

ANNUAL REPORT
WAGENINGEN RESEARCH FOUNDATION 2023

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Key figures

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

	2019	2020	2021	2022	2023
Turnover	344.0	355.1	372.1	394.2	418.6
LNV proportion in total turnover (%)	43	43	44	44	44
Investments in company buildings and land	9.8	19.0	11.4	9.5	8.1
Investments in other tangible fixed assets	13.7	7.2	7.7	3.4	5.2
Net result	14.9	17.0	9.4	3.9	- 9.5
Wageningen Research capital					
Capital in fixed assets	339.0	344.2	342.7	334.2	325.2
Equity capital	334.0	351.0	360.3	364.3	354.8
Total capital	555.8	579.3	576.0	577.1	602.8
Solvency ratio (%)	60.1	60.6	62.6	63.1	58.9
Wageningen Research liquidity					
Liquid assets	129.2	143.7	135.8	137.3	155.3
Current ratio	1.4	1.3	1.3	1.4	1.3

Management Report

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

Financial Report

Results developments

Wageningen Research Foundation (WR) obtained a net result of -€9.5 million in 2023. This result is €13.4 million lower than the net result for 2022 (€3.9 million). The pre-tax result from ordinary operational activities amounted to -€11.2 million.

Major causes of the lower pre-tax result were the new collective labour agreement (CAO) in which a higher salary increase was agreed than was incorporated into the rates and the budget (approximately 2%) and a lingering effect from the increased energy costs (due to fixed prices for the duration of a year). Finally, the higher sickness absence at WR, especially at the end of the year, led to lower availability in terms of hours that could not be caught up.

On the other hand, one of WR's major participating interests, Wageningen Business Generator BV (WBG), actually recorded a higher result (€4.4 million) due to high wind revenues at the wind farms, which neutralised some of the increase in energy costs at WR. In addition, partly because of the better-than-projected energy costs, some of the HCU operating surplus was released into the result (€3.5 million). In 2023, the Vitality Pact provision was also taken into account for an amount of €4.3 million.

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

	2023	2022
Net result Wageningen Research	-9.5	3.9
Incidental	1.7	7.6
HCU operating surplus	3.5	8.0
Pro rata VAT over the years 2016-2022	-1.6	-0.6
Allocations to Vitality Pact	-4.3	
Miscellaneous incidentals		-2.2
Distribution of SRF equity capital	2.5	
Tax deferral	0.7	1.5
Corporation tax carry-back	1.2	
Executive Board and Holding corporation tax	-0.3	0.4
Operational	-11.2	-3.7
Result from institutes and primary process	-14.2	-6.1
Central departments excluding wind farms	-7.7	-6.7
Wind farms	4.4	3.7
Result from housing, internal WW/BW premiums including cost of capital	6.1	5.3
Result from participating interests	0.2	0.1

Development of turnover and costs

The turnover for 2023 was €418.6 million, an increase of 6.2% compared to 2022. For 2022, the total turnover was €394.2 million.

This means additional turnover of €24.4 million was realised compared to 2022. The bilateral market remains slightly below the 2022 realisation. The increase in ancillary activities is mainly due to higher wind farm revenues of €1.8 million. Furthermore, the Ministry of Agriculture, Nature and Food Quality (LNV) knowledge base includes the HCU operating contribution of €3.5 million (this was €8.0 million in 2022).

The direct personnel costs of temporary and permanent personnel increased by €21.1 million. This increase is caused by the following factors:

- Increase of staffing levels by 114 FTEs.
- Increase in wages by 6.9% per FTE, mainly as a result of the CAO 2023 (salary increase of 4.7% from 1 August 2023 as well as a structural end-of-year bonus that was increased by 4% to 8.3%). Wage growth was dampened by better-than-projected pension contributions and intake of younger employees.
- Increase in social security costs by €3.3 million compared to 2022 and decrease in pension contributions per employee by €1.8 million compared to 2022.

Development of balance sheet items

The liquid assets at the end of 2023 (€155.3 million) had increased by €18.0 million compared to the end of 2022 (€137.3 million).

Table 3 Wageningen Research liquidity development (in € millions)

	2023
Net result	-9.5
Net decrease in fixed assets (investments minus depreciation and sales)	+5.3
Increase in short-term debts and increase in short-term receivables / stock	+19.3
Changes in provisions	5.4
Decrease in long-term debts and decrease in long-term receivables	-2.3
Result from participating interests	-0.2
Total increase in liquid assets	18.0

The change in fixed assets consists of €19.3 million in building and inventory depreciation, investment expenses (including participating interests and members' capital) to the amount of -€14.4 million, and divestments in the amount of +€0.4 million. The amount of the advances received, including funds to be passed on to partners, amounted to €86.7 million on the balance sheet date. Solvency fell to 58.9% due to the negative result and the increase in short-term debts. At the end of 2022, solvency was 63.1%.

Changes in the legal structure and capital interests

In 2023, the capital interest in CoVaccine BV was sold and VOF Oostwaardhoeve was dissolved. There were no further changes in the legal structure and capital interests of Wageningen Research Foundation in 2023.

Outlook for 2024

Wageningen Research (WR) is budgeting a result of -€7 million. Rising costs in 2024 are expected to be offset by additional income and partly by passing cost increases on to clients.

The institutes are estimating a result of -€7.4 million for 2024. The losses are mainly caused by non-deductible (energy) price increases. Rates will rise by about 7% in 2024. The central divisions are estimating a result of €0.4 million. The positive result is mainly due to higher energy revenues from the wind farms.

The budgeted income amounts to €443 million. This is an increase of 6% when compared with 2023. The increase is particularly within contract research. The co-funding & subsidy market is growing proportionately.

The budgeted costs amount to €451 million. This is an increase of 6% when compared with 2023. Personnel costs will increase, due especially to the new CAO. The fall in general costs is mainly the result of lower equipment costs. Specific costs will rise by 10%, especially for services provided by third parties.

The investment budget is €55.6 million. The budgeted investments at the corporate level amount to €47.5 million. They mainly concern investments in a business complex of ASG Research in Lelystad located on Runderweg (€7.7 million) and in thermal energy storage (€7.3 million). There will also be investments under the strategic housing plan (€6.8 million). Other investments include Smart fabric (€5.2 million) for Food & Biobased Research, Vitea Lab (€2.4 million), Lumen building (€2.1 million) and greenhouses in Bleiswijk (€1.8 million).

Major maintenance investments will amount to €5.2 million, mainly for buildings located on Runderweg and Edelhertweg and in the High Containment Unit (HCU) for ASG Research. The institutes are estimating an investment of €8.1 million. This mainly concerns investments in laboratory equipment by the institutes Food Safety Research (€2.5 million), Plant Research (€2.4 million) and Food & Biobased Research (€1.7 million).

Wageningen Research expects a cash position of €120 million by the end of 2024. This is €23 million lower than the expected final position for 2023. The decrease in cash and cash equivalents in 2024 is mainly the result of higher investments than depreciation.

