option of requesting collegial funding from Wageningen Research.

The investment activities for Wageningen University have been budgeted at €60.9 million. This mainly relates to investments in the third education building (€24.2 million), the Dialogue Centre (€7.9 million), the Unifarm and NPEG greenhouses (€5.6 million) and Plus Ultra II (€3.1 million). Facilities and Services will invest €7.6 million, of which €4.6 million will be reserved for IT hardware and €1 million for laboratory equipment. Decentralised investments are budgeted at €9.6 million. Of this, Shared Research Facilities will invest €4.0 million in laboratory equipment.

For further information on the development of the results in the coming four years, we refer to the continuity section in the Annual Report.



## Annual Financial Accounts

### Consolidated balance sheet after the allocation of the net result

	31-12-2019	31-12-2018
<b>ASSETS</b>		
FIXED ASSETS		
(1) Intangible fixed assets	612	1,075
(2) Tangible fixed assets	247,032	236,401
(3) Financial fixed assets	463	501
<b>Total fixed assets</b>	<b>248,107</b>	<b>237,977</b>
CURRENT ASSETS		
(4) Inventory	52	62
(5) Receivables and accrued assets	42,914	42,671
(6) Liquid assets	114,208	88,858
<b>Total current assets</b>	<b>157,174</b>	<b>131,591</b>
<b>TOTAL ASSETS</b>	<b>405,281</b>	<b>369,568</b>
<b>CAPITAL AND LIABILITIES</b>		
EQUITY CAPITAL		
General reserve	196,079	182,161
Designated reserve	15,976	9,876
(7) <b>EQUITY CAPITAL</b>	<b>212,055</b>	<b>192,037</b>
(8) PROVISIONS	11,875	12,544
(9) LONG-TERM DEBT & EQUALISATION ACCOUNT	4,395	4,776
(10) SHORT-TERM DEBT	176,956	160,211
<b>TOTAL LIABILITIES</b>	<b>405,281</b>	<b>369,568</b>

**Consolidated Profit and Loss Statement**

	Results for 2019	Budget for 2019	Results for 2018
<b>(11) INCOME</b>			
Direct government funding	226,359	217,500	202,498
Tuition fees	38,060	41,000	37,756
Research funding and targeted subsidies	34,326	33,700	32,208
Co-funding and matching market revenue	18,962	17,300	17,206
Top Sectors	2,456	1,400	1,350
Bilateral market	42,708	36,200	41,437
Secondary activities	16,456	19,900	16,385
Other income	5,268	0	13,666
<b>Total income</b>	<b>384,595</b>	<b>367,000</b>	<b>362,506</b>
<b>EXPENDITURES</b>			
(12) Personnel costs	245,927	234,100	217,279
(13) Depreciation	22,768	22,000	22,882
(14) Accommodation costs	23,301	26,300	24,701
(15) General costs	35,432	42,300	31,587
(16) Specific costs	37,182	45,100	38,504
<b>Total expenditures</b>	<b>364,610</b>	<b>369,800</b>	<b>334,953</b>
<b>OPERATING RESULT</b>	<b>19,985</b>	<b>-2,800</b>	<b>27,553</b>
(17) Financial income and expenditures	-122	-200	54
<b>RESULT FROM OPERATIONAL ACTIVITIES BEFORE TAX</b>	<b>19,863</b>	<b>-3,000</b>	<b>27,607</b>
Taxation on operational activities	0	0	0
(18) Result from participating interests	155	0	-4
<b>RESULT FROM OPERATIONAL ACTIVITIES AFTER TAX</b>	<b>20,018</b>	<b>-3,000</b>	<b>27,603</b>
Third-party share	0	0	0
Exceptional income and expenditures	0	0	0
<b>NET RESULT</b>	<b>20,018</b>	<b>-3,000</b>	<b>27,603</b>

<sup>1)</sup> Wageningen University has coordinated the layout of the profit and loss statement with Wageningen Research Foundation. Table 21 contains the statement of income and expenditure in accordance with the model of the Reporting Guidelines for Educational Institutions (Regeling Jaarverslaggeving Onderwijs). Table 22 contains the itemisation of the third party contract research in accordance with the classification of the Reporting Guidelines for Educational Institutions.

**Consolidated cash flow statement**

	2019	2018
<b>OPERATIONAL ACTIVITIES</b>		
Operating result	19,985	27,553
Depreciation and impairments	22,768	22,882
Change in provisions	-669	-4,452
	<b>42,084</b>	<b>45,983</b>
Change in inventory	10	13
Change in receivables	-241	3,955
Change in short-term debt	16,744	-351
<b>Cash flow from investment activities</b>	<b>58,597</b>	<b>49,600</b>
Interest received	16	109
Interest paid	-138	-55
<b>Cash flow from operational activities</b>	<b>58,475</b>	<b>49,654</b>
<b>INVESTMENT ACTIVITIES</b>		
Investments in intangible assets	-57	-71
Divestments in intangible assets	0	33
Investments in buildings and land (incl. WIU)	-17,719	-6,665
Investments in other tangible assets	-15,362	-10,914
Divestments of tangible assets	202	4,186
Investments in participating interests and members' capital	0	-36
Divestments of financial fixed assets	192	31
<b>Cash flow from investment activities</b>	<b>-32,744</b>	<b>-13,436</b>
<b>FINANCING ACTIVITIES</b>		
Newly acquired loans	0	0
Repayment of long-term debt	0	0
Changes to equalisation account	-381	-1,227
<b>Cash flow from financing activities</b>	<b>-381</b>	<b>-1,227</b>
<b>CASH FLOW</b>	<b>25,350</b>	<b>34,991</b>
<b>CHANGE IN LIQUID ASSETS</b>		
Balance of liquid assets on 1 January	88,858	53,867
Balance of liquid assets on 31 December	114,208	88,858
<b>Change in liquid assets</b>	<b>25,350</b>	<b>34,991</b>

## Accounting Principles

### General

The annual financial report was prepared and validated by the Executive Board on 20 April 2020 and approved by the Supervisory Board on 27 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. Variations may arise as a result of corrections, shifts between items or changes in the rounding-off method.

### General accounting principles for the preparation of the annual financial accounts

Wageningen University is part of a group that also comprises Wageningen University Holding B.V., Spinterest B.V., ISRIC Foundation and Expat Center Foundation.

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.

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.

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 were prepared in accordance with Regeling Jaarverslaggeving Onderwijs (annual accounts regulations for educational institutions), the Dutch Civil Code, Book 2, Title 9 and the Richtlijnen voor de Jaarverslaggeving (guidelines for annual reporting).

#### 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 accounts of the institution, 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 University, 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 accounts of Wageningen University, 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.

**Table 4** Consolidated participating interests

	Shareholder	Registered office	% 31-12-2018	% 31-12-2019
Wageningen Universiteit Holding B.V.	Wageningen University	Wageningen	100	100
Spinterest B.V.	WUH B.V.	Wageningen	100	100
ISRIC Foundation	N/A	Wageningen	N/A	N/A
Expat Center Foundation	N/A	Wageningen	N/A	N/A

**Table 5** Non-consolidated participating interests

	Registered office	% 31-12-2018	% 31-12-2019
Ceradis B.V.	Wageningen	3	2
Bio-Product B.V.	Wageningen	5	5
Surfix B.V.	Wageningen	12	0
Green Dino B.V.	Wageningen	11	11
KLV Professional Match B.V.	Wageningen	5	2
A-Mansia Biotech SA	Louvain-la-neuve	20	9
Innovation Industries	Amsterdam	0	0
Caribou Biosciences Inc.	Delaware	1	0
Plant Meat Makers B.V.	Wageningen	0	5

## ACCOUNTING PRINCIPLES FOR THE VALUATION OF ASSETS AND LIABILITIES

### *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 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.

**Table 6** Depreciation periods

Asset type	Linear depreciation in years
Company property / Work in progress	None
Site layout and infrastructure	60 years straight line
Buildings	
o Shell	60 years straight line
o Fittings	30 years straight line
o Built-in equipment / furnishings	15 years straight line
Greenhouses, sheds, sundry buildings/structures	15 years straight line
Machinery and equipment:	
o Office furniture / machines and equipment / inventory of restaurant facilities / fiber optic network / other inventory	10 years straight line
o Laboratory equipment / audio-visual equipment / vehicles / PR and information material	5/8 years straight line
o ICT equipment including software (network hardware)	
o ICT equipment including software (other hardware)	5 years straight line
	3 years straight line
o Personal computers	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 purchased for a project that following the completion of the project can no longer be used is depreciated during the term of the project.

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.

The proceeds from the sale of (education) buildings is used to fund new (education) buildings in the future.

