

**ANNUAL REPORT**  
**WAGENINGEN RESEARCH FOUNDATION 2021**

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# Key figures

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

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

# Management Report

The Management Report of Wageningen Research is included in the Wageningen University and Research integrated annual report. This report is published on the website of Wageningen University & Research (WUR).

# Financial report

## Result developments

Wageningen Research Foundation (WR) obtained a positive net result of €9.4 million in 2021. This result is €7.6 million lower than the net result for 2020 (€17.0 million). The pre-tax result from ordinary operational activities amounted to €13.1 million.

An important reason for the positive result is the combination of a full order portfolio and a tight labour market, resulting in high productivity. There has been some displacement within the order portfolio (including internal R&D projects). It was necessary to postpone some of the orders until 2022; priority was given to the completion of assignments for the Ministry of Agriculture, Nature and Food Quality (LNV). At the end of 2021, the assignments from LNV had decreased compared to 2020. In recent years, this workload, as well as LNV turnover, has been steadily increasing. Due to the full order portfolio, not all scheduled internal R&D projects, which are at the company's own risk and expense, were carried out. However, R&D did catch up in the second half of the year. The coronavirus pandemic has mainly resulted in lower general costs, and only caused specific additional expenses to a limited extent. Even though the coronavirus pandemic and subsequent measures led to significant operational changes in 2020, WR was able to execute the contracts in 2021 using working methods adapted to the coronavirus measures. This did not affect productivity in 2021.

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

	2021	2020
Result from institutes and primary process	13.2	16.5
Result from housing and internal WW/BW premiums including cost of capital and interests	5.6	6.8
Central departments:		
Incidental	-0.5	0.3
Operational	-5.2	-1.2
<b>Wageningen Research operating result</b>	<b>13.1</b>	<b>22.4</b>
Corporate tax	-3.9	-5.4
Result from participating interests	0.2	0.0
<b>Wageningen Research Net result</b>	<b>9.4</b>	<b>17.0</b>

The institutes achieved a positive joint annual result of €13.2 million, which is a decrease of €3.3 million in comparison to 2020.

## Development of turnover and costs

The turnover of 2021 was €372.1 million, an increase of 4.8% as a result of the growing demand. For 2020, the total turnover was €355.1 million.

An additional turnover of €17.0 million was achieved compared to 2020. Only the revenue from ancillary activities, mainly analysis and consulting, is lagging behind the 2020 results. Initially, this was mainly because WR did not repeat the coronavirus test processing in 2021 as requested. In 2021, the ancillary activities were affected by restrictions imposed by the government in the context of the coronavirus, including the obligation to work from home.

In comparison to 2020, staff expenses increased by €12.4 million to €233.7 million. On the one hand, this increase is attributable to the increase in the number of FTEs, excluding interns, by 117 and to an increase in average wage costs by 3.3% (due to a 2.4% increase in wages, a 5.8% increase in social security costs and a 6.5% increase in pension contributions) on the other.

### Development of balance sheet items

The liquid assets (€135.8 million) decreased by €7.9 million in comparison with 2020 (€143.7 million).

**Table 3** Wageningen Research liquidity development (in € millions)

	2021
Net result	+9.4
Net decrease in fixed assets (investments minus depreciation and sales)	+2.0
Decrease in short-term debt and receivables	-10.2
Decrease in provisions	-2.2
Decrease in long-term debt and receivables	-6.7
Result from participating interests	-0.2
<b>Total reduction in cash and cash equivalents</b>	<b>-7.9</b>

The change in fixed assets consists of €20.3 million in building depreciation, inventory and investment expenditures (including participating interests and members' capital) amounting to €20.9 million, and divestments in the amount of €2.6 million. The amount of the advances received, including funds to be paid to partners, amounted to €85.1 million on the balance sheet date. Partly due to the positive result, solvency rose to 62.6%. At year-end 2020, solvency was 60.6%.

### Changes in the legal structure and capital stake

Wageningen Research Foundation no longer has any capital interests in Bfactory BV, Telemetronics Biometry BV, and Knowhouse BV.

### Outlook for 2022

For 2022, Wageningen Research Foundation, unlike the previous years, budgeted a negative result of -€1.5 million after tax. In comparison to 2021, a number of important fees for 2022 will be lower, the collective labour agreement (CAO) increase, estimated in realistic terms at the time the budget was drafted, was taken into account, and in-house R&D investments will increase in volume. The 2022 budget takes an increase of approximately 150 FTEs into account compared to the 2021 forecast in order to fulfil all research ambitions. The tight labour market may mean that the envisaged growth in FTEs will not be fully achieved and/or will be delayed. This could mean that external turnover will be prioritised in capacity planning, which will lead to the expected result being higher than currently budgeted.

The total Wageningen Research turnover for 2022 is budgeted at €390.3 million, €18.2 million higher than the realisation for 2021.

The largest part of this increase concerns the top sectors (€5.5 million), followed by the bilateral market (€3.9 million) and the co-funding and subsidies market (€2.3 million). The institutes are focused on obtaining more turnover from the business community, Dutch municipalities, and provinces and in doing so also achieving higher project margins.

Investments are budgeted at €38.8 million. The budgeted investments in buildings and infrastructure amount to €27.9 million. These investments mainly concern major maintenance and renovation on Runderweg (€7.3 million). These include building modifications for thermal energy storage (WKO) (€5.5 million) and for the strategic housing plan (€3.7 million) as well. Furthermore, investments are being made in the pilot farms Droevendaal (€3.2 million) and Open Cultivation (€3.6 million). The planning costs for Born Oost are budgeted at €2.7 million. Wageningen Research expects a liquid assets balance of €125.0 million at the end of 2022. The budgeted decrease of the liquid assets is mostly due to the investment expenditures. The budgeted solvency is 63% at the end of 2022.

# Annual Account

## CONSOLIDATED BALANCE SHEET AFTER THE ALLOCATION OF THE NET RESULT

Balance sheet	31-12-2021	31-12-2020
<b>ASSETS</b>		
FIXED ASSETS		
(1) Intangible fixed assets	3,905	2,870
(2) Tangible fixed assets	301,966	305,196
(3) Financial fixed assets	36,806	36,129
<b>Total fixed assets</b>	<b>342,677</b>	<b>344,195</b>
CURRENT ASSETS		
(4) Inventory	4,293	3,351
(5) Receivables and accrued assets	93,196	88,012
(6) Liquid assets	135,803	143,740
<b>Total current assets</b>	<b>233,292</b>	<b>235,103</b>
<b>TOTAL ASSETS</b>	<b>575,969</b>	<b>579,298</b>
<b>CAPITAL AND LIABILITIES</b>		
EQUITY CAPITAL		
Statutory reserve	3,866	2,760
Other reserves	350,427	341,703
Appropriated reserve	6,030	6,500
(7) <b>TOTAL EQUITY CAPITAL</b>	<b>360,323</b>	<b>350,963</b>
THIRD-PARTY SHARE	0	0
<b>GROUP CAPITAL</b>	<b>360,323</b>	<b>350,963</b>
(8) PROVISIONS	13,580	15,828
(9) LONG-TERM DEBT	27,680	34,020
(10) SHORT-TERM DEBT	174,386	178,487
<b>TOTAL LIABILITIES</b>	<b>575,969</b>	<b>579,298</b>

**CONSOLIDATED PROFIT AND LOSS STATEMENT**

	Results for 2021	Results for 2020
<b>INCOME</b>		
	34,851	30,614
	103,898	99,717
	26,989	23,854
	71,316	63,451
	96,511	88,261
	36,039	44,071
	2,545	5,088
(11) <b>Total income</b>	<b>372,149</b>	<b>355,056</b>
<b>EXPENDITURES</b>		
(12) Personnel costs	233,707	221,342
(13) General costs	72,641	59,587
(14) Specific costs	49,043	48,178
<b>Total expenses</b>	<b>355,391</b>	<b>329,107</b>
<b>OPERATING RESULT</b>	<b>16,758</b>	<b>25,949</b>
(15) Financial income and expenditures	-3,606	-3,709
<b>RESULT FROM OPERATIONAL ACTIVITIES BEFORE TAX</b>	<b>13,152</b>	<b>22,240</b>
(16) Taxation on operational activities	-3,965	-5,402
(17) Result from participating interests	173	127
<b>RESULT FROM OPERATIONAL ACTIVITIES AFTER TAX</b>	<b>9,360</b>	<b>16,965</b>
Third-party share	0	0
Exceptional income and expenditures	0	0
<b>NET RESULT</b>	<b>9,360</b>	<b>16,965</b>