Solvency (equity / total assets) is 59% (rounded).

Annual accounts

CONSOLIDATED BALANCE SHEET AFTER THE ALLOCATION OF THE NET RESULT

Balance sheet	31-12-2023	31-12-2022
ASSETS		
FIXED ASSETS		
(1) Intangible fixed assets	5,548	5,364
(2) Tangible fixed assets	289,313	294,955
(3) Financial fixed assets	30,366	33,900
Total fixed assets	325,227	334,219
CURRENT ASSETS		
(4) Stock	5,607	5,762
(5) Receivables and accrued income	116,613	99,735
(6) Liquid assets	155,333	137,338
Total current assets	277,553	242,835
TOTAL ASSETS	602,780	577,054
LIABILITIES		
EQUITY CAPITAL		
Foundation capital	118,280	118,280
Designated fund	11,544	8,001
Statutory reserve	5,529	5,338
Miscellaneous reserves	216,715	227,837
Appropriated reserve	2,745	4,813
(7) Total equity capital	354,813	364,269
THIRD-PARTY SHARE	0	0
GROUP CAPITAL	354,813	364,269
(8) PROVISIONS	17,340	11,979
(9) LONG-TERM DEBTS	21,812	27,983
(10) SHORT-TERM DEBTS	208,815	172,823
TOTAL LIABILITIES	602,780	577,054

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Result 2023	Result 2022
INCOME		
	38,792	41,705
	125,874	109,017
	35,559	29,021
	75,521	72,521
	91,609	93,298
	46,559	44,743
	4,690	3,863
(11) Total income	418,604	394,168
EXPENSES		
(12) Personnel costs	282,372	253,277
(13) General costs	93,907	84,157
(14) Specific costs	54,885	51,689
Total expenses	431,164	389,123
OPERATING RESULT	-12,560	5,045
(15) Financial income and expenses	1,329	-3,169
RESULT FROM ORDINARY OPERATIONAL ACTIVITIES BEFORE TAX	-11,231	1,876
(16) Taxation on ordinary operational activities	1,583	1,938
(17) Result from participating interests	192	132
RESULT FROM ORDINARY OPERATIONAL ACTIVITIES AFTER TAX	-9,456	3,946
Third-party share	0	0
Extraordinary income and expenses	0	0
NET RESULT	-9,456	3,946

CONSOLIDATED CASH-FLOW STATEMENT

	Result 2023	Result 2022
OPERATIONAL ACTIVITIES		
Operating result	-12,560	5,045
Adjustment for sale of assets	-244	-133
Depreciation and impairments	19,377	20,323
Changes in provisions	5,361	-1,601
	11,934	23,634
Changes in stock	155	-1,469
Changes in receivables	-16,220	-6,539
Changes in short-term debts	39,559	6,936
Cash flow from business operations	35,428	22,562
Interest received	4,157	451
Interest paid	-3,486	-3,620
Income tax paid	-2,815	-6,777
Cash flow from operational activities	33,284	12,616
INVESTMENT ACTIVITIES		
Investments in intangible assets	-883	-2,209
Investments in buildings, land and WIU	-8,100	-9,483
Investments in other tangible assets	-4,353	-3,213
Investments in participating interests and members' capital	-265	104
Divestments of fixed assets	610	483
Cash flow from investment activities	-12,991	-14,318
FINANCING ACTIVITIES		
Change in long-term receivable LNV	3,944	3,944
Change in long-term debt LNV	-3,944	-3,944
Changes in infrastructure fund	-2,163	4,806
Change in other long-term debts	-135	-1,569
CASH FLOW	17,995	1,535
CHANGE IN LIQUID ASSETS		
Balance of liquid assets on 1 January	137,338	135,803
Balance of liquid assets on 31 December	155,333	137,338
Change in liquid assets	17,995	1,535

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 accounts were prepared and adopted by the Executive Board on 29 April 2024 and approved by the Supervisory Board on 21 May 2024. The annual accounts were prepared in accordance with the below accounting principles. Any deviation from these principles is stated alongside the relevant financial information.

The figures presented for the previous reporting year are in accordance with the figures in the annual accounts of the relevant year. Deviations may arise as a result of corrections, shifts between items or changes in the rounding-off method. Deviations of relevant significance are indicated in the annual accounts.

General principles for the preparation of the annual accounts

Wageningen Research Foundation, Wageningen Research Holding B.V. and a number of (second-tier) subsidiaries are grouped together.

The annual accounts of Wageningen Research Foundation were prepared based on the continuity assumption.

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

The amortised cost price 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 directly 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 account. Revenues and expenses in foreign currency are included in the profit and loss account at the exchange rate on the date of receipt or payment.

The annual accounts are prepared pursuant to the Netherlands Civil Code, Book 2, Title 9, and the guidelines issued by the Dutch Accounting Standards Board, in particular guideline 630.

Use of estimates

The preparation of the annual accounts demands that the board draws conclusions and makes estimates and assumptions that affect the application of accounting principles and reported value of assets and liabilities, as well as of income and expenses. The actual outcome will deviate from these estimates. The estimates and underlying assumptions are continually evaluated. Adjustments to estimates are recognised 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 useful life of fixed assets
- Provision for receivables and projects
- Provisions
- Claims

Consolidation

The consolidated financial report incorporates the financial information 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 accounts of the subsidiaries and other legal entities over which Wageningen Research exercises control 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 subsidiaries

	Shareholder	403	Registered office	% end of 2022	% end of 2023
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 Neushoorntocht 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 price

	Shareholder	Registered office	% end of 2022	% end of 2023
Isolife BV	WBG	Wageningen	5%	5%
Wageningen Science & Technology Consulting Services Ltd.*	Holding	Beijing	100%	100%

* incorporated at acquisition price due to small size.

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

	Shareholder	Registered office	% end of 2022	% end of 2023
CoVaccine BV	WBG	Lelystad	25%	0%
Fresh Forward Holding B.V.	WBG	Wageningen	49%	49%
VOF Oostwaardhoeve	ANV	Slootdorp	50%	0%

Accounting policies for asset and liability valuation

Intangible fixed assets

Intangible fixed assets are valued at acquisition price or production price less cumulative amortisations 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 price. Amortisation is linear over five years except for the data warehouse Open Up which is depreciated over 10 years. Pursuant to the statutory obligation, a statutory reserve is maintained for the balance sheet value of the capitalised 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 price minus cumulative depreciation. Depreciation is applied using the linear method on the basis of the expected useful life and the residual value. Depreciation is time-proportionally applied in the purchase year.

Tangible fixed assets under construction or in production are valued at the acquisition price or for the amounts that have 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 account. The limit amount for equipment capitalisation was increased from €5,000 to €25,000 in 2022. Previously capitalised assets have not been removed from the assets.

