

ANNUAL REPORT
WAGENINGEN RESEARCH FOUNDATION 2022

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Key Figures

Table 1 Key financial figures for Wageningen Research (in € millions)

	2018	2019	2020	2021	2022
Turnover	321.9	344.0	355.1	372.1	394.2
LNV proportion in total revenue (%)	42	43	43	44	44
Investments in company buildings and land	17.7	9.8	19.0	11.4	9.5
Investments in other tangible fixed assets	7.2	13.7	7.2	7.7	3.4
Net result	10.4	14.9	17.0	9.4	3.9
Wageningen Research capital					
Capital in fixed assets	339.5	339.0	344.2	342.7	334.2
Equity capital	319.1	334.0	351.0	360.3	364.3
Total capital	547.9	555.8	579.3	576.0	577.1
Solvency ratio (%)	58.2	60.1	60.6	62.6	63.1
Wageningen Research liquidity					
Liquid assets	117.7	129.2	143.7	135.8	137.3
Current ratio	1.3	1.4	1.3	1.3	1.4

Management report

The Wageningen Research management report is included in the integrated Annual Report of Wageningen University and Research. This report is published on the WUR website.

Annual Financial Report

Result developments

Wageningen Research Foundation (WR) obtained a positive net result of €3.9 million in 2022. This result is €5.5 million lower than the net result for 2021 (€9.4 million). The pre-tax result from ordinary operational activities amounted to €1.9 million.

A major cause of the lower pre-tax result were the increased material and energy costs due to inflation, a new collective labour agreement whereby a higher salary increase was agreed than was incorporated in the rates (over 2%), decrease in rates due to subsequent costing effects from the past (4.5% for research turnover excluding contract research), and a higher capitalisation limit for equipment (€25,000 instead of €5,000) than in previous years, resulting in higher expenses (€2.6 million). On the other hand, one of WR's major holdings, Wageningen Business Generator BV (WBG), actually recorded a higher result (€2.6 million) due to higher wind revenues at the wind farms, which neutralised some of the increase in energy costs at WR. Furthermore, the HCU operating surplus position was dropped in the result (€8.0 million).

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

	2022	2021
Net result Wageningen Research	3.9	9.4
Incidental result	5.2	-0.5
HCU operating surplus	8.0	-
Miscellaneous incidentals	-2.8	-0.5
Operational result	-1.3	9.9
Result from institutes and primary process	-6.1	13.2
Central departments including WBG	-1.8	-5.2
Result from housing, internal WW/BW premiums including cost of capital	4.6	5.6
Corporation tax	1.9	-3.9
Result from participating interests	0.1	0.2

Development of Turnover and Costs

The turnover for 2022 was €394.2 million, an increase of 5.9% compared to 2021. For 2021, the total turnover was €372.1 million.

An additional turnover of €22.1 million was achieved compared to 2021. Only the bilateral market remains below the 2021 realisation. The increase in ancillary activities is mainly due to higher wind farm revenues of €5.7 million. Furthermore, the Ministry of Agriculture, Nature and Food Quality (LNV) knowledge base includes the HCU operating contribution of €8.0 million.

The direct staff costs of temporary and permanent personnel increased by €17.0 million. This increase is caused by the following factors:

- Increase of staffing levels by 129 FTE.
- Increase in wages with 3.0% per FTE, mainly as a result of the continuation of the CAO 2021 (wage increase of 1.64% from 1 October 2021) and the new CAO over 2022 (wage increase of 4.0% from 1 July 2022).
- premiums for social security costs and pensions per employee are almost identical to 2021.

Development of balance sheet items

The liquid assets at the end of 2022 (€137.3 million) had increased by €1.5 million compared to 2021 (€135.8 million).

Table 3 Wageningen University liquidity development (in € millions)

	2022
Net result	+3.9
Net decrease in fixed assets (investments minus depreciation and sales)	+5.6
Decrease in short-term debts and increase in short-term receivables/stock	-9.5
Decrease in provisions	-1.6
Increase in long-term debt and decrease in long-term receivables	3.2
Result from participating interests	-0.1
Total change in cash and cash equivalents	1.5

The change in fixed assets consists of €20.3 million in building and inventory depreciation; investment expenditures (including participating interests and members' capital) to the amount of -€15.1 million; disinvestments in the amount of €0.4 million. The amount of the advances received, including funds to be paid to partners, amounted to €90.1 million on the balance sheet date. Partly due to the positive result, solvency rose to 63.1%. At year-end 2021, solvency was 62.6%.

Changes in the legal structure and capital stake

There were no changes in the legal structure and capital stake of the Wageningen Research Foundation in 2022.

Outlook for 2023

Wageningen Research (WR) budgets a zero result. Rising costs in 2023 are expected to be offset by additional income and partly by passing on cost increases to clients.

The institutes are estimating a result of -€5.3 million for 2023. The losses are mainly caused by non-deductible (energy) price increases. Prices will rise by about 7% in 2023. The central parts are estimating a result of €5.3 million. The positive result is mainly due to higher energy revenues from the wind farms.

The budgeted income amounts to €440 million. This is an increase of 12% when compared with 2022. The increase is mainly happening within the Ministry of Agriculture, Nature and Food Quality (LNV) funding partly due to a 7% increase in hourly rates and compensation for increased energy costs for the High Containment Unit. Contract research is also increasing. The co-funding & subsidy market is growing proportionately.

The budgeted costs amount to €435 million. This is an increase of 12% when compared with 2022. Personnel costs increase mainly because the collective labour agreement expires at the end of March 2023 and new collective labour agreement is expected to be concluded in 2023. The increase in general costs is mainly the result of higher energy costs. The fixed price contracts expired and were extended again in 2022. Higher energy costs are partly offset by higher energy revenues from the wind farms.

The investment budget is €47.1 million. The budgeted investments at the corporate level amount to €36 million. They mainly concern investments in a business complex of ASG Research in Lelystad located at Runderweg (€7.9 million) and Edelhertweg (€1.7 million). Investments under the strategic housing plan (€4.7 million) and in thermal energy storage (€4.7 million). Other investments include Smart fabric (€3.2 million) for Food & Biobased Research, in Droevendaal experimental farm (€2.7 million), and Lumen building (€2.4 million). As well as planning costs for Born East (€2.2 million).

Major maintenance investments amount to € 9.9 million, mainly for buildings located on Runderweg and Edelhertweg and in the High Containment Unit (HCU) for ASG Research (€ 3 million). The institutes are estimating an investment of €11.1 million. This mainly concerns investments in laboratory equipment by the institutes ASG Research (€2.9 million), Plant Research (€2.7 million), and Food & Biobased Research (€1.5 million).

Wageningen Research expects a cash position of €120 million by the end of 2023. This is €17 million lower than the expected final position for 2022. The decrease in cash in 2023 is mainly the result of higher investments than depreciation.

Solvency (equity/total assets) remains stable at 65% (rounded).

Annual Accounts

CONSOLIDATED BALANCE SHEET AFTER THE ALLOCATION OF THE NET RESULT

Balance	31-12-2022	31-12-2021
ASSETS		
FIXED ASSETS		
(1) Intangible fixed assets	5,364	3,905
(2) Tangible fixed assets	294,955	301,966
(3) Financial fixed assets	33,900	36,806
Total fixed assets	334,219	342,677
CURRENT ASSETS		
(4) Inventory -	5,762	4,293
(5) Receivables and prepayments	99,735	93,196
(6) Liquid assets	137,338	135,803
Total current assets	242,835	233,292
TOTAL ASSETS	577,054	575,969
CAPITAL AND LIABILITIES		
EQUITY CAPITAL		
Foundation capital	118,280	118,280
Designated fund	8,001	0
Statutory reserve:	5,338	3,866
Other reserves	227,837	232,147
Appropriated reserve	4,813	6,030
(7) Total equity capital	364,269	360,323
(8) PROVISIONS	11,979	13,580
(9) LONG-TERM DEBT	27,983	27,680
(10) SHORT-TERM DEBT	172,823	174,386
TOTAL LIABILITIES	577,054	575,969

