

Agriculture and Horticulture Development Board

Annual report and accounts
2024/2025

HC 944



Agriculture and Horticulture Development Board

Annual report and accounts 2024-2025

For the period 1 April 2024 to 31 March 2025

Presented to the UK Parliament, the Scottish Parliament, the Welsh Parliament and the Northern Ireland Assembly pursuant to Article 13 of The Agriculture and Horticulture Development Board Order 2008 (S.I. 2008, No. 576)

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The Agriculture and Horticulture Development Board (AHDB) is funded by levies paid by farmers, growers and others in the supply chain. Because the levy is statutory, AHDB is classified as a non-departmental public body (NDPB) and comes under the sponsorship of the Department for Environment, Food and Rural Affairs (Defra).

Seventeenth Annual Report to the Secretary of State for Environment, Food and Rural Affairs, the Scottish Ministers, the Welsh Ministers and the Northern Ireland Ministers, and Statement of Accounts for the year ended 31 March 2025.

Auditor: Comptroller and Auditor General, National Audit Office
157–197 Buckingham Palace Road, London SW1W 9SP

Chair's foreword



After five challenging but rewarding years as chair of AHDB, my successor, Emily Norton, was appointed by Ministers and started in June 2025.

As I leave my role at AHDB I am delighted that the organisation is well placed to continue to support levy payers through what will be a significant period of change for British agriculture. During my time as chair, AHDB has been through a rigorous process of listening and restructuring to ensure that levy payers are provided with the expertise they need to help their businesses thrive. I thank my colleagues on the Board for their scrutiny, challenge and support throughout the last five years in preparing AHDB to play its part as the 'key that unlocks the future of agriculture'. I also record my personal gratitude to an amazingly committed and skilful executive team lead by Graham Wilkinson, who has delivered fundamental change in both culture and value. The organisation is committed to supporting levy payers on key issues through expertise, industry collaboration and strong, decisive leadership.

AHDB's role is very important and unique in offering independent insight and analysis that highlights the risks and opportunities from changes in international trade agreements at a time of exceptional geopolitical uncertainty. We shine a light on the latest market and consumer prices and trends. This includes our regular trade and sector-specific updates and comparison studies on imported produce. During the year we played a lead role in establishing and funding the important independent Farm Assurance Review with the four UK farming unions and we provided independent analysis of proposed government policy changes such as inheritance tax and the Sustainable Farming Incentive. Our evidence and expert economic analysis continues to support levy payers and industry in making the right decisions for their businesses.

Independence has been at the centre of our ability to provide a practical bridge between levy payers, industry and government. We have played a vital role in facilitating discussions and recommending solutions. It is a key priority for the future that our role in providing independent evidence is accepted as essential in underpinning both government and business decision-making.

We have led in promoting and defending the domestic reputation of British produce and in maintaining and developing export markets. A key highlight is red meat exports from the UK that were worth a record-level £1.77 billion in 2024, with beef being the standout success. During the year under review our export team successfully continued its work in opening new markets and developing those that already exist. The launch of our Quality Meat from Britain brand will further support the promotion of our red meat sales worldwide.

Domestically, several award-winning marketing campaigns, backed by an independent panel of expert and respected nutritionists, continued to enhance and promote the nutritional value and quality of British meat and dairy, with a particular focus on younger consumers. Our Let's Eat Balanced campaign continued to highlight the taste and nutritional benefits of meat and dairy to millions of consumers. Our Milk Every Moment campaign, in collaboration with British Universities and Colleges Sport, highlighted the nutritional benefits of milk to young people involved in sport, while tie-ins with social media influencers across many of our campaigns targeted the Gen Z (18-25 year-old) audience. In conjunction with the other three UK red meat levy boards, 2024's Make it Lamb campaign saw a reach of almost two million people across social media, while our Feed Your Family for Less pork campaign saw an estimated 10:1 return on retail sales, generating an extra £9.6m in retail pork sales over the duration of the campaign. The importance of the halal market continues to grow, with halal meat accounting for 30% of UK lamb sales. Our consumer insight has highlighted key opportunities for producers domestically, while we offer guidance and expertise for those looking to export to the international halal market.

AHDB's work on environment and sustainable land management has been a focus of the year, including our pioneering 170 farm baselining pilot, launched in October 2024 following the lead of the NI government's Soil Nutrient Health Scheme. In addition, the intensive work undertaken during the year resulted in industry recommendations for delivering secure and farmer-owned environmental data, which will be very important for the future. These projects and other developing projects aim to support a narrative in which farmers and land managers are recognised for their essential role in addressing climate change and restoring biodiversity.

The organisation has a proven track record in terms of strategic thinking, skills and the ability to deliver scale at pace. The amended legislation that governs AHDB now allows us to work with other sectors, which only strengthens the impact we can have to support an industry in meeting the challenges of the future, and that is vital for a safe and secure United Kingdom.

AHDB provides an essential element in helping deliver a joined-up approach to supporting UK farmers to adapt in a fast-changing world, and I am immensely proud to have been involved in helping the industry as it adapts to the challenges that lie ahead.

Nicholas Saphir
Chair
Agriculture and Horticulture Development Board

4 July 2025

Performance report

From the Chief Executive and Accounting Officer

Introduction



The last 12 months have heralded a significant move forward for AHDB in meeting our levy payers' priorities. Although we still have much to do, initial feedback indicates our levy payers can already see and feel the change in AHDB and as an organisation we have become more efficient and focused on their priorities. Central to this is our new vision for AHDB, 'Unlocking the success of British agriculture', and delivering value to our levy payers is at the forefront of this. A 'laser focus' on levy payers saw a restructure of my Senior Leadership Team, so now each of our four sectors – Beef & Lamb, Cereals & Oilseeds, Dairy and Pork – has a director reporting directly to me at an executive leadership level. This is crucial to ensure we are always listening and adapting to ensure we are delivering in areas our levy payers value most.

Having a new vision for AHDB requires the buy-in of our team of 387 amazing experts who deliver so many great programmes and projects to help levy payer businesses successfully navigate the challenges facing our industry. We have introduced new core values and have transitioned to a performance-driven and commercial mindset. Every individual understands their role and how it aligns with our vision. This is a critical milestone for our future success, fully embraced by myself and my senior team.

It is important AHDB demonstrates leadership, and we have strengthened our position as a powerful independent voice for UK agriculture, defending the industry in areas such as bovine TB, leading on ground-breaking initiatives like our environmental farm baselining pilot and providing analysis of crucial issues that affect our levy payers. While this demonstrates our value as an independent voice for industry, we must use this voice more.

We constantly seek new efficiencies to reduce the operational costs of AHDB. Automation, digital tools and up-skilling our people will deliver cost efficiencies and improve productivity. Over the next five years, AHDB will invest in end-to-end solutions to achieve these efficiencies. Additionally, we will introduce a strategy to generate additional external investment income in key strategic areas to supplement levy income and drive additional value to the industry.

The next five years will be significant for UK agriculture, and we must play our part to ensure its ongoing success.

Overview

In 2024/25, we strengthened our delivery in areas that matter most to our levy payers. We promoted industry reputation, expanded export opportunities in livestock sectors and provided essential research and technical information to our growers.

The continued success of our marketing, environmental and educational work bolstered industry reputation, particularly in the red meat and dairy sectors. Our successful Let's Eat Balanced campaign returned across media platforms, with its 'THIS & THAT' adverts highlighting the nutritional benefits of British meat and dairy and the environmentally friendly practices of the farmers that produce it. Our new Milk Every Moment initiative partnered with British Universities and Colleges Sport (BUCS) to target the next generation of consumers and show the role of milk in a healthy, balanced diet, while our Love Pork promotions continued to highlight British pork as an affordable and nutritious option.

Challenging misinformation and inaccuracies is crucial in our role as an impartial, evidence-based voice defending the industry from unfounded claims intended to negatively influence public opinion. We submitted an official complaint to the BBC over factual inaccuracies in its Brian May-fronted documentary on bovine TB and provided crucial context during the social media controversy over methane-reducing feed additives. The environment and our disease preparedness are becoming increasingly important areas of our work. Our pioneering baselining pilot for farming, launched in October 2024, will measure the impact of 170 farms over five years to address the pressure faced by farmers to meet environmental targets. Our Climate Change Adaptation report offers vital insights into the challenges posed by changing weather patterns that the UK's agriculture industry must face. Our Animal Health and Welfare team provided expert knowledge and

leadership during last year's bluetongue outbreak, organising regular webinars to guide levy payers through the situation. Our contingency planning for other disease outbreaks, such as African swine fever, continues.

Our work with the next generation of consumers continued at pace. Our ongoing collaboration with LEAF saw the first recruits undertake training for the new School Farm Visits Support Programme and the creation of a suite of classroom learning resources, while our partnership with the British Nutrition Foundation gave teachers from across Scotland the support and insights to help them empower young people with the skills and confidence needed to cook and eat well.

We have continued to build on our success working with industry and government to develop and expand global export opportunities for UK red meat and dairy products. In 2024, the value of the UK's red meat exports reached a record high, rising 3.3% from the year before to £1.77 billion. A global appetite for beef, including offal, was the main driver. All the main EU markets reported growth, and areas where we have been active, such as Ghana and South Africa, featured in the top five non-EU destinations for beef exports. While sheep meat export volumes fell 5% year-on-year, overall value increased by 6% to nearly £600m, with the value to France – the UK's largest market – increasing by 12.8% on the year to £330m. Despite total pig meat exports marginally declining in 2024, pig meat offal export volumes were up in the UK's two largest markets – China (19%) and the Philippines (35.5%). Our involvement in getting two UK sites relisted for exports to China with the necessary authorities overseas may further support UK pig meat exports to that market in 2025. Against a challenging trading backdrop, demand from the EU and USA helped maintain 2024's UK dairy export value at £1.8 billion, on a par with the previous year. The appointment of AHDB in-market representatives – roles co-funded with the Department for Business and Trade (DBT) – has paid dividends, most notably in the impressive growth of cheese exports to the USA.

In collaboration with industry and government, our extensive programme of trade show attendance, inward and outward trade missions and market access work, continued to help ensure the UK's world-class produce continues to flourish in multiple markets around the world. A further roll-out of our Quality Meat from Britain brand saw a new multi-lingual website launched to maximise the potential of red meat exports to Europe.

Our role as a trusted, independent, evidence-based voice proved particularly important as we helped inform debate on key issues over the past year. Our Economics and Analysis team provided valuable assessments to levy payers of the impacts of changes to the Sustainable Farming Incentive and inheritance tax, alongside our regular insights into market conditions, prospects and trends that help businesses plan. We commissioned a series of independently reviewed reports into farmgate production standards in the English beef and lamb sector, which will inform the ongoing review of the UK's farm assurance schemes. We initiated an industry-wide discussion on providing a data storage solution to meet the growing demand for farmers to supply environmental data across the supply chain.

Across the sectors, our Knowledge Exchange and Engagement teams continued to provide invaluable expertise, information and support to farmers and growers through a network of events, workshops and meetings, while our AgriLeader programme and annual flagship forum event gave farmers a chance to learn from experts in leadership and management so they could look to build growth and resilience into their businesses. Our Cereals & Oilseeds sector is now focused on looking beyond commodities and at driving profitable, sustainable and resilient farming businesses across the wider rotation, with an emphasis on practical, actionable and data-driven insights. We have begun a new approach of asking levy payers to submit research ideas to put them front and centre of our investment decisions. And we also celebrated 80 years of the Recommended Lists, a vital tool for so many growers. We maintained our commitment to help improve advancements in the industry through cutting-edge genetic research, with our Signet Breeding Services reaching the major milestone of publishing Estimated Breeding Values for more than one million animals.

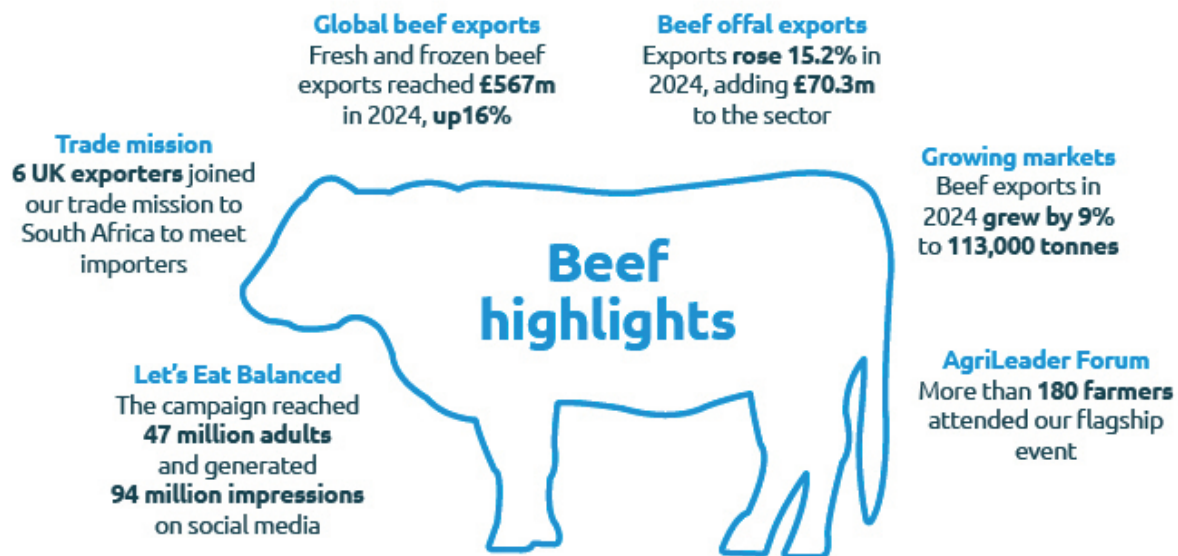
This report summarises AHDB's performance in the 12 months to 31 March 2025. The following pages illustrate how levies have been invested to deliver services for our sectors during that period.

AHDB purpose and strategic priorities

Levy payers have told us they wanted us to focus on the following priorities:

- Defending the reputation of meat and dairy
- Developing new markets for high-quality products
- Helping drive profitability and productivity through expert insight and analysis
- Enabling better business decisions through services such as the Recommended Lists and our nutrient management information, including RB209

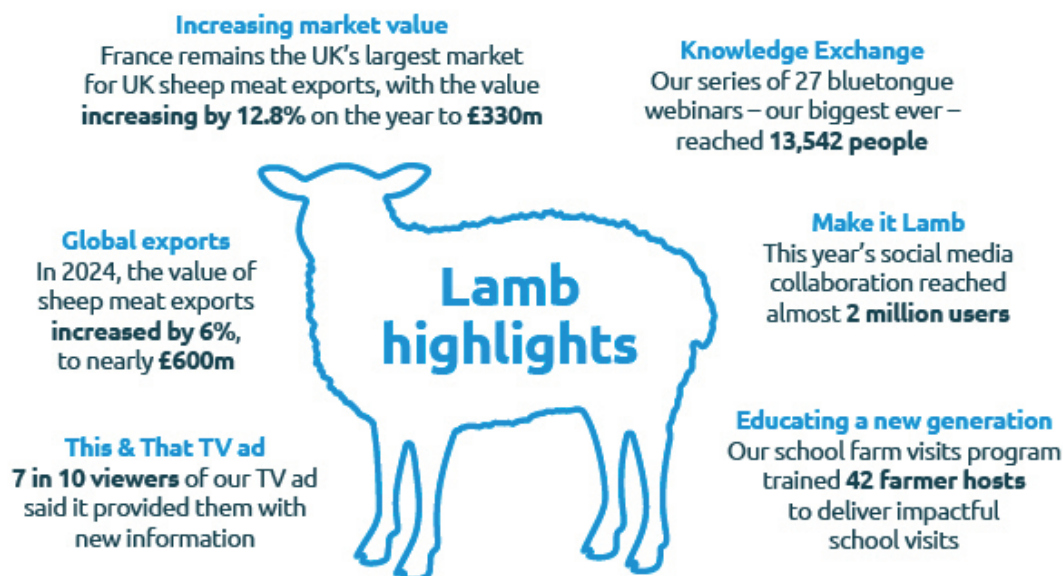
Delivering for AHDB Beef



Sector priorities

- **Reputation:** Promoting and protecting the reputation of beef to consumers based on independent, scientific and geographically relevant evidence. This includes educating future consumers, promoting the image of red meat in the media, tackling reputational issues, providing expert spokespeople and information for the media, responding to government consultations and informing policy development.
- **Marketing:** Protecting long-term demand by championing British beef as an excellent, healthy choice for consumers. This includes our Let's Eat Balanced campaign, delivering other highly visible targeted marketing campaigns across national TV, online, social media and in the press, showcasing our world-class farming standards to consumers and working with retailers to improve the shopping experience
- **Exports:** Increasing market access and driving exports to underpin prices, giving us a better chance of getting the best value for the whole carcass and supporting farmgate prices. We will continue to work with industry and government to open new markets, champion British beef at international trade shows, host foreign governments and buyers, work with exporters to visit target markets and increase trade and support exports in existing markets.
- **Insight and evidence:** Enabling levy payers to improve their on-farm practices. This work will include the supply of price information, following consumption trends and monitoring emerging longer-term market signals, analysing costs of production and farm margins and using our knowledge to help levy payers navigate changes to environmental policy.

Delivering for AHDB Lamb



Sector priorities

- **Reputation:** Promoting and protecting the reputation of lamb to consumers. This includes educating future consumers, promoting the image of red meat in the media, tackling reputational issues, providing expert spokespeople and information for the media, responding to government consultations and informing policy development.
- **Marketing:** Protecting long-term demand by championing British lamb as an excellent, healthy choice for consumers. This includes our Let's Eat Balanced campaign, delivering other highly visible targeted marketing campaigns across national TV, online, social media and in the press, showcasing our world-class farming standards to consumers and working with retailers to improve the shopping experience.
- **Exports:** Increasing market access and driving exports to underpin prices, giving us a better chance of getting the best value for the whole carcass and supporting farmgate prices. We will continue to work with industry and government to continue opening new markets, champion British lamb at international trade shows, host foreign governments and buyers, work with exporters to visit target markets and increase trade and support exports in existing markets.
- **Insight and evidence:** Enabling levy payers to improve their on-farm practices. This work will include the supply of price information, following consumption trends and monitoring emerging longer-term market signals, analysing costs of production and farm margins and using our knowledge to help levy payers navigate changes to environmental policy.

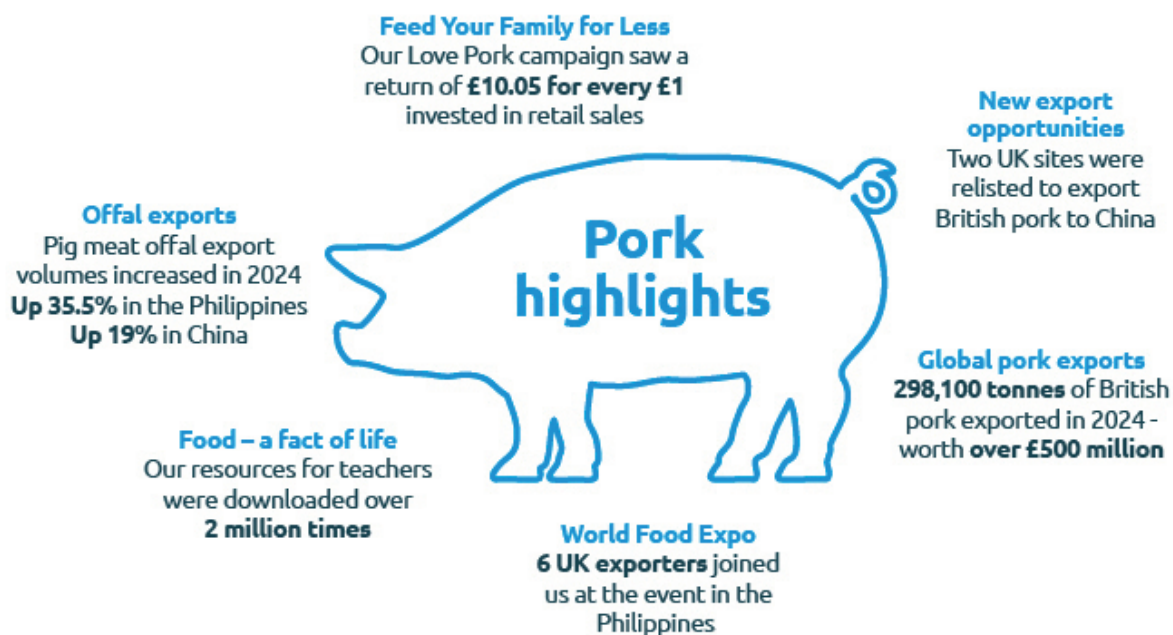
Delivering for AHDB Dairy



Sector priorities

- **Reputation:** To continue to engage with consumers of all ages and promote and defend the reputation of dairy in the media while opening new markets and increasing dairy exports. This will include delivering consumer marketing campaigns that drive a positive attitude towards dairy consumption, using data, evidence and experts to robustly challenge misinformation about dairy in the media and opening new export markets by collaborating with government and industry.
- **Data and evidence:** Using evidence and data to defend or enhance the reputation of the dairy industry at home and abroad. This will include tracking the use of antibiotics in the sector via its electronic Medicine Hub, collaboration with others to prevent or minimise the effect of endemic diseases and to consider the leading role that genetics and genomics play in helping us in our journey towards net zero.
- **Practical support:** Aimed at using our Strategic Farm network to focus on answering farmers' questions on how to make their businesses more profitable and sustainable and to provide targeted market intelligence to support farmers with forecasts and insights. Our work will include the cost of production/farm margins analysis, evidence to inform government policies and analysing consumer trends and global trade to feed into its domestic marketing and export work.

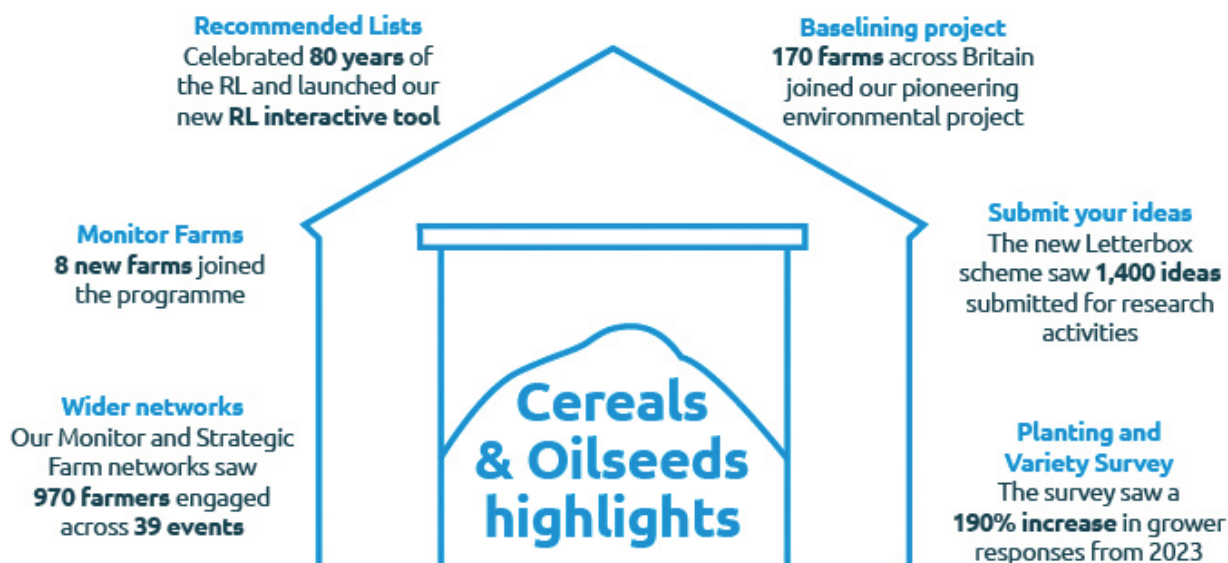
Delivering for AHDB Pork



Sector priorities

- **Marketing:** The aim of this work is to support the long-term demand for pig meat by championing pork as a healthy and versatile choice for consumers. This will involve continuing to deliver award-winning consumer marketing campaigns, in tandem with our always-on social media presence, that drive positive attitudes to pork consumption, inspiring young consumers to cook and eat pork via social media, shifting resources when required to stimulate additional demand for particular cuts and working with retailers to improve the meat aisle.
- **Exports:** Access to export markets is essential to support domestic pig prices. Our work identifies lucrative markets such as the USA for high-quality products and balances the carcasses for fifth-quarter items, helps open and extend market access for our exporters and champions British pig meat trade at international shows.
- **Reputation:** Aimed at protecting and promoting the reputation of the industry to consumers, this work includes educational activities, animal health and welfare, environment and industry skills support.

