

**ROTHAMSTED EXPERIMENTAL
STATION**

(A company limited by guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1999

Company Registration No: 2393175 (England and Wales)



ROTHAMSTED EXPERIMENTAL STATION

(A company limited by guarantee)

LEGAL AND ADMINISTRATIVE INFORMATION

Company Number: 2393175

Charity Registration Number: 802038

Directors: Prof. E.C. Cocking DSc FRS
Mr. A.F. Pemberton MA FRAgS
Mr. I.G.T. Ferguson
Dr M.W. Elves DSc LLB FRCPath FIBiol (appointed 2 July 1999)

Registered Office: Rothamsted Experimental Station
Harpenden
Hertfordshire
AL5 2JQ

Auditors: Fraser Russell
Chartered Accountants
Bluecoats House
Bluecoats Avenue
Hertford
Hertfordshire
SG14 1PB

Principal Bankers: Barclays Bank plc
West Herts Group
PO Box 104
St. Albans
Herts. AL1 3AN

Principal Solicitors: Withers
12 Gough Square
London
EC4A 3DE

ROTHAMSTED EXPERIMENTAL STATION
(A company limited by guarantee)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1999

Company Number: 2393175

INDEX

	Page
Report of the Directors	1-4
Report of the Auditors	5
Statement of Financial Activities	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Financial Statements	9-18
Summary Income and Expenditure Account	19

ROTHAMSTED EXPERIMENTAL STATION

(A company limited by guarantee)

REPORT OF THE DIRECTORS

The Directors submit their Annual Report together with the audited Financial Statements for the year ended 31st March 1999.

Principal Activities and Business Review

The principal activity of the Company is agricultural research. This covers a wide spectrum of approaches, techniques and disciplines related to agriculture in general and crop production in particular. It aims to increase understanding of the plant and soil processes which affect the growth of field crops, and of the mechanisms whereby pests, weeds and diseases constrain yield and quality. Emphasis is placed on the importance of environmental issues in farming practice and work is directed towards devising non-polluting crop protection systems and strategies, as well as monitoring the impact of new agricultural practices on farmland flora and fauna. Much of this effort is relevant to environmental improvement both nationally and internationally and supports Government Policies and approaches to countryside and wildlife conservation.

Rothamsted Experimental Station (Ltd) comprises Rothamsted Experimental Station and Broom's Barn Experimental Station. Together with Long Ashton Research Station they form the Institute of Arable Crops Research.

The Financial Statements for the year show that incoming resources for the year was as follows:

	1999 £	1998 £
Biotechnology and Biological Sciences Research Council	7,524,515	6,620,947
MAFF	5,607,273	5,968,061
Other sponsors of research	4,841,311	4,785,607
Miscellaneous income, rents, royalties, etc	1,517,713	2,374,656
Income from Research Farm operations	287,645	327,951
Bank Interest	210,111	110,055
	<u>£19,988,568</u>	<u>£20,187,277</u>

The expectation for the following year is that income will remain static in monetary terms.

ROTHAMSTED EXPERIMENTAL STATION

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REPORT OF THE DIRECTORS (continued)

Results

The net incoming resources for the year amounted to £74,206 (1998: £1,418,665).

Directors and Officers

The Directors and Officers of the Company, who served throughout the year except where indicated, are as follows:

Directors

Sir. Ralph Riley DSc FRS (resigned 2 July 1999)
Prof. E.C. Cocking DSc FRS
Dr. P. Doyle CBE FRSE (resigned 30 April 1998)
Mr. A.F. Pemberton MA FRAgS
Mr. I.G.T. Ferguson
Dr M.W. Elves DSc LLB FRCPath FIBiol (appointed 2 July 1999)

The Directors are also the members of the Company.

Officers

Company Secretary: P.S. Thomas FCA

Constitution

Rothamsted Experimental Station is a company limited by the guarantees of its members to a maximum of £1 each. The company Registration Number is 2393175. It 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.

Organisation

The Board of Directors is responsible for the management of the Company in accordance with the Memorandum and Articles of Association. The Board of Directors advises the Institute Director on the development of policy for the Institute of Arable Crops Research. The relationship with the Company's principal sponsor, Biotechnology and Biological Sciences Research Council, is defined in and determined by the terms and conditions of an annual contract.

