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HORTICULTURE RESEARCH INTERNATIONAL
(A Company Limited by Guarantee)

REPORT AND ACCOUNTS

YEAR ENDED 31 MARCH 1995



COMPANY NO: 173485
CHARITY REGISTRATION NO: 211581

HORTICULTURE RESEARCH INTERNATIONAL

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HORTICULTURE RESEARCH INTERNATIONAL

COMPANY INFORMATION

Board of Directors	Mr G Terry Pryce (Chairman), CBE Mrs S R Beard Mrs V A Boakes Professor D Boulter, CBE Dr P J Bunyan Professor J A Callow Professor T J Flowers Mr M G Holmes Mr A P Mitchell, CBE Dr R F Pugh
Chief Executive	Professor C C Payne
Secretary	Mr T G J Heller
Registered office	Wellesbourne Warwickshire CV35 9EF
Auditors	Robson Rhodes Chartered Accountants Bankfield House 132 New Walk Leicester LE1 7JA
Bankers	The Royal Bank of Scotland plc 79/83 Colmore Row Birmingham B3 2AP

HORTICULTURE RESEARCH INTERNATIONAL

REPORT OF THE DIRECTORS

The directors present their annual report and the audited accounts for the year ended 31 March 1995.

Principal activities of the company

The company is an executive Non-Departmental Public Body operating towards Next Steps lines and sponsored by the Ministry of Agriculture, Fisheries and Food (MAFF). HRI's purpose is to carry out research and development (R&D) work in support of horticulture and related industries and to exploit the results commercially.

Review of the development and future of the company's activities

During the year, the Company continued to consolidate its position as the principal UK contractor for R and D in horticulture. In overall terms, HRI's income exceeded the Corporate Plan target by a heartening 5%. Income from government customers at £17.2M was sustained at a level comparable with 1993/94 and slightly ahead of target, but the gross figures mask a change of emphasis, with a slight reduction in MAFF commissioned research income being offset by increased income from contracts let by open tender. This reflects MAFF's accelerating transfer of funding to a more competitive environment, but during the year HRI was successful in securing over £630K from open competition contracts, a substantial £470K increase on 1993/94. Income from the levy bodies (principally HDC and APRC) fell from £2.9M in 1993/94 to £2.1M, a decrease largely attributable to a reduction in HDC funds available for research. On the other hand, CEC funding of nearly £1.3M showed a noteworthy increase of over £500K on the previous year, reflecting HRI's continuing success in securing business overseas.

The planned £7.0M investment by MAFF as the 1994/95 component of HRI's restructuring programme was fully taken up. This year saw the completion and commissioning of the Mushroom R&D Unit and the major new laboratory building at Wellesbourne, both state-of-the-art facilities, and the completion of the much-needed new joint laboratory and office building at Kirton, which allows HRI to house its Kirton staff on-site in purpose-built accommodation rather than in shared facilities off-site. Work in progress includes the upgrading of insect-rearing facilities and building new greenhouses for both basic and strategic science at Wellesbourne. Both financial and building controls have been strict and the outcome in accommodation and budgetary terms is excellent. Also during the year, Shell Research relocated their Tree Biotechnology Group to laboratories and offices refurbished by themselves at East Malling, and are now welcome and established tenants.

The programme of transfers of staff and their families from Littlehampton and East Malling remains on target for completion later in 1995. In-coming staff to Wellesbourne have adapted extremely well to their new surroundings. The date for the planned closure of the Littlehampton site has been set for 15 December 1995. A planned reduction in staff posts by a programme of voluntary and compulsory redundancies was completed during 1994/95.

HRI continues to strive to improve the effective transfer of the results of its R and D to the end-user. The number of major technology transfer events promoted by HRI and in association with the HDC, APRC and the Research Associations was maintained on a par with the previous year's high level. Events included grower walks, workshops and subject days. HRI is increasingly contributing to meetings and events organised and hosted by the expanding number of grower groups, e.g. the Protected Cut Flower Group, British Herb Trade Association, Western Flower Thrips Technology Group etc.