### *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.

### *Work in progress*

The balance of projects in respect of third-party contract research results in a receivable or a debt on the balance sheet. The third-party contract research is valued at the actual costs incurred, consisting of the costs that are directly related to the project (such as direct personnel costs and the costs of the acquired equipment/furniture and equipment), the costs that are attributable to the project activities in general and that are allocatable to the project (including the cost of technical assistance and the overhead costs of the project activities) and other costs insofar as they are contractually reimbursed by the client, minus the provision for expected losses and invoiced instalments or received advances relating to the third-party contract research. Projects for which the prepaid expenses exceed the invoiced instalments/received advances are recorded under other receivables. Projects for which the instalments invoiced in advance/received advances exceed the prepaid expenses are recorded under short-term debts.

### *Equity capital*

Wageningen University does not distinguish between private and public capital.

- General reserve
  - This reserve is credited with the operating result in any year in which the result is not allocated to a specific use.
- Designated reserve
  - Two designated reserves are formed within the equity capital at corporate level:
    - o the innovation fund
    - o reserve in relation to projects to be carried out in the future.

### *Provisions*

The provisions are valued at nominal value, with the exception of the personnel provisions formed on the basis of RJ 271. The determination of the amount of the obligations accounts for future indexation and price increases. 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; and
- a reliable estimate can be made of the extent of those obligations.

### *Provision for WW and BW obligations*

The provision for WW and BW obligations is determined as the cover required for the unemployment insurance (WW) and civil (BW) obligations on the balance sheet date and the expected future obligations in relation to personnel that has already left and personnel with a temporary employment contract.

*Provision for WIA and ZW-flex*

The provision for the Work and Income (Capacity for Work) Act (WIA) and Sickness Benefits Act (ZW-flex) obligations covers the obligations pursuant to these Acts 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 University.

*Other personnel provisions - pensions*

The pension scheme for the whole of WUR was (compulsorily) placed with 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) decreased in 2019 from 103.8% to 95.8%, ending up 8.4% 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 95.8%, 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 2020 remains below the required level of 104.2% and the current coverage ratio at the end of 2020 is also lower than 104.2%, a lowering of pensions is inevitable.

ABP currently expects pensions to remain unchanged in 2020. Currently the possibility that pensions will have to be reduced in 2021 and the years following is real. Furthermore ABP expects that it will not be possible to increase pensions over the coming years by the price index (indexation).

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 PRINCIPLES 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.

#### *Direct government funding and other payments*

Direct government funding is included as income in the year in which the funding is received. Components of direct government funding that can be considered to have been specifically allocated are added as income to the extent to which costs have been incurred for the activity in question. Other payments are included in the result in the year in which the project is carried out or the costs are incurred.

#### *Tuition and course fees*

The tuition fees for the reporting year include the statutory tuition fees and the institutional tuition fees applicable for that year. The payments for courses for professionals are included under course fees.

#### *Other government funding and grants*

Government grants are initially recognised in the balance sheet as prepaid income as soon as there is a reasonable certainty that they will be received and that Wageningen University will meet the associated conditions. Grants to compensate for costs incurred by the group are systematically recorded as proceeds in the statement of income and expenditure in the same period in which the costs are incurred. Grants to compensate the group for the costs of an asset are systematically recorded in the statement of income and expenditure during the asset's service life. If the proceeds are related to a specific activity, they are recognised as income in proportion to the activities performed.

#### *Income from third-party contract research*

Proceeds in respect of third-party contract research are recorded as income in the statement of income and expenditure for an equal amount of incurred costs, insofar as these are contractually reimbursed by the client.

### **Accounting principles for the preparation of the cash flow statement**

The cash flow statement was prepared using the indirect method.

### **System changes**

Not applicable.

### **Changes in accounting estimates**

The accounting parameters used to estimate the unemployment insurance (WW) and civil (BW) obligations and the future transition payments were reassessed for the 2019 financial year. 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) obligations for the current workforce were reduced from 20% to 18%. The other rates, such as the percentages for the transition payment and for 'restitutions' remained unchanged. These probabilities are 20% and 10%, respectively. The adjustment of these rates for determining the provision are due to a retrospective audit and the changed economic situation for Wageningen University.

## Notes to the Balance Sheet

## (1) INTANGIBLE FIXED ASSETS

	Development costs	Licenses and software	Work in progress	Total
Book value 31-12-2018	0	1,075	0	1,075
Investments	0	57	0	57
Divestments	0	0	0	0
Depreciation	0	520	0	520
Impairments	0	0	0	0
<b>Book value 31-12-2019</b>	<b>0</b>	<b>612</b>	<b>0</b>	<b>612</b>
Accumulated acquisition value 31-12-2018	0	5,498	0	5,498
Investments 2019		57	0	57
Divestments		166	0	166
Accumulated acquisition value 31-12-2019	<b>0</b>	<b>5,389</b>	<b>0</b>	<b>5,389</b>
Accumulated depreciation	0	4,777	0	4,777
Accumulated downward value adjustments	0	0	0	0
<b>Book value 31-12-2019</b>	<b>0</b>	<b>612</b>	<b>0</b>	<b>612</b>

## (2) TANGIBLE FIXED ASSETS

	Lands & infrastructure	Buildings	Machinery and equipment	Work in progress	Out of operation	Total
Book value 31-12-2018	16,052	171,099	31,729	5,328	12,193	236,401
Investments	2,918	0	15,362	14,801	0	33,081
Transfers	0	5,245	0	-5,245	0	0
Divestments	9	0	193	0	0	202
Depreciation	1,070	10,416	10,762	0	0	22,248
Impairments	0	0	0	0	0	0
<b>Book value 31-12-2019</b>	<b>17,891</b>	<b>165,928</b>	<b>36,136</b>	<b>14,884</b>	<b>12,193</b>	<b>247,032</b>
Accumulated acquisition value 31-12-2018	23,069	303,758	120,593	5,328	67,296	520,044
Acquisitions in 2019	2,918	0	15,362	14,801	0	33,081
Transfers	0	5,245	0	-5,245	0	0
Acquisition value of divestments in 2019	556	2,585	5,605	0	29,869	38,615
<b>Accumulated acquisition value 31-12-2019</b>	<b>25,431</b>	<b>306,418</b>	<b>130,350</b>	<b>14,884</b>	<b>37,427</b>	<b>514,510</b>
Accumulated depreciation	7,540	124,278	94,127	0	24,152	250,097
Accumulated downward value adjustments	0	16,212	87	0	1,082	17,381
<b>Book value 31-12-2019</b>	<b>17,891</b>	<b>165,928</b>	<b>36,136</b>	<b>14,884</b>	<b>12,193</b>	<b>247,032</b>
Divestments of which:						
- Acquisition price	556	2,585	5,605	0	29,869	38,615
- Depreciation	547	2,585	5,412	0	29,869	38,413
<b>Total divestments</b>	<b>9</b>	<b>0</b>	<b>193</b>	<b>0</b>	<b>0</b>	<b>202</b>

In 2019, Wageningen University invested in Unifarm's greenhouse complex and in the third education building. In addition, various small investments were made in existing buildings.

Of the depreciation, amounting to €22.3 million, €11.5 million relates to normal straight-line depreciation of buildings and infrastructure and €10.8 million relates to machinery and equipment.

Wageningen UR has signed a sales agreement for the Kortenoord complex with MAB Ontwikkeling BV. The relevant assets have been handed over. The final selling price of the second subplan was established in 2017. The selling price of the third subplan was established in 2019 on the basis of the intended area development plan and will be collectable after the required permits have been issued. Because Wageningen University is still considered to be the beneficial owner of the assets, the assets with a book value of €12.2 million are still included in the balance sheet.

Wageningen University's immovable property is insured for € 339.1 million (reference date: 1-7-2019). The Valuation of Immovable Property Act (WOZ) value is €187.1 million (reference date: 1-1-2019).

