

1.

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 1995.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the Company comprise 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 and Broom's Barn Experimental Station together with Long Ashton Research Station form the Institute of Arable Crops Research.

A detailed Report of the scientific work of the Institute is published separately each year.

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

	£
Biotechnology and Biological Sciences Research Council	8,991,127
Sugar Beet Research & Education Committee – levy funding for Broom's Barn	1,545,432
Other sponsors of research	4,092,341
Miscellaneous income, rents, royalties, etc	1,220,929
Income from Research Farm operations	311,573
Bank Interest	74,891
	<hr/>
	16,236,293
	<hr/>

The expectations for the following year are that income from the Biotechnology and Biological Sciences Research Council and the S.B.R.E.C will decline slightly in real terms, while other income will increase in real terms.



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ROTHAMSTED EXPERIMENTAL STATION
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REPORT OF THE DIRECTORS
(Continued)

RESULTS

The surplus for the year amounted to £350,490 (1994: deficit of £17,647).

BOARD OF DIRECTORS

The Directors and Officers of the Company, all of whom served throughout the year were as follows:

Directors

Sir Ralph Riley DSc FRS (Chairman)

Prof. E.C. Cocking DSc FRS (Vice-Chairman)

Dr. P Doyle CBE FRSE

Mr. A.F. Pemberton MA

The Directors are also the members of the Company.

Officers

W. Barnes FCA (Secretary)

CONSTITUTION

The Station is a Company limited by guarantee and not for profit, Registration Number 2393175. It is a registered Charity (Number 802038) and there is not normally a liability to taxation. The liability of the members under the Guarantee is £1 per member.

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 level through the Annual Report of the Council, the Corporate Plan and other publications.

ROTHAMSTED EXPERIMENTAL STATION

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REPORT OF THE DIRECTORS

(Continued)

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.

INSURANCE FOR DIRECTORS AND OFFICERS

During the year the Company maintained liability insurance for its directors and officers.

FUTURE DEVELOPMENTS

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

FIXED ASSETS

Details regarding the movements in fixed assets during the year are shown in Note 6 to the Financial Statements.

The freehold interest in the Company's two main operating sites is held by Lawes Agricultural Trust. There is no formal lease agreement for the occupation of these sites nor is any rent charged to the Company.

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 profit or loss of the company for that period. In preparing those financial statements, 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

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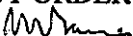
REPORT OF THE DIRECTORS

(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



W. BARNES

Secretary

Harpenden
Herts
AL5 2JQ

Dated: 2nd November 1995

REPORT OF THE AUDITORS TO THE MEMBERS OF

ROTHAMSTED EXPERIMENTAL STATION

(A company limited by guarantee)

We have audited the financial statements on pages 6 to 14 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 company's 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.

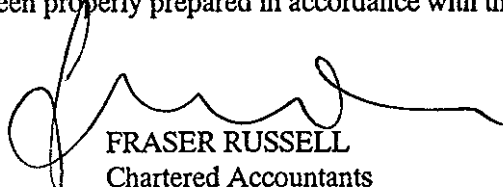
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the 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 misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the 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 1995 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



FRASER RUSSELL
Chartered Accountants
and Registered Auditors

Bluecoats House
Bluecoats Avenue
Hertford
Herts. SG14 1PB

Dated: 2nd November 1995

ROTHAMSTED EXPERIMENTAL STATION

(A company limited by guarantee)

INCOME AND EXPENDITURE ACCOUNTFOR THE YEAR ENDED 31ST MARCH 1995

	<u>Notes</u>	<u>1995</u> £	£	<u>1994</u> £	£
<u>INCOME</u>					
Gross Income	2	15,013,360		14,260,159	
Other Operating Income	3	1,222,933		1,284,920	
		<hr/>		<hr/>	
			16,236,293		15,545,079
<u>LESS: EXPENDITURE</u>					
Staff Costs	4	10,484,535		9,993,821	
General Maintenance Costs	5	5,401,264		5,568,905	
		<hr/>		<hr/>	
			15,885,799		15,562,726
			<hr/>		<hr/>
SURPLUS/(DEFICIT) FOR THE YEAR			350,494		(17,647)
ACCUMULATED SURPLUS BROUGHT FORWARD			434,836		452,483
			<hr/>		<hr/>
ACCUMULATED SURPLUS CARRIED FORWARD			£785,330		£434,836
			<hr/>		<hr/>