**CONSOLIDATED CASH FLOW STATEMENT**

	Results for 2021	Results for 2020
<b>OPERATIONAL ACTIVITIES</b>		
Operating result	16,758	25,949
Adjustment for sale of assets	-494	-1,174
Depreciation and impairments	20,303	19,368
Changes in provisions	-2,248	-5,275
	<b>34,319</b>	<b>38,868</b>
Changes in inventory	-942	656
Changes in receivables	-5,184	-4,412
Changes in short-term debt	-1,872	20,073
<b>Cash flow from business operations</b>	<b>26,321</b>	<b>55,185</b>
Interest received	136	120
Interest paid	-3,742	-3,829
Income tax paid	-6,867	-6,870
<b>Cash flow from operational activities</b>	<b>15,848</b>	<b>44,606</b>
<b>INVESTMENT ACTIVITIES</b>		
Investments in intangible assets	-1,642	-2,409
Investments in buildings, sites, and WIU	-11,421	-18,990
Investments in other tangible assets	-7,696	-7,152
Investments in participating interests and members' capital	-167	-181
Correction regarding investment invoices still to be paid	673	375
Divestments of fixed assets	3,145	1,562
<b>Cash flow from investment activities</b>	<b>-17,108</b>	<b>-26,795</b>
<b>FINANCING ACTIVITIES</b>		
Change in long-term receivables LNV	3,944	3,903
Change in long-term debt LNV	-6,409	-6,303
Change in other long-term debt	-4,212	-829
Change in equity capital	0	-4
Cash flow from financing activities	<b>-6,677</b>	<b>-3,233</b>
<b>CASH FLOW</b>	<b>-7,937</b>	<b>14,578</b>
<b>CHANGE IN LIQUID ASSETS</b>		
Balance of liquid assets on 1 January	143,740	129,162
Balance of liquid assets on 31 December	135,803	143,740
<b>Change in liquid assets</b>	<b>-7,937</b>	<b>14,578</b>

## Accounting principles

### *General*

The Wageningen Research Foundation has its registered office in Wageningen and is registered in the commercial register under number 09098104. The annual financial report was prepared and validated by the Executive Board on 25 April 2022 and approved by the Supervisory Board on 18 May 2022. The annual financial report was prepared in accordance with the below accounting principles. Any departure from these principles is stated alongside the relevant financial information. The settlements and debt ratios between the various members of the group (which are referred to as inter-group payments) have been eliminated. The figures for the previous financial year are in accordance with the figures in the annual financial report of the relevant year. Variations may arise as a result of corrections, shifts between items or changes in the rounding-off method. Variances of relevant significance are indicated in the annual accounts.

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

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

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

The amortised cost is the amount at which a financial asset or financial liability is stated in the balance sheet on initial recognition, minus principal repayments, increased or decreased by the cumulative amortisation calculated on the basis of the effective interest method of the difference between the initial amount and the instalment, and minus any write-offs (either direct or by making a provision) due to impairments or uncollectible debts.

Monetary assets and liabilities in foreign currencies are converted at the exchange rate on the balance sheet date. Exchange rate differences are included in the profit and loss statement. Income and expenses in foreign currency are included in the profit and loss statement at the exchange rate on the date of receipt or payment.

The annual financial accounts are prepared in accordance with the Netherlands Civil Code, Book 2, Title 9, and the accounting standards issued by the Dutch Accounting Standards Board.

### *Use of estimates*

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

- valuation and life span of fixed assets;
- provisions for receivables and projects;
- provisions;
- claims;
- valuation of projects in accordance with percentage of completion.

### *Consolidation*

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

Research, because the institution possesses the majority of the voting rights or can control the financial and operational activities in some other manner. Also taken into account are potential voting rights that may be exercised directly on the balance sheet date. The subsidiaries and other legal entities over which Wageningen Research can exercise dominant authority or over which it exerts central management are included in the consolidation for 100%. Third party shares with respect to the group capital and the group result are reported separately.

**Table 4** Consolidated participating interests

	Shareholder	403	Registered office	% end of 2020	% end of 2021
Agri New ventures B.V.	WBG	N	Wageningen	100%	100%
Wageningen Research Holding B.V.	Wageningen Research	N	Wageningen	100%	100%
Exploitiemaatschappij Windmolenparken Lelystad B.V.	WBG	N	Wageningen	100%	100%
Wageningen Business Generator B.V.	Holding	N	Wageningen	100%	100%
Windmolenpark Neushoortocht B.V.	WBG	N	Wageningen	100%	100%
Windmolenpark Mammoethocht B.V.	WBG	N	Wageningen	100%	100%
Stichting Akkerweb	n/a	N	Wageningen	n/a	n/a

**Table 5** Non-consolidated participating interests valued at acquisition cost

	Shareholder	Registered office	% end of 2020	% end of 2021
Bfactory B.V.	WBG	Wageningen	17%	-
Isolife B.V.	WBG	Wageningen	5%	5%
Telemetry Biometry B.V.	WBG	Heteren	4%	-
Wageningen Science & Technology Consulting Services Ltd.*	Holding	Beijing	100%	100%

\* in connection with small size, processed at acquisition price

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

	Shareholder	Registered office	% end of 2020	% end of 2021
CoVaccine B.V.	WBG	Lelystad	25%	25%
Fresh Forward Holding B.V.	WBG	Wageningen	49%	49%
Knowhouse B.V.	WBG	Horst	30%	-
VOF Oostwaardhoeve	ANV	Slootdorp	50%	50%

## Accounting policies for the valuation of assets and liabilities

### Intangible fixed assets

Intangible fixed assets are valued at acquisition price or production price less cumulative amortisation and, if applicable, cumulative impairments. Development costs, patents and licenses, software, goodwill, and production rights are activated if the conditions established for them are met. Intangible fixed assets are valued at acquisition or production cost. Depreciation takes place on a linear basis over five years. Pursuant to statutory obligations, a statutory reserve is maintained for the capitalised amount of development costs. Write-offs as a result of permanent impairment, sale, loss or discontinuation are listed separately.

### Tangible fixed assets

Tangible fixed assets are valued at acquisition price or production cost minus accumulated depreciation. Depreciation is applied using the linear method on the basis of the estimated useful life and the residual value. Depreciation is proportionally applied in the purchase year. Tangible fixed assets under construction or in production are valued at the acquisition price or for the amount that has already been invoiced to the company by third parties. Investments of less than €5,000 are charged directly to the profit and loss statement.

**Table 7** Depreciation periods

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

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

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

The expenditures for major overhauls are included in the cost price of the assets as soon as these costs are incurred and comply with the capitalisation criteria. The book value of the components that are replaced is then considered as disposed and is charged to the profit and loss statement as a lump sum. All other maintenance costs are directly charged to the profit and loss statement.

The institution carries out an evaluation on each balance sheet date to determine whether there are indications that a fixed asset may be subject to an impairment. Should there be any such indications, then the realisable value of the asset is determined. If the realisable value of the individual asset cannot be determined, then the realisable value of the cash flow generating unit to which the asset belongs is determined. A write-down is applicable when the book value of an asset is higher than the realisable value, where the realisable value is higher than the market value and the business value.

When it is determined that a write-down that was included in the past no longer exists or has decreased, then the increased book value of the asset is set no higher than the original book value would have been without the application of the write-down of the asset.

Fixed assets that are no longer usable for the primary operations are not depreciated. Write-offs as a result of impairment, sale, loss or discontinuation are listed separately.