CONSOLIDATED PROFIT AND LOSS STATEMENT

	Actual 2022	Results for 2021
INCOME		
Basic funding	41,705	34,851
Programme funding	109,017	103,898
Co-funding and subsidies	29,021	26,989
Top Sectors	72,521	71,316
Bilateral market	93,298	96,511
Secondary activities	44,743	36,039
Other benefits	3,863	2,545
(11) Total income	394,168	372,149
EXPENDITURES		
(12) Personnel costs	253,277	233,707
(13) General costs	84,157	72,641
(14) Specific costs	51,689	49,043
Total expenditure	389,123	355,391
OPERATING RESULT	5,045	16,758
(15) Financial income and expenditures	-3,169	-3,606
RESULT FROM OPERATIONAL ACTIVITIES BEFORE TAX	1,876	13,152
(16) Taxation on operational activities	1,938	-3,965
(17) Result from participating interests	132	173
RESULT FROM OPERATIONAL ACTIVITIES AFTER TAX	3,946	9,360
Third-party share	0	0
Exceptional income and expenditures	0	0
NET RESULT	3,946	9,360

CONSOLIDATED CASH FLOW STATEMENT

	Actual 2022	Results for 2021
OPERATIONAL ACTIVITIES		
Operating result	5,045	16,758
Adjustment for sale of assets	-133	-494
Depreciation and impairments	20,323	20,303
Change in provisions	-1,601	-2,248
	23,634	34,319
Changes in inventory	-1,469	-942
Changes in receivables	-6,539	-5,184
Change in short-term debt	6,936	-1,872
Cash flow from business activities	22,562	26,321
Interest received	451	136
Interest paid	-3,620	-3,742
Income tax paid	-6,777	-6,867
Cash flow from operational activities	12,616	15,848
INVESTMENT ACTIVITIES		
Investments in intangible assets	-2,209	-1,642
Investments in buildings, sites, and WIU	-9,483	-11,421
Investments in other tangible assets	-3,213	-7,023
Investments in participating interests and members' capital	104	-167
Disinvestments of fixed assets	483	3,145
Cash flow from investment activities	-14,318	-17,108
FINANCING ACTIVITIES		
Change in long-term receivables LNV	3,944	3,944
Change in long-term debt LNV	862	-6,409
Change in other long-term debt	-1,569	-4,212
Cash flow from financing activities	3,237	-6,677
CASH FLOW	1,535	-7,937
CHANGE IN LIQUID ASSETS		
Balance of liquid assets on 1 January	135,803	143,740
Balance of liquid assets on 31 December	137,338	135,803
Change in liquid assets	1,535	-7,937

Accounting Principles

General

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

The annual financial report was prepared and validated by the Executive Board on 24 April 2023 and approved by the Supervisory Board on 24 May 2023. 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 settlements and debt ratios between the various members of the group (which are referred to as inter-group payments) have been eliminated. 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. Variances of relevant significance are indicated in the annual accounts.

General principles for the preparation of the annual financial accounts

Wageningen Research Foundation, Wageningen Research Holding B.V. and a number of subsidiaries are grouped together.

Receivables and payables are stated at fair value plus transaction costs 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, minus 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 minus any write-offs (either 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 are prepared pursuant to the Netherlands Civil Code, Book 2, Title 9, and the accounting standards issued by the Dutch Accounting Standards Board, in particular guideline 630.

Use of estimates

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

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

Consolidation

The consolidated reports incorporate the annual financial accounts of Wageningen Research, its subsidiaries and other organisations over which the institution exercises control (pursuant to the actual situation) or central management. The subsidiaries are legal entities directly or indirectly

controlled by Wageningen Research, given that the institution possesses the majority of the voting rights or can control the financial and operational activities in some other manner. Also taken into account are potential voting rights that may be exercised directly on the balance sheet date. The annual financial accounts of Wageningen Research, its subsidiaries and other organisations over which the institution exercises control (pursuant to the actual situation) or central management are fully incorporated into the consolidated financial report. Third party shares with respect to internal capital and the group result are reported separately.

Table 4 Consolidated participating interests

	Shareholder	403	Registered office	% end of 2021	% end of 2022
Agri New ventures BV	WBG	N	Wageningen	100%	100%
Wageningen Research Holding BV	Wageningen Research	N	Wageningen	100%	100%
Exploitiemaatschappij Windmolenparken Lelystad B.V.	WBG	N	Wageningen	100%	100%
Wageningen Business Generator B.V.	Holding	N	Wageningen	100%	100%
Windmolenpark Neushoortocht B.V.	WBG	N	Wageningen	100%	100%
Windmolenpark Mammoethocht B.V.	WBG	N	Wageningen	100%	100%
Stichting Akkerweb	n/a	N	Wageningen	N/A	N/A

Table 5 Non-consolidated participating interests valued at acquisition cost

	Shareholder	Registered office	% end of 2021	% end of 2022
Isolife BV	WBG	Wageningen	5%	5%
Wageningen Science & Technology Consulting Services Ltd.*	Holding	Beijing	100%	100%

* in connection with small size, processed at acquisition price

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

	Shareholder	Registered office	% end of 2021	% end of 2022
CoVaccine BV	WBG	Lelystad	25%	25%
Fresh Forward Holding B.V.	WBG	Wageningen	49%	49%
VOF Oostwaardhoeve	ANV	Slootdorp	50%	50%

Accounting policies for asset and liability valuation

Intangible fixed assets

Intangible fixed assets are valued at acquisition price or production price less cumulative amortisation and, if applicable, cumulative impairments. Development costs, patents and licenses, software, goodwill, and production rights are activated if the conditions established for them are met. Intangible fixed assets are valued at acquisition or production cost. Depreciation is linear over five years except for the data warehouse Open Up which is depreciated over 10 years. Pursuant to statutory obligations, a statutory reserve is maintained for the capitalised amount of development costs. Write-offs as a result of permanent 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 linear 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 in equipment of less than €25,000 are charged directly to the profit and loss statement. The limit for equipment capitalisation was increased from €5,000 to €25,000 in 2022. Previously capitalised assets have not been removed from assets.

Table 7 Depreciation periods

Unit	Linear depreciation in years
Company property/Work in progress	None
Site layout and infrastructure	30 years linear
Buildings	
Shell	60 years linear
Finishings (limited to company building end date)	30 years linear
Greenhouses	20 years linear
Fittings and furnishings/interior of company buildings (limited to company building end date)	15 years linear
Sheds, miscellaneous buildings/structures	15 years linear
Machinery and equipment:	
Office furniture/machines and equipment/inventory of restaurant facilities/fibre-optic network/other inventory	10 years linear
Laboratory equipment/audio-visual equipment/vehicles/PR and information material	5/8 years linear
ICT equipment including software (network hardware)	5 years linear
ICT equipment including software (other hardware)	3 years linear
Personal Computers	4 years linear

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

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

The expenditures for major overhauls are included in the cost price of the assets as soon as these costs are incurred and comply with the capitalisation criteria. The book value of the components that are replaced is then considered as disposed and is charged to the profit and loss statement as a lump sum. 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 permanent impairment, sale, loss or discontinuation are listed separately.

Financial fixed assets

Deferred tax receivables

For the valuation and processing of deferred tax assets, reference is made to the separate section on taxation of the profit or loss.

Receivables

Receivables from and loans to participating interests, as well as the other receivables provided, are initially recognised at fair value plus the directly attributable transaction costs and subsequently valued at amortised cost using the effective interest method. Income and expenses are recognised in the profit and loss statement as soon as the receivables are transferred to a third party or are subject to an impairment (or a reversal thereof) as well as via the amortisation process.

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. Member certificates and member accounts at cooperatives are valued at the value determined by the cooperative on the balance sheet date.

Inventory

This item is comprised of the trading inventory, finished products, livestock and 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 livestock and harvested agricultural produce is based on market prices.

The value of unmarketable inventory or inventory with a lower market value is decreased accordingly.

On the basis of the average annual use in the last 10 years, antisera that, according to this calculation, has been in stock longer than 3 years, are provided. The write-down on the stock of antisera is applied on the basis of five times the average sales in the past ten years.

Semi-finished products are valued in accordance with the FIFO method at the acquisition cost or production cost, including a supplement for the indirect costs.

Receivables and prepayments

Receivables and accrued assets are stated at fair value plus transaction costs on initial recognition after which they are stated at amortised cost minus any necessary provision for uncollectible debts.