*All income is derived from the continuing operations of the company
There were no other recognised gains nor losses other than those stated above.*

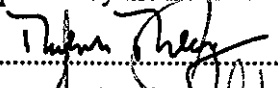
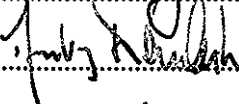
ROTHAMSTED EXPERIMENTAL STATION

(A company limited by guarantee)

BALANCE SHEET AS AT 31ST MARCH 1995

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
		£	£
<u>FIXED ASSETS</u>			
Tangible Assets	6	1,198,799	1,368,720
<u>CURRENT ASSETS</u>			
Stock	7	101,000	80,642
Debtors	8	2,716,230	2,846,217
Cash at Bank and in Hand		1,460,045	892,918
		<hr/>	<hr/>
		4,277,275	3,819,777
LESS: CREDITORS: Amounts falling due within one year	9	(2,142,497)	(1,795,277)
		<hr/>	<hr/>
<u>NET CURRENT ASSETS</u>		2,134,778	2,024,500
		<hr/>	<hr/>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		3,333,577	3,393,220
LESS: CREDITORS: Amounts falling due after more than one year	10	(1,349,448)	(1,589,664)
DEFERRED INCOME: Capital Grants not yet credited to Income		(1,198,799)	(1,368,720)
		<hr/>	<hr/>
		£785,330	£434,836
		<hr/>	<hr/>
Financed By:			
ACCUMULATED INCOME AND EXPENDITURE ACCOUNT	11	785,330	434,836
		<hr/>	<hr/>
		£785,330	£434,836
		<hr/>	<hr/>

Approved by the Board on 2nd November 1995


)

) Directors

The notes on pages 9 to 14 form part of these financial statements.

ROTHAMSTED EXPERIMENTAL STATION

(A company limited by guarantee)

CASH FLOW STATEMENTFOR THE YEAR ENDED 31ST MARCH 1995

	Notes	£	1995	£	£	1994	£
<u>NET CASH IN/(OUT) FLOW FROM</u>							
<u>OPERATING ACTIVITIES</u>	16			413,991		(1,869,917)	
<u>RETURNS ON INVESTMENTS AND</u>							
<u>SERVICING OF FINANCE</u>							
Interest Received			74,891		56,294		
NET CASH INFLOW FROM							
RETURNS ON INVESTMENTS &							
SERVICING OF FINANCE				74,891		56,294	
<u>INVESTING ACTIVITIES</u>							
Payments to Acquire							
Tangible Fixed Assets			(452,398)		(530,300)		
Receipts from the Sale of							
Tangible Fixed Assets			5,281		-		
NET CASH IN/(OUT) FLOW FROM							
INVESTING ACTIVITIES				(447,117)		(530,300)	
NET CASH OUTFLOW BEFORE							
FINANCING				41,765		(2,343,923)	
<u>FINANCING</u>							
Capital Grants Received			525,362		526,616		
Bank Loan Received			-		1,940,922		
NET CASH INFLOW FROM FINANCING				525,362		2,467,538	
<u>INCREASE IN CASH AND</u>							
<u>CASH EQUIVALENTS</u>	17			£567,127		£123,615	

ROTHAMSTED EXPERIMENTAL STATION

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NOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31ST MARCH 19951. ACCOUNTING POLICIESa) Accounting Convention

The accounts have been prepared under the historical cost convention. The Accounts meet the requirements of the Companies Act 1985 and applicable accounting standards so far as these requirements are appropriate. Significant departures from applicable accounting standards are disclosed below.

b) Fixed Assets

- i) Fixed Assets are depreciated to their estimated residual values by equal quarterly instalments over their expected useful lives;

Plant & Machinery	5 – 10 Years
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Fixtures and Fittings	3 – 10 Years
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- ii) Expenditure on fixed assets is financed by grants from the Biotechnology and Biological Sciences Research Council. Grants provided for the purchase of assets are treated as deferred income, and credited to the Income and Expenditure Account by instalments over the expected useful lives of the related assets, on a basis consistent with the depreciation policy.

c) Stocks

Owing to the nature of the funding, research stocks are treated as an expense item and not carried forward as required by SSAP 9.