Employee Consultation

The Company recognises all appropriate Trade Unions representing staff employed. The Local Negotiating Consultative Committee and the Institute Negotiating Consultative Committee meet twice and four times per year respectively. They provide 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 B.B.S.R.C. Information is also provided at a national and local level through the Annual Report, the Corporate Plan and other publications.

Disabled Persons

The Company has an established policy of encouraging the employment of disabled persons wherever this is practicable. In accordance with current legislation the Institute seeks to employ at least the quota of disabled persons required.

ROTHAMSTED EXPERIMENTAL STATION

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REPORT OF THE DIRECTORS (continued)

Future Developments

The Company will continue to be principally engaged in the field of agricultural research.

Connected Charity

The freehold interest in the Company's two main operating sites is held by The Lawes Agricultural Trust. There is no written agreement for the occupation of these sites and no rent is charged to the Company by the Trust.

Assets and Obligations

The net assets of the Company are available and adequate to fulfil its obligations.

Reserves Policy

The Company's reserves policy seeks to ensure that sufficient reserves are available to fulfil its cashflow obligations and longer term liabilities. The policy is reviewed annually or earlier if a fundamental change is required.

Year 2000 Compliance

The Company has considered the risks and uncertainties of Year 2000 compliance on its business and operations. Plans have been drawn up and timescales set to ensure that all material software and hardware at risk will be Year 2000 compliant, and this will be completed prior to 31 December 1999.

Statement of Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the surplus or deficit for that period. In preparing those financial statements and recognising the charitable status of the Company, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

ROTHAMSTED EXPERIMENTAL STATION

(A company limited by guarantee)

REPORT OF THE DIRECTORS (continued)

Statement of Directors' Responsibilities (continued)

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

 **By Order Of The Board**

P.S. Thomas

Company Secretary

Rothamsted Experimental Station
Harpenden
Herts.
AL5 2JQ

Dated: *25 January 2000*

AUDITORS' REPORT TO THE MEMBERS OF

ROTHAMSTED EXPERIMENTAL STATION

(A company limited by guarantee)

We have audited the financial statements on pages 6 to 19 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

Respective responsibilities of Directors and Auditors

As described on page 3 the Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 31st March 1999 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Fraser Russell

FRASER RUSSELL
Chartered Accountants
and Registered Auditors

Bluecoats House
Bluecoats Avenue
Hertford
Hertfordshire SG14 1PB

Dated: *25 JANUARY 2000*

ROTHAMSTED EXPERIMENTAL STATION

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST MARCH 1999

	Notes	Unrestricted General Funds £	Unrestricted Designated Funds £	Restricted Fund £	1999 Total Funds £	1998 Total Funds £
Incoming Resources	3					
Grants receivable		10,722,388	-	-	10,722,388	10,982,682
Other sponsors of research		6,247,702	-	-	6,247,702	6,077,628
Less: Deferred income		(47,210)	-	-	(47,210)	(70,612)
Other income		1,547,534	-	-	1,547,534	2,450,008
Canteen		-	57,601	-	57,601	65,791
Manor House		-	200,224	-	200,224	186,807
Capital grants and minor works		-	-	1,050,219	1,050,219	384,918
Bank interest		210,110	-	-	210,110	110,055
Total Incoming Resources		<u>18,680,524</u>	<u>257,825</u>	<u>1,050,219</u>	<u>19,988,568</u>	<u>20,187,277</u>
Resources Expended						
Direct charitable expenditure		16,947,439	672,230	1,098,707	18,718,376	17,625,674
Fundraising and publicity		416,590	-	-	416,590	392,186
Management and administration		779,396	-	-	779,396	750,752
Total Resources Expended	4	<u>18,143,425</u>	<u>672,230</u>	<u>1,098,707</u>	<u>19,914,362</u>	<u>18,768,612</u>
Net Incoming/(Outgoing) resources before Transfers		<u>537,099</u>	<u>(414,405)</u>	<u>(48,488)</u>	<u>74,206</u>	<u>1,418,665</u>
Transfer between funds		(500,026)	500,026	-	-	-
Net Incoming/(outgoing) resources for the year		<u>37,073</u>	<u>85,621</u>	<u>(48,488)</u>	<u>74,206</u>	<u>1,418,665</u>
Fund balances brought forward as at 1st April 1998		1,895,766	2,282,535	367,692	4,545,993	3,127,328
Fund balances carried forward as at 31st March 1999	16	<u>£1,932,839</u>	<u>£2,368,156</u>	<u>£319,204</u>	<u>£4,620,199</u>	<u>£4,545,993</u>

The notes on pages 9 to 18 form part of these financial statements.