### (3) FINANCIAL FIXED ASSETS

	31-12-2019	31-12-2018
Participating interests in subsidiaries	0	0
Other participating interests	254	275
Receivables from other affiliated parties	0	22
Members' capital	209	204
<b>Total financial fixed assets</b>	<b>463</b>	<b>501</b>

**TABLE 7** Breakdown of other participating interests

Description	Book value 31-12-2018	Investments/di vestments	Other changes	Results for 2019	Book value 31-12-2019
Green Dino B.V.	13			13	26
Bio Product BV	45	-8		9	46
Caribou Biosciences Inc.	39				39
Surfix B.V.	9	-143		134	0
A-Mansia Biotech SA	65				65
Innovation Industries	100	-26			74
Other participating interests	4				4
<b>Total</b>	<b>275</b>	<b>-177</b>	<b>0</b>	<b>156</b>	<b>254</b>

**Table 8** Members' capital

Description	Book value 31-12-2018	Change	Book value 31-12-2019
Friesland Campina	194	5	199
Avebe	3	0	3
Cosun	7	0	7
<b>Total</b>	<b>204</b>	<b>5</b>	<b>209</b>

**(4) INVENTORY**

	31-12-2019	31-12-2018
<b>Inventory</b>		
Trade stocks	5	5
Livestock	47	57
Harvested agricultural produce	0	0
<b>Subtotal Inventory</b>	<b>52</b>	<b>62</b>
Minus: provision for obsolescence	0	0
<b>Total Inventory</b>	<b>52</b>	<b>62</b>

**(5) RECEIVABLES AND ACCRUED ASSETS**

	31-12-2019	31-12-2018
Receivables	18,049	19,132
Minus: provision for uncollectible receivables	-317	-475
<b>Total accounts receivable</b>	<b>17,732</b>	<b>18,478</b>
Cost of work carried out for third parties	240,786	242,860
Minus: Invoiced instalments	228,698	227,897
Third party orders	12,088	14,963
Processed under prepaid amounts	6,760	4,035
Minus: anticipated losses	-357	-755
<b>Project costs of third-party contract research yet to be invoiced</b>	<b>18,491</b>	<b>18,243</b>
Advances	926	285
VAT to be received	122	0
Accrued assets	5,566	5,168
Other	77	318
<b>Total advances and accrued assets</b>	<b>6,691</b>	<b>5,771</b>
<b>Total receivables and accrued assets</b>	<b>42,914</b>	<b>42,671</b>

The balance of third party orders 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 reported under short-term debt.

**(6) LIQUID ASSETS**

	31-12-2019	31-12-2018
Cash	10	13
Bank account (incl. balancing entries)	89,198	63,845
Deposits	25,000	25,000
<b>Total liquid assets</b>	<b>114,208</b>	<b>88,858</b>

Of the balance of liquid assets amounting to €114.2 million, €106.2 is freely disposable. Wageningen University manages €8.0 million in project funding that must be paid to contractors in phases. These liquid assets are not freely available to Wageningen University. Wageningen University has a relatively high liquidity position, because many of its projects are funded in advance. The project advances amount to €95.0 million.

Wageningen University has incorporated the conditions of the 2016 OCW Investing, Borrowing and Derivative Regulations in its Treasury Charter. Temporary surplus funds will be deposited into savings accounts or held in deposits with financial institutions that at a minimum have an A rating from two of the three large rating firms, and that are domiciled in an EU member state. Effective from 31-12-2019, €25 million was held in term deposits with a remaining term of 1 month.

Wageningen University did not negotiate any derivatives.

**(7) EQUITY CAPITAL**

	General reserve	Designated Public reserve	Total
Balance as of 31-12-2017	155,548	8,886	164,434
2018 result appropriation	26,613	990	27,603
Other changes in 2018	0		
Balance as of 31-12-2018	<b>182,161</b>	<b>9,876</b>	<b>192,037</b>
2019 result appropriation	13,918	6,100	20,018
Other changes	0	0	0
<b>Balance as of 31-12-2019</b>	<b>196,079</b>	<b>15,976</b>	<b>212,055</b>

The designated reserve pertains to the Innovation Fund amounting to €3.9 million and the reserve for projects that are still in progress, amounting to €5.8 million. In 2019, € 6.1 million was added to the latter reserve. This concerns government funding received in 2019 in relation to the Science & Technology Sector Plan (€1.8 million) and the Van Rijn funding (€4.5 million), which will be expended over the period 2020-2024. €0.2 was withdrawn from the reserve in relation to the execution of internal projects.

**(8) PROVISIONS**

	Balance 31-12-2018	Addition	Withdrawal	Release	Balance 31-12-2019
Unemployment (WW) and civic (BW) obligations	5,946	2,515	2,053	607	5,801
Work and Income (Capacity for Work) Act (WIA) and Sickness Benefits Act (ZW-flex)	549	579	266	0	862
Other personnel provisions	2,794	543	252	0	3,085
Reorganisation expenses	1,198	38	632	26	578
Product and contract risks	52	150	0	52	250
Other material provisions	1,905	26	118	514	1,299
<b>Total provisions</b>	<b>12,544</b>	<b>3,851</b>	<b>3,321</b>	<b>1,199</b>	<b>11,875</b>

**TABLE 9** Breakdown of the term of the provisions

	31-12-2019	31-12-2018
Short-term (expires within 1 year)	5,224	5,199
Long-term (expires between 1 and 5 years)	4,553	3,287
Long-term (expires after 5 years)	2,098	4,058
<b>Total provisions</b>	<b>11,875</b>	<b>12,544</b>

The provision for WW and BW obligations is determined as the cover required for the unemployment insurance (WW) and civil (BW) obligations as of the balance sheet date and the expected future obligations in relation to personnel that has already left and personnel with a temporary employment contract. In 2019, an amount of €2.5 million was added to the reserve and an amount of €0.6 million was released.

The provision for the Work and Income (Capacity for Work) Act (WIA) and Sickness Benefits Act (ZW-flex) obligations covers the future payments pursuant to these Acts. In 2009, Wageningen University opted to self-insure the WIA and ZW-flex obligations. A provision amounting to €0.9 million has been made for ongoing payments.

The other personnel provisions includes the provision for future service bonuses.

The reorganisation provision is established for anticipated costs relating to reorganisations implemented earlier.

The product and contract risks, as well as the other tangible provisions relate to claims from Wageningen University by third parties.

Other material provisions include provisions for the expected costs of asbestos removal in a number of Wageningen University buildings (€1.3 million).

**(9) LONG-TERM DEBT**

	2018	2019
Balance as of 01-01	6,003	4,776
Increase		1,535
Decrease	1,227	1,916
<b>Total long-term debt</b>	<b>4,776</b>	<b>4,395</b>

The equalisation account includes received investment funding for Shared Research Facilities and educational facilities. The funding received is released to the result during the depreciation period.

(10) **SHORT-TERM DEBT**

	31-12-2019	31-12-2018
Advance payments for third party contract research	94,398	80,666
Prepaid tuition fees	26,369	26,462
Prepaid scholarships	6,251	5,309
Debt to suppliers	9,096	13,949
Taxes payable	0	372
Pension premiums payable	0	0
Debts to affiliated parties	9,887	6,124
Targeted LNV grants still to be spent	3,608	3,882
<i>Deferred liabilities</i>		
Outstanding payable amounts	7,957	5,332
Prepaid instalments	477	211
Holiday pay owed	5,855	5,444
Employee leave entitlements	12,759	12,123
Other	299	337
<b>Total short-term debts</b>	<b>176,956</b>	<b>160,211</b>

The debt to affiliated parties concerns a debt to the Wageningen Research Foundation. Of this debt, €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.

Wageningen University paid the wage tax and national insurance contributions and the social security costs over December 2019 in 2019.

**OBLIGATIONS AND RIGHTS NOT INCLUDED IN THE BALANCE SHEET (CONSOLIDATED)****TABLE 10** Obligations relating to rent, operating leases, etc. (in €1,000)

	Total	Expiring within 1 year	Expiring between 1 and 5 years	Expiring after 5 years
Investments	50,572	30,422	20,150	0
Energy, gas	2,810	941	1,869	0
Energy, electricity	6,083	1,954	4,129	0
Maintenance contracts	360	360	0	0
Lease obligations	175	61	114	0
Insurances	167	167	0	0
Other contracts	885	633	252	0
<b>Total</b>	<b>61,052</b>	<b>34,538</b>	<b>26,514</b>	<b>0</b>

Wageningen University has signed a number of agreements with project developers that set out the rights and obligations relating to the delivery of real estate. The book value of the profits on this real estate has not been incorporated into the annual financial accounts. The receipts pursuant to these agreements depend on the yet to be granted permits for the development of these assets. Wageningen University expects to realise book profits amounting to €12 - €14 million on these transactions over the coming years.

Wageningen University and the Broad Institute have licensed a joint patent portfolio for CRISPR-Cpf1 to Editas. Wageningen University may still receive fees for these licenses over the coming years. The amount of these fees is still uncertain and depends on the success Editas achieves with this portfolio.

Wageningen University has the following participating interests, held either directly or indirectly via Wageningen Universiteit Holding B.V.