Marketable stock and work in progress are 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

Grants received from the Biotechnology and Biological Sciences Research Council (BBSRC) and other granting bodies of a revenue nature are credited to the Income and Expenditure Account in accordance with the related expenditure; grants to finance expenditure on fixed assets are dealt with as outlined in (b) (ii) above.

f) Operating Leases

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

ROTHAMSTED EXPERIMENTAL STATION
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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1995
(Continued)

2. **GROSS INCOME**

Gross income represents the grants received and the invoiced amounts of goods sold and services provided (stated net of value added tax).

	<u>1995</u>	<u>1994</u>
	£	£
Block Grant from BBSRC	9,914,241	9,541,827
Other Sponsors of Research	4,209,011	3,983,479
Income from Research Farm Operations	311,573	282,643
Miscellaneous Income etc	695,205	641,674
	<hr/>	<hr/>
	15,130,080	14,449,623
Less Deferred Income	(116,670)	(189,464)
	<hr/>	<hr/>
	£15,013,360	£14,260,159
	<hr/>	<hr/>
The analysis by region is set out below:--		
United Kingdom	14,093,379	13,494,866
Europe: EC Commission	691,810	715,157
Other	163,413	
North America	-	5,300
Others	64,758	8,264
	<hr/>	<hr/>
	£15,013,360	£14,260,159
	<hr/>	<hr/>

3. **OTHER OPERATING INCOME**

Rents Received	528,337	597,489
Bank Interest Received	74,891	56,294
Deferred Capital Grant Released to Income	619,705	631,137
	<hr/>	<hr/>
	£1,222,933	£1,284,920
	<hr/>	<hr/>

4. **STAFF COSTS**

Salaries and Wages	9,745,053	9,257,187
Social Security Payments	739,482	736,634
	<hr/>	<hr/>
	£10,484,535	£9,993,821
	<hr/>	<hr/>

ROTHAMSTED EXPERIMENTAL STATION

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NOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31ST MARCH 1995

(Continued)

4. STAFF COSTS (Continued)

(a) The average number of persons employed in the financial year was 532 (1994: 556).

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

	<u>1995</u> <u>No.</u>	<u>1994</u> <u>No.</u>
Science, administration and technical staff	513	528
Sandwich Course Students	10	17
Agricultural Wages Board	9	11
	<hr/> 532	<hr/> 556

(c) Pensions are provided for all staff with the exception of casuals and trainees under the B.B.S.R.C. Superannuation Scheme. This scheme also provides for benefits to be paid to staff in the cases of retirement for medical reasons and redundancy whether voluntary or otherwise.

5. GENERAL MAINTENANCE COSTS INCLUDES THE FOLLOWING:

	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Net Decrease in stock valuation	20,358	81,919
Auditors' Remuneration:		
Statutory Audit	15,247	14,750
Other Services	2,900	2,300
Directors' Emoluments	-	-
Hire of Plant and Machinery	14,667	14,406
Depreciation	619,705	631,137
Operating Lease Rentals:		
Land and Buildings	19,000	18,750
	<hr/>	<hr/>

ROTHAMSTED EXPERIMENTAL STATION
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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1995
(Continued)

6. TANGIBLE FIXED ASSETS

	<u>Plant & Machinery</u> £	<u>Fixtures, Fittings, Tools & Equipment</u> £	<u>Total</u> £
Cost or Valuation:			
At 1st April 1994	2,985,279	1,277,819	4,263,098
Additions	326,108	126,290	452,398
Disposals	(3,048)	(27,245)	(30,293)
	<hr/>	<hr/>	<hr/>
At 31st March 1995	3,308,339	1,376,864	4,685,203
	<hr/>	<hr/>	<hr/>
Accumulated Depreciation:			
At 1st April 1994	1,976,228	918,150	2,894,378
Provision for year	433,235	186,470	619,705
Disposals	(2,793)	(24,886)	(27,679)
	<hr/>	<hr/>	<hr/>
At 31st March 1995	2,406,670	1,079,734	3,486,404
	<hr/>	<hr/>	<hr/>
Net Book Value:			
At 31st March 1995	901,669	279,130	1,198,799
	<hr/>	<hr/>	<hr/>
At 1st April 1994	1,009,051	359,669	1,368,720
	<hr/>	<hr/>	<hr/>