Project costs yet to be invoiced

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 and inventory), 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.

Liquid assets

Liquid assets are understood to mean cash and cash equivalents, the balances on bank accounts, bills of exchange and checks that are recognised at nominal value. Deposits are included under liquid assets if they are in fact immediately available — although this may be accompanied by loss of interest income. Liquid assets that are unavailable or are expected to be unavailable for more than twelve months are classified as financial fixed assets.

Equity capital

- Designated fund
An HCU designated fund was created in 2022 from the miscellaneous reserve. This designated fund will be released to the miscellaneous reserve once the purpose of the fund (new HCU construction) is met.
- Statutory reserve:
The mandatory maintenance of a statutory reserve for research and development costs capitalised in the balance sheet.
- Appropriated reserve
Concerns a future use established by means of a decision of the Executive Board, without establishing any obligation to a third party in this context, be it legal or factual.
- Other reserve
This reserve is credited with the operating result in any year in which the result is not allocated to a specific use.

Third-party share

The share of third parties in a participating interest consolidated in full by the group is included in the "Third-party share" item in the annual financial report.

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 takes account of future indexation and price increases. The amount of the provision included in the annual financial report is the best estimate of the amount that will be required to settle the relevant obligations and losses on the balance sheet date. If the effect of the time value is material, the provisions are stated at cash value.

Provisions are created for:

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

Provision for unemployment insurance 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 have already left and personnel with a temporary employment contract.

Provision for WGA/ZW-flex

The provision for the Resumption of Work for Partially Disabled Persons Act (WGA) and Sickness Benefits Act (ZW-flex) covers the WGA and ZW-flex obligations for which the organisation bears the risk as of 1 January 2017, as anticipated on the balance sheet date.

Service bonus provisions

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

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.

On initial recognition of long-term debt, this is stated at fair value, less the directly attributable transaction costs.

The long-term debt is valued after the first valuation at the amortised cost price according to the effective interest method. Profit or loss is recognised in the income statement as soon as the payables are no longer recognised in the balance sheet, as well as through the amortisation process.

Short-term debt

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

On initial recognition of short-term debt, this is stated at fair value, less the directly attributable transaction costs.

The short-term liabilities are valued after the first valuation at the amortised cost price according to the effective interest method. Profit or loss is recognised in the income statement as soon as the payables are no longer recognised in the balance sheet, as well as through the amortisation process.

Accounting policies to determine income and expenditure

General

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

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

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

Income from the Ministry of Agriculture, Nature and Food Quality (LNV) falling under the ministry's funding scheme for institutes for applied research is determined on the basis of the direct costs, including a supplement for indirect costs. The margin for indirect costs is determined once a year in accordance with the prevailing system for calculating the margin. Results are calculated in proportion to the progress of the project.

Income from third-party contract research

Proceeds in respect of third-party contract research are recorded as income in the statement of income and expenses for an equal amount of incurred costs, insofar as these are contractually reimbursed by the client. If the contractually agreed service consists of several distinguishable performance obligations, the agreed fee is divided on the basis of the cost of the performance obligations and the extent to which each performance obligation has been realised is determined.

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

Furthermore, Wageningen Research has made a number of deferred tax assets. Firstly, it concerns a deferral based on the difference between the valuations for tax and commercial purposes of tangible fixed assets (company buildings in particular) at the time of the introduction of the liability to pay tax and the limitation of fiscal depreciation to the value of buildings to the value for the purposes of the Valuation of Immovable Property Act (WOZ). The deferral relates to receivables and liabilities. The term of the tax liability has been used as the calculation period for both the tax asset and tax liability. This calculation period is 13 years.

Secondly, it relates to a deferral based on the difference in settlement of equipment with an acquisition value up to and including €25,000 (for 2022 this was €5,000). These assets are expensed directly in the commercial annual accounts; for tax purposes, a depreciation period of 5 years is taken into account. This results in a tax asset.

The costs are determined with due observance of the aforementioned accounting policies and allocated to the relevant reporting year. Foreseeable payables and possible losses that originate before the end of the financial year are taken into account if they became known before drawing up the annual financial report and the conditions for recognising provisions have been met.

Wages, salaries, and social security contributions are recognised in the profit and loss account on the basis of the terms of employment, insofar as they are owed to employees or the tax authority respectively.

Interest is allocated to successive reporting periods in proportion to the remaining principal. Premiums/discounts and repayment premiums are attributed to the successive reporting periods as interest charges so that, together with the interest payable on the loan, the effective interest is recognised in the profit and loss account and so that the balance sheet shows the amortised cost of

the debt on balance. Periodic interest expenses and similar charges are charged to the year in which they become due.

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

Not applicable.

Notes on the Balance Sheet

(1) INTANGIBLE FIXED ASSETS

	Development costs	Software	Prepay. int. assets	Total
Book value 31-12-2021	2,942	39	924	3,905
Investments	0	0	2,209	2,209
Commissioning	2,199	0	-2,199	0
Divestments	0	0	0	0
Depreciation	737	13	0	750
Impairments	0	0	0	0
Book value 31-12-2022	4,404	26	934	5,364
Acquisition value 31-12-2021	5,449	3,227	924	9,600
Investments	0	0	2,209	2,209
Commissioning	2,199	0	-2,199	0
Divestments	360	1,025	0	1,385
Acquisition value 31-12-2022	7,288	2,202	934	10,424
Cumulative depreciations	2,884	2,176	0	5,060
Cumulative downward value adjustments	0	0	0	0
Book value 31-12-2022	4,404	26	934	5,364

Included under investments are the development costs for the projects "Open Up" and Hora Finita. Also included in development costs are the planning tool, CRM, the ARTIS software package, and the Nile AM project, of which both the ARTIS software package and the Nile AM project have been fully amortised. The financial information system Agresso, MyPortal, and ADP were recognised under software. The advance payments for intangible assets concern Open Up. A legal reserve has been created for Open Up, the planning tool, Hora Finita, and CRM.

(2) TANGIBLE FIXED ASSETS

	Company property	Buildings	IT-equipment and other inventory	Work in progress	Not in use	Total
Book value 31-12-2021	99,981	173,361	23,699	4,925	0	301,966
Investments	0	0	3,429	9,483	0	12,912
Commissioning	0	5,442	0	-5,442	0	0
Divestments	0	223	127	0	0	350
Depreciation	10	12,863	6,700	0	0	19,573
Impairments	0	0	0	0	0	0
Book value 31-12-2022	99,971	165,717	20,301	8,966	0	294,955
Acquisition value 31-12-2021	102,335	446,082	91,518	4,925	0	644,860
Investments	0	0	3,429	9,483	0	12,912
Commissioning	0	5,442	0	-5,442	0	0
Decommissioning	0	0	0	0	0	0
Acquisition value of disinvestments	0	770	2,159	0	0	2,929
Acquisition value on 31-12-2022	102,335	450,754	92,788	8,966	0	654,843
Cumulative depreciations	583	249,760	72,487	0	0	322,830
Accumulated downward value adjustments	1,781	35,277	0	0	0	37,058
Book value 31-12-2022	99,971	165,717	20,301	8,966	0	294,955
Disinvestments, of which:						
price	0	770	2,159	0	0	2,929
- Depreciation	0	547	2,032	0	0	2,579
Total disinvestments	0	223	127	0	0	350

€9.4 million was added to the work-in-progress line item for investments in buildings, properties, and equipment in 2022, and €5.4 million was withdrawn due to completion.

The addition to the work-in-progress item of €9.4 million includes the following projects: ATEC building modifications €2.2 million, laboratory renovation €1.1 million, Born Oost €0.6 million, Bleiswijk lab €0.5 million, pigsty renovation €0.4 million, and a large number of smaller projects. Usage started/completed for €5.4 million: pigsty renovation €1.2 million, cattle stable renovation €0.8 million, Bleiswijk lab €0.6 million, Open Cultivation €0.4 million, and a number of smaller projects.

Land was sold in Lelystad and Huizum in 2022.

Wageningen Research's property is insured for €547 million (reference date 1 July 2022). The value for the purposes of the Valuation of Immovable Property Act has been set at €185.0 million (reference date 1-1-2022).