Table 7 Depreciation periods

Unit	Depreciation
Company land / Work in progress	None
Site layout and infrastructure	30 years linear
Company buildings	
Shell	60 years linear
Finishings (limited to company building end date)	30 years linear
Greenhouses	20 years linear
Fittings and furnishings/interior design of company buildings (limited to company building end date)	15 years linear
Sheds, miscellaneous buildings/structures	15 years linear
Equipment and inventory:	
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 contributions 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 under debts 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 term of the project (in accordance with the accounting principles). This is because the economic useful life of this specialised equipment is equal to the project's term. The demo greenhouses are an example of this and are depreciated over a period of 5 years.

The expenses 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 divested and is charged to the profit and loss account as a lump sum. All other maintenance costs are directly charged to the profit and loss account.

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 the higher of the net realisable value and the value in use.

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 in question is set no higher than the book value that would have been determined 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 assets

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 price using the effective interest method. Income and expenses are recognised in the profit and loss account 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 members' capital 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 members' capital over whose business and financial policy the institution does not exert a significant influence are valued at acquisition price. 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.

Stock

This item is comprised of the trading stock, finished products, 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 livestock and stock of 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 is provided that according to this calculation has been in stock longer than 3 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 accrued income

Receivables and accrued income are stated at fair value plus transaction costs on initial recognition after which they are stated at amortised cost price 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 specially 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 costs exceed the invoiced instalments / advances received are recorded under other receivables. Projects for which the instalments invoiced in advance / advances received 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
There is an obligation to maintain 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.
- Miscellaneous 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 accounts.

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 indexations and price increases. The amount of the provision included in the annual accounts 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;
- it is likely that the settlement of obligations will 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 expenses in relation to personnel that have already left and personnel with a temporary employment contract.

Provision for WGA/ZW flex

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

Provision for service bonuses

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

Provision for Vitality Pact

The provision for the Vitality Pact includes the liabilities for employees who make use of their rights relating to the Vitality Pact and the expected costs for employees who will meet the criteria for participation in the Vitality Pact over the next 10 years. The estimate of the last item takes into account the likelihood that an employee will remain in employment and the likelihood that an employee will exercise his or her right. The provision for future use will be built up in 10 years. The expected expenses are indexed in relation to expected wage developments, and the present value of the liabilities is determined on the basis of the prevailing market rate of interest for WR.

Provision 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 costs of loss-making contracts, guarantees and claims arising from services and products delivered to third parties.

Long-term debts

Long-term debts concern liabilities that are due in more than one year from the end of the reporting year.

On initial recognition of long-term debts, these are stated at fair value, less the directly attributable transaction costs.

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

Short-term debts

Short-term debts concern liabilities that are due within one year from the end of the reporting year.

On initial recognition of short-term debts, these are stated at fair value, less the directly attributable transaction costs.

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

Accounting policies to determine income and expenses

General

The proceeds and costs are the income and expenses which can be allocated economically to the relevant reporting year or activity, regardless of whether they have resulted in receipts and payments during the reporting year.

Proceeds are 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 recognised in the annual accounts if they are known before the preparation of the annual accounts.

The income from contract research is determined on the basis of direct costs, including a supplement for indirect costs to a maximum of the rate to be paid by the provider of finance. Results are accounted for 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 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 accounted for 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 price of the performance obligations and the extent to which each performance obligation has been realised is determined.

Taxation on the profits includes the corporation tax (payable and deductible) for the entire financial year. The payable and deductible corporation tax for the financial year is the corporation tax expected to be payable for the taxable profit in the financial year, taking into account the fiscal regulations 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 formed a number of tax deferrals. Firstly, this 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 for municipal tax purposes (WOZ). The deferral relates to receivables and liabilities. The calculation period for both the tax asset and the tax liability is 12 years.

Secondly, this relates to a deferral based on the difference in settlement of equipment with a purchase value up to and including €25,000. 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 liabilities 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 accounts and the conditions for recognising provisions have been met.

Wages, salaries and social security costs are recognised in the profit and loss account on the basis of the employment conditions, 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 the balance sheet shows the amortised cost of the debt on balance. Periodic interest charges and similar expenses 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

The provision in connection with the Vitality Pact is included with effect from 2023.

Notes to the balance sheet

(1) INTANGIBLE FIXED ASSETS

	Devel. costs	Software	Prepay. int. assets	Total
Book value 31-12-2022	4,404	26	934	5,364
Investments	0	0	883	883
Commissioning	0	0	0	0
Divestments	0	0	0	0
Amortisation	692	7	0	699
Impairments	0	0	0	0
Book value 31-12-2023	3,712	19	1,817	5,548
Acquisition value 31-12-2022	7,288	2,202	934	10,424
Investments	0	0	883	883
Commissioning	0	0	0	0
Divestments	0	0	0	0
Acquisition value 31-12-2023	7,288	2,202	1,817	11,307
Cumulative depreciation	3,576	2,183	0	5,759
Cumulative downward value adjustments	0	0	0	0
Book value 31-12-2023	3,712	19	1,817	5,548

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 UBW, MyPortal and ADP were recognised under software, among other things. The advance payments for intangible assets concern Open Up and LIMS. A statutory reserve has been created for Open Up, LIMS, the planning tool, Hora Finita and CRM.

(2) TANGIBLE FIXED ASSETS

	Company land	Buildings	Autom. app. and other inventory	Work in progress	Not in use	Total
Book value 31-12-2022	99,971	165,717	20,301	8,966	0	294,955
Investments	1,200	375	3,805	11,769	0	17,149
Correction of investments for previous years ¹	0	-3,865	0	0	0	-3,865
Commissioning	0	7,056	1,379	-7,056	0	0
Divestments	13	135	100	0	0	248
Depreciation	8	12,354	6,316	0	0	18,678
Impairments	0	0	0	0	0	0
Book value 31-12-2023	101,150	156,794	19,069	12,300	0	289,313
Acquisition value 31-12-2022	102,335	450,754	92,788	8,966	0	654,843
Investments	1,200	375	3,805	11,769	0	17,149
Correction of investments for previous years ¹	0	-3,865	0	0	0	-3,865
Commissioning	0	7,056	1,379	-7,056	0	0
Decommissioning	0	0	0	0	0	0
Purchase value of divestments	13	316	1,593	0	0	1,922
Purchase value 31-12-2023	103,522	454,004	96,379	12,300	0	666,205
Cumulative depreciation	591	261,933	77,310	0	0	339,834
Cumulative downward value adjustments	1,781	35,277	0	0	0	37,058
Book value 31-12-2023	101,150	156,794	19,069	12,300	0	289,313
Divestments, of which:						
- Purchase price	13	316	1,593	0	0	1,922
- Depreciation	0	181	1,493	0	0	1,674
Total divestments	13	135	100	0	0	248

€11.8 million was added to the work-in-progress item for investments in buildings, land and equipment in 2023, and €7.1 million was withdrawn due to commissioning.

The addition to the work-in-progress item of €11.8 million includes the following projects: ATES building modifications (€1.7 million), SPF unit (€1.1 million), Radix modification (€1.1 million), cold stores (€0.7 million), Runderweg air-conditioning system (€0.7 million) and a large number of smaller projects.