### **Financial fixed assets**

#### *Deferred tax receivables*

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

#### *Receivables*

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

Participating interests and capital of members over whose business and financial policy the institution exerts a significant influence are valued at net asset value. This value is determined on the basis of the group's accounting principles for the valuation and determination of the result. Participating interests and capital of members over whose business and financial policy the institution does not exert a significant influence are valued at acquisition cost. The valuation of these assets takes into account any permanent decline in value, where relevant. Member certificates and member accounts at cooperatives are valued at the value determined by the cooperative on the balance sheet date.

### **Inventory**

This item is comprised of the trading stock, finished product, livestock, and stock of harvested agricultural produce. The trading inventory and finished products are valued in accordance with the FIFO method at the acquisition cost or production cost, including a supplement for indirect costs. The valuation of livestock and stock of harvested agricultural produce is based on market prices. The value of unmarketable stock or stock with a lower market value is decreased accordingly. On the basis of the average annual use in the last ten years, a provision is made for antisera that according to this calculation have been in stock longer than three years.

The stock of finished product is valued in accordance with the FIFO method at the acquisition cost or production cost increased by a margin for the indirect costs.

### **Receivables and prepayments**

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

### **Project costs yet to be invoiced**

The balance of projects in respect of third-party contract research results in a receivable or a debt on the balance sheet. The third-party contract research is valued at the actual costs incurred, consisting of the costs that are directly related to a project (such as direct personnel costs and the costs of specifically acquired equipment and inventory), the costs that are attributable to project activities in

general and that can be allocated to a project (including the cost of technical assistance and the overhead costs of the project activities), and other costs insofar as they are contractually reimbursed by the client, minus the provision for expected losses and invoiced instalments or received advance payments relating to the third-party contract research. Projects for which the prepaid expenses exceed the invoiced instalments/received advances are recorded under other receivables. Projects for which the instalments invoiced in advance/received advances exceed the prepaid expenses are recorded under short-term debts.

### **Liquid assets**

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

### **The internal capital consists of:**

- Issued capital  
The nominal value of issued and paid-in capital is included under this item.
- Statutory reserve  
The mandatory maintenance of a statutory reserve for research and development costs capitalised in the balance sheet.
- Appropriated reserve  
Concerns a future use established by means of a decision of the Executive Board, without establishing any obligation to a third party in this context, be it legal or factual.
- General reserve  
This reserve is credited with the operating result in any year in which the result is not allocated to a specific use.

### **Third-party share**

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

### **Provisions**

The provisions are valued at nominal value, with the exception of the personnel provisions formed on the basis of RJ 271. The determination of the amount of the obligations accounts for future indexation and price increases. The amount of the provision recognised is the best estimate of the amount that will be required to settle the relevant obligations and losses on the balance sheet date. If the effect of the time value is material, the provisions are stated at cash value.

Provisions are created for:

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

### **Provision for unemployment insurance obligations**

The provision for unemployment insurance and civil obligations covers existing unemployment insurance and civil obligations on the balance sheet date and expected future obligations in relation to personnel that have already left and personnel with a temporary employment contract.

### **Provision for WIA/ZW-flex**

The provision for the act on work and income according to labour capacity (WIA) and sickness benefits act (ZW-flex) covers the WIA and ZW-flex obligations (for which the organisation bears the risk as of 1 January 2017), as anticipated on the balance sheet date.

**Provision for service bonuses**

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

**Provision for reorganisation expenses**

This provision was formed to cover anticipated costs incurred as a result of decisions regarding current or intended reorganisations that have been made and announced within the organisation.

**Provision for product and contract risks**

This provision covers the expected cost of loss-making contracts, guarantees and claims arising from services and products delivered to third parties.

**Long-term debt**

Long-term debt concerns liabilities that are due in more than one year from the end of the relevant financial year. On initial recognition of long-term debt, this is stated at fair value, less the directly attributable transaction costs.

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

**Short-term debt**

Short-term debt concerns liabilities that are due within one year of the end of the relevant financial year. On initial recognition of short-term debt, this is stated at fair value, less the directly attributable transaction costs.

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

*Accounting principles to determine income and expenses***General**

Income and expenditures are the proceeds and costs which can be allocated to the relevant financial year or activity, regardless of whether they have resulted in receipts and payments during the annual reporting period. Income is recognised in the year in which the products were delivered or the services were provided to clients. Losses and risks arising before the end of the financial year are taken into account if they are known before the preparation of the annual financial report. The income from contract research is determined on the basis of the direct costs, including a supplement for indirect costs to a maximum of the rate to be paid by the finance provider. Results are calculated in proportion to the progress of the project. Revenue from the Ministry of Agriculture, Nature and Food Quality (LNV) falling under the ministry's funding regulation is determined on the basis of the direct costs, including a supplement for indirect costs. The margin for indirect costs is determined once a year in accordance with the prevailing system for calculating the margin. Results are calculated in proportion to the progress of the project.

Taxation on the profits includes the corporate tax (payable and deductible) for the entire financial year. This is the corporate income tax expected to be payable for the taxable profit in the financial year, taking into account the tax regulations and facilities, calculated on the basis of the applicable tax rates on the reporting date, and any corrections to the taxes owed for prior years, such as losses from prior financial years that can be off-set against tax. Furthermore, Wageningen Research has made a provision for a deferred tax asset. This is based on the difference between the valuations for tax and commercial purposes of tangible fixed assets (company buildings in particular) at the time of the introduction of the liability to pay tax and the limitation of fiscal depreciation to the value of buildings to the value for the purposes of the valuation of immovable property act (WOZ). Since the period

within which taxable profits at Wageningen Research can be considered probable is relatively short, in part due to the lack of a profit motive over the long-term, the deferred tax is calculated for a period of five years.

The costs are determined with due observance of the aforementioned accounting policies and allocated to the relevant reporting year. Foreseeable payables and possible losses that originate before the end of the financial year are taken into account if they became known before drawing up the annual financial accounts and the conditions for recognising provisions have been met. Wages, salaries, and social security costs are recognised in the profit and loss account on the basis of the terms of employment, insofar as they are owed to employees or the tax authority respectively.

Interest is allocated to consecutive reporting periods in proportion to the remaining principal. Premiums/discounts and repayment premiums are attributed to the consecutive reporting periods as interest charges so that, together with the interest payable on the loan, the effective interest is recognised in the profit and loss statement and so that the balance sheet shows the amortised cost of the debt on balance. Periodic interest expenses and similar charges are charged to the year in which they become due.

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

The cash flow statement was prepared using the indirect method.

#### *System changes*

Not applicable.

#### *Changes in accounting estimates*

No changes in estimates were made in 2021.

## Clarification on the balance sheet

**(1) INTANGIBLE FIXED ASSETS**

	Development costs	Software	Prepaid intangible assets	Total
Book value 31-12-2020	1,195	110	1,565	2,870
Investments	0	0	1,642	1,642
Taking into use	2,283	0	-2,283	0
Disinvestments	0	5	0	5
Depreciation	536	66	0	602
Impairments	0	0	0	0
<b>31-12-2021</b>	<b>2,942</b>	<b>39</b>	<b>924</b>	<b>3,905</b>
Acquisition value 31-12-2020	3,415	3,236	1,565	8,216
Investments	0	0	1,642	1,642
Taking into use	2,283	0	-2,283	0
Disinvestments0	250	9	0	259
Acquisition value 31-12-2021	5,448	3,227	924	9,599
Cumulative depreciation	2,506	3,188	0	5,694
Cumulative impairments	0	0	0	0
<b>31-12-2021</b>	<b>2,942</b>	<b>39</b>	<b>924</b>	<b>3,905</b>