HORTICULTURE RESEARCH INTERNATIONAL

REPORT OF THE DIRECTORS (Continued)

Review of the development and future of the company's activities (continued)

A Visiting Group to HRI reported its findings in February 1995. In summary, the Group expressed the view that overall HRI was continuing its strong tradition of excellence in British horticulture and agricultural research with many areas of particular merit assessed on an international scale. Of the recommendations made by the Group, most have already been implemented, and the attention has turned to a re-appraisal of HRI's current system of matrix (cross-site) management. This, and other recommendations, have been incorporated into HRI's latest Corporate Plan (1995-2000) which has been approved by the Minister. The Corporate Plan sets out the key objectives which HRI will need to achieve to ensure that it continues to retain and strengthen its position as the principal UK contractor for horticultural R and D.

Results

The results for the year are set out on page 6.

Fixed assets

Movements in fixed assets are set out in note 6 to the accounts on page 13.

Directors

The directors at the date of this report and who served during the year are set out on page 1.

Charitable status

The company is registered as a charity by the Charity Commission.

Employees

During the year the company has continued to provide employees with relevant information and to seek their views on matters of common concern through their representatives and through line managers. Priority is given to ensuring that employees are aware of all significant matters affecting the company's position and of any significant organisational changes.

The company is aware of its statutory duty to support the employment of disabled persons where possible, both in recruitment and by retention of employees who become disabled whilst in the employment of the company, as well as generally through training and career development.

The company is an equal opportunities employer.

HORTICULTURE RESEARCH INTERNATIONAL

REPORT OF THE DIRECTORS (Continued)

Directors' responsibilities for the accounts

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the accounts on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under the Management Statement of the company, the accounting officer of the company (who is the Chief Executive) is responsible to the Accounting Officer of the Ministry of Agriculture, Fisheries and Food and accountable to Parliament for the proper and effective management of all public funds spent with the company.

Auditors

The auditors, Robson Rhodes are willing to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

The report of the directors was approved by the Board on 13 September 1995 and signed on its behalf by:



G Terry Pryce
Chairman

HORTICULTURE RESEARCH INTERNATIONAL

REPORT OF THE AUDITORS TO THE MEMBERS OF HORTICULTURE RESEARCH INTERNATIONAL

We have audited the accounts on pages 6 to 18 which have been prepared on the basis of the accounting policies set out on pages 9 to 11.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 March 1995 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Robson Rhodes
Chartered Accountants and Registered Auditor

Leicester

13 September 1995

HORTICULTURE RESEARCH INTERNATIONAL

INCOME AND EXPENDITURE ACCOUNT year ended 31 March 1995

	Note	1995 £'000	1994 £'000
Income			
Commission from Ministry of Agriculture, Fisheries and Food	2	13,247	13,551
Grant in aid from the Biotechnology and Biological Sciences Research Council		3,353	3,272
Commercial contracts research income			
MAFF open and link contracts	2	633	161
Other		4,799	4,986
Other receipts		1,516	1,449
Amortisation of capital grants		2,118	1,887
		<u>25,666</u>	<u>25,306</u>
Expenditure			
Employee costs	4	15,109	14,955
General operational costs		7,488	7,796
Depreciation		2,800	2,467
		<u>25,397</u>	<u>25,218</u>
Surplus for the year before transfer to reserve fund	3	269	88
Transfer to reserve fund	14	(269)	(88)
Transfer to accumulated surpluses	15	<u>-</u>	<u>-</u>

Supplementary notes

- 1 The company's results for the year relate entirely to continuing operations. No acquisitions were made during the year.
- 2 The company made no recognised gains or losses during the year other than the surplus transferred to the reserve fund as stated above.