Commissioned/delivered for €7.1 million: ATES building modifications (€2.2 million), Radix modification (€1.1 million), building renovations (€1.0 million), Lumen roofing and insulation (€0.5 million) and a large number of smaller projects.

In 2023, buildings were bought in Bennekom, land was bought in Bennekom and Jorwerd, and land was sold in Lisse.

Wageningen Research's immovable property is insured for €627 million (reference date of 1-7-2023). The value for municipal tax purposes has been set at €185.0 million (reference date of 1-1-2023).

¹ As a result of the adjustment of the agreements with the tax authorities on the application of the pro-rata principle, a correction has been made to the investments capitalised in the period 2016-2022.

(3) FINANCIAL FIXED ASSETS

	31-12-2023	31-12-2022
Participating interest in group companies	2,569	2,513
Miscellaneous participating interests	54	54
Receivables from subsidiaries	0	0
Receivables from other affiliated parties	0	0
Members' capital	3,305	3,022
Other receivables	4,467	5,068
Receivable from the Ministry of LNV	17,921	21,864
Deferred tax asset	2,050	1,379
Total financial fixed assets	30,366	33,900

Table 8 Breakdown of participating interests in subsidiaries

Description	31-12-2022	Investments/ divestments	Other changes	Downward revaluation	Result 2023	31-12-2023
CoVaccine BV	18	-18	0	0	0	0
Fresh Forward Holding B.V.	2,495	0	0	0	74	2,569
Total	2,513	-18	0	0	74	2,569

Table 9 Breakdown of miscellaneous participating interests

Description	31-12-2022	Investments/ divestments	Other changes	Downward revaluation	Result 2023	31-12-2023
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	31-12-2022	Change	31-12-2023
Avebe	0	0	0
Cosun	51	3	54
Dutch Greentech Fund/SHIFT invest	645	131	776
EBOP	1	0	1
FrieslandCampina	1,069	3	1,072
Fruitmasters	2	0	2
Hoeve Americ	23	0	23
Innovation Industries	1,197	146	1,343
MKP Agro	17	0	17
Nedato	1	0	1
Potatopol	3	0	3
Vof de Groot	13	0	13
Total	3,022	283	3,305

Table 11 Breakdown of the item receivable from the Ministry of LNV

Description	Total	Interest rate	Cumulative repayment	Long-term	Short-term
Transfer of buildings and land in connection with the privatisation of Wageningen Research	83,949	0%	69,995	11,154	2,800
Transfer of buildings and land in connection with the integration of Applied Research	28,702	0%	22,244	5,501	957
Transfer of IAC and ILRI buildings and land	5,627	0%	4,174	1,266	187
Total	118,278	0%	96,413	17,921	3,944

€3.9 million of the receivables is due each year and is included under "Other receivables" and "Accrued income". The long-term part of the prepaid rent to Unilever for the parking garage (€4.5 million) is included under the other receivables of the financial fixed assets.

(4) STOCK

	31-12-2023	31-12-2022
Trading stock	1,977	1,849
Livestock	1,045	1,222
Harvested agricultural produce	3,225	3,333
Subtotal stock	6,247	6,404
Less: provision for lack of marketability	-640	-642
Total stock	5,607	5,762

(5) RECEIVABLES AND ACCRUED INCOME

	31-12-2023	31-12-2022
Accounts receivable	38,877	34,374
Less: provision for possibly uncollectable receivables	-2,334	-2,381
Total accounts receivable	36,543	31,993
Cost of work carried out for third parties	513,872	495,883
Less: Invoiced instalments	463,691	466,082
Orders from third parties other than LNV	50,181	29,801
Less: anticipated losses	0	-468
Included under short-term debts	-14,587	1,499
Project costs yet to be invoiced	35,594	30,832
Advances	1,586	826
Tax to be received (corporation tax and VAT)	18,393	7,932
Receivables from subsidiaries	0	0
Receivables from affiliated parties	15,054	19,402
Accrued income	4,999	4,421
Other	4,444	4,329
Total advances and accrued income	44,476	36,910
Total receivables and accrued income	116,613	99,735

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 LNV and the rent to Unilever for the parking garage that becomes due each year, of €3.9 million and €0.3 million respectively, are included under the item "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 €11.8 million from Wageningen University in connection with the financing of the assets of Facilities and Services. This debt is not immediately due and payable. Wageningen Research also has receivables from 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.

VAT to be received includes the receivable resulting from the Supreme Court ruling on the inclusion of the government funding in the pro-rata calculation. From 2016, WR has objected to the imposed tax assessments and is currently in final talks with the Dutch Tax and Customs Administration on how the Supreme Court ruling will affect WR for the years 2016-2023. The receivables include the portion of the claim for which collateral has been established.

(6) LIQUID ASSETS

	31-12-2023	31-12-2022
Cash in hand	8	11
Bank	120,325	137,327
Deposits	35,000	0
Total liquid assets	155,333	137,338

€136.3 million of the liquid assets balance of €155.3 million is freely available. Wageningen Research manages €19.0 million in project funding that has to be passed on to contract partners in stages. Wageningen Research has a relatively high liquidity position because many of its projects are funded in advance. Of the €155.3 million in liquid assets, €86.7 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 derivatives) 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 Ministry of 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 €2.3 million in connection with the risks of non-payment.

Interest rate risk

WR's interest rate risk is limited to €4.8 million in prepaid rent to Unilever for the parking garage. The interest rate risks on the long-term receivables and debts with respect to 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 the financial instruments included in the balance sheet under cash and cash equivalents, short-term receivables and debts approximates their book value.

(7) EQUITY CAPITAL

	Foundation capital	Miscellaneous reserve	Designated fund	Appropriated reserve	Statutory reserve	Total
Balance on 31-12-2021	118,280	232,147	0	6,030	3,866	360,323
Result appropriation	0	3,946	0	0	0	3,946
Addition to the reserve	0	0	8,001	0	1,472	9,473
Withdrawal from the reserve	0	8,256	0	1,217	0	9,473
Balance on 31-12-2022	118,280	227,837	8,001	4,813	5,338	364,269
Result appropriation	0	-9,456	0	0	0	-9,456
Addition to the reserve	0	0	3,543	0	191	3,734
Withdrawal from the reserve	0	1,666	0	2,068	0	3,734
Balance on 31-12-2023	118,280	216,715	11,544	2,745	5,529	354,813

The entire net result of -€9.5 million recorded for the reporting year has been debited from the miscellaneous reserve. The statutory reserve is maintained in connection with the development costs and advance payments for Open Up, LIMS, 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 €2.1 million was withdrawn from the appropriated reserve for this research in 2023. Furthermore, €3.5 million was added to the HCU designated fund from the miscellaneous reserve in 2023. This designated fund will be released to the miscellaneous reserve once the purpose of the fund (new HCU construction) is met.