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

**(2) TANGIBLE FIXED ASSETS**

	Land	Buildings	Automated equipment and other inventory	Work in progress	Out of use	Total
Book value 31-12-2020	100,003	171,655	22,514	11,024	0	305,196
Investments	0	0	7,696	11,421	0	19,117
Taking into use	0	17,520	0	-17,520	0	0
Disinvestments	12	2,554	80	0	0	2,646
Depreciation	10	13,260	6,431	0	0	19,701
Impairments	0	0	0	0	0	0
<b>31-12-2021</b>	<b>99,981</b>	<b>173,361</b>	<b>23,699</b>	<b>4,925</b>	<b>0</b>	<b>301,966</b>
Acquisition value 31-12-2020	102,432	435,763	88,997	11,024	0	638,216
Investments	0	0	7,696	11,421	0	19,117
Taking into use	0	17,520	0	-17,520	0	0
Disinvestments	0	0	0	0	0	0
Acquisition value of disinvestments	97	7,201	5,175	0	0	12,473
<b>Acquisition value 31-12-2021</b>	<b>102,335</b>	<b>446,082</b>	<b>91,518</b>	<b>4,925</b>	<b>0</b>	<b>644,860</b>
Cumulative depreciation	573	237,444	67,819	0	0	305,836
Cumulative impairments	1,781	35,277	0	0	0	37,058
<b>31-12-2021</b>	<b>99,981</b>	<b>173,361</b>	<b>23,699</b>	<b>4,925</b>	<b>0</b>	<b>301,966</b>
Disinvestments, of which:						
- Acquisition price	97	7,201	5,175	0	0	12,473
- Depreciation	85	4,647	5,095	0	0	9,827
<b>Total disinvestments</b>	<b>12</b>	<b>2,554</b>	<b>80</b>	<b>0</b>	<b>0</b>	<b>2,646</b>

€11.4 million was added to the work in progress line item for investments in buildings and properties in 2021, and €17.6 million was withdrawn due to completion. The other changes in the work in progress line item are equipment investments and withdrawals.

The addition to the Work in progress item of €11.7 million includes the following projects: WKO Campus Noord €5.6 million, Edelhertweg €0.6 million, and several smaller projects.

The following were taken into use/completed for €17.6 million: WKO Campus Noord €9.8 million, greenhouse without daylight €1.8 million, refrigeration and freezer containers €0.9 million, emissions fume hoods Axis €0.7 million, and several smaller projects.

In 2021, a building in Weidum was sold for €0.3 million and a plot of land was sold in Lelystad for €0.01 million.

Wageningen Research's property is insured for €531.1 million (reference date 01 July 2021). The value for the purposes of the valuation of immovable property act (WOZ) has been set at €189.0 million (reference date 01 January 2021).

### (3) FINANCIAL FIXED ASSETS

	31-12-2021	31-12-2020
Non-consolidated participating interests	2,381	2,208
Other participating interests	54	54
Receivables from subsidiaries	0	0
Receivables from other affiliated parties	0	0
Members' capital	3,126	2,959
Other receivables	5,437	270
Receivables from LNV	25,808	29,752
Deferred tax receivable	0	886
<b>Total financial fixed assets</b>	<b>36,806</b>	<b>36,129</b>

**Table 8** Breakdown of non-consolidated participating interests

Description	31-12-2020	Investments/ divestments	Other changes	Downward revaluation	Results for 2021	31-12-2021
CoVaccine BV	18	0	0	0	0	18
Fresh Forward Holding B.V.	2,190	0	0	0	173	2,363
Nsure Holding B.V.	0	0	0	0	0	0
VOF Oostwaardhoeve	0	0	0	0	0	0
<b>Total</b>	<b>2,208</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>173</b>	<b>2,381</b>

**Table 9** Breakdown of other participating interests

Description	31-12-2020	Investments/ divestments	Other changes	Downward revaluation	Results for 2021	31-12-2021
Beijing China	53	0	0	0	0	53
Isolife B.V.	1	0	0	0	0	1
<b>Total</b>	<b>54</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>54</b>

**Table 10** Breakdown of members' capital

Description	31-12-2020	Change	31-12-2021
Avebe	1	0	1
Cosun	45	3	48
Dutch Greentech Fund/SHIFT invest	567	90	657
EBOP	1	0	1
FrieslandCampina	1,063	0	1,063
Fruitmasters	2	0	2
Hoeve Americ	23	0	23
Innovation Industries	1,119	178	1,297
MKP Agro	17	0	17
Nedato	1	0	1
Potatopol	3	0	3
Vof de Groot	13	0	13
Windunie	104	-104	0
<b>Total</b>	<b>2,959</b>	<b>167</b>	<b>3,126</b>

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

Description	Cumulative repayments	Interest	Cumulative repayments	Long-term	Short-term
Transfer of buildings and properties in connection with the privatisation of Wageningen Research	83,949	0%	64,396	16,753	2,800
Transfer of buildings and properties in connection with the integration of Applied Research	28,702	0%	20,331	7,414	957
Transfer of IAC and ILRI buildings and land	5,627	0%	3,798	1,641	188
<b>Total</b>	<b>118,278</b>	<b>0%</b>	<b>88,525</b>	<b>25,808</b>	<b>3,945</b>

€3.9 million of the receivables is due each year and is included under "Other receivables" and "Accrued income". The long-term part of the receivables related to the Biovergister fermentation unit (€0.2 million) and the prepaid rent to Unilever for the parking garage (€5.2 million) is included under the other receivables of the financial fixed assets.

#### (4) INVENTORY

	31-12-2021	31-12-2020
Trading stock	1,986	1,663
Livestock	995	799
Harvested agricultural produce	2,052	1,511
<b>Subtotal Inventory</b>	<b>5,033</b>	<b>3,973</b>
Less: provision for lack of marketability	-740	-622
<b>Total stocks</b>	<b>4,293</b>	<b>3,351</b>

**(5) RECEIVABLES AND ACCRUED ASSETS**

	31-12-2021	31-12-2020
Accounts receivable	37,916	34,258
Less: provision for uncollectable receivables	-2,415	-1,984
<b>Total accounts receivable</b>	<b>35,501</b>	<b>32,274</b>
Cost of work carried out for third parties	451,127	423,219
Less: Invoiced instalments	429,620	399,396
Orders from third parties other than LNV	21,507	23,823
Less: anticipated losses	-736	-915
Included under short-term debt	11,320	11,293
<b>Project costs yet to be invoiced</b>	<b>32,091</b>	<b>34,201</b>
Advances	242	577
VAT to be received	2,533	3,709
Receivables from subsidiaries	0	0
Receivables from affiliated parties	15,112	9,589
Accrued assets	3,436	3,234
Other	4,281	4,428
<b>Total advances and prepayments</b>	<b>25,604</b>	<b>21,537</b>
<b>Total receivables and accruals</b>	<b>93,196</b>	<b>88,012</b>

The balance of third party orders consists of projects with a positive balance (the value of the work performed is greater than the invoiced instalments) and projects with a negative balance (the value of the invoiced instalments exceeds the value of the work performed). Projects with a negative balance are included under "Short-term debts".

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

The receivables from subsidiaries relate to short-term positions that are assessed and settled monthly. The receivables from affiliated parties relate to receivables from Wageningen University. Wageningen Research has a receivable of €10.7 million from Wageningen University in connection with the financing of the assets of Facilities and Services. This debt is not immediately claimable. Wageningen Research also has receivables to Wageningen University in connection with costs to be settled. These receivables are immediately due and payable, and these positions are assessed and paid monthly. No interest is charged on these receivables.

**(6) LIQUID ASSETS**

	31-12-2021	31-12-2020
Cash in hand	12	14
Bank	135,791	143,726
<b>Total liquid assets</b>	<b>135,803</b>	<b>143,740</b>

Of the balance of liquid assets amounting to €135.8 million, €112.6 is freely disposable. Wageningen Research manages €23.2 million in project funding that must be paid to contractors in phases. Wageningen Research has a relatively high liquidity position because many of its projects are funded in advance (€61.9 million).

## Financial instruments

### General

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

### Credit risk

Most of the funding awarded to WR is received from the Dutch Ministry of Agriculture, Nature and Food Quality (LNV). WR is not exposed to any credit risk in this respect. The receivables from contract research projects constitute the main credit risk. WR has made a provision of €2.4 million in connection with the risks of non-payment.

### Interest rate risk

WR's interest rate risk is limited to €5.2 million in prepaid rent to Unilever for the parking garage. The interest rate risks on the long-term receivables and debts with LNV are limited because the interest positions of the netted amounts are small.