**Table 11** Model E: Participating interests

	Registered office	Activity code	Equity capital 31- 12-2019	Results for 2019	Art 2:403 Dutch Civil Code	Participating interest 2019 (%)	Consolidation (%)
Wageningen University Holding BV	Wageningen	4	-361	28	Y	100	100
Spinterest B.V.	Wageningen	4	33	-1	N	100	100
Ceradis BV <sup>1)</sup>	Wageningen	4	-966	-1,123	N	3	0
Bio Product BV <sup>1)</sup>	Wageningen	4	938	140	N	5	0
Green Dino BV <sup>1)</sup>	Wageningen	4	226	99	N	11	0
KLV Professional Match B.V.	Wageningen	4			N	2	0
Caribou Biosciences Inc.	Delaware	4			N	1	0
A-Mansia Biotech SA	Louvain-la-neuve	4			N	20	0
Innovation Industries	Amsterdam	4			N		0
Plant Meat Makers BV	Wageningen	4			N	5	0
AMS Foundation	Amsterdam	2			N	50	0
ISRIC Foundation	Wageningen	2	527	53	N		100
Expat Centre Foundation	Wageningen	2	212	85	N		100

<sup>1)</sup> Equity capital and result for 2018



The annual financial accounts of Wageningen University Holding B.V., Spinterest BV, ISRIC Foundation and the Expat Centre Foundation are consolidated in these annual financial accounts.

Pursuant to its terms of reference, Wageningen University takes part in a number of foundations and appoints or elects one or more members of the board to these foundations or is involved in these foundations in some other manner. Consolidation of the foundations that satisfy the substantial interest criteria would not have had a material effect on Wageningen University's result or balance sheet total.

Furthermore, Wageningen University and Wageningen Research Foundation form the Wageningen UR partnership. The Corporate Staff departments and Facilities and Services were merged within the scope of this partnership. The individual costs of these departments are charged to the participants in Wageningen UR in proportion to their use.

### Post balance sheet events

In March 2020, Wageningen University was confronted with the corona crisis. The government measures designed to curb this crisis and the development of the economic conditions in the countries from which we draw our international students and where our clients are located, will have an impact on Wageningen University's business operations 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 University's result with sufficient reliability. The potential reduction in the number of international students, the decrease in contract research and the direct costs of the crisis could produce 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 University is taking a maximum decline of 50% in the influx of international students and a significant decrease in contract research funding into account. Wageningen University has sufficient financial buffers to be able to continue operating in the event of an expected drop in revenue.

### Result appropriation

The Executive Board has decided to add the result to the equity capital in accordance with Table 12.

**Table 12** *Processing of results (€ 1,000)*

	<b>2019</b>
General reserve	14,089
Designated reserve for projects still to be completed	6,100
<b>TOTAL EQUITY CAPITAL</b>	<b>20,189</b>

## Notes to the Profit and Loss Statement

**(11) INCOME**

	2019	2018
Direct government funding OCW	226,359	202,498
Tuition fees (statutory)	19,908	19,635
Tuition fees (institutional)	18,152	18,121
<b>Total basic funding</b>	<b>264,419</b>	<b>240,254</b>
<b>Programme funding</b>		
NWO – research funding	33,474	30,454
Targeted LNV grants	573	1,589
Targeted OCW grants	282	165
<b>Total programme funding</b>	<b>34,329</b>	<b>32,208</b>
<b>Co-funding and subsidies</b>		
Research stimulation funds	2,335	1,839
EU funding programmes	16,627	15,367
<b>Total co-funding and subsidies</b>	<b>18,962</b>	<b>17,206</b>
<b>Top Sectors</b>		
Top Sectors LNV	84	48
Top Sectors research stimulation funds	2,372	1,301
Top Sectors CRO	0	1
<b>Total top sectors</b>	<b>2,456</b>	<b>1,350</b>
<b>Contract research</b>		
Contract research LNV	364	299
Other public organisations contract research	16,767	18,136
Business community contract research	16,966	15,895
Charitable organisations contract research	3,553	2,089
Wageningen Research Foundation contract research	5,055	5,018
<b>Total bilateral market</b>	<b>42,705</b>	<b>41,437</b>
<b>Secondary activities</b>		
Sales	1,291	1,323
Proceeds from patents and licenses	33	558
Analyses and advice	2,025	1,961
Courses	2,628	2,394
Facility Services	3,303	2,882
External rental proceeds	4,579	4,520
Sports passes	762	704
Grants	1,835	2,043
<b>Total secondary activities</b>	<b>16,456</b>	<b>16,385</b>
<b>Other income</b>		
Sale of fixed assets	61	9,180
Other income	5,205	4,486
<b>Total Other income</b>	<b>5,268</b>	<b>13,666</b>
<b>Total income</b>	<b>384,595</b>	<b>362,506</b>

Government funding increased by €23.9 million in 2019 in comparison to 2018. Effective from 1 January 2018, Wageningen University has been funded by the Ministry of Education, Culture and Science (OCW). During the

'harmonisation' of Wageningen University's funding in 2019 in line with the OCW funding model, the so-called capping rule was abolished. This capping rule, which was part of the funding methodology of the Ministry of Economic Affairs and Climate Policy (EZK), stipulated that government funding for Wageningen University could not increase, nor decrease, by more than 2% annually. Aside from the elimination of the capping rule, Wageningen University received additional funding in 2019 (approx. €6 million) as part of the fixed funding components so that the existing capping (approx. €12 million in 2018) has been partially offset.

Due to the higher input parameters – in this case the number of funded registered students, degrees and PhD graduations – government funding increased by €4.0 million. As a result of the adjustment of the OCW's macro framework due to the overall increase in the number of students in academic education (reference frameworks), another €2.0 million was added to this in 2019.

In May 2019, the Van Rijn Advisory Committee presented the 'Switchover' [Wissels om] Report. This report provides various recommendations concerning the funding of Higher Education. On the basis of this report, the 4TU in 2019 received additional funding for Science & Technology Education and, effective from 2020, various changes will be made to the Ministry of Education, Culture and Science's funding methodology. In 2019, the additional government funding for Wageningen University in respect of the Van Rijn recommendations amounted to €4.5 million. In addition, in 2019, additional funding to the tune of €1.8 million was received for the Science & Technology Sector Plan.

An adjustment amounting to €4.5 million was made to compensate for increased wage costs. Furthermore, to compensate for lost earnings due to the halving of the statutory tuition fee for first year Bachelor's students, a figure of €1.4 million was added to the direct government funding. Due to an overall lumpsum discount, the government funding decreased by €0.5 million. Other minor changes finally came to a total adjustment of €0.2 million.

Tuition fees in comparison to 2018 increased as a result of the increase in the number of students.

The other LNV grants (targeted grants) decreased in comparison to 2018, due to the decreased deployment of WURKS resources. A breakdown of this expenditure is set out in the G Summary included in these annual financial accounts.

The research funding in 2019 increased by 10% to €33.5 million. Contract research revenues increased by 7% to €64.1 million. This income primarily consists of matching and co-funded projects, including the EU, which increased by 10% to €19.0 million; and contract research, which increased by 3% to €42.7 million.

## (12) Personnel costs

	2019	2018
<b>Personnel costs</b>		
Cost of permanent personnel	146,637	136,667
Cost of temporary personnel	72,134	61,268
Temporary employees and contracted personnel	15,539	10,926
Other personnel costs	8,587	7,483
Addition to provision for unemployment (WW) and civil (BW) insurance obligations	1,907	262
Addition to provision for Work and Income (Capacity for Work) Act (WIA) and Sickness Benefits Act (ZW-flex) obligations	580	330
Addition to other personnel provisions	543	343
<b>Total personnel costs</b>	<b>245,927</b>	<b>217,279</b>

The direct staff costs of temporary and permanent personnel increased by €20.8 million. This increase was due to the 3.4% increase in average salary costs per FTE and a 187 FTE increase in average staffing levels. In addition, €0.4 million was added to the short-term debt for the social premiums to be paid on the still to be paid holiday pay. Permanent employment contracts are included under permanent personnel. Fixed-term employment contracts are included under temporary personnel.

The average number of employees, excluding interns/trainees, during the year under review was 3,005 (2018: 2,818). The personnel costs include social security costs of €20.6 million (2018: €18.6 million) and €26.2 million for pension premiums (2018: € 23.0 million).

In the year under review, Wageningen University'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 €42,500 (2018: €32,000) for Supervisory Board member remuneration. Appendix 5 contains the remuneration statement in accordance with the Senior Executives in the Public and Semi-Public Sector (Standards for Remuneration) Act (WNT).