(8) PROVISIONS

	31-12-2022	Allocation	Withdrawal	Release	31-12-2023
Unemployment insurance obligations	3,409	1,221	963	203	3,464
WGA/ZW flex	2,219	2,428	1,046	0	3,601
Service bonuses	4,796	871	522	0	5,145
Vitality Pact	0	4,313	0	0	4,313
Reorganisation costs	1,045	73	212	154	752
Product and contract risks	373	0	71	286	16
Other provisions	137	0	71	17	49
Total provisions	11,979	8,906	2,885	660	17,340

Table 12 Specification of the term of the provisions

	31-12-2023	31-12-2022
Short-term (expires by no later than within 1 year)	7,874	3,723
Long-term (expires between 1 and 5 years)	6,488	5,691
Long-term (expires after 5 years)	2,978	2,565
Total provisions	17,340	11,979

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

Provisions for unemployment insurance (WW) and civil (BW) obligations have been recognised to cover the unemployment insurance and civil obligations existing on the balance sheet date and the expected future expenses 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 12%. The estimation parameters are tested annually. In this, the percentage for personnel with a temporary employment contract has been decreased from 14% to 12%. In 2023, an allocation of €1.2 million was made to this provision.

The provision for flex obligations under the Resumption of Work for Partially Disabled Persons Act (WGA) and Sickness Benefits Act (ZW) covers the future payments of WGA and ZW flex benefits to be expected. Wageningen Research opted for self-insurance for the WGA and ZW flex obligations. The current benefits are fully recognised in the provision. A provision of €3.6 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 service bonus is paid. A discount rate of 3.4% (2022: 3.9%) and an expected wage increase of 2.65% per year (2022: 2.65%) have been taken into account in the calculation of the liabilities. The effect of the change in discount rate compared to 2022 is an increase of the provision by €184,000. This effect has been included in the 2023 allocation.

The provision for the Vitality Pact consists of the liabilities for employees who make use of the scheme (€1.7 million) and the expected costs for employees who will meet the criteria over the next 10 years (€2.6 million). Around 35% of employees who meet the criteria exercise their right. A discount rate of 3.4% and an expected wage increase of 2.65% per year have been taken into account in the calculation of the liabilities. The liability for employees who will meet the criteria over the next 10 years will be built up in 10 years.

The reorganisation cost provision has been established for anticipated expenses relating to reorganisations implemented. In 2023, allocations were made to the provision for a limited number of reorganisation and on-the-job learning programmes.

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

(9) LONG-TERM DEBTS

	31-12-2022	Increase in debt	Decrease in debt	31-12-2023
Debt to LNV	21,864	0	3,943	17,921
WOT infrastructure funds	4,808	0	2,164	2,644
Debt to subsidiaries	0	0	0	0
Debt to other affiliated parties	0	0	0	0
Miscellaneous long-term debts	1,311	0	64	1,247
Subtotal long-term debts	27,983	0	6,171	21,812
Financial lease obligations	0	0	0	0
Total long-term debts	27,983	0	6,171	21,812

Table 13 Breakdown of the debt to the Ministry of LNV

Description	Loan	Interest rate	Cumulative repayment	Long-term	Short-term
Transfer of buildings and land in connection with the privatisation of Wageningen Research	135,408	4.50%	121,454	11,154	2,800
Transfer of buildings and land in connection with the integration of Applied Research	28,701	5.20%	22,243	5,501	957
Transfer of IAC and ILRI buildings and land	5,627	5.00%	4,174	1,266	187
Total	169,736		147,871	17,921	3,944

The repayment of these loans will amount to €3.9 million in 2024. This amount is included under miscellaneous short-term debts. €15.8 million of the long-term debts has a term of less than five years. Also included under long-term debts to LNV is €2.6 million for WOT infrastructure funds. The short-term part of the WOT infrastructure funds amounts to €2.8 million and is accounted for under short-term debts.

Table 14 Supplementary information relating to other long-term debts

	Loan	Interest rate	Cumulative repayment	Long-term	Short-term
LTO-Wageningen Research research fund	11,041	6%	9,294	1,247	500
Total	11,041		9,294	1,247	500

The repayment of the LTO loan will amount to €0.5 million in 2024. This amount is included under miscellaneous short-term debts. The long-term constituent has a term of less than five years. In the calculation of the amount of the balance sheet items, an interest rate of 0% was taken into account.

(10) SHORT-TERM DEBTS

	31-12-2023	31-12-2022
Debts to suppliers	12,431	8,700
Taxes payable	28,433	18,813
Pension contributions payable	3,799	3,831
Debts to affiliated parties	10,870	393
<i>Deferred liabilities</i>		
Advance payments from third parties	101,278	88,626
Prepayments - project costs still to be invoiced	-14,587	1,499
LNV research still to be conducted	24,065	14,697
WOT infrastructure funds	2,773	3,388
SEO HEU	3,372	0
Miscellaneous deferred liabilities	8,636	7,401
Miscellaneous debts	27,745	25,475
Total short-term debts	208,815	172,823

Miscellaneous debts include employee holiday allowance owed on the balance sheet date (€8.8 million). The annual repayment of €3.9 million to the Ministry of 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 debts to affiliated parties concern debts to Wageningen University in connection with costs to be settled. Wageningen Research has a debt of €10.9 million to Wageningen University. These debts are immediately due and payable, and these positions are assessed and settled monthly. No interest is charged on these positions.

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

The balance sheet item "LNV research still to be conducted" relates to the excess (or shortfall) as a result of Art. 43.1 of the funding scheme (total: €24.1 million). The LNV project and programme subsidies received in 2023 total €196.2 million (2022: €166.1 million).

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

Obligations entered into relating to investments, rentals, operational leases and similar agreements amounted to €23.2 million at the end of 2023. €18.8 million of these obligations expire within one year. €2.5 million of these obligations expire between one and five years.

Description	Total amount of obligations	Of which expiring within 1 year	Of which expiring between 1 and 5 years	Of which expiring after 5 years
Investments	15,934	15,934	0	0
Rental obligations	5,253	1,101	2,307	1,845
Lease obligations	387	205	182	0
Maintenance contracts	897	841	56	0
Surfnet and KPN service contracts	754	754	0	0
	23,225	18,835	2,545	1,845

On the balance sheet 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 were acquired free of charge or have been valued at zero in accordance with the accounting principles. In addition, a number of fixed assets were acquired free of charge within the scope of the merger of the applied research centres. In the event of the sale of these assets that were acquired free of charge, Wageningen Research will incur an obligation to the original contributors. Land 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 in the future the network administrator creates other connections to this station, Wageningen Research will receive a maximum benefit of €1.5 million.

As a result of the takeover of NVWA employees with an initially deviating collective labour agreement (CAO), compensation was agreed for the period 2023-2040 to enable inclusion in the Wageningen Research CAO.

Wageningen Research has sold plant breeder's 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 a court decision 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 fixed assets. The fiscal book value at the end of 2023 is €74.9 million higher than the commercial book value. This may give WR a €19.3 million lower tax burden in the future. Because of the long timescale, with 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.

