

**ROTHAMSTED EXPERIMENTAL STATION**  
(a company limited by guarantee)

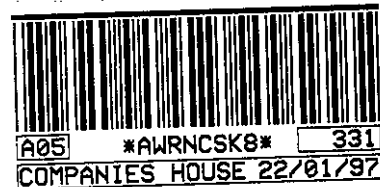
**FINANCIAL STATEMENTS**

**YEAR ENDED 31ST MARCH 1996**

Company Number: 2393175

**INDEX**

	<b><u>Page</u></b>
Directors' Report	1 - 4
Auditors' Report	5
Income and Expenditure Account	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Financial Statements	9 - 14



**FRASER RUSSELL**  
Chartered Accountants  
Bluecoats House  
Bluecoats Avenue  
Hertford  
Herts. SG14 1PB

**ROTHAMSTED EXPERIMENTAL STATION**  
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**REPORT OF THE DIRECTORS**

The Directors submit their Annual Report together with the audited Financial Statements for the year ended 31st March 1996.

**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 (a company limited by guarantee) comprises Rothamsted Experimental Station and Broom's Barn Experimental Station. Together with Long Ashton Research Station they 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	10,449,676
Sugar Beet Research & Education Committee – levy funding for Broom's Barn	1,039,440
Other sponsors of research	5,612,511
Miscellaneous income, rents, royalties, etc	1,592,968
Income from Research Farm operations	419,649
Bank Interest	55,249
	<hr/> £19,169,493 <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.

**ROTHAMSTED EXPERIMENTAL STATION**  
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**REPORT OF THE DIRECTORS**  
(Continued)

**RESULTS**

The surplus for the year amounted to £ 417,026 (1995: surplus of £350,494). A transfer of £250,000 was made to the Capital Reserve Account, leaving a net surplus of £167,026 to be transferred to the Accumulated Income and Expenditure Fund.

**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 - Retired 31 August 1996)  
P.S. Thomas (Secretary - Appointed 1 September 1996)

**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 and in accordance with current legislation.

**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

  
P.S. THOMAS

Secretary

Harpenden  
Herts  
AL5 2JQ

Dated: 7<sup>th</sup> January 1999

**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.

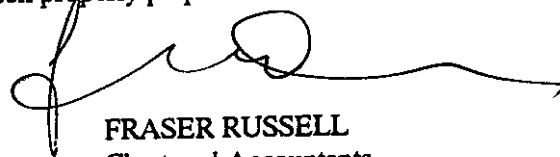
**Basis of opinion**

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 1996 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: 7<sup>th</sup> January 1997

**ROTHAMSTED EXPERIMENTAL STATION**  
 (A company limited by guarantee)  
**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31ST MARCH 1996**

		<u>1996</u>		<u>1995</u>	
	<u>Notes</u>	£	£	£	£
<b>INCOME</b>					
Gross Income	2	18,213,171		15,013,360	
Other Operating Income	3	956,322		1,222,933	
		<hr/>		<hr/>	
			19,169,493		16,236,293
<b>EXPENDITURE</b>					
Staff Costs	4	11,943,245		10,484,535	
General Maintenance Costs	5	6,809,222		5,401,264	
		<hr/>		<hr/>	
			18,752,467		15,885,799
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>			<hr/> 417,026		<hr/> 350,494
<b>TRANSFER TO CAPITAL RESERVE</b>			(250,000)		-
			<hr/> 167,026		<hr/> 350,494
<b>ACCUMULATED SURPLUS BROUGHT FORWARD</b>			785,330		434,836
<b>ACCUMULATED SURPLUS CARRIED FORWARD</b>			<hr/> £952,356		<hr/> £785,330

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

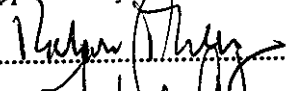
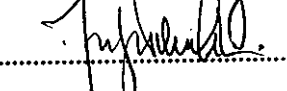
*The company has no recognised gains or losses other than those dealt  
with in the Income and Expenditure Account.*

**ROTHAMSTED EXPERIMENTAL STATION**  
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**BALANCE SHEET AS AT 31ST MARCH 1996**