**(13) Depreciation and Amortisation**

	2019	2018
<b>Depreciation and Amortisation</b>		
Depreciation and amortisation of tangible and intangible fixed assets	22,768	22,086
Exceptional changes in the value of tangible and intangible fixed assets	0	796
<b>Total depreciation and amortisation</b>	<b>22,768</b>	<b>22,882</b>

**(14) Accommodation costs**

	2019	2018
<b>Accommodation costs</b>		
Rents	10,230	11,219
Insurance	176	219
Maintenance	4,104	3,294
Energy and water	3,375	2,842
Cleaning costs	2,849	2,818
Charges	1,036	1,409
Other accommodation costs	1,531	2,900
<b>Total accommodation costs</b>	<b>23,301</b>	<b>24,701</b>

The decrease in other accommodation costs is partly caused by one-off demolition charges in 2018.

**(15) General costs**

	2019	2018
<b>General costs</b>		
Other equipment costs	7,880	6,791
Other general costs	27,931	25,055
Additions to the provisions:		
Reorganisation expenses	11	-413
Product and contract risks	98	52
Other provisions	-488	2
<b>Total additions to the general provisions</b>	<b>-379</b>	<b>-259</b>
<b>Total general costs</b>	<b>35,432</b>	<b>31,587</b>

The €27.9 million in other general costs are made up of office expenses including telephone, postage, and copying costs (€2.1 million); books and subscriptions (€5.0 million); travelling and accommodation costs (€8.1 million); lease and rental cars (€0.5 million); Representation, PR, and student recruitment (€1.2 million); catering (€2.7 million); irrecoverable VAT (€6.3 million); and other costs (€2.1 million). Part of the general costs concern direct project costs. This concerns an amount of €6.9 million.

Other general costs also include the following auditor's costs:

- A. Audit of the annual financial accounts €187,000 (2018: €214,000)
- B. Other audit work €193,000 (2018: €104,000)
- C. Advisory services €84,000 (2018: €113,000)

**(16) Specific costs**

	2019	2018
<b>Specific costs</b>		
Specific costs	16,014	15,526
Services provided by third parties	15,569	16,900
Contributions and grants	5,599	6,078
<b>Total specific costs</b>	<b>37,182</b>	<b>38,504</b>

**(17) Financial income and expenditures**

	2019	2018
<b>Financial income and expenditures</b>		
Financial income	16	109
Financial expenditures	-138	-55
<b>Total financial income and expenditures</b>	<b>-122</b>	<b>54</b>

Financial income includes any interest revenue received on bank deposits during the year under review.

**(18) Result from participating interests**

	2019	2018
<b>Result from participating interests</b>		
Ceradis	0	0
Green-Dino	13	0
Bioproduct	9	11
Surfix	134	-16
Other participating interests	-1	1
<b>Total result from participating interests</b>	<b>155</b>	<b>-4</b>

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

## Company Balance Sheet

## After the allocation of the net result

	31-12-2019	31-12-2018
<b>ASSETS</b>		
FIXED ASSETS		
Intangible fixed assets	612	1,075
(19) Tangible fixed assets	246,899	236,236
Financial fixed assets	-148	-181
<b>Total fixed assets</b>	<b>247,363</b>	<b>237,130</b>
CURRENT ASSETS		
Inventory	53	62
Receivables and accrued assets	44,611	45,676
Liquid assets	113,562	88,442
<b>Total current assets</b>	<b>158,226</b>	<b>134,180</b>
<b>TOTAL ASSETS</b>	<b>405,589</b>	<b>371,310</b>
<b>CAPITAL AND LIABILITIES</b>		
EQUITY CAPITAL	211,317	191,437
EQUALISATION ACCOUNT	4,395	4,776
PROVISIONS	11,839	12,505
LONG-TERM DEBT	0	0
SHORT-TERM DEBT	178,038	162,592
<b>TOTAL LIABILITIES</b>	<b>405,589</b>	<b>371,310</b>

The company balance sheet excludes data for the ISRIC Foundation, Expat Centre Foundation, Wageningen University Holding B.V. and Spinterest B.V. This balance sheet incorporates Wageningen University's receivables from ISRIC Foundation and Wageningen University Holding B.V. Compared to the consolidated balance sheet, the equity capital differs by €739,000. This concerns the equity capital of the ISRIC Foundation (€527,000) and the Expat Centre Foundation (€212,000).

Obligations not included in the balance sheet are equal to those in the consolidated annual financial accounts.



## Company Profit and Loss Statement

	2019	2018
<b>INCOME</b>		
Basic funding (direct government funding and tuition fees)	262,982	238,846
Programme funding and indirect government funding	34,325	32,207
Co-funding and matching market revenue	18,822	17,062
Top Sectors and bilateral market	44,434	42,141
Secondary activities	16,128	16,304
Other income	5,189	13,600
<b>Total income</b>	<b>381,880</b>	<b>360,160</b>
<b>EXPENDITURES</b>		
Personnel costs	243,892	215,336
General costs	80,897	78,536
Specific costs	37,231	38,585
<b>Total expenditures</b>	<b>362,020</b>	<b>332,457</b>
<b>OPERATING RESULT</b>	<b>19,860</b>	<b>27,703</b>
Financial income and expenditures	-125	54
<b>RESULT FROM OPERATIONAL ACTIVITIES BEFORE TAX</b>	<b>19,735</b>	<b>27,757</b>
Taxation on operational activities	0	0
Result from participating interests	145	-13
<b>RESULT FROM OPERATIONAL ACTIVITIES AFTER TAX</b>	<b>19,880</b>	<b>27,744</b>
Third-party share	0	0
Exceptional income and expenditures	0	0
<b>NET RESULT</b>	<b>19,880</b>	<b>27,744</b>

Basic funding includes the €224.9 million of direct government funding. This does not include the €1.4 million of direct government funding for the ISRIC Foundation. The result of Wageningen University Holding B.V. is €26,761 and the result of the ISRIC Foundation is €52,523. The Expat Centre Foundation achieved a result of €85,415.

## Notes to the Company Annual Financial Accounts

In view of the fact that the deviations of the financial figures between the company annual financial accounts and the consolidated annual financial accounts of Wageningen University as of 31 December 2019 are relatively small, the notes to the company balance sheet and company profit and loss statement are included in the notes to the consolidated balance sheet and consolidated profit and loss statement.

### (19) Financial fixed assets

	31-12-2019	31-12-2018
Participating interests in subsidiaries	-361	-388
Members' capital	209	203
Other participating interests	4	4
<b>Total financial fixed assets</b>	<b>-148</b>	<b>-181</b>

Participation in subsidiaries concerns the participation in Wageningen University Holding BV.

## Staffing Level (FTE)

**Table 13** Average staffing levels

	2019	2019
FACULTY		
Academic staff:		
Professor	112.1	98.1
Associate Professor	202.2	211.9
Assistant Professor	258.2	248.8
Researchers	338.1	308.8
Lecturers and other academic staff	133.0	109.1
Trainee research assistants	647.7	606.2
<b>TOTAL ACADEMIC STAFF</b>	<b>1,691.3</b>	<b>1,582.9</b>
Support and administrative staff:		
Job grades 13+	7.9	11.1
Job grades 9 - 12	195.5	208.3
Lower than job grade 9	348.3	329.6
Not specified	13.2	
<b>TOTAL SUPPORT AND ADMINISTRATIVE STAFF</b>	<b>564.9</b>	<b>549.0</b>
<b>TOTAL FACULTY</b>	<b>2,256.2</b>	<b>2,131.9</b>
GENERAL SERVICES		
Job grades 13+	41.9	43.2
Job grades 9 - 12	288.2	265.0
Lower than job grade 9	175.3	176.6
<b>TOTAL GENERAL SERVICES</b>	<b>505.4</b>	<b>484.8</b>
<b>Total employees with a Wageningen University contract<sup>1)</sup></b>	<b>2,761.6</b>	<b>2,616.7</b>
Employees with a Wageningen Research Foundation contract	243.2	201.4
<b>Total staffing level</b>	<b>3,004.8</b>	<b>2,818.1</b>

<sup>1)</sup> 11.9 FTE employees with a WU contract are directly paid by the Wageningen Research Foundation. These employees are not included in this statement.