Wind farms subsidiaries 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 account

(11) INCOME

	2023	2022
Basic funding		
Government funding LNV	0	0
Knowledge Base LNV	38,792	41,686
Tuition fees (statutory)	0	0
Tuition fees (institutional)	0	19
Total basic funding	38,792	41,705
Programme funding		
Policy support research LNV	56,214	45,296
LNV turnover partners	429	0
Statutory Research Tasks LNV	44,663	42,186
NVWA Programme research	23,074	19,689
NWO – indirect government funding	1,494	1,846
Target funding LNV and OCW	0	0
Total programme funding	125,874	109,017
Co-funding and subsidies		
Research stimulation funds	7,907	6,510
EU subsidy programmes	27,652	22,511
Total co-funding and subsidies	35,559	29,021
Top Sectors		
Top Sectors LNV	44,012	44,692
Research stimulation funds Top Sectors	10,141	9,165
Top Sectors business community	21,368	18,664
Total Top Sectors	75,521	72,521
Bilateral market		
Contract research LNV	2,298	2,700
Product Boards contract research	0	17
Other public organisations contract research	43,320	43,820
Business community contract research	40,855	42,781
Charitable organisations contract research	2,559	3,243
Wageningen University contract research	2,577	737
Total bilateral market	91,609	93,298
Ancillary activities		
Sales	10,892	10,858
Proceeds from patents and licenses	789	874
Analyses and advice	8,337	9,176
Courses	147	102
Wind turbines	9,511	7,685
Facilities and Services	3,716	2,524
External rental proceeds	13,206	13,526
Subsidies	-39	-2
Total ancillary activities	46,559	44,743
Other income		
Internal rental proceeds	0	-9
Sale of fixed assets	244	133
Other income	4,446	3,739
Total other income	4,690	3,863
Total income	418,604	394,168

(12) Personnel costs

	2023	2022
Personnel costs		
Wages	195,535	175,917
Social security costs	25,852	22,568
Pension contributions	27,844	29,599
Total salaries, social security costs and pension contributions	249,231	228,084
Temporary agency workers and contracted personnel	15,315	16,484
Other personnel costs	9,214	7,321
Allocation to provision for unemployment insurance obligations	1,018	200
Allocation to provision for WGA/ZW flex	2,428	1,226
Allocation to miscellaneous personnel provisions	5,166	-38
Total personnel costs	282,372	253,277

The direct personnel costs of temporary and permanent personnel increased by €21.1 million. This increase is caused by the following factors:

- Increase of staffing levels by 114 FTEs.
- Increase in wages by 6.9% per FTE, mainly as a result of the CAO 2023 (salary increase of 4.7% from 1 August 2023 as well as a structural end-of-year bonus that was increased by 4% to 8.3%).
- Increase in social security costs by €3.3 million compared to 2022 and decrease in pension contributions per employee by €1.8 million compared to 2022.

€39.0 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 2,995 in the reporting year (2022: 2,881).

The pension scheme for the whole of WUR was (compulsorily) placed with ABP (General Pension Fund for Public Employees). There was no obligation to make up any shortfall as a result of ABP's policy coverage ratio. This is why no provision has been made. Pension accrual takes place on the basis of the average earnings system ("middelloonsysteem"). ABP indexes the pension benefits if the policy coverage ratio exceeds the required minimum. On 31 December 2023, the policy coverage ratio was 113.9% and indexation starts from 110.5%. ABP increased pension benefits once in 2023.

(13) General costs

	2023	2022
General costs		
Housing costs	33,210	24,585
Depreciation of tangible and intangible fixed assets	19,377	20,323
Impairments of tangible and intangible fixed assets	0	0
Miscellaneous equipment costs	18,957	19,440
Miscellaneous general costs	22,730	19,706
Allocation to the provisions:		
Reorganisation costs	-81	-50
Product and contract risks	-286	153
Provision, miscellaneous	0	0
Total allocation to general provisions	-367	103
Total general costs	93,907	84,157

The higher housing costs are caused by the sharp increase in energy costs for gas and electricity. The €22.7 million in miscellaneous general costs consists of office expenses including telephone, postage

and copying costs (€1.4 million); books and subscriptions (€2.0 million); travelling and accommodation costs (€6.3 million); lease and rental cars (€0.8 million); PR activities (€0.3 million); representation costs (€0.2 million); a provision for project losses and bad debts (-€0.2 million); catering (€1.9 million); and miscellaneous costs (€10.1 million). Part of the general costs concern direct project costs. These amount to €17.8 million.

The following accounting services costs for Ernst & Young Accountants LLP and Ernst & Young Belastingadviseurs have been included under miscellaneous costs:

A. Audit of annual accounts	€	243,000	(2022: €214,000)
B. Other audit engagements ²	€	708,000	(2022: €674,000)
C. Fiscal advisory services	€	218,000	(2022: €129,000)
D. Fees for other non-audit services	€	0	(2022: €0)

There are no (accounting services) costs for other EY network firms. The cost of the audit of the annual accounts consists of the agreed fee for the annual accounts 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 changes in value

	2023	2022
Depreciation		
Intangible fixed assets	699	750
Tangible fixed assets	18,678	19,573
Financial fixed assets	0	0
Total depreciation	19,377	20,323
Changes in value		
Intangible fixed assets	0	0
Tangible fixed assets	0	0
Financial fixed assets	0	0
Total changes in value	0	0

Table 16 Breakdown of exceptional changes in value

	2023	2022
	0	0
Total changes in value	0	0

(14) Specific costs

	2023	2022
Specific costs		
Specific costs	24,570	26,477
Services provided by third parties	29,481	24,760
Contributions and subsidies	834	452
Total specific costs	54,885	51,689

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.

² Other audit engagements include those for "agreed upon procedures". These are assignments requested by providers of finance that give them insight into the legitimate use of subsidies, but do not lead to an auditor's report.

(15) Financial income and expenses

	2023	2022
FINANCIAL INCOME AND EXPENSES		
Financial income	4,815	451
Financial expenses	-3,486	-3,620
Total financial income and expenses	1,329	-3,169

Financial income includes any interest income received on bank balances in the reporting year. Financial expenses include the €3.5 million in interest paid on loans from the Ministry of LNV for the financing of the buildings and land.

(16) Taxation on ordinary operational activities

	2023	2022
TAXATION ON ORDINARY OPERATIONAL ACTIVITIES		
Taxation on ordinary operational activities (corporation tax)	1,583	1,938
Total tax on ordinary operational activities	1,583	1,938

The corporation 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 -€8.9 million. The corporation tax payable by Wageningen Research for 2023 is therefore zero. The amount of €1.6 million consists of: refund of +€1.2 million (2021 correction), Holding 2023 corporation tax burden of -€0.3 million, Wageningen Research corporation tax burden of -€0.0 million, and change in tax deferral of +€0.7 million.