(3) FINANCIAL FIXED ASSETS

	31-12-2022	31-12-2021
Participating interests in group companies	2,513	2,381
Miscellaneous participating interests	54	54
Members' capital	3,022	3,126
Miscellaneous receivables	5,068	5,437
Receivables from the LNV	21,864	25,808
Deferred tax assets	1,379	0
Total financial fixed assets	33,900	36,806

Table 8 Breakdown of participating interests in group companies

Description	31-12-2021	Investments/ disinvestments	Other changes	Downward revaluation	Actual 2022	31-12-2022
CoVaccine BV	18	0	0	0	0	18
Fresh Forward Holding B.V.	2,363	0	0	0	132	2,495
Nsure Holding B.V.	0	0	0	0	0	0
VOF Oostwaardhoeve	0	0	0	0	0	0
Total	2,381	0	0	0	132	2,513

Table 9 Breakdown of miscellaneous participating interests

Description	31-12-2021	Investments/ disinvestments	Other changes	Downward revaluation	Actual 2022	31-12-2022
Beijing China	53	0	0	0	0	53
Isolife BV	1	0	0	0	0	1
Total	54	0	0	0	0	54

Table 10 Breakdown of members' capital

Description	31-12-2021	Change	31-12-2022
Avebe	1	- 1	0
Cosun	48	3	51
Dutch Greentech Fund/SHIFT invest	657	-12	645
EBOP	1	0	1
FrieslandCampina	1,063	6	1,069
Fruitmasters	2	0	2
Hoeve Americ	23	0	23
Innovation Industries	1,297	-100	1,197
MKP Agro	17	0	17
Nedato	1	0	1
Potatopol	3	0	3
Vof de Groot	13	0	13
Total	3,126	-104	3,022

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

Description	Total	Long-term	Accumulated repayment	Long-term	Short-term
Transfer of buildings and land in connection with the privatisation of Wageningen Research	83,949	0%	67,196	13,953	2,800
Transfer of buildings and land in connection with the integration of Applied Research	28,702	0%	21,287	6,458	957
Transfer of IAC and ILRI buildings and land	5,627	0%	3,986	1,453	188
Total	118,278	0%	92,469	21,864	3,945

€3.9 million of the receivables is due each year and is included under "Miscellaneous receivables" and "Accrued income". The long-term part of the receivables related to the Biovergister fermentation unit (€0.1 million) and the prepaid rent to Unilever for the parking garage (€5.0 million) is included under the miscellaneous receivables of the financial fixed assets.

(4) INVENTORIES

	31-12-2022	31-12-2021
Trading stock	1,849	1,986
Livestock	1,222	995
Harvested agricultural produce	3,333	2,052
Subtotal of stocks	6,404	5,033
Less: provision for lack of marketability	-642	-740
Total stocks	5,762	4,293

(5) RECEIVABLES AND PREPAYMENTS

	31-12-2022	31-12-2021
Accounts receivable	34,374	37,916
Less: provision for uncollectable receivables	-2,381	-2,415
Total debtors	31,993	35,501
Cost of work carried out for third parties	495,883	451,127
Less: Invoiced instalments	466,082	429,620
Orders from third parties other than the LNV	29,801	21,507
Less: anticipated losses	-468	-736
Included under short-term debt	1,499	11,320
Project costs yet to be invoiced	30,832	32,091
Advances	826	242
Tax to be received (corporate tax)	7,932	2,533
Receivables from group companies	0	0
Receivables from affiliated parties	19,402	15,112
Accrued assets	4,421	3,436
Other	4,329	4,281
Total advances and prepayments	36,910	25,604
Total receivables and accruals	99,735	93,196

The balance of "Orders from third parties" comprises projects with a positive balance (the value of the work carried out is in excess of the invoiced instalments) and projects with a negative balance (the value of the invoiced instalments is in excess of the value of the work carried out). Projects with a negative balance are included under short-term debts.

The portion of the receivables from the Ministry of Agriculture, Nature and Food Quality (LNV) and the rent to Unilever for the parking garage, of €3.9 million and €0.3 million respectively, that become due each year are included under "Miscellaneous".

The receivables from subsidiaries relate to short-term positions that are assessed and settled monthly. The receivables from affiliated parties relate to receivables from Wageningen University. Wageningen Research has a receivable of €12.4 million from Wageningen University in connection with the financing of the assets of Facilities and Services. However, this debt is not immediately due and payable. Wageningen Research also has receivables to Wageningen University in connection with costs to be settled. These receivables are immediately due and payable, and these positions are assessed and paid monthly. No interest is charged on these receivables.

(6) LIQUID ASSETS

	31-12-2022	31-12-2021
Cash in hand	11	12
Bench:	137,327	135,791
Total liquid assets	137,338	135,803

€114.1 million of the liquid assets balance of €137.3 million is freely available. Wageningen Research manages €23.2 million in project funding which has to be paid to contractors in phases. Wageningen Research has a relatively high liquidity position because many of its projects are funded in advance. Of the €137.3 million in liquid assets, (€90.1 million) is linked to advances for contracts (short-term debt).

Financial instruments

General

WR makes almost no use of financial instruments in its business operations and did not negotiate any derivatives. WR has incorporated the conditions of the "Beleggen, lenen en derivaten OCW 2016" (2016 OCW investing, borrowing and derivative) regulations as policy in its Treasury Charter. WR makes use of treasury banking and has lodged the public part of the liquid assets with the Ministry of Finance.

Credit risk

Most of the funding awarded to WR is received from the Dutch Ministry of Agriculture, Nature and Food Quality (LNV).

WR is not exposed to any credit risk in this respect. The receivables from contract research projects constitute the main credit risk. WR has made a provision of €2.4 million in connection with the risks of non-payment.

Interest rate risk

WR's interest rate risk is limited to €5.3 million in prepaid rent to Unilever for the parking garage. The interest rate risks on the long-term receivables and debts with LNV are limited because the interest positions of the netted amounts are small.

Liquidity risk

The risk of insufficient liquid assets is very limited. The high liquidity position is caused by advance payments from providers of finance for research projects. If the providers of finance were to unexpectedly change their advance payment schedules, WR has sufficient options to attract additional funding.

Fair value

The fair value of financial instruments included in the balance sheet under cash, short-term receivables, and debts approximates their book value.

(7) EQUITY CAPITAL

	Foundation capital	Designated fund	Other reserve	Designated reserve	Statutory reserve	Total
Balance on 31-12-2020	118,280	0	223,423	Wood	2,760	350,963
Result appropriation	0	0	9,360	0	0	9,360
Addition to the reserve	0	0	0	0	1,106	1,106
Withdrawal from the reserve	0	0	636	470	0	1,106
Balance on 31-12-2021	118,280	0	232,147	6,030	3,866	360,323
Result appropriation	0	0	3,946	0	0	3,946
Addition to the reserve	0	8,001	0	0	1,472	9,473
Withdrawal from the reserve	0	0	8,256	1,217	0	9,473
Balance on 31-12-2022	118,280	8,001	227,837	4,813	5,338	364,269

The entire positive net result of €3.9 million recorded for the financial year has been transferred to the miscellaneous reserve. The statutory reserve is maintained in connection with the development costs and advance payments for Open Up, the planning tool, Hora Finita, and CRM. In 2021, the result of the COVID-19 diagnostics at WBVR (ASG) of about €6.5 million has been added to the appropriated reserve for the ERRAZE@WUR research programme, which will use it to conduct further research into zoonoses in the future. A sum of €1.2 million of the appropriated reserve was used for this research in 2022. Furthermore, €8.0 million was added to the HCU designated fund from the miscellaneous

reserve in 2022. This designated fund will be released to the miscellaneous reserve once the purpose of the fund (new HCU construction) is met.

(8) PROVISIONS

	31-12-2021	Allocation	Withdrawal	Release	31-12-2022
Unemployment insurance obligations	4,106	859	897	659	3,409
WGA/ZW-flex	1,627	1,226	634	0	2,219
Service bonus	5,612	950	641	988	4,933
Reorganisation costs	1,315	133	220	183	1,045
Product and contract risks	920	153	700	0	373
Total provisions	13,580	3,321	3,092	1,830	11,979

Table 12 Specification of the term of the provisions

	31-12-2022	31-12-2021
Short-term (expires by no later than within 1 year)	3,723	4,291
Long-term (expires between 1 and 5 years)	5,691	5,740
Long-term (expires after 5 years)	2,565	3,549
Total provisions	11,979	13,580

Changes in the provisions as a result of discounting future expenses are included as an addition to the provision.