Delivering for AHDB Cereals & Oilseeds



Sector priorities

- **Independent Research and Evidence:** The aim of this work is to provide critical independent information that growers can trust – we test commercially available products in order to make recommendations and provide hard data that growers can use in their decision-making. The RL selection process also drives the traits in the varieties coming through the commercial breeding programmes, e.g. greater focus on disease resistance.
- **Anticipate Future Challenges:** The aim of this work is to provide answers to key questions that levy payers have and seek reliable independent answers – both in terms of the markets and technical research questions. This work is driven by the needs of levy payers and is what makes it unique, providing them with a route to set the agenda on the questions to be answered.
- **Strengthen co-operation among stakeholders:** We are uniquely placed to bring the industry together and facilitate precompetitive discussions on topics of debate, some of which are controversial – such as the Digital Passport and environmental data. Our aim is to support the exploration and development of concepts to see if and how they would benefit all levy payers.
- **Supporting Arable Farming to Maximise Returns:** The aim is for our team to facilitate farmer-to-farmer learning, on-farm research and to connect levy payers with the best information and expertise, via our network of Strategic Farms, Monitor Farms and Arable Business Groups, together with a providing a wealth of other opportunities for levy payers and advisers to share and gain knowledge on the topics of most interest to them.

Key issues and risks

Risks

In 2024/25, the risk register was reviewed and consolidated into five overarching risk categories that were regularly discussed by the Board. These risk areas encompass income, expenditure, brand reputation, regulatory compliance and people/resources. Risk management and specific risk areas are addressed within the Governance Statement in later pages. Please see page 27 and 28 of the Governance Statement for more details.

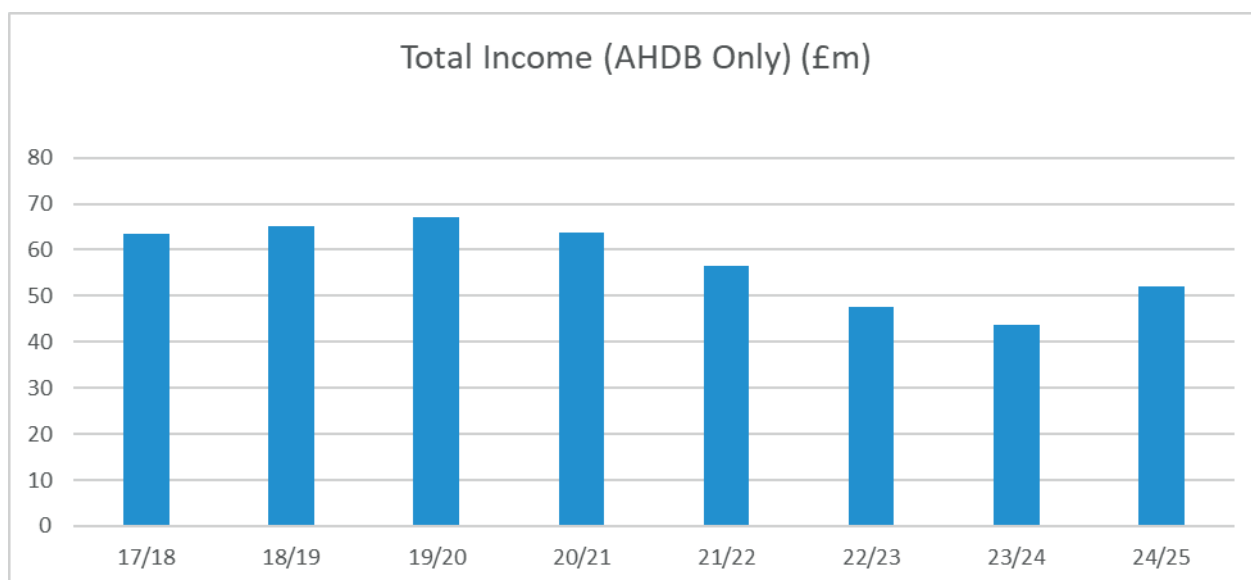
Financial performance

The total net income for AHDB standalone core activities during 2024/25 was £52.1 million (2023/24, £43.7 million), while operating expenditure on core strategic activities was £51.7 million (2023/24, £44.9 million).

The net total comprehensive expenditure for AHDB in 2024/25 was less than £0.1 million (2023/24, £2.5 million) and, when excluding pensions asset/liability movements of £0.7 million (2023/24, £0.1 million), the underlying deficit for AHDB standalone for 2024/25 was £0.7 million (2023/24, deficit of £2.4 million).

AHDB continuing sectors recorded an underlying surplus in 2024/25 of £0.2 million (2023/24: £2.4 million deficit). Excluding the pension reserves, AHDB continuing sectors' reserves were £20.5 million on 31 March 2025 (31 March 2024: £20.3 million). Including pension reserves, AHDB continuing sectors' reserves on 31 March 2025 were £18.7 million (31 March 2024: £17.9 million). Any pension-related reserves are not available to AHDB for operational purposes; they are required for legacy pension scheme and plan obligations.

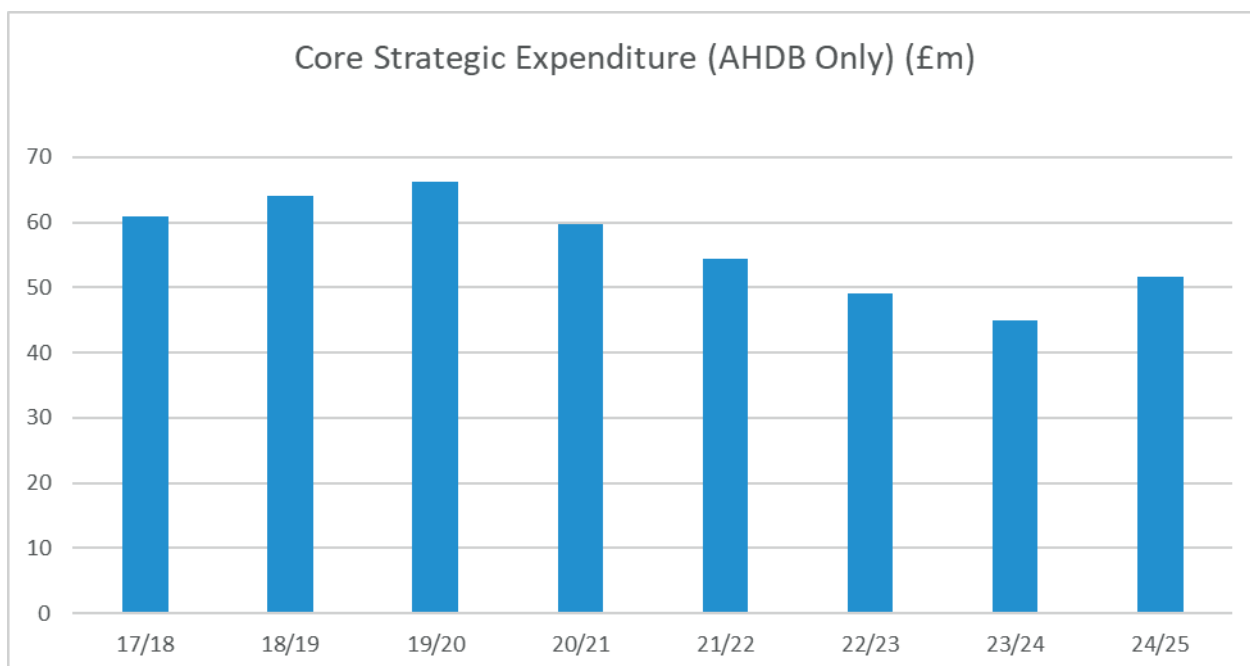
AHDB held a controlling interest in Livestock Information Limited until 31 October 2023. AHDB held 51% of member voting rights and held influence over the appointments for a majority of Board Directors. Following a members' resolution effective 1 November 2023, AHDB's holding of voting rights reduced to 15% and AHDB can only appoint one Board Director. AHDB fully consolidated the financial results of Livestock Information Limited for the period of 1 April 2023 to 31 October 2023 as part of the financial results for the Group. More details of the prior year group movements may be found in the performance report of the 2023/24 Annual Report and Accounts.



Gross levy income for 2024/25 of £52.7 million was £9.1 million more than 2023/24, primarily due to the increase in levy rates across all sectors and increased production volumes in the Beef & Lamb, Pork, and Dairy sectors.

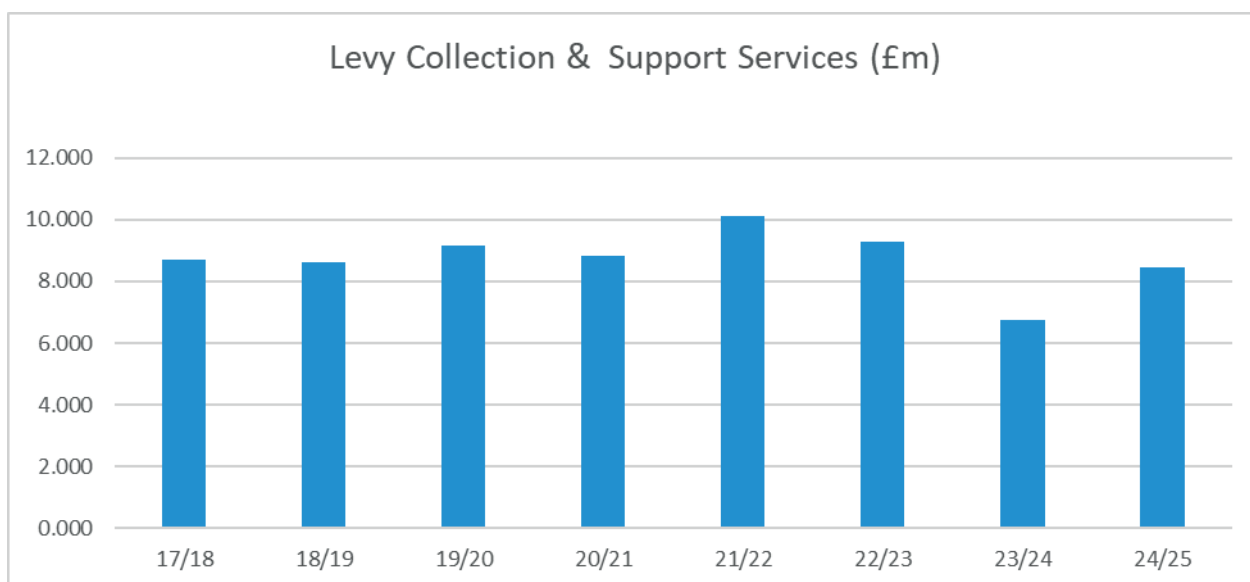
The Red Meat Levy Scheme (RML Scheme) defines the fair reallocation of red meat levies between home nations in relation to the cross-border movement of livestock to slaughter. The RML Scheme levy reallocation value for 2024/25 was £3.2 million (2023/24, £2.6 million). The levy reallocation net effect is to reduce the levy income to AHDB – please see Notes 2a and 2b for more information.

The non-levy income for 2024/25 of £2.6 million was £0.1 million less than 2023/24, primarily due to a reduction in royalty income in the Horticulture sector; AHDB's entitlement to income from the Strawberry Breeding Club ended in September 2023.



The core strategic operational expenditure for the continuing sectors increased by £6.0 million, when compared to 2023/24, to £50.7 million (2023/24: £44.7 million). Staff costs have increased by £2.4 million, driven by full year effect of new starters in 2023/24, a cost-of-living pay increase and an increase in the number of staff. Of the remaining £3.6 million increase, £2.3 million relates to advertising and publicity and £0.3 million to shows and events. The increase in levy rates has enabled AHDB increase focus on sector priorities as outlined earlier in the performance report.

Expenditure on core strategic activities in the 'winding down' sectors for 2024/25 was £1.0 million (2023/24, £0.2 million). In August 2024 AHDB made the first payment related to the GB Potatoes grant agreement. See Notes 2a and 2b for more information.



Central support services expenditure in 2024/25 increased compared to 2023/24 by £1.7 million, due to the introduction of individual Sector Director roles and the new GB Potatoes grant. Prior year expenditure was reduced by the net proceeds from the sale of the Sutton Bridge potato storage research site.

Sector Councils, including staff and sector-specific costs, accounted for circa 2% of income in 2024/25 – a reduction of 1% compared to 2023/24 due to the increase in levy rates and partially offset by increased costs associated with the new Sector Director roles. A breakdown of how the levy from each sector is invested can be found in Note 2a.

Financial Statement Notes 2a and 2b provide the reader with a view of the financial information for AHDB in isolation from its wider Group totals. The presentation of the Group financial results in 2023/24 was influenced by the method of accounting for the deemed disposal of Livestock information Limited.

The AHDB cash balance at the end of the year was £9.4 million compared to £5.1 million in 2023/24. This increase is the result of switching from long-term treasury deposits to investing surplus cash funds in a 65-day green notice deposit. Long-term treasury deposits are classified as financial assets, whereas the 65-day notice account is recognised as part of cash and cash equivalents.

Advertising and publicity: Marketing, which includes advertising and publicity, plays a key role in a number of our delivery programmes across trade development, export development, levy payer communications and digital and creative output, which includes website development, video and graphic design. In 2024/25 AHDB spent £13.6 million on marketing (2023/24, £11.3 million).

Winding down sectors: The Horticulture and Potatoes sectors were winding down operations during 2024/25 because of decisions taken by AHDB, Ministers of Defra and the devolved governments following the outcome of the levy payer ballots in February (Horticulture) and March (Potatoes) 2021.

Across the two sectors, the core strategic operational expenditure was £1.0 million (2023/24: £0.2 million) with an underlying deficit of £0.9 million when including all non-levy income and other costs (2023/24 less than £0.1 million deficit). Reserves for these two sectors on 31 March 2025 were £3.6 million (31 March 2024: £4.5 million). The reserves will fund the future year grant payment, and any residue costs associated managing websites and auditing the grant expenditure.

The AHDB Board, in conjunction with Defra, agreed that the distribution of available surplus reserves for the Horticulture sector will be issued as a grant for the furtherance of EAMUs and EA services. The grant agreement was signed by Horticulture Crop Protection Limited and AHDB on 31 March 2023, with payments during 2023/24 of £0.7 million. A variation agreement for the grant was signed on 26 March 2024 with payments in 2024/25 of £0.4 million. The expected payment in 2025/26 was treated as a financial commitment on 31 March 2025.

In March 2024, the AHDB Board recommended to Ministers that AHDB should make a grant to GB Potatoes Organisation Limited from remaining AHDB Potato sector reserves to undertake project work with industry-wide benefit to the GB potato sector. This was approved by Defra in May 2024 and a payment of £0.5 million was made in August 2024. The grant agreement is for an initial term of three years, with an extension for years 4 and 5 if funds are available. The expected payments for 2025/26 and 2026/27 were treated as a financial commitment on 31 March 2025.

Anti-corruption and fraud prevention: AHDB is committed to ensuring that the risk of fraud, corruption and bribery in all its forms is minimised. Our anti-fraud policy and gifts and hospitality policy incorporate a fraud response plan and inform staff of our approach to operate with integrity and governance oversight. New supplier and customer registration practices include anti-fraud procedures. We follow the Nolan Committee's seven principles of public life and these, together with our policies, financial systems and checks, contribute to minimising risk in this area.

Equality, diversity and inclusion

Our people are essential to delivering our outcome-focused work for farmers, growers and processors. As a responsible employer, we are committed to equality, diversity and inclusion in the workplace, and develop our management teams to embrace the values of our policy. As part of our long-term commitment to equality, diversity and inclusion, we continued to actively review the issue of gender pay and require staff members to undertake EDI awareness training courses, with an updated interactive course rolled out in 2024/25.

Sustainable development performance

We act responsibly as an employer and as an organisation through such mechanisms as waste recycling and purchasing from sustainable sources where possible, including the procurement of recycled toilet paper and hand towels.

Strategy for sustainability: Members of staff attend the cross-Defra sustainability leadership group which meets regularly through the year, collates Greening Government Commitment (GGC) data from all Defra family entities, and coordinates efforts towards obtaining better sustainability metric results. AHDB's move to a new HQ building with a smaller footprint has helped longer-term metrics.

Travel emissions will continue as we support outward export trade missions, but a substantial reduction in domestic vehicle fleet and the smaller, more efficient HQ is expected to help maintain our overall downward emissions trajectory. AHDB total emissions metrics are currently ahead of the Defra group target trend to reach 50% reduction by 2024/25 compared to 2017/18, having fallen to 399 tonnes CO₂ in 2024/25 from 1,108 tonnes CO₂ in 2017/18 (a 64% reduction). Enhanced ability to capture supplier data has led to a restatement of 2023/24 emissions data in the table later in this section.

The Taskforce on Climate-related Financial Disclosures (TCFD): As AHDB falls below the requirement thresholds within the application guidance for these disclosures, and Defra has not instructed AHDB to follow the guidance, AHDB has not applied TCFD.

Fleet: AHDB's commercial vehicle fleet for 2024/25 was three vehicles, compared to four vehicles in 2023/24, one of which is fully electric (a ULEV ratio of 33% for the commercial vehicle fleet). As one of the vehicles in the fleet was returned during 2024/25, the average CO₂ emission of the commercial fleet has reduced to 113 g/km in 2024/25 (2023/24: 125 g/km).

AHDB has one leased pool vehicle in 2024/25 (2023/24: one). The CO₂ emission of this vehicle is 120 g/km, which is the same as 2023/24.

Finite resource consumption: AHDB's water consumption decreased to 287 cubic meters in 2024/25 (2023/24: 497). Reasonable and proportionate future water targets and sub-targets will be evaluated through 2025/26 as part of enhanced sustainability reporting.

Paper usage: Paper usage through printers in AHDB's UK offices and by some home workers in 2024/25 was 209 reams (2023/24: 154). This represents a 95% reduction compared to a baseline of 3,876 reams used in 2018/19.

Waste: AHDB's HQ waste is divided into recycling and general waste. During 2024/25 AHDB recycled 7.22 tonnes of waste, including 0.45 tonnes of IT waste. A total of 2.58 tonnes went to landfill. Waste tonnage has reduced by 12.25 tonnes compared to 2023/24. It can be seen from the accompanying table that, during 2024/25, AHDB had a 74/26 split between the tonnes of waste being recycled and that being sent to landfill compared to a 50/50 split in 2023/24.

Consumer single-use plastics are no longer procured. Reporting on reuse schemes is currently unavailable and will be part of the enhanced sustainability reporting work through 2025/26 in anticipation of the 'Greening Government Commitments 2025-2030', including the assessment of proportionate targets and sub-targets. Facilities procurement processes will include the objective of (i) sourcing supplier data directly from their systems for improved reporting and (ii) reducing the environmental impact of Information and Communication Technology (ICT).

Greenhouse Gas Emissions	Year ended 31 March 2025		Year ended 31 March 2024 restated	
	Measure	Tonnes CO ₂	Measure	Tonnes CO ₂
Scope 1: Direct Emissions				
Bulk Fuels:				
Fleet (kilometres)				
Medium diesel car, 1.7 - 2.0 l	13,079	2.18	27,718	4.59
Heating oil (litres)	-	-	1,392	3.79
Gas (kWh)				
Scope 2: Energy Indirect				
Electricity (kWh)	201,377	41.27	256,921	52.66
Scope 3: Other Indirect Emissions:				
Travel by non-AHDB-owned transport (kilometres)				
Small petrol car, up to 1.4 l	68,820	9.84	71,506	10.02
Medium petrol car, 1.4 - 2.0 l	102,130	18.03	92,721	16.46
Large petrol car, >2.0 l	9,663	2.59	12,677	3.44
Small diesel car, up to 1.7 l	35,216	4.87	26,232	3.61
Medium diesel car, 1.7 - 2.0 l	85,279	14.19	110,350	18.26
Large diesel car, >2.0 l	60,284	12.40	59,024	19.65
Battery Electric Vehicle (BEV) - Average	1,436	0.07	774	0.07
LPG - Average	4,527	0.89	3,644	0.72
Public Transport (kilometres)				
Domestic Flights	118,743	18.93	74,606	11.89
Rail - National /Average	296,205	10.40	169,720	5.96
Light Railway / Tram	331	0.01	137	0.01
London Underground	964	0.03	1,029	0.03
Taxi - Regular	6,261	1.29	5,956	1.23
Bus - Average	684	0.07	737	0.08
Ferry - Average	-	-	21	0.01
Other Travel (kilometres)				
Short Haul International Economy	85,770	9.18	50,792	5.44
Short Haul International Business	5,435	0.87	2,086	0.33
Long Haul International Economy	65,019	7.62	42,051	4.57
Long Haul International Premium Economy	216,559	40.58	751,959	140.91
Long Haul International Business	561,721	190.79	-	-
Long Haul International First	-	-	4,358	2.04
International (non-UK) Economy	25,531	2.01	37,084	2.92
International (non-UK) Premium Economy	3,793	0.48	61,015	7.69
International (non-UK) Business	33,452	7.64	-	-
International (non-UK) First	858	0.27	-	-
Rail - International	19,676	0.09	8,251	0.04
Taxi - International	4,217	0.87	3,577	0.10
Bus - International	218	0.02	348	0.04
Tram - International	103	0.01	101	0.01
Waste management (tonnes)				
Waste recycled externally (including ICT waste)	7	0.04	11	0.23
Waste sent to Landfill	3	1.35	11	5.75
Total		398.88		322.55
Tonnes/£m income		7.7		7.4

Costs (£)	Year ended 31 March 2025	Year ended 31 March 2024
Heating Oil	-	1,030
Gas	868	-
Electricity	106,028	101,430
Water	5,645	8,933
Business Travel	858,976	843,445
Waste Management		
Total waste recycled	4,546	6,606
Total waste to landfill	5,176	4,441

Total reported emissions increased by 24% in 2024/25 compared to the previous year, as seen in the year-on-year emissions values in the above table. The main drivers for this increase are more international travel to support AHDB's shows and events calendar and a switch from using private vehicle to rail travel within in UK, the emissions for which have prescribed GHG conversion factors.

Electricity emissions reduced by 22% in 2024/25 compared to 2023/24 – this was driven by a reduction in kWh used as a result of becoming familiar with efficiencies in the smaller premises. There were no heating oil emissions reported in 2024/25 as the Sutton Bridge site was sold during 2023/24. Waste management processed has reduced by 12 tonnes in 2024/25 as 2023/24 included additional waste related to the move to the new HQ building in April 2023.

Kilometres travelled on public transport has increased by 68% during 2024/25; there were 293 domestic flights compared to 178 in 2023/24. Rail travel increased by 126,485 km (75%) compared to 2023/24, with staff preferring to travel via rail than using their own vehicles. Travel by non-AHDB-owned transport has reduced by 5% in 2024/25.

Kilometres travelled overseas has increased by 6% during 2024/25; this converts to a 59% increase in tonnes CO₂ which is driven by the prescribed GHG conversion factors.

Sustainable procurement: We have built the requirement for sustainability into the AHDB procurement strategy. We use the Government's Energy Performance Contract for our energy (gas and electricity). Our paper products come from sustainable sources. We source catering from many different suppliers as we tend to use local independent caterers close to the location of the events we hold.

Climate change adaptation: We continue to encourage the conservation and enhancement of on-farm biodiversity, soils and water as a positive business benefit within areas of our research and knowledge transfer work.

Performance analysis

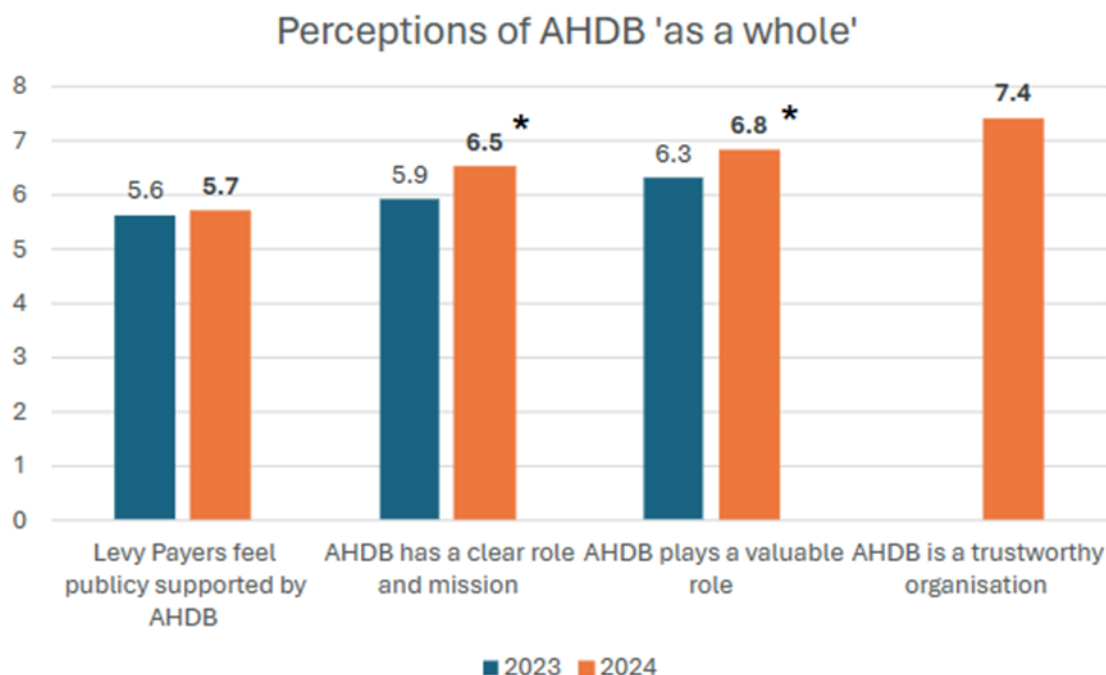
During 2024/25 AHDB continued to measure its corporate performance against key metrics, including value for money, awareness of AHDB and understanding of AHDB by sector. The latest set of data (2024) from our levy payer customer insight measure is highlighted in the table below.

