

Rothamsted Research Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 March 2024

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LEGAL & ADMINISTRATIVE INFORMATION

DIRECTORS

Sir Peter Kendal (Interim Chair)	Appointed 10 December 2024
Professor Sir John Beddington FRS (Chair)*	Resigned 10 December 2024
Professor Andrew Balmford FRS	
Dr Oliver Doubleday (Deputy Chair)*	Resigned 10 December 2024
Professor Bridget Emmett ⁺	
Professor Julie Gray ⁺	
Mr Jan Holthuis ^{*^}	
Professor Matt Lobley ⁺	Appointed 4 January 2024
Mr Neil Scragg [*]	Appointed 10 May 2023
Professor Sandy Thomas ⁺	

KEY MANAGEMENT PERSONNEL

Angela Karp	
David Hampton +	Replaced by Udey Chowdhury from 3 June 2024
Adrian Collins	
Julian James Smith	
Martin Roger Broadley	
Frederica Theodoulou	
Christopher James Oliver Baker	
Stephen Laidler	
John Hatchett	
Louise Warren	

* - Member of Finance and Audit Committee

+ - Member of the Science Advisory Group of the Board

^ - Member of the Intellectual Property and Exploitation Panel

CHARITY NUMBER: 802038

COMPANY NUMBER: 02393175, a company registered in England and Wales

REGISTERED OFFICE

Rothamsted Research Limited
Harpenden
Hertfordshire AL5 2JQ

AUDITOR

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

PRINCIPAL BANKERS

Barclays Bank
22-24 Upper Marlborough Road
St Albans
Hertfordshire AL1 3AL

PRINCIPAL SOLICITORS

Mills and Reeve LLP
Botanic House
100 Hills Road
Cambridge CB2 1PH

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STATEMENT OF TRUSTEE RESPONSIBILITIES

The Directors submit their Annual Report together with the audited Financial Statements for the year ended 31 March 2024. This contains a Directors' report as required by company law. Further information can be found at <http://www.rothamsted.ac.uk/>

STRUCTURE, GOVERNANCE AND MANAGEMENT

Directors and Officer

The Directors, who are also the Trustees, the Institute Director and Officer of the Company, who served throughout the year, were as follows:

Directors

Professor Sir John Beddington FRS (Chair)	Retired 10 December 2024
Professor Andrew Balmford FRS	
Professor Bridget Emmett	
Dr Oliver Doubleday	Retired 10 December 2024
Professor Julie Gray	
Mr John Haywood	Retired 5 December 2023
Mr Jan Holthuis	
Sir Peter Kendall (Interim Chair)	Appointed 10 December 2024
Professor Matt Lobley	Appointed 4 January 2024
Professor Louise Manning	Retired 9 July 2024
Mr Neil Scragg	Appointed 10 May 2023
Professor Sandy Thomas	
Professor Michael Winter	Retired 5 December 2023

Institute Director

Professor Angela Karp

Officer

Company Secretary: Louise Warren

Constitution

Rothamsted Research Limited (the Institute or the Company, Rothamsted Research or RRes) is a charitable company which is limited by the guarantees of its members to a maximum of £1 each and which is regulated by the terms of its Articles of Association. The company Registration Number is 02393175. The Company is also a registered charity, number 802038 and, as such, is not usually liable to taxation on income arising from and expended on its charitable activities.

Appointment of Trustees

An executive search agency is used for the identification of potential Trustee-Directors. These are then considered by an appointments panel nominated by the Board and composed of two or three Trustees considering overall balance of skills and experience, vacancies and future needs or pressures on the Board. Potential appointees are invited to visit Rothamsted campus to meet the Institute Director and others as appropriate.

Trustee Induction and Training

New Trustee-Directors are offered training opportunities with good quality national providers identified by mutual agreement. This ensures that the Board are all fully aware of the latest position on relevant Company and Charity law, regulations and good practice especially in the context of Rothamsted Research Limited and the current decisions that it faces. Induction and training for new Trustee-Directors will be carefully tailored to the needs of the individuals concerned with special consideration of the issues that the group faces in the coming months.

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Third Party Claims

The group holds Directors and Officers insurance which will indemnify the Directors against claims from third parties.

Organisation

The Board of Directors is responsible for the overall governance and strategic direction of the Company in accordance with the Company's Articles of Association. Day-to-day management is delegated to the Chief Executive Officer and Institute Director, who the Board is expected to support in the development of strategic direction and policies, objectives and goals. There may be between 9 and 15 Trustee-Directors sitting on the Board of Directors, with Lawes Agricultural Trust ("LAT") and Biotechnology and Biological Sciences Research Council ("BBSRC"), part of UK Research & Innovation, each providing an Observer at Board meetings and each nominating one Director. The Chair of the Board is jointly nominated by LAT and UKRI-BBSRC. All directors are appointed to serve on an *ad hominem* and non-executive basis and, except for the Chair, do not receive any remuneration; consistent with this position the Board of Directors advises on the development of strategy and policy. The Institute Director reports to the Chair and Trustee-Directors of Rothamsted Research Limited. There is an appointments panel that is set up as required. The Board considers and is guided by the guidance issued from time to time by the Charity Commission.

The relationship of the Company with its major funding body, the UKRI Biotechnology and Biological Sciences Research Council ("UKRI-BBSRC"), is defined by the terms and conditions of an Institute Grant Agreement. The Members of the Company are LAT and UKRI-BBSRC plus the Chair of RRes being a single natural Member and they have signed a Members' Agreement. The role of these members is defined through a Members' Agreement that describes how this tripartite arrangement recognises the contribution in land (LAT) and funding (UKRI-BBSRC) respectively to the well-being of Rothamsted Research Limited; this is achieved through an arm's length stance that does not seek to unduly influence the strategic direction of the Institute. To date, the Board has established three sub-committees for specific purposes, namely the Finance and Audit Committee, the Science Advisory Group of the Board, and the Remuneration Committee; the latter setting remuneration for key senior staff based on performance.

Until 2017 there was an agreement in place by which UKRI-BBSRC employees (who were public sector employees and subject to those controls) were deployed to work at Rothamsted Research with the latter bearing all relevant costs. With effect from 1 April 2017 all UKRI-BBSRC employees were transferred to Rothamsted Research Limited employment under TUPE regulations. Pension arrangements protected by TUPE remain the same and are administered by the Research Councils' Pension Scheme. All new members of staff appointed are employees of the Company under terms and conditions defined by the Company. They pay into a defined contribution Pension Scheme (started on 1 April 2012) provided and administered by Aviva PLC.

Employee Consultation

The Company recognises all appropriate Trade Unions representing staff employed. The Institute Negotiating Consultative Committee meets at least twice a year. It provides an avenue for provision of information, consultation and discussion of a wide range of matters affecting staff. At a national level, there is a Joint Negotiating Consultative Committee representing all staff within the institutions supported by the UKRI-BBSRC. Information is also provided at a national and local level through the Annual Report, the Strategic Plan and other publications. The Employee Forum gives an employee voice within Rothamsted and represents all staff across the whole of the organisation. It provides the opportunity for representatives and senior management to share key information, have discussions about the issues, interests and ideas that are important to all, and provides a platform to ensure participation in constructive discussions on how best to grow and develop the Institute. The Forum complements and is additional to existing methods of internal communication. It proactively seeks views and feedback and acts as a communication and consultative body in areas such as: Institute strategy and performance, the political environment and its impact on RRes,

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STATEMENT OF TRUSTEE RESPONSIBILITIES

organisational development and changes, employment terms and arrangements, employee engagement, health, safety and well-being, training and people development, as well as work life balance and equality and diversity. The Institute Director attends the Institute Negotiating Consultative Committee and receives regular reports from the Employee Forum, which is attended by a member of HR, reporting back to the Board.

Disabled Persons

The Company complies with all relevant legislation relating to disabled persons and continually strives to follow best practice in these matters for an employee with a disability to remain in employment or to successfully employ a disabled preferred candidate within a safe working environment.

Our staff code requires that we will not reject a disabled job applicant for a reason which relates to his/her disability; person specifications will always be used, and selection criteria monitored to ensure that discrimination does not unwittingly occur; recruitment and selection procedures will be adapted where possible to ensure that they do not disadvantage disabled job applicants.

We will take steps to try to enable an employee who becomes disabled to remain in employment. In consultation with the employee, adjustments to facilitate their retention will be considered. Employees with disabilities will be provided with opportunities to develop full and rewarding careers on an equivalent basis to other employees with similar skills and abilities and as described above, we will support any such applicants for vacancies across the Institute.

Athena SWAN Charter

The Athena SWAN Charter recognises advancement of gender equality: representation, progression and success for all, and Rothamsted Research Limited is committed to achieving this. Rothamsted Research Limited gained the Athena SWAN Bronze award in 2014, and our accreditation remains valid. Originally established to encourage and recognise commitment to advancing the careers of women in science, technology, engineering, maths and medicine (STEMM), the charter now recognises work undertaken to address gender equality more broadly, and not just barriers to progression that affect women.

Connected Charity and Companies

The freehold interest in the land and buildings at the Company's main operating site, (Rothamsted, Harpenden, Hertfordshire) is held by Lawes Agricultural Trust (LAT), a charity with similar objects to Rothamsted Research. There is no written agreement for the occupation of this site and no rent is charged to the Company by LAT. Land and buildings at North Wyke, Devon are owned by the UKRI-Biotechnology and Biological Sciences Research Council ("BBSRC") and occupied by the Company under a formal lease with a peppercorn rent.

Rothamsted Enterprises Limited (REL) is a joint venture of Rothamsted Research, LAT and UKRI-BBSRC. REL operates and provides catering, conferencing and managing agent services for the Conference Centre, Lawes Open Innovation Hub and, on behalf of LAT, The Daniel Hall Building, Innovation Labs and Russell Building. REL is a unique hub focused on promoting collaboration and innovation by partnering with commercial agricultural technology businesses and opening the research process. With access to Rothamsted's world class facilities and researchers, REL offers flexible laboratory space, offices and informal meeting hubs, as well as an extended Conference Centre. Rothamsted Scientific Services began trading April 23, to help sell scientific capabilities on a commercial basis..

The Charity has a 15.57% shareholding in VSN International Limited, the principal activity of which is research into, and development and distribution of, data analysis software, mainly targeted at the international life science sector. The company continues to consolidate through steady growth. The 2023/24 operating loss of £253k (22/23: £210k) was achieved across all territories of the globe.

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Fund Raising

Rothamsted Research Limited does not actively fund raise, and no professional fund-raisers are engaged. Therefore, no complaints were received in connection with fundraising.

STRATEGIC REPORT

OBJECTIVES AND ACTIVITIES

The objects of RRes are:

- For the benefit of the public to advance the science of agriculture by the initiation, protection, development and continuance of investigations and experiments.
- To ensure that research undertaken is complementary to related studies elsewhere whilst providing for regional diversity in the environment and in agricultural practice, and to collaborate in joint programmes where appropriate.
- To promote the dissemination and extension of research findings alone or in association with other charitable organisations having objects similar to the objects of the Company and to actively facilitate the uptake of research results by industry;
- To extend these activities through external funding to provide support to developing countries.

RRes remains dedicated to providing scientific research that contributes to the sustainability of agriculture and agricultural land management systems both in the UK and throughout the world. This includes improving yield and quality of crops produced for a variety of purposes.

Agriculture provides one of the most spectacular illustrations of how the benefits from good science can provide improved well-being for mankind; from the precarious food security that was found throughout the globe only a few generations ago to a sufficient, predictable supply of good quality food that much of the world enjoys today. However, that situation is not true for a large number of people, nor is it assured without constant scientific development and global food security is a significant political issue for all countries. This situation will become more challenging in the context of adapting to climate change and the unique combination of skills and experience across RRes is increasingly relevant for that and the growing bioeconomy.

The mission of RRes is to perform world-class research to deliver knowledge, innovation and new practices to increase crop and animal productivity and to develop environmentally sustainable solutions for food and energy production. RRes's purpose is to bring together global science, fresh thinking and innovation for lasting benefits worldwide. The value proposition for which RRes is held in high regard globally, is the novelty and integrity of its knowledge on agricultural systems. RRes's research underpins key sectors of UK biosciences such as sustainable food production, bioenergy and biotechnology.

The 2017-2022 Institute Strategic Programmes (ISPs) 2017-2022, extended to March 2023 as a result of the COVID pandemic, were concluded. Briefly, the five inter-connected ISPs and numerous other grants linked to them were:

- **ISP 1: Designing Future Wheat** a UK wheat research programme to improve resource, resilience and value of wheat through genetic improvement.
- **ISP 2: Tailoring Plant Metabolism** a programme aimed at delivering novel traits in bespoke crops for the bioeconomy, including oilseed crops and willows.
- **ISP3*: Smart Crop Protection** a programme on novel, systems-based solutions for managing insect pests, crop disease and weeds in crop production.
- **ISP4: Soil to Nutrition** a programme that applies a mechanistic approach to optimising efficient nutrient use across crop and livestock food production systems.

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- **ISP 5**:** **Achieving Sustainable Agricultural Systems** a programme to evaluate and understand the performance of sustainable intensification options at farming scale.

*SCP was not funded by BBSRC as an ISP, but by Innovate UK from 2017-2021 only. It did not receive additional funds in 2023/24.

**ASIST received a further 5years funding, joint between NERC and BBSRC, led by UKCEH. The ISP transitioned from ASIST to AgZero+.