Provisions for unemployment insurance and civil obligations have been recognised to cover the unemployment insurance and civil obligations on the balance sheet date and the expected future obligations in relation to personnel that have already left and personnel with a temporary employment contract. Current benefits are valued at 70% of the maximum expenditure. Payables for employees with a temporary employment contract are provided for to a level of 14%. The estimation parameters are tested annually. In this, the percentage for personnel with a temporary employment contract has been decreased from 16% to 14%. The estimation parameters are tested annually. In 2022, an allocation of €0.2 million was made to this provision.

The provision for the Resumption of Work for Partially Disabled Persons Act (WGA) and Sickness Benefits Act (ZW-flex) payables covers the future payments pursuant to these Acts. Wageningen Research opted for self-insurance for the WGA and ZW-flex Acts. The current benefits are fully recognised in the provision. A provision of €2.2 million has been established for the current benefits.

The provision for service bonuses is based on historical information on the chance of employees remaining in service until the anniversary date is paid. A discount rate of 3.9% has been taken into account in the calculation of the payables (2021: 0.8%) and an expected wage increase of 2.65% per year (2021: 2.0%). The effect of the change in discount rate compared to 2021 is a reduction of the provision by €988,000. This effect has been included in the 2022 release.

The reorganisation cost provision has been established for anticipated costs relating to reorganisations implemented earlier. In 2022, allocations were made to the provision for a limited number of reorganisation and "werkenderwijs" programmes.

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

(9) LONG-TERM DEBT

	31-12-2021	Increase in debt	Decrease in debt	31-12-2022
Debt to the LNV	25,810	0	3,946	21,864
WOT infrastructure funds	0	4,808	0	4,808
Miscellaneous long-term debt	1,870	0	559	1,311
Subtotal long-term debt	27,680	4,808	4,505	27,983
Financial lease obligations	0	0	0	0
Total long-term debt	27,680	4,808	4,505	27,983

Table 13 Breakdown of the debt to the LNV

Description	Loan	Long-term	Accumulated repayment	Long-term	Short-term
Transfer of buildings and land in connection with the privatisation of Wageningen Research	135,408	4.50%	118,655	13,953	2,800
Transfer of buildings and land in connection with the integration of Applied Research	28,701	5.20%	21,286	6,458	957
Transfer of IAC and ILRI buildings and land	5,627	5.00%	3,986	1,453	188
Total	169,736		143,927	21,864	3,945

The repayment of these loans will amount to €3.9 million in 2023. This amount is included under miscellaneous short-term debt. €15.8 million of the long-term debt has a term of less than five years. Also included under long-term debts to the Ministry of Agriculture, Nature and Food Quality (LNV) is €4.8 million for WOT infrastructure funds. The short-term part of the WOT infrastructure funds amounts to €3.4 million and is accounted for under short-term debt.

Table 14 Supplementary information relating other long-term debt

	Loan	Long-term	Accumulated repayment	Long-term	Short-term
LTO-Wageningen Research fund	10,328	6%	8,517	1,311	500
Total	10,328		8,517	1,311	500

The repayment of the LTO loan will amount to €0.5 million in 2023. This amount is included under "miscellaneous short-term debt". The long-term constituent has a term of less than five years. Also included under miscellaneous long-term debt in 2021 was a tax deferral of €0.5 million. In the calculation of the amount of the balance sheet items, an interest rate of 0% was taken into account.

(10) SHORT-TERM DEBT

	31-12-2022	31-12-2021
Debt to suppliers	8,700	9,902
Notes payable	0	0
Taxes payable	18,813	10,665
Pensions payable	3,831	-13
Debts to group companies	0	0
Debts to affiliated parties	393	149
<i>Deferred liabilities</i>		
Advance payments from third parties	88,626	73,762
Prepayments - project costs still to be invoiced	1,499	11,320
Ministry of Agriculture, Nature and Food	14,697	29,251
Quality research still to be conducted		
WOT infrastructure funds	3,388	0
Advance payments of HCU operating contribution	0	6,411
Miscellaneous deferred liabilities	7,401	6,347
Miscellaneous debt	25,475	26,592
Total short-term debt	172,823	174,386

Miscellaneous debt includes employee holiday allowance owed on the balance sheet date (€8.1 million). The annual repayment of €3.9 million to the Dutch Ministry of Agriculture, Nature and Food Quality (LNV) for the long-term loan and the short-term constituent of the miscellaneous long-term loans (€0.5 million) are also included as "Miscellaneous debts".

The Subsidieregeling instituten voor toegepast onderzoek (funding scheme for applied research institutes) apply to Wageningen Research.

The balance sheet item "Future LNV research" relates to the excess (or shortfall) as a result of Art. 43.1 of the funding scheme (total €14.7 million). The LNV project and programme subsidies received in 2022 total €166.1 million. (2021: € 167.1 mln.)

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

Obligations entered into relating to investments, rentals, operational leases and similar agreements at the end of 2022 amounted to €22.3 million. €7.1 million of these obligations expire within a year. €3.2 million of these obligations expire between one and five years.

Description	Total obligations	Of which expiring in 1 year	Of which expiring between 1 and 5 years	Of which expiring after 5 years
Investments	3,740	3,740	0	0
Rental obligations	5,957	1,176	2,782	1,999
Lease obligations	619	268	351	0
Maintenance contracts	1,240	1,160	80	0
Surfnet and KPN service contracts	754	754	0	0
	12,310	7,098	3,213	1,999

On the balance date, Wageningen Research has a bank guarantee facility of €1.0 million and has provided bank guarantees as collateral to the amount of €0.2 million.

The patent and licence rights, pig manure production rights, and milk quota are valued at zero or in accordance with the valuation accounting principles. In addition, a number of fixed assets were not acquired within the scope of the merger of the practical training centres. In the event of the sale of these assets that were not acquired, Wageningen Research will incur an obligation to the original contributors.

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

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

As a result of the acquisition of NVWA employees with an initially deviating collective labour agreement (CAO), compensation was agreed for the period 2022-2040 to enable inclusion in the Wageningen Research CAO.

Wageningen Research has sold plant breeders' rights to the apple programme. Part of the selling price is dependent on the turnover realised by the buyer through to 2031. This future revenue has not yet been recognised in the income.

Following court decisions in 2022, Wageningen Research has a receivable from an external party of €2.3 million which has not been included in the balance sheet.

There is a difference between WR's commercial and tax valuation of its tangible assets. The fiscal book value at the end of 2022 is €68 million higher than the commercial book value. This may give WR an €18 million lower tax rate in the future. Because of the long timescale, cash depreciation on the one hand and uncertainty as to whether WR will earn profits in the distant future on the other, this benefit has not been recorded as a deferred tax asset.

A factor here is that, in practice, the deferrals are not valued if WR provides a future replacement at the relevant locations. WR applies the principle that positive profits should only be taken into account if they are substantiated by multi-year projections such as the multi-year budget.

WR has calculated that up to and including 2040, the annual commercial depreciation charge exceeds the tax depreciation charge so this tax asset is not expected to be realised before 2040.

Wageningen Research expects an additional refund of VAT paid as a result of the Dutch High Council ruling on the calculation of the pro-rata rate. Depending on the outcome of discussions, Wageningen Research expects an additional return of €0.7 – €2.5 million.