Measure Sector	Value for money (mean score out of 10)		Awareness (% Yes)		Understanding of AHDB (mean score out of 10)	
	2015	2024	2015	2024	2015	2024
Beef & Lamb	4.7	5.2	72%	81%*	3.8	4.5
Cereals & Oilseeds	5.3	6.3	82%	97%*	4.5	6.0*
Dairy	3.9	5.8*	79%	96%*	4.1	6.0*
Pork	5.4	5.7	83%	94%	4.5	6.7

* Denotes statistically significant movement 2015 to 2024. 2015 is the first year fieldwork was undertaken to collate the survey feedback.

Note: Due to a low response rate from the pork sector for this survey, figures are indicative only and statistical significance should not be calculated.

To further the understanding of levy payer satisfaction with AHDB, three new measures were introduced to the Customer Insight Measure in 2023 to capture perceptions of AHDB delivery of sector plans and key priorities. The following chart shows the 2023 benchmark compared to the 2024 result.



* Denotes statistically significant movement from 2023 to 2024

In 2024, another new measure was included in the annual levy payer survey: 'is a trustworthy organisation' (shown on far right of the chart).

Regular vote and the levy ballot process

At least every five years, AHDB must hold a democratic levy payer vote on the priorities and programmes of work they want to have funded by their levy. The last vote of this nature was held in Spring 2022; therefore, no vote on priorities was held during the reporting period. A ratification vote for new Sector Council members was held during October/November 2024, with all council appointments being ratified.

A test of levy payer satisfaction with our performance is provided under the AHDB Order 2008 – the Statutory Instrument under which AHDB operates. It allows levy payers to request a ballot on the continuance of a particular levy. If 5% of levy payers in any sector write to AHDB within a 90-day period, a ballot will be held on that levy and the results will be sent to Ministers for a decision. There were no requests for a ballot received during the 2024/25 financial year.

Board scrutiny

The AHDB Board is accountable for what AHDB delivers, and the executive is responsible for how AHDB does it.

The Board is appointed on a skills basis, consisting of current or recent levy payers and independent members, with appropriate skills and industry expertise. The Board consisted of nine non-executive members, including the Chair. The Board is supported in its work by two statutory committees: the Remuneration and Nominations Committee and the Audit, Risk and Assurance Committee.

The Board is also supported by Sector Councils which decide what strategic programmes of work are needed to support their sectors and also what recommended levy rate is needed to fund that work. The Sector Councils are comprised of levy payers from each sector and independent members, with appointments confirmed through a levy payer vote. A list of Sector Council members can be found at the end of the Annual Report and Accounts.

During the reporting year, the main AHDB Board held seven formal meetings. The four Sector Councils held 22 meetings between them.

Summary and look ahead

The last 12 months have marked a significant step forward for AHDB. We have sharpened our focus on levy payer priorities and strengthened our role as an independent voice for UK agriculture. From export growth to environmental pilots, we have delivered across a broad portfolio, with 2024/25 seeing 92% of our business plan achieved. Initiatives like carbon benchmarking, data stewardship and our marketing campaigns demonstrate how we are turning insight into impact for levy payers.

Internally, we have taken important steps to strengthen our culture and focus. This year we introduced new organisational values and a shared vision: Unlocking the Success of British Agriculture. These foundations are now embedded across the business and supported by a leadership structure that puts each sector at the heart of decision-making. As we enter 2025/26, we remain committed to delivering value through evidence, insight and collaboration, deepening our impact and ensuring that levy payer investment continues to deliver results where it matters most.

Although I will be stepping down as CEO towards the end of 2025, our focus remains firmly on achieving real impact for levy payers and ensuring a smooth leadership transition.

Graham Wilkinson
Chief Executive and Accounting Officer
Agriculture and Horticulture Development Board

4 July 2025

Accountability report

Corporate governance report

Board's report

Introduction

AHDB is an executive non-departmental public body (NDPB) sponsored by Defra. As such, its Board is made up of members appointed by Ministers, rather than directors. It was created on 1 April 2008, when the functions, responsibilities, assets and liabilities of five independent predecessor levy bodies were transferred to the Agriculture and Horticulture Development Board (AHDB). This transfer was in accordance with the Statutory Instrument (the Agriculture and Horticulture Development Board Order 2008), which defines AHDB's statutory purposes as:

- Increasing efficiency or productivity in the industry
- Improving marketing in the industry
- Improving or developing services that the industry provides or could provide to the community
- Improving the ways in which the industry contributes to sustainable development

AHDB provides agricultural sectors with cost-effective, relevant services which support the sectors' long-term sustainability. Our strategy to deliver these services is described in the performance report.

The composition of the AHDB Board is reported on page 29. Details of the Accounting Officer, who is the Chief Executive of AHDB, are reported on page 31.

Any interests held by AHDB Board members in other relevant organisations are disclosed in Note 21 of the financial statements.

AHDB's corporate governance is described and reviewed in the Governance Statement.

AHDB is funded by statutory levies paid by farmers, growers and others in the supply chain. Levies raised from each commodity sector are ring-fenced to ensure they only benefit the sector from which they were raised.

Pension schemes

In accordance with the Government Financial Reporting Manual for the year ended 31 March 2024, AHDB accounts for its pension scheme obligations under the requirements of IAS 19 (revised). There are legacy pension schemes from the Meat and Livestock Commission (MLC) and Home Grown Cereals Authority (HGCA), with recognition of pension liabilities of £1.8 million (2023/24, £2.3 million) and nil (2023/24, £0.2 million), respectively, in the AHDB Statement of Financial Position. These assets and liabilities belong to the pension schemes and, in accordance with the Pension Scheme Surpluses (Valuation) Regulations 1987, are not available to AHDB.

At 31 March 2025 all AHDB current employees are part of a defined contribution pension scheme. The legacy defined benefit schemes are reported on in more detail in Note 21. The members of the defined benefit schemes are previous employees of MLC and HGCA, many are pensioners and most of the remainder no longer work for AHDB (deferred members of the scheme). AHDB is responsible for ensuring members receive their benefits. With effect from 31 March 2022, both the HGCA Pension Plan and MLC Pension Scheme ceased future accrual of benefits. Consequently, with effect from 1 April 2022, there were no active members in either of these schemes.

The MLC Pension Scheme's latest agreed triennial actuarial valuation, as at 31 March 2021, was completed on 22 August 2022 and identified a Technical Provisions funding deficit of £7.3 million. AHDB agreed an Annual Deficit Repair Contribution (DRC) plan of £0.7 million per annum until December 2033. The next triennial actuarial valuation, valued as at 31 March 2024, is currently being discussed between AHDB and the scheme trustees.

The latest agreed triennial actuarial valuation of the HGCA Pension Plan was completed as at 31 March 2022, resulting in a Technical Provisions funding deficit of £0.5 million. DRCs were agreed between AHDB and HGCAPP trustees of £0.2 million per annum which concluded in February 2025.

Both pension schemes have taken steps to reduce the volatility they are exposed to through liability-driven investment approaches. The MLC scheme also has c.60% of its liabilities covered by bought-in insurance policies that are valued using the same assumptions as those liabilities.

Application of the IFRIC14 interpretation of IAS 19 has led to an asset ceiling being placed on the net surplus of both the MLCPS and HGCAPP. More details are provided in Note 20.

Payment policy

AHDB's policy is to pay accounts according to suppliers' payment terms or, where such terms are not specified, to pay within 30 days of agreement of the amount invoiced.

The payment time between the invoice date and payment date that occurred the most often during 2024/25 was 29 days (2023/24: 29 days). The average time between the date the invoice was received and the payment date for all invoices paid in 2024/25 was 22.1 days (2023/24: 23.4 days).

Contractors

AHDB uses the services of individual specialist contractors to provide specific services where the resource is not available in-house and where it would not be commercially or operationally viable to provide the resource internally. During 2024/25, the cost of services provided by such specialist contractors by the AHDB Group was £2.6 million (2023/24: £8.1 million of which £2.5 million was through engagement with AHDB).

Environmental issues (sustainable development)

Please see the Performance Report.

Auditor

The statutory auditor of AHDB is the Comptroller and Auditor General (C&AG). Services are limited to the audit and no fees were paid in respect of non-audit services.

Personal data-related incidents

AHDB has had no material data-related incidents that required reporting to the ICO. There were four personal data incidents logged during the year (five in 2024/25).

The four data incidents were related to human error when sending an email. One of these was reported to the Defra Data Protection Officer. The incidents were used as opportunities to reinforce staff understanding and training and improve systems and processes.

No Subject Access Requests were received during 2024/25.

Statement of the Accounting Officer's responsibilities

Under the Agriculture and Horticulture Development Board Order 2008, the Secretary of State, with the consent of HM Treasury, has directed AHDB to prepare, for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of AHDB and of its income and expenditure, statement of financial position and cash flows for the financial year.

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

- Observe the Accounts Direction issued by Ministers, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis
- State whether applicable accounting standards, as set out in the *Government Financial Reporting Manual*, have been followed, and disclose and explain any material departures in the financial statements

- Prepare the financial statements on a going-concern basis
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable, and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable

The Accounting Officer of the Department for Environment, Food and Rural Affairs has appointed the Chief Executive as the Accounting Officer of AHDB. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding AHDB's assets, are set out in Managing Public Money, published by the HM Treasury.

Disclosure of audit information to the Comptroller and Auditor General

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

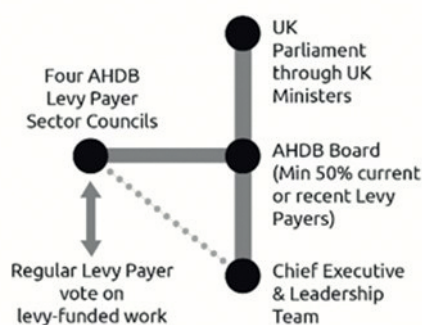
I consider the Annual Report and Accounts as a whole to be fair, balanced and understandable.

Governance Statement 2024/25

AHDB is an executive non-departmental public body established under the Agriculture and Horticulture Development Board Order 2008. AHDB levy income is covered by HM Treasury rules for the governance of public money, and the Department for Environment, Food and Rural Affairs (Defra) acts as AHDB's 'sponsor' Government department. As AHDB's Accounting Officer, I am accountable to Ministers in Defra and the devolved governments on the appropriate use of levy funds and corporate governance standards applicable to public bodies. A Framework Document sets out the arrangements within which AHDB, Defra and the devolved governments are required to operate in their relationship.

As Accounting Officer, I am responsible for maintaining a sound process of governance and a system of internal control that supports the achievement of AHDB's policies, aims and objectives, while safeguarding the public funds and assets in accordance with the responsibilities assigned to me.

Governance framework – AHDB Board and committees



AHDB Governance

The AHDB Board consists of a maximum of ten non-executive members and is led by a Chair. The board is appointed on a skills basis, consisting of current or recent levy payers and independent members with appropriate skills and a proven understanding of the risks and opportunities facing the industry. The Board also has a minimum of three independent members bringing a range of additional skills and experience. The members of the AHDB Board are appointed by Ministers from all four constituent countries of the UK. As of 1 April 2024, there were nine Board members in post, including the Chair. AHDB continued to support the UK Board Apprenticeship scheme for 2024, but did not renew participation in the scheme for 2025.

In compliance with HM Treasury's corporate governance code for central government, the Board operates with the support of two sub-committees: an Audit and Risk Assurance Committee (ARAC) and a Remuneration and Nominations Committee (RemNom).

The Board is also supported through a structure of four advisory committees, known as Sector Councils, comprised of members appointed by AHDB to provide expertise on their specific sector. Each Sector Council has functions delegated from the AHDB Board, including developing the most appropriate strategies to meet the challenges of their sector, within the framework of the AHDB Corporate Strategy.

The main components of the AHDB governance framework are designed to deliver accountability and responsibility for what AHDB does and how it does it.

- The AHDB Board is accountable to Parliament (through Ministers) for what AHDB does. It is appointed on a skills basis, consisting of current or recent levy payers and independent members, with appropriate skills and industry expertise. Two new Board members were recruited in 2024 with terms of office starting in April 2024. During the reporting period, a recruitment exercise began for a new Chair.
- The Board is supported by four advisory sector committees, called Sector Councils. The Sector Councils decide what strategic programmes of work are needed to support their sectors and also what recommended levy rate is needed to fund that work. These councils are comprised of levy payers for that respective sector, with appointments confirmed through a levy payer vote.
- The Sector Councils are informed in their decision-making through a regular (at least five-yearly) open vote by levy payers on strategic work programmes. These are proposed by the Sector Councils and AHDB Executive to address the key priorities identified in each sector. There will also be annual voting where necessary for ratification of Sector Council appointments and reappointments.
- The AHDB Executive is responsible for 'how' the strategic work programmes are delivered. Sector Councils cannot discharge executive functions. The executive structure was reorganised during the reporting period, with the CEO now being supported by a leadership team consisting of the four Sector Directors, a Company Secretary and Governance Director, Finance and Operations Director, Centre of Excellence Director, and a Market Developments and Communications Director.

Board focus

During 2024/25 the Board focused time on the delivery of AHDB's key priorities and the future vision and strategy for AHDB. In particular, the Board considered:

- The future strategy and change programme for AHDB
- How we deliver better levy payer engagement from our communications and technical campaigns
- How we evaluate the value for money to levy payers from our work

Attendance of the Board members at the formal Board and committee meetings held during the year was:

	Board		ARAC		RemNom	
	Available	Attended	Available	Attended	Available	Attended
Nicholas Saphir	7	7			1	1
Colin Bateman	7	7			3	3
Tom Clarke	7	7			3	3
Stephen Briggs	7	7	5	5		
Lyndon Edwards	7	7	5	5		
Graeme Jack	7	7			3	2
Catherine MacKenzie	7	6			3	3
Glen Nimmo	7	7	4	4		
Sarah Pumfrett	7	7	5	5		

- There were six ordinary meetings of the Board and one extraordinary meeting to approve the ARA. Catherine MacKenzie sent apologies once
- ARAC met five times within the reporting period: Glen Nimmo was not a member of the Committee when it met in May 2024
- RemNom only held three meetings during the reporting period: Nicholas Saphir was only a member of the Committee for one of those meetings (May 2024). Graeme Jack sent apologies for that meeting
- The four Sector Councils held 22 meetings between them

The CEO/Accounting Officer, members of the Leadership team and the Governance Manager attended Board meetings.

The AHDB Executive Leadership Team

The AHDB Leadership team is the executive team responsible for ensuring the delivery of the strategy and objectives set by the Board and supervising the day-to-day management operations within AHDB. The team meets informally weekly and formally monthly to monitor and review both the performance of the organisation and manage specific operational matters.

Board performance and effectiveness

The effectiveness of the Board is assessed by the Chair conducting individual appraisals of each Board member on an annual basis.

Conflicts of interest were declared and monitored throughout the year. The AHDB Board continued to manage potential conflicts related to the MLC Pension Scheme and HGCA Pension Plan for Board members and senior executives who are also directors of the pension trustee company for the scheme and plan by being clear in respective meetings which interest they represented and not participating in items where there was a conflict.

Quality of management information

The standard format Board reporting, use of dashboards and strategic target setting continued to be improved upon to provide appropriate levels of information for decision-making.

Corporate governance effectiveness

As Accounting Officer, I have the responsibility of reviewing the effectiveness of the process of governance. My review of the effectiveness is informed by the work of the internal auditors and the senior directors within AHDB, who have responsibility for the development and maintenance of the governance processes and internal control framework.

I have been advised by the Board and ARAC in my review of the effectiveness of the system of internal control.

AHDB embraces and is committed to the principles and requirements of good corporate governance. The process of corporate governance continues to be embedded throughout the organisation during the year ended 31 March 2025 and up to the date of approval of the Annual Report and Accounts and accords with HM Treasury guidance.

The Board considers it has complied with the corporate governance in the central government department's code of good practice insofar as it applies to externally funded arm's length bodies.

No significant internal control issues were brought forward from 2023/24 and no new ones were raised in 2024/25.

Audit and Risk Assurance Committee (ARAC)

Membership of ARAC is detailed on page 29. Meeting attendance is covered in the table on page 24.

The ARAC Terms of Reference define how it supports the AHDB Board and the Accounting Officer with a constructive and challenging approach. The remit of the ARAC includes advising the Accounting Officer and Board on strategic processes for risk assessment, management and control, governance and the Governance Statement. It also considers the planned activity and results of both internal and external audit.

ARAC was satisfied that the general level of management and financial control was sufficient to provide assurance to the Board and levy payers that appropriate processes and systems were in place to support AHDB's operations.

ARAC has self-assessed against the required skills matrix, and though no gaps were disclosed, members completed training activities to further their knowledge. Membership of ARAC was also increased to ensure representation from all four sectors is included. Stephen Briggs, Board and ARAC member, became the new sponsor for the counter-fraud initiatives and action plan from April 2024.

ARAC ensured that it received enough information throughout the year to assure itself that sufficient progress was made in key areas including data, information management and cyber security.

In reviewing the effectiveness of AHDB's internal control, ARAC undertook the following key activities:

Internal control: The AHDB Executive discusses significant control issues and risks with ARAC. The process allows for a robust challenge from ARAC to the executive and agreement and monitoring of subsequent actions. Assurance was obtained that key internal control recommendations made by internal and external auditors had been implemented by management. ARAC requested explanations and agreed on what remedial steps would be taken for any actions that had been delayed.

Financial reporting: An understanding of the current areas of greatest financial risk and how the executive is managing these effectively was obtained. Significant risks and exposures were discussed with management and the internal and external auditors. Management's plans to minimise and manage such risks were discussed, including the liability of the defined benefit pensions and the implementation of the reserves policy (refer to specific risks, page 28). No instances of fraud or error were discovered or disclosed.

Internal audit: The activities and organisational structure of the internal audit function were reviewed, and assurance was provided that no unjustified restrictions or limitations were imposed. ARAC ensured that significant findings and recommendations made by the internal auditors were received and discussed and that management responded appropriately, challenging management on the timeliness of responses where appropriate.

Throughout 2024/25, AHDB's internal audit function was outsourced to RSM. The function operates to standards defined in the Government Internal Audit Standards. The internal audit function has a central role in assessing the robustness of the implementation of the risk management strategy and management of internal controls across AHDB. It provides information on the various strengths and weaknesses and advises on where improvements are necessary and desirable for the good governance of AHDB. The internal audit plan for AHDB is set and approved annually by ARAC. RSM's annual internal audit report for 2024/25 gave the third-highest rating, stating "there are weaknesses in the framework of governance, risk management and internal control such that it could become inadequate and ineffective", which is a step lower than the previous year, noting that the audits undertaken in the year were targeted at specific areas of known challenge. There are four possible rating categories, from 'Substantial' through 'Reasonable' and 'Partial' to 'No' assurance.

During 2024/25, the internal audit areas covered were:

Audit area	Rating
Contract management	Partial assurance
Performance management outcomes	Partial assurance
Stakeholder management part one	Advisory only
Follow-up	Reasonable progress
Target operating model	Advisory only
Human Resources	Management: Partial assurance Key controls: Reasonable assurance

AHDB has considered the overall management of internal control and governance throughout the year and can confirm there are no issues requiring specific disclosure beyond those explained above.

External audit: The audit scope and approach proposed by the external auditor were reviewed and assurance was provided that no unjustified restrictions or limitations had been placed on the scope. ARAC considered the independence of the external auditor, ensured that significant findings and recommendations were received and discussed on a timely basis and that management responded appropriately to recommendations.

Business critical models

AHDB uses a small number of financial models within its planning and analysis area. The financial models come under the ownership of the Financial Controller, with the oversight of the Finance and Operations Director, and are maintained and assured by suitably skilled specialists within the Financial Controller's team.

Other assurances

During 2024/25, AHDB's primary market intelligence data sets were produced using quality management systems that are certified to the internationally recognised ISO 9001:2015 standard. This incorporates our policies, processes and procedures, which safeguard the quality, efficiency and consistency of our systems. It helps us to continuously improve customer satisfaction and provides a basis for business excellence.

AHDB incorporates the government functional standards where applicable; for example, the guidance on General Grants was used to ensure a grant business case was addressing best practice.

Risk: Business risks continued to be monitored and managed across the organisation. AHDB continually seeks to improve internal risk management and embed this within the organisation. During the reporting period, the AHDB Executive undertook a full review of its corporate risk register, resulting in the introduction of a new register focused on overarching risks to the organisation. See below for more detail on risks.

Remuneration and Nominations Committee

Membership of the Remuneration and Nominations Committee is detailed on page 29, and attendance is recorded in the table on page 24. The Committee is chaired by an AHDB Board member and includes three other Board members.

During 2024/25, the Remuneration and Nominations Committee met three times, when it:

- Approved the implementation of government guidelines on pay, which was 4.5% award for this year
- Approved the recruitment package for new Sector Council members
- Considered Sector Council Chair and member remuneration and principles for claiming remuneration
- Reviewed the gender pay gap within AHDB and the actions being taken to reduce this

Whistleblowing policy

AHDB is committed to high standards of openness and accountability, and concerns about malpractice are taken very seriously. A disclosure to AHDB, based on an honest and reasonable suspicion that malpractice has occurred, is occurring or is likely to occur, will be protected. Employees who raise concerns reasonably and responsibly will not be penalised. During 2024/25, there were no concerns raised under the whistleblowing policy. The policy itself was extensively reviewed and updated through 2024/25 with ARAC scrutiny of the revision.

Risk management

The AHDB Governance Manager continued to operate as the key manager for risk management within AHDB. The CEO remains the overall sponsor of risk management within the organisation.

AHDB's risk management policy constitutes a key element of the internal control and corporate governance framework. Senior management team members are responsible for ensuring that risks to the delivery of strategy and to AHDB have been properly identified, assessed and managed across their work areas. They are responsible for escalating risks to the AHDB Executive Leadership Team for its attention when necessary. Through its monitoring, AHDB was satisfied that it continued not to be subject to any risks in relation to Russia's invasion of Ukraine.

Risk appetite

During the reporting period, the AHDB Board, ARAC and the Executive undertook an extensive review of its risk appetite and risk appetite statements. At its meeting of March 2025, the AHDB Board approved revised risk appetite statements that will form the basis of a revised risk management policy and culture within the organisation.

LI Limited

Following a member resolution effective 1 November 2023, AHDB's holding of voting rights in LI Limited reduced from 51% to 15% and AHDB's power to appoint Board directors reduced to one position. AHDB fully consolidated the financial results of LI Limited for the period of 1 April 2023 to 31 October 2023 as part of the financial results for the AHDB Group. The other member of LI Limited is Defra. See further information in Note 11 of the Financial Statements.

Specific risks

During 2024/25 the AHDB corporate risk register was reviewed and consolidated into five overarching risks to the organisation. These overarching risks are supported by operational risks with their own specific appropriate mitigating controls and actions. These new corporate risks were discussed and reviewed by the AHDB Executive, ARAC and AHDB Board. All previous corporate level risks were either closed as completed/superseded or downgraded to operational level and linked to the new overarching risks. The five corporate risks are:

- AHDB income: Year-on-year real-term reductions in income limit AHDB's ability to deliver for levy payers
- AHDB expenditure: Medium- and long-term cost commitments risk exceeding income, requiring disruptive corrective action
- AHDB brand reputation: Erosion of trust from industry or government may impact AHDB's independence and trigger sector disengagement
- People/resources: Challenges in recruiting, developing and retaining staff affect AHDB's ability to deliver business priorities
- Regulatory compliance: Gaps in compliance monitoring and training could lead to legal breaches, fines and reputational harm

Conclusion

As Accounting Officer, I have considered the evidence provided regarding the operation of internal control, the independent advice and assurance provided by the Audit and Risk Assurance Committee, the results of the internal audit assurance process and the observations of the external auditor. Taking this evidence into account, I am content that appropriate systems of internal control and risk management have been in place for the year under review and up to the date of approval.

AHDB Board and statutory committees at 31 March 2025

AHDB is managed by a Board whose members are appointed by the Ministers of all four UK constituent countries. It consists of up to 10 non-executive members, including the Chair. Board membership consists of current or recent levy payers and independent members with appropriate skills and a proven understanding of the skills and opportunities facing the industry.