The three National Capabilities, the Long-Term Experiments, the Rothamsted Insect Survey and the North Wyke Farm Platform continue to serve as a key resource for our strategic research as well as research conducted by national and international partners. They are supported by UKRI-BBSRC and open to scientists everywhere.

Rothamsted Research (RRes) occupies a strong national and international niche in research and innovation in arable and grazing livestock systems. Our vision is to undertake cutting-edge, strategically placed science to generate new knowledge of relevance and wide application in meeting current and future challenges facing agriculture. As a key pillar in delivering this vision, in April 2023, Rothamsted started a new round of strategically funded programmes, following a successful submission to BBSRC in 2022. The four new Institute Strategic Programmes formed a key part of the total submission to UKRI-BBSRC which comprised:

1. Director's Statement
2. Institute Strategic Programme Grant (ISPGs)
 - Delivering Sustainable Wheat (DSW)
 - Green Engineering (GreEn)
 - Growing Health (GH)
 - Resilient Framing Futures (RFF)
3. Institute Development Grant (IDG)
4. Core Capability Grant (CCG), including 3 National Bioscience Research Infrastructures (NBRIs):
 - Rothamsted Insect Survey (RIS)
 - North Wyke Farm Platform (NWFP)
 - Rothamsted Long Term Experiments (RLTE)
5. Small Value Capital Grant (SVCG)
6. Institute Research Culture Statement

The Company's main objectives for the year April 1st, 2023 – March 31st 2024 were to:

- (i) Ensure the new ISP programmes are on track to deliver against their aims and objectives.
- (ii) Ensure maximum outputs have been translated to outcomes from the previous round of strategic funding through continued support for the most appropriate pathways to impact.
- (iii) Implement the strategy and actions required to ensure that all the principles of a BBSRC National Capability are being met through the pursuit of four strategic Themes presented in the bid.
- (iv) Develop a new HR strategy and improved culture statement.
- (v) Work closely with the Lawes Agricultural Trust and Rothamsted Enterprises Ltd to define and progress plans for the future development of science and innovation on its campuses.

As part of the Transformation Programme being undertaken by the Institute, seven senior level Science Leaders have been recruited, highly recognised in their fields with excellent track records, to inspire and provide new leadership under science portfolios. Following an extensive capability mapping exercise, the new, flatter, organisational structure is complete. The new structure aligns well with the UKRI-BBSRC Institute Strategy. The Knowledge Exchange and Commercialisation (KEC) group has been reconfigured with the KE team incorporated within the Research and Innovation Grants Office (RIGO) Innovation and

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Commercialisation Office (ICO). The ICO has a new Director and an Intellectual Property and Exploitation Panel, including Board membership, has been established.

In readiness for the new ISPs and NBRI's which started in April 2023, RRes centralised teams were combined into two interconnected Offices: (1) RRes Engagement and Communications Office (RECO) which combines Knowledge Exchange, Public Engagement & Communications and (2) RRes Impact and Grants Office (RIGO), which combines the grants office and commercialisation teams. This change recognises that the expertise and skills required for grant funding and commercialisation differs from that needed for communications and KE. Together, RECO and RIGO lead, coordinate, manage and support Institute-wide activities, including engagement with high profile government representatives, corporates and KE partners, showcasing multiple programmes at events (e.g. Cereals) intelligence gathering and networking. They are responsible for record keeping, monitoring and reporting, and assessment of best practices between peers through participation at professional events and exchange programmes with practitioners. They run annual training activities to develop the next generation of scientists and generate institutional confidence across all modes of impact delivery. RECO and RIGO both report to the CEO, endorsing the importance RRes gives to delivering impact. In addition, to improve the delivery of impact from individual ISPGs, NBRI's and leveraged projects, RRes will "embed" KE Managers (from RECO) and designated Impact Managers (from RIGO) within specific programmes, such that each co-locates with the science teams to provide dedicated support for at least half a day each week.

The Digital Transformation strategy at Rothamsted is being realised as a series of incremental and iterative changes across seven key pillars of the institute's data ecosystem:

- (i) Infrastructure - hardware, software, storage capacity, computing power (HPC)
- (ii) Information Architecture - organisation of resources and content for efficiency and sustainability
- (iii) Process - formalisation of data governance rules, procedures for stakeholders when handling data, running analyses, and using tools.
- (iv) Upskilling staff with new data stewardship training and support, as well as recruitment of new IT expertise
- (v) Change management - stakeholder engagement to accelerate adoption of new digital technologies
- (vi) Communication - consensus building, fusion roadmaps / trajectories, skills training
- (vii) Culture - recognising the ongoing value of data and rewarding its creators.

The digital agenda has been guided by stakeholders from across the operational and research units in the institute, meeting regularly as the Digital Infrastructure Group (DIG). Outcomes from these consultations include the revision of a series of digital governance policies, which have resulted in the publishing of strategy documents and a communications portal serving best practices reports, questionnaires and registries of essential data and information assets. Further to the roll out of policies a series of initiatives have been launched and are progressing well including the provision of Electronic Notebooks and the provision of open source FarmOS, an application for farm management, planning, and record keeping.

Emerging from restructuring, and new leadership (Prof Chris Baker) for a new directorate (Intelligent Data Ecosystems), is success in grant winning for digital projects. An award of £300,000 from the Alan Turing Institute's Out of Budget Process was secured in November 2022 to develop a pipeline for extracting evidence of crop loss from scientific reports. Subsequently further funding, £1.6M from the Alan Turing Institute / EPSRC has been secured in July 2023 to support out Digital Twin agenda for the next 2 years. A new funding application to BBSRC in the value of £5M was submitted in September 2023 for replacement of the current high performance computing infrastructure was successful. The HPC will be operational in Spring 2025. The new infrastructure will comprise of a 16 Terabyte high memory node, 9 GPU nodes with

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Nvidia H100 GPUs, 4 per node, with liquid cooling, a new intrusion prevention system to enhance our cybersecurity, new firewalls and network routers to support the move to 10Gb connectivity, specialist technical support resource and certification for staff. Building renovations are required for a new state of the art hot and cold aisle solution, a new fire suppression system and power and cooling enhancements for a new uninterrupted power supply system. Outreach activities during the year also included meetings with members of Parliament and Peers in Westminster to present their latest insights on artificial intelligence (AI) in farming as part of Evidence Week in Parliament. Leadership in national digital initiatives was further realised through our participation in the successful UKRI £3M Digital Twin Network+ application which will run from 2023 to 2028.

Additional funding from BBSRC iCURE £12k was awarded to scope the suitability of the FarmOS platform that we have developed to address an open gap in managing agricultural data as well as funding £474k from and BBRO to investigate new IPM Decisions using the Virus Yellow Model to support sugar beet farmers.

The Institute Research Grants Office has worked hard with Departmental Heads to identify and support grants submissions. Notable successful wins in the financial year (award received) included the following grants of over £500k:

- Department for Business, Energy and Industrial Strategy, Ian Shield
- Biotechnology and Biological Sciences Research Council, Kim Hammond-Kosack
- European Commission, Martin Blackwell
- Innovate UK, Cara Griffiths
- The Royal Society, Marcelo Valadares Galdos
- Natural Environment Research Council, Andrew Whitmore

Along with grants of over £250k:

- Alan Turing Institute, Christopher Baker
- Natural Environment Research Council, Christophe Lambing
- Biotechnology and Biological Sciences Research Council, Peter Shewry
- Biotechnology and Biological Sciences Research Council, Vasthi Alonso Chavez
- Department for Environment, Food and Rural Affairs, Kim Hammond-Kosack
- Anglo American, Andy Neal

In addition to multiple successes with the funders mentioned above the Institute has achieved great success with Equipment and Capital bids, totalling more than £10.7m.

SHAKE Climate change has completed its fifth year of operation. With the two ventures, ResurrectBio and Adamo Foods, from the final Cohort 4 completing the mentoring phase, all except 2 SHAKE portfolio ventures have successfully moved into Alumni for portfolio management.

The SHAKE portfolio consists of eleven ventures, including Economad, Glaia, HE Feeds and PheroSyn from Cohort 1, Climate Edge, Entio and SugarOx from Cohort two, Tumblebug and The Good Pulse Co from Cohort three and ResurrectBio and Adamo Foods from cohort four.

Nine of the ventures have converted their initial Convertible Loan Notes into shares, two are preparing for their conversion, leaving only two unconverted. Overall, the ventures are progressing well according to their original business plans. It is noteworthy that all ventures are still operational despite industry averages of 60% of UK tech start-ups failing in their first 4 years and a particularly tough fundraising environment since 2022.

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SHAKE funding has made £1.46 million in direct investments into 11 ventures and enabled the SHAKE supported ventures to raise an additional £12M in grant and equity funding (not including the two currently preparing the fundraise to convert their loan).

Discussions with new funders to deliver the SHAKE Programme for a fifth cohort in 2024/2025 have been successful and agreements are being finalized.

To help achieve financial sustainability the Company has a highly skilled workforce of scientists of international quality who have access to state-of-the-art facilities alongside unrivalled time-series of data and sample archives, including those derived from the world-renowned and unique “classical” field experiments started over 180 years ago. The major areas of activity are scientific research, postgraduate education, policy support and public engagement. Rothamsted is committed to ensuring that all its research is published in widely available media of various types appropriate for the target audience.

Science: All RRes ISPs and NBRIs achieved substantive progress throughout the year. Notable achievements in the reporting year were reported by all ISPs: GreEn demonstrated leadership in genome editing and precision breeding, developing novel approaches to deliver high lipid forages with the potential to reduce greenhouse gas emissions, and conducting two of the first Qualifying Higher Plant field trials in England (to assess agronomic performance of genome edited high lipid barley and Camelina lines with modified oil profiles). GreEn established willow as a potential source of renewable phenolic resins, and an alternative to the use of petroleum-derived phenol, representing a UK opportunity to develop the short rotation coppice biomass industry for renewable chemicals and materials for a range of markets and contributing to UK aspirations in the context of Net Zero 2050. In collaboration with the John Innes Centre, the ISP also made significant progress towards establishing a community capability in Brassica research. RFF has generated important strategically relevant data on the impacts of extreme weather events on sediment nutrient losses across scales using our high resolution data from the NWFP and the upper River Taw observatory. This has illustrated very clearly to Defra policy teams and industry groups the resilience (i.e., lack of resistance to extreme wet weather) challenge facing UK agriculture and the need to improve ‘robustness’ to weather extremes to avoid substantive off-site environmental damage costs. The RFF programme is also extending the use of an ensemble of agroecosystem models, initiated in the previous S2N programme, to assess the co-benefits and trade-offs associated with new agri-policy (i.e., Environmental Land Management - ELM) scenarios. This work continues to point to the clear benefits of taking an ensemble approach; something used for some time in climate science. In Growing Health ISPG, highlights include: (1) the translation of chemical ecology research into practice for pest management and pathogen monitoring, including upscaling the production of new pheromones; (2) the development of novel microbial soil health indicators, based on changes in abundance of groups of bacterial genes with conserved functions detected using low-cost techniques, with further support from Innovate UK funding; (3) new insights on black-grass weed challenges, including the integration of optical sensors and model-based predictions, to inform spatially targeted management strategies; (4) delivering guidance for crop supply chains on how to assess soil C sequestration, through optimal baselining, and to support subsequent verification using measurements and modelling. In DSW ISPG, highlights include several major papers submitted (and since accepted) which showcase the science arising from a highly integrated UK wheat genetics programme, comprising three BBSRC research institutes, three UK universities, seven breeding companies and six international partners. This work includes major publications showing that 60% of the genetic diversity available for wheat remains unused in current germplasm but is now available to breeders through the next generation gene discovery pipeline. For example, the “Watkins Landrace Collection” revealed alleles which can increase the grain content of minerals that are limited in the human and animal-feed diet; a major gene controlling wheat grain calcium content was cloned and has been successfully nominated into a breeder’s toolkit to develop UK-adapted wheat varieties with high calcium and fibre.

Innovation: Commercial activities included the management of over 70 new business enquiries in the year as well as the follow-on agreement of terms where progressed. The team also collaborated more broadly, with BBSRC Institutes through the KEC Forum, with the agricultural research community, as well as with

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local businesses through board representation on the Hertfordshire Chamber of Commerce. There were seven innovation disclosures in the year of which one was progressed to patent. The team also delivered five commercial projects through the management of the commercial pillar of the Institute's Impact Accelerator Award. The team's entrepreneur activities included the leadership of the SHAKE Climate Change accelerator programme, the management of the eleven SHAKE portfolio ventures, as well as Rothamsted's own spin-out portfolio of five ventures. This included representing Rothamsted on the board of two companies (VSNi and SugaROx) with a further spinout progressing in the year (Knetminer). The team also delivered the Annual Innovation Training Programme for FY24 with 83 colleagues attending at least one of three sessions. The team was instrumental in the establishment of Rothamsted Scientific Services (RoSS) with one member on full-time secondment. RoSS was established to consolidate and grow Rothamsted's commercial contract research and scientific services under standard terms and conditions. In its first year of trading, RoSS handled 158 new business enquiries, and of those, 46 enquiries generated over £300k of income. The KEC team also implemented the following initiatives as part of the transition to a National Capability: (i) implementation of a post-award report which allows the KEC Team to efficiently and proactively engage with projects in line with their designated impact route and stage of progress; (ii) the trial appointment of an Impact Manager with the intention of further recruiting later in the year; and (iii) introducing executive level strategic account management and responsibility for Tier 1 corporate accounts.