ROTHAMSTED EXPERIMENTAL STATION

(A company limited by guarantee)

BALANCE SHEET

AS AT 31ST MARCH 1999

		1999		1998	
Fixed Assets	Notes	£	£	£	£
Tangible Assets	7		1,726,816		1,693,918
Investments	8		2		-
			<u>1,726,818</u>		<u>1,693,918</u>
Current Assets					
Stock	9	53,101		103,378	
Debtors - due within one year	10	2,312,777		3,831,136	
Debtors - due after one year	10	58,785		651,088	
Bank balances and cash		3,141,983		2,830,087	
		<u>5,566,646</u>		<u>7,415,689</u>	
Less: Creditors:					
Amounts falling due within one year	11	(2,673,265)		(3,946,119)	
Net Current Assets			<u>2,893,381</u>		<u>3,469,570</u>
Total Assets less Current Liabilities			<u>4,620,199</u>		<u>5,163,488</u>
Less: Creditors:					
Amounts falling due after more than one year	12		-		(617,495)
Total Assets less Total Liabilities			<u><u>£4,620,199</u></u>		<u><u>£4,545,993</u></u>
Represented by:					
Unrestricted Funds					
<i>Undesignated Funds</i>	16				
General Fund			1,932,839		1,895,766
<i>Designated Funds</i>	16				
Capital Reserve Fund		300,000		300,000	
Canteen Fund		15,405		14,519	
Manor House Fund		45,139		41,890	
Undepreciated Capital Fund		1,407,612		1,326,126	
Intellectual Property Research and Development Fund		500,000		500,000	
Rothamsted Manor Maintenance Fund		100,000		100,000	
		<u>2,368,156</u>		<u>2,282,535</u>	
Restricted Funds					
Undepreciated BBSRC Capital Fund	16		319,204		367,692
			<u>£4,620,199</u>		<u>£4,545,993</u>

Approved by the Board on 25 January 2000

Director E. C. Koch

Director [Signature]

The notes on pages 9 to 18 form part of these financial statements

ROTHAMSTED EXPERIMENTAL STATION

(A company limited by guarantee)

CASH FLOW STATEMENT**FOR THE YEAR ENDED 31ST MARCH 1999**

	Note	1999 £	1998 £
Net cash inflow from operating activities	17	1,477,981	784,288
Return on investments and servicing of finance			
Interest Received		210,110	110,055
Capital expenditure			
Purchases of Tangible Fixed Assets		(567,486)	(438,966)
Sales of Tangible Fixed Assets		17,693	-
Net cash outflow from capital expenditure		(549,793)	(438,966)
Net cash inflow before financing		1,138,298	455,377
Financing			
Capital Grants Received (net)		67,560	134,166
Repayment of Bank Loan		(893,962)	(276,466)
Net cash outflow from financing		(826,402)	(142,300)
Increase in cash	18	£311,896	£313,077

The notes on pages 9 to 18 form part of these financial statements

ROTHAMSTED EXPERIMENTAL STATION

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1999

1. Accounting Policies

- a) The financial statements have been prepared under the historical cost convention. The financial statements meet the requirements of the Companies Act 1985, the Statement of Recommended Practice "Accounting by Charities" and applicable accounting standards so far as these requirements are appropriate. Significant departures from applicable accounting standards are included in the accounting policies disclosed below.

b) Fixed Assets

Fixed Assets are depreciated to their estimated residual values over their expected useful lives on a straight line basis:

Plant & Machinery	3 - 10 years
Fixtures & Fittings	5 - 10 years

c) Stocks

Owing to the nature of the Company's funding, research stocks are treated as an expense item and are not carried forward as required by Statement of Standard Accounting Practice Number 9.