Wind farms group companies of Wageningen Research

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

Notes to the Profit and Loss Statement

(11) INCOME

	2022	2021
Basic funding		
Knowledge Base LNV	41,686	34,851
Tuition fees (institutional)	19	0
Basic funding total	41,705	34,851
Programme funding		
Policy support research LNV	45,296	41,450
Statutory Research Tasks LNV	42,186	40,810
NVWA Programme research	19,689	19,318
NWO - research funding	1,846	2,320
Programme funding total	109,017	103,898
Co-funding and subsidies		
Research stimulation funds	6,510	5,726
EU programmes	22,511	21,263
Co-funding and subsidies total	29,021	26,989
Top Sectors		
Top Sectors LNV	44,692	45,203
Research stimulation funds top sectors	9,165	7,544
Top Sectors business	18,664	18,569
Top sectors total	72,521	71,316
Bilateral market		
Contract research LNV	2,700	2,547
Product Boards contract research	17	22
Other public organizations contract research	43,820	41,545
Business community contract research	42,781	46,352
Charitable organisations contract research	3,243	3,958
Wageningen University contract research	737	2,087
Bilateral market total	93,298	96,511
Secondary activities		
Sales	10,858	8,241
Proceeds from patents and licenses	874	843
Analyses and advice	9,176	8,383
Courses	102	136
Wind turbines	7,685	2,003
Facilities and Services	2,524	2,883
External rental proceeds	13,526	13,454
Subsidies	-2	96
Secondary activities total	44,743	36,039
Other benefits		
Internal rental proceeds	-9	27
Sale of fixed assets	133	494
Other benefits	3,739	2,024
Other income total	3,863	2,545
Total income	394,168	372,149

(12) Personnel costs

	2022	2021
Personnel costs		
Wages	175,917	162,879
Social security costs	22,568	21,154
Pension premiums	29,599	27,622
Total salaries, social security costs, and pension contributions	228,084	211,655
Temporary employees and contracted personnel	16,484	15,811
Other staff costs	7,321	4,973
Addition to provision for unemployment insurance obligations	200	-2
Allocation of provision for WGA/ZW-flex	1,226	472
Addition to miscellaneous personnel provisions	-38	798
Total personnel costs	253,277	233,707

The direct staff costs of temporary and permanent personnel increased by €17.0 million. This increase is caused by the following factors:

- Increase of staffing levels by 129 FTE.
- Increase in wages with 3.0% per FTE, mainly as a result of the continuation of the CAO 2021 (wage increase of 1.64% from 1 October 2021) and the new CAO over 2022 (wage increase of 4.0% from 1 July 2022).
- Premiums for social security costs and pensions per employee are almost identical to 2021.

€33.7 million of the total wage costs relates to employees with a fixed-term employment contract. The average number of employees, excluding interns/trainees, amounted to 2,881 (2021: 2,752).

Wageningen Research's share of the remuneration of the Executive Board amounted to €0.3 million in the year under review. (2021: € 0.3 mln.) This amount includes pension and similar obligations. The cost of permanent personnel includes an amount of €21,000 (2021: €26,000) for Supervisory Board member remuneration. Remuneration contains the remuneration statement, in accordance with the Public and Semi-public Sector Senior Officials (Standard Remuneration) Act (WNT).

The pension scheme for the whole of WUR was (compulsorily) placed with ABP. There was no obligation to make up any shortfall as a result of ABP's coverage ratio. This is why no provisions have been made. Pension accrual takes place on the basis of the average earnings system (middelloonsysteem). The General Pension Fund for Public Employees (ABP) indexes the pension benefits if the policy coverage ratio exceeds the required minimum. On 31 December 2022, the policy coverage ratio is 118.6% and indexation starts from 110%. ABP increased pension benefits twice in 2022.

(13) General costs

	2022	2021
General costs		
Housing costs	24,585	21,916
Depreciation of tangible and intangible fixed assets	20,323	20,303
Write-downs of tangible and intangible fixed assets	0	0
Miscellaneous equipment costs	19,440	15,291
Miscellaneous general costs	19,706	13,444
Additions to the provisions:		
Reorganisation costs	-50	123
Product and contract risks	153	1,564
Total additions to general provisions	103	1,687
Total general costs	84,157	72,641

The higher miscellaneous equipment costs are caused by the increase in the limit for capitalisation. As a result, costs for equipment with a value of between €5,000 and €25,000 will be directly included in the result when purchased from 2022 onwards. This led to a €2.6 million increase in miscellaneous equipment costs.

The increase in travel and catering expenses is due to lower expenses during the coronavirus pandemic.

The €19.7 million in miscellaneous general costs consists of office expenses including telephone, postage, and copying costs (€1.1 million); books and subscriptions (€1.8 million); travelling and accommodation costs (€4.8 million); lease and rental cars (€0.6 million); PR activities (€0.6 million); representation costs (€0.1 million); a provision for project losses (-€0.3 million); catering (€1.5 million); and miscellaneous costs (€9.4 million).

Part of the overall costs concern direct project costs. It is an amount of €18.9 million.

The miscellaneous cost items include the following accounting services costs:

A. Audit of annual financial accounts	€	214,000	(2021: €216,000)
B. Other audit assignments ¹	€	674,000	(2021: €623,000)
C. Fiscal advisory services	€	129,000	(2021: €139,000)
D. Fees for other non-audit services	€	0	(2021: €0)

There are no accounting fees from other EY network firms. The cost of the audit of the annual financial report consists of the agreed fee for the annual audit for the financial year plus the estimate of the cost of additional work activities. The costs include non-refundable VAT.

Table 15 Breakdown of depreciation and change in value

	2022	2021
Depreciation		
Intangible fixed assets	750	603
Tangible fixed assets	19,573	19,700
Financial fixed assets	0	0
Total depreciation	20,323	20,303
Change in value		
Intangible fixed assets	0	0
Tangible fixed assets	0	0
Financial fixed assets	0	0
Total change in value	0	0

Table 16 Breakdown of exceptional changes in value

	2022	2021
	0	0
Total change in value	0	0

¹ Other audit engagements include those for "agreed upon procedures". These are assignments requested by funding providers that give them insight into the legitimate use of grants, but do not lead to an auditor's report.

(14) Specific costs

	2022	2021
Specific costs		
Specific costs	26,477	24,341
Services provided by third parties	24,760	24,430
Contributions and subsidies	452	272
Total specific costs	51,689	49,043

Specific costs refer to costs directly related to the scope of activities and these costs are processed either directly or through cost allocation on projects.

(15) Financial income and expenditures

	2022	2021
FINANCIAL INCOME AND EXPENDITURES		
Financial income	451	136
Financial expenditures	-3,620	-3,742
Total financial income and expenditures	-3,169	-3,606

Financial income includes any interest revenue received on bank deposits. Financial expenditures include the €3.7 million interest paid on loans from the Ministry of Agriculture, Nature and Food Quality (LNV) for the financing of the buildings and land.

(16) Taxation on operational activities

	2022	2021
TAXATION ON OPERATIONAL ACTIVITIES		
Tax for operational activities (VPB, corporate tax)	1,938	-3,965
Total tax on operational activities	1,938	-3,965

The corporate tax payable is calculated on the basis of the fiscal result. Due to valuation differences between the fiscal balance sheet and the commercial balance sheet, and the related higher fiscal tax deductions, the fiscal result of Wageningen Research is €1.4 million. The effective tax rate is 16.4% and the applicable tax rate is 25.8%. The amount of €1.9 million consists of: adjustment 2021 refund +€0.7 million, Holding 2022 corporate tax rate -€0.3 million, Wageningen Research corporate tax rate -€0.3 million, and change in tax deferral +€1.8 million.

(17) Result from participating interests

	2022	2021
RESULT FROM PARTICIPATING INTERESTS		
Fresh Forward Holding B.V.	173	127
Total result from participating interests	132	173

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

Result appropriation

The Executive Board of Wageningen Research allocates the net result of €3.9 million to the miscellaneous reserve. Furthermore, in 2022, an amount of €1.2 million was withdrawn from the appropriated reserve, an amount of €8.0 million was added to the HCU appropriated fund, and an amount of €1.4 was added to the legal reserve from the miscellaneous reserve.

Post Balance Sheet Events

No events occurred after the balance sheet date that provide further information about the actual situation on the balance sheet date or are of such importance that the lack of disclosure influences the judgment of the users of the annual financial report.