## Summary G: Targeted grants and deferred liabilities to LNV/OCW

**Table 14** Targeted grants and deferred liabilities to LNV/OCW

Project Description	Obligation/ Decision	Date	Amount	Received up to year- end 2018	Received 2019	University contribution in 2019	Other income in 2019	Expenditure 2019	Expenditure up to year- end 2019	Balance 31-12-2019
<b>G1 Grants without settlement clues</b>										
Science and technology networks	TNVOHO-17005	23-08-2019	22,500	0	22,500			1,347	1,347	21,153
Science and technology networks	TNVOHO-17005	6-12-2017	69,777	69,777	0			13,677	62,135	7,642
Open and Online – virtual practical courses	OL19-02	30-4-2019	85,938	0	85,938			12,623	12,623	73,315
Open and Online – feedback for practical field courses	OO19-08	30-4-2019	41,475	0	41,475			6,985	6,985	34,490
Open and Online - practical course clips	909492	14-12-2015	61,625	61,625	0			538	35,501	26,124
Open and Online – fair participation grading	1349914	23-4-2018	73,150	73,150	0			37,995	40,768	32,382
Open and Online – The Scientific Method	HO/560030253	24-04-2018	85,125	85,125	0			10,607	76,612	8,513
Regional approach to shortage of teachers	RAL19015	13-9-2019	123,800	0	123,800			1,160	1,160	122,640
<b>Total grants without settlement clause</b>			<b>563,390</b>	<b>289,677</b>	<b>273,713</b>			<b>84,932</b>	<b>237,131</b>	<b>326,259</b>
<b>G2-A Targeted grants expiring on 31-12-2019</b>										
WU quality impulse 2009-2014	1300003596	13-11-2009	1,925,000	1,925,000	0	0	0	20,791	1,529,348	395,652
Animal welfare	1300018191	09-09-2014	50,000	50,000	-39,640	0	0	0	10,360	0
<b>Total targeted grants expiring on 31-12-2019</b>			<b>1,975,000</b>	<b>1,975,000</b>	<b>-39,640</b>	<b>0</b>	<b>0</b>	<b>20,791</b>	<b>1,539,708</b>	<b>395,652</b>
<b>G2-B Ongoing until next financial year</b>										
Guidance for new teachers	786206-1	17-11-2017	262,896	262,896	0	0	0	197,644	251,117	11,779
Green Knowledge Network 2016 (LNV)	DGA-AK/14182026	30-01-2016	3,275,000	3,275,000	0	0	0	33,335	2,697,292	577,708
PhD Phytosanitary (LNV)	1300023185	20-09-2017	599,793	362,374	149,948	0	0	0	71,094	441,228
Livestock farming knowledge dissemination (LNV)			53,760	0	53,760	0	0	0	0	53,760
Redesign of Green Knowledge Network (LNV)	1400010612	9-12-2019	1,730,000	0	257,500	0	0	33,043	33,043	224,457
<b>Total spill-over into next financial year</b>			<b>5,921,449</b>	<b>3,900,270</b>	<b>461,208</b>	<b>0</b>	<b>0</b>	<b>264,022</b>	<b>3,052,546</b>	<b>1,308,932</b>
<b>Deferred liabilities direct government funding letter</b>										

Action learning	2,788,000	2,788,000	0			190,061	1,616,316	1,171,684
Learning in practice and green plus	738,040	738,040	0			209,410	332,317	405,723
WURKS 2016	755,275	755,275	0			199,556	755,275	0
<b>Total deferred liabilities direct government funding letter</b>	<b>4,281,315</b>	<b>4,281,315</b>	<b>0</b>			<b>599,027</b>	<b>2,703,908</b>	<b>1,577,407</b>
<b>G1, G2-A and G2-B expenditures and deferred liabilities</b>	<b>12,744,914</b>	<b>10,446,262</b>	<b>695,281</b>	<b>0</b>	<b>0</b>	<b>968,773</b>	<b>7,533,293</b>	<b>3,608,250</b>

**Table 15** *Connection between expenditures and annual financial accounts*

	Annual Financial Accounts 2019
LNV targeted grants spent by Wageningen University	572,803
OCW targeted grants spent by Wageningen University	282,577
VAT deducted	113,393
<b>Total expenditures</b>	<b>968,773</b>

## 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 Tables 18, 19 and 20.

**Table 16 Classification**

2019 Classification	Result	Complexity Points
A. Average turnover 2015-2017 (* € 1,000)	329,354	10
B. Average number of students 2015-2017	9,499	3
C. Number of education disciplines or sectors	3	5
<b>Total</b>		<b>18</b>

The maximum remuneration for 2019 is €194,000

**Table 17 Remuneration of Executive Board members**

Statement of changes 2019 (amounts in €)		Fresco	Mol	Buchwaldt
<b>A.</b>	<b>Remuneration</b>	194,000	194,000	194,000
	minus additional tax liability for car	-	-	-
<b>A1.</b>	<b>Remuneration minus additional tax liability</b>	194,000	194,000	194,000
<b>B.</b>	<b>Compensation in the event of termination of contract</b>	-	-	-
<b>C.</b>	<b>Personal expenses</b>			
	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	-	-	-
<b>C1.</b>	<b>Personal expenses</b>	36,475	20,944	15,889
<b>D.</b>	<b>Total expenses</b>	<b>230,475</b>	<b>214,944</b>	<b>209,889</b>

Distribution across components <sup>1)</sup>		Fresco	Mol	Buchwaldt
<b>A.</b>	<b>Remuneration minus additional tax liability</b>			
53.0%	Wageningen University	102,820	102,820	102,820
47.0%	Wageningen Research	91,180	91,180	91,180
<b>B.</b>	<b>Compensation in the event of termination of contract</b>			
53.0%	Wageningen University			
47.0%	Wageningen Research			
<b>C.</b>	<b>Personal expenses</b>			
	Wageningen University	29,338	15,655	12,905

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Wageningen Research	7,137	5,289	2,984
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<sup>1)</sup> 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 to the Wageningen Research Foundation.

Tables 18, 19 and 20 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.

**Table 18 Remuneration of top-level executives (amounts in €1)**

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

	<b>L.O. Fresco</b>	<b>A.P.J. Mol</b>	<b>L.A.C. Buchwaldt</b>
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
<b>Remuneration</b>			
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			
<b>Total remuneration</b>	<b>194,000.00</b>	<b>194,000.00</b>	<b>194,000.00</b>
Reason for exceeding norm and other notes	N/A	N/A	N/A
<b>Data from 2018</b>			
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
<b>Remuneration</b>			
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
<b>Total remuneration</b>	<b>209,566.56</b>	<b>189,000.00</b>	<b>189,000.00</b>
Individual maximum remuneration	189,000.00	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).			



Table 19 Remuneration for supervisors (amounts in €, excluding VAT)

	M.J. Cohen	J.R.V.A. Dijsselbloem	B.J. Marttin <sup>1)</sup>	R.P. Smith	S. Korver <sup>2)</sup>	M.A. Verhoef	T Klimp <sup>3)</sup>
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
<b>Remuneration</b>							
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
<b>Total remuneration</b>	<b>4,225.26</b>	<b>12,675.00</b>	<b>5,633.70</b>	<b>11,517.40</b>	<b>11,267.40</b>	<b>11,517.40</b>	<b>0.00</b>
Reason for exceeding norm and other notes	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Payment on termination of employment</b>	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
<b>Remuneration</b>							
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
<b>Total remuneration</b>	<b>17,060.64</b>		<b>11,267.40</b>	<b>11,871.41</b>	<b>11,267.40</b>	<b>11,267.40</b>	<b>0.00</b>
Individual maximum remuneration	28,350.00		18,900.00	18,900.00	18,900.00	18,900.00	6,265.48

<sup>1)</sup> No payment to the person concerned in connection with a third party agreement

<sup>2)</sup> Remuneration to company Korver Beheer en Management

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

**Table 20 Remuneration of non-executives (amounts in €1)**

Job title	Professor
Period of employment in 2019	1-1 to 31-12
Extent of employment in FTE	0.3
<b>Remuneration</b>	
Remuneration and taxable expense reimbursements	53,489.39
Provisions for remuneration payable for 2016	9,127.20
<b>Total remuneration</b>	<b>62,616.59</b>
Individual maximum remuneration	58,200.00
Reason for exceeding norm and other notes	Personal allowance
Data from 2018	
Job title	Professor
Period of employment in 2018	1-1 to 31-12
Extent of employment in FTE	1
<b>Remuneration</b>	
Remuneration and taxable expense reimbursements	150,104.33
Provisions for remuneration payable for 2016	26,217.84
<b>Total remuneration</b>	<b>176,322.17</b>

**Table 21 Statement of income and expenditure in accordance with the Reporting Guidelines for Educational Institutions model**