Marketable stock and work in progress is valued at the lower of cost and net realisable value.

d) Value Added Tax

Expenditure includes its related Value Added Tax under each heading. Reclaimable Input Value Added Tax is included in Gross Income.

e) Grants

Expenditure on fixed assets is financed by grants from the Biotechnology and Biological Sciences Research Council and other sponsors of research. The grants provided by the Biotechnology and Biological Sciences Research Council are credited in the Statement of Financial Activities to the Restricted fund in the year that the grant is received. This treatment is in accordance with the SORP but is not in accordance with Statement of Standard Accounting Practice 4 under which such grants would be released to revenue over the life of the asset concerned, to match the depreciation charge. This latter treatment is adopted for the purpose of the Summary Income and Expenditure account.

Grants received on Unrestricted Funds, whether designated in respect of other fixed asset expenditure or undesignated, are deferred to the extent that they relate to expenditure where the donor has stipulated that they be incurred in future periods.

f) Operating Leases

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

2. Charitable Status

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

ROTHAMSTED EXPERIMENTAL STATION

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1999

(Continued)

3. Incoming Resources

(a) Incoming Resources represent the grants received and the invoiced amount of goods sold and services provided. Value added tax recoverable is included in miscellaneous income and contains an amount of £642,094 (1998 £1,066,823) relating to prior accounting years. They are all derived from continuing operations of the company.

(b) The analysis of Incoming Resources is as follows:

	Unrestricted £	Restricted £	1999 Total £	1998 Total £
BBSRC Competitive Strategic Grant	5,488,000	-	5,488,000	5,349,400
Competitive Project Grant	986,296	-	986,296	1,020,795
Minor Works	-	173,500	173,500	159,518
Other Grants	-	876,719	876,719	91,234
Total BBSRC	6,474,296	1,050,219	7,524,515	6,620,947
MAFF 'Umbrella' Contract Projects	4,188,439	-	4,188,439	4,479,315
MAFF Competitive Projects	1,418,834	-	1,418,834	1,488,746
Other Government Departments, Public Sector (see below)	583,475	-	583,475	842,431
European Union	1,423,668	-	1,423,668	989,405
Industry, Levy Boards	2,651,016	-	2,651,016	2,665,281
Trusts, Foundations, Charities	172,165	-	172,165	138,324
Universities	10,987	-	10,987	16,000
Other Grant Income	-	-	-	134,166
Income from Farm Operations	287,645	-	287,645	327,951
Interest Receivable	210,111	-	210,111	110,055
Miscellaneous Income	1,517,713	-	1,517,713	2,374,656
Total Incoming Resources	£18,938,349	£1,050,219	£19,988,568	£20,187,277
Government Department/Public Sector				
Department of Trade and Industry (ETSU)	4,454	-	4,454	4,898
Department of Environment	104,311	-	104,311	64,212
British Council	(285)	-	(285)	-
Department for International Development	335,647	-	335,647	419,174
Other Research Councils	63,568	-	63,568	46,814
Others	75,780	-	75,780	307,333
	£583,475	-	£583,475	£842,431

ROTHAMSTED EXPERIMENTAL STATION

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1999

(Continued)

3. Incoming Resources (Continued)

(c) The analysis of incoming resources by geographical region is as follows:

	General Funds £	Designated Funds £	Restricted Funds £	Total £	Total 1998 £
The analysis by region is set out below:					
United Kingdom	17,422,121	257,825	1,050,219	18,730,165	18,529,622
Europe: EC	1,002,680	-	-	1,002,680	1,450,935
Other	97,066	-	-	97,066	80,089
North America	67,627	-	-	67,627	86,657
Others	91,030	-	-	91,030	39,974
	<u>£18,680,524</u>	<u>£257,825</u>	<u>£1,050,219</u>	<u>£19,988,568</u>	<u>£20,187,277</u>

4. Analysis of resources expended

(a) Direct Charitable
Expenditure:

Salary Costs	11,281,830	99,431	-	11,381,261	11,200,934
Other Costs	5,665,609	154,259	982,659	6,802,527	5,858,639
Depreciation	-	418,540	116,048	534,588	566,101
	<u>£16,947,439</u>	<u>£672,230</u>	<u>£1,098,707</u>	<u>£18,718,376</u>	<u>£17,625,674</u>

