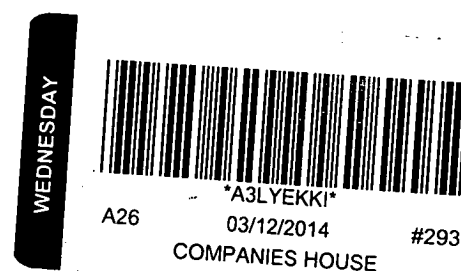


Rothamsted Research Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 March 2014



Company Registration No. 2393175
Charity No. 802038

Rothamsted Research Limited

CONTENTS PAGE

Legal and Administrative Information	2
Trustees' Report (incorporating the Strategic Report)	2 - 23
Trustees' Responsibilities	24
Independent Auditor's Report	25
Consolidated Statement of Financial Activities	26
Charity Statement of Financial Activities	27
Balance Sheets	28
Consolidated Cash Flow Statement	29
Accounting Policies	30 - 32
Notes to the Financial Statements	33 - 49
Income and Expenditure Accounts	50

Rothamsted Research Limited

LEGAL & ADMINISTRATIVE INFORMATION

DIRECTORS

Professor Nick Talbot (Chairman)\$
Professor Sir John Beddington (Chairman)%
Professor Mark Bailey *
Professor Richard Bardgett
Dr Graham Birch > + (Deputy Chairman)
Professor Edward Cocking FRS^
Dr David Brightman*"
Ms Caroline Drummond *
Professor Michael Elves +"
Professor Charles Godfray!
Dr David Lawrence
Mr Paul Leonard >
Ms Sally Smith * (
Professor Sir David Baulcombe&

* - Member of Audit Committee
+ - Member of Strategic Site Development Committee
> - Finance Dual Assurance Director
\$ - Retired 13th May 2014
(- Joined 30th May 2013
^ - Retired 30th May 2013
% - Joined 13th May 2014
" – Retired 4th October 2013
! – Joined 21st August 2013
&- Joined 13th December 2013

CHARITY NUMBER: 802038

COMPANY NUMBER: 2393175

REGISTERED OFFICE
Rothamsted Research Limited
Harpenden
Hertfordshire AL5 2JQ

AUDITOR
Baker Tilly UK Audit LLP
St Philips Point
Temple Row
Birmingham B2 5AF

PRINCIPAL BANKERS
Lloyds Banking Group
4th Floor, 25 Gresham Street
London EC2V 7HN

PRINCIPAL SOLICITORS
Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham B3 2ES

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

The Directors submit their Annual Report together with the audited Financial Statements for the year ended 31 March 2014. 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 except where indicated above, were as follows:

Directors

Professor Nick Talbot (Chairman)
Professor Sir John Beddington FRS (Chairman)
Professor Mark Bailey
Professor Richard Bardgett
Dr Graham Birch (Deputy Chairman)
Professor Edward Cocking FRS
Dr David Brightman
Ms Caroline Drummond MBE
Professor Michael Elves
Professor Charles Godfray FRS
Dr David Lawrence
Mr Paul Leonard
Ms Sally Smith
Professor Sir David Baulcombe
See also: <http://www.rothamsted.ac.uk/about-us/corporate>

Institute Director

Professor Maurice Moloney (until 30th November 2013)
Professor Martin Parry (from 1st December 2013 to 31st May 2014 – Acting Director)
Professor Achim Dobermann (from 1st June 2014)

Officer

Company Secretary: Stephen James

Constitution

Rothamsted Research Limited (the Institute or the Company 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 Memorandum and Articles of Association. The company Registration Number is 2393175. 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

Advertisements for Trustee-Directors are placed in relevant national press – including “Farmers’ Weekly”, “Nature” and “Sunday Times” as well as various on line media, inviting the submission of letters of interest and curricula vitae. These are then considered by an appointments panel nominated by the Board and composed of two or three Trustees taking into account 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 Director and others as appropriate. Ms Sally Smith joined in May 2013, Professor Charles Godfray in December 2013 and Professor Sir John Beddington in April 2014

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

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.

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 management of the Company in accordance with the Company's Memorandum and Articles of Association. The Articles were revised (and there is no longer a Memorandum) by General Meeting on 3rd October 2011, and a Special Resolution amending the Articles made by General Meeting on 10 December 2013.

There may be between 9 and 15 sitting on the Board of Directors, Lawes Agricultural Trust ("LAT") and Biotechnology and Biological Sciences Research Council ("BBSRC") each providing an Observer at Board meetings and each nominating one Director. The Chairman of the Board is jointly nominated by LAT and the BBSRC. All directors are appointed to serve on an *ad hominem* and non-executive basis and, except for the Chairman 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 Chairman and Trustee Directors of Rothamsted Research serve as the Scientific Committee of The Lawes Agricultural Trust as defined in that organisation's Trust Deed, though this has recently (May 2014) been superseded.

The relationship of the Company with its major funding body, the Biotechnology and Biological Sciences Research Council, is defined by the terms and conditions of an Institute Grant Agreement. The Members of the Company are LAT and BBSRC plus the Chairman 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 (BBSRC) respectively to the well-being of Rothamsted Research; in particular 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 two sub-committees for specific purposes, namely Audit and Strategic Site Development (see above), whilst other matters are covered by a "dual assurance" approach in which a single Director interacts with critical RRes staff across each of the four main science areas, finance, human resources, public engagement and knowledge exchange.