Specific highlights for the year included:

- **SHAKE Climate Change.** The SHAKE Climate Change portfolio of 11 ventures continues to perform well, having collectively raised over £15 million of pre-seed and seed capital since joining the programme. The SHAKE Climate Change programme, established and managed by Rothamsted, remains unique in the UK and a flagship programme for start-up entrepreneurs in the Agri-Tech sector.
- **Omega 3 Camelina.** Yield10 took the decision to exercise their option to commercialise the Rothamsted Omega3 Camelina technology in North America. This is a GM technology which has been 26 years in development and now regularly referenced by stakeholders in support of the development of genetic plant-science and regulation.

Partnerships: The SHAKE Climate Change Entrepreneur support programme has successfully completed a fourth cohort. Two new ventures were successful in their final pitch, each receiving an investment of £100K which are shown on the balance sheet as social investments. Two Rothamsted spinout companies, Pherosyn and SugarOx were among the successful ventures in cohort one and continue to develop. Following the launch of Pherosyn, this team successfully bid for a £308K BBSRC grant (Industrial Biotechnology for Improving production of Higher Value Chemicals) and a £270K Innovate UK grant under the SMART initiative for scale up. SugarOx have secured £180k of non-diluted funding from the Defra Farming Innovation Programme for a collaborative R&D project with Rothamsted and are closing a £150k Seed Enterprise Investment Scheme having reached full subscription.

Farmer & industry engagement: We continued to strengthen our links with UK farmers and farmer networks through direct research involvement in programmes such as AgZero+, the Growing Health, ISP and the Silvopasture research initiative. Our partnerships with key bodies such as AHDB, AgriTech East and the National Farmers Union continue to thrive and enable us to connect to regional and national farmer networks. Scientists also engaged with the agricultural industry at external events; Cereals 2023 Groundswell, NFU meetings, and the Oxford Real Farming Conferences. Other outreach activities have included a Farmers Weekly Transition Walk for local farmers at North Wyke in January plus two Research Insight events sharing results with local stakeholders in 23/24. Farmers Weekly also held one of its popular Question Time events on site at Harpenden in February.

During Agri-Tech E week in November 2023, the chemical ecology team presented their new insect detection device the plenary event in Cambridge and a special session on precision bred organisms was held in the conference centre at Harpenden.

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The silvopasture research team also attended the UK Agroforestry show – the first time Rothamsted has had a presence there.

A number of influential local groups also visited the North Wyke site including The Duchy of Cornwall; Devon Regenerative Farmers Group; and The Devon Silvopasture Network Partnership.

Government and Policy: RRes has continued to play an important role in policy development, providing thought leadership and evidence to various parliamentary bodies. Our director was invited to attend the first ever Farm to Fork summit at 10 Downing Street, hosted by the Prime Minister. The parliamentary Science, Innovation and Technology Committee published its important report on insect declines, drawing heavily on evidence supplied by the Rothamsted Insect Survey.

The various GM/GE research groups submitted evidence to the Food Standards Agency Consultation on Precision Bred Organisms. Professor Jonathan Napier also represented Rothamsted at the Royal Society of Biology parliamentary links day. The Harpenden site was pleased to host a board meeting for Innovate UK followed by an extensive site tour, showcasing both RRes research and the tenanted facilities provided by REL.

At North Wyke a group visit by Natural England SW enabled researchers to exchange ideas with NE staff and the Department for International Trade brought an official party from Uruguay and Argentina to find out more about our livestock research.

Public Engagement and Science Communication: Rothamsted's communication programme continued to strengthen. The new communications officer has re-vivified our social media outlets, with growth experienced across all channels. News coverage across all media has remained strong with just over 2,500 media mentions over the 12 month period with an estimated online reach of 7.95 billion views. Public engagement at live events continued to be an integral part of our overall engagement programme with exhibits and scientists taking part in several events, including the UK's biggest public science event, New Scientist Live. Several scientists and communications staff also took part in the Gatsby Plant Science Livestream event Rootstock.

RISK MANAGEMENT

The Company has a formal risk management strategy which has been in place throughout the period covered by this report and is reviewed by the Board and the Finance and Audit Committee. The Board has overall responsibility for establishing key procedures designed to achieve systems of internal control and for reviewing and evaluating their effectiveness.

The risk management strategy comprises:

- An annual review of the key risks RRes may face.
- The establishment of systems and procedures to mitigate those risks identified within the risk register.
- The implementation of procedures designed to minimise any potential impact on RRes should those risks materialise.
- Financial processes are carefully controlled and monitored through active and regular review of policies and procedures to ensure segregation of duty; appropriate signing authority is monitored.

A risk register is maintained which sets out the key organisational risks. Risks are considered by reference to the probability of occurrence and impact on RRes.

The principal risks identified, related goals, and management strategies to improve mitigation, are as follows:

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Risk Identified	Institute Goal at Risk	Principal Mitigations taken
Loss of major income stream	Long-term sustainability & reputation	Strategic reviews being undertaken with BBSRC via new Finance process and sustainability review. Improved understanding, systems and oversight of competitive grants. Strengthened commercialisation capability and IP policy.
Failure to recruit and retain high performing scientists or key staff	Excellent, outcome-driven, and well-resourced science; highly motivated, skilled and well-performing workforce. Impact on financial sustainability.	External independent Compensation & Benefits Review undertaken. New HR strategy being developed; working groups established to focus on Early Career Researchers and Equality, Diversity & Inclusion.
Non-compliance with laws and standards	A robust system of controls exists to protect the Institute's people, assets, and reputation	Health & Safety Strategy Group established and governance structures strengthened. Greater Finance and Audit Committee oversight. Management Committee review of all policies and procedures.

The Institute has a dedicated Internal Audit, Risk and Compliance officer and day to day responsibility for the implementation of risk management procedures and ongoing monitoring of risk and the effectiveness of controls rests with the Institute Executive Team (IET). The IET examines existing and emerging corporate risks, reviews the Institute risk register and explores corporate risks in detail based upon an agreed timetable. It is also overseen by the Finance and Audit Committee, to which significant risks may be escalated for action or monitoring, as well as high level oversight by the Board.

The Finance and Audit Committee is empowered by the Board of Trustee-Directors and has responsibility for advising on the effectiveness of the systems of internal control, including risk management. To fulfil this requirement, the risk profile is reviewed by the Finance and Audit Committee.

In terms of financial risks, the Group has no borrowings and limited exposure to financial instruments, such as trade debtors and trade creditors. Cash is held in short term deposit accounts with major UK clearing banks. The Group's exposure to trade debtors and the associated risk of default is limited to only £1.3m at 31 March 2024 (2023: £0.9m). Future strategic funding for five years from April 2023 was ratified by BBSRC council in December 2022 and there is nothing to suggest that RRes does not remain a key strategic institute of UKRI-BBSRC as evidenced by recent financial investment in the capital requirements and transformation of the institute alongside the future strategic funding. As indicated within the 'Going concern' section on page 16, BBSRC have also committed to a further £4.5m of funding in the 2025/26 financial year, though the timing and phasing of this investment in the Institute is crucial to maintaining adequate free cash balances.

PUBLIC BENEFIT

Rothamsted Research Limited traces its primary Object back to that of the LAT – still extant and owner of the land and building assets at Rothamsted and Brooms Barn from which it was created in 1986; this Object can be summarised as the advancement of the science of agriculture. By virtue of the means and routes by which this is carried out, it is clearly aimed at public benefit and so falls within the charitable purpose of "the advancement of the arts, culture, heritage or science". There are inevitable ancillary benefits from the

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primary activities as a result of meeting the primary Object that would fall into the categories of advancement of education, the advancement of environmental protection or improvement and, perhaps to a more limited extent, the advancement of health. The Charity Commission guidance lists “scientific research” as one of the approved categories and specifically mentions scientific research projects under the heading of the advancement of science. The Trustee-Directors have complied with section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

In the preceding sections of this report, we detail how the objectives and achievements of RRes have been successfully pursued. We aim to reach the highest level in the quality of our scientific research; we ensure that this is fully and widely distributed to a global audience and so achieve international recognition. This will continue to be via the referred scientific literature, through contributions to research conferences as speakers and poster providers and via popular press articles for farmers and those engaged in land management. For the wider public we both initiate debates on important scientific issues relating to food production and security and proactively engage in discussions and consultations involving these topics.

We are convinced of the necessity to help ensure that our scientific advances can enhance the countryside and environment at both a national and a global level taking as many steps as we can to ensure this is achieved.

The benefits of our work reach and influence, directly or indirectly, all sectors of society: the broad aim of optimising the use of resources, maintaining crop production, while minimising potentially damaging environmental impacts is of benefit to all of humanity. There are some sectors of society who hold views that would limit the introduction of some of the technologies that arise from, or are an inherent part of, our scientific investigations; genetic modification of crop plants might fall into this category. Equally, much of our work is of direct benefit to the practices that are supported by the very same groups; improvement of biological control strategies may be highlighted in this context. Thus, we cover a wide number of sectors and interests and philosophical positions without favouring anyone.

The scientific strategy is highly outcome-focussed. Rothamsted Research Limited is continuing to monitor and understand the benefits that the research work has brought to a broad cross section of the community and more details can be seen on our web site at <http://www.rothamsted.ac.uk/our-science>. This covers a range of scientific disciplines, but examples include improvement of fertiliser recommendations to reduce waste and pollution, improved monitoring of aphids, tracking and controlling potato diseases, enhancing disease resistance in oilseeds used in the Indian sub-continent and controlling insect vectors of human/animal disease for use in both the developed and developing world. Also, Rothamsted data has informed regulations for heavy metal levels in grains, glucosinolate levels in rape seed oil and opportunities for monitoring and improving soil health.

Indirect benefit may arise from a commercial company identifying new opportunities within our research findings or during a collaboration; this is incidental to our work so in our dealings with commercial companies we do not accept any blanket inhibition on freedom to publish. We do accept that, in some examples, the best way that scientific discoveries may be introduced and achieve the most widespread use is through protection of our intellectual property and therefore fully accept that such an approach can be a legitimate form of comprehensive dissemination and actively pursue this where appropriate. Any financial benefit captured by RRes in this, or any other way will be used to further pursue its primary Objects.

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FINANCIAL REVIEW

Income

Total group income was £39.7m (2023: £40.0m). This included capital grants of £11.0m (2023: £14.7m). When comparing income year on year, if capital funding is removed, income has increased by 13%. The principal reasons for this increase are one off grants commercial grants received during the year. Rothamsted's principal funder is the UK Biotechnology and Biological Sciences Research Council (UKRI) which contributed 76% of total income (2023: 78%).

Expenditure

Total group expenditure for the year amounted to £33.6m (2023 £33.7m). Recurrent expenditure (excluding depreciation and redundancy costs) increased from £29.4m to £29.9m. The increase in recurrent expenditure was £0.5m, resulting from general inflationary pressures. Depreciation and amortisation charges have decreased by £0.2m in the year due to older assets being fully amortised.

Net movement in reserves and reserves position

The net movement in reserves for the year was an increase of £6.0m. Unrestricted reserves increased by £2.3m to £16.0m, and restricted reserves increased by £3.7m to £69.5m.

The Institute is very carefully monitoring its cost base and is striving for efficiency savings where possible in order to prevent future deterioration of its unrestricted reserves. The Institute is operating on a tight financial budget for the immediate future and is putting in place the tools to improve the quality and success rates of grant applications and secure additional income streams.

Subsidiaries and joint ventures

A joint venture (Rothamsted Enterprise Limited) made a loss of £50k (2023: £99k) of which Rothamsted's 40% share was £20k). The investment interest recognised in the group accounts is nil as Rothamsted has not incurred legal or constructive obligations or made payments on behalf of the joint venture. Rothamsted Enterprises Ltd manages the Lawes Open Innovation Hub and the Rothamsted Conference Centre extension on land at West Common, Harpenden, and its principal activities are conferencing, business incubation and shared laboratory facilities to promote collaborative working. REL manages both the Daniel Hall, Innovation Labs and Russell Buildings for LAT and has relaunched the Manor now appropriate licenses are in place.

During 2023/24 Rothamsted Scientific Services (RoSS) was incorporated as a trading subsidiary of RRes to facilitate the provision of scientific services to third parties on a commercial basis. Trading profits were £22k.

Capital expenditure.

Capital expenditure for the year was £9.3m. This included the following major projects:-

Asset	£m
Controlled Environments	2.02
Facilities Upgrade-Harpenden	
Replacement of the NMR	1.44
Facilities	
X-Ray Computed Tomography	1.13
LC-MS Orbitrap System	1.05
Other projects	3.69
Total	9.33

This is predominantly capital spend which was supported by capital grants from BBSRC.

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Cash

Cash at 31 March 2024 was £13.2m (2023: £15.3m). Rothamsted deposits its cash with major UK clearing banks. Income from cash deposits in the year was £492k (2023: £213k).

Investment policy

The Group's investments are held to:

- Provide operational liquidity
- Plan for scientific research; and
- Support intellectual property

Investments are held as fixed term deposits with major UK clearing banks. Cash is drawn down in line with a planned expenditure schedule within the budget and in conjunction with the reserves policy and forecasting. Maturities of the deposits match these timelines.

In addition, there are a small number of investments held to achieve a longer term return on intellectual property to provide funding for future research programmes and a model for commercialisation of research and innovation in to the market place.