	Results for 2019	Budget for 2019	Results for 2018
<b>INCOME</b>			
Direct government funding	226,359	217,500	202,498
Other government funding and grants	855	0	1,754
Tuition, course and examination fees	38,060	41,000	37,754
Income from third-party contract research	97,601	88,600	90,449
Other income	21,724	19,900	30,051
<b>Total income</b>	<b>384,595</b>	<b>367,000</b>	<b>362,506</b>
<b>EXPENDITURES</b>			
Personnel costs	245,927	234,100	217,279
Depreciation	22,768	22,000	22,882
Accommodation costs	23,301	26,300	24,701
Other expenses	72,614	87,400	70,091
<b>Total expenditures</b>	<b>364,610</b>	<b>369,800</b>	<b>334,953</b>
<b>BALANCE OF INCOME AND EXPENSES</b>	<b>19,985</b>	<b>-2,800</b>	<b>27,553</b>
Financial income and expenditures	-122	-200	54
<b>RESULT FROM OPERATIONAL ACTIVITIES BEFORE TAX</b>	<b>19,863</b>	<b>-3,000</b>	<b>27,607</b>
Taxation on operational activities	0	0	0
Result from participating interests	155	0	-4
<b>RESULT FROM OPERATIONAL ACTIVITIES AFTER TAX</b>	<b>20,018</b>	<b>-3,000</b>	<b>27,603</b>
Third-party share	0	0	0
Exceptional income and expenditures	0	0	0
<b>NET RESULT</b>	<b>20,018</b>	<b>-3,000</b>	<b>27,603</b>

Table 22 Revenue breakdown

	Results for 2019	Results for 2018
<b>INCOME FROM THIRD-PARTY CONTRACT RESEARCH</b>		
International organisations	16,627	15,367
National government organisations	21,922	21,625
Netherlands Organisation for Scientific Research (NWO)	32,922	29,893
Royal Netherlands Academy of Arts and Sciences (KNAW)	552	561
Other non-profit organisations	8,611	7,107
Other contract research	16,967	15,896
<b>Total income from third-party contract research</b>	<b>97,601</b>	<b>90,449</b>
<b>OTHER INCOME</b>		
Contract education	2,628	2,394
Integration contracts	0	0
Other secondary activities	13,829	13,992
Other income	5,267	13,665
<b>Total other income</b>	<b>21,724</b>	<b>30,051</b>

## Supplementary information

### Statutory rule relating to allocation of the result

The Higher Education and Research Act (WHW) and Wageningen University's Administration and Management Regulations do not include any regulations concerning the allocation of the result.

Auditor's report by the independent auditor

## Independent Auditor's Report

To: the Executive Board and the Supervisory Board of Wageningen University

### Auditor's report on the 2019 annual financial statements included in the Annual Report.

#### Our opinion

We have audited the financial statements for 2019 of Wageningen University 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 University as of 31 December 2019 and of its result for the year 2019, in accordance with the Regeling jaarverslaggeving onderwijs (Reporting Guidelines for Educational Institutions);
- The income and expenses and the balance sheet transactions for 2019 in these financial statements were recognised legitimately in all material aspects, in accordance with the provisions in the relevant laws and regulations, such as included in Section 2.3.1 Frame of Reference of the Onderwijsaccountantsprotocol OCW 2019 (OCW Education Audit Protocol 2019).

#### The financial statements consist of:

- the consolidated and company balance sheet as of 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 OCW Education 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 University in accordance with 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.

#### Materiality

Based on our professional judgement, we determined that the materiality for the correctness of the financial statements as a whole is €7,540,000. The materiality is based on 2% of the total income. The materiality for the financial accuracy has been determined at €7,700,000, based on 3% of the total public funds, in accordance with Section 2.1.3. Materiality table of the OCW Education Audit Protocol 2019. This section of the OCW Education Audit Protocol 2019 also includes a specific materiality and specific reporting limit for various items/topics, which we have applied.

In doing so, the materiality requirements, as laid down in the WNT Audit Protocol 2019, were applied to the audit of the WNT information included in the annual financial statements. We

have also taken misstatements and/or possible misstatements into account that, in our opinion, are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements identified during the audit in excess of €377,000 will be reported to them along with smaller misstatements that we believe to be material for qualitative or WNT reasons.

#### Scope of the group audit

Wageningen University is head of a group of organisations. The financial information of this group is included in Wageningen University's consolidated financial statements.

The group audit solely focused on the significant Wageningen University entity. This entity is significant based on the scope of activities and financial transactions that result from these activities. We performed the audit procedures for this entity ourselves. We did not make use of any other accountants in auditing the consolidated annual financial statements of Wageningen University. We performed other review activities or specific audit procedures for other group entities.

By performing the abovementioned procedures for the group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the financial statements.

#### Our key audit matters

In our key audit matters, we describe matters which, in our professional judgement, were of the most significance in our audit of the financial statements. The key audit matters have been communicated to the Supervisory Board, but are not a comprehensive reflection of all matters discussed.

The audit procedures relevant to these key audit matters were determined in the context of the audit of the financial statements as a whole. Our findings with respect to the individual key audit matters should be considered in that context and not as individual opinions on these matters.

Valuation and explanatory notes to the tangible fixed assets	
Risk	<p>At €247 million, or 61% of the balance sheet total at year-end 2019, the tangible fixed assets item is a significant item. Tangible fixed assets are valued at acquisition or production cost, minus accumulated depreciation and impairments.</p> <p>Each year, Wageningen University determines whether there is any indication of impairment, for example due to changes in the accommodation policy, that would necessitate the performance of an impairment test. There is a high degree of subjectivity in recognising indications of impairment and the use of estimates for the impairment tests.</p> <p>Partly based on the above considerations, the valuation of tangible fixed assets is an important area of attention in our audit.</p> <p>The accounting principles for the valuation of the material fixed assets and the explanatory notes are included on pages 13 and 14 and on pages 19 and 20, respectively, of the financial statements.</p>
Our audit approach	<p>We have linked the movement of the material fixed assets to the underlying accounting records. On the topic of investments we have used sampling to carry out data-focused work activities to ascertain the correctness of the capitalisation. We also used sampling to audit the accounting principles and systems used for depreciation, and have recalculated the depreciation</p>

Valuation and explanatory notes to the tangible fixed assets	
	<p>on the basis of the methodology applied. Furthermore, we audited the correct recognition of divestments using a data-focused approach.</p> <p>In our audit, we evaluated and tested the assumptions to determine whether there are any indications of impairment. Our audit, among other things, focused on the evaluation process carried out by Wageningen University and we carried out the following activities:</p> <ul style="list-style-type: none"> <li>• the evaluation of the long-term forecast for indications that the current and future depreciation charges can be covered by future proceeds;</li> <li>• on the basis of management reporting, internal real estate reporting, minutes, long-term budgets and accommodation policy, investigate whether there were any changes of significance during the financial year and that there will be no changes of significance in the near future that could have an adverse effect on Wageningen University;</li> <li>• on the basis of the Valuation of Immovable Property Act (WOZ) and insurance values, confirm that the market value of the asset has not significantly declined more than could be expected based on normal aging;</li> <li>• in this respect, check whether changes in assumptions could result in an indication of impairment.</li> </ul> <p>Moreover, we reviewed the explanatory notes relating to the tangible fixed assets.</p>
Key observations	<p>On the basis of our activities, we share the Executive Board's conclusion that there are no indications of impairment.</p> <p>We have determined that the valuation and the explanatory notes concerning the tangible fixed assets satisfy the reporting standards of the Reporting Guidelines for Educational Institutions.</p>

Valuation and explanation of provisions	
Risk	<p>The provisions collectively amounted to €11.9 million or 3% of the balance sheet total at year-end 2019. On balance, the movements within the provisions had a € 0.7 million impact on the 2019 result.</p> <p>In determining the level of the provisions, Wageningen University's Executive Board employs estimates and assumptions to a significant extent. One provision that noticeably relies on the use of estimates and assumptions is the provision for unemployment insurance (WW) and civil (BW) obligations.</p> <p>The use of estimated items and the explanatory notes in the financial statements on the principles and assumptions used are key areas of our audit.</p> <p>The accounting principles for the valuation of the provisions and the explanatory notes (including the principles used) are included on pages 15 and 16 and on page 23, respectively, of the financial statements. The changes in accounting estimates relating to the unemployment (WW) insurance and civil (BW) are also explained here.</p>
Our audit approach	<p>We performed the following activities:</p> <ul style="list-style-type: none"> <li>• Validate the rationalisation of the principles and assumptions used;</li> <li>• Determine the relevance and reliability of the source data used;</li> <li>• Determine the consistency of the principles and assumptions used in comparison to previous reporting periods;</li> </ul>



Valuation and explanation of provisions	
	<ul style="list-style-type: none"> <li>Conduct a retrospective audit of the judgments and assumptions with respect to significant estimates in 2018.</li> </ul> <p>In addition, we reviewed the explanatory notes relating to the provisions.</p>
Key observations	We agree with the assumptions and principles used and have determined that the valuation and explanatory notes concerning the provisions satisfy the reporting standards of the Reporting Guidelines for Educational Institutions.