7. STOCKS

	<u>1995</u> £	<u>1994</u> £
The stock consists of:		
Trade Stock	£101,000	£ 80,642
	<hr/>	<hr/>

8. DEBTORS

Trade Debtors	767,702	148,090
Other Debtors	42,566	36,408
Prepayments	1,905,962	2,661,719
	<hr/>	<hr/>
	2,716,230	2,846,217
	<hr/>	<hr/>

Included in prepayments is £1,349,448 (1994: £1,589,664) due after one year.

ROTHAMSTED EXPERIMENTAL STATION
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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1995
(Continued)

9.	<u>CREDITORS:</u> amounts falling due within one year	<u>1995</u>	<u>1994</u>
		£	£
	Bank Loan	360,000	351,258
	Trade Creditors	91,293	109,356
	Other Creditors	155,659	29,075
	Taxation and Social Security	34,687	95,192
	Accruals and Deferred Income	1,500,858	1,210,396
		<u>£2,142,497</u>	<u>£1,795,277</u>

10.	<u>CREDITORS:</u> amounts falling due after more than one year		
	Bank Loan	£1,349,448	£1,589,664

The loan is secured by the assignment of the fuel supply contract to which it relates.

11.	<u>RESERVES</u>	<u>1995</u>	<u>1994</u>
	Reconciliation of Movements on Reserves:	£	£
	Total Recognised Gains/(Losses) for the Year (See page 6)	350,494	(17,647)
	Opening Reserves at 1st April 1994	434,836	452,483
	Closing Reserves at 31st March 1995	<u>£785,330</u>	<u>£434,836</u>

12. INSURANCE

In line with government policy no insurance is effected on buildings, equipment, stocks etc. Any loss which might occur as a result of this policy would be discussed with the Biotechnology and Biological Sciences Research Council, with whom any decision to defray such loss would lie.

13. CONTINGENT LIABILITIES

There is a contingent liability to account to the Biotechnology and Biological Sciences Research Council for the net proceeds of disposal of certain fixed assets acquired with grant assistance and for recurrent grant in excess of the financing requirements.

ROTHAMSTED EXPERIMENTAL STATION
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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1995

(Continued)

14. COMMITMENTS

Operating Leases:

At 31st March 1995 the Institute had annual commitments under non-cancellable operating leases expiring as follows:-

	<u>1995</u>	<u>1994</u>
	£	£
Land & Buildings:		
Within 1 year	16,000	16,000
2 - 5 years	3,000	3,000
	<u>£19,000</u>	<u>£ 19,000</u>

15. RECONCILIATION OF THE SURPLUS
FOR THE YEAR TO NET CASH INFLOW/(OUT)
FROM OPERATING ACTIVITIES

	<u>1995</u>	<u>1994</u>
	£	£
Surplus/(Deficit) for the Year	350,494	(17,647)
Interest Receivable	(74,891)	(56,294)
Depreciation Charges	619,705	631,137
Deferred Capital Grant taken to Income	(619,705)	(631,137)
Surplus on Sale of Fixed Assets	(2,668)	-
(Increase)/Decrease in Stocks	(20,358)	81,919
Decrease/(Increase) in Debtors	129,987	(2,005,601)
Increase in Creditors	31,427	127,706
Net Cash In/(Out) flow from Operating Activities	<u>£413,991</u>	<u>£(1,869,917)</u>

16. ANALYSIS OF CHANGES IN CASH AND CASH
EQUIVALENTS DURING THE YEAR

Balance at 1st April 1994	892,918	769,303
Net Cash Inflow during the Year	567,127	123,615
Balance at 31st March 1995	<u>£1,460,045</u>	<u>£892,918</u>

Cash and cash equivalents comprise cash at bank and in hand of £1,460,045 (1994: £892,918).