### Liquidity risk

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

### Fair value

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

## (7) EQUITY CAPITAL

	General reserve	Destination reserve	Statutory reserve	Total
<b>Balance as at 31-12-2019</b>	<b>333,547</b>	<b>0</b>	<b>455</b>	<b>334,002</b>
Consolidation of Stichting Akkerweb	-4	0	0	-4
Result appropriation	16,965	0	0	16,965
Change to the reserve	-8,805	6,500	2,305	0
<b>Balance as at 31-12-2020</b>	<b>341,703</b>	<b>6,500</b>	<b>2,760</b>	<b>350,963</b>
Result appropriation	9,360	0	0	9,360
Addition to the reserve	0	0	1,106	1,106
Withdrawal from the reserve	636	470	0	1,106
<b>Balance on 31-12-2021</b>	<b>350,427</b>	<b>6,030</b>	<b>3,866</b>	<b>360,323</b>

The entire positive net result of €9.4 million recorded for the financial year has been transferred to the general reserve. The statutory reserve is maintained in connection with the development costs and advance payments for Open Up, planning tool, LIMS software, and CRM. In 2020, the result of the coronavirus diagnostics at WBVR (ASG) of about €6.5 million has been added to the appropriated reserve for the ERRAZE@WUR research programme, which will use it to conduct further research into zoonoses in the future. A sum of €0.5 million of the appropriated reserve was used for this research in 2021.

**(8) PROVISIONS**

	31-12-2020	Addition	Withdrawal	Release	31-12-2021
Unemployment insurance obligations	5,125	607	1,017	609	4,106
WIA/ZW-flex	1,794	740	639	268	1,627
Service bonus	5,410	801	596	3	5,612
Reorganisation costs	1,643	242	451	119	1,315
Product and contract risks	1,856	2,114	2,500	550	920
<b>Total provisions</b>	<b>15,828</b>	<b>4,504</b>	<b>5,203</b>	<b>1,549</b>	<b>13,580</b>

**Table 12** Breakdown of the term of the provisions

	31-12-2021	31-12-2020
Short-term (expires within 1 year)	4,291	3,748
Long-term (expires between 1 and 5 years)	5,740	6,412
Long-term (expires after 5 years)	3,549	5,668
<b>Total provisions</b>	<b>13,580</b>	<b>15,828</b>

Changes in the provisions as a result of discounting future expenses are included as an allocation to the provision due to the non-material impact.

Provisions for unemployment insurance and civil obligations have been recognised to cover the unemployment insurance and civil obligations on the balance sheet date and the expected future obligations in relation to personnel that have already left and personnel with a temporary employment contract. Current benefits are valued at 70% of the maximum expenditure. Payables for employees with a temporary employment contract are provided for to a level of 1%. The estimation parameters are tested annually. In 2021, an allocation of €0.6 million was made to this provision.

The provision for the act on work and income according to labour capacity (WIA) and sickness benefits act (ZW-flex) payables covers the future payments pursuant to these acts. Wageningen Research opted for self-insurance for the WIA and ZW-flex acts. The current benefits are fully recognised in the provision. A provision amounting to €0.7 million has been made for ongoing payments.

The provision for "Gratificaties Ambtsjubilea" (service anniversary bonus) is based on historical information on the chance of employees remaining in service until the anniversary date is paid. A discount rate of 0.8% has been taken into account in the calculation of the payables (2020: 0.7%) and an expected wage increase of 2.0% per year (2020: 1.75%). The effect of the changes in discount rate and expected wage increases are included in the allocation to the provision.

The reorganisation cost provision has been established for anticipated costs relating to reorganisations implemented earlier. In 2021, additions were made to the provision for a limited number of reorganisations and learning while working "werkenderwijs" programmes.

The settlement of Oostwaardhoeve is included under product and contract risks.

**(9) LONG-TERM DEBT**

	31-12-2020	Increase in debt	Decrease in debt	31-12-2021
Debt to the LNV	32,219	0	6,409	25,810
Other long-term debt	1,801	69	0	1,870
<b>Total long-term debt</b>	<b>34,020</b>	<b>69</b>	<b>6,409</b>	<b>27,680</b>

**Table 13** Breakdown of the debt to LNV

Description	Long-term	Long-term	Cumulative repayments	Long-term	Short-term
Transfer of buildings and properties in connection with the privatisation of Wageningen Research	135,408	4.50%	113,389	16,754	5,265
Transfer of buildings and properties in connection with the integration of Applied Research	28,701	5.20%	20,329	7,415	957
Transfer of IAC and ILRI buildings and land	5,627	5.00%	3,798	1,641	188
<b>Total</b>	<b>169,736</b>		<b>137,516</b>	<b>25,810</b>	<b>6,410</b>

The repayment of these loans will amount to €6.4 million in 2022. This amount is included under other short-term debt. €15.8 million of the long-term debt has a term of less than five years.

**Table 14** Supplementary information regarding other long-term debt

	Long-term	Long-term	Cumulative repayments	Long-term	Short-term
Tax deferral				459	0
LTO-Wageningen Research fund	10,328	6%	8,418	1,410	500
<b>Total</b>	<b>10,328</b>		<b>8,418</b>	<b>1,869</b>	<b>500</b>

The repayment of the LTO loan will amount to €0.5 million in 2022. This amount is included under "other short-term debts". The long-term constituent has a term of less than five years. In the calculation of the amount of the balance sheet items, an interest rate of 0% was taken into account.

## (10) SHORT-TERM DEBT

	31-12-2021	31-12-2020
Debt to suppliers	9,902	7,068
Taxes payable	10,665	17,550
Pensions payable	-13	0
Debts to affiliated parties	149	0
<i>Deferred liabilities</i>		
Advance payments from third parties	73,762	75,400
Advance payments - project costs still to be invoiced	11,320	11,293
LNV programme research yet to be completed	24,832	30,728
Advance payments of HCU operating contribution	10,830	6,411
Other deferred liabilities	6,347	4,624
Other debt	26,592	25,413
<b>Total short-term debt</b>	<b>174,386</b>	<b>178,487</b>

Other debt includes the employee holiday allowance owed on the balance sheet date (€7.5 million). The annual repayment of €6.4 million to the Dutch Ministry of Agriculture, Nature and Food Quality (LNV) for the long-term loan and the short-term constituent of the other long-term loans (€0.5 million) are also included as "Other debts".

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

The balance sheet item "Future LNV research" relates to the excess (or shortfall) as a result of Art. 43.1 of the funding scheme (total €36.1 million). The item consists of underspending on projects €4.8 million, a balance for LNV projects with extended duration €20.5 million, and the advance payment for the operation of the High Containment Unit (HCU) €10.8 million. The total advance payment of HCU of €10.8 million consists of a remainder of operating contributions 2021, and previous years, of €7.1 million and an advance payment for operating costs for 2022 of €3.7 million. The LNV projects with extended duration are mainly projects within the framework of the programme research in a phase to be completed in 2022. The underspending on projects at the end of 2021 (€4.8 million) will be used, in accordance with the funding scheme, for deficits arising on LNV projects in the 2022 financial year.

The LNV project and programme subsidies received in 2021 total €167.1 million. (2020: €173.0 million).

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

Obligations entered into relating to investments, rentals, operational leases, and similar agreements amounted to €17.6 million at the end of 2021. The instalments included in these obligations that expire within one year amount to €11.2 million. The instalments that expire between one and five years amount to €4.0 million.

Omschrijving	Totaal bedrag verplichtingen	Waarvan		
		vervallend binnen 1 jaar	vervallend tussen 1 en 5 jaar	vervallend na 5 jaar
Investerings	4.514	4.514	0	0
Huurverplichtingen	6.532	1.100	3.014	2.418
Leaseverplichtingen	1.261	463	798	0
Onderhoudscontracten	1.267	1.192	75	0
Elektra	2.041	2.041	0	0
Gas	878	878	0	0
Onderhoudscontracten Surfnet en KPN	802	735	67	0
	<b>17.559</b>	<b>11.187</b>	<b>3.954</b>	<b>2.418</b>

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

The patent and licence rights, pig manure production rights, and milk quota have been obtained free of charge or are valued at zero in accordance with the accounting principles. A number of fixed assets were acquired free of charge within the scope of the merger of the practical centres as well. In the event of the sale of these assets, an obligation to the original contributors will arise.