Valuation and recognition of income from third-party contract research	
Risk	<p>At year-end 2019, the balance in the balance sheet of the third party contract research items yet to be invoiced and the third party contract research invoiced in advance was €18.5 million and €126.8 million, respectively. In 2019, the balance in the statement of income and expenditure of the income derived from third party contract research was €98.5 million. As such, the income from third party contract research and the associated balance sheet positions make up a significant portion of the balance sheet and the statement of income and expenditure, respectively, of Wageningen University.</p> <p>Wageningen University to a significant degree depends on the proceeds from the research funding and the contract research funding. In view of the scope, complexity and diversity of the funding regulations, the valuation and recognition of the income from third party contract research is a key focus of our audit.</p> <p>The accounting principles for the valuation and recognition of the income from third party contract research and the explanatory notes are included on pages 15 and 17 and on pages 21, 24, 27 and 28, respectively, of the financial statements.</p>
Our audit approach	<p>Our activities included the following:</p> <ul style="list-style-type: none"> <li>Evaluate the structure and establish the existence of the internal control environment to safeguard the accuracy and completeness of the recognised income from third party contract research;</li> <li>On the basis of sampling, using a data-focused approach, audit the accuracy of the recognised declarable project costs on the basis of underlying source documents, including invoices, contract time sheets and grant conditions;</li> <li>Match received advances with decisions and bank statements;</li> <li>Audit the checklists for various aspects, such as the delineation of projects on the balance sheet date and their classification in the financial statements.</li> <li>Perform specific data analysis activities to establish the accuracy and completeness of the reported hours.</li> </ul>
Key observations	On the basis of the activities carried out by us, we conclude that the valuation and recognition of the income from third party contract work, as well as the related explanatory notes in the financial statements are correctly dealt with in accordance with the Reporting Guidelines for Educational Institutions.

#### Appointment

We were reappointed by the Supervisory Board as auditor of Wageningen University on 9 April 2014, following a European tendering process and from the audit performed for the 2010 financial year to the present have been Wageningen University's external auditor.

#### 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 on the operational and financial performance of organisations and the assessment of their ability to maintain continuity as well. The financial statements and our auditor's report in this respect are based on the conditions prevailing at the time these were prepared. The situation is changing from day to day and is inevitably leading to uncertainty. Wageningen University too is confronted with this uncertainty, as set out on page 69 and 83 of the Management Report and which is included in the explanatory notes to the post balance sheet events on page 26. We draw your attention to these notes. Our opinion has not been adjusted in light of these developments.

#### Compliance with the WNT overlapping rule not audited

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 information that pursuant to the Reporting Guidelines for Educational Institutions and Section '2.2.2. Management Report' of the OCW Education Audit Protocol 2019 is required.

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. Through our work activities, we have met the requirements set out in the Reporting Guidelines for Educational Institutions, Section '2.2.2. Management Report' of the OCW Education Audit Protocol 2019 and in the Nederlandse Standaard 720 (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, in accordance with the Reporting Guidelines for Educational Institutions and other OCW laws and regulations.

## Description of responsibilities in relation to the annual financial statements

#### Responsibilities of the Executive Board and the Supervisory Board regarding the financial statements

The Executive Board is responsible for the preparation and fair presentation of the financial statements in accordance with the Reporting Guidelines for Educational Institutions. The Executive Board is also responsible for the lawful recognition of the income and expenses and the balance sheet transactions in the financial statements, in accordance with the provisions of the relevant laws and regulations. Furthermore, the Executive Board is responsible for such internal control as the Board deems necessary to ensure that the financial statements are prepared in compliance with the relevant laws and regulations and are free of material misstatement, whether due to fraud or error.

In drawing up the financial statements, the Executive Board must consider whether the educational institution is able to pursue its activities as a persistent concern. Based on the aforementioned reporting system, the Executive Board must draw up the financial statements based on the persistent concern assumption, unless the Executive Board intends to liquidate the educational institution or terminate the activities, or if termination is the only realistic alternative. The Executive Board should disclose events and circumstances in the financial statements that may cast significant doubt on the educational institution's ability to maintain continuity in its activities.

The Supervisory Board is responsible for supervising the educational institution's financial reporting process.

#### 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 OCW Education 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 errors or fraud,
  - of the illegitimate recognition of income and expenses as well as balance sheet transactions that are of material importance
 in determining and performing audit activities 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 a question of collusion, forgery, the intentional omission of payment records, the intentional misrepresentation of events, or the circumvention of 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 educational institute's internal control;
- evaluating the appropriateness of the accounting principles used, the financial justifiability criteria used, and the reasonableness of the estimates and related disclosures made by the Executive Board in the financial statements;
- 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 educational institution's ability to maintain continuity in its activities. If we conclude that there is a material uncertainty, we are obliged to draw attention in our auditor's report 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 audit evidence obtained up to the date of our auditor's report. However, future events or conditions may prevent an educational institute 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, and whether the income and expenses stated in these financial statements as well as the balance sheet changes in all material aspects have come about lawfully.

Because we are ultimately responsible for our opinion, we are also responsible for directing, supervising, and performing the group audit. In this respect, we have determined the nature and extent of the audit procedures to be carried out for the group entities. The decisive characteristics were the size and/or risk profile of the group entities or operations. Based on this, we have selected those group entities that required an audit or evaluation of the full financial information or specific items.

We communicate with the Supervisory 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.

Based on all the matters we discussed with the Supervisory Board, we identify the key points of our audit of the financial statements. We describe these key audit matters in our auditor's report, unless laws or regulation precludes public disclosure or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Eindhoven, 27 May 2020

Ernst & Young Accountants LLP

signed by H.E. Oostdijck RA  
**Other information**

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## APPENDIX 1 Statutory Accountability for Remuneration

Tables 23 through to 25 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 18 through to 20 of the annual financial statements and is consistent with Tables 23 through to 25.

**Table 23 Remuneration of top-level executives (amounts in €)**

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

	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
<b>Remuneration</b>			
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			
<b>Total remuneration</b>	<b>194,000.00</b>	<b>194,000.00</b>	<b>194,000.00</b>
Reason for exceeding norm and other notes	N/A	N/A	N/A
<b>Data from 2018</b>			
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
<b>Remuneration</b>			
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
<b>Total remuneration</b>	<b>209,566.56</b>	<b>189,000.00</b>	<b>189,000.00</b>
Individual maximum remuneration	189,000.00	189,000.00	189,000.00

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).

Table 24 Remuneration for supervisors (amounts in €, excluding VAT)

	M.J. Cohen	J.R.V.A. Dijsselbloem	B.J. Marttin <sup>1)</sup>	R.P. Smith	S. Korver <sup>2)</sup>	M.A. Verhoef	T Klimp <sup>3)</sup>
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
<b>Remuneration</b>							
Remuneration	4,225.26	6,337.50	2,816.85	11,517.40	5,633.70	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	19,400.00
-/- unduly paid amount	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total remuneration</b>	<b>4,225.26</b>	<b>6,337.50</b>	<b>2,816.85</b>	<b>11,517.40</b>	<b>5,633.70</b>	<b>11,517.40</b>	<b>0.00</b>
Reason for exceeding norm and other notes	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Payment on termination of employment</b>	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
<b>Remuneration</b>							
Remuneration	17,060.64		5,633.70	11,267.40	5,633.70	11,267.40	0.00
Provisions for remuneration payable for 2016	0.00		0.00	0.00	0.00	0.00	0.00
<b>Total remuneration</b>	<b>17,060.64</b>		<b>5,633.70</b>	<b>11,267.40</b>	<b>5,633.70</b>	<b>11,267.40</b>	<b>0.00</b>
Individual maximum remuneration	28,350.00		18,900.00	18,900.00	18,900.00	18,900.00	6,265.48

<sup>1)</sup> No payment to the person concerned in connection with a third party agreement

<sup>2)</sup> Remuneration to company Korver Beheer en Management

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

**Table 25 Remuneration of non-executives (amounts in €1)**

Job title	Professor
Period of employment in 2019	1-1 to 31-12
Extent of employment in FTE	0.3
<b>Remuneration</b>	
Remuneration and taxable expense reimbursements	53,489.39
Provisions for remuneration payable for 2016	9,127.20
<b>Total remuneration</b>	<b>62,616.59</b>
Individual maximum remuneration	58,200.00
Reason for exceeding norm and other notes	Incidental remuneration related to exceptional achievements
Data from 2018	
Job title	Professor
Period of employment in 2018	1-1 to 31-12
Extent of employment in FTE	1
<b>Remuneration</b>	
Remuneration and taxable expense reimbursements	150,104.33
Provisions for remuneration payable for 2016	26,217.84
<b>Total remuneration</b>	<b>176,322.17</b>