Social investments

As noted, earlier in this report, RRes has made a number of mixed motive investments under the SHAKE Climate Change Entrepreneur support programme. The Charity awards these for entrepreneurs and start-ups who are combatting climate change with science or tech-based ideas in the areas of agriculture or food production. Successful applicants who receive a loan are mentored and supported by leading science tech and business experts with regular meetings to monitor performance. The mixed motive investments are included in the financial statements as social investments and are made in the form of a concessionary loan. These concessionary loans are granted for an initial term of 12 months with interest of 5% per annum. Each loan automatically converts into shares in the event of default or if the purpose of the loan can no longer be effectively furthered. Otherwise, the loans are convertible at the Charity's option any time after the initial 12-month term. As at 31 March 2024, 11 loans totalling £1,460k have been made, of which 9 have been converted and 2 remain as convertible loans with neither the option to convert having been taken or any triggering events occurring.

Reserves policy

The Group's unrestricted reserves are held to support financial solvency, manage uncertainty and fund future activities.

The level of unrestricted reserves required by the group is therefore determined by reference to:

- Future operational and capital expenditure requirements for the ISP funding cycle
- Potential financial risks identified in the risk register
- Potential funding required for strategic investments not included in the operating budget
- Working capital/liquidity requirements

Unrestricted reserves that have been designated for specific purposes are shown in a separate designated reserve. £0.75m remains designated towards the Transformation of Rothamsted project – see note 16.

The Institute had £15.9m of unrestricted reserves at 31st March 2024, split between capital reserves of £10.22m and operational reserves of £5.7m as set out in note 16 of the accounts below.

GOING CONCERN

The Institute has confirmed strategic funding in place for the five years to March 2028 totalling £12.2m per annum. In addition to this strategic funding the fixed costs of the Institute are financed through leveraged grant monies and trading income and the Transformation Programme is designed to accelerate the scientific

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and organisational transformation required to meet these income targets. Impacts of the programme were delayed due to the covid-19 pandemic but are now starting to be seen with the appointment of new senior science leaders and the digital transformation of the Institute. However, during the financial year 2023/24 a further investment of £3.5m from UKRI-BBSRC was received to assist the Institute in maintaining the viability of the science whilst the full impacts wait to be realised. The Institute will be reviewing its operating model in early 2025 and commits to working with its partner members UKRI-BBSRC and LAT to ensure that the Institute can start to move to a surplus position and put its longer-term future on a more financially sustainable footing.

BBSRC have committed to support this transition via increased core capability funding. To this end BBSRC have invested an additional £2.5m in 24/25 and committed to a further £4.5m investment in 25/26. Additionally, capital awards of £10.7m in 23/24 and £14.7m made in the 2022/23 demonstrate that the Institute remains a key national capability.

The Board has reviewed and approved management's financial forecasts to March 2026. These forecasts include detailed cashflow projections, including a sensitivity analysis to March 2026 and are considered by the Directors to reflect:

- Achievable levels of leveraged funding awards
- Achievable levels of trading income
- Reasonable and prudent assumptions for cost levels
- Reasonable assumptions around the timing of cash receipts and cash profile of expenditure.

The Board concludes that the Institute can continue to operate within its currently available and projected cash and working capital facilities for the 12 months from sign off of the financial statements and is therefore considered a going concern. With the expected actions resulting from the review of its operational model the Board concludes that it can continue to operate in future periods without material uncertainty. In arriving at this conclusion, the Board has had regard to relevant factors including the support of BBSRC and LAT, the current inflationary environment and economic uncertainty facing the UK.

Key performance indicators

During the year a number of key performance indicators (KPI's) have been implemented in order for the Executive Team and Trustee Board to monitor financial performance and sustainability of the Institute. Each KPI is **S**pecific, **M**easurable, **A**chievable, **R**ealistic and **T**ime-bound (SMART) and is reported on at least once a quarter.

For external reporting the following four KPIs have been chosen.

KPI's 1, 2 and 3 are concerned with the submitting and winning of new grants in order to leverage additional income. A grant will typically span several years.

KPI 4 is concerned with ensuring the staffing split between science and non-science staff remains sustainable.

Targets were set for the financial year based on performance in the previous year and the overall performance is highlighted in the table below.

	2021/22	2022/23	2023/24
KPI 1: Grants awarded (£'000)	24,516	16,658	14,355
KPI 2: Grants awarded (number)	72	78	58
KPI 3: Grant success rate (all funders)	40%	54%	38%
KPI 4: Ratio of science to technical/admin staff (FTE)	2.53	2.50	2.57

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The total value of grants awarded has reduced from the previous years as the awarded amount in 2021/22 was significantly higher due to two multiyear awards exceeding £4.5m each (KPI 1). Excluding these two high value grants the total average grant award has increased slightly from £213k to £258k. The number of grants awarded has decreased on the previous year (KPI 2) by 27%. The number of awards and total value of grants awarded was reduced due to the significant time spent on the preparation of the strategic funding application and the knock-on effect on grant submissions. The ratio of science staff to technical/admin staff based on FTE has remained constant in the period and this split is targeted to continue for 2024/25.

FUTURE DEVELOPMENTS

Rothamsted Research (RRes) occupies a strong national and international niche in research and innovation in arable and grazing livestock systems. Our vision is to undertake cutting-edge, strategically placed science to generate new knowledge of relevance and wide application in meeting current and future challenges facing agriculture. As a key pillar in delivering this vision, in April 2023, Rothamsted started a new round of strategically funded programmes, following a successful submission to BBSRC in 2022. A clear focus for 2024/25 will be ensuring the new programmes are on track to delivering against their aims and objectives and the transitioning of the institute to a National Capability, in alignment with the 2021 BBSRC Institute Strategy.

Over the coming year it is envisaged that a refocus will be required onto those areas that Rothamsted Research is best positioned to address within the UK research and innovation landscape. This will ensure that the research remains aligned with the most pressing priorities facing UK agriculture today whilst also ensuring the institute maintains financial sustainability against the challenge of increasing costs. The institute will develop a new 5-year strategy, as a BBSRC National Capability, and implement its new People and Culture strategy developed with wide staff participation in 2024. Strategic collaborations with academic and industrial partners will continue to be an important aspect of the way that Rothamsted extends its scope and reach, and engagement with stakeholders and beneficiaries will be given stronger emphasis.

Our aim will be to ensure the institute achieves the maximum leverage and outcomes from the investments into our strategically funded research. In relation to this, our specific priorities for the year ahead are: a) to ensure maximum outputs have been translated to outcomes from the previous round of strategic funding through continued support for the most appropriate pathways to impact; and b) to implement the strategy and actions required to ensure that all the principles of a BBSRC National Capability are being met through the pursuit of the four strategic Themes presented in the bid: 1 - Excellent science of national strategic relevance to agriculture; 2 - Influential leadership and connectivity; 3 - A supportive and inclusive culture for developing a diversity of skilled people; 4: Delivery of environmental, social and economic impact. Towards the latter priority, within each of the four Themes, key objectives have been identified and assigned to five newly established Working Groups, with wide cross-institute staff representation, each of which have been allocated specific targets for 2024/25. A National Capability Board was established in 2023 and will continue to review progress against the objectives and targets and encourage cross-programme working through the actions of cross-institute Working Groups. The institute will also be testing a defined set of metrics it has developed to evaluate and capture the supporting evidence needed to demonstrate the progress achieved.

Through working closely with the Lawes Agricultural Trust and Rothamsted Enterprises Ltd., as well as BBSRC, Rothamsted Research will also define and progress plans for the future development of science and innovation on its campuses. This will include a re-brand that unites all three entities and a joint strategy with a phased implementation plan.

Compliance with section 172

The Board of Trustees welcomes the opportunity to demonstrate how they have developed the Institutes business relationships with stakeholders. The Trustees believe that they have acted in a way they consider would be most likely to promote the success of the company for the benefit of its members as a whole (having

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regard to the stakeholders and matters set out in s172(1)(a-f) of the act) in the decisions taken during the year ended 31 March 2024 and in the approval of the Transformation Programme.

As Trustees, our intention is to behave responsibly and ensure that management operate the business in a responsible manner, operating within high standards of business conduct and good governance. The Trustees intention is to behave responsibly towards our stakeholders and treat them fairly and equally, so they too may benefit from the successful delivery of our plan. When making strategic decisions the Trustees have taken into account the likely consequences of these decisions in the long term.

The Trustees continue to work closely with UKRI-BBSRC, as evidenced through the conception and progress of the new strategic ISP/NBRI programme. Employees from across the Institute have been closely involved in the development and direction of the strategic programme, with working groups given the opportunity to attend Board meetings and provide feedback. As reflected in the Strategic Report (Pages 6-10), the Institute has continued to strengthen links with farmers, Government and public engagement. The Institute engages with staff through the employee consultation channels described on Page 4 of the Trustees' Report, and is pleased to confirm continuation of its Athena SWAN Charter.

The Trustees are responsible for the overall governance and strategic direction of Rothamsted Research and have a duty to ensure it provides a service that is a public benefit and meets the needs of its beneficiaries. Their role includes the provision of leadership with a framework of prudent and effective controls, including through the Finance and Audit Committee and Scientific Advisory Group of the Board.

The Trustees have maintained a close relationship with the Institute leadership team and have engaged with the Institute Executive Team (IET), comprising senior members of the Institute from both scientific and operational areas. The IET reports to the Board through the Institute Director.

Energy and Carbon Reporting

As part of the obligations set out under the Energy and Carbon Report Regulations 2018, RRes is required to disclose the energy and carbon created as an organisation over the last reporting year starting on or after April 2019. To fulfil this, we have measured our UK energy and greenhouse gas emissions as classified within scope 1 and 2 (Streamlined Energy and Carbon Reporting (SECR)).

Energy Consumption and Greenhouse Gases

Streamline Energy and Carbon Reporting (SECR) is a government reporting programme that came into force on 1 April 2019. RRes engaged TEAM (Energy Auditing Agency) Ltd to prepare its SECR, who used half hourly electrical consumption data, gas usage data, red diesel data, propane data, organisation transport data and intensity ratio information provided by RRes. TEAM then used the latest figures provided by The Department for Energy Security and Net Zero and The Department for Environment, Food and Rural Affairs to convert the useable data into Tonnes of Carbon Dioxide equivalent (tCO₂e).

RRes's consumption and associated greenhouse gas emissions for the financial year April 2023 to March 2024 are shown in the table below.

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STATEMENT OF TRUSTEE RESPONSIBILITIES

Information Required	Current Reporting Year	Previous Reporting Year
Energy consumption used to calculate emissions: /kWh	Gas: 19,464,537 kWh Propane: 792,574 kWh Red Diesel: 786,997 kWh Business Travel: 152,818 kWh Electricity: 3,637,579 kWh Total: 24,834,505 kWh	Gas: 18,926,146 kWh Propane: 674,555 kWh Red Diesel: 631,849 kWh Business Travel: 162,896 kWh Electricity: 3,673,400 kWh Total: 24,068,846 kWh
Emissions from combustion of gas tCO ₂ e (Scope 1)	3,560.63 tCO ₂ e	3,454.8 tCO ₂ e
Emissions from combustion of propane tCO ₂ e (Scope 1)	169.29 tCO ₂ e	144.4 tCO ₂ e
Emissions from combustion of red diesel tCO ₂ e (Scope 1)	204.92 tCO ₂ e	147.2 tCO ₂ e
Emissions from business travel in company owned vehicles (Scope 1)	38.06 tCO ₂ e	40.2 tCO ₂ e
Emissions from F Gas Leak Recharge (Scope 1)	121.67 tCO ₂ e	N/A
Emissions from purchased electricity (Scope 2, location- based)	753.25 tCO ₂ e	710.4 tCO ₂ e
Total gross CO ₂ e based on above	4,848 tCO ₂ e	4,497 tCO ₂ e
Intensity ratio:	75.97kgs of CO ₂ e per m ² of occupied floor area (63812.5m ²)	70.47 kgs of CO ₂ e per m ² of occupied floor area (63812.5 m ²)

Energy Efficiency Actions

In the year, fluorescent lighting was replaced with LED within the plant growth cabinets. Further, a BMS upgrade for optimisation/increased control of the HVAC plant on site, replacing controls from IQ2 to IQ4 on Trend IQ vision.

AUDITOR

Buzzacott LLP has indicated its willingness to continue in office.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The Directors who were in office at the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. The Directors have confirmed that they have taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Rothamsted Research Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the income and

Rothamsted Research Limited

STATEMENT OF TRUSTEE RESPONSIBILITIES

expenditure of the charitable group for that period . In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

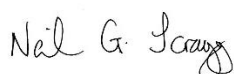
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees' Report prepared under the Charities Act 2011, which also contains all information required in a Directors' Report by the Companies Act 2006, and the incorporated strategic report prepared under the Companies Act 2006, were approved by the Board and signed on 19 December 2024 by Mr N Scragg.

The Strategic Report, which concludes above, includes information in respect of financial instruments, future development and research and development activities in accordance with the section 414C(11) of the Companies Act 2006.