AHDB Board

Chair: Nicholas Saphir

Independent members: Stephen Briggs
Dr Catherine MacKenzie
Sarah Pumfrett
Graeme Jack

Specialist members and Sector Council Chairs: Colin Bateman, levy payer and Chair of Beef & Lamb Sector Council
Tom Clarke, levy payer and Chair of Cereals & Oilseeds Sector Council
Lyndon Edwards, levy payer and Chair of Dairy Sector Council
Glen Nimmo, Chair of AHDB Pork Sector Council

Further details of Board appointments can be found in the Governance Framework section of the Governance Report and in the Remuneration and Staff Report.

Biographical details of current Board members are published on www.ahdb.org.uk

A register of AHDB Board member interests is maintained and can be obtained by writing to: AHDB Governance Manager, Agriculture and Horticulture Development Board, Siskin Parkway East, Middlesbrough Business Park, Coventry CV3 4PE.

Statutory committees

AHDB Audit and Risk Assurance Committee

Sarah Pumfrett (Chair) – AHDB independent Board member
Stephen Briggs – AHDB independent Board member
Polly Davies – Cereals & Oilseeds Sector Council member
Lyndon Edwards – AHDB Board member, Dairy Sector Council Chair
Glen Nimmo – AHDB Board member, Pork Sector Council Chair
Dr Paul Unwin – Beef & Lamb Sector Council member

AHDB Remuneration and Nominations Committee

Dr Catherine MacKenzie (Chair) – AHDB independent Board member
Colin Bateman – AHDB Board member
Tom Clarke – AHDB Board member
Graeme Jack – AHDB Board member

Terms of reference for both statutory committees are published on www.ahdb.org.uk

Remuneration and staff report

Membership of the Remuneration and Nominations Committee

Membership of the Remuneration and Nominations Committee consists of at least three AHDB Board members appointed by the Board. The membership is detailed on page 29, and attendance is recorded in the table on page 24. Membership is reviewed periodically or upon termination of a member's appointment to the Board.

Policy on the remuneration of the Board, Chief Executive and senior managers

The remuneration of Board members is determined by Defra Ministers. There are no pension arrangements or performance-related emoluments in place for any Board members.

The Remuneration and Nominations Committee's function in relation to its responsibilities regarding remuneration is as follows (a summary of the activity of the committee regarding nominations is included in the Governance Statement):

- Advise Defra on the number of days of commitment required from AHDB Board members
- Set the remuneration for the Sector Council members
- Support the Board, in consultation with Defra, on the performance objectives and remuneration terms linked to these objectives for the AHDB Chief Executive
- Advise the Board on the total remuneration packages for the Leadership team in the AHDB Group, including pay, benefits and pension arrangements
- Advise the Board, in consultation with the Chief Executive, on the proposals for any annual review for staff in general and salary structure and gender pay
- Provide oversight to the Board on the pension schemes

In detail, the Remuneration and Nominations Committee is specifically charged with determining AHDB's policy on the remuneration of those covered by the scope of this committee to ensure these packages are appropriate to attract, retain and motivate senior staff of appropriate calibre, in line with the needs of AHDB and the industry.

In this context, the committee gives full consideration to the best-practice provisions for remuneration policy, contracts and compensation.

See the tables on the following pages for full details of the remuneration of the Board and Leadership team.

Methods used to assess whether performance conditions are met

The committee considers and, if appropriate, approves the Chair of the Board's recommendation concerning the salary for the Chief Executive on an annual basis.

Proportion of remuneration which is subject to performance conditions

AHDB does not have a performance remunerations scheme for any employees, including Board members and the Leadership team.

Policy on duration of contracts, notice periods and termination payments

Ministers have the right to terminate the appointment of any Board member for any reason specified in the Statutory Instrument 2008 No. 576 (Schedule 2, paragraph 2(3)).

Board members may resign by written notice to the appropriate authority (Secretary of State or other Ministers, if appropriate). This does not require a notice period and no termination payments apply. Board appointments are ordinarily made for terms of three years.

The Leadership team are appointed on permanent contracts. All their notice periods are six months to reflect the business needs of the organisation, and any termination payments made would be on contractual terms only.

Contracts of employment for the Leadership Team

Set out below are details of the contracts of employment for AHDB's Leadership Team as at 31 March 2025.

	Contract start date	Contract expiry date	Contract notice period	Unexpired term
Graham Wilkinson: Chief Executive Officer	1-Mar-24	Indefinite	6 months	Not applicable
Ken Boyns: Centre of Excellence Director (Sustainable Agriculture)	1-July-24	Indefinite	6 months	Not applicable
Samantha Charlton: Beef & Lamb Sector Director	2-Sep-24	Indefinite	6 months	Not applicable
Angela Christison: Pork Sector Director	1-Jul-24	Indefinite	6 months	Not applicable
Paul Flanagan: Dairy Sector Director	1-Jul-24	Indefinite	6 months	Not applicable
Tony Holmes: Finance & Operations Director	1-July-24	Indefinite	6 months	Not applicable
Will Jackson: Market Development & Communications Director	1-July-24	Indefinite	6 months	Not applicable
Jackie Kay: HR Director (part of Leadership Team until 31 December 2024)	1-Oct-19	30-Jun-25	6 months	3 months
Rebecca Loveday: Company Secretary & Governance Director	13-Jan-25	Indefinite	6 months	Not applicable
Sarah Woolford: Cereal & Oilseeds Sector Director	9-Sep-24	Indefinite	6 months	Not applicable

Contract start dates indicated above reflect the start date in those positions.

After 31 March 2025 Graham Wilkinson announced he will be stepping down as CEO towards the end of 2025. See Note 22, Events after the reporting date.

Remuneration of the Leadership team (audited)

Set out below are details of the remuneration of AHDB's Leadership team actually paid during the year to 31 March 2025, with full-year equivalent values provided beneath the table, where appropriate. The pension benefit figures in the table reflect the employer's contribution during the year to a defined contribution scheme. There were no bonus payments in either year. "Benefits in Kind" in the table below relate to private medical insurance benefit only and no other non-cash benefits were provided. Car allowance amounts are now included in the "Salary and allowances" column instead of "Benefits in kind" with 2023/24 amounts restated.

	Salary and allowances (£000s)		Benefits in kind (£) Nearest £100		Pension benefit (£) Nearest £1,000		Total (£000s) in bands of £5,000	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Graham Wilkinson: Chief Executive Officer	155-160	10-15	-	-	12,000	1,000	165-170	10-15
Ken Boyns: Centre of Excellence Director (Sustainable Agriculture)	125-130	125-130	500	500	12,000	12,000	140-145	135-140
Samantha Charlton: Beef & Lamb Sector Director (from 2 September 2024)	60-65	-	400	-	6,000	-	65-70	-
Angela Christison: Pork Sector Director (from 1 July 2024)	80-85	-	400	-	8,000	-	90-95	-
Paul Flanagan: Dairy Sector Director (from 1 July 2024)	80-85	-	400	-	8,000	-	90-95	-
Tony Holmes: Finance & Operations Director	115-120	105-110	500	500	11,000	10,000	125-130	115-120
Will Jackson: Market Development & Communications Director	115-120	110-115	500	500	11,000	11,000	130-135	125-130
Jackie Kay: HR Director (until 31 December 2024)	155-160	105-110	700	500	13,000	10,000	170-175	115-120
Rebecca Loveday: Company Secretary & Governance Director (from 13 January 2025)	15-20	-	-	-	2,000	-	20-25	-
Sarah Woolford: Cereal & Oilseeds Sector Director (from 9 September 2024)	55-60	-	-	-	4,000	-	60-65	-

For 2024/25:

The full-year equivalent salary in this period are as follows: Samantha Charlton £95K–£100K, Angela Christison £100K–£105K, Paul Flanagan £100K–£105K, Jackie Kay £105K–£110K, Rebecca Loveday £85K–£90K, Sarah Woolford £95K–£100K. Jackie Kay's remuneration in the table above includes an exit package, details of which are shown in the compensation and exit packages disclosure table. This is included in the salary column except for pension contributions which continued to accrue during the exit payment period beyond the year end and are reflected as part of the pension column.

For 2023/24:

The full-year equivalent salary in this period are as follows: Tim Rycroft £155K–£160K, Graham Wilkinson £145K–£150K.

The value provided in the table for Ken Boyns includes remuneration in consideration of the Accounting Officer role for January and February 2024.

Pension scheme particulars of the Leadership team (audited)

Set out below are the pension scheme particulars of AHDB's Leadership team during the year to 31 March 2025.

	Pension Scheme details	Employees contribution rate	Employers contribution rate
Graham Wilkinson: Chief Executive Officer	AHDB Group Personal Pension Plan	4.0%	8.0%
Ken Boyns: Centre of Excellence Director (Sustainable Agriculture)	AHDB Group Personal Pension Plan	5.0%	10.0%
Samantha Charlton: Beef & Lamb Sector Director	AHDB Group Personal Pension Plan	5.0%	10.0%
Angela Christison: Pork Sector Director	AHDB Group Personal Pension Plan	5.0%	10.0%
Paul Flanagan: Dairy Sector Director	AHDB Group Personal Pension Plan	32.7%	10.0%
Tony Holmes: Finance & Operations Director	AHDB Group Personal Pension Plan	5.0%	10.0%
Will Jackson: Market Development & Communications Director	AHDB Group Personal Pension Plan	5.0%	10.0%
Jackie Kay: HR Director	AHDB Group Personal Pension Plan	5.0%	10.0%
Rebecca Loveday: Company Secretary & Governance Director	AHDB Group Personal Pension Plan	5.0%	10.0%
Sarah Woolford: Cereal & Oilseeds Sector Director	AHDB Group Personal Pension Plan	4.0%	8.0%

Fair pay report (audited)

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

The annualised, banded remuneration, excluding pension benefit, of the highest-paid executive employed by AHDB in the financial year 2024/25 was £155K–£160K (2023/24, £155K–£160K), a 0% increase compared to 2023/24.

The ratios between the mid-point of the banded remuneration (excluding pension benefits) of the highest-paid director at 31 March 2025 and the lower quartile, median and upper quartile for staff pay are as follows:

	Lower Quartile	Median	Upper Quartile
2024/25	4.3 : 1	3.4 : 1	2.8 : 1
2023/24	4.2 : 1	3.3 : 1	2.7 : 1

The lower quartile, median and upper quartile for staff salaries and total pay and benefits (in £) are as follows:

	Lower Quartile		Median		Upper Quartile	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
Salary	36,000	34,585	42,717	40,878	54,672	52,469
Total Pay and Benefits	36,347	35,482	46,115	44,114	56,728	55,061

In 2024/25 and 2023/24, no employees received remuneration in excess of the annualised amount paid to the Chief Executive. Remuneration during the year ranged from a minimum of £20K–£25K to a maximum of £155K–£160K (2023/24: £15K–£20K to £155K–£160K) and, when taken as a whole, employee salary and allowances increased by 3.8% in 2024/25 when compared to 2023/24.

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

Emoluments of AHDB Board members (audited)

Set out below are details of the emoluments of AHDB's Board members during the year ended 31 March 2025. The 2024/25 figures include a total of £21K for related expenses (2023/24: £14K). No other cash or non-cash benefits were provided to AHDB Board members.

Board Member	Role(s)	For the year ended 31-Mar-25 £'000	For the year ended 31-Mar-24 £'000
Nicholas Saphir	Chair of AHDB Board, RemNom	55-60	55-60
Colin Bateman	Chair of Beef and Lamb Sector Council, RemNom	30-35	30-35
Stephen Briggs	Board Member of AHDB, ARAC	20-25	20-25
Tom Clarke	Chair of Cereals & Oilseeds Sector Council, RemNom	35-40	20-25
Lyndon Edwards	Chair of AHDB Dairy Sector Council, ARAC	30-35	35-40
Graeme Jack	Board Member of AHDB, RemNom	15-20	-
Dr Catherine MacKenzie	Board Member of AHDB, Chair of RemNom	10-15	15-20
Glen Nimmo	Chair of Pork Sector Council, ARAC	25-30	-
Sarah Pumfrett	Board Member of AHDB, Chair of ARAC	15-20	10-15
Mike Sheldon	Chair of AHDB Pork Sector Council, RemNom, MLC Pension Plan Trustee Director	0-5	25-30
Janet Swadling OBE	Board Member of AHDB, ARAC, Chair of HGCA Pension Plan Trustees	-	20-25

"RemNom" indicates a member of the AHDB Remuneration and Nominations Committee.

"ARAC" indicates a member of the AHDB Audit, Risk and Assurance Committee.

Sarah Pumfrett was also an LI Limited Board member during 2023/24, receiving £0.

Set out below are the details of Board members' terms of office (not subject to audit):

	Contract start date	Contract end date
Nicholas Saphir: Chair of AHDB	1-Apr-20	31-May-25
Colin Bateman: Chair of AHDB Beef and Lamb Sector Council	13-Sep-21	12-Mar-28
Stephen Briggs: Board Member of AHDB	13-Sep-21	12-Mar-28
Tom Clarke: Chair of AHDB Cereals and Oilseeds Sector Council	1-Apr-23	31-Mar-26
Lyndon Edwards: Chair of AHDB Dairy Sector Council	13-Sep-21	12-Mar-28
Graeme Jack: Board Member of AHDB	1-Apr-24	31-Mar-27
Dr Catherine MacKenzie: Board Member of AHDB	13-Sep-21	12-Mar-28
Glen Nimmo: Chair of AHDB Pork Sector Council	10-Apr-24	9-Apr-27
Sarah Pumfrett: Board Member of AHDB	1-Apr-20	31-Mar-26
Mike Sheldon: Chair of AHDB Pork Sector Council	10-Apr-17	9-Apr-24
Janet Swadling OBE: Board Member of AHDB	31-May-18	31-Mar-24

Nicholas Saphir's term ended 31 May 2025. Emily Norton was appointed as Chair by Ministers and her term began 1 June 2025.

Mike Sheldon's term as Board member and Chair of AHDB Pork Sector Council ended on 9 April 2024. Glen Nimmo was appointed to the position by Defra with effect from 10 April 2024.

Janet Swadling's term as independent Board member ended on 31 March 2024. Graeme Jack was appointed to the position by Defra with effect from 1 April 2024.

Staff report

AHDB is supported by a dedicated team of permanent staff.

Staff costs and average numbers (audited): For the year ended 31 March 2025, AHDB employed an average full-time equivalent (FTE) of 357 staff (333 in the previous year), none of which were funded through non-levy sources (three reported in 2023/24). LI Limited was not part of the AHDB group during 2024/25 and therefore there are no FTEs to report. As at 31 October 2023 when LI Limited left the AHDB Group, there were 27.6 FTEs employed for LI Limited and one employed under other contractual arrangements.

Our staff turnover (unaudited) ran at 15% (55 leavers), reduced from 22% in the previous year (AHDB only).

Total staff costs for 2024/25 were £21.1 million (2023/24, £19.4 million). AHDB has used temporary agency staff resources, of £2K in 2024/25 (2023/24, £0K). Further breakdown of staff costs is included in Note 3.

Staff composition: As at 31 March 2025, the gender split of the AHDB headcount of 387 was 252 (65%) females and 135 (35%) males (2023/24 65% female, 35% male).

Of the ten members of the Leadership team during the year, five were male and five were female.

Sickness absence data: Absence due to sickness is monitored across AHDB.

In the year ending 31 March 2025, total days lost through sickness was 2439 (2023/24: 1295.61). The days lost through sickness equated to 7.09 days per FTE (2023/24: 3.89 days), or 2.90% of total attendance (2022/23: 1.61%).

Human resources (HR) strategy: During 2024/25 we continued to implement our HR strategy to support AHDB's purpose and corporate priorities:

- We are committed to ensuring equality, diversity and inclusion in the workplace and ensure we train and develop our employees to embrace the values of our policy. We became registered as a disability-committed employer and are working closely with Defra on an equality, diversity and inclusion working group
- Promoting employee engagement by continuing to conduct regular engagement surveys
- Established our Change Leaders Forum which meets regularly to discuss engagement and gather feedback from colleagues on business issues
- Delivering high-quality HR advice and support to enable managers to maximise employee performance and potential
- Developing and maintaining transparent and consistently applied HR policies and procedures
- Designing and embedding learning and development opportunities to ensure colleagues were able to engage in training and fulfil their potential
- Developing a transparent and equitable pay and reward structure
- Developing and maximising the use of IT systems within the HR function
- We received our Thrive at Work Bronze accreditation
- We recognise and accept our responsibility for the health, safety and welfare at work of all employees (on AHDB premises or AHDB business elsewhere), in accordance with the Health and Safety at Work etc. Act 1974 and all relevant health, safety and environmental codes of practice and legislation currently in force. We attach the greatest importance to the health, safety and welfare of employees and others who may be affected by our work

Gender pay gap: At 31 March 2025, AHDB's mean gender pay gap was 15.21% and the median gender pay gap was 7.65% (31 March 2024: 21.5% and 19.6%, respectively). Progress is closely monitored on a regular basis towards our commitment to closing the overall mean and median gender pay gap. In accordance with government requirements, data reported for the gender pay gap is always published a year in arrears.

Annual staff survey: A health and wellbeing survey was conducted by Thrive At Work in February 2025. Following this, a robust action plan was developed which is reviewed regularly by the Leadership team, the Change Leaders Forum and Wellbeing Champions.

Consultants and off-payroll arrangements: AHDB spent £314K on the services of external consultants during 2024/25 (2023/24, £125K). See also the contractors section on page 22. Off-payroll engagements are set out on page 35.

Compensation and exit packages agreed for the year to 31 March 2025 (audited)

Exit packages cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	for the period ended 31 March 2025	Restated for the year ended 31 March 2024	for the period ended 31 March 2025	for the year ended 31 March 2024	for the period ended 31 March 2025	Restated for the year ended 31 March 2024
< £10,000	-	1	1	2	1	3
£10,000 - £25,000	1	1	-	-	1	1
£25,000 - £50,000	-	-	-	-	-	-
£50,000 - £75,000	-	-	1	-	1	-
£75,000 - £150,000	-	-	-	-	-	-
Total number of exit packages	1	2	2	2	3	4
Total cost	£ 18,315	£ 19,139	£ 67,648	£ 8,538	£ 85,962	£ 27,678

Any exit packages were in accordance with relevant pension scheme rules and contractual entitlements. One of the exit packages related to senior managers in the year ended 31 March 2025 and none in the year ended 31 March 2024. Prior year figures have been reanalysed to fully bring onto an accruals basis for comparability.

Off-payroll engagements

Off-payroll engagements as of 31 March 2025, for more than £245 per day

	GROUP	AHDB
Number of existing engagements as of 31 March 2025	14	14
Of which...		
Number that have existed for less than one year at time of reporting	3	3
Number that have existed for between one and two years at time of reporting	-	-
Number that have existed for between two and three years at time of reporting	2	2
Number that have existed for between three and four years at time of reporting	4	4
Number that have existed for four or more years at time of reporting	5	5

All off-payroll engagements, between 1 April 2024 and 31 March 2025, for more than £245 per day

	GROUP	AHDB
Number of off-payroll workers engaged during the year ended 31 March 2025	88	88
Of which...		
Not subject to off-payroll legislation	42	42
Subject to off-payroll legislation and determined as in-scope of IR35	-	-
Subject to off-payroll legislation and determined as out-of-scope of IR35	46	46
Number of engagements reassessed for compliance or assurance purposes during the year	88	88
Of which: number of engagements that saw a change to IR35 status following review	-	-

The total number of individuals on-payroll that have been deemed “board members and/or senior officials with significant financial responsibility”, during the financial year, was 20 (10 executives and 10 non-executive board members). This includes individuals who arrived in or left their posts during the financial year. None of these engagements were off-payroll.

Parliamentary accountability and audit report (audited)

Regularity of expenditure – AHDB has considered all of its activities during the year and confirms they are in accordance with the legislation authorising them. In 2021/22, irregularity was identified around the organisation’s employee benefits package, specifically offering private medical insurance to all employees, which had been in place for many years. During 2023/24 AHDB withdrew the benefit being offered to new employees.

AHDB incurred no losses totalling more than £300K in the year or gifts or special payments totalling more than £300K in the year. Note 19 to the Accounts details our contingent liabilities. There are no remote contingent liabilities.

Graham Wilkinson
Chief Executive and Accounting Officer
Agriculture and Horticulture Development Board

4 July 2025

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT, THE SCOTTISH PARLIAMENT, THE SENEDD CYMRU, AND THE NORTHERN IRELAND ASSEMBLY

Opinion on financial statements

I certify that I have audited the financial statements of the Agriculture and Horticulture Development Board and its Group for the year ended 31 March 2025 under the Agriculture and Horticulture Development Board Order 2008.

The financial statements comprise the Agriculture and Horticulture Development Board and its Group's:

- Statements of Financial Position as at 31 March 2025;
- Statement of Comprehensive Net Expenditure, Statements of Cash Flows and Statements of Changes in Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Agriculture and Horticulture Development Board and its Group's affairs as at 31 March 2025 and their deficit for the year then ended; and
- have been properly prepared in accordance with the Agriculture and Horticulture Development Board Order 2008 and Secretary of State directions.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard (2024)*. I am independent of the Agriculture and Horticulture Development Board and its Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Agriculture and Horticulture Development Board and its Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Agriculture and Horticulture

Development Board and its Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

The going concern basis of accounting for the Agriculture and Horticulture Development Board and its Group is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Annual Report but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Agriculture and Horticulture Development Board Order 2008.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Agriculture and Horticulture Development Board Order 2008; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Agriculture and Horticulture Development Board and its Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Agriculture and Horticulture Development Board and its Group or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or

- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Board and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the board Accounting Officer are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within Agriculture and Horticulture Development Board and its Group from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the Agriculture and Horticulture Development Board Order 2008;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the Agriculture and Horticulture Development Board Order 2008; and
- assessing the Agriculture and Horticulture Development Board and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Agriculture and Horticulture Development Board and its Group will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Agriculture and Horticulture Development Board Order 2008.

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

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Agriculture and Horticulture Development Board and its Group's accounting policies;
- inquired of management, Agriculture and Horticulture Development Board's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Agriculture and Horticulture Development Board and its Group's policies and procedures on:

- identifying, evaluating and complying with laws and regulations;
- detecting and responding to the risks of fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Agriculture and Horticulture Development Board and its Group's controls relating to the Agriculture and Horticulture Development Board's compliance with the Agriculture and Horticulture Development Board Order 2008 and Managing Public Money;
- inquired of management, Agriculture and Horticulture Development Board's head of internal audit, AHDB's head of legal and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team and where relevant external specialists, including pension actuaries regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Agriculture and Horticulture Development Board and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Agriculture and Horticulture Development Board and its Group's framework of authority and other legal and regulatory frameworks in which the Agriculture and Horticulture Development Board and its Group operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Agriculture and Horticulture Development Board and its Group. The key laws and regulations I considered in this context included the Agriculture and Horticulture Development Board Order 2008, Managing Public Money, and relevant pensions and tax legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee and the Agriculture and Horticulture Development Board's in-house legal team concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- substantive testing of income and expenditure streams to address the risk of fraud and irregularities

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

Other auditor's responsibilities

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

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

4 July 2025

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Financial statements 2024/25

Consolidated statement of comprehensive net expenditure for the year ended 31 March 2025

	Note	For the year ended 31-Mar-25 £'000	For the year ended 31-Mar-24 £'000
Income			
Gross levy	2a	49,496	40,953
Non-levy sources	2a	2,623	2,724
Total income		52,119	43,677
Operating expenditure			
Levy collection			
Staff costs	2a, 3	(167)	(169)
Other costs	2a, 4	(786)	(812)
Core strategic activities			
Staff costs	2a, 3	(20,306)	(18,804)
Other costs	2a, 4	(31,426)	(37,932)
Current pension service and administration cost	3, 4, 20e	(634)	(439)
Past pension service cost	3, 4, 20e	-	-
Total operating expenditure		(53,319)	(58,156)
Surplus/(deficit) on ordinary activities before interest and taxation		(1,200)	(14,479)
Interest receivable		1,107	1,119
Interest payable		-	-
Interest charges on lease liability	10	(80)	(78)
Net interest relating to pension schemes	20e	(104)	(96)
Deemed disposal of Livestock Information Limited	12	-	(11,098)
Surplus/(deficit) on ordinary activities before taxation		(277)	(24,632)
Taxation	5	(277)	(279)
Surplus/(deficit) for the financial year		(554)	(24,911)
Other comprehensive income			
Net gain/(loss) on revaluation of property, plant and equipment		-	-
Net gain/(loss) on revaluation of pension assets and liabilities	20e	508	(488)
Total comprehensive income/(expenditure)		(46)	(25,399)
Attributable to:			
AHDB Share		(46)	(19,609)
NCI Share of Livestock Information Limited		-	(5,790)

Note 1: These accounts incorporate movements in pension scheme assets and liabilities which do not form part of the reserves available for levy payer delivery activities. Reserves available for delivery activities, which are largely unaffected by pension scheme valuation movements, have decreased by £0.7 million in 2024/25 (2023/24: decrease of £2.4 million excluding Livestock Information Limited related movements). Further information can be found in the Statement of Changes in Equity, Note 2a and (regarding pensions) Note 20.