Separate Balance Sheet

After the allocation of the net result

	31-12-2022	31-12-2021
ASSETS		
FIXED ASSETS		
Intangible fixed assets	5,363	3,904
Tangible fixed assets	294,955	301,966
(18) Financial fixed assets	49,308	48,550
Total fixed assets	349,626	354,420
CURRENT ASSETS		
Inventory -	5,762	4,293
Receivables and prepayments	100,090	93,494
Liquid assets	127,273	128,005
Total current assets	233,125	225,792
TOTAL ASSETS	582,751	580,212
CAPITAL AND LIABILITIES		
EQUITY CAPITAL	364,271	360,318
EQUALISATION ACCOUNT	0	0
PROVISIONS	11,979	13,580
LONG-TERM DEBT	27,983	27,680
SHORT-TERM DEBT	178,518	178,634
TOTAL LIABILITIES	582,751	580,212

The company balance sheet does not include data from Stichting Akkerweb, Wageningen Business Generator BV, and Wageningen Research Holding BV. Compared to the consolidated balance sheet, the equity capital differs by €347. This concerns the equity capital of Stichting Akkerweb.

Separate profit and loss statement

	2022	2021
INCOME		
Basic funding	41,705	34,851
Programme funding	109,017	103,898
Co-funding and subsidies	29,021	26,989
Top Sectors	72,521	71,316
Bilateral market	93,578	96,511
Secondary activities	37,269	33,886
Other benefits	2,504	2,392
INCOME	385,615	369,843
EXPENDITURES		
Personnel costs	253,471	233,707
General costs	79,637	71,702
Specific costs	51,051	48,342
Total expenditure	384,159	353,751
OPERATING RESULT	1,456	16,092
Financial income and expenditures	-3,445	-4,977
RESULT FROM OPERATIONAL ACTIVITIES BEFORE TAX	-1,989	11,115
Taxation on operational activities	2,256	-3,965
Result from participating interests	3,686	2,209
RESULT FROM OPERATIONAL ACTIVITIES AFTER TAX	3,953	9,359
Third-party share	0	0
Exceptional income and expenditures	0	0
NET RESULT	3,953	9,359

The result of Stichting Akkerweb amounts to -€7,026 and explains the difference between the statutory and consolidated net result.

Notes to the Separate Annual Accounts

General

Unless otherwise stated, the accounting principles included in the notes to the consolidated annual accounts also apply to the separate annual accounts. Given the fact that deviations of the financial figures between the company annual financial accounts and consolidated annual financial accounts of Wageningen Research Foundation as of 31 December 2022 are relatively small, notes on the company balance sheet and company profit and loss statement are included in the notes on the consolidated balance sheet and consolidated profit and loss statement. Deviations in the financial fixed assets are shown below.

(18) FINANCIAL FIXED ASSETS

	31-12-2022	31-12-2021
Participating interests in group companies	19,765	16,080
Miscellaneous participating interests	53	53
Members' capital	1,179	1,172
Miscellaneous receivables	5,068	5,437
Receivables from the LNV	21,864	25,808
Deferred tax assets	1,379	0
Total financial fixed assets	49,308	48,550

Table 17 Breakdown of the participating interests in group companies

Description	31-12-2021	Investments/ disinvestments	Other changes	Downward revaluation	Actual 2022	31-12-2022
Wageningen Research Holding B.V.	16,080	0	0	0	3,685	19,765
Total	16,080	0	0	0	3,685	19,765

Table 18 Breakdown of members' capital

Description	31-12-2021	Change	31-12-2022
Avebe	1	- 1	0
Cosun	48	3	51
EBOP	1	0	1
FrieslandCampina	1,063	6	1,069
Fruitmasters	2	0	2
Hoeve Americ	23	0	23
MKP Agro	17	0	17
Nedato	1	0	1
Potatopol	3	0	3
Vof de Groot	13	0	13
completion	0	- 1	- 1
Total	1,172	7	1,179

Remuneration

The remuneration of executives from Wageningen UR was established in accordance with the rules established by the Public and Semi-public Sector Senior Officials (Standard Remuneration) Act (WNT). The remuneration of Supervisory Board members is in accordance with the WNT standards. In compliance with Article 1.1 of the WNT, Wageningen University & Research has summarised the remuneration of the Executive Board members and the Supervisory Board members in Tables 21, 22 and 23.

Tables 19 and 20 contain the consolidated information on the remuneration of the governance union of Wageningen University & Research. These tables give the user of the financial statements required insight into the total cost of the top-level executives, members of the Supervisory Board 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 19 Remuneration of executives (amounts in €)

	L.O. Fresco	S. Heimovaara	A.P.J. Mol	L.A.C. Buchwaldt
Job title	President of the Executive Board	President of the Executive Board	Executive Board member	Executive Board member
Period of employment in 2022	1-1 to 30-06	1-7 to 31-12	1-1 to 31-12	1-1 to 31-12
Extent of employment in FTE	1	1	1	1
(Fictitious) Employment relationship	Yes	Yes	Yes	Yes
Remuneration				
Remuneration and taxable expense reimbursements	94,942.05	96,804.75	191,659.44	191,659.44
Remuneration payable in the future	12,170.28	12,082.92	24,340.56	24,340.56
<i>Remuneration</i>	<i>107,112.33</i>	<i>108,887.67</i>	<i>216,000.00</i>	<i>216,000.00</i>
Individually applicable remuneration cap	107,112.33	108,887.67	216,000.00	216,000.00
-/- unduly paid amount				
Total remuneration	107,112.33	108,887.67	216,000.00	216,000.00
Reason for exceeding norm and other notes	N/A		n/a	N/A
Data from 2021				
Period of employment in 2021	1-1 to 31-12		1-1 to 31-12	1-1 to 31-12
Scope of employment in FTE	1		1	1
Remuneration				
Remuneration	185,216.24		185,216.12	185,216.12
Provisions for remuneration payable in this term	23,783.76		23,783.88	23,783.88
Total remuneration	209,000.00		209,000.00	209,000.00
Individually applicable remuneration cap	209,000.00		209,000.00	209,000.00

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 20 Remuneration for supervisors (amounts in €, excluding VAT)

	Ir. Dijsselbloem ¹⁾	E. Dijkgraaf ²⁾	M.A. Verhoef	T Klimp	K.D. Schuijt	B. Jansen ³⁾
Job title	Chair	Member/Chair as of 1-12	Member	Member	Member	Member
Start and end of job performance in 2022	1-1 to 30-11	1-1 to 31-12	1-1 to 31-12	1-1 to 31-12	1-7 to 31-12	1-1 to 31-12
Remuneration						
Remuneration	9,258.48	12,859.33	12,344.64	12,344.64	6,172.32	12,477.62
Individually applicable remuneration cap	29,648.22	22,517.26	21,600.00	21,600.00	10,888.77	21,600.00
Reason for exceeding norm and other notes	N/A	n/a	n/a	n/a	n/a	N/A
Payment on termination of employment	N/A	n/a	n/a	n/a	n/a	N/A
Data from 2021						
Duration of appointment in 2021	1-1 to 31-12	1-3 to 31-12	1-1 to 31-12	1-1 to 31-12		1-3 to 31-12
Remuneration						
Remuneration	17,745.00	9,811.45	11,829.96	23,097.36 ⁴⁾		9,858.45
Individually applicable remuneration cap	31,350.00	17,521.64	20,900.00	20,900.00		17,521.64

¹⁾ Remuneration for Dijsselbloem Consultancy BV in 2021.

²⁾ Remuneration to Dijkgraaf Strategisch Advies BV

³⁾ Remuneration to Wellant BV

⁴⁾ There is an apparent excess as a result of a subsequent payment of the remuneration for 2020, the right to which arose in 2020 and which is attributed to 2020 for the testing of the maximum individual remuneration.

Supplementary information

Statutory rules on result appropriation

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

Audit report by the independent auditor

The auditor's report on the 2022 financial statements is included in the Dutch version of the Annual Report.