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
		£	£
<b>FIXED ASSETS</b>			
Tangible Assets	6	1,506,208	1,198,799
<b>CURRENT ASSETS</b>			
Stock	7	147,124	101,000
Debtors - due within one year	8	1,676,464	1,366,782
Debtors - due after one year	8	1,101,576	1,349,448
Cash at Bank and in Hand		1,068,919	1,460,045
		<u>3,994,083</u>	<u>4,277,275</u>
CREDITORS: Amounts falling due within one year	9	1,690,151	2,142,497
<b>NET CURRENT ASSETS</b>		<u>2,303,932</u>	<u>2,134,778</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,810,140</u>	<u>3,333,577</u>
CREDITORS: Amounts falling due after more than one year	10	1,101,576	1,349,448
<b>DEFERRED INCOME: Capital Grants not yet credited to Income</b>		<u>1,506,208</u>	<u>1,198,799</u>
		<u>£1,202,356</u>	<u>£785,330</u>
<b>Financed By:</b>			
ACCUMULATED INCOME AND EXPENDITURE ACCOUNT	11	952,356	785,330
CAPITAL RESERVE	12	250,000	-
		<u>£1,202,356</u>	<u>£785,330</u>

Approved by the Board on 7<sup>th</sup> January 1997

  
 ..... )  
  
 ..... ) Directors

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



ROTHAMSTED EXPERIMENTAL STATION  
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CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 1996

	Notes	£	1996	£	£	1995	£
NET CASH (OUT)/IN FLOW FROM OPERATING ACTIVITIES	16			(501,625)			413,991
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE							
Interest Received				55,249			74,891
INVESTING ACTIVITIES							
Payments to Acquire Tangible Fixed Assets			(852,963)		(452,398)		
Receipts from the Sale of Tangible Fixed Assets			24,062		5,281		
NET CASH IN/(OUT) FLOW FROM INVESTING ACTIVITIES				(828,901)			(447,117)
NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING				(1,275,277)			41,765
FINANCING							
Capital Grants Received				884,151			525,362
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	17			£(391,126)			£567,127

**ROTHAMSTED EXPERIMENTAL STATION**  
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**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31ST MARCH 1996**

1. **ACCOUNTING POLICIES**

a) **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. The requirement of the new statement of Recommended Practice for Charities will be adopted in full in the Financial Statements in the year ended 31 March 1997. The main difference will be the inclusion of a new primary statement 'The Statement of Financial Activities'.

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 1996**  
(Continued)

2. **GROSS INCOME**

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

	<u>1996</u>	<u>1995</u>
	£	£
Block Grant from BBSRC and SBREC	10,958,154	9,914,241
Other Sponsors of Research	5,780,436	4,209,011
Income from Research Farm Operations	419,649	311,573
Miscellaneous Income etc	1,222,857	695,205
	<u>18,381,096</u>	<u>15,130,030</u>
Less Deferred Income	(167,925)	(116,670)
	<u>£18,213,171</u>	<u>£15,013,360</u>
The analysis by region is set out below:-		
United Kingdom	17,337,256	14,093,379
Europe: EC Commission	816,652	691,810
Other	783	163,413
North America	7,906	-
Others	50,574	64,758
	<u>£18,213,171</u>	<u>£15,013,360</u>

3. **OTHER OPERATING INCOME**

Rents Received	370,111	528,337
Bank Interest Received	55,249	74,891
Deferred Capital Grant Released to Income	530,962	619,705
	<u>£956,322</u>	<u>£1,222,933</u>

4. **STAFF COSTS**

Salaries and Wages	11,178,001	9,745,053
Social Security Payments	765,244	739,482
	<u>£11,943,245</u>	<u>£10,484,535</u>

**ROTHAMSTED EXPERIMENTAL STATION**  
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**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31ST MARCH 1996**  
(Continued)

4. **STAFF COSTS** (Continued)

- (a) The average number of persons employed in the financial year was 559 (1995: 532).
- (b) The average number of persons (full time equivalent) employed by category was:-

	<u>1996</u> <u>No.</u>	<u>1995</u> <u>No.</u>
Science, administration and technical staff	543	513
Sandwich Course Students	8	10
Agricultural Wages Board	8	9
	<u>559</u>	<u>532</u>

- (c) Pensions are provided for all staff under the B.B.S.R.C Superannuation Scheme with the exception of casual labour and trainees. 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**

	<u>£</u>	<u>£</u>
General maintenance costs include the following:		
Net Increase in stock valuation	46,125	20,358
Auditors' Remuneration:		
Statutory Audit	13,900	15,247
Other Services	3,000	2,900
Hire of Plant and Machinery	15,972	14,667
Depreciation	530,962	619,705
	<u>530,962</u>	<u>619,705</u>

**ROTHAMSTED EXPERIMENTAL STATION**  
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**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31ST MARCH 1996**  
(Continued)