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

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

As a result of the acquisition of NVWA employees with an initially deviating collective labour agreement (CAO), compensation was agreed for the period 2021-2040 to enable inclusion in the Wageningen Research CAO.

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

Wageningen Research is currently in talks with the Dutch Tax and Customs Administration about the method to be used to calculate the tax to be recovered (pro rata) for the years 2016-2021. The annual accounts include the portion of the claim that Wageningen Research estimates will certainly be received. If the Dutch Tax and Customs Administration follow Wageningen University's position (in part), an additional refund will be received.

## Notes to the profit and loss statement

**(11) INCOME**

	2021	2020
<b>Basic funding</b>		
Knowledge base LNV	34,851	30,614
<b>Total basic funding</b>	<b>34,851</b>	<b>30,614</b>
<b>Programme funding</b>		
Policy Support Research LNV	41,450	37,379
Statutory Research Tasks LNV	40,810	46,099
NVWA programme research	19,318	13,449
NWO - research funding	2,320	2,790
<b>Total programme funding</b>	<b>103,898</b>	<b>99,717</b>
<b>Co-funding and subsidy market</b>		
Research stimulus funds	5,726	4,805
EU funding programmes	21,263	19,049
<b>Total co-funding and subsidies</b>	<b>26,989</b>	<b>23,854</b>
<b>Top sectors</b>		
Top sectors LNV	45,203	40,258
Research stimulation funds top sectors	7,544	6,109
Top sectors business community	18,569	17,084
<b>Total top sectors</b>	<b>71,316</b>	<b>63,451</b>
<b>Bilateral market</b>		
Contract research LNV	2,547	3,815
Product Boards contract research	22	16
Other public organisations contract research	41,545	38,414
Business community contract research	46,352	42,664
Charitable organisations contract research	3,958	1,349
Wageningen University contract research	2,087	2,003
<b>Total bilateral market</b>	<b>96,511</b>	<b>88,261</b>
<b>Secondary activities</b>		
Sales	8,241	8,766
Proceeds from patents and licenses	843	826
Analyses and advice	8,383	16,636
Courses	136	29
Wind turbines	2,003	3,033
Facility Services	2,883	1,726
External rental proceeds	13,454	12,990
Subsidies	96	65
<b>Total secondary activities</b>	<b>36,039</b>	<b>44,071</b>
<b>Other income</b>		
Internal rental proceeds	27	31
Sale of fixed assets	494	1,174
Other income	2,024	3,883
<b>Total other income</b>	<b>2,545</b>	<b>5,088</b>
<b>Total income</b>	<b>372,149</b>	<b>355,056</b>

The turnover has almost been entirely achieved in the Netherlands.

**(12) Personnel costs**

	2021	2020
<b>Personnel costs</b>		
Wages	162,879	152,222
Social security costs	21,154	19,132
Pension premiums	27,622	24,824
Total salaries, social security costs, and pension contributions	211,655	196,178
Temporary employees and contracted personnel	15,811	15,269
Other staff costs	4,973	7,493
Addition to provision for unemployment insurance obligations	-2	1,126
Allocation of provision for WIA/ZW-flex	472	875
Addition to other personnel provisions	798	401
<b>Total personnel costs</b>	<b>233,707</b>	<b>221,342</b>

The direct personnel costs of temporary and permanent personnel increased by €15.5 million. This increase is caused by the following factors:

- increase of staffing levels by 117 FTE;
- increase in wages with 2.4% per FTE, mainly as a result of the continuation of the CAO 2020 (wage increase of 2.5% from 1 July 2020) and the new CAO over 2021 (wage increase of 1.64% from 1 October 2021), and increase of the December bonus by 1%);
- increase in social security contributions (5.8%) and pension contributions (6.5%) per employee as a result of higher premiums and a higher base (wages) over which the premiums are calculated.

€30.8 million of the total wage costs relates to employees with a fixed-term employment contract. The average number of employees, excluding interns/trainees, amounted to 2,752 in the reporting year (2020: 2,635)

In the year under review, Wageningen Research's share in the remuneration of the Executive Board amounted to €0.3 million (2020: €0.3 million). This amount includes pensions and similar obligations. The cost of permanent personnel includes an amount of €26,000 (2020: €32,000) for Supervisory Board member remuneration. The Remuneration Section contains the remuneration statement in accordance with the Senior Executives in the Public and Semi-Public Sector (Standards for Remuneration) Act (WNT).

The pension scheme for the whole of WUR was (compulsorily) placed with ABP. There was no obligation to make up any shortfall as a result of ABP's coverage ratio. This is why no provisions have been made. Pension accrual takes place on the basis of the average earnings system (middelloonsysteem). The General Pension Fund for Public Employees (ABP) indexes the pension benefits if the policy coverage ratio exceeds the required minimum. On 31 December 2021, the policy coverage ratio is 105% and indexation starts from 110%. It is expected that the required policy coverage ratio will be reduced to 105% on 1 January 2022.

**(13) General costs**

	2021	2020
<b>General costs</b>		
Accommodation costs	21,916	18,869
Depreciation of tangible and intangible fixed assets	20,303	19,368
Exceptional changes in the value of tangible and intangible fixed assets	0	0
Other equipment costs	15,291	13,057
Other general costs	13,444	11,129
Additions to the provisions:		
Reorganisation costs	123	-637
Product and contract risks	1,564	93
Other provisions	0	-2,292
<b>Total addition to general provisions</b>	<b>1,687</b>	<b>-2,836</b>
<b>Total general costs</b>	<b>72,641</b>	<b>59,587</b>

The €13.4 million in other general costs consists of office expenses including telephone, postage, and copying costs (€0.9 million); books and subscriptions (€1.9 million); travelling and accommodation costs (€1.6 million); lease and rental cars (€0.5 million); PR activities (€0.5 million); representation costs (€0.1 million); a provision for project losses (-€0.1 million); catering (€0.9 million); and other costs (€6.5 million). Part of the general costs concern direct project costs. It is an amount of €13.1 million.

The other cost items include the following auditor's costs:

A. Audit of annual financial accounts	€ 216,000	(2020: € 250,000)
B. Other audit work	€ 623,000	(2020: € 568,000)
C. Tax advisory services	€ 139,000	(2020: € 120,000)
D. Fees for non-audit services	€ 0	(2020: € 0)

There are no accounting fees from other Ernst and Young (EY) network firms. The cost of the audit of the annual financial report consists of the agreed fee for the annual audit for the financial year plus the estimate of the cost of additional work and additional work activities. The costs for auditing the annual financial report include costs for additional work and extra assignments from 2020. The costs include non-refundable VAT.

**Table 15** Breakdown of depreciation and changes in value

	2021	2020
<b>Depreciation</b>		
Intangible fixed assets	603	255
Tangible fixed assets	19,700	19,113
Financial fixed assets	0	0
<b>Total depreciation</b>	<b>20,303</b>	<b>19,368</b>
<b>Changes in value</b>		
Intangible fixed assets	0	0
Tangible fixed assets	0	0
Financial fixed assets	0	0
<b>Total change in value</b>	<b>0</b>	<b>0</b>

**Table 16** Breakdown of exceptional changes in value

	2021	2020
	0	0
<b>Total change in value</b>	<b>0</b>	<b>0</b>

**(14) Specific costs**

	2021	2020
<b>Specific costs</b>		
Specific costs	24,341	24,735
Services provided by third parties	24,430	23,184
Provided contributions and subsidies	272	259
<b>Total specific costs</b>	<b>49,043</b>	<b>48,178</b>

Specific costs relates to costs that are not directly related to the extent of the project activities. These project-related costs are accounted for directly or through cost allocation on projects.

**(15) Financial income and expenditures**

	2021	2020
<b>FINANCIAL INCOME AND EXPENDITURES</b>		
Financial income	136	120
Financial expenses	-3,742	-3,829
<b>Total financial income and expenditures</b>	<b>-3,606</b>	<b>-3,709</b>

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

**(16) Tax for Ordinary Activities**

	2021	2020
<b>TAXATION ON OPERATIONAL ACTIVITIES</b>		
Tax on operational activities (corporate tax)	-3,965	-5,402
<b>Total tax on operational activities</b>	<b>-3,965</b>	<b>-5,402</b>

The corporate tax payable is calculated on the basis of the taxable result. Due to the valuation differences between the balance sheet for tax purposes and the balance sheet for reporting purposes, and the related higher tax deductions, Wageningen Research's taxable result is (€11.7 million). The effective tax rate is 22.6% and the applicable tax rate is 25%. The difference between the effective and applicable tax rate is caused by a different activation limit for equipment and the difference between the commercial and fiscal treatment of buildings.