HORTICULTURE RESEARCH INTERNATIONAL

BALANCE SHEET at 31 March 1995

	Note	1995 £'000	1994 £'000
Fixed assets			
Tangible assets	6	33,797	28,363
Investments	7	-	-
		<u>33,797</u>	<u>28,363</u>
Current assets			
Stocks	8	508	453
Debtors	9	5,374	2,761
Cash at bank and in hand		1,701	2,591
		<u>7,583</u>	<u>5,805</u>
Creditors: Amounts falling due within one year	10	(5,293)	(4,428)
Net current assets		<u>2,290</u>	<u>1,377</u>
Capital grants: Amounts to be amortised within one year	11	(2,100)	(1,820)
		<u>190</u>	<u>(443)</u>
Total assets less current liabilities		<u>33,987</u>	<u>27,920</u>
Capital grants: Amounts to be amortised after more than one year	11	(29,694)	(24,790)
Provisions for liabilities and charges	12	(300)	(300)
		<u>3,993</u>	<u>2,830</u>
Capital and reserves			
Reserve fund	14	3,354	2,191
Accumulated surpluses	15	639	639
		<u>3,993</u>	<u>2,830</u>

The accounts were approved by the Board on 13 September 1995 and signed on its behalf by:

G TERRY PRYCE



- CHAIRMAN

C C PAYNE



- CHIEF EXECUTIVE

HORTICULTURE RESEARCH INTERNATIONAL

CASH FLOW STATEMENT

year ended 31 March 1995

	1995 £'000	1994 £'000
Net cash (outflow)/inflow from operating activities		
Surplus for the year before transfer to reserve fund	269	88
Depreciation	2,800	2,467
Profit on sale of tangible fixed assets	(39)	-
Pension provisions	894	620
Contract claims provision	-	100
Amortisation of capital grants	(2,118)	(1,887)
Interest receivable	(129)	(137)
Increase in stocks	(55)	(2)
Increase in debtors	(2,613)	(806)
Increase in creditors	865	1,049
	<u>(126)</u>	<u>1,492</u>
Returns on investment and servicing of finance		
Interest received	129	137
Investing activities		
Payments for tangible fixed assets	(8,236)	(12,705)
Receipts from sale of tangible fixed assets	41	-
	<u>(8,192)</u>	<u>(12,705)</u>
Financing		
Capital grants received	7,302	11,324
(Decrease)/Increase in cash and cash equivalents	<u>(890)</u>	<u>248</u>
Note:		
Analysis of changes in cash and cash equivalents during the year		
Balance at 1 April 1994	2,591	2,343
Net cash (outflow)/inflow	(890)	248
Balance at 31 March 1995	<u>1,701</u>	<u>2,591</u>

HORTICULTURE RESEARCH INTERNATIONAL

NOTES TO THE ACCOUNTS

31 March 1995

1. ACCOUNTING POLICIES

Convention

The accounts are prepared under the historical cost convention in accordance with applicable accounting standards for material items except where standards are inconsistent with the requirements of the Financial Memorandum to the company's Management Statement. As detailed in the pensions accounting policy below certain items are set aside in the Reserve Fund instead of being recorded as provisions and liabilities for pensions under SSAP24 and the Companies Act. This departure has no effect on the surplus for the year but increases net assets by £1,833,000 (1994 - £939,000).

Basis of preparation

The accounts incorporate the results of the company's East Malling, Littlehampton, Wellesbourne, Efford, Kirton and Stockbridge House sites and Hop Research based at Wye College.

The format of the accounts has been adapted from that laid down in Part 1 of Schedule 4 to the Companies Act 1985 to suit the circumstances of the company as permitted by paragraph 3(3) of that Schedule.

Income

Grants receivable from the Biotechnology and Biological Sciences Research Council and the Commission from the Ministry of Agriculture, Fisheries and Food are recognised in the income and expenditure account on the basis of agreed programmes of work.

Research income from other bodies consists of the invoiced value (excluding VAT) for work undertaken during the year. Income arising on long term contracts is recognised on the basis of the sales value of work performed in the year.

Income from sales of produce, publications and sundry items consists of amounts invoiced during the year, excluding value added tax.

Expenditure

Expenditure is charged to the income and expenditure account as goods and services are received. The charge includes value added tax attributable to the expenditure.