6.	<b><u>TANGIBLE FIXED ASSETS</u></b>	<b>Plant &amp; Machinery £</b>	<b>Fixtures, Fittings, Tools &amp; Equipment £</b>	<b>Total £</b>
	Cost or Valuation:			
	At 1st April 1995	3,308,339	1,376,864	4,685,203
	Additions	560,935	292,028	852,963
	Disposals	(32,541)	(63,055)	(95,596)
	At 31st March 1996	<u>3,836,733</u>	<u>1,605,837</u>	<u>5,442,570</u>
	Accumulated Depreciation:			
	At 1st April 1995	2,406,670	1,079,734	3,486,404
	Provision for year	359,396	171,566	530,962
	Disposals	(32,541)	(48,463)	(81,004)
	At 31st March 1996	<u>2,733,525</u>	<u>1,202,837</u>	<u>3,936,362</u>
	Net Book Value:			
	At 31st March 1996	<u>1,103,208</u>	<u>403,000</u>	<u>1,506,208</u>
	At 1st April 1995	<u>901,669</u>	<u>297,130</u>	<u>1,198,799</u>
7.	<b><u>STOCKS</u></b>		<b><u>1996</u> £</b>	<b><u>1995</u> £</b>
	The stock consists of:			
	Trade Stock		<u>£147,124</u>	<u>£101,000</u>
8.	<b><u>DEBTORS</u></b>			
	Trade Debtors		838,258	767,702
	Other Debtors		145,301	42,566
	Prepayments – due within one year		692,905	556,514
			<u>1,676,464</u>	<u>1,366,782</u>
	Prepayments – due after one year		1,101,576	1,349,448
			<u>£2,778,040</u>	<u>£2,716,230</u>

**ROTHAMSTED EXPERIMENTAL STATION**  
(A company limited by guarantee)

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31ST MARCH 1996**  
(Continued)

9.	<b><u>CREDITORS:</u></b> amounts falling due within one year	<b><u>1996</u></b> £	<b><u>1995</u></b> £
	Bank Loan	360,000	360,000
	Trade Creditors	253,273	91,293
	Other Creditors	84,885	155,659
	Taxation and Social Security	25,313	34,687
	Accruals and Deferred Income	966,680	1,500,858
		<u>£1,690,151</u>	<u>£2,142,497</u>
10.	<b><u>CREDITORS:</u></b> amounts falling due after more than one year		
	Bank Loan	<u>£1,101,576</u>	<u>£1,349,448</u>
	The loan is secured by the assignment of the fuel supply contract to which it relates.		
11.	<b><u>RESERVES</u></b>		
	Reconciliation of Movements on Reserves:		
	Total Recognised Gains/(Losses) for the Year (See page 6)	417,026	350,494
	Opening Reserves at 1st April 1995	785,330	434,836
	Closing Reserves at 31st March 1996	<u>£1,202,356</u>	<u>£785,330</u>
12.	<b><u>CAPITAL RESERVE</u></b>		
	Balance brought forward	—	—
	Transfer from income and expenditure account	250,000	—
	Balance carried forward	<u>£250,000</u>	<u>£ —</u>

BBSRC permits the Institute to establish a separate Capital Reserve Fund for the purposes of providing expenditure on equipment or buildings for future years.

13. **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.

14. **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 1996**  
(Continued)

15. **COMMITMENTS**

Operating Leases:

At 31st March 1996 the Institute had annual commitments under non-cancellable operating leases expiring as follows:-

	<u>1996</u> £	<u>1995</u> £
Land & Buildings:		
Within 1 year	3,000	16,000
2 - 5 years	-	3,000
	<u>£3,000</u>	<u>£ 19,000</u>

16. **RECONCILIATION OF THE SURPLUS**  
**FOR THE YEAR TO NET CASH IN/(OUT) FLOW**  
**FROM OPERATING ACTIVITIES**

Surplus for the Year	417,026	350,494
Interest Receivable	(55,249)	(74,891)
Depreciation Charges	530,962	619,705
Deferred Capital Grant taken to Income	(530,962)	(619,705)
Surplus on Sale of Fixed Assets	(9,471)	(2,668)
(Increase) in Stocks	(46,125)	(20,358)
(Increase)/Decrease in Debtors	(65,934)	129,987
(Decrease)/Increase in Creditors	(741,872)	31,427
Net Cash In/(Out) flow from Operating Activities	<u>£(501,625)</u>	<u>£413,991</u>

17. **ANALYSIS OF CHANGES IN CASH AND CASH**  
**EQUIVALENTS DURING THE YEAR**

Balance at 1st April 1995	1,465,604	892,918
Net Cash (Outflow)/Inflow during the Year	(391,126)	567,127
Balance at 31st March 1996	<u>£1,074,478</u>	<u>£1,460,045</u>

Cash and cash equivalents comprise cash at bank and in hand of £ 1,074,478 (1995: £1,460,045).