(17) Result from participating interests

	2023	2022
RESULT FROM PARTICIPATING INTERESTS		
Fresh Forward Holding B.V.	74	132
CoVaccine BV	118	0
Total result from participating interests	192	132

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

Result appropriation

The Executive Board of Wageningen Research is withdrawing the net result of -€9.5 million from the miscellaneous reserve. Furthermore, in 2023, an amount of €2.1 million was withdrawn from the appropriated reserve, an amount of €3.6 million was added to the HCU designated fund and an amount of €0.2 million was added to the statutory reserve from the miscellaneous reserve.

Post balance sheet date 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 accounts.

Separate balance sheet

After allocation of the net result

	31-12-2023	31-12-2022	
ASSETS			
FIXED ASSETS			
	Intangible fixed assets	5,548	5,364
	Tangible fixed assets	289,313	294,955
(18)	Financial fixed assets	49,775	49,308
	Total fixed assets	344,636	349,627
CURRENT ASSETS			
	Stock	5,607	5,762
	Receivables and accrued income	117,194	100,089
(19)	Liquid assets	139,623	127,273
	Total current assets	262,424	233,124
	TOTAL ASSETS	607,060	582,751
LIABILITIES			
	EQUITY CAPITAL	354,811	364,269
	PROVISIONS	17,339	11,979
	LONG-TERM DEBTS	21,812	27,983
(20)	SHORT-TERM DEBTS	213,098	178,520
	TOTAL LIABILITIES	607,060	582,751

The separate 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 €393. This concerns the equity capital of Stichting Akkerweb.

Separate profit and loss account

	2023	2022
INCOME		
Basic funding	38,792	41,705
Programme funding	125,874	109,017
Co-funding and subsidies	35,559	29,021
Top Sectors	75,521	72,521
Bilateral market	91,898	93,578
Ancillary activities	37,487	37,269
Other income	4,190	2,504
INCOME	409,321	385,615
EXPENSES		
Personnel costs	282,584	253,471
General costs	89,462	79,637
Specific costs	53,986	51,051
Total expenses	426,032	384,159
OPERATING RESULT	-16,711	1,456
Financial income and expenses	1,029	-3,445
RESULT FROM ORDINARY OPERATIONAL ACTIVITIES BEFORE TAX	-15,682	-1,989
Taxation on ordinary operational activities	1,892	2,256
Result from participating interests	4,332	3,686
RESULT FROM ORDINARY OPERATIONAL ACTIVITIES AFTER TAX	-9,458	3,953
Third-party share	0	0
Extraordinary income and expenses	0	0
NET RESULT	-9,458	3,953

The result of Stichting Akkerweb amounts to €1,863 and explains the difference between the separate 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 the deviations in the financial figures between the separate annual accounts and the consolidated annual accounts of Wageningen Research Foundation as of 31 December 2023 are relatively small, for notes to the separate balance sheet and separate profit and loss account refer to the notes to the consolidated balance sheet and profit and loss account. Deviations in the financial fixed assets are shown below.

(18) FINANCIAL FIXED ASSETS

	31-12-2023	31-12-2022
Participating interest in group companies	24,098	19,765
Miscellaneous participating interests	53	53
Receivables from subsidiaries	0	0
Receivables from other affiliated parties	0	0
Members' capital	1,186	1,179
Other receivables	4,467	5,068
Receivable from the Ministry of LNV	17,921	21,864
Deferred tax asset	2,050	1,379
Total financial fixed assets	49,775	49,308

Table 17 Breakdown of the item participating interests in subsidiaries

Description	31-12-2022	Investments/ divestments	Other changes	Downward revaluation	Result 2023	31-12-2023
Wageningen Research Holding B.V.	19,765	0	0	0	4,333	24,098
Total	19,765	0	0	0	4,333	24,098

Table 18 Breakdown of the item members' capital

Description	31-12-2022	Change	31-12-2023
Avebe	0	0	0
Cosun	51	3	54
EBOP	1	0	1
FrieslandCampina	1,069	3	1,072
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
rounding	-1	1	0
Total	1,179	7	1,186

Remuneration

Tables 19 and 20 provide the statutory account of the remuneration of top-level executives, Supervisory Board members and non-top-level executives. The consolidated information about the governance union of Wageningen University & Research is included in Tables 2.17 and 2.18 of the management report and is in line with Tables 19 and 20.

WUR top-level executives are top-level executives at both WR and WU. The remuneration of top-level executives complies at WUR level with the standards of the Senior Executives in the Public and Semi-Public Sector (Standards for Remuneration) Act (WNT). The top-level executives are either employed by WU or bill WU for their remuneration. This integral remuneration is in line with the WNT standard. At WR, the top-level executives are deemed top-level executives without an employment contract because they are employed by WU and are charged on to Wageningen Research Foundation for their share of the provision of services. As a result, a different concept of remuneration applies under the WNT, namely the costs charged for performing top-level positions. In terms of the extent of their employment contract, WU charges 50% of the remuneration on to WR based on an estimate of the distribution of the work. WUR does not keep records of the actual time commitment for the two components of the partnership. The costs of the Executive Board and Supervisory Board related to fulfilling the top-level executive and supervisory positions are allocated to WU and WR based on generic corporate staff apportionment percentages. In the WNT account, the wage costs passed on by WU to WR for fulfilling top-level positions are included as WNT remuneration. The WNT does not provide clear guidelines on the allocation of other costs in the case of intra-group secondment of top-level executives. WR applies the principle that the other costs passed on do not include remuneration components for WNT accounting purposes that relate to the fulfilment of top-level positions. In this way, WR complies with the rules of the WNT to the best of its ability.

Table 19 Remuneration of top-level executives (amounts in €)

The WNT applies to Wageningen Research. The applicable maximum remuneration for Wageningen Research for 2023 is €223,000 (general maximum remuneration).

	S. Heimovaara	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 2023	1-7 to 31-12	1-1 to 31-12	1-1 to 31-12
Extent of employment in FTE	0.5	0.5	0.5
(Fictitious) employment relationship	No	No	No
Remuneration			
Remuneration and taxable expense reimbursements	56,208	111,500	111,500
Remuneration payable in the future			
<i>Remuneration</i>	56,208	111,500	111,500
Individually applicable maximum remuneration	56,208	111,500	111,500
-/- unduly paid amount			
Total remuneration	56,208	111,500	111,500
Reason for exceeding standard and other notes	N/A	N/A	N/A
Data from 2022			
Period of employment in 2022		1-1 to 31-12	1-1 to 31-12
Extent of employment in FTE		0.5	0.5
Remuneration			
Remuneration		108,000	108,000
Provisions for remuneration payable in the future			
Total remuneration		108,000	108,000
Individually applicable maximum remuneration		108,000	108,000

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 compliant) institution(s) as managing top-level executives (who entered employment from 1 January 2018).