**(17) Result from participating interests**

	2021	2020
<b>RESULT FROM PARTICIPATING INTERESTS</b>		
Fresh Forward Holding B.V.	173	127
<b>Total result from participating interests</b>	<b>173</b>	<b>127</b>

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

### Result appropriation

The Executive Board of Wageningen Research proposed that the net result of €9.4 million be allocated to the general reserve.

### Events after balance sheet date

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

## Company balance sheet

## After the allocation of the net result

	31-12-2021	31-12-2020	
<b>ASSETS</b>			
FIXED ASSETS			
	Intangible fixed assets	3,905	2,870
	Tangible fixed assets	301,966	305,196
(18)	Financial fixed assets	48,550	46,001
	<b>Total fixed assets</b>	<b>354,421</b>	<b>354,067</b>
<b>CURRENT ASSETS</b>			
	Inventory	4,293	3,351
	Receivables and accrued assets	93,493	86,900
(19)	Liquid assets	128,005	137,398
	<b>Total current assets</b>	<b>225,791</b>	<b>227,649</b>
	<b>TOTAL ASSETS</b>	<b>580,212</b>	<b>581,716</b>
<b>CAPITAL AND LIABILITIES</b>			
	EQUITY CAPITAL	360,318	350,959
	PROVISIONS	13,580	15,828
	LONG-TERM DEBT	27,680	34,020
	SHORT-TERM DEBT	178,634	180,909
	<b>TOTAL LIABILITIES</b>	<b>580,212</b>	<b>581,716</b>

The company balance sheet does not include data from Stichting Akkerweb, Wageningen Business Generator B.V., and Wageningen Research Holding B.V. Compared to the consolidated balance sheet, the equity capital differs by €5,557. This concerns the equity capital of Stichting Akkerweb.

## Company profit and loss statement

	2021	2020
<b>INCOME</b>		
Basic funding	34,851	30,614
Programme funding	103,898	99,717
Co-funding and subsidy market	26,989	23,854
Top sectors	71,316	63,451
Bilateral market	96,511	88,261
Secondary activities	33,886	40,450
Other income	2,392	4,507
<b>INCOME</b>	<b>369,843</b>	<b>350,854</b>
<b>EXPENDITURES</b>		
Personnel costs	233,707	221,342
General costs	71,702	57,802
Specific costs	48,342	47,626
<b>Total expenses</b>	<b>353,751</b>	<b>326,770</b>
<b>OPERATING RESULT</b>	<b>16,092</b>	<b>24,084</b>
Financial income and expenditures	-4,977	-3,708
<b>RESULT FROM OPERATIONAL ACTIVITIES BEFORE TAX</b>	<b>11,115</b>	<b>20,376</b>
Taxation on operational activities	-3,965	-5,402
Result from participating interests	2,209	1,983
<b>RESULT FROM OPERATIONAL ACTIVITIES AFTER TAX</b>	<b>9,359</b>	<b>16,957</b>
Third-party share	0	0
Exceptional income and expenditures	0	0
<b>NET RESULT</b>	<b>9,359</b>	<b>16,957</b>

The result of Stichting Akkerweb amounts to €1,002 and explains the difference between the statutory and consolidated net result.

## Notes on the company annual financial accounts

**General**

Unless otherwise stated, the accounting principles included in the notes on the consolidated annual financial accounts also apply to the company annual financial accounts. In view of the fact that the deviations of the financial figures between the company annual financial report and the consolidated annual financial report of Wageningen University as of 31 December 2021 are relatively small, the notes to the company balance sheet and company profit and loss statement are included in the notes to the consolidated balance sheet and consolidated profit and loss statement. Deviations in the financial fixed assets are shown below.

**(18) FINANCIAL FIXED ASSETS**

	31-12-2021	31-12-2020
Participating interests in group companies	16,080	13,871
Other participating interests	53	53
Members' capital	1,172	1,169
Other receivables	5,437	270
Receivables from LNV	25,808	29,752
Deferred tax receivable	0	886
<b>Total financial fixed assets</b>	<b>48,550</b>	<b>46,001</b>

**Table 17** Breakdown of the participating interests in group companies item

Description	31-12-2020	Investments/ divestments	Other changes	Downward revaluation	Results for 2021	31-12-2021
Wageningen Research Holding	13,871	0	0	0	2,209	16,080
<b>Total</b>	<b>13,871</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,209</b>	<b>16,080</b>

**Table 18** Breakdown of members' capital line item

Description	31-12-2020	Change	31-12-2021
Avebe	1	0	1
Cosun	45	3	48
EBOP	1	0	1
FrieslandCampina	1,063	0	1,063
Fruitmasters	2	0	2
Hoeve Americ	23	0	23
MKP Agro	17	0	17
Nedato	1	0	1
Potatopol	3	0	3
Vof de Groot	13	0	13
<b>Total</b>	<b>1,169</b>	<b>3</b>	<b>1,172</b>

**(19) LIQUID ASSETS**

	31-12-2021	31-12-2020
Cash in hand	12	14
Bank	127,993	137,384
<b>Total liquid assets</b>	<b>128,005</b>	<b>137,398</b>

The difference in cash and cash equivalents between consolidated and non-consolidated relates to the bank balances of Wageningen Business Generator, Stichting Akkerweb, and Wageningen Research Holding, a total of €7.8 million.

## Remuneration

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

Tables 19 and 20 contain the consolidated information about the remuneration of the Wageningen UR governance union. These Tables give the user of the financial statements required insight into the total cost of the top-level executives, members of the Supervisory Board, and non-executives. This statement differs from statutory statements as the legislation requests information by entity. The statutory statements are included in Appendix 1. These are consistent with the consolidated statements shown below.

**Table 19** Remuneration of executives (amounts in €)

	L.O. Fresco	A.P.J. Mol	L.A.C. Buchwaldt
Job title	President of the Executive Board	Executive Board member	Executive Board member
Period of employment in 2021	1-1 to 31-12	1-1 to 31-12	1-1 to 31-12
Extent of employment in FTE	1	1	1
(Fictitious) Employment relationship	Yes	Yes	Yes
<b>Remuneration</b>			
Remuneration and taxable expense reimbursements	185,216.24	185,216.12	185,216.12
Remuneration payable in this term	23,783.76	23,783.88	23,783.88
<i>Remuneration</i>	<i>209,000.00</i>	<i>209,000.00</i>	<i>209,000.00</i>
Individual maximum remuneration	209,000.00	209,000.00	209,000.00
-/- unduly paid amount			
<b>Total remuneration</b>	<b>209,000.00</b>	<b>209,000.00</b>	<b>209,000.00</b>
Reason for exceeding the norm and other notes	n/a	n/a	n/a
Data from 2020			
Period of employment in 2020	1-1 to 31-12	1-1 to 31-12	1-1 to 31-12
Scope of employment in FTE	1	1	1
<b>Remuneration</b>			
Remuneration	179,077.92	179,081.28	179,081.28
Provisions for long-term remuneration	21,922.08	21,918.72	21,918.72
<b>Total remuneration</b>	<b>201,000.00</b>	<b>201,000.00</b>	<b>201,000.00</b>
Individual maximum remuneration	201,000.00	201,000.00	201,000.00

Within our organisation, those who are identified as top level executives with an employment contract do not have an employment contract with any other semi-public (WNT) institutions as managing top level executives (who entered employment from 1 January 2018).