Other information

Address details

Address: Droevendaalsesteeg 4, 6708 PB, Wageningen

Website: www.wur.nl

Telephone: +0317-480100

Contact annual financial report:

drs. A.P. van Eldik, 0317-483667

alex.vaneldik@wur.nl

Overview of property sales and purchases

Subtotal ground and infrastructure	HA	Purchase	Sale
Huizum	0.14		7
Lelystad	0.02		2
Subtotal ground and infrastructure		0	9

Buildings	Purchase	Sale
Subtotal buildings	0	0
Total		9

Sales breakdown	Sales revenue	Book value	Book profit
Huizum	7	0	7
Lelystad	2	0	2
Total	9	0	9

Explanation of funding for applied research 2022

Wageningen Research funding 2022		x €1,000
Project and programme funding		
Knowledge base		26,294
BO		22,881
BO - consortium partners		1,068
Top sector		41,729
Top sector - consortium partners		899
Statutory Research Tasks		39,507
HCU		1,200
Additional projects		29,025
Consortium co-partners		3,527
Total received project and programme funding		16,130
Other contributions		
Compensation for loan repayments		2,800
Compensation for PO loan repayments		957
Compensation for IAC/ILRI loan		188
Correction of decline in demand due to waiver of loan		-56
VAT Wageningen Research		34,887
WR Foundation total of subsidies awarded in 2022	204,906	letter with reference number DGA-SKI/22564479 dated 22 December 2022
Ministry of Agriculture, Nature and Food Quality (LNV) funding processed through the balance sheet		
Compensation for the WR portion of LNV loan repayments	2,800	Balance sheet item receivables from Ministry of Agriculture, Nature and Food Quality (LNV)
Compensation for the LNV portion of PO loan repayments	957	Balance sheet item receivables from Ministry of Agriculture, Nature and Food Quality (LNV)
Compensation for the LNV portion of IAC/ILRI loan repayments	188	Balance sheet item receivables from Ministry of Agriculture, Nature and Food Quality (LNV)
WR VAT	34,887	On balance sheet end date
Consortium co-partners	5,495	On balance sheet end date
Ministry of Agriculture, Nature and Food Quality (LNV) funding processed through the balance sheet	44,327	
LNV income to account for	160,579	
Decrease in the LNV programme research yet to be completed	20,966	Changes to Ministry of Economic Affairs research still to be carried out
Increase in balance sheet item INFRA project funds	-8,194	INFRA project funds balance sheet item
Decrease in balance sheet item Ministry of Agriculture, Nature and Food Quality (LNV) demo greenhouses	509	Balance sheet item demo greenhouses
WR Foundation annual accounts income accounted for	173,859	

To supplement the above accounts, in 2022, an amount of €258,873 was spent on the Agriculture ATVET Afghanistan project, the main phase of which started on 1 November 2011 and will continue until 31 October 2022 (2021 €301,773, 2020 €591,728, 2019 €2,456,209, 2018 €1,782,247, 2017 €1,798,806, 2016 €1,883,156, 2015 €2,608,552, 2014 €6,219,696, 2013 €4,004,000, 2012 €2,452,000 and 2011 €42,500).

Revenue up to 2021 for the Agriculture ATVET Afghanistan - Main Phase project came through the Ministry of Agriculture, Nature and Food Quality (LNV) TO2 contract (+ phasing out) and revenue 2022 came through the Ministry of Agriculture, Nature and Food Quality (LNV) incidental grant number 1400012775.

Breakdown of 2022 WOT infrastructure and HCU operating contribution

WOT infrastructure project funds 2022	x €1,000
WOT infrastructure project funds	8,361,765
2022 breakdown	
1227418301 WOT infrastructure	2,718
1227418401 Sequencing under accreditation	10,761
1600002988 NGS accreditation (WOT investments)	3,072
1600002989 Development of database linked to LIS	6,122
4318100410 Digital Data Infrastructure	53,180
4400003657 WOT infra fund - WLR	85,900
4400003659 WOT infra fund - WenR	5,970
	167,722
Final WOT infrastructure project funds 2022	8,194,073
Long-term part of the WOT infrastructure project funds	4,805,778
Short-term part of the WOT infrastructure project funds	9,388,295
Total WOT infrastructure project funds	8,194,073
WOT HCU operating contribution 2022	8,001,360
2022 breakdown	
	0
Final WOT HCU operating contribution 2022	8,001,360

Appendix 1: Legal accountability remuneration

Tables 21 and 22 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 19 and 20 of the annual report and is in line with Tables 21, 22, and 23.

The WNT applies to Wageningen Research. The applicable maximum remuneration for Wageningen Research Foundation for 2022 is €216,000 (general remuneration limit).

Table 21 Remuneration of top-level executives without employment contract after 12 months (amounts * €1)

	L.O. Fresco	A.P.J. Mol	L.A.C. Buchwaldt
Job title	President of the Executive Board	Executive Board member	Executive Board member
Period of employment in 2022	1-1 to 30-06	1-1 to 31-12	1-1 to 31-12
Extent of employment in FTE	0.5	0.5	0.5
(Fictitious) Employment relationship	No	No	No
Remuneration			
Remuneration and taxable expense reimbursements	53,556.16	108,000.00	108,000.00
Remuneration payable in the future			
<i>Remuneration</i>	53,556.16	108,000.00	108,000.00
Individually applicable remuneration cap	53,556.16	108,000.00	108,000.00
-/- unduly paid amount	N/A	n/a	N/A
Total remuneration	53,556.16	108,000.00	108,000.00
The amount of the excess and the reason why the excess has or has not been authorised	N/A	n/a	N/A
Explanation of claim for undue payment	N/A	n/a	N/A
Data from 2021			
Period of employment in 2021	1-1 to 31-12	1-1 to 31-12	1-1 to 31-12
Scope of employment in FTE	0.5	0.5	0.5
Remuneration			
Remuneration	101,853.10	104,141.42	104,141.42
Provisions for remuneration payable in this term			
Total remuneration	101,853.10	104,141.42	104,141.42
Individually applicable remuneration cap	104,500.00	104,500.00	104,500.00

Table 22 Remuneration of top-level executives without employment contract up to 12 months (amounts * €1)

Job title	S. Heimovaara	
	2022	2021
Calendar year	2022	2021
Period of employment in 2022	1-7 to 31-12	N/A
Number of calendar months of job performance in the calendar year	6	0
Contract hours per calendar year	375	0
Individually applicable remuneration cap		
Maximum hourly rate in the calendar year	206.00	199.00
Maximum based on standard costs per month	171,600.00	
Individual limit during the entire period of calendar months 1 to 6	77,250.00	
Remuneration		
Actual hourly rate lower than the (average) maximum hourly rate	Yes	
Remuneration in the period	54,443.84	
Total remuneration for the entire period of calendar months 1-12	54,443.84	
-/- Unduly paid amount and not yet recovered amount	0.00	
Total remuneration	54,443.84	
The amount of the excess and the reason why the excess has or has not been authorised	N/A	
Explanation of claim for undue payment	N/A	

In addition to the senior executives listed above, there are no other employed officers who received remuneration above the individually applicable threshold amount in 2022.

Table 23 Remuneration for supervisors (amounts in €, excluding VAT)

	Ir. Dijsselbloem ¹⁾	E. Dijkgraaf ²⁾	M.A. Verhoef	T Klimp	K.D. Schuijt	B. Jansen ³⁾
Job title	Chair	Member/Chair as of 1-12	Member	Member	Member	Member
Start and end of job performance in 2022	1-1 to 30-11	1-1 to 31-12	1-1 to 31-12	1-1 to 31-12	1-7 to 31-12	1-1 to 31-12
Remuneration						
Remuneration	4,883.85	6,429.67	6,455.22	6,455.22	3,199.32	6,238.81
Individually applicable remuneration cap	29,648.22	22,517.26	21,600.00	21,600.00	10,888.77	21,600.00
-/- Unduly paid and not yet recovered amount	N/A	n/a	n/a	n/a	n/a	N/A
Remuneration	4,883.85	6,429.67	6,455.22	6,455.22	3,199.32	6,238.81
The amount of the excess and the reason why the excess has or has not been authorised	N/A	n/a	n/a	n/a	n/a	N/A
Explanation of claim for undue payment	N/A	n/a	n/a	n/a	n/a	N/A
Data from 2021						
Duration of appointment in 2021	1-1 to 31-12	1-3 to 31-12	1-1 to 31-12	1-1 to 31-12		1-3 to 31-12
Remuneration						
Remuneration	8,872.50	4,905.73	5,914.98	11,548.68		4,929.26
Individually applicable remuneration cap	31,350.00	17,521.64	20,900.00	20,900.00		17,521.64

¹⁾ Remuneration for Dijsselbloem Consultancy BV in 2021.

²⁾ Remuneration to Dijkgraaf Strategisch Advies BV

³⁾ Remuneration to Wellant BV