Table 20 Remuneration of top-level executives without an employment contract up to 12 months (amounts * €1)

	S. Heimovaara	
Job title	President of the Executive Board	
Calendar year	2023	2022
Period of employment in 2023	1-1 to 30-06	1-7 to 31-12
Number of calendar months of job performance in the calendar year	6	6
Employment contract hours per calendar year	357	375
Individually applicable maximum remuneration		
Maximum hourly rate in the calendar year	212.00	206.00
Maximum based on standard costs per month	134,400	171,600
Individually applicable maximum during the entire period of calendar months 7 to 12	75,684	77,250
Remuneration		
Actual hourly rate lower than the (average) maximum hourly rate	Yes	Yes
Remuneration in the relevant period	55,292	54,444
Total remuneration for the entire period of calendar months 1-12	55,292	54,444
-/- Unduly paid amount and not yet recovered amount	0	0
Total remuneration	55,292	54,444
The amount of the excess and the reason why the excess has or has not been authorised	N/A	N/A
Explanation of receivable for undue payment	N/A	N/A

In addition to the top-level executives listed above, there are no other employed executives who received remuneration above the individually applicable threshold amount in 2023.

Table 21 Remuneration for Supervisory Board members (amounts in €, excluding VAT)

	E. Dijkgraaf ¹⁾	M.A. Verhoef	T. Klimp	K.D. Schuijt	B. Jansen ²⁾	F.P.T. Baayens
Job title	Chair/member	Member	Member	Member	Member	Member
Period of job performance in 2023	1-1 to 31-12	1-1 to 31-12	1-1 to 31-12	1-1 to 31-12	1-1 to 31-12	1-9 to 31-12
Remuneration						
Remuneration	9,651	6,434	6,434	6,521	6,521	2,145
Individually applicable maximum remuneration	33,450	22,300	22,300	22,300	22,300	7,454
Reason for exceeding standard 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 2022						
Duration of appointment in 2022	1-1 to 31-12	1-1 to 31-12	1-1 to 31-12	1-7 to 31-12	1-3 to 31-12	
Remuneration						
Remuneration	6,440	6,172	6,172	3,086	6,239	
Individually applicable maximum remuneration	22,517	21,600	21,600	10,889	21,600	

¹⁾ Remuneration to Dijkgraaf Strategisch Advies BV²⁾ Remuneration to Wellant BV

Other information

Statutory rules on result appropriation

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

Auditor's report by the independent auditor

The auditor's report on the 2023 financial statements is included in the Dutch version of the Annual Report.

Other information

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Overview of real estate sales and purchases

Land and infrastructure	HA	Purchase	Sale
Lisse	0.10		13
Jorwerd	5.23	332	
Bennekom	0.08	828	
Subtotal land and infrastructure		1,161	13

Buildings	Purchase	Sale
Langesteeg 23, Bennekom	141	
Bornsesteeg 78, Bennekom	273	
Subtotal buildings	414	0

Total	1,574	13
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Sales breakdown	Sales revenue	Book value	Book profit
Lisse	23	13	10
Total	23	13	10

Account of subsidies for applied research 2023

Wageningen Research Foundation subsidies 2023		x €1,000
Project and programme subsidies		
Institute subsidy	36,878	
Policy-supporting research and additional research questions	36,185	
Top Sector mission-driven programmes	47,234	
Top Sector funds to be passed on	1,740	
Climate programme	9,450	
BO43 funds to be passed on	3,012	
WOT-01	9,271	
WOT-02	8,849	
WOT-03	3,730	
WOT-04	8,713	
WOT-04 funds to be passed on	150	
WOT-05	6,882	
WOT-06	7,777	
Additional project funds	14,827	
Total received project and programme subsidies	196,177	
Other contributions		
Compensation for loan repayment	2,800	
Compensation for PO loan repayment	957	
Compensation for IAC/ILRI loan	188	
Correction of decline in demand due to waiver of loan	-56	
VAT Wageningen Research	40,205	
VAT Wageningen Research partners	992	
Total WR Foundation subsidies 2023	241,263	
LNV subsidies processed through the balance sheet		
Compensation for the WR portion of LNV loan repayment	2,800	Balance sheet item receivable from LNV
Compensation for the PO portion of LNV loan repayment	957	Balance sheet item receivable from LNV
Compensation for the IAC/ILRI portion of LNV loan repayment	188	Balance sheet item receivable from LNV
WR VAT	40,205	
Consortium co-partners	4,752	
VAT consortium co-partners	992	
LNV subsidies processed through the balance sheet	49,894	
LNV income to account for	191,369	
Increase in LNV programme research yet to be completed	-9,369	Balance sheet item of research yet to be carried out
Decrease in INFRA project funds balance sheet item	1,173	INFRA project funds balance sheet item
Decrease in balance sheet item LNV demo greenhouses	509	Balance sheet item Demo greenhouses
WR Foundation annual accounts income accounted for	183,681	

Breakdown of 2023 WOT infrastructure and HCU operating contribution

Description	Programme	2022 turnover	2023 turnover	2023 investment via balance sheet	Realisation 2022-2023	2023 deferral	2024	2025	2026	2027	Total
Confocal Laser Scanning Microscopy	WOT-01	8,839	15,001	299,999	323,839	0					323,839
Digitisation and automation of diagnostics	WOT-01/02		76,080		76,080	64,081					140,161
Accredited, rapid-turnaround ONA sequencing capabilities	WOT-01/02	13,833	119,676	169,437	302,946	32,054	10,000				345,000
IQ X Tribrid Orbitrap	WOT-02		11,094	1,136,529	1,147,623	114,970					1,262,593
1) Investments/equipment of cryo research lab	WOT-03	91,870			91,870	49,815	49,815				191,500
2) Furnishing/equipment of embryo culture lab	WOT-03										0
3) Temporary seed storage for crops and trees	WOT-03										0
4) Shadow storage	WOT-03										0
Digital Data Infrastructure WOT 04 Marine	WOT-04	53,180	52,054		105,234	104,187	165,289	165,289			540,000
Data Services for WOT EI	WOT-06		286,794		286,794	69,404	243,827				600,025
Subtotal		167,722	560,699	1,605,965	2,334,386	434,511	468,931	165,289			3,403,117
CGN Gene Bank 2.0	Instit. sub.						123,967	216,942	1,688,281	450,000	2,479,190
LTE	Instit. sub.		152,629		152,629	447,371	226,000				826,000
WDCC common data solutions	Instit. sub.		459,534		459,534	247,314	824,650	121,989			1,653,488
Subtotal		0	612,163	0	612,136	694,685	1,174,617	338,931	1,688,281	450,000	4,958,678
Total		167,722	1,172,862	1,605,965	2,946,549	1,129,196	1,643,548	504,221	1,688,281	450,000	8,361,795
Accounted for in 2022/2023		167,722	1,172,862	1,605,965	2,946,549						2,946,549
Long-term								504,221	1,688,281	450,000	2,642,502
Short-term						1,129,196	1,643,548				2,772,744
Total		167,722	1,172,862	1,605,965	2,946,549	1,129,196	1,643,548	504,221	1,688,281	450,000	8,361,795