On Behalf of the Board



Mr Neil Scragg
Trustee
Rothamsted Research Limited
Harpenden
Hertfordshire
AL5 2JQ

Date: 19 December 2024

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INDEPENDENT AUDITORS REPORT

Opinion

We have audited the financial statements of Rothamsted Research Limited (the ‘charitable parent company’) and its subsidiaries (the ‘group’) for the year ended 31 March 2024 which comprise the group and charitable parent company statement of financial activities, balance sheets, and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group’s and of the charitable parent company’s affairs as at 31 March 2024 and of the group’s income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and charitable parent company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we

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INDEPENDENT AUDITORS REPORT

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the charitable parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise

Rothamsted Research Limited

INDEPENDENT AUDITORS REPORT

from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the group and the charitable company through discussions with management, and from our knowledge and experience of the sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and the charitable company, including the Companies Act 2006, Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) and those in relation to Health and Safety.
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- ◆ The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.
- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- Performed substantive testing of expenditure including authorisation thereof.

Rothamsted Research Limited

INDEPENDENT AUDITORS REPORT

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of Board meetings; and
- Enquiring of management as to actual and potential litigation and claims, including inspecting the relevant correspondence from regulators and advisors;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Rothamsted Research Limited

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account) for the year ended 31 March 2024

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total funds 2024 £'000	Total funds 2023 £'000
INCOME					
Income from:					
- trading	1	670	-	670	436
- investments	2	492	-	492	241
Income from charitable activities:					
- scientific research	3	6,433	20,748	27,181	24,372
- capital grants	3	-	10,963	10,963	14,708
- postgraduate education and training	3	-	413	413	237
		6,433	32,124	38,557	39,317
TOTAL INCOME		7,595	32,124	39,719	39,994
EXPENDITURE ON:					
Raising funds	5	187	-	187	8
Charitable activities	6a	5,821	27,608	33,429	33,690
Net interest in results of joint venture	12	-	-	-	-
		6,008	27,608	33,616	33,698
TOTAL EXPENDITURE		6,008	27,608	33,616	33,698
Net gain (loss) on investments	12	121	(221)	(100)	454
NET INCOME FOR THE YEAR BEFORE TRANSFERS		1,708	4,295	6,003	6,750
Transfers between funds	16	591	(591)	-	-
NET MOVEMENT IN FUNDS IN YEAR		2,299	3,704	6,003	6,750
RECONCILIATION OF FUNDS					
Fund balances at 1 April 2023		13,647	65,813	79,460	72,710
Fund balances at 31 March 2024		15,946	69,517	85,463	79,460

All income and expenditure derive from continuing activities

Rothamsted Research Limited

CHARITY STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account)

for the year ended 31 March 2024

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total funds 2024 £'000	Total funds 2023 £'000
INCOME					
Income from:					
- trading	1	469	-	469	436
- investments	2	492	-	492	241
Income from charitable activities:					
- scientific research	3	6,433	20,748	27,181	24,372
- capital grants	3	-	10,963	10,963	14,708
- postgraduate education and training	3	-	413	413	237
		<u>6,433</u>	<u>32,124</u>	<u>38,557</u>	<u>39,317</u>
TOTAL INCOME		<u>7,394</u>	<u>32,124</u>	<u>39,518</u>	<u>39,994</u>
EXPENDITURE ON:					
Raising funds	5	8	-	8	8
Charitable activities	6a	5,821	27,608	33,429	33,690
		<u>5,829</u>	<u>27,608</u>	<u>33,437</u>	<u>33,698</u>
TOTAL EXPENDITURE		<u>5,829</u>	<u>27,608</u>	<u>33,437</u>	<u>33,698</u>
Net gain (loss) on investments	12	121	(221)	(100)	454
NET INCOME FOR THE YEAR BEFORE TRANSFERS		<u>1,686</u>	<u>4,295</u>	<u>5,981</u>	<u>6,750</u>
Transfer between funds	16	591	(591)	-	-
		<u>2,277</u>	<u>3,704</u>	<u>5,981</u>	<u>6,750</u>
NET MOVEMENT IN FUNDS IN YEAR		<u>2,277</u>	<u>3,704</u>	<u>5,981</u>	<u>6,750</u>
RECONCILIATION OF FUNDS					
Fund balances at 1 April 2023		<u>13,650</u>	<u>65,813</u>	<u>79,463</u>	<u>72,713</u>
Fund balances at 31 March 2024		<u><u>15,927</u></u>	<u><u>69,517</u></u>	<u><u>85,444</u></u>	<u><u>79,463</u></u>

Rothamsted Research Limited

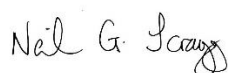
BALANCE SHEETS

31 March 2024

Company Registration Number 02393175

	Notes	Group 2024 £'000	Charity 2024 £'000	Group 2023 £'000	Charity 2023 £'000
FIXED ASSETS					
Tangible assets	10	66,755	66,755	60,871	60,871
Intangible assets	11	174	174	434	434
Investments	12	499	499	378	378
Social Investments	12	1,688	1,688	1,909	1,909
Joint venture	12	-	-	-	-
		69,116	69,116	63,592	63,592
CURRENT ASSETS					
Stock		957	957	1,047	1,047
Debtors	13	6,343	6,268	7,941	7,941
Cash at bank and in hand		13,249	13,229	15,321	15,321
		20,549	20,454	24,309	24,309
CREDITORS: Amounts falling due within one year	14	(4,202)	(4,126)	(8,441)	(8,438)
NET CURRENT ASSETS		16,347	16,328	15,868	15,871
TOTAL ASSETS LESS CURRENT LIABILITIES		85,463	85,444	79,460	79,463
NET ASSETS		85,463	85,444	79,460	79,463
FUNDS					
Restricted funds	16	69,517	69,517	65,813	65,813
Unrestricted funds:					
General funds		15,196	15,177	12,897	12,900
Designated funds		750	750	750	750
	16	15,946	15,927	13,647	13,650
TOTAL FUNDS		85,463	85,444	79,460	79,463

The financial statements set out on pages 27 to 59 were approved by the Board and authorised for issue on 19 December 2024 and signed on its behalf by:



Mr Neil Scragg
Director

Rothamsted Research Limited

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2024

	<i>Notes</i>	2024 £'000	2023 £'000
Net cash used in operating activities	17	(4,188)	(3,987)
Cash flows from Investing activities			
Dividends, interest and rent from investments		492	241
Purchase of property, plant and equipment		(9,339)	(10,673)
Capital grants received		10,963	14,708
Concessionary loans granted		-	(340)
Withdrawals from money market deposits greater than 90 days		-	7,500
		<hr/>	<hr/>
Net cash generated by investing activities		2,116	11,436
		<hr/>	<hr/>
Change in cash and cash equivalents in reporting period		(2,072)	7,449
Cash and cash equivalents at beginning of reporting period		15,321	7,872
Cash and cash equivalents at the end of the reporting period	17	<hr/> <u>13,249</u>	<hr/> <u>15,321</u>

Rothamsted Research does not have any borrowings or lease obligations. Net debt consists therefore of the cash at bank and in hand.

Rothamsted Research Limited

CHARITY CASH FLOW STATEMENT

for the year ended 31 March 2024

	<i>Notes</i>	2024 £'000	2023 £'000
Net cash used in operating activities	18	(4,208)	(3,987)
Cash flows from Investing activities			
Dividends, interest and rent from investments		492	241
Purchase of property, plant and equipment		(9,339)	(10,673)
Capital grants received		10,963	14,708
Concessionary loans granted		-	(340)
Withdrawals from money market deposits greater than 90 days		<u>-</u>	<u>7,500</u>
Net cash generated by investing activities		<u>2,116</u>	<u>11,436</u>
Change in cash and cash equivalents in reporting period		(2,092)	7,449
Cash and cash equivalents at beginning of reporting period		15,321	7,872
Cash and cash equivalents at the end of the reporting period	18	<u><u>13,229</u></u>	<u><u>15,321</u></u>

Rothamsted Research does not have any borrowings or lease obligations. Net debt consists therefore of the cash at bank and in hand.

Rothamsted Research Limited

ACCOUNTING POLICIES

These financial statements have been prepared in accordance with FRS102 (The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102)). The financial statements have been prepared under the historical cost convention as modified by carrying investments at fair value. The financial statements meet the requirements of the Companies Act 2006, the Statement of Recommended Practice - Accounting and Reporting by Charities (Charities SORP (FRS102)) and applicable accounting standards so far as these requirements are appropriate. Rothamsted Research Limited is a private company limited by guarantee and a registered charity. It is registered, domiciled and incorporated in England. The registered company and charity numbers are on page 2. The charity is a public benefit entity as defined by FRS102 and part of a public benefit group. Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated. Sterling is the Group's functional and presentational currency.

In accordance with FRS 102, the charity has taken advantage of the exemption from the following disclosure requirement in its individual financial statements: Section 33 'Related Party Disclosures' – Compensation for key management personnel.

GOING CONCERN

The Institute has confirmed strategic funding in place for the five years to March 2028 totalling £12.2m per annum. In addition to this strategic funding the fixed costs of the Institute are financed through leveraged grant monies and trading income and the Transformation Programme is designed to accelerate the scientific and organisational transformation required to meet these income targets. Impacts of the programme were delayed due to the covid-19 pandemic but are now starting to be seen with the appointment of new senior science leaders and the digital transformation of the Institute. However, during the financial year 2023/24 a further investment of £3.5m from UKRI-BBSRC was received to assist the institute in maintaining the viability of the science whilst the full impacts wait to be realised. The Institute will be reviewing its operating model in early 2025 and commits to working with its partner members UKRI-BBSRC and LAT to ensure that the Institute can start to move to a surplus position and put its longer-term future on a more financially sustainable footing.

BBSRC have committed to support this transition via increased core capability funding. To this end BBSRC have invested an additional £2.5m in 24/25 and committed to a further £4.5m investment in 25/26. Additionally, capital awards of £10.7m in 23/24 and £14.7m made in the 2022/23 demonstrate that the Institute remains a key national capability.

The Board has reviewed and approved management's financial forecasts to March 2026. These forecasts include detailed cashflow projections, including a sensitivity analysis to March 2026 and are considered by the Directors to reflect:

- Achievable levels of leveraged funding awards
- Achievable levels of trading income
- Reasonable and prudent assumptions for cost levels
- Reasonable assumptions around the timing of cash receipts and cash profile of expenditure.

The Board concludes that the Institute can continue to operate within its currently available and projected cash and working capital facilities for the 12 months from sign off of the financial statements and is therefore considered a going concern. With the expected actions resulting from the review of its operational model the Board concludes that it can continue to operate in future periods without material uncertainty. In arriving at this conclusion, the Board has had regard to relevant factors including the support of BBSRC and LAT, the current inflationary environment and economic uncertainty facing the UK.

The Strategic Report, which concludes above, includes information in respect of financial instruments, future development and research and development activities in accordance with the section 414C(11) of the Companies Act 2006.

Rothamsted Research Limited

ACCOUNTING POLICIES

BASIS OF CONSOLIDATION

A new subsidiary Rothamsted Scientific Services was incorporated on 20 October 2022. Trading in this undertaking commenced on 1 April 2023.

JOINT VENTURES

Undertakings in which the group has a long-term interest, and which are under joint control are defined as joint ventures. Joint ventures are accounted for using the equity method.

TANGIBLE FIXED ASSETS

Tangible fixed assets are depreciated to their estimated residual values over their expected useful lives on a straight-line basis. Items over £3,000 are capitalised.

Buildings	25 - 50 years
Plant & Machinery	5 - 10 years
Fixtures, Fittings and Vehicles	3 - 10 years

Assets in the course of construction are included at cost and will be depreciated to their estimated residual values over their expected useful lives on a straight-line basis once the asset is available for use. Freehold land is included at cost and not depreciated. An assessment is made at each reporting date of whether there are any indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the recoverable amount of the asset is estimated. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments in the Statement of Financial Activities.

INTANGIBLE FIXED ASSETS

Intangible fixed assets are amortised to their estimated residual values over their expected useful lives on a straight-line basis. Items over £3,000 are capitalised.

Computer Software	3 - 5 years
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Assets in the course of construction are included at cost and will be amortised to their estimated residual values over their expected useful lives on a straight-line basis once the asset is available for use. An assessment is made at each reporting date of whether there are any indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the recoverable amount of the asset is estimated. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments in the Statement of Financial Activities.

STOCKS

Inventory takes the form of both materials to be consumed in the rendering of services and assets held for sale in the ordinary course of business (farm livestock). Materials consumed in the rendering of services is measured at the lower of cost and estimated selling price less costs to complete and sell. Farm livestock is measured at fair value. The classes of farm livestock are cattle and sheep, and the fair value is determined by an independent valuer following inspection.

	Fair value as at 01/04/23 £'000	Sales £'000	Purchases £'000	Gain/Loss on revaluation £'000	Fair value as at 31/03/24 £'000
Cattle	331	-	-	2	333
Sheep	77	-	55	(80)	52
	408	-	55	(78)	385

Gains or losses on revaluation of livestock are taken to the statement of financial activities and recorded against expenditure.

Rothamsted Research Limited

ACCOUNTING POLICIES

INVESTMENTS

Unlisted investments are carried at directors' estimate of fair value as at the Balance Sheet date, and any gains or losses taken to the Statement of Financial Activities.

SOCIAL INVESTMENTS

Mixed motive social investments are made in the form of concessionary loans. Concessionary loans which have been converted in the financial year to equity are carried at directors' estimate of fair value as at the Balance Sheet date, and any gains or losses taken to the Statement of Financial Activities. Concessionary loans which have not been converted are measured at the amount paid in the form of loan, including interest accrued and after impairment, where applicable.