(b) Fundraising and
Publicity:

Salary Costs	309,243	-	-	309,243	306,357
Other Costs	107,347	-	-	107,347	85,829
	<u>£416,590</u>	<u>-</u>	<u>-</u>	<u>£416,590</u>	<u>£392,186</u>

(c) Management and
Administration:

Salary Costs	714,849	-	-	714,849	698,535
Other Costs *	64,547	-	-	64,547	52,217
	<u>£779,396</u>	<u>-</u>	<u>-</u>	<u>£779,396</u>	<u>£750,752</u>

Total

	<u>£18,143,425</u>	<u>£672,230</u>	<u>£1,098,707</u>	<u>£19,914,362</u>	<u>£18,768,612</u>
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* Trustees expenses included with management and administration costs represents the re-imbursement of Trustees of travel and subsistence expenses of £335 (1998: £123). The number of Trustees receiving re-imbursement of expenses was 2 (1998: 2).

ROTHAMSTED EXPERIMENTAL STATION

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1999

(Continued)

5. Staff costs and numbers

	General Funds £	Designated Funds £	Restricted Funds £	Total £	Total 1998 £
Staff costs:					
Salaries and Wages	10,620,953	85,698	-	10,706,651	10,513,289
Social Security Costs	602,616	3,553	-	606,169	617,671
Other Pension Costs	1,082,353	10,180	-	1,092,533	1,074,866
	<u>£12,305,922</u>	<u>£99,431</u>	<u>-</u>	<u>£12,405,353</u>	<u>£12,205,826</u>

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

	1999 No.	1998 No.
Science, administration and technical staff	482	549
Sandwich Course Students	38	13
Agricultural Wages Board	7	8
	<u>527</u>	<u>570</u>

The number of staff with emoluments greater than £40,000 was:

£40,000-£49,999	9	12
£50,000-£59,999	5	1
£60,000-£69,999	-	1
	<u>14</u>	<u>14</u>

(b) Pensions are provided for all staff, with the exception of casual employees and trainees, under the Research Councils Superannuation Scheme. This is a defined benefit scheme. The pension costs represents contributions payable by the company to the scheme and amount to £1,092,533 (1998: £1,074,866). The scheme also provides for benefits to be paid to staff in the cases of retirement for medical reasons and redundancy whether voluntary or otherwise.

(c) Trustees receive no remuneration (1998: nil).

ROTHAMSTED EXPERIMENTAL STATION

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1999

(Continued)

6. Net incoming resources is stated after charging/(crediting) the following

	1999 £	1998 £
Interest Received	(210,110)	(110,055)
Auditors' remuneration:		
Audit Services	12,925	15,000
Non Audit Services	682	3,334
Directors' emoluments	-	-
Hire of Plant and Machinery	17,132	20,740
Depreciation	534,588	566,101
Operating Lease Rentals: Land and Buildings	3,000	3,000
	<u> </u>	<u> </u>

7. Tangible fixed assets

	Plant & Machinery £	Fixtures & Fittings £	Total £
Cost:			
As at 1st April 1998	4,794,135	1,787,723	6,581,858
Additions	411,744	155,742	567,486
Disposals	(21,477)	(20,279)	(41,756)
As at 31st March 1999	<u>5,184,402</u>	<u>1,923,186</u>	<u>7,107,588</u>
Accumulated Depreciation:			
As at 1st April 1998	3,415,287	1,472,653	4,887,940
Provision for year	351,880	182,708	534,588
Disposals	(21,477)	(20,279)	(41,756)
As at 31st March 1999	<u>3,745,690</u>	<u>1,635,082</u>	<u>5,380,772</u>
Net Book Value:			
As at 31st March 1999	<u>£1,438,712</u>	<u>£288,104</u>	<u>£1,726,816</u>
As at 1st April 1998	<u>£1,378,848</u>	<u>£315,070</u>	<u>£1,693,918</u>

ROTHAMSTED EXPERIMENTAL STATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1999
(Continued)

8. Investments

	1999 £	1998 £
Investment in subsidiary company – at cost	2	-
	<u> </u>	<u> </u>

The Company owns 100% of the ordinary share capital of its subsidiary undertaking, Rothamsted Technologies Limited, which is incorporated in the United Kingdom. The subsidiary undertaking was incorporated on 3 December 1997 and commenced trading on 1 July 1998 as the parent company for all commercial activities.