Note 2: AHDB held a controlling interest in LI Limited until 31 October 2023. AHDB held 51% of member voting rights and held influence over the appointments for a majority of Board Directors. Following a member resolution effective 1 November 2023, AHDB's holding of voting rights reduced to 15% and AHDB can only appoint one Board Director. AHDB has fully consolidated the financial results of LI Limited for the period of 1 April 2023 to 31 October 2023 as part of the financial results for the AHDB Group. The other Member of LI Limited is Defra. Defra's interest was represented as a non-controlling interest in AHDB's consolidated statement of comprehensive net expenditure.

There were no proceeds as a result of the change in control and, as this change is being considered a deemed disposal, a loss equivalent to AHDB's share of the net assets as at 31 October 2023 is reflected through the Consolidated statement of comprehensive net expenditure per IFRS 10 (£11.1 million). See Note 12 for further information.

The notes on pages 49 to 84 are an integral part of these consolidated financial statements.

AHDB Statement of comprehensive net expenditure for the year ended 31 March 2025

	Note	For the year ended 31-Mar-25 £'000	For the year ended 31-Mar-24 £'000
Income			
Gross levy	2a	49,496	40,953
Non-levy sources	2a	2,623	2,712
Total income		52,119	43,665
Operating expenditure			
Levy collection			
Staff costs	2a, 3	(167)	(169)
Other costs	2a, 4	(786)	(812)
Core strategic activities			
Staff costs	2a, 3	(20,306)	(17,905)
Other costs	2a, 4	(31,426)	(27,002)
Current pension service and administration cost	3, 4, 20e	(634)	(439)
Past pension service cost	3, 4, 20e	-	-
Total operating expenditure		(53,319)	(46,327)
Surplus/(deficit) on ordinary activities before interest and taxation		(1,200)	(2,662)
Interest receivable		1,107	1,119
Interest payable		-	-
Interest charges on lease liability	10	(80)	(78)
Net interest relating to pension schemes	20e	(104)	(96)
Surplus/(deficit) on ordinary activities before taxation		(277)	(1,717)
Taxation	5	(277)	(279)
Surplus/(deficit) for the financial year		(554)	(1,996)
Other comprehensive income			
Net gain/(loss) on revaluation of pension assets and liabilities	20e	508	(488)
Total comprehensive income/(expenditure)		(46)	(2,484)

Note 1:

These accounts incorporate movements in pension scheme assets and liabilities which do not form part of the reserves available for levy payer delivery activities. Further information can be found in the Statement of Changes in Equity, Note 2a and (regarding pensions) Note 20 to the accounts.

The notes on pages 49 to 84 are an integral part of these consolidated financial statements.

Consolidated statement of financial position as at 31 March 2025

	Note	As at 31-Mar-25 £'000 £'000		As at 31-Mar-24 £'000 £'000	
Non-current assets					
Property, plant and equipment	6	87		152	
Intangible assets	8, 12	68		242	
Right of use assets	10	1,997		2,327	
Total non-current assets			2,152		2,721
Current assets					
Financial assets	12	13,000		18,000	
Trade and other receivables	13	9,061		7,161	
Cash at bank and in hand	14	9,420		5,064	
Total current assets			31,481		30,225
Total assets			33,633		32,946
Current liabilities					
Trade and other payables	15, 12	(7,336)		(5,588)	
Lease liabilities	10	(276)		(321)	
Provisions	16	-		(37)	
Total current liabilities			(7,612)		(5,946)
Non-current assets plus net current assets			26,021		27,000
Non-current liabilities					
Lease liabilities	10	(1,817)		(2,065)	
Provisions	16	(113)		(110)	
Pension liability	20f	(1,800)		(2,488)	
Total non-current liabilities			(3,730)		(4,663)
Net assets			22,291		22,337
Reserves					
Accumulated funds		24,091		24,825	
NCI reserve		-		-	
Total pension reserve		(1,800)		(2,488)	
Revaluation reserve		-		-	
Total reserves			22,291		22,337

Note 1:

AHDB held a controlling interest in LI Limited until 31 October 2023. AHDB held 51% of member voting rights and held influence over the appointments for a majority of Board Directors, following a member resolution effect 1 November 2023 AHDB's holding of voting rights reduced to 15% and can only appoint one Board Director. As at 31 March 2024 AHDB held no controlling interest in LI Limited and therefore has not consolidated LI Limited within the consolidated statement of financial position. See Note 11 for further information.

The notes on pages 49 to 84 are an integral part of these financial statements.

The financial statements on pages 41 to 48 were approved by the AHDB Board and signed on its behalf by:

Nicholas Saphir
Chair

Graham Wilkinson
Chief Executive and Accounting Officer

4 July 2025

AHDB statement of financial position as at 31 March 2025

	Note	As at 31-Mar-25 £'000 £'000		As at 31-Mar-24 £'000 £'000	
Non-current assets					
Property, plant and equipment	7	87		152	
Intangible assets	9	68		242	
Right of use assets	10	1,997		2,327	
Investments	11	514		514	
Total non-current assets			2,666		3,235
Current assets					
Financial assets	12	13,000		18,000	
Trade and other receivables	13	9,061		7,161	
Cash at bank and in hand	14	9,420		5,064	
Total current assets			31,481		30,225
Total assets			34,147		33,460
Current liabilities					
Trade and other payables	15	(7,850)		(6,102)	
Lease liabilities	10	(276)		(321)	
Provisions	16	-		(37)	
Total current liabilities			(8,126)		(6,460)
Non-current assets plus net current assets			26,021		27,000
Non-current liabilities					
Lease liabilities	10	(1,817)		(2,065)	
Provisions	16	(113)		(110)	
Pension liability	20f	(1,800)		(2,488)	
Total non-current liabilities			(3,730)		(4,663)
Net assets			22,291		22,337
Reserves					
Accumulated funds		24,091		24,824	
Total pension reserve		(1,800)		(2,488)	
Revaluation reserve		-		-	
Total reserves			22,291		22,337

The notes on pages 49 to 84 are an integral part of these financial statements.

The financial statements on pages 41 to 48 were approved by the AHDB Board and signed on its behalf by:

Nicholas Saphir
Chair

Graham Wilkinson
Chief Executive and Accounting Officer

4 July 2025

Consolidated cash flow statement for the year ended 31 March 2025

	Note	For the year ended 31-Mar-25 £'000	For the year ended 31-Mar-24 £'000
Cash flows from operating activities			
Surplus/(deficit) on ordinary continued activities before taxation	2a	(277)	(24,632)
Adjustments for:			
Interest received		(1,253)	(952)
Deemed Disposal of LI Ltd Intangibles	8, 11	-	23,205
Derecognition of non-controlling interest on deemed disposal		-	(10,607)
LI Limited 2022/23 adjustments after group accounts finalised		-	(57)
Depreciation and amortisation	6, 8 & 10	532	2,925
Defined benefit pension costs	20e	634	439
Other finance income	20e	104	96
(Surplus)/Deficit on disposal of property, plant and equipment		-	(873)
(Increase)/decrease in trade and other receivables	13	(1,900)	717
Increase/(decrease) in trade and other payables	15	1,743	(4,717)
(Increase)/decrease in payables relating to capital		-	316
Net provisions created / (written back)	16	(34)	15
Lease liability interest	10	80	78
Tax paid	5	(277)	(279)
Defined benefit scheme pension contributions paid	20f	(918)	(935)
Cash inflows/(outflows) from operating activities		(1,566)	(15,261)
Cash flows from investing activities			
Interest received		1,253	952
Payments to acquire property, plant and equipment	6	-	(33)
Intangible assets additions	8	-	(8,130)
Increase/(decrease) in payables relating to capital		-	(316)
Deposits with maturities greater than three months	12	(13,000)	(21,000)
Withdrawals with maturities greater than three months	12	18,000	23,000
Receipts from sale of assets held for resale and property, plant & equipment		-	1,435
Cash inflows/(outflows) from investing activities		6,253	(4,092)
Cash flow from financing activities			
Lease liability payments	10	(331)	(220)
Increase/(decrease) in financing from sponsoring department		-	9,175
Financing from sponsoring department - non controlling Interest		-	8,815
Cash inflows/(outflows) from financing activities		(331)	17,770
Net Increase/(decrease) in cash and cash equivalents in the period		4,356	(1,583)
Cash & cash equivalents at the beginning of the period		5,064	6,647
Cash & cash equivalents at the end of the period	14	9,420	5,064

The notes on pages 49 to 84 are an integral part of these financial statements.

AHDB cash flow statement for the year ended 31 March 2025

	Note	For the year ended 31-Mar-25 £'000	For the year ended 31-Mar-24 £'000
Cash flows from operating activities			
Surplus/(deficit) on ordinary activities before taxation	2a	(277)	(1,717)
Adjustments for:			
Interest received		(1,253)	(952)
Depreciation and amortisation	7, 9 & 10	532	429
Defined benefit pension costs	20e	634	439
Other finance income	20e	104	96
(Surplus)/deficit on disposal of property, plant and equipment		-	(873)
(Increase)/decrease in trade and other receivables	13	(1,900)	646
Increase/(decrease) in trade and other payables	15	1,743	(1,160)
Net provisions created / (written back)	16	(34)	15
Lease liability interest	10	80	78
Tax paid	5	(277)	(279)
Defined benefit scheme pension contributions paid	20f	(918)	(935)
Cash inflows/(outflows) from operating activities		(1,566)	(4,213)
Cash flows from investing activities			
Interest received		1,253	952
Payments to acquire property, plant and equipment	7	-	(33)
Deposits with maturities greater than three months	12	(13,000)	(21,000)
Withdrawals with maturities greater than three months	12	18,000	23,000
Receipts from sale of assets held for resale and property, plant & equipment		-	1,435
Cash inflows/(outflows) from investing activities		6,253	4,354
Cash flow from financing activities			
Lease liability payments	10	(331)	(220)
Cash inflows/(outflows) from financing activities		(331)	(220)
Net Increase/(decrease) in cash and cash equivalents in the period		4,356	(79)
Cash & cash equivalents at the beginning of the period		5,064	5,143
Cash & cash equivalents at the end of the period	14	9,420	5,064

The notes on pages 49 to 84 are an integral part of these financial statements.

Consolidated statement of changes in equity for the year ended 31 March 2025

	Note	Accumulated reserve £'000	NCI reserve £'000	Pension reserve £'000	Revaluation reserve £'000	Total reserves £'000
Balance at 1 April 2023		35,432	7,860	(2,400)	28	40,920
Surplus/(Deficit) relating to AHDB Activity	2b	(1,996)	-	-	-	(1,996)
Pension gain/(loss)	20e	-	-	(488)	-	(488)
Net gain/(loss) on revaluation		28	-	-	(28)	-
Movement in revaluation reserve		(400)	-	400	-	-
Surplus/(Deficit) relating to LI Ltd Activity prior to disposal	2b	(6,027)	(5,790)	-	-	(11,817)
Surplus/(Deficit) element relating to deemed disposal	2b	(11,098)	-	-	-	(11,098)
LI Limited 2022/23 adjustments after group accounts finalised		(289)	(278)			(567)
Grants from sponsoring department		9,175	8,815			17,990
Derecognition of non-controlling interest on deemed disposal		-	(10,607)	-	-	(10,607)
Balance as at 31 March 2024		24,825	-	(2,488)	-	22,337
Surplus/(Deficit) relating to AHDB Activity	2a	(554)	-	-	-	(554)
Pension gain/(loss)	20e	-	-	508	-	508
Transfers from pensions reserve		(180)	-	180	-	-
Balance as at 31 March 2025		24,091	-	(1,800)	-	22,291

Reserves are allocated to the reporting segments as detailed below:

AHDB Cereals & Oilseeds		4,233	-	-	-	4,233
AHDB Dairy		4,125	-	-	-	4,125
AHDB Pork		5,758	-	(600)	-	5,158
AHDB Beef & Lamb		6,405	-	(1,200)	-	5,205
AHDB Potatoes		1,423	-	-	-	1,423
AHDB Horticulture		2,147	-	-	-	2,147
Total		24,091	-	(1,800)	-	22,291

Note 1:

AHDB held a controlling interest in LI Limited until 31 October 2023. AHDB held 51% of member voting rights and held influence over the appointments for a majority of Board Directors, following a member resolution in effect from 1 November 2023, AHDB's holding of voting rights reduced to 15% and only appoints one Board Director. As at 31 March 2024 AHDB held no controlling interest in LI Limited and therefore has not recognised any non-controlling interest reserve.

The notes on pages 49 to 84 are an integral part of these financial statements.

AHDB statement of changes in equity for the year ended 31 March 2025

	Note	Accumulated reserve £'000	Pension reserve £'000	Revaluation reserve £'000	Total reserves £'000
Balance at 1 April 2023		27,193	(2,400)	28	24,821
Surplus/(Deficit) for the year	2b	(1,996)	-	-	(1,996)
Pension (loss)/gain	20e	-	(488)	-	(488)
Movement in revaluation reserve		28	-	(28)	-
Transfers from pension reserve		(400)	400	-	-
Balance as at 31 March 2024		24,825	(2,488)	-	22,337
Surplus/(Deficit) for the year	2a	(554)	-	-	(554)
Pension gain/(loss)	20e		508	-	508
Transfers from pensions reserve		(180)	180	-	-
Balance as at 31 March 2025		24,091	(1,800)	-	22,291

Reserves are allocated to the reporting segments as detailed below:

AHDB Cereals & Oilseeds		4,233	-	-	4,233
AHDB Dairy		4,125	-	-	4,125
AHDB Pork		5,758	(600)	-	5,158
AHDB Beef & Lamb		6,405	(1,200)	-	5,205
AHDB Potatoes		1,423	-	-	1,423
AHDB Horticulture		2,147	-	-	2,147
Total		24,091	(1,800)	-	22,291

The notes on pages 49 to 84 are an integral part of these financial statements.

Notes to the financial statements

1. Principal accounting policies

The accounts are prepared in accordance with the Agriculture and Horticulture Development Board Order 2008 and the accounts direction issued by the Secretary of State for Environment, Food and Rural Affairs. The accounts direction requires compliance with HM Treasury's Financial Reporting Manual (FReM) and any other applicable guidance issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS), as adapted, or interpreted for the public sector.

Where the FReM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Non-Departmental Public Body (NDPB) for the purpose of giving a true and fair view has been selected. The particular policies adopted by the NDPB are described below. They have been applied consistently in dealing with items that are considered material to the accounts. AHDB applies accounting standards upon formal adoption in the FReM.

IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, requires disclosures in respect of new IFRSs, amendments and interpretations that are, or will be, applicable after the reporting period. There is no expected impact on AHDB's financial statements for the financial year ended 31 March 2026.

Going concern

AHDB considers the going concern basis appropriate, following the FReM interpretation of IAS1, due to the original Statutory Instrument (2008/576) and all subsequent updates requiring the continuation of the provision of a service by AHDB and for AHDB to collect a levy.

AHDB has also undertaken a detailed going concern assessment focusing on the following key themes:

- The ability for AHDB to meet obligations as they fall due. This was assessed on both an income/funding basis and a cashflow basis
- Reviewed a period of at least 12 months beyond the expected signing of the 2024/25 accounts, including the ability to support the payment of grants to third parties
- Considered any other information about the future that is relevant and could affect the going concern assessment

AHDB considers the going concern basis appropriate because the cashflow forecast for AHDB as a whole remains cash positive over the assessment period, and there are sufficient financial controls and income collection arrangements in place to provide a basis for AHDB to meet obligations as they fall due.

Accounting convention

The consolidated accounts have been prepared on a going concern basis, under the historical cost convention, except where otherwise noted in specific accounting policies, e.g. for the fair value treatment of pension assets.

Consolidation

The consolidated financial statements incorporate the financial statements of AHDB and its subsidiaries (Sutton Bridge Experimental Unit Limited and, for part of 2023/24, Livestock Information Limited) and are prepared in accordance with the Government Financial Reporting Manual (FReM). Where necessary, adjustments are made to bring the accounting policies under UK Generally Accepted Accounting Principles (UK GAAP), as used in the individual financial statements of the subsidiaries, into line with those used by AHDB in its consolidated financial statements. In accordance with IFRS, inter-company transactions are eliminated. There is further information regarding the consolidation and investments of the group in the Investments note to the Financial Statements.

In reference to the adjustment for the consolidation of Livestock Information Limited, income received from Defra is recognised as financing directly through the group reserves, offsetting the deficit recorded for Livestock Information Limited in the consolidated statement of comprehensive net expenditure.

This treatment recognises Defra's control over AHDB itself, which establishes Defra's funding of the Group in respect of LI Ltd as contributions from a controlling party, taken through equity directly in accordance with IAS 1 classification principles.

Notes to the financial statements

1. Principal accounting policies (continued)

For the period between April and October 2023, AHDB had control over LI Limited by satisfying the criteria outlined in IFRS10 and as such it was appropriate for AHDB Group to fully consolidate LI Limited for that period. AHDB exercised control by virtue of the following:

- Ownership of voting rights – AHDB had the power to direct the financial and operating policies of the subsidiary through its 51% voting rights which indicates control
- Ability to influence – AHDB demonstrated its ability to influence LI Limited's activities to obtain economic benefits. This influence was detailed through the Delivery Agreement and the Articles which allowed AHDB the ability to make decisions that could significantly impact LI Limited's operations
- Board representation – AHDB had the right to appoint or remove the majority of LI Limited's Board members, giving it control over LI Limited's strategic decisions
- Rights to returns – AHDB retained the rights to the intellectual property developed by LI Limited as well as any value-added services and data produced by AHDB as detailed in the Delivery Agreement

With effect from 1 November 2023, following voluntary changes to the Articles of Association and the Delivery Agreement, the voting rights of AHDB as a member of LI Limited reduced from 51% to 15% and the Board appointments rights reduced to one position on the Board. This change effectively meant that AHDB no longer exercised control or had significant influence over LI Limited, resulting in LI ceasing to be a subsidiary of AHDB Group from 1 November 2023. As a result of this loss of control, AHDB deconsolidated LI Limited with effect from 1 November 2023. The primary financial statements and the notes to the financial statements include explanatory notes to identify the consequences of this deconsolidation where necessary. See the Investment Note for more information.

Segmental reporting

In addition to presenting the consolidated financial results and financial position in the financial statements, a breakdown of those results and balances by business segment is provided in accordance with IFRS 8 'Segmental Reporting'. The presentation of segmental information is based on the external and regulatory environments in which AHDB operates, being the statutory obligation to report and account for levies on a sector basis. AHDB has introduced a timesheet recording system where activities performed are recorded either specifically to a sector or across multiple sectors. Time and costs are recorded based on the work delivered to the sector. If the work is across multiple sectors this is split across the relevant sectors based on a percentage determined by each of the business functions during the budget setting process and the respective budgets are approved by the AHDB Board and Sector Councils. These percentages are further reviewed and updated as part of AHDB's quarterly forecast process. The business segments are AHDB Cereals & Oilseeds, AHDB Dairy, AHDB Pork, AHDB Beef & Lamb, AHDB Potatoes, AHDB Horticulture and, for 2023/24, Livestock Information Limited.

The Horticulture and Potatoes sectors were winding down operations during the reported periods because of decisions taken by AHDB, Defra Ministers and the devolved governments following the outcome of the levy payer ballots in February (Horticulture) and March (Potatoes) 2021. The Statutory Instrument update that came into force on 26 May 2022 (SI 2022/577) allows AHDB to continue to support these sectors without any levy collection and therefore they do not lead to being accounted for as discontinued operations under IFRS 5. The focus for these sectors is on collection of outstanding levies, expenditure management and cost control to ensure activities are managed in line with the wind down plan.

The segmental reporting disclosures can be found in Note 2a.

Notes to the financial statements

1. Principal accounting policies (continued)

Research and development expenditure

Research and development expenditure is charged as it is incurred, on an accruals basis, and is not capitalised in the statement of financial position. The terms of the statutory instrument that established AHDB prevent AHDB from restricting access of other parties to future benefits of the research activities it undertakes. As a result, the research and development expenditure does not meet the requirements for capitalisation under IAS 38 'Intangible Assets'.

Assets under construction

Assets under construction are shown at accumulated cost. Costs considered for capitalisation follow the guidance of IAS 16 for property, plant and equipment and IAS 38 for intangible assets and include the asset's purchase cost (if applicable), any costs directly attributable to bringing the asset to its location and condition for intended use and any costs for dismantling, removal or site restoration (if so obliged).

Once the asset is completed, it is transferred to the relevant asset class, with depreciation or amortisation commencing when the asset is brought into service.

Property, plant and equipment

Property, plant and equipment include assets purchased directly by AHDB and assets for which the legal title transferred to AHDB under the Agriculture and Horticulture Development Board Order 2008.

Expenditure on property, plant and equipment of £5,000 and above is capitalised when it is probable that the asset will generate future economic benefits. On initial recognition, assets are valued at cost and any costs attributable to bringing them into working condition. All property, plant and equipment are reviewed annually for impairment and are carried at fair value. Land and buildings are stated at their fair value, based on a periodic professional valuation. All non-property assets are deemed to be short-life or low-value assets and are valued on the basis of depreciated replacement cost as an approximation of fair value. Any assets held for resale would be valued in the consolidated accounts under IFRS 5, at the lower of carrying value or estimated net realisable value.

Intangible assets

Intangible assets are non-monetary assets without physical substance and comprise software licences and internally developed IT software, including assets under construction. The capitalisation threshold is £5,000.

In accordance with IAS 38 and FRS 102 Section 18, costs associated with developing and implementing additional functionality are capitalised as incurred during the year and begin amortising based on the same end-date of the asset's Useful Economic Life (UEL). An impairment review is carried out on material intangible assets each year.

In addition to the capitalised costs outlined above for each asset, costs are incurred in relation to the assets but not directly related to the build work.

These assets are only revalued where it is possible to obtain a reliable market value. When fully operational in the business, internally generated software is stated at a proxy for fair value, being an amortised replacement cost. This fair value represents the value in use of the remaining economic benefit. Impairment assessment compares this value with the depreciated replacement cost of the useful service potential. Possible impairment indicators would include a significant reversal of a branch of development during the construction phase, or a curtailment of the use of system features.

Depreciation and amortisation

Depreciation and amortisation are calculated so as to write off the cost or valuation of fixed assets, less their estimated residual values, on a straight-line basis over the expected useful lives of the assets, as follows:

- Freehold buildings: 10 to 50 years
- Leasehold improvements: Life of lease
- Plant and machinery: 3 to 10 years
- Fixtures and fittings: 1 to 10 years
- Motor vehicles: 2.5 to 5 years
- IT – Computer hardware: 1 to 5 years
- IT – Computer software: 1 to 10 years

Notes to the financial statements

1. Principal accounting policies (continued)

Freehold land is not depreciated.

AHDB assets are depreciated in the month in which the asset is brought into use. A full month depreciation is recognised in the statement of comprehensive net expenditure.

Dilapidations

AHDB has entered into a rental agreement for the property it occupies. The agreement includes clauses requiring AHDB, at the end of the rental period, to return the property to the landlord in its original state or to pay the landlord the cost of any necessary work to achieve this ("dilapidations"). AHDB therefore provides for the cost of removing any modifications it makes and repairing any damage or wear occurring during its tenancy.

Leases

AHDB adopted IFRS 16 from 1 April 2022. Upon transition, AHDB adopted the modified retrospective approach and applied the available practical expedients as directed by the FReM.

HM Treasury has withdrawn the accounting policy choice to apply IFRS 16 retrospectively to each prior reporting period presented in accordance with IAS 8. At the date of initial application, therefore, AHDB recognised the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of reserves. HM Treasury has also withdrawn the option to reassess whether a contract is, or contains, a lease at the date of initial application. AHDB therefore initially applied IFRS 16 to any contracts previously identified as a lease, or containing a lease, under IAS 17 and did not apply IFRS 16 to any contracts not previously identified as such. Leased assets were identified as follows: a) Land and buildings – AHDB leases office accommodation which is used as headquarters. Under IAS 17, these contracts were treated as operating leases. b) Vehicles – AHDB leases vehicles primarily for pool vehicles for facilities team to move items, and staff who travel on business who do not have business insurance. Under IAS 17, these contracts were treated as operating leases. On transition to IFRS 16 AHDB revised its vehicle policy during 2022/23 which resulted in vehicles being returned and replaced with a car allowance, the remaining vehicles fell under the low value exemption under IFRS16. The low value exemption has been applied to leases under £10,000.

As required by the standard, provisions for dilapidations on leased properties, where a right-of-use asset has been recognised, are capitalised as part of the asset value.