INVESTMENTS IN GROUP UNDERTAKINGS

Investments in group undertakings are stated at cost less impairment, where relevant, as these represent shareholdings in unlisted companies.

FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustee-Directors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustee-Directors for particular purposes. The aim and use of each designated fund are set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds is charged against the specific fund. The aim and use of the restricted funds are set out in the notes to the financial statements.

INCOME

All income except grants is included in the Statement of Financial Activities when the Group or Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Income from grants, including capital grants, is included within income when these are receivable, except as follows:

- When donors specify that grants given to the Charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions, which must be fulfilled before the Charity becomes entitled to use such income, and those conditions are outside the control of the Charity, the income is deferred and not included in income until pre-conditions for use have been met.

When donors specify that grants, including capital grants, are for restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in restricted funds when receivable.

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Group or Charity to the expenditure. All expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered, and have been classified under headings that aggregate all costs related to the category.

- Costs of raising funds are those costs incurred in trading activities which raise funds.
- Charitable activities include expenditure associated with scientific research and postgraduate education and training and include both the direct costs and support costs relating to these activities.
- Governance costs include those incurred in the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

Rothamsted Research Limited

ACCOUNTING POLICIES

Expenditure by the Charity, which is financed by grants from third parties and applied to buildings occupied but not owned by the Group, is capitalised and included within Restricted Funds. The rent-free provision to the Charity of the buildings, on which such expenditure has been applied, is not treated as a donation as it is not possible to place an appropriate value on such arrangements.

OPERATING LEASES

Rentals under operating leases are written off on a straight-line basis over the term of the lease.

PENSION COSTS

Employees who remain on BBSRC contracts are members of the Research Councils' Pension Schemes. These are defined benefit schemes, the finances of which are administered by the BBSRC, and for which separate accounts are published (see Note 9). The pension schemes are administered by the Research Councils' Joint Superannuation Services and the schemes' finances are administered by the BBSRC. Under the definitions set out in FRS 102, the scheme is a multi-employer pension scheme. The Charity is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs represent contributions payable by the Group to the schemes.

Employees with Rothamsted contracts are members of a defined contribution scheme. The amount charged as expenditure represents the contributions payable by the Group in the year and is split between restricted and unrestricted funds based on how the individual is funded.

REDUNDANCY COSTS

A liability is recognised for redundancy where the charity is demonstrably committed to terminating the employment of an employee or to provide termination benefits. A redundancy payment is charged to the Statement of Financial Activities immediately on recognition at the best estimate of the cost at the reporting date. Where the responsibility for funding the redundancy payment lies with a third party in full or in part the associated income is immediately recognised in the Statement of Financial Activities.

Redundancy payments for employees who remain on BBSRC contracts are linked to severance arrangements under the exit terms outlined in the Civil Service Compensation Scheme Terms (CSCS). These terms cover all agreed exits under Voluntary Redundancy, Compulsory Redundancy and Voluntary Exit. Payments are made following a process approved by Joint Superannuation Services (JSS) who administer the CSCS on the charity's behalf.

Redundancy payments for staff employed by the charity under Rothamsted contracts are not funded and are calculated in accordance with statutory provisions.

RESEARCH AND DEVELOPMENT

All research and development costs are written off as incurred.

CHARITABLE STATUS

Rothamsted Research Limited is a registered charity, registration number 802038, and in consequence is exempt from taxation on income arising from and expended on its charitable activities.

FOREIGN CURRENCIES

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of that transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and unrealised and realised gains and losses on translation are included in the Statement of Financial Activities.

FINANCIAL INSTRUMENTS

The Group applies the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all its financial instruments.

Rothamsted Research Limited

ACCOUNTING POLICIES

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial Assets

Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Such debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected per the original terms of the contract. Impairment losses are recognised as expenditure in the Statement of Financial Activities for the excess of the carrying value of the debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Financial Activities.

Concessionary loans are measured at the amount paid, including interest accrued and after impairment, where applicable.

Financial Liabilities

Creditors

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Key sources of estimation uncertainty include:

Income from grants for scientific research is recognised using one of three methods depending on the specific conditions of the individual research grant award. These three methods are milestone, expenditure led or straight line.

For milestone grants specific milestones are used to determine entitlement to income and should an invoice have not been raised this will be included as a debtor (accrued income).

For straight line grants, there are implicit time conditions within the grant agreement which, in the absence of specific milestones are used to determine entitlement. In these instances, the duration elapsed is deemed a reliable estimate for entitlement to receive payment for work/service/delivery performed. Should actual income received exceed this amount the excess is included as a creditor (deferred income) and should actual income received be less than the entitlement amount this is included as a debtor (accrued income).

For expenditure led grants, in the absence of specific milestones or implicit time conditions to determine entitlement, income is recognised to the extent that resources have been committed to the specific project, as this is deemed to be a reliable estimate of the right to receive payment for the work performed. In this case, cash received in excess

Rothamsted Research Limited

ACCOUNTING POLICIES

of expenditure is included as a creditor (deferred income) and expenditure in excess of cash included as a debtor (accrued income).

The methodology applied to each grant will impact the income recognised in the Statement of Financial Activities and therefore is an important estimate in the context of these financial statements.

Grants received for capital expenditure are included in the Statement of Financial Activities when the Group is entitled to receipt, whereas the depreciation on those grant-funded capital assets is reflected in the Statement of Financial Activities over the useful economic lives of those assets as stated above. The depreciation cost (included in note 10) is significant to the result as shown in the financial statements and, accordingly, the expected useful lives are an important estimate in the context of these financial statements.

Certain buildings are included as fixed assets in these financial statements when the land is owned by The Lawes Agricultural Trust (LAT). Under the terms of the bare licence between LAT and the Charity, the Charity has unencumbered usage of these buildings and the trustee-directors are confident that the Institute will retain a legal right to occupy the land and buildings for the foreseeable future. They are therefore included within fixed assets.

The fair value of unlisted and social investments has been determined as follows.

Level 1:	The unadjusted quoted price in an active market for identical investments that the directors can assess at the measurement date.
Level 2:	Where an active market does not exist, and the investment is held in a company which has generated revenue for three years the proportional share of the net assets held or a multiple of revenue/earnings methodology is to be used.
Level 3:	Where an active market does not exist and the company does not have three years revenue generation, the latest share price based on a sale of existing holdings (*).
Level 4:	Where an active market does not exist, the company does not have three years revenue generation and there has been no sale of existing holdings, the post money price from the most recent fundraising round (*).
Level 5:	Where none of the conditions above are met a fair value can't be measured reliably and so the investment is measured at its cost less impairment.

(*) Given the early stage of the investments, the lack of liquidity of the shares and the absence of measurable key performance indicators under Levels 3 and 4 a base discount factor is applied as follows:

Level 3:	
Sale of holdings between existing and new party	0%
Sale of holdings between existing shareholders	20%
Level 4:	
Raising new capital	20%

After application of the base discount each individual investment within Levels 3 and 4 is assessed as to whether it is performing at, above or below expectations which includes an assessment of cash runway, cash burn, the likelihood, timing and pricing of a further fundraising round and market acceptance of the product. The performance discount factor is applied on a sliding scale as follows:

	RAG Status	Performance Discount factor
No concern on performance – performing above expectations	Green	0%
Some concern on performance – performing at expectations	Amber	15%
Significant concern on performance – performing below expectations	Red	30%
Expected failure	n/a	100%

Rothamsted Research Limited

ACCOUNTING POLICIES

The assessed fair value of the investments held by level are as follows:

	Unlisted investments	Social investments	Total investments
	£'000	£'000	£'000
Level 1	-	-	-
Level 2	499	-	499
Level 3	-	-	-
Level 4	-	1,548	1,548
Level 5	-	140	140
	499	1,688	2,187

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

1	TRADING INCOME GROUP	Unrestricted 2024 £'000	Unrestricted 2023 £'000	Restricted 2024 £'000	Restricted 2023 £'000	Total 2024 £'000	Total 2023 £'000
	Consultancy	66	22	-	-	66	22
	Royalties	205	140	-	-	205	140
	Rental Income	46	58	-	-	46	58
	Back Office	135	134	-	-	135	134
	Scientific services(ROSS))	201	-	-	-	201	-
	Other	17	82	-	-	17	82
		<u>670</u>	<u>436</u>	<u>-</u>	<u>-</u>	<u>670</u>	<u>436</u>

	TRADING INCOME CHARITY	Unrestricted 2024 £'000	Unrestricted 2023 £'000	Restricted 2024 £'000	Restricted 2023 £'000	Total 2024 £'000	Total 2023 £'000
	Consultancy	66	22	-	-	66	22
	Royalties	205	140	-	-	205	140
	Rental Income	46	58	-	-	46	58
	Back Office	135	134	-	-	135	134
	Other	17	82	-	-	17	82
		<u>469</u>	<u>436</u>	<u>-</u>	<u>-</u>	<u>469</u>	<u>436</u>

2	INVESTMENT INCOME	Unrestricted 2024 £'000	Unrestricted 2023 £'000	Restricted 2024 £'000	Restricted 2023 £'000	Total 2024 £'000	Total 2023 £'000
	GROUP AND CHARITY						
	Dividend income	28	28	-	-	28	28
	Interest receivable	464	213	-	-	464	213
		<u>492</u>	<u>241</u>	<u>-</u>	<u>-</u>	<u>492</u>	<u>241</u>

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

3 CHARITABLE ACTIVITIES

Total income from charitable activities is analysed as follows:

GROUP AND CHARITY	Unrestricted 2024 £'000	Unrestricted 2023 £'000	Restricted 2024 £'000	Restricted 2023 £'000	Total 2024 £'000	Total 2023 £'000
Strategic Funding	-	-	11,562	10,134	11,562	10,134
Competitive Project Grant	-	180	3,154	3,958	3,154	4,138
Open Access Funding	-	-	-	85	-	85
Strategic Hires	-	-	-	200	-	200
Institute Development grant	-	-	-	-	-	-
Capital Equipment	-	-	10,514	13,217	10,514	13,217
Capital maintenance	-	-	449	1,491	449	1,491
Redundancy Funding	-	-	-	83	-	83
Energy supplement grant	-	-	865	1,160	865	1,160
Resource Grant Funding	3,497	-	-	-	3,497	-
TOTAL BBSRC	<u>3,497</u>	<u>180</u>	<u>26,544</u>	<u>30,328</u>	<u>30,041</u>	<u>30,508</u>
DEFRA	-	-	696	572	696	572
Other Government Departments / Public Sector:						
- Other Research Councils	15	10	1,809	1,117	1,824	1,127
- Other Government Depts	35	30	1,572	1,647	1,607	1,677
European Union	-	-	352	628	352	628
Industry	838	46	-	1,591	838	1,637
Trusts, Foundations, Charities	58	648	676	447	734	1,095
SHAKE Climate	-	-	-	-	-	-
Income from Farm Operations	646	600	-	-	646	600
ERDF	-	-	-	202	-	202
Postgraduate Education and Training	-	-	413	237	413	237
Open Access Funding (RCUK)	-	-	62	54	62	54
Income from H&CE	638	279	-	-	638	279
Recharges to Related Parties	564	541	-	-	564	541
Miscellaneous income	142	160	0	0	142	160
TOTAL INCOME	<u>6,433</u>	<u>2,494</u>	<u>32,124</u>	<u>36,823</u>	<u>38,557</u>	<u>39,317</u>

Rothamsted Research Limited

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for the year ended 31 March 2024

4 INCOME

GROUP	Unrestricted 2024 £'000	Unrestricted 2023 £'000	Restricted 2024 £'000	Restricted 2023 £'000	Total 2024 £'000	Total 2023 £'000
Analysis of income by geographical region:						
Domestic Customers (UK)	5,806	2,159	32,124	36,823	37,930	38,982
EU Customers	529	894	-	-	529	894
Non - EU Customers	1,260	118	-	-	1,260	118
	<u>7,595</u>	<u>3,171</u>	<u>32,124</u>	<u>36,823</u>	<u>39,719</u>	<u>39,994</u>

CHARITY	Unrestricted 2024 £'000	Unrestricted 2023 £'000	Restricted 2024 £'000	Restricted 2023 £'000	Total 2024 £'000	Total 2023 £'000
Analysis of income by geographical region:						
Domestic Customers (UK)	5,616	2,159	32,124	36,823	37,740	38,982
EU Customers	529	894	-	-	529	894
Non - EU Customers	1,249	118	-	-	1,249	118
	<u>7,394</u>	<u>3,171</u>	<u>32,124</u>	<u>36,823</u>	<u>39,518</u>	<u>39,994</u>

5 COST OF RAISING FUNDS	Unrestricted 2024 £'000	Unrestricted 2023 £'000	Restricted 2024 £'000	Restricted 2023 £'000	Total 2024 £'000	Total 2023 £'000
GROUP						
Consultancy	8	8	-	-	8	8
Cost of sales	179	-	-	-	179	-
	<u>187</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>187</u>	<u>8</u>
CHARITY	Unrestricted 2024 £'000	Unrestricted 2023 £'000	Restricted 2024 £'000	Restricted 2023 £'000	Total 2024 £'000	Total 2023 £'000
Consultancy	8	8	-	-	8	8

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

6a EXPENDITURE ON CHARITABLE ACTIVITIES

	Group 2024	Group 2023	Charity 2024	Charity 2023
	£'000	£'000	£'000	£'000
<u>Scientific research</u>				
Direct	22,816	22,330	22,816	22,330
Other	5,080	5,406	5,080	5,406
Support	5,132	5,344	5,132	5,344
	33,028	33,080	33,028	33,080
<u>Post graduate education & training</u>				
Direct	328	493	328	493
Other	-	-	-	-
Support	73	117	73	117
	401	610	401	610
<u>Total</u>				
Direct	23,144	22,823	23,144	22,823
Other	5,080	5,406	5,080	5,406
Support	5,205	5,461	5,205	5,461
	33,429	33,690	33,429	33,690
<u>Unrestricted</u>				
Direct	608	-	608	-
Other	8	27	8	27
Support	5,205	5,461	5,205	5,461
	5,821	5,488	5,821	5,488
<u>Restricted</u>				
Direct	23,143	22,823	23,143	22,823
Other	4,465	5,379	4,465	5,379
Support	-	-	-	-
	27,608	28,202	27,608	28,202
<u>Total</u>				
Direct	23,751	22,823	23,751	22,823
Other	4,473	5,406	4,473	5,406
Support	5,205	5,461	5,205	5,461
	33,429	33,690	33,429	33,690

Direct costs £23,750k (2023: £22,823k) for the Group and £23,750k (2023: £22,823k) for the Charity are those associated with providing the activity, such as laboratory supplies. Other costs of £4,473k (2023: £5,406k) include indirect costs relating to premises and equipment. Support costs are detailed in Note 6b.