Group accounts have not been prepared on the grounds of immateriality. The aggregate amount of capital and reserves and the results of this undertaking for the financial year was as follows:

Capital and Reserves	£(5,871)
	<u> </u>
Results for the year	£(5,873)
	<u> </u>

9. Stocks

	1999 £	1998 £
Goods for resale	53,101	£103,378
	<u> </u>	<u> </u>

10. Debtors

Trade Debtors	981,235	1,487,592
Other Debtors	300,365	1,424,008
Amounts owed by subsidiary undertakings	7,126	-
Prepayments and Accrued Income - due within one year	1,024,051	919,536
	<u>2,312,777</u>	<u>3,831,136</u>
Other debtors - due after one year	58,785	651,088
	<u>£2,371,562</u>	<u>£4,482,224</u>

11. Creditors: amounts falling due within one year

Bank Loan	-	276,467
Trade Creditors	649,686	246,248
Other Creditors	542,248	568,069
Taxation and Social Security	138,869	51,564
Accruals and deferred income	1,342,462	2,803,771
	<u>£2,673,265</u>	<u>£3,946,119</u>

ROTHAMSTED EXPERIMENTAL STATION

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1999

(Continued)

12.	Creditors: amounts falling due after more than one year	1999	1998
		£	£
	Bank Loan	£ -	£617,495

The loan was repaid in full during the financial year.

13. Insurance

In line with government policy no proportion of funds contributed by Government bodies is expended upon insurance on equipment, stocks etc. Any loss which might occur as a result of the policy would be discussed with the Biotechnology and Biological Sciences Research Council and H.M. Treasury with whom any decision to defray such loss would rest.

14. Contingent Liabilities

Under the terms of the contract between the Company and the Biotechnology and Biological Sciences Research Council, should certain fixed assets be sold, a proportion of the proceeds might become payable by the Company to the Research Council. No such liability exists at 31st March 1999 (1998 £Nil).

15. Commitments

Operating Leases:

At 31st March 1999 the company had annual commitments under non-cancellable operating leases expiring as follows:

	1999	1998
	£	£
Land and Building:		
Within 1 year	3,000	3,000

16. Funds

(a) Summary

	Unrestricted	Restricted	Total
	£	£	£
Funds as at 31st March 1999	£4,300,995	£319,204	£4,620,199
Funds Balances are represented by:			
Fixed assets	1,407,614	319,204	1,726,818
Current assets	5,566,646	-	5,566,646
Current liabilities	(2,673,265)	-	(2,673,265)
Total Net Assets	£4,300,995	£319,204	£4,620,199

(b) Undesignated Funds

(i) General Fund

	1999	1998
	£	£
Balance brought forward	1,895,766	996,356
Net Incoming Resources	37,073	899,410
Balance carried forward	£1,932,839	£1,895,766

ROTHAMSTED EXPERIMENTAL STATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1999

(Continued)

16. Funds (continued)	1998 £	1998 £
(c) Designated Funds		
(i) Capital Reserve Fund		
Balance brought forward	300,000	250,000
Transfer from General Fund	-	50,000
Balance carried forward	<u>£300,000</u>	<u>£300,000</u>
The capital Reserve Fund provides for capital expenditure in future years.		
(ii) Canteen Fund		
Balance brought forward	14,519	24,158
Net incoming/(outgoing) resources	886	(9,639)
Balance carried forward	<u>£15,405</u>	<u>£14,519</u>
This fund represents the retained balance on the operation of the canteen.		
(iii) Manor House Fund		
Balance brought forward	41,890	35,761
Net incoming resources	3,249	6,129
Balance carried forward	<u>£45,139</u>	<u>£41,890</u>
This fund represents the retained balance on the operation of the residential hostel.		
(iv) Undepreciated Capital Fund		
Balance brought forward	1,326,126	1,482,185
Depreciation charge for the year	(418,540)	(460,759)
Monies vired from general fund	500,026	304,700
Balance carried forward	<u>£1,407,612</u>	<u>£1,326,126</u>

This fund represents the undepreciated amounts of funding out of general income which the company has by choice expended on the acquisition of tangible fixed assets.