AHDB has applied the recognition and measurement exemption for short-term leases in accordance with IFRS 16 paragraphs 6–8. AHDB has applied the recognition and measurement exemptions provided by IFRS 16:

- For short-term leases (12 months or less)
- For leases for which the underlying asset is of low value, AHDB has adopted a £10,000 threshold

As permitted by the FReM, right-of-use assets are subsequently measured using the cost model as a proxy for the measurement of the cost value in use. This is because lease terms require lease payments to be updated for market conditions, for example, rent reviews for leased properties, which will be captured in the IFRS 16 cost measurement provisions. Right-of-use assets also have shorter useful lives and values than their respective underlying assets and, as such, cost can be used as a proxy for assets with shorter economic lives or lower values in accordance with the FReM.

The initial lease liability is calculated by reference to the remaining lease payments discounted at an appropriate rate at the date of initial application. We are not able to readily determine the interest rate implicit in the lease and have therefore used the HM Treasury discount rates promulgated in PES papers as the incremental borrowing rate. The corresponding right-of-use asset is calculated by reference to the lease liability adjusted for any prepaid or accrued lease payments immediately before the date of initial application. For interest expense in relation to leasing liabilities, refer to statement of comprehensive net expenditure.

Provisions

A provision is recognised where there is a legal or constructive obligation arising from past events, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognised is the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date.

Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated at the rate ruling at the date of the transaction.

All foreign exchange differences are taken to the statement of comprehensive income in the year in which they arise.

Notes to the financial statements

1. Principal accounting policies (continued)

Financial assets and liabilities

Financial assets consist of trade receivables and other current assets such as cash at bank and in hand and cash held on deposit. Financial assets comprise receivables that are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at fair value and, subsequently, held at amortised cost after an appropriate provision for expected credit loss.

AHDB places surplus cash funds on deposit with Barclays Bank for terms ranging from one week to 12 months. Deposits greater than three months are considered to be a financial asset rather than cash and cash equivalent in accordance with IFRS 9.

Financial liabilities consist of trade payables and other current liabilities. In accordance with IFRS 9 – Financial Instruments, financial assets and liabilities are initially recognised at fair value, less directly attributable transaction costs. They are subsequently measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks and other financial institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

Term deposits which have an original maturity in excess of three months are treated as financial assets and the related cash flows are treated as investing activities.

Pensions

Defined contribution scheme

AHDB operates a defined contribution scheme for the benefit of all active employees.

The amounts charged as expenditure for the defined contribution scheme represent the contributions payable by AHDB for the accounting period in respect of these schemes.

Defined benefit schemes

AHDB has two legacy-defined benefit schemes which are closed to future accrual: the Meat and Livestock Commission Pension Scheme (MLCPS) and the Home-Grown Cereals Authority Pension Plan (HGCAPP).

For defined benefit retirement schemes, the cost of providing benefits is determined using the projected unit method, with actuarial valuations being carried out at each reporting date. Actuarial gains and losses are recognised in other comprehensive income. The resulting defined benefit asset and liability are shown gross in the notes to the financial statements. Current service cost is recognised in operating costs in the period in which the defined benefit obligation increases as a result of employee services. Past service costs are recognised immediately, to the extent that benefits are already vested. Otherwise, such costs are amortised on a straight-line basis over the period until the benefits vest.

AHDB takes actuarial valuation and IAS 19 accounting disclosure input from specialist advisers.

Legal advice was sought by AHDB in relation to both MLCPS and HGCAPP in order to assess AHDB's rights to any potential scheme/plan surplus. For both MLCPS and HGCAPP, it is considered that AHDB does not have an unconditional right to any scheme/plan surplus, due to the powers of the Trustees. As a result of this assessment, any accounting surplus indicated by the IAS 19 valuation is restricted in line with IFRIC 14 direction.

For the IAS 19 valuation of the scheme/plan, AHDB has decided to adopt a roll-forward approach to membership. The roll-forward is a common approach to updating the membership basis of the valuation which takes the last actual membership data (ordinarily this is from the last Technical Provisions valuation) and updates it based on recent experience. Not only is this approach common-place (both in industry and in public sector), it is also less resource intensive, resulting in a more efficient production of the IAS 19 valuation.

All assets and liabilities in relation to the MLCPS and HGCAPP, in accordance with the Pension Scheme Surpluses (Valuation) Regulations 1987, are separately ring-fenced from AHDB's normal operating activities and relate to the red meat (i.e. AHDB Beef & Lamb and AHDB Pork) and AHDB Cereals & Oilseeds sectors only, respectively having no financial impact on any other sector within AHDB.

Settlements are recognised when a transaction is entered into that eliminates all further legal or constructive obligations for benefits under a scheme.

Notes to the financial statements

1. Principal accounting policies (continued)

Curtailments are recognised when a commitment is made to a material reduction in the number of employees covered by a scheme.

The retirement benefit obligations recognised in the statement of financial position represent the present value of the defined benefit obligations, as reduced by the fair value of scheme assets and any unrecognised past service cost.

The expected return on scheme assets and the unwinding of the discount on defined benefit obligations are recognised within interest income and expenditure, respectively.

More detailed information can be found in the Pensions note to the accounts.

Levy income

AHDB raises statutory levies from the meat and livestock (cattle, sheep and pigs) sectors in England, the commercial milk sector in Great Britain and the cereals and oilseeds sector in the UK. Due to the winding down of the Horticulture and Potato sectors, statutory levies no longer apply in these sectors. Levy income is based on the latest available estimates of sector-specific levy quantities, as billable within the provisions of Schedule 3 of the AHDB Order 2008.

Levy income is treated under IFRS 15 as adapted and interpreted by FReM. As AHDB is required to retain the revenue received from levy payers, maximise it to deliver benefits to each sector as a whole, and the amounts can be reliably measured, AHDB is not required to wait until all, or substantially all, of the revenue has been received in order to recognise the revenue. Levy payers are invoiced based on returns they make to AHDB according to the timeframes stipulated in the Statutory Instrument (2008/576), with income accruals, based on the latest market intelligence and historical trend analysis, being prepared at the year-end where required. A calculation to ascertain the hypothetical levy gap, being an assessment of levy potentially due but not declared, has been carried out and is not deemed to be material.

a) Red meat levies

Red meat levies consist of two parts: the producer levy and the slaughterer/exporter levy. The producer element is collected and held on trust for AHDB by slaughterers and exporters who pay the levy directly to AHDB. Levy is calculated on the number of animals slaughtered or exported, and these details are notified to AHDB through the completion of regular returns. Upon receipt of the return, AHDB calculates the levy due and issues an invoice for payment.

b) Cereals and oilseeds levies

The cereals levy is based on weight and has two elements: a grower levy and a buyer levy. A buyer of cereals must deduct the grower levy element from the price paid and hold it on trust for AHDB. For oilseeds, there is only a grower levy and so a buyer must deduct all the levy from the price paid to the grower and hold it on trust, then pay it to AHDB. Levy is also payable on cereals that are processed, with differential rates applying, dependent on whether the cereals are processed into feeding stuffs or non-feeding stuffs. Cereal grower, buyer and processor levies are invoiced quarterly in arrears and oilseed grower levy is invoiced biannually in arrears. The income recognised in the financial statements comprises the actual levy invoiced for that year and an estimate of the levy due for the period for which there has not yet been an invoice raised. This estimate is based on latest market intelligence and analysis of historical trends.

c) Milk levy

A person who buys milk from a producer pays a levy to AHDB, which the buyer deducts from the price paid to the producer. Levy is also payable by those producers who sell their milk directly to the public from their holding, as defined in the Order. Milk levy is based on volume. Milk buyers notify AHDB at the end of every month the amount of milk bought in that month. Direct sellers of milk are required by 14 May each year to notify AHDB of the amount of milk produced on that holding for the previous year ending 1 April. The income recognised in the financial statements comprises the actual levy invoiced for that year and an estimate of the levy due for the period for which there has not yet been an invoice raised. This estimate is based on latest market intelligence and analysis of historical trends.

d) Horticulture and Potato levies

2021/22 was the final year the Horticulture and Potatoes statutory levies applied.

Notes to the financial statements

1. Principal accounting policies (continued)

Income recognition

All income is recorded on a gross basis in the consolidated statement of comprehensive net expenditure, except where AHDB is acting as an agent in making payments to third parties. In such instances, income and expenditure are offset and, therefore, not recorded in the financial statements.

Section 35 of the Agriculture Act 2020 (c.21) contains provisions that permit the redistribution of levies between red meat levy bodies in Great Britain in certain circumstances.

The mechanism agreed by Ministers was not to write this into secondary legislation in each country but to construct a Scheme which laid out the methodology and mechanism to underpin the redistribution of red meat levies. The Scheme came into force on 1 April 2021 and remains in force unless suspended, revoked by the Ministers, or ended under paragraph 51.

Red meat levies are recorded gross; however, any levies to be redistributed in accordance with 'The Scheme' are recorded as a separate 'Levy Repatriation' line to gross levy income. Repatriation of income is recognised based on calculations agreed by each levy body.

Non-levy income comprises several sources, including grant income and other small amounts of levy-work-related income. Non-levy income is recognised at the point at which the obligation is fulfilled in line with the contract.

Reserves

Continuing sectors

Following agreement with the AHDB Board to reset the sector minimum reserves threshold, because of the Horticulture & Potatoes ballot outcomes, the reserves policy has been revised, effective from 1 April 2022, and has been calculated based on a potential wind-up situation, excluding pensions liabilities, to be self-funded by the sector.

The following options are considered when setting the minimum reserves threshold for each sector so it is the higher value of:

- The sector's share of the cashflow and contingency requirements of AHDB
- The level of sector reserves needed to self-fund a wind-up situation, when also applying the funds raised through 12 months of levy post any decision to cease operating in a sector

Winding-down sectors

2021/22 was the final year the Horticulture and Potato statutory levy applied. Parliament approved the related changes to the legislation governing AHDB on 26 May 2022.

The reserves remaining in the winding-down sectors will be released where there is sufficient industry support to continue the furtherance of the critical work by an industry third party within the respective sectors, and grant applications are submitted and approved by Defra. If industry support is not present, AHDB will seek guidance from Defra via the industry on how to utilise the reserves. A contingent reserve will remain in each sector for a period of six years (post wind down) to cover any residual risks that may occur as a result of the wind down.

Distribution of surplus available reserves

Horticulture

The AHDB Board in conjunction with Defra agreed to the available surplus reserves being distributed as a grant to an industry third party called HCP Ltd to continue EMAUs and EA services, following the winding down of the sector. A final grant application of £1.3m was made to Defra and approval was granted on 8 March 2023. The grant agreement was signed by AHDB and HCP Ltd on 31 March 2023, with the first payment transfer dated 14 April 2023.

Potatoes

A business case proposal to make a grant of up to £1.8m over five years to GB Potatoes Organisation Limited from remaining AHDB Potato sector reserves to undertake project work with industry-wide benefit to the GB potato sector was approved by Defra in May 2024. A subsequent grant agreement was signed by AHDB and GB Potatoes Organisation Limited on 2 October 2024, with the first transfer of £510K made on 18 October 2024.

Both grants have been treated as financial commitments. The grant payments are recognised as grant expenditure in full when transferred. With consideration of the accounting conceptual framework, prepayment asset values at year-end are not recognised because the payments do not represent any future economic value to AHDB.

Notes to the financial statements

2a. Analysis of income and expenditure by segment: Actual for the year ended 31 March 2025

Accounting standard IFRS 8 requires entities to report their performance by segment, which AHDB complies with by analysing its income and expenditure by its six sectors.

	AHDB Cereals & Oilseeds £'000	AHDB Dairy £'000	AHDB Pork £'000	AHDB Beef & Lamb £'000	AHDB Continuing £'000	AHDB Potatoes £'000	AHDB Horticulture £'000	AHDB Winding Down £'000	AHDB Group Total £'000
Income									
Gross levy	11,859	10,056	10,552	20,185	52,652	-	-	-	52,652
Levy repatriation	-	0	(472)	(2,684)	(3,156)	-	-	-	(3,156)
Subtotal levy sources	11,859	10,056	10,080	17,501	49,496	-	-	-	49,496
Non-levy sources:									
Fee and grant income	245	971	644	759	2,619	-	1	1	2,620
EU grant income	3	-	-	-	3	-	-	-	3
Subtotal non-levy sources	248	971	644	759	2,622	-	1	1	2,623
Total income	12,107	11,027	10,724	18,260	52,118	-	1	1	52,119
Operating expenditure									
Levy collection	(533)	(41)	(141)	(241)	(956)	3	0	3	(953)
Core strategic activities:									
Data Programmes	(41)	(155)	(324)	(295)	(815)	-	-	-	(815)
Environment & Farming Systems	(5,314)	(1,836)	(845)	(2,094)	(10,089)	(4)	(68)	(72)	(10,161)
Evaluation, Economics & Analysis	(1,322)	(1,106)	(1,263)	(1,515)	(5,206)	-	-	-	(5,206)
Marketing, Education & Nutrition	(42)	(2,222)	(3,112)	(4,817)	(10,193)	-	-	-	(10,193)
International Trade Development	8	(980)	(1,316)	(3,733)	(6,021)	10	10	20	(6,001)
Communications	(1,663)	(1,455)	(1,127)	(1,953)	(6,198)	(2)	(1)	(3)	(6,201)
Engagement	(1,092)	(1,020)	(343)	(971)	(3,426)	-	(1)	(1)	(3,427)
Digital, Data & Technology	(625)	(430)	(351)	(801)	(2,207)	-	-	-	(2,207)
Support and other expenditure	(1,822)	(1,325)	(1,317)	(2,100)	(6,564)	(522)	(435)	(957)	(7,521)
Subtotal core strategic activities:	(11,913)	(10,529)	(9,998)	(18,279)	(50,719)	(518)	(495)	(1,013)	(51,732)
Current pension service cost	(34)	-	(200)	(400)	(634)	-	-	-	(634)
Total operating expenditure	(12,480)	(10,570)	(10,339)	(18,920)	(52,309)	(515)	(495)	(1,010)	(53,319)

Support and other expenditure includes the cost of central functions – such as Finance, HR and Information Systems – the cost of the AHDB and Sector Council, bad debt provisions, non-operating expenditure, as well as some final salary pension scheme adjustments.

Notes to the financial statements

2a. Analysis of income and expenditure by segment: Actual for the year ended 31 March 2025 (continued)

	AHDB Cereals & Oilseeds £'000	AHDB Dairy £'000	AHDB Pork £'000	AHDB Beef & Lamb £'000	AHDB Continuing £'000	AHDB Potatoes £'000	AHDB Horticulture £'000	AHDB Winding Down £'000	AHDB Group Total £'000
Surplus/(deficit) on ordinary activities before interest and taxation	(373)	457	385	(660)	(191)	(515)	(494)	(1,009)	(1,200)
Interest receivable	222	170	250	330	972	57	78	135	1,107
Interest charges on Right of Use Assets	(20)	(16)	(16)	(28)	(80)	-	-	-	(80)
Other finance income/expenditure	(4)	-	(33)	(67)	(104)	-	-	-	(104)
Surplus/(deficit) on ordinary activities before taxation	(175)	611	586	(425)	597	(458)	(416)	(874)	(277)
Taxation	(56)	(42)	(63)	(83)	(244)	(14)	(19)	(33)	(277)
Surplus/(deficit) for the financial year	(231)	569	523	(508)	353	(472)	(435)	(907)	(554)
Net gain/(loss) on revaluation of pension assets and liabilities	8	-	167	333	508	-	-	-	508
Total comprehensive income/(expenditure)	(223)	569	690	(175)	861	(472)	(435)	(907)	(46)

AHDB parent figures

AHDB produced a separate parent statement of comprehensive income on page 42. Its results are included in the group results above, consolidated with its subsidiaries as detailed in Note 11. Assets and liabilities are not separately reported by sector.

Underlying surplus/(deficit)

The above includes the movements on pension scheme assets and liabilities and property, plant and equipment which are not part of AHDB's available reserves. Excluding those movements, the net trading performance is:

	AHDB Cereals & Oilseeds £'000	AHDB Dairy £'000	AHDB Pork £'000	AHDB Beef & Lamb £'000	AHDB Continuing £'000	AHDB Potatoes £'000	AHDB Horticulture £'000	AHDB Winding Down £'000	AHDB Group Total £'000
Total comprehensive income/(expenditure)	(223)	569	690	(175)	861	(472)	(435)	(907)	(46)
Movement on Pension Asset/Liability	(188)	-	(167)	(333)	(688)	-	-	-	(688)
Underlying surplus/(deficit) for the financial year	(411)	569	523	(508)	173	(472)	(435)	(907)	(734)

Notes to the financial statements

2b. Analysis of income and expenditure by segment:

Actual for the year ended 31 March 2024 – represented to reflect new reporting structure

Accounting standard IFRS 8 require entities to report their performance by segment, which AHDB complies with by analysing its income and expenditure by its six sectors and their subsidiary, Livestock Information Limited.

	AHDB Cereals & Oilseeds	AHDB Dairy	AHDB Pork	AHDB Beef & Lamb	AHDB Continuing	AHDB Potatoes	AHDB Horticulture	AHDB Winding Down	AHDB Total	Livestock Information Limited	Group Eliminations	AHDB Group total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income												
Gross levy	11,069	7,449	8,583	16,503	43,604	(19)	(16)	(35)	43,569	-	-	43,569
Levy repatriation	-	-	(486)	(2,130)	(2,616)	-	-	-	(2,616)	-	-	(2,616)
Subtotal levy sources	11,069	7,449	8,097	14,373	40,988	(19)	(16)	(35)	40,953	-	-	40,953
Non-levy sources:												
Fee and grant income	179	733	724	827	2,463	-	119	119	2,582	-	(241)	2,341
EU grant income	4	126	-	-	130	-	-	-	130	-	-	130
Livestock Information & Movement System	-	-	-	-	-	-	-	-	-	253	-	253
Subtotal non-levy sources	183	859	724	827	2,593	-	119	119	2,712	253	(241)	2,724
Total income	11,252	8,308	8,821	15,200	43,581	(19)	103	84	43,665	253	(241)	43,677
Operating expenditure												
Levy collection	(512)	(36)	(144)	(262)	(954)	(16)	(11)	(27)	(981)	-	-	(981)
Core strategic activities:												
Livestock Information & Movement System	-	-	-	-	-	-	-	-	-	(12,070)	241	(11,829)
Data Programmes	(2)	(86)	(105)	(132)	(325)	-	-	-	(325)	-	-	(325)
Environment & Farming Systems	(4,952)	(1,585)	(881)	(1,729)	(9,147)	(106)	(319)	(425)	(9,572)	-	-	(9,572)
Evaluation, Economics & Analysis	(1,262)	(849)	(992)	(1,378)	(4,481)	(4)	(4)	(8)	(4,489)	-	-	(4,489)
Marketing, Education & Nutrition	(152)	(1,198)	(2,770)	(4,644)	(8,764)	(1)	-	(1)	(8,765)	-	-	(8,765)
International Trade Development	(38)	(714)	(1,277)	(3,540)	(5,569)	10	10	20	(5,549)	-	-	(5,549)
Communications	(1,573)	(1,446)	(1,191)	(1,670)	(5,880)	(12)	(9)	(21)	(5,901)	-	-	(5,901)
Engagement	(1,180)	(1,065)	(442)	(999)	(3,686)	-	(28)	(28)	(3,714)	-	-	(3,714)
Digital, Data & Technology	(223)	(208)	(147)	(233)	(811)	-	-	-	(811)	-	-	(811)
Support and other expenditure	(1,874)	(1,082)	(1,079)	(2,006)	(6,041)	692	(432)	260	(5,781)	-	-	(5,781)
Subtotal core strategic activities:	(11,256)	(8,233)	(8,884)	(16,331)	(44,704)	579	(782)	(203)	(44,907)	(12,070)	241	(56,736)
Current pension service cost	(39)	-	(133)	(267)	(439)	-	-	-	(439)	-	-	(439)
Total operating expenditure	(11,807)	(8,269)	(9,161)	(16,860)	(46,097)	563	(793)	(230)	(46,327)	(12,070)	241	(58,156)

Support and other expenditure includes the cost of central functions – such as Finance, HR and Information Systems – the cost of the AHDB and Sector Council, bad debt provisions, non-operating expenditure as well as some final salary pension scheme adjustments.

Notes to the financial statements

2b. Analysis of income and expenditure by segment:

Actual for the year ended 31 March 2024 – represented to reflect new reporting structure (continued)

	AHDB Cereals & Oilseeds	AHDB Dairy	AHDB Pork	AHDB Beef & Lamb	AHDB Continuing	AHDB Potatoes	AHDB Horticulture	AHDB Winding Down	AHDB Total	Livestock Information Limited	Group Eliminations	AHDB Group total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Surplus/(deficit) on ordinary activities before interest and taxation	(555)	39	(340)	(1,660)	(2,516)	544	(690)	(146)	(2,662)	(11,817)	-	(14,479)
Interest receivable	216	141	227	351	935	53	131	184	1,119	-	-	1,119
Interest charges on Right of Use Assets	(22)	(14)	(15)	(27)	(78)	-	-	-	(78)	-	-	(78)
Other finance income/expenditure	4	-	(33)	(67)	(96)	-	-	-	(96)	-	-	(96)
Deemed Disposal of Livestock Information Limited	-	-	-	-	-	-	-	-	-	(11,098)	-	(11,098)
Surplus/(deficit) on ordinary activities before taxation	(357)	166	(161)	(1,403)	(1,755)	597	(559)	38	(1,717)	(22,915)	-	(24,632)
Taxation	(54)	(35)	(57)	(88)	(234)	(13)	(32)	(45)	(279)	-	-	(279)
Surplus/(deficit) for the financial year	(411)	131	(218)	(1,491)	(1,989)	584	(591)	(7)	(1,996)	(22,915)	-	(24,911)
Net gain/(loss) on revaluation of pension assets and liabilities	(388)	-	(33)	(67)	(488)	-	-	-	(488)	-	-	(488)
Total comprehensive income/(expenditure)	(799)	131	(251)	(1,558)	(2,477)	584	(591)	(7)	(2,484)	(22,915)	-	(25,399)

AHDB parent figures

AHDB produced a separate parent statement of comprehensive income on page 42. Its results are included in the group results above, consolidated with its subsidiaries as detailed in Note 11. Assets and liabilities are not separately reported by sector.

Underlying surplus/(deficit)

The above includes the movements on pension scheme assets and liabilities and property, plant and equipment which are not part of AHDB's available reserves. Excluding those movements, the net trading performance is:

	AHDB Cereals & Oilseeds	AHDB Dairy	AHDB Pork	AHDB Beef & Lamb	AHDB Continuing	AHDB Potatoes	AHDB Horticulture	AHDB Winding Down	AHDB Total	Livestock Information Limited	Group Eliminations	AHDB Group total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
Total comprehensive income/(expenditure)	(799)	131	(251)	(1,558)	(2,477)	584	(591)	(7)	(2,484)	(22,915)	-	(25,399)
Movement on Pension Asset/Liability	188	-	(33)	(67)	88	-	-	-	88	-	-	88
Underlying surplus/(deficit) for the financial year	(611)	131	(284)	(1,625)	(2,389)	584	(591)	(7)	(2,396)	(22,915)	-	(25,311)

Notes to the financial statements

3. Staff numbers and related costs

	For the period ended 31 March 2025			Restated for the year ended 31 March 2024		
	Staff with a permanent (UK) employment contract	Other staff engaged on the objectives of AHDB	Total staff	Staff with a permanent (UK) employment contract	Other staff engaged on the objectives of AHDB	Total staff
Numbers employed						
The average full-time equivalent numbers employed by AHDB during the year, were:						
AHDB activities – Non-levy-dependent	-	-	-	3	-	3
AHDB activities – Levy-dependent	357	-	357	333	-	333
Livestock Information Limited	-	-	-	12	1	13
Total	357	-	357	348	1	349
Staff costs - AHDB	£'000	£'000	£'000	£'000	£'000	£'000
Salaries	16,937	2	16,939	14,941	-	14,941
Social security costs	2,031	-	2,031	1,796	-	1,796
Defined contribution scheme costs	1,503	-	1,503	1,337	-	1,337
Staff costs - LI Limited						
Salaries	-	-	-	707	30	737
Social security costs	-	-	-	95	-	95
Defined contribution scheme costs	-	-	-	67	-	67
Staff costs - closed pension schemes						
Defined benefit scheme current service and admin costs (Note 21e)	634	-	634	439	-	439
Total staff costs	21,105	2	21,107	19,382	30	19,412

The figures in the above table relating to LI Limited only reflect the period 1 April 2023 to 31 October 2023. See Note 11 for more information. All FTE calculations are based on an average over 12 months.