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

6b) SUPPORT COSTS

The Group and Charity allocate support costs as shown in the table below. Support costs are allocated on a basis consistent with the use of expenditure.

GROUP AND CHARITY

	Scientific research £'000	Postgraduate education and training £'000	Total 2024 £'000	Total 2023 £'000
Commercial and Finance	636	8	644	605
Human Resources	473	7	480	520
Computing Service	223	3	226	219
Institute Management	1,114	16	1,130	1,140
Other administration	1,672	24	1,696	2,155
Science Facility Service	836	12	848	711
Governance	178	3	181	111
	<hr/>	<hr/>	<hr/>	<hr/>
	5,132	73	5,205	5,461
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

An analysis of the comparative 2022/23 support costs are as follows:

GROUP AND CHARITY

	Scientific research £'000	Postgraduate education and training £'000	Total 2023 £'000
Commercial and Finance	592	13	605
Human Resources	509	11	520
Computing Service	214	5	219
Institute Management	1,115	25	1,140
Other administration	2,109	46	2,155
Science Facility Service	696	15	711
Governance	109	2	111
	<hr/>	<hr/>	<hr/>
	5,344	117	5,461
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

7	GOVERNANCE COSTS	Unrestricted 2024 £'000	Unrestricted 2023 £'000	Restricted 2024 £'000	Restricted 2023 £'000	Total 2024 £'000	Total 2023 £'000
	GROUP						
	Audit fee	51	40	-	-	51	40
	Technical support	92	71	-	-	92	71
		<u>143</u>	<u>111</u>	<u>-</u>	<u>-</u>	<u>143</u>	<u>111</u>
	CHARITY	Unrestricted 2024 £'000	Unrestricted 2023 £'000	Restricted 2024 £'000	Restricted 2023 £'000	Total 2024 £'000	Total 2023 £'000
	Audit fee	46	40	-	-	46	40
	Technical support	92	71	-	-	92	71
		<u>138</u>	<u>111</u>	<u>-</u>	<u>-</u>	<u>138</u>	<u>111</u>

2 Directors (2023: 2) claimed or were reimbursed an insignificant amount for travel expenses.

Under the amended Articles of Association approved by Special Resolution on 10 December 2013, the Charity is authorised to remunerate its Chairman, and in the year ended 31 March 2024 paid an honorarium of £10,932 (2023: £10,932). Other trustees received £Nil (2023: £Nil).

8	NET INCOME/(EXPENDITURE) IS STATED AFTER CHARGING/(CREDITING) THE FOLLOWING:	Group 2024 £'000	Charity 2024 £'000	Group 2023 £'000	Charity 2023 £'000
	Interest receivable	(464)	(464)	(213)	(213)
	Auditor's remuneration – audit services – parent (current year)	46	46	40	40
	Auditor's remuneration – audit services – parent (prior year)	6	6	-	-
	Auditor's remuneration – audit services - subsidiary	5	-	-	-
	Auditor's remuneration – assurance services – (grant audit)	12	12	6	6
	Auditor's remuneration – taxation compliance	6	3	2	2
	Depreciation	3,455	3,455	3,735	3,735
	Loss on disposal of tangible fixed assets	-	-	17	17
	Amortisation	260	260	261	261
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

9 STAFF COSTS AND NUMBERS	Unrestricted 2024 £'000	Unrestricted 2023 £'000	Restricted 2024 £'000	Restricted 2023 £'000	Total 2024 £'000	Total 2023 £'000
GROUP AND CHARITY						
Salaries and wages	5,343	5,155	8,835	8,897	14,178	14,052
Social security costs	512	548	846	946	1,358	1,494
Other pension costs	765	750	1,266	1,295	2,031	2,045
Redundancy costs	13	265	-	83	13	348
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	6,633	6,718	10,947	11,221	17,580	17,939

The average number of persons employed by category was:

	Group Total 2024 No.	Charity Total 2024 No.	Group Total 2023 No.	Charity Total 2023 No.
Science staff	267	267	275	275
Technical and administrative staff	106	106	107	107
	<hr/>	<hr/>	<hr/>	<hr/>
	373	373	382	382
	<hr/>	<hr/>	<hr/>	<hr/>

The average number of persons (full time equivalent) employed by category was:

Science staff	254	254	254	254
Technical and administrative staff	100	100	102	102
	<hr/>	<hr/>	<hr/>	<hr/>
	354	354	356	356
	<hr/>	<hr/>	<hr/>	<hr/>

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

9 STAFF COSTS AND NUMBERS (continued)

The number of staff with emoluments greater than £60,000, all of whom were accruing pension benefits, was:

	Group Total 2024	Charity Total 2024	Group Total 2023	Charity Total 2023
£60,000 - £69,999	14	14	17	17
£70,000 - £79,999	3	3	2	2
£80,000 - £89,999	-	-	2	2
£90,000 - £99,999	3	3	7	7
£100,000 - £109,999	5	5	2	2
£110,000- £119,999	3	3	2	2
£120,000-£129,999	-	-	1	1
£150,000 - £159,999	1	1	2	2
	<u>29</u>	<u>29</u>	<u>35</u>	<u>35</u>

Remuneration for 10 key management personnel (Trustees and executive team), was £1,296k, including employer's national insurance and pension contributions (2023: £1,246k, 10 employees).

Charity staff employed prior to the change in governance are BBSRC employees who are subject to BBSRC terms and conditions of service and are appointed by the Charity under delegated powers. Although the legal liability for employment rested with the BBSRC through to 31 March 2021, the Charity is expected to meet all staff costs arising from normal activities.

Ex BBSRC staff employed by Rothamsted Research Ltd are members of the Research Councils' Pension Schemes (RCPS), which are funded on a pay-as-you-go basis principally through employer and employee contributions and annual Grant-in-Aid. The pension schemes are by analogy to the Principal Civil Service Pension Scheme (PCSPS), except that the schemes, which are defined benefit schemes and provide retirement and related benefits on final emoluments, redundancy and injury benefits are administered and funded by the Research Councils. The pension schemes are administered by the Research Councils' Joint Superannuation Services and the schemes' finances are administered by the BBSRC. Under the definitions set out in Financial Reporting Standard 102 the schemes are a multi-employer pension scheme. The Charity is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Charity has taken advantage of the exemption of FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. For 2023/24, the Group paid £1,042k (2023: £1,092k) in employer's contributions into the scheme. A separate Research Councils' Pensions Schemes Account published for the year ended 31 March 2024 contain further disclosure of information as required under the relevant accounting standard. The total net liability as at 31 March 2024 was £4,091m (2023: £4,433m). The Group expects to pay £1,009k in respect of RCPS and £1,887k in respect of the defined contribution scheme in employer's contributions in 2024/25.

Staff employed since 1 April 2012 are members of a defined contribution scheme, as noted on page 4. Group contributions made in 2023/24 amounted to £1,635k (2023: £1,624k), and accrued contributions at 31 March 2024: £156k (2023: £150k).

In the year, the Charity paid £11k in premiums for Professional Indemnity Insurance (2023: £10k).

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

10	TANGIBLE FIXED ASSETS	Land & Buildings £'000	Plant and machinery £'000	Fixtures, fittings and vehicles £'000	Total £'000
	GROUP AND CHARITY				
	Cost:				
	As at 1 April 2023	72,977	38,621	7,585	119,183
	Additions	2,965	5,940	434	9,339
	As at 31 March 2024	75,942	44,561	8,019	128,522
	Accumulated depreciation:				
	As at 1 April 2023	33,974	18,932	5,406	58,312
	Charge for the year	1,483	1,490	482	3,455
	As at 31 March 2024	35,457	20,422	5,888	61,767
	Net book value:				
	As at 31 March 2024	40,485	24,139	2,131	66,755
	As at 31 March 2023	39,003	19,689	2,179	60,871

The freehold interest in the land and buildings at the Company's main operating site, (Rothamsted, Harpenden, Hertfordshire) is held by Lawes Agricultural Trust (LAT). There is no written agreement for the occupation of this site and no rent is charged to the Company by LAT. As the Charity has unencumbered usage of these buildings, they are reported as fixed assets above. The trustee-directors are confident that the Institute will retain a legal right to occupy the land and buildings for the foreseeable future. The Lawes Agricultural Trust, a related party as disclosed in note 19.

11 INTANGIBLE FIXED ASSETS

GROUP AND CHARITY	Software £'000	Total £'000
Cost:		
As at 1 April 2023	1,304	1,304
Accumulated amortisation:		
As at 1 April 2023	870	870
Charge for the year	260	260
As at 31 March 2024	1,130	1,130
Net book value:		
As at 31 March 2024	174	174
As at 31 March 2023	434	434

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

12 INVESTMENTS

GROUP	Unlisted investments 2024 £'000	Unlisted investments 2023 £'000
Valuation:		
As at 31 March	499	378

The unlisted investments relate to the following holdings:

The Company owns 2,833 £0.01 ordinary shares in VSN International Limited, a 15.57% shareholding (2023: 2,833 £0.01 ordinary shares, a 15.87% shareholding).

The Company also owns 103,675 £0.001 ordinary shares, a 0.9% shareholding in Insense Limited (2023: 103,675 £0.001 ordinary shares, a 0.9% shareholding).

Investments are held at the Directors' estimate of fair value. The determination of fair value is contained within the accounting policies note, under significant judgements and estimates.

CHARITY	Unlisted investments £'000	Shares in group undertakings £'000	Total £'000
Historical cost	101	-	101
Valuation			
As at 1 April	378	-	378
Unrealised gain	121	-	121
Value:			
As at 31 March 2024	499	-	499
As at 31 March 2023	378	-	378

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

12 INVESTMENTS (continued)

Shares in subsidiary undertakings

The Charity held the following shares in subsidiary undertakings at 31 March 2024:

	Shares held Class	%	Capital and Reserves £	Country of Incorporation
Rothamsted Research Holdings Limited (dormant)	Ordinary	100	-	England & Wales
Rothamsted International Consulting Limited (dormant)	Ordinary	100	2	England & Wales
Genetic Technologies Limited (dormant)*	Ordinary	100	2	England & Wales
Rothamsted Scientific Services Limited	Ordinary	100	1	England & Wales
Rothamsted Experimental Station Limited (dormant)*	Ordinary	100	1	England & Wales
AfSIS Ltd (dormant)	Ordinary	100	8,000	Tanzania

* held indirectly via Rothamsted Research Holdings Limited.

The registered office of these undertakings is Rothamsted Research Limited, Harpenden, Hertfordshire AL5 2JQ except AfSIS Limited. The registered office of this entity is P.O. Box 2704, Dodoma Road, Arusha, Tanzania.

The results of Rothamsted Scientific Limited, for the year ended 31 March 2024, which are included in the consolidated financial statements, are set out below:

	2024 £'000	2023 £'000
Turnover	201	-
Administrative expenses	(179)	-
Retained profit for the year	22	-
Net Assets/(liabilities) at 1 April	-	-
Net Asset at 31 March	22	-
Being:		
Fixed assets	-	-
Net current assets	22	-
Net Assets at 31 March	22	-

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

12 INVESTMENTS (continued)

Rothamsted Enterprises Limited as shown below, is a joint venture between Rothamsted Research Limited (40%), the Lawes Agricultural Trust (40%), and the Biotechnology and Biological Sciences Research Council (20%). The Charity owns 40% of the 5 ordinary shares issued. The group's share of the results of the entity for the year ended 31 March 2024 are summarised below. As at 31 March 2024, the group's interest in this entity was valued at £Nil (2023: £Nil) as Rothamsted does not have a legal or constructive obligation to cover the net liabilities of the joint venture.