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

	Ir. Dijsselbloem <sup>1)</sup>	M.A. Verhoef	T. Klimp	E. Dijkgraaf <sup>2)</sup>	B. Jansen <sup>3)</sup>	P.M. Herder
Job title	Chair	Member	Member	Member	Member	Member
Period of employment in 2021	1-1 to 31-12	1-1 to 31-12	1-1 to 31-12	1-3 to 31-12	1-3 to 31-12	1-1 to 19-1
<b>Remuneration</b>						
Remuneration	17,745.00	11,829.96	23,097.36	9,811.45	9,858.45	575.49
Individual maximum remuneration	31,350.00	20,900.00	20,900.00	17,521.64	17,521.64	1,087.95
Reason for exceeding the norm and other notes	n/a	n/a	One-off subsequent payment <sup>4</sup>	n/a	n/a	n/a
<b>Payment on termination of employment</b>	n/a	n/a		n/a	n/a	n/a
<b>Data from 2019</b>						
Duration of appointment in 2019	1-1 to 31-12	1-1 to 31-12	1-1 to 31-12			1-2 to 31-12
<b>Remuneration</b>						
Remuneration	16,900.00	11,017.40	0.00			10,328.45
Individual maximum remuneration	30,150.00	20,100.00	20,100.00			18,447.54

<sup>1)</sup> Remuneration to Dijsselbloem Consultancy

<sup>2)</sup> Remuneration to Dijkgraaf Strategisch Advies BV

<sup>3)</sup> Remuneration to Wellant BV

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

## Supplementary information

### Statutory rules on result appropriation

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

### Auditor's report by the independent auditor

The auditor's report on the 2021 financial statements is included in the Dutch version of the Annual Report.

## Other information

### Address details

Address: Droevendaalsesteeg 4, 6708 PB, Wageningen, the Netherlands

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## Overview of property sales and purchases

Grond, terrein en infrastructuur	HA	Aankoop	Verkoop
Verkoop grond Wisentweg Lelystad	33,21		13
<b>Subtotaal grond, terrein en infrastructuur</b>		<b>0</b>	<b>13</b>

Gebouwen	Aankoop	Verkoop
Dekemawei 4 te Weidum		342
<b>Subtotaal gebouwen</b>		<b>342</b>

<b>Totaal</b>		<b>355</b>
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Uitsplitsing Verkoop	Verkoopopbrengst	Boekwaarde	Boekwinst
Verkoop grond Wisentweg Lelystad	115	13	102
Verkoop gebouw Dekemawei 4 te Weidum	505	342	163
<b>Totalen</b>	<b>620</b>	<b>355</b>	<b>265</b>

## Accountability of LNV funding 2021

Subsidieverlening aan Stichting Wageningen Research 2021		x € 1.000
<b>Project- en programmasubsidies</b>		
Kennisbasis		26.294
BO		18.389
BO - consortium partners		548
Topsector		45.850
Topsector – consortium partners		1.321
Wettelijke onderzoeksTaken		38.288
HCU		8.599
Additionele projecten		23.648
Consortium deel partners		4.174
<b>Totaal ontvangen project- en programmasubsidies</b>		<b>167.109</b>
<b>Overige bijdragen</b>		
Compensatie aflossing lening		2.800
Compensatie aflossing lening PO		957
Compensatie lening IAC/ILRI		188
Correctie vraaguitval i.v.m. kwijtschelding lening		-56
BTW Wageningen Research		35.041
Betaling via Laser/honingregeling		147
<b>Totaal subsidieverlening Stichting WR 2021</b>	<b>206.186</b>	Brief met referentienummer DGA-SKI/20294032 d.d. 16 december 2021
<b>Subsidieverlening LNV verwerkt via balans</b>		
Compensatie aflossing lening LNV-deel WR	2.800	Balanspost LNV Vordering
Compensatie aflossing lening LNV-deel PO	957	Balanspost LNV Vordering
Compensatie aflossing lening LNV-deel IAC/ILRI	188	Balanspost LNV Vordering
BTW WR	35.041	Afloop via balans
Consortium deel partners	6.042	Afloop via balans
<b>Subsidieverlening LNV verwerkt via balans</b>	<b>45.029</b>	
<b>Te verantwoorden baten LNV</b>		
Afname Nog af te ronden programmaonderzoek LNV	5.896	Balanspost nog uit te voeren onderzoek
Activering OpenUp WOT-06 ICT investering	-702	Balanspost activering OpenUp
ATVET	-122	Consortium partners WecR in 2020 verwerkt onder Napro; afwikkeling via balans
Overig	-5	Balanspost ten onrechte ontvangen bedrag
Toename vooruitontvangen HCU-exploitatiebijdrage	-4.419	Balanspost HCU-exploitatie
LNV Demokassen	509	Balanspost Demokassen
<b>Verantwoorde baten jaarrekening Stichting WR</b>	<b>162.314</b>	

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

## Appendix 1: Statutory accounting for remuneration

Tables 21 and 22 provide the statutory accountability statements about the remuneration of top-level executives, Supervisory Board members, and non-executives. The consolidated information about the governance union of Wageningen University & Research is included in Tables 19 and 20 of the annual financial statements and is consistent with Tables 21 and 22.

The WNT applies to Wageningen Research. The applicable maximum remuneration for Wageningen Research Foundation for 2021 is €209,000 (general remuneration limit).

**Table 21** Remuneration of executives (amounts in €)

	L.O. Fresco	A.P.J. Mol	L.A.C. Buchwaldt
Job title	President of the Executive Board	Executive Board member	Executive Board member
Period of employment in 2021	1-1 to 31-12	1-1 to 31-12	1-1 to 31-12
Extent of employment in FTE	0.5	0.5	0.5
(Fictitious) Employment relationship	No	No	No
<b>Remuneration</b>			
Remuneration and taxable expense reimbursements	101,853.10	104,141.42	104,141.42
Remuneration payable in this term			
<i>Remuneration</i>	<i>104,500.00</i>	<i>104,500.00</i>	<i>104,500.00</i>
Individual maximum remuneration	104,500.00	104,500.00	104,500.00
-/- unduly paid amount			
<b>Total remuneration</b>	<b>104,500.00</b>	<b>104,500.00</b>	<b>104,500.00</b>
Reason for exceeding the norm and other notes	n/a	n/a	n/a
Data from 2020			
Period of employment in 2020	1-1 to 31-12	1-1 to 31-12	1-1 to 31-12
Scope of employment in FTE	0.5	0.5	0.5
<b>Remuneration</b>			
Remuneration	87,432.18	89,608.65	89,608.65
Provisions for long-term remuneration			
<b>Total remuneration</b>	<b>100,500.00</b>	<b>100,500.00</b>	<b>100,500.00</b>
Individual maximum remuneration	100,500.00	100,500.00	100,500.00

Within our organisation, those who are identified as top level executives with an employment contract do not have an employment contract with any other semi-public (WNT) institution(s) as managing top level executives (who entered employment from 1 January 2018).

**Table 22** Remuneration for supervisors (amounts in €, excluding VAT)

	Ir. Dijsselbloem <sup>1)</sup>	M.A. Verhoef	T. Klimp	E. Dijkgraaf <sup>2)</sup>	B. Jansen <sup>3)</sup>	P.M. Herder
Job title	Chair	Member	Member	Member	Member	Member
Period of employment in 2021	1-1 to 31-12	1-1 to 31-12	1-1 to 31-12	1-3 to 31-12	1-3 to 31-12	1-1 to 19-1
<b>Remuneration</b>						
Remuneration	8,872.50	5,914.98	11,548.68	4,905.73	4,929.26	287.75
Individual maximum remuneration	31,350.00	20,900.00	20,900.00	17,521.64	17,521.64	1,087.95
Reason for exceeding the norm and other notes	n/a	n/a	n/a	n/a	n/a	n/a
<b>Payment on termination of employment</b>	n/a	n/a	n/a	n/a	n/a	n/a
Data from 2020						
Duration of appointment in 2020	1-1 to 31-12	1-1 to 31-12	1-1 to 31-12			1-2 to 31-12
<b>Remuneration</b>						
Remuneration	8,450.00	5,508.70	0.00			5,164.23
Individual maximum remuneration	30,150.00	20,100.00	20,100.00			18,447.54

<sup>1)</sup> Remuneration to Dijsselbloem Consultancy

<sup>2)</sup> Remuneration to Dijkgraaf Strategisch Advies BV

<sup>3)</sup> Remuneration to Wellant BV