Tangible fixed assets and depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write-off the cost (less any estimated residual value) of each asset evenly over its expected useful life, as follows:

Additions to leasehold land and buildings	-	over 50 years
Plant and machinery, fixtures and fittings	-	over 3-8 years

The original cost of leasehold improvements is written off on disposal, and the original cost of equipment is written off at the earlier of disposal or the expiration of a ten year life.

HORTICULTURE RESEARCH INTERNATIONAL

NOTES TO THE ACCOUNTS

31 March 1995

1. ACCOUNTING POLICIES (continued)

Government grants

Government grants receivable for capital expenditure are credited to unamortised Capital Grants account (see note 10) and released to the income and expenditure account over the expected useful lives of the relevant assets.

Grants of a revenue nature are credited to income in the year to which they relate.

Long term contracts

Long term contracts are those extending in excess of 12 months and any of a shorter duration in progress at 31 March which are material to the activity of the period. Attributable income is recognised proportionate to the percentage of completion of each contract. Immediate provision is made for all foreseeable losses if a contract is assessed as unprofitable.

This represents a change in accounting policy from that adopted in prior years. Previously income was recognised on invoicing (or on the receipt of monies, for contracts under which income was subject to claim procedures), subject to the deferral of income to reflect payments received on account. The revised accounting policy is in accordance with Statement of Standard Accounting Practice Number 9. If applied in prior years the policy would have had no material impact on reported results.

Stocks

Stocks are stated at the lower of cost and net realisable value as follows:

Cost incurred in bringing each item to its present location and condition.

Raw materials and consumables	-	purchase cost on a first-in, first-out basis
Growing crops	-	cost of direct materials and labour plus attributable overheads by using standard industry rates

Net realisable value is based on the estimated selling prices, less further costs expected to be incurred to completion and disposal.

Pensions

Superannuation benefits are provided for eligible employees of the Biotechnology and Biological Sciences Research Council on loan to the company under a scheme administered and financed by the Council. Benefits for eligible employees of the Ministry of Agriculture, Fisheries and Food on loan to the company are provided under the Principal Civil Service Pension Scheme. The company pays an actuarially assessed superannuation contribution, currently 12% for Industrial grade and 13½% for Non-industrial grade employees, to both these schemes. The costs for the current year are included in Note 3 under Employee costs.

HORTICULTURE RESEARCH INTERNATIONAL

NOTES TO THE ACCOUNTS

31 March 1995

1. ACCOUNTING POLICIES (Continued)

The company also sets aside in the Reserve Fund the same level of superannuation contribution in respect of eligible employees holding contracts of employment with the company and accumulates in the Reserve Fund any pension transfer values received in respect of these employees. This treatment is in accordance with Paragraph 31 of the Financial Memorandum to the company's Management Statement.

However, an actuarial valuation of the company's liability in respect of Horticulture Research International employees was carried out as at 31 March 1995. The results of the valuation have been fully reflected in the accounts of the company and are detailed in note 4. It is intended that henceforth such valuations will be carried out at each year end, annual superannuation charges being made accordingly.

Research and development

Research and development expenditure on externally funded commercial projects is matched with the related income. All other research and development expenditure is written off in the year it is incurred.

2. MINISTRY OF AGRICULTURE, FISHERIES AND FOOD INCOME

	1995 £'000	1994 £'000
Commission	13,247	13,551
Open contracts	362	161
Link contracts	271	-
	<u>13,880</u>	<u>13,712</u>

3. SURPLUS FOR THE YEAR

	1995 £'000	1994 £'000
Surplus for the year is stated after charging:		
Auditors' remuneration		
Audit services	28	28
Other services	3	15
Directors' remuneration	57	55
Depreciation of tangible fixed assets	2,800	2,467
Operating lease charges		
Plant and machinery	44	42
Land and buildings	565	493
And after crediting:		
Amortisation of capital grants (see note 11)	2,118	1,887
Rental income	156	186
Bank interest	129	137

HORTICULTURE RESEARCH INTERNATIONAL

NOTES TO THE ACCOUNTS

31 March 1995

4. EMPLOYEES AND EMPLOYEE COSTS

	1995 Number	1994 Number
a) Average number of persons employed during the year:		
Science	374	383
Administration	106	108
Other non-industrial	107	111
Industrial/agricultural	180	199
	<u>767</u>	<u>801</u>

Of the 767 (1994 - 801) staff of the company, 522 (1994 - 557) are employed by the BBSRC 126 (1994 - 136) by the Ministry of Agriculture, Fisheries and Food, and 119 (1994 - 108) by the company.