Notes to the financial statements

4. Income and expenditure on ordinary activities of the Group before interest and taxation

	Group As at 31-Mar-25 £'000	AHDB As at 31-Mar-25 £'000	Group As at 31-Mar-24 £'000	AHDB As at 31-Mar-24 £'000
Surplus/(deficit) on ordinary activities before interest and taxation is stated after charging/(crediting)				
Income	52,119	52,119	43,677	43,665
Expenditure				
Staff Costs	(20,473)	(20,473)	(18,973)	(18,074)
Staff Related Costs	(2,696)	(2,696)	(2,823)	(2,475)
Defined Benefit Pension Costs	(634)	(634)	(439)	(439)
Rent & Service Charges	(82)	(82)	(47)	(47)
Vehicle leases	(16)	(16)	54	54
Hire of equipment	(10)	(10)	(20)	(20)
Building Costs	(683)	(683)	(755)	(753)
Information Technology	(1,447)	(1,447)	(1,323)	(1,392)
Subscriptions & Books	(535)	(535)	(606)	(596)
Legal & Professional Services	(835)	(835)	(564)	(519)
Sub Contracted Services	(7,109)	(7,109)	(14,840)	(6,799)
Audit remuneration and expenses	(140)	(140)	(172)	(144)
Other Charges	(14)	(14)	(13)	(13)
Collection and Commission	(759)	(759)	(762)	(762)
Research and development and knowledge exchange	(243)	(243)	(505)	(501)
Marketing	(13,565)	(13,565)	(11,322)	(11,321)
Communication	(635)	(635)	(554)	(553)
Shows & Events	(2,837)	(2,837)	(2,566)	(2,543)
Other Non Operating	(34)	(34)	420	420
Non-cash items:				
Depreciation and amortisation	(532)	(532)	(2,925)	(429)
Impairment of property, plant and equipment	-	-	-	-
Movement of receivables	(40)	(40)	579	579
Total Expenditure	(53,319)	(53,319)	(58,156)	(46,327)
Surplus/(deficit) on ordinary activities before interest and taxation	(1,200)	(1,200)	(14,479)	(2,662)

The audit fee for AHDB is £139,500 (2023/24: £143,500). Other non-operating includes the costs of restructuring and redundancy.

The figures in the above table relating to LI Limited only reflect the period 1 April 2023 to 31 October 2023. See Note 11 for more information.

Notes to the financial statements

5. Taxation

	For the year ended 31-Mar-25 £'000	For the year ended 31-Mar-24 £'000
Current tax		
UK corporation tax on interest income for the period	277	279
Current tax charge for the year	277	279

The tax on commercial profits assessed for the year differs from the standard rate of corporation tax in the UK of 25% (2023/24: 25%). The differences are explained in the next table.

	For the year ended 31-Mar-25 £'000	Restated for the year ended 31-Mar-24 £'000
Statutory Activities not subject to corporation tax		
Income not chargeable for taxation purposes	52,119	43,677
Expenditure not deductible for taxation purposes	(53,503)	(69,428)
Surplus/(deficit) on statutory activities before taxation	(1,384)	(25,751)
Subject to corporation tax		
Interest receivable	1,106	1,119
Surplus/(deficit) on ordinary activities before taxation	(278)	(24,632)
Standard rate of corporation tax in the UK of 25% (2023/24 25%) on interest receivable	277	280
Over-provision in respect of prior years		(1)
Current tax charge for the year	277	279

HMRC has confirmed that AHDB is not regarded as trading in relation to its statutory levy activities, and in consequence income is not within the charge to corporation tax and AHDB does not obtain a corporation tax deduction for any expenses incurred in fulfilling its statutory activities.

Interest received as a result of investment activity is not classed as statutory activity, and it is therefore subject to corporation tax.

Notes to the financial statements

6. Property, plant and equipment

Group	Leasehold improvements £'000	IT equipment £'000	Plant and machinery £'000	Total £'000
Cost or valuation				
As at 1 April 2023	43	274	41	358
Additions	-	33	-	33
As at 31 March 2024	43	307	41	391
As at 1 April 2024	43	307	41	391
Adjustment	-	(2)	-	(2)
As at 31 March 2025	43	305	41	389
Depreciation				
As at 1 April 2023	-	(137)	(36)	(173)
Charge for year	(9)	(55)	(2)	(66)
As at 31 March 2024	(9)	(192)	(38)	(239)
As at 1 April 2024	(9)	(192)	(38)	(239)
Charge for year	(8)	(57)	(1)	(66)
Adjustment	-	3	-	3
As at 31 March 2025	(17)	(246)	(39)	(302)
Net book value as at 31 March 2025	26	59	2	87
Net book value as at 31 March 2024	34	115	3	152

Notes to the financial statements

7. Property, plant and equipment

AHDB	Leasehold improvements £'000	IT equipment £'000	Plant and machinery £'000	Total £'000
Cost or valuation				
As at 1 April 2023	43	274	41	358
Additions	-	33	-	33
As at 31 March 2024	43	307	41	391
As at 1 April 2024	43	307	41	391
Adjustment	-	(2)	-	(2)
As at 31 March 2025	43	305	41	389
Depreciation				
As at 1 April 2023	-	(137)	(36)	(173)
Charge for year	(9)	(55)	(2)	(66)
As at 31 March 2024	(9)	(192)	(38)	(239)
As at 1 April 2024	(9)	(192)	(38)	(239)
Charge for year	(8)	(57)	(1)	(66)
Adjustment	-	3	-	3
As at 31 March 2025	(17)	(246)	(39)	(302)
Net book value as at 31 March 2025	26	59	2	87
Net book value as at 31 March 2024	34	115	3	152

Notes to the financial statements

8. Intangible assets

Group	Software Licence £'000	Software Development £'000	Asset under Construction £'000	Total £'000
Cost or valuation				
As at 1 April 2023	2,400	15,110	5,094	22,604
Additions	-	-	8,130	8,130
LI Limited 2022/23 adjustments after group accounts finalised	-	(561)	-	(561)
Deemed disposal of Livestock Information Ltd	(2,200)	(14,257)	(13,224)	(29,681)
Revaluation	-	-	-	-
As at 31 March 2024	200	292	-	492
As at 1 April 2024	200	292	-	492
As at 31 March 2025	200	292	-	492
Amortisation				
As at 1 April 2023	(677)	(3,504)	-	(4,181)
LI Limited 2022/23 adjustments after group accounts finalised	-	57	-	57
Charge for year	(492)	(2,110)	-	(2,602)
Deemed disposal of Livestock Information Ltd	1,048	5,428	-	6,476
As at 31 March 2024	(121)	(129)	-	(250)
As at 1 April 2024	(121)	(129)	-	(250)
Charge for year	(38)	(136)	-	(174)
As at 31 March 2025	(159)	(265)	-	(424)
Net book value as at 31 March 2025	41	27	-	68
Net book value as at 31 March 2024	79	163	-	242

AHDB held a controlling interest in LI Limited until 31 October 2023. AHDB held 51% of member voting rights and held influence over the appointments for a majority of Board Directors, following a member resolution in effect from 1 November 2023 AHDB's holding of voting rights reduced to 15% and only appoints one Board Director. As at 31 March 2024 AHDB held no controlling interest in LI Limited and therefore has recognised the deemed disposal of LI Limited assets. See Note 11 for further information.

Notes to the financial statements

9. Intangible assets

AHDB	Software Licence £'000	Software Development £'000	Asset under Construction £'000	Total £'000
Cost or valuation				
As at 1 April 2023	200	292	-	492
As at 31 March 2024	200	292	-	492
As at 1 April 2024	200	292	-	492
As at 31 March 2025	200	292	-	492
Amortisation				
As at 1 April 2023	(83)	(61)	-	(144)
Charge for year	(38)	(68)	-	(106)
As at 31 March 2024	(121)	(129)	-	(250)
As at 1 April 2024	(121)	(129)	-	(250)
Charge for year	(38)	(136)	-	(174)
As at 31 March 2025	(159)	(265)	-	(424)
Net book value as at 31 March 2025	41	27	-	68
Net book value as at 31 March 2024	79	163	-	242

Notes to the financial statements

10. Right-of-use assets

10a. Right-of-use assets

Right-of-use assets represent the right to direct the use of an underlying asset arising as a result of a lease. AHDB does not own the underlying asset, but recognises the value of the right of use in accordance with IFRS 16.

AHDB	Property £'000	Motor Vehicles £'000	Total £'000
Cost or valuation			
As at 1 April 2023	2,624	36	2,660
Additions	-	13	13
Disposals	-	(25)	(25)
As at 31 March 2024	2,624	24	2,648
As at 1 April 2024	2,624	24	2,648
Commencement Date Adjustment	75	-	75
Break Notice Exercised	(113)	-	(113)
Disposal	-	(11)	(11)
As at 31 March 2025	2,586	13	2,599
Depreciation			
As at 1 April 2023	(63)	(15)	(78)
Charge in year	(247)	(10)	(257)
Disposals	-	14	14
As at 31 March 2024	(310)	(11)	(321)
As at 1 April 2024	(310)	(11)	(321)
Charge in year	(284)	(8)	(292)
Disposals	-	11	11
As at 31 March 2025	(594)	(8)	(602)
Carrying amount as at 31 March 2025	1,992	5	1,997
Carrying amount as at 31 March 2024	2,314	13	2,327

AHDB signed a new 10-year property lease on 13 February 2023, with a lease commencement date of 17 March 2023. The lease was treated as an addition for 2022–23 as it was available for immediate use. AHDB took up occupancy on 17 April 2023, reflected in the adjustment above.

On 8 May 2024 AHDB exercised the Break Notice on the store's property, reflected in the adjustment above.

Notes to the financial statements

10. Right-of-use assets (continued)

10b. Lease liabilities

	Property £'000	Motor Vehicles £'000	Total £'000
As At 1 April 2023	2,505	22	2,527
In year additions	-	13	13
In year disposals	-	(11)	(11)
Lease liability interest	78	0	78
Lease liability payments	(210)	(11)	(221)
Carrying amount as at 31 March 2024	2,373	13	2,386
As At 1 April 2024	2,373	13	2,386
In year additions	71	-	71
In year disposals	(113)	-	(113)
Lease liability interest	79	1	80
Lease liability payments	(326)	(5)	(331)
Carrying amount as at 31 March 2025	2,084	9	2,093

	As at 31-Mar-25 £'000	As at 31-Mar-24 £'000
Obligations under leases recognised in the SoFP for the following periods comprise:		
Buildings		
Within one year	338	392
Between two and five years	1,193	1,288
Over five years	882	1,178
Less interest element	(329)	(485)
Present Value of obligations	2,084	2,373
Motor vehicles		
Within one year	10	8
Between two and five years	-	6
Over five years	-	-
Less interest element	(1)	(1)
Present Value of obligations	9	13

Notes to the financial statements

10. Right-of-use assets (continued)

10c. Elements in the Statement of Comprehensive Net Expenditure

	As at 31-Mar-25 £'000	As at 31-Mar-24 £'000
Variable lease payments not included in lease liabilities		
Sub-leasing income	-	-
Expenses related to short-term leases	16	24
Expenses related to low-value asset leases (excluding short-term leases)	5	8

AHDB has applied the recognition and measurement exemption for short-term leases in accordance with IFRS 16 paragraphs (6–8). The low-value exemption has also been applied to leases under £10K.

10d. Cash outflow for leases

	As at 31-Mar-25 £'000	As at 31-Mar-24 £'000
Total cash outflow for leases	331	220

Notes to the financial statements

11. Investments

Sutton Bridge Experimental Unit Limited

Sutton Bridge Experimental Unit Limited (SBEU) is a company limited by shares, with AHDB holding 7,749 (2023/24: 7,749) nominal value ordinary shares representing 100% of the issued share capital of the company. SBEU's financial results for the year have been consolidated as part of the financial results for AHDB Potatoes in the analysis of income and expenditure by segment in Note 2. SBEU's statement of financial position forms a part of the AHDB Group consolidated statement of financial position. SBEU had no surplus or deficit for the year ended 31 March 2025 (2023/24: no surplus or deficit).

The carrying value of AHDB's investment reflects the share capital and reserves remaining in SBEU, which is intended to be dissolved during 2025/26 with the equity returning to its sole shareholder, AHDB.

	Group As at 31-Mar-25 £'000	AHDB As at 31-Mar-25 £'000	Group As at 31-Mar-24 £'000	AHDB As at 31-Mar-24 £'000
AHDB investment in SBEU	-	514	-	514

Other subsidiary undertakings

Livestock Information Limited

Livestock Information Limited (LI Limited) is a company limited by guarantee with two members, AHDB and Defra. LI Limited was incorporated on 18 July 2019, becoming operational on 1 October 2019. The first accounting period for LI Limited was from 18 July 2019 to 31 March 2020. The company has been incorporated to manage the development and implementation of a new Livestock Information Service, providing multi-species livestock information, identification and traceability.

AHDB held a controlling interest in LI Limited until 31 October 2023. AHDB held 51% of member voting rights and held influence over the appointments for a majority of Board Directors. Following a member resolution effective from 1 November 2023, AHDB's holding of voting rights reduced to 15% and can only appoint one Board Director. AHDB has fully consolidated the financial results of LI Limited for the period of 1 April 2023 to 31 October 2023 as part of the financial results for the AHDB Group. The other Member of LI Limited is Defra. Defra's interest was represented as a non-controlling interest in AHDB's consolidated statement of comprehensive net expenditure. Note 2b provides details of LI Limited Income and Expenditure.

There were no proceeds as a result of the change in control and, as this change is being considered a deemed disposal, a loss equivalent to AHDB's share of the net assets as at 31 October 2023 is reflected through the Consolidated statement of comprehensive net expenditure per IFRS 10 (£11.1 million).

Livestock Information Limited statement of financial position

This is for information only and does not form part of the Group Consolidated Accounts for 2024/25 or 2023/24.

	As at 31-October-23	
	£'000	£'000
Non-current assets		
Intangible assets	23,205	
Total non-current assets		23,205
Current assets		
Trade and other receivables	81	
Cash at bank and in hand	4,543	
Total current assets		4,624
Total assets		27,829
Current liabilities		
Trade and other payables	(6,124)	
Total current liabilities		(6,124)
Net assets		21,705

Notes to the financial statements

12. Financial assets

	Group As at 31-Mar-25 £'000	AHDB As at 31-Mar-25 £'000	Group As at 31-Mar-24 £'000	AHDB As at 31-Mar-24 £'000
Barclay Bank Treasury Deposits	13,000	13,000	18,000	18,000

AHDB places surplus cash funds on deposit with Barclays Bank for terms ranging from one week to 12 months. Deposits with maturities greater than three months are considered to be a financial asset rather than cash and cash equivalent in accordance with IFRS 9.

13. Trade and other receivables

	Group As at 31-Mar-25 £'000	AHDB As at 31-Mar-25 £'000	Group As at 31-Mar-24 £'000	AHDB As at 31-Mar-24 £'000
Amounts falling due within one year				
Levy income receivable	3,234	3,234	2,131	2,131
Receivables for fee and other income	213	213	234	234
Expected credit loss	(20)	(20)	(93)	(93)
Prepayments	1,328	1,328	1,296	1,296
Accrued income	3,706	3,706	3,416	3,416
Other Debtors	2	2	61	61
Balances with central government bodies	598	598	116	116
Total amounts falling due within one year	9,061	9,061	7,161	7,161

	Group As at 31-Mar-25 £'000	AHDB As at 31-Mar-25 £'000	Group As at 31-Mar-24 £'000	AHDB As at 31-Mar-24 £'000
Receivables past due				
Up to 3 months past due	581	581	523	523
3 to 6 months past due	9	9	36	36
Over 6 months past due	6	6	57	57
	596	596	616	616

Group trade and other receivables at 31 March 2025 were £9.1 million compared to 31 March 2024 of £7.2 million, which is an increase of £1.9 million.

Levy income receivable is £1.1 million more than March 2024. This is driven by a number of factors, including the increase in levy rates for 2024/25, receipt of levy returns and settlement of debt.

Accrued income is £0.3 million more than March 2024, mainly driven by the increase in levy rates for 2024/25.

Balances with central government bodies has increased by £0.5 million, Defra is contributing to the baselining project which is new work undertaken during 2024/25.

Notes to the financial statements

14. Cash and cash equivalents

	Group 31-Mar-25 £'000	AHDB 31-Mar-25 £'000	Group 31-Mar-24 £'000	AHDB 31-Mar-24 £'000
Balance at 1 April prior year	5,064	5,064	6,647	5,143
Net change in cash and cash equivalents	4,356	4,356	(1,583)	(79)
Balance at 31 March	9,420	9,420	5,064	5,064
Balances at 31 March were:				
Short term investment	8,200	8,200	3,000	3,000
Commercial banks and cash in hand	1,220	1,220	2,064	2,064
Balance at 31 March	9,420	9,420	5,064	5,064

AHDB places surplus cash funds on deposit with Barclays Bank for terms ranging from one week to 12 months. Deposits with maturities greater than three months are considered to be a financial asset rather than cash and cash equivalent in accordance with IFRS 9.

15. Trade and other payables

	Group As at 31-Mar-25 £'000	AHDB As at 31-Mar-25 £'000	Group As at 31-Mar-24 £'000	AHDB As at 31-Mar-24 £'000
Amounts falling due within one year				
Trade payables	1,907	1,907	991	991
Accruals	3,217	3,217	2,997	2,997
Deferred income	533	533	128	128
Other payables	395	395	176	176
Corporation tax	276	276	280	280
VAT	365	365	433	433
Other taxation and social security	543	543	502	502
Amounts owed to subsidiary undertakings	-	514	-	514
Pig Industry Development Scheme Fund	79	79	78	78
Other Defra Bodies	21	21	3	3
Total amounts falling due within one year	7,336	7,850	5,588	6,102
Intragovernment balances				
Balances with central government bodies	1,205	1,205	1,217	1,217

Group trade and other payables at 31 March 2025 were £7.3 million compared to 31 March 2024 of £5.6 million, which is an increase of £1.7 million.

Trade payables will fluctuate due to many factors, including timing of receipt of invoices, invoice approval and invoice payment. For the year ending March 2025 there is an increase of £0.9 million – £0.6 million relates to one supplier for a TV advertising campaign.

Accruals have increased by £0.2 million compared to March 2024. Accruals will fluctuate due to the timing of receipt and approval of invoices and the start and end dates of project.

Deferred income at March 2025 is £0.4 million more than March 2024; the majority of this income relates to new projects in 2024/25 for which income is deferred to match project expenditure.

Notes to the financial statements

16. Provisions

AHDB	Early Departures £'000	Other Provisions £'000	Dilapidations £'000	Total £'000
As at 1 April 2023	22	-	110	132
Provided in the year	-	21	-	21
Provisions not required, written back	(6)	-	-	(6)
As at 31 March 2024	16	21	110	147
As at 1 April 2024	16	21	110	147
Provided in the year	-	-	3	3
Provisions not required, written back	(16)	(21)	-	(37)
As at 31 March 2025	-	-	113	113

17. Financial commitments

	Group As at 31-Mar-25 £'000	AHDB As at 31-Mar-25 £'000	Group As at 31-Mar-24 £'000	AHDB As at 31-Mar-24 £'000
Approved research projects and grants				
Within one year	688	688	619	619
Thereafter	396	396	223	223
	1,084	1,084	842	842
Equipment				
Within one year	5	5	5	5
Between two and five years	4	4	9	9
	9	9	14	14

Notes to the financial statements

18. Financial instruments

Because of the nature of its activities and the way in which AHDB is financed, it is not exposed to the degree of financial risk faced by other business entities. Moreover, financial instruments play a much more limited role than would be typical of the listed companies to which IFRS 7 mainly applies.

Financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing AHDB in undertaking its activities or for trading. The fair values of all its financial assets and liabilities are approximate to their amortised costs as they are short term and simple in nature. The investment strategies related to the Defined Benefit Pension assets are the responsibility of the Trustees of the MLC Pension Scheme and the HGCA Pension Plan. Note 20 has more information related to pensions.

	Group As at 31-Mar-25 £'000	Group As at 31-Mar-25 £'000	Group As at 31-Mar-24 £'000	Group As at 31-Mar-24 £'000
	Financial assets at amortised cost	Financial liabilities at amortised cost	Financial assets at amortised cost	Financial liabilities at amortised cost
Financial Asset	13,000		18,000	
Trade receivables				
Levy receivable	3,234		2,131	
Receivables for fees	213		234	
Accrued income	3,706		3,416	
Intragovernment balances	598		116	
Other	2		61	
Cash and equivalents	9,420		5,064	
Trade and other payables				
Trade payables		1,907		991
Accruals		3,217		2,997
Pig Industry Development Scheme Fund		79		78
Intragovernment balances		21		3
Other		395		176
Total	30,173	5,619	29,022	4,245

Credit and liquidity risk

AHDB is exposed to the usual credit risk and cash flow risk associated with invoicing on credit and manages this through credit control procedures. The nature of its financial instruments means it is not subject to price risk or liquidity risk.

AHDB places surplus cash funds on deposit with Barclays Bank for terms ranging from one week to 12 months. Deposits with maturities greater than three months are considered to be a financial asset rather than cash and cash equivalent, in accordance with IFRS 9 (see Note 13). The funds held on deposit carry a minimal counter-party risk on return and interest rates are fixed for the investment term; however, once a deposit is made, funds are no longer accessible until the end of the investment terms. There is the potential for a liquidity risk; however, this is minimised through regular cashflow management.

Foreign currency risk

AHDB's exposure to foreign currency risk is not currently significant. AHDB holds one euro bank account with a balance of €3K at 31 March 2025.

Market and price risk

AHDB's level of income is affected in the continuing sectors by general economic and market conditions. These are monitored and analysed by AHDB Market Intelligence to provide guidance as to future commodity trends. AHDB uses this guidance to inform its future cash projections and assist with decision-making regarding the timing of incurring variable costs.

Notes to the financial statements

19. Contingent liabilities

There were no contingent liabilities at 31 March 2025.

20. Pensions

AHDB operates a number of approved retirement benefit arrangements in the UK, encompassing both defined benefit (DB) schemes and defined contribution (DC) schemes.

20a. Group personal pension plans

AHDB WorkSave Pension Plan

The AHDB WorkSave Pension Plan is a group personal pension plan whereby AHDB has selected a pension scheme and provider that it believes to be suitable for its employees. The plan had a total of 381 members as at 31 March 2025 (31 March 2024, 347 members). The normal current employee and employer contribution rates are 3%/6%, 4%/8% and 5%/10%, respectively. The scheme is provided by Legal & General. The cost to AHDB Group of operating the scheme during the year ended 31 March 2025 was £1,500K (2023/24, £1,338K). The value of outstanding contributions as at 31 March 2025 was £130K (31 March 2024, £115K).

20b. Information about the legacy pension schemes

Introduction

The MLC Pension Scheme (MLCPS) and HGCA Pension Plan (HGCAPP) are schemes that were in existence before AHDB was formed, and the members of the schemes are pensioners or deferred members (employees who left AHDB or its predecessor bodies but have not yet retired). Also included are former active members who ceased accrual when the scheme/plan ceased accrual on 31 March 2022 and who have not yet retired. The assets and liabilities of the schemes relate almost entirely to ex-employees of MLC or HGCA.

Defined benefit schemes

The DB schemes expose the organisation to the usual risks involved in ensuring the schemes are adequately funded to meet their future obligations. Asset and liability matching is employed strategically to help mitigate risk. AHDB does not consider there to be any significant entity or plan-specific risks or any significant concentrations of risk in relation to the administration and management of the pension schemes' assets.

AHDB is aware of the High Court ruling and the subsequent Court of Appeal ruling in the case of Virgin Media Ltd. in connection with defined benefit pension schemes. There continues to be uncertainty in the pensions sector about the precise application of the ruling, which has the potential to impact the MLC and HGCA schemes in respect of scheme amendments within a defined time window. On 5 June 2025, the Department for Work and Pensions published an announcement confirming that the government intends to introduce legislation to allow schemes impacted by the High Court and Court of Appeal judgments in the Virgin Media case to obtain retrospective section 37 confirmations where these were not obtained at the time benefit amendments were made. AHDB therefore expects no cash outflow, and no amendment has been made to the valuation of the Defined Benefit Obligation.

AHDB is in contact with each of the schemes' trustees, as they consider the extent of actions required in respect of the ruling. At this stage AHDB has not performed analysis of the scheme amendments for the relevant time period which might be at risk from this ruling, but will maintain contact with its trustees to ensure that as the situation develops, appropriate legal advice is undertaken and followed, including (only should it become necessary) performing a review of historic section 37 confirmations and - where these were not obtained at the time of the benefit changes or cannot be located in historic records – obtaining retrospective confirmations.

MLC Pension Scheme

AHDB is the principal employer of this scheme, which, on 31 March 2022, ceased future accrual of all benefits. As a consequence, there were no longer any members of AHDB staff actively contributing to this scheme from that date.

Scheme valuation and funding

The assets of the scheme are held separately from those of AHDB, being invested with insurance and investment companies and held by the scheme Trustees. Contributions to the scheme are charged to AHDB's income and expenditure account and are determined by a qualified actuary on the basis of annual valuations, currently using the projected unit method. The employer's contributions to the scheme in 2025/26 are estimated at £0.7 million, including recovery plan contributions, but excluding payments for expenses.