	2024 £'000	2023 £'000
Turnover	1,113	1,015
Administrative expenses	(1,064)	(1,044)
Retained profit/(loss)for the year	49	(29)
Net (liabilities) at 1 April	(99)	(70)
Net liabilities at 31 March	(50)	(99)
	2024 £'000	2023 £'000
Being:		
Fixed assets	3,439	3,652
Net current assets	126	119
	3,565	3,771
Liabilities greater than one year	(3,615)	(3,870)
Net liabilities at 31 March	(50)	(99)

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

Concessionary loans are granted for an initial term of 12 months with interest of 5% per annum. Each loan automatically converts into shares in the event of default or if the purpose of the loan can no longer be effectively furthered. Otherwise, the loans are convertible at the Charity's option any time after the initial 12 month term. As at 31 March 2024, 11 loans totalling £1,460k have been made of which 9 have been converted and 2 remain as convertible loans with neither the option to convert having been taken or any triggering events occurring.

GROUP AND CHARITY	Equity Holdings £'000	Convertible loan £'000	Total Social Investments £'000
Historic cost	660	800	1,460
Value as at 1 April	1,109	800	1,909
Additions			
Conversions	660	(660)	-
Unrealised gain	(221)	-	(221)
Value as at 31 March 2024	<u>1,548</u>	<u>140</u>	<u>1,688</u>
Net Book Value:			
As at 31 March 2024	<u>1,548</u>	<u>140</u>	<u>1,688</u>
As at 31 March 2023	<u>1,109</u>	<u>800</u>	<u>1,909</u>

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

13	DEBTORS	Group 2024 £'000	Charity 2024 £'000	Group 2023 £'000	Charity 2023 £'000
	Due within one year				
	Trade debtors	1,326	1,283	845	845
	Other debtors	35	35	209	209
	Prepayments and accrued income	4,366	4,334	5,971	5,971
	VAT recoverable	81	81	183	183
	Due from subsidiary undertaking	37	37	-	-
	Due from joint venture – due in one year	298	298	521	521
		<u>6,143</u>	<u>6,068</u>	<u>7,729</u>	<u>7,729</u>
	Other debtors due after one year				
	Due from joint venture	200	200	212	212
		<u>6,343</u>	<u>6,268</u>	<u>7,941</u>	<u>7,941</u>
		<u><u>6,343</u></u>	<u><u>6,268</u></u>	<u><u>7,941</u></u>	<u><u>7,941</u></u>
14	CREDITORS: Amounts falling due within one year	Group 2024 £'000	Charity 2024 £'000	Group 2023 £'000	Charity 2023 £'000
	Trade creditors	1,233	1,233	5,190	5,190
	Payroll creditor	245	245	233	233
	Other taxes and social security	352	352	352	352
	Other creditors	5	-	12	9
	Accruals	1,669	1,660	1,750	1,750
	Due to joint Venture	16	16	17	17
	Deferred income (see note 15)	682	620	887	887
		<u>4,202</u>	<u>4,126</u>	<u>8,441</u>	<u>8,438</u>
		<u><u>4,202</u></u>	<u><u>4,126</u></u>	<u><u>8,441</u></u>	<u><u>8,438</u></u>
15	DEFERRED INCOME represents grant income received in advance of expenditure. The movement can be analysed as follows:	Group 2024 £'000	Charity 2024 £'000	Group 2023 £'000	Charity 2023 £'000
	Opening balance	887	887	793	793
	Amounts deferred during the year	682	620	887	887
	Release of amounts previously deferred	(887)	(887)	(793)	(793)
		<u>682</u>	<u>620</u>	<u>887</u>	<u>887</u>
		<u><u>682</u></u>	<u><u>620</u></u>	<u><u>887</u></u>	<u><u>887</u></u>

Rothamsted Research Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024

16 FUNDS

	Unrestricted 2024 £'000	Unrestricted 2023 £'000	Restricted 2024 £'000	Restricted 2023 £'000	Total 2024 £'000	Total 2023 £'000
GROUP						
Funds as at 31 March	15,946	13,647	69,517	65,813	85,463	79,460
Funds balances are represented by:						
Fixed assets	10,237	11,276	58,879	52,316	69,116	63,592
Current assets	8,083	5,084	12,466	19,225	20,549	24,309
Current liabilities	(2,374)	(2,713)	(1,828)	(5,728)	(4,202)	(8,441)
	15,946	13,647	69,517	65,813	85,463	79,460
CHARITY						
Funds as at 31 March	15,927	13,650	69,517	65,813	85,444	79,463
Funds balances are represented by:						
Fixed assets	10,237	11,276	58,879	52,316	69,116	63,592
Current assets	7,988	5,084	12,466	19,225	20,454	24,309
Current liabilities	(2,298)	(2,710)	(1,828)	(5,728)	(4,126)	(8,438)
	15,927	13,650	69,517	65,813	85,444	79,463

GROUP – GENERAL FUNDS

	2024 £'000	2023 £'000
Balance brought forward	12,897	14,227
Net income (expenditure)	1,708	(1,889)
Designated in year	-	-
Released from designated funds	-	-
Transfer from restricted funds	591	559
Balance carried forward	15,196	12,897

CHARITY – GENERAL FUNDS

	2024 £'000	2023 £'000
Balance brought forward	12,900	14,230
Net income (expenditure)	1,686	(1,889)
Designated in year	-	-
Released from designated funds	-	-
Transfer from restricted funds	591	559
Balance carried forward	15,177	12,900

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

	2024 £'000	2023 £'000
DESIGNATED ESTATE REBUILD FUND GROUP AND CHARITY		
Balance brought forward	750	750
Designated in the year	-	-
Released in the year	-	-
	<hr/>	<hr/>
Balance carried forward	750	750
	<hr/> <hr/>	<hr/> <hr/>

£750k of the designated fund relates to funds set aside by the trustee-directors for the transformation of Rothamsted.

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

GROUP AND CHARITY RESTRICTED	1 April 2023 £'000	Income £'000	Expenditure £'000	Gains, Losses & Transfers £'000	31 March 2024 £'000
Capital fund	56,006	10,347	(3,146)	(591)	62,616
Estate Rebuild fund	2,000	-	-	(1,344)	656
Open Access fund(RCUK)	18	62	(62)	-	18
Shake Climate Change	1,731	-	(88)	(221)	1,422
BBSRC Resource Grant	71	11,562	(11,526)	(107)	-
RI fellows	66	-	-	-	66
Institute Development	-	-	-	-	-
Grant	120	-	(120)	-	-
Transformation award	2,876	-	(1,967)	1,344	2,253
Restricted Projects	2,049	8,672	(9,577)	28	1,172
Capital funded from					
Competitive Restricted	711	-	-	79	790
Funding					
Capital funded from	56	616	(197)	-	475
Strategic Restricted					
Funding					
Energy Supplement Grant	109	865	(925)	-	49
	<u>65,813</u>	<u>32,124</u>	<u>(27,608)</u>	<u>(812)</u>	<u>69,517</u>

The Capital fund principally represents funding received, largely from the BBSRC, for the acquisition of tangible fixed assets. These assets are built on land that is not owned by the Institute. It represents the net book value of such fixed assets. There was a transfer from the restricted Capital Fund of £591k (2023: £559k) to unrestricted funds during the year. This relates to VAT recovered on capital funding provided by the BBSRC.

The Estate Rebuild fund represents funding received from the BBSRC in respect of ensuring the long-term sustainability of the Institute's estate facilities.

The Open Access fund represents funding received from the UKRI, in respect of the RCUK requirement for publications to be openly available on a publisher's site.

SHAKE climate change is a programme which helps entrepreneurs and start ups who are combating climate change. In accordance with the Institute Standard Conditions of Grant it has become required to place all grant award payments from the BBSRC in relation to ISP's in a restricted reserve called BBSRC resource grant.

RI fellows funds are used to make awards to scientists from developing and emerging countries worldwide to conduct research into agriculture in developing countries.

The transformation award is monies received towards the overall Transformation Project.

Three new restricted funds were created in the year ended 31st March 2022. Restricted Projects against which all competitive award activity is charged, and two funds for capital items purchased from restricted competitive awards and restricted strategic awards.

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

An analysis of the comparative 2022/23 restricted fund movements follows:

GROUP AND CHARITY RESTRICTED	1 April 2022 £'000	Income £'000	Expenditure £'000	Gains, losses & Transfers £'000	31 March 2023 £'000
Capital fund	44,978	14,708	(3,121)	(559)	56,006
Estate Rebuild fund	2,000	-	-	-	2,000
Open Access fund(RCUK)	19	54	(55)	-	18
Shake Climate Change	2,040	(91)	(236)	18	1,731
BBSRC Resource Grant	208	10,219	(10,322)	(34)	71
RI fellows	80	-	(14)	-	66
Strategic Hires	-	200	(200)	-	-
Institute Development Grant	196	-	(76)	-	120
Transformation award	5,039	-	(2,163)	-	2,876
Redundancy funding	-	83	(83)	-	-
Restricted Projects	2,437	10,490	(10,804)	(74)	2,049
Competitive Restricted Fund	710	-	(73)	74	711
Strategic Restricted Funding	26	-	(4)	34	56
Restricted Energy supplement grant	-	1,160	(1,051)	-	109
	<u>57,733</u>	<u>36,823</u>	<u>(28,202)</u>	<u>(541)</u>	<u>65,813</u>

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

17	RECONCILIATION OF GROUP NET INCOME FOR THE YEAR TO NET CASH GENERATED FROM/ (USED IN) OPERATIONS	2024 £'000	2023 £'000
	Net income for the year	6,003	6,750
	Adjustments for:		
	Depreciation of tangible fixed assets	3,455	3,735
	Amortisation of intangible fixed assets	260	261
	Dividends, interest and rents from investments	(492)	(241)
	Loss on disposal of tangible fixed assets	-	17
	Loss/Gain on investments	100	(454)
	Capital Grants	(10,963)	(14,708)
	Operating cash flows before movements in working capital	(1,637)	(4,640)
	Decrease/(Increase) in stocks	91	(160)
	Decrease/(increase) in debtors	1,597	(1,685)
	(Decrease)/Increase in creditors	(4,239)	2,498
		(2,551)	653
	Cash (used in) operating activities	(4,188)	(3,987)

Rothamsted Research Limited

INCOME AND EXPENDITURE ACCOUNTS

for the year ended 31 March 2024

18	RECONCILIATION OF CHARITY NET INCOME/ (EXPENDITURE) FOR THE YEAR TO NET CASH USED IN BY OPERATIONS	2024 £'000	2023 £'000
	Net income / (expenditure) for the year	5,981	6,750
	Adjustments for:		
	Depreciation of tangible fixed assets	3,455	3,735
	Amortisation of intangible fixed assets	260	261
	Dividends, interest and rents from investments	(492)	(241)
	Loss on disposal of tangible fixed assets	-	17
	Loss/Gain on investments	100	(454)
	Capital grants	(10,963)	(14,708)
	Operating cash flows before movements in working capital	(1,659)	(4,640)
	Decrease/(Increase) in stocks	91	(160)
	Decrease/(Increase) in debtors	1,673	(1,685)
	(Decrease)/Increase in creditors	(4,313)	2,498
		(2,549)	653
	Cash used in operations	(4,208)	(3,987)

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

19 RELATED PARTY TRANSACTIONS

As explained in the Trustees' Report (incorporating the Strategic Report), LAT and BBSRC are members of the charitable company and, accordingly, are considered related parties. BBSRC funds scientific research and equipment purchases for the Institute. Note 9 of the financial statements explains the staffing arrangements between BBSRC and the Charity. Land and buildings at North Wyke, Devon are owned by the Biotechnology and Biological Sciences Research Council and occupied by the Charity under a formal lease and at a peppercorn rent. LAT also funds scientific research through grants to the Institute. LAT provides student accommodation to RRes. Details of the agreements regarding the Charity's use of buildings owned by LAT are set out in Note 10, which are currently rent free.

RRes provides back office support, site support and scientific services to REL, LAT, UKRI-BBSRC, SugaRox and PheroSyn.

Transactions with related parties

During the year the company entered into the following transactions with related parties which are reported on an as invoiced basis.

	2024 £'000	2023 £'000
Rothamsted Enterprises:		
Sales transactions	333	652
Purchase transactions	201	234
Lawes Agricultural Trust:		
Sales transactions	911	1,032
Purchase transactions	21	22
UKRI-BBSRC:		
Sales transactions	29,705	29,317
Purchases transactions	23	97
Rothamsted Scientific Services:		
Sales transactions	227	-
LAT Redbourn:		
Sales transactions	15	-
SugaRox:		
Sales transactions	41	43
PheroSyn:		
Sales transactions	3	5

Amounts due to related parties

	2024 £'000	2023 £'000
Rothamsted Enterprises	16	17
Lawes Agricultural Trust	-	1
UKRI-BBSRC	-	19
	16	37

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

Amounts due from related parties

	2024 £'000	2023 £'000
Rothamsted Enterprises	298	533
REL (working capital loan)	200	200
Lawes Agricultural Trust	-	152
UKRI-BBSRC	-	39
Rothamsted Scientific Services	37	-
LAT Redbourn Limited	2	-
PheroSyn	140	140
	677	1,064

20 CONTINGENT LIABILITIES

Under the terms of the contract between the Charity and the Biotechnology and Biological Sciences Research Council, should certain fixed assets be sold, a proportion of the proceeds might become payable by the Charity to the Research Council. No such liability exists at 31 March 2024 (2023: £Nil).

21 FINANCIAL INSTRUMENTS

	Group 2024 £'000	Charity 2024 £'000	Group 2023 £'000	Charity 2023 £'000
Financial assets held at fair value	<u>726</u>	<u>726</u>	<u>1,486</u>	<u>1,486</u>

22 SIGNIFICANT POST BALANCE SHEET EVENTS

There were no significant post balance sheet events.