	£'000	£'000
b) Costs in respect of these staff were:		
Wages and salaries	12,508	12,385
Social security costs	911	933
Superannuation costs	1,690	1,637
	<u>15,109</u>	<u>14,955</u>
c) Chief executive's total remuneration inclusive of superannuation costs	<u>79</u>	<u>69</u>

d) The following number of senior employees received remuneration falling within the following ranges:

	Number	Number
£30,001 - £35,000	43	40
£35,001 - £40,000	7	8
£40,001 - £45,000	8	7
£45,001 - £50,000	3	1

e) As stated in note 1, the company sets aside in the Reserve Fund superannuation contributions in respect of eligible employees holding contracts of employment with the company and accumulates in the Reserve Fund any pension transfer values received in respect of these employees.

HORTICULTURE RESEARCH INTERNATIONAL

NOTES TO THE ACCOUNTS

31 March 1995

4. EMPLOYEES AND EMPLOYEE COSTS (Continued)

An actuarial valuation of the company's liability in respect of Horticulture Research International employees transferring into the Principal Civil Service Pension Scheme at a future date was performed by the Government Actuary's Department as at 31 March 1995. This indicated a total accrued pension liability of £1.8 million in respect of the 119 staff employed by the company at that date. The demographic and economic assumptions used for the purpose of the valuation were based on analyses of the experience of the generality of Civil Servants.

Pension provisions for the current year have accordingly been made such that the whole of this liability is reflected within the Reserve Fund.

5. TAXATION

The company is a registered charity and therefore no corporation tax is payable.

6. TANGIBLE ASSETS

	Additions to leasehold land and buildings £'000	Plant and machinery, fixtures and fittings £'000	Total £'000
Cost			
At 1 April 1994	30,763	5,997	36,760
Additions in year at cost	7,148	1,088	8,236
Disposals/expiration of 10 year life	-	(363)	(363)
At 31 March 1995	<u>37,911</u>	<u>6,722</u>	<u>44,633</u>
Depreciation			
At 1 April 1994	3,830	4,567	8,397
Charged in year	1,792	1,008	2,800
Disposals/expiration of 10 year life	-	(361)	(361)
At 31 March 1995	<u>5,622</u>	<u>5,214</u>	<u>10,836</u>
Net book value			
At 31 March 1995	<u>32,289</u>	<u>1,508</u>	<u>33,797</u>
At 31 March 1994	<u>26,933</u>	<u>1,430</u>	<u>28,363</u>

All land occupied by Horticulture Research International is leased. It is assumed that on expiry of the leases concerned, they will be renewed in favour of the company, with the exception of that for Littlehampton which is being vacated in the year to 31 March 1996.

HORTICULTURE RESEARCH INTERNATIONAL

NOTES TO THE ACCOUNTS

31 March 1995

7. INVESTMENTS

The following are wholly owned subsidiary companies:

Malling Limited
HRI Limited
Sciencebase Limited

The issued share capital of both Malling Limited and HRI Limited consists of 3 ordinary shares of £1 each. Sciencebase Limited was incorporated during the year, its share capital consisting of 2 ordinary shares of £1 each. Each of these companies is registered in England and Wales and none traded during the year.