Notes to the financial statements

20. Pensions (continued)

20b. Information about the legacy pension schemes (continued)

The scheme Trustees and AHDB are required to agree a "Technical Provisions" valuation at least once every three years. The latest agreed valuation was completed as at 31 March 2021 and was finalised in August 2022. The triennial scheme valuation indicated a funding deficit of £7.3 million, necessitating the requirement for an agreed funding plan. The deficit recovery plan was agreed between the scheme Trustees and AHDB, and covers a remaining period of nine financial years, with the last payment due in December 2033. The current actuarial valuation being discussed by AHDB and the scheme trustees was completed as at 31 March 2024 and expected to complete during 2025/26.

AHDB engaged independent legal advice to review the MLC defined benefit pension scheme rules in order to assess AHDB's rights to any potential scheme surplus. Under the scheme deeds and rules, AHDB has no unconditional right for a refund of any surplus since the powers to award a refund rest with Trustees.

The Technical Provisions valuation is used to evaluate the assets required to cover the scheme's liabilities. The assumptions used in the annual IAS 19 valuation are made on a different basis and timeframe, resulting in a different valuation which is commonplace. This year's IAS 19 valuation resulted in a scheme surplus of £7.1 million (Note 21f). As noted earlier, AHDB has no unconditional right to any scheme surplus, meaning that, under IFRIC 14, an asset ceiling is applied to the valuation. In addition to this, the discounted future cashflows relating to the DRC plan and the administration costs expected over that period are further liabilities related to the scheme, which result in a net deficit position of the scheme under IAS 19 of £1.8 million (Note 20f). This is the net of the present values of remaining DRC contributions (£4.8m) and the present values of the administration costs arising over the relevant periods (£3.0m) using the same discount rate as for the overall defined benefit obligation. AHDB has taken the administration costs into account because while management analyse no unconditional right to long-term scheme surpluses, the DRC contributions when paid will be available as settlement for the administration costs for future periods, meeting the 'availability' test in IFRIC 14 over this shorter period.

Scheme buy-in policies and management

A substantial part of the scheme's assets is represented by buy-in policies with insurance providers (Aviva and Just) to cover the future liabilities of the scheme in relation to the in-payment pension obligations at that time. These buy-in policies were implemented in order to reduce the scheme's and the employer's risk exposure to future downturns in asset performance and improvements in longevity. Under the terms of each buy-in, the annuity policy is in the name of the Trustee and, as such, is considered a qualifying investment of the scheme. The policy attracts an income related to the Retail Price Index (RPI), while the pension payments from the scheme have guaranteed increases at the Consumer Price Index (CPI). While CPI remains lower than RPI, a small surplus will be generated and added to the total scheme assets for the benefit of the scheme as a whole. As shown in Note 20d, at 31 March 2025, 60% of the scheme's total assets were represented by the buy-in policies. The assets of the policies have been valued for AHDB's accounting purposes, using an IAS 19 discount rate, which ensures the assets are valued on a basis consistent with that used to value the future liabilities they are in place to settle.

The first policy was acquired in June 2011 to guarantee the obligations of pensions in payment at that date and of those pensioners' dependants in future. A further tranche of liabilities was added to the policy in July 2013 to cover pensions that had come into payment since June 2011, again including pensions falling due in the future to those pensioners' dependants. This policy is held with Aviva. In March 2016 a further policy was acquired from Just to cover pensions that have come into payment since July 2013. The valuation method used to value the assets placed on the buy-in policies with Aviva and Just is consistent with that used last year. It has been calculated as the present value of the future expected policy income stream, using the same assumptions as used to calculate the defined benefit obligation, except that the policy income in excess of Guaranteed Minimum Pensions (GMP) and GMP accrued post 5 April 1988 is assumed to increase in line with RPI inflation with relevant caps applied rather than CPI. These assumptions have been selected because the incomes from the policies match the corresponding pension payments from the scheme in all other aspects. By using these assumptions, in future years, the asset value on the buy-in policy will move in line with the corresponding liabilities while still allowing for the expected higher future income stream if RPI is assumed to be higher than CPI. The RPI and CPI accounting disclosure assumptions as at 31 March 2025 reflect our current assessment of the potential changes to the RPI in the future and the extent to which markets have already priced in these changes.

The MLCPS Trustee Board has taken a fiduciary management approach and the managers have partially invested in a liability-driven-investment approach to try and reduce the potential volatility the scheme is exposed to. The effect of the ruling in the *Lloyds Trustees vs Lloyds Bank PLC and Others* [2018] case on Guaranteed Minimum Pensions (GMP) has been taken into account in the valuation of the liabilities of the scheme.

A further judgement was made on this case in November 2020 and covered whether schemes are required to revisit past transfers to allow for GMP equalisation. In 2021/22 the scheme actuary included an additional liability of £0.1 million for this purpose and accounted for it as a past service cost.

Notes to the financial statements

20. Pensions (continued)

20b. Information about the legacy pension schemes (continued)

HGCA Pension Plan

The plan provides benefits to legacy HGCA employees, based on final salary. On 31 March 2022 the plan ceased future accrual of benefits, hence there were no members of staff actively contributing to this plan from that date.

The assets of the plan exist to provide benefits for all the members of the plan – current pensioners and deferred members (ex-employees and former active members as at 31 March 2022 who are yet to retire). Actuarial valuations are usually prepared on a triennial basis. The latest Technical Provisions valuation was completed as at 31 March 2022, identifying a £525K deficit. Annual Deficit Repair Contributions (DRCs) were agreed in June 2023 between AHDB and the plan Trustees of £210K per annum from 1 April 2023 to 28 February 2025.

The ruling in the Lloyds Trustees vs Lloyds Bank PLC and Others [2018] case on GMP equalisation has been taken into account in the valuation of the liabilities of the plan. A further judgement was made on this case in November 2020 and covered whether schemes are required to revisit past transfers to allow for GMP equalisation. The plan actuary confirmed that any additional allowance for this purpose would be immaterial; hence, no allowance has been made.

AHDB has historically considered whether it has an unconditional right to a refund of any surplus on the HGCA Pension Plan under IFRIC 14 and has determined that under the deed and rules, AHDB does not have such a right due to the powers of the Trustee. The assumptions used in the annual IAS 19 valuation are made on a different basis and timeframe to that of the Technical Provisions valuation, resulting in a different amount, which is commonplace. This year's IAS 19 valuation resulted in a plan surplus of £2.2 million (Note 21f). As noted earlier, AHDB has no unconditional right to any plan surplus, meaning that, under IFRIC 14, an asset ceiling is applied to the valuation. There was no DRC plan in place for HGCAPP at 31 March 2025, resulting in the asset ceiling being equal in value to that of the plan surplus under the IAS 19 valuation method. As a result, the plan had neither an asset nor a liability value in the Statement of Financial Position at 31 March 2025 (see Note 20f).

Defined contribution schemes

MLC Pension Scheme

On 31 March 2022, both sections of the MLC Pension Scheme ceased all future accrual of benefits. Consequently, the defined contribution section of the MLC Pension Scheme had no active members after 31 March 2022.

The cost to AHDB of operating this section of the MLC Pension Scheme during the year ended 31 March 2025 was nil (2023/24, nil) and the value of outstanding contributions as at 31 March 2025 was nil (31 March 2024: nil). This section of the scheme was closed to new members in 2008 when AHDB set up the AHDB WorkSave Pension Plan for newly appointed employees.

20c. Principal assumptions

The principal assumptions used to calculate the different scheme liabilities include:

	MLC Pension Scheme		HGCA Pension Plan	
	31-Mar-25 % pa	31-Mar-24 % pa	31-Mar-25 % pa	31-Mar-24 % pa
Price inflation	2.90	2.85	2.90	2.85
Rate of increase of pensions in payment*	2.80	2.75	2.80	2.75
Rate of increase for deferred pensioners*	2.90	2.85	2.90	2.85
Discount rate	5.70	4.85	5.70	4.85

* In excess of any Guaranteed Minimum Pension (GMP) element.

Notes to the financial statements

20. Pensions (continued)

20c. Principal assumptions (continued)

Under the mortality tables and projections adopted, the assumed future life expectancies of a 65-year old are as follows:

	MLC Pension Scheme		HGCA Pension Plan	
	31-Mar-25 years	31-Mar-24 years	31-Mar-25 years	31-Mar-24 years
Male currently aged 65	21.40	21.00	22.00	22.00
Female currently aged 65	24.0	23.6	24.6	24.6
Male currently aged 50	22.5	22.1	22.9	22.9
Female currently aged 50	25.20	24.90	25.60	25.60

The weighted average duration of the defined benefit obligation is 14 years for HGCAPP and 10 years for MLCPS.

The mortality rates used in the IAS 19 valuation assumptions are based on the latest published CMI model available at the time of the valuation: the CMI 2023 model. This model applies a 15% weighting for 2022 and 2023 data and no weighting to 2020 or 2021 data to take account of Covid-19 effects on the data sets. The sensitivity analysis on the following page includes sensitivity to mortality rate assumptions.

The sensitivity of the value placed on the schemes' liabilities is reviewed as part of the process of setting the assumptions. To determine the sensitivity of the defined benefit obligation to changes in the key assumptions, an approximate basis change, based on the split of obligations between activities, deferrals, pensioners and dependants, and the estimated duration of each set of liabilities, was carried out. Examples of changes in the value of scheme liabilities in the event of any given assumption changing in isolation are noted below.

MLC Pension Scheme

If the discount rate is reduced by 50 basis points compared to that used in the assumptions, the present value of the defined benefit obligation would increase by £5.9 million. An increase in the price inflation rate of 50 basis points would result in an increase to the defined benefit obligation of £3.8 million. An increase in the post-retirement mortality assumption of one year would lead to an increase of £4.3 million in the defined benefit obligation.

HGCA Pension Plan

If the discount rate is reduced by 50 basis points compared to that used in the assumptions, the present value of the defined benefit obligation would increase by £1.0 million. An increase in the price inflation rate of 25 basis points would result in an increase to the defined benefit obligation of £0.4 million. An increase in the post-retirement mortality assumption of 25 basis points would lead to an increase of £0.1 million in the defined benefit obligation.

20d. Assets

The major categories of assets as a proportion of the fair value of total plan assets are as follows:

	MLC Pension Scheme				HGCA Pension Plan			
	31-Mar-25 £m	31-Mar-25 % pa	31-Mar-24 £m	31-Mar-24 % pa	31-Mar-25 £m	31-Mar-25 % pa	31-Mar-24 £m	31-Mar-24 % pa
Equities	2.1	1.6	5.8	4.0	-	-	-	-
Bonds	27.7	21.1	30.8	21.4	3.3	19.7	2.0	10.6
Diversified growth	-	-	-	-	5.7	34.1	7.5	40.9
Liability driven	10.6	8.1	13.1	9.1	7.2	43.8	8.7	47.3
Property	-	-	-	-	-	-	-	-
Annuities	79.0	60.2	86.3	60.0	0.1	0.6	0.1	0.6
Cash	0.6	0.5	0.4	0.3	0.3	1.8	0.1	0.6
Other	11.1	8.5	7.5	5.2	-	-	-	-
Total	131.1		143.9		16.6		18.4	

Notes to the financial statements

20. Pensions (continued)

20e. Components of defined benefit cost for the 12 months ended 31 March 2025

Analysis of the amounts charged when calculating the surplus/(deficit) in the statement of comprehensive net expenditure:

	MLC Pension Scheme		HGCA Pension Plan		Total Pension Schemes	
	For the year ended 31-Mar-25 £'000	For the year ended 31-Mar-24 £'000	For the year ended 31-Mar-25 £'000	For the year ended 31-Mar-24 £'000	For the year ended 31-Mar-25 £'000	For the year ended 31-Mar-24 £'000
Current service cost	-	-	-	-	-	-
Past service cost	-	-	-	-	-	-
Administration costs	(600)	(400)	(34)	(39)	(634)	(439)
Net interest on net defined benefit (liability)/asset	(100)	(100)	(4)	4	(104)	(96)
Total income/(expense) recognised when calculating the surplus/(deficit)	(700)	(500)	(38)	(35)	(738)	(535)

Analysis of the amounts charged to other comprehensive income:

	MLC Pension Scheme		HGCA Pension Plan		Total Pension Schemes	
	For the year ended 31-Mar-25 £'000	For the year ended 31-Mar-24 £'000	For the year ended 31-Mar-25 £'000	For the year ended 31-Mar-24 £'000	For the year ended 31-Mar-25 £'000	For the year ended 31-Mar-24 £'000
Actuarial gains and (losses) on assets	(8,600)	(3,300)	(2,104)	(1,301)	(10,704)	(4,601)
Experience gains and (losses) on liabilities	400	500	28	82	428	582
Gains (losses) from changes to assumptions	10,500	2,400	1,611	179	12,111	2,579
Change in irrecoverable surplus	(1,800)	300	473	652	(1,327)	952
Total amount (charged)/credited in other comprehensive income	500	(100)	8	(388)	508	(488)

Notes to the financial statements

20. Pensions (continued)

20f. Reconciliation of the present value of the defined benefit obligation and the fair value of the plan assets to the assets and liabilities recognised in the statement of financial position

	MLC Pension Scheme		HGCA Pension Plan		Total Pension Schemes	
	As at 31-Mar-25 £'000	As at 31-Mar-24 £'000	As at 31-Mar-25 £'000	As at 31-Mar-24 £'000	As at 31-Mar-25 £'000	As at 31-Mar-24 £'000
Present value of defined benefit obligation	(124,000)	(139,400)	(14,404)	(16,072)	(138,404)	(155,472)
Fair value of plan assets	131,100	143,900	16,572	18,403	147,672	162,303
Surplus/(deficit) on Scheme	7,100	4,500	2,168	2,331	9,268	6,831
Irrecoverable surplus (effect of asset ceiling)	(8,900)	(6,800)	(2,168)	(2,519)	(11,068)	(9,319)
Net asset/(liability) recognised in Statement of Financial Position	(1,800)	(2,300)	-	(188)	(1,800)	(2,488)

20f. Reconciliation to the statement of financial position

Analysis of the movement in surplus/(deficit) during the year:

	MLC Pension Scheme		HGCA Pension Plan		Total Pension Schemes	
	For the year ended 31-Mar-25 £'000	For the year ended 31-Mar-24 £'000	For the year ended 31-Mar-25 £'000	For the year ended 31-Mar-24 £'000	For the year ended 31-Mar-25 £'000	For the year ended 31-Mar-24 £'000
Surplus/(deficit) in the Scheme at start of year	(2,300)	(2,400)	(188)	-	(2,488)	(2,400)
Contributions paid	700	700	218	235	918	935
Current service cost	-	-	-	-	-	-
Past service cost	-	-	-	-	-	-
Net interest on net defined benefit (asset)/liability	(100)	(100)	(4)	4	(104)	(96)
Administration costs	(600)	(400)	(34)	(39)	(634)	(439)
Actuarial (loss)/gain	500	(100)	8	(388)	508	(488)
Surplus/(deficit) in the Scheme at end of year	(1,800)	(2,300)	-	(188)	(1,800)	(2,488)

Please note contributions paid include recovery plan payments.

Notes to the financial statements

20. Pensions (continued)

20g. Reconciliation of opening and closing balances of the present value of the defined benefit obligation

Change in scheme liabilities:

	Restated					
	MLC Pension Scheme		HGCA Pension Plan		Total Pension Schemes	
	For the year ended 31-Mar-25 £'000	For the year ended 31-Mar-24 £'000	For the year ended 31-Mar-25 £'000	For the year ended 31-Mar-24 £'000	For the year ended 31-Mar-25 £'000	For the year ended 31-Mar-24 £'000
Balance at 1 April	(139,400)	(145,700)	(16,072)	(16,457)	(155,472)	(162,157)
Current service cost	-	-	-	-	-	-
Administration costs	-	-	-	-	-	-
Interest cost	(6,500)	(6,900)	(760)	(783)	(7,260)	(7,683)
Contributions by plan participants	-	-	-	-	-	-
losses	-	-	-	-	-	-
Actuarial gains/(losses) on experience	400	500	28	82	428	582
Actuarial gains/(losses) on demographic assumptions	700	3,100	21	277	721	3,377
Actuarial gains/(losses) on financial assumptions	9,800	(700)	1,590	(98)	11,390	(798)
Benefits paid	11,000	10,300	789	907	11,789	11,207
Actuarial gains/(losses) due to settlements and curtailments	-	-	-	-	-	-
Past service cost	-	-	-	-	-	-
Scheme liabilities at end of year	(124,000)	(139,400)	(14,404)	(16,072)	(138,404)	(155,472)

Notes to the financial statements

20. Pensions (continued)

20g. Reconciliation of opening and closing balances of the fair value of plan assets

Change in scheme assets:

	MLC Pension Scheme		HGCA Pension Plan		Total Pension Schemes	
	For the year ended 31-Mar-25 £'000	For the year ended 31-Mar-24 £'000	For the year ended 31-Mar-25 £'000	For the year ended 31-Mar-24 £'000	For the year ended 31-Mar-25 £'000	For the year ended 31-Mar-24 £'000
Balance at 1 April	143,900	150,100	18,403	19,480	162,303	169,580
Expected return on plan assets	6,700	7,100	878	935	7,578	8,035
Return on scheme assets greater/(less) than discount rate	(8,600)	(3,300)	(2,104)	(1,301)	(10,704)	(4,601)
Contributions by the employer	700	700	218	235	918	935
Contributions by the plan participants	-	-	-	-	-	-
Administration costs	(600)	(400)	(34)	(39)	(634)	(439)
Benefits paid	(11,000)	(10,300)	(789)	(907)	(11,789)	(11,207)
Fair value of assets at end of year	131,100	143,900	16,572	18,403	147,672	162,303

Notes to the financial statements

20. Pensions (continued)

20h. Maturity profile of defined benefit obligation

The expected cash outlay required to meet defined benefit obligations as they arise over the next 10 years are shown below. The figures provided are on an undiscounted basis. A 10-year period is used because confidence in the accuracy of values in later years diminishes due to potential differences between the assumptions used now and the actual experience in the future.

	MLC	HGCA
	<u>£000</u>	<u>£000</u>
Expected benefit payments made during 2025/26	11,300	848
Expected benefit payments made during 2026/27	11,500	780
Expected benefit payments made during 2027/28	11,800	827
Expected benefit payments made during 2028/29	12,100	862
Expected benefit payments made during 2029/30	12,400	888
Expected benefit payments 2030/31 to 2034/35	66,500	5,128

21. Related party transactions

AHDB is a non-departmental public body (NDPB) funded by statutory levies and sponsored by the Department for Environment, Food and Rural Affairs (Defra). Defra is a government department that is regarded as a related party. Defra is the sponsoring department of the other arm's-length bodies listed below and, by virtue of their relationship with Defra, are also regarded as related parties.

The main government bodies the AHDB Group had transactions with during the year were Defra and other Defra bodies, HMRC, Cabinet Office, Scottish Enterprise and the Department of Business and Trade.

Lyndon Edwards is a Board director of Dairy UK, with payments of £12k and receipts of £10k in the year and no balance at 31 March 2025.

Statutory levies were paid by businesses in which AHDB Board members or close family members were involved, as shown in the table below:

AHDB Board / Statutory Committee Member	Levy Paying Entity	Sector(s)
Colin Bateman	CP & AG Bateman	Beef & Lamb
Stephen Briggs	Bluebell Farms Limited	Cereals & Oilseeds
Sam Charlton	RE Charlton & Son J&S Charlton	Beef & Lamb
Tom Clarke	TWH Clarke & Son (1954) Ltd	Cereals & Oilseeds (and previously Potatoes)
Lyndon Edwards	KE & LRC Edwards	Dairy and Beef & Lamb
Graham Wilkinson	Grey Close Farming	Beef & Lamb

No other AHDB Board members, senior executive staff or other related parties have undertaken any material transactions with AHDB. There are no company directorships or other significant interests that AHDB considers may conflict with management responsibilities. Transactions with the AHDB Leadership team can be found in the remuneration and staff report.

Notes to the financial statements

22. Events after the reporting date

Nicholas Saphir's term as Chair of AHDB ended on 31 May 2025 and Emily Norton was appointed as Chair of AHDB by Ministers, starting on 1 June 2025.

Graham Wilkinson will be stepping down as CEO and Accounting Officer at the end of 2025. Activities to appoint his successor are underway.

AHDB has established a dormant, wholly owned, subsidiary company limited by guarantee, "AHDB Services Limited", incorporated on 29 May 2025. No financial impact is expected as a result of this subsidiary in 2025/26 although reference to it will be included in the notes to the Annual Report and Accounts for the year.

In June 2025, AHDB and the Trustees of the MLC Pension Scheme reached agreement on the triennial valuation of the Scheme as at 31 March 2024 with accompanying agreements about the level of any deficit reduction contributions being finalised at the time of reporting. These accounts (in particular Note 20) are prepared on the basis of the deficit recovery contributions extant at 31 March 2025 without amendment for the expected outcome of the agreement finalisation. The next triennial valuation process will start in 2027/28, based on Scheme conditions as at 31 March 2027.

Authorisation for issue

The Accounting Officer authorised these statements for issue on the date of the C&AG's audit certificate.

Annex – Unaudited information

Levy rates in operation during 2024/25

Sector	Standard levy rate 2024/25	Standard levy rate 2023/24
Pigs (England)	£ per head	£ per head
Producer	1.02	0.85
Slaughterer/exporter of live pigs	0.24	0.20
Beef and Lamb (England)	£ per head	£ per head
Cattle (excluding calves)		
Producer	5.06	4.05
Slaughterer/exporter of live cattle	1.69	1.35
Calves		
Producer	0.10	0.08
Slaughterer/exporter of live calves	0.10	0.08
Sheep		
Producer	0.75	0.60
Slaughterer/exporter of live sheep	0.25	0.20
Milk (GB)	Pence per litre	Pence per litre
Buyers and direct sellers of milk	0.08	0.060
Cereals and oilseeds (UK)	Pence per tonne	Pence per tonne
Cereal grower	58.00	46.00
Cereal buyer	4.80	3.80
Cereal processor (human and industrial)	12.00	9.50
Cereal processor (feed)	5.80	4.60
Oilseeds	94.00	75.00

Notes:

1. Levy rates for 2023/24 have been included for information.

AHDB Sector Councils at 31 March 2025

AHDB Pork Sector Council

Glen Nimmo, Chair
Rupinder Ashworth, independent member
Jodie Bolland, processor
Timothy Bradshaw, producer
James Brisby, processor¹
Hugh Crabtree, independent member
Charlotte Duggleby, producer
William de Klein, processor
Robin Thompson, producer
Mark Westgarth, producer
Mike Wijnberg, independent member

1. Appointed during the year for first three-year term of office

AHDB Dairy Sector Council

Lyndon Edwards, Chair
Anna Bowen, dairy farmer, Wales¹
Colin Ferguson, dairy farmer, Scotland
Emma Furnival, dairy farmer, Shropshire¹
Elizabeth Haines, dairy farmer, Shropshire
Ian Harvey, dairy farmer, Cornwall
Mike King, dairy farmer, South Gloucestershire
Patrick Morris-Eyton, dairy farmer, South Cumbria
Rob Nancekivell, dairy farmer, Devon
Andrew Rutter, dairy farmer, Cheshire
Gemma Smale-Rowland, dairy farmer, Cornwall
Joseph Towers, dairy farmer, Lancashire
Andrew Warne, independent, Oxfordshire¹

1. Appointed during the year for first three-year term of office

AHDB Beef & Lamb Sector Council

Colin Bateman, Chair
George Burrell, Council Apprentice²
Scott Donaldson, auctioneer
George Fell, producer, Yorkshire
Bryan Griffiths, producer, Devon
Ben Harman, producer, Buckinghamshire¹
Mark Jelley, producer, Northamptonshire¹
Ghulam Khan, processor
James MacCartney, producer, Rutland¹
Tamara Pickstock, producer, Shropshire¹
Isla Roebuck, processor
Dr Paul Unwin, producer, Shropshire

1. Appointed during the year for first three-year term of office
2. Appointed January 2025 as Sector Council Apprentice (no voting rights)

AHDB Cereals & Oilseeds Sector Council

Tom Clarke, grower, Cambridgeshire, Chair
David Bell, grower, East Fife
Alan Bowie, grower, Clackmannanshire
Matthew Curry, animal feed, Northumberland¹
Polly Davies, grower, South Wales
Julius Deane, miller, Cumbria¹
Russ McKenzie, grower, Cambridgeshire
Sarah Nightingale, independent member
Richard Orr, grower, Northern Ireland¹
Cecilia Pryce, cereal buyer/merchant, Lincolnshire
James Standen, grower, Newcastle-upon-Tyne
Patrick Stephenson, independent member, North Yorkshire
David Walston, grower, Cambridgeshire

1. Appointed during the year for first three-year term of office

Registered address:

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