ROTHAMSTED EXPERIMENTAL STATION

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1999

(Continued)

16.	Funds (continued)	1999	1998
v)	Intellectual Property Research and Development Fund	£	£
	Balance brought forward	500,000	-
	Transfer from General Fund	-	500,000
		<hr/>	<hr/>
	Balance carried forward	£500,000	£500,000
		<hr/>	<hr/>

This fund represents amounts designated by Trustees for future research and development of intellectual property.

vi)	Rothamsted Manor Maintenance Fund		
	Balance brought forward	100,000	-
	Transfer from General Fund	-	100,000
		<hr/>	<hr/>
	Balance carried forward	£100,000	£100,000
		<hr/>	<hr/>

This fund represents amounts designated by Trustees for future maintenance liabilities, under the terms of the Manor House lease.

(d) **Restricted Funds**

(i)	Undepreciated Capital Fund		
	Balance brought forward	367,692	338,868
	Grants received	1,050,219	384,918
	Items not capitalised	(982,659)	(250,752)
	Depreciation charge for the year	(116,048)	(105,342)
		<hr/>	<hr/>
	Balance carried forward	£319,204	£367,692
		<hr/>	<hr/>

This fund represents the undepreciated amounts of funding received from the Biotechnology and Biological Sciences Research Council which are required to be expended on the acquisition of tangible fixed assets.

17. **Reconciliation of the net incoming resources for the year to net cash inflow from operating activities**

Net Incoming Resources	74,206	1,418,665
Interest Receivable	(210,110)	(110,055)
Depreciation Charges	534,588	566,101
Profit on sale of fixed assets	(17,693)	-
Capital Grants (net)	(67,560)	(134,166)
Decrease in Stocks	50,277	14,992
(Increase)/Decrease in Debtors	2,110,660	(1,368,693)
Increase/(Decrease) in Creditors	(996,387)	397,444
	<hr/>	<hr/>
Net Cash Inflow from Operating Activities	£1,477,981	£784,288
	<hr/>	<hr/>

ROTHAMSTED EXPERIMENTAL STATION

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1999

(Continued)

18. Analysis of changes in net Funds

	At 31st March 1998 £	Cash Flow £	At 31st March 1999 £
Bank balances and cash	2,830,087	311,896	3,141,983
Bank loan due within one year	(276,467)	276,467	-
Bank loan due after one year	(617,495)	617,495	-
	<u>£1,936,125</u>	<u>£1,205,858</u>	<u>£3,141,983</u>

19. Reconciliation of net cash to movement in net Funds

	1999 £	1998 £
Increase in cash in the period	311,896	313,077
Cash outflow from repayment of bank loan	893,962	276,466
Change in Net Funds	<u>1,205,858</u>	<u>589,543</u>
Net Funds as at 31st March 1998	1,936,125	1,346,582
Net Funds as at 31st March 1999 (Note 18)	<u><u>£3,141,983</u></u>	<u><u>£1,936,125</u></u>

ROTHAMSTED EXPERIMENTAL STATION

(A company limited by guarantee)

SUMMARY INCOME AND EXPENDITURE ACCOUNT**FOR THE YEAR ENDED 31ST MARCH 1999**

	1999 £	1998 £
Gross income of continuing operations	19,955,570	20,314,474
Total expenditure of continuing operations	(19,914,362)	(18,768,612)
Net income for the year before transfers	41,208	1,545,862
Transfers	-	-
Net income for the year	£41,208	£1,545,862

Reconciliation of net income to net incoming resources for the year

Net income for the year	41,208	1,545,862
Capital Grants received	1,050,219	384,918
Expenditure out of Capital Grants included in the Resources Expended	(982,659)	(250,752)
Monies designated for purchase of capital equipment	500,026	304,700
Deferred income released to Income and Expenditure Account	(534,588)	(566,063)
Net incoming resources for the year (Page 6)	£74,206	£1,418,665

A detailed analysis of income by source is provided in the Statement of Financial Activities.

None of the company's activities were acquired or discontinued during the above two financial years.

There were no recognised gains or losses other than those stated above.

The notes on pages 9 to 18 form part of these financial statements