8. STOCKS

	1995 £'000	1994 £'000
Raw materials and consumables	456	414
Growing crops	52	39
	<hr/>	<hr/>
	508	453
	<hr/> <hr/>	<hr/> <hr/>

9. DEBTORS

	1995 £'000	1994 £'000
Trade debtors	3,140	1,288
Amounts recoverable on contracts	732	-
Other debtors	349	248
Salary deposit	896	896
Prepayments	257	329
	<hr/>	<hr/>
	5,374	2,761
	<hr/> <hr/>	<hr/> <hr/>

HORTICULTURE RESEARCH INTERNATIONAL

NOTES TO THE ACCOUNTS

31 March 1995

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1995 £'000	1994 £'000
Payments received on account	664	404
Trade creditors	1,425	936
Other creditors	1,494	1,895
Accruals and deferred income	1,710	1,193
	<u>5,293</u>	<u>4,428</u>

11. CAPITAL GRANTS

	1995 £'000	1994 £'000
Amounts to be amortised:		
Within one year	2,100	1,820
After more than one year	29,694	24,790
	<u>31,794</u>	<u>26,610</u>
Movement in year:		
At 1 April 1994	26,610	17,173
Additions -		
Ministry of Agriculture, Fisheries and Food	6,948	10,899
BBSRC	352	408
Commercial contracts	2	17
Amortisation	(2,118)	(1,887)
At 31 March 1995	<u>31,794</u>	<u>26,610</u>

HORTICULTURE RESEARCH INTERNATIONAL

NOTES TO THE ACCOUNTS

31 March 1995

12. PROVISIONS FOR LIABILITIES AND CHARGES

	1995 £'000	1994 £'000
Provision for contract claims		
Movement in the year:		
At 1 April 1994	300	200
Provided in year	-	100
At 31 March 1995	<u>300</u>	<u>300</u>

13. LIABILITY LIMITED BY GUARANTEE

The company is limited by the guarantee of the 10 Members, who are also the Directors, to a maximum of £1 each.

14. RESERVE FUND

	1995 £'000	1994 £'000
Movement in the year:		
At 1 April 1994	2,191	1,483
Transfer for the year	269	88
Pension provisions	894	620
At 31 March 1995	<u>3,354</u>	<u>2,191</u>
Comprising:		
Capital expenditure	1,521	1,252
Pension costs	1,833	939
	<u>3,354</u>	<u>2,191</u>

The Reserve Fund represents sums set aside for the purposes of providing for items of capital expenditure and pension costs in future years in accordance with Paragraph 31 of the Financial Memorandum to the company's Management Statement.

HORTICULTURE RESEARCH INTERNATIONAL

NOTES TO THE ACCOUNTS

31 March 1995

15. ACCUMULATED SURPLUSES

	1995 £'000	1994 £'000
At 1 April 1994 and 31 March 1995	639	639

Under the conditions of grant in aid agreed between the Biotechnology and Biological Sciences Research Council and the company, any unspent balance of an annual grant will not normally be surrendered at the end of a financial year, but the Council reserves the right to make adjustments in succeeding years

16. COMMITMENTS

	1995 £'000	1994 £'000
a) Capital commitments:		
Contracted for	9,200	1,400
Not contracted for	4,800	18,600

Horticulture Research International is currently undertaking a substantial restructuring programme. The total cost of the programme is approximately £42 million, including fees and VAT, and is being supported by HM Treasury, through the Ministry of Agriculture, Fisheries and Food. Of this amount £28 million was spent in the four years ending 31 March 1995.

The capital commitments shown above show the division of £14 million between contracted and not contracted commitments.

b) Leasing commitments:

The annual commitments under operating leases are analysed according to the period in which each lease expires, as follows:

	1995 £'000	1994 £'000
i) Land and buildings, leases expiring:		
Within one year	-	215
In two to five years	215	-
Beyond five years	360	245
	575	460
ii) Plant and machinery, leases expiring:		
In two to five years	45	40
Beyond five years	-	-
	45	40

HORTICULTURE RESEARCH INTERNATIONAL

NOTES TO THE ACCOUNTS

31 March 1995

16. CONTINGENT LIABILITIES

Insurances:

- a) Building insurance is only effected by the company in respect of the East Malling site.
- b) A policy is in existence to cover the company's liability under the Employers' Liability (Compulsory Insurance) Act 1969 for company employees, but certificates of indemnity under the Regulations of the Act are in operation from the Ministry of Agriculture, Fisheries and Food for MAFF employees and from the Office of Science and Technology for BBSRC employees.