In addition, there is an agreement by which BBSRC employees (who are considered to be public sector employees and subject to those controls) are deployed to work at Rothamsted Research with the latter bearing all relevant costs. 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 1st April 2012) provided and administered by Capita PLC. A few staff have also transferred by mutual consent from BBSRC to Rothamsted Research employment terms.

Of particular significance is that the BBSRC have withdrawn their previous provision as "banker of last resort" for the Company and as a result of the accumulation of all these changes the organisation is no longer considered as a public sector establishment.

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

There is also an appointments panel that is set up as required. The Board considers and is guided by the Code of Practice and guidance issued from time to time by the Charities Commission.

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 BBSRC. Information is also provided at a national and local level through the Annual Report, the Strategic Plan and other publications.

Disabled Persons

The Company complies with all relevant legislation relating to disabled persons and continually strives to follow best practice in these matters in order 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, will support any such applicants for vacancies across the institute.

Connected Charity and Companies

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

Rothamsted Manor Limited (RML) is a wholly owned subsidiary of the Company having been transferred at 1 April 2010 from the Lawes Agricultural Trust through the ownership of Lawes Agricultural Trust Holdings Limited. RML provides catering, meeting and conference facilities almost exclusively for Rothamsted Research, together with property management services. Certain other subsidiary undertakings were also transferred as part of this arrangement but only RML has conducted any trading activities during the year.

Rothamsted Research Centres Limited commenced construction of two buildings on the site at Harpenden, forming the basis of RoCRE, as detailed on page 18.

To assist in meeting the public benefit through transfer into practice, Rothamsted Research works with a small charitable company "Rothamsted Research Association" as a very important conduit for knowledge exchange with the agricultural and land-based industries. In the past it was a membership-based organisation (approximately 700 members), but in a move to be more inclusive this is no longer the case. It

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

has a significant history of interaction with the elite of technologically advanced farming businesses going back to the early part of the 20th century. It has its own Board of Trustees and is independent from Rothamsted Research Limited.

The Company has a 17.7% 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 2013/14 gross profit was £1,143k (2012/13 £1,167k; 2011/12: £1,019k) with an operating profit of £285k (2012/13 £278k; 2011/12 £220k) with an improved turnover of £1.71m (2012/13 £1.55m; 2011/12 £1.28m) achieved across all territories of the globe. With the expectation of further, albeit modest, share dividends in 2014/15, this spin-out company is now living up to its promise.

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 Audit Committee. The Board has overall responsibility for establishing key procedures designed to achieve systems of internal control and disclosure control for reviewing and evaluating their effectiveness.

The risk management strategy comprises:

- An annual review of the key risks the Company 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 the company should those risks materialise.

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 the Company.

The major risks identified were the transfer of finance, HR and procurement to the Research Councils' Shared Service Centre, which took place in February 2011. In November 2011 it was announced that these systems would transfer back to an in-house provision with effect from 1 April 2012, which resulted in the recognition of a different, but nonetheless significant risk whilst these functions were rebuilt in-house. At the same time the central provision by the BBSRC of IS/IT services to its institutes has ceased with this activity also transferring in-house; the requirement for the setting up of new skills, services and interfaces (both technical and commercial) has been another very significant risk given the huge reliance of the Institute on its IS/IT provision. Having both of these multifaceted and interdependent services that continually affect every facet of the Institute's operations undergo fundamental change at the same time represented a huge change and thus a substantial cumulative risk, especially at a time of momentous governance change. Following good progress reported in the 2012/13 Accounts, the Trustees are pleased to report that both of these transfers were entirely successful with effective proven systems in place and almost exclusively positive outcomes on all transactional and operational activity and that this has been achieved with net decrease in costs to the Institute. This strong foundation will be built upon with further improvements to the systems. Further and ongoing risk lies within the change in liabilities (for staff and BBSRC is no longer acting as a banker of last resort) that accompanied the change in governance such that they rest ultimately with the Institute and not with BBSRC as before; this risk continues.

The day to day responsibility for implementation of risk management procedures and ongoing monitoring of risk and the effectiveness of controls rests with the Institute Management Committee. This Committee 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 both the Institute Executive and Institute Management Committees to which significant risks may be escalated for action or particular monitoring, as well as high level oversight by the Board via its Audit Committee.

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

The Rothamsted Research Audit Committee has responsibility for advising on the effectiveness of the systems of internal control, including risk management. In order to fulfil this requirement the risk profile is reviewed by the Audit Committee twice a year with special attention to the progress towards mitigation measures and the identification of new risks.

OBJECTIVES AND ACTIVITIES

The objects of the charity 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 while 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.

Rothamsted Research remains dedicated to providing scientific research that contributes to the sustainability of agricultural land management systems both in the UK and throughout the globe. This includes improving yield and quality of crops produced for a variety of purposes and enhancing the sustainability of agricultural systems worldwide. Rothamsted Research is also using its scientific expertise to understand climate change and taking this further by demonstrating how plants and appropriately managed agriculture can help to mitigate anthropogenic effects on climate change. This is especially evident in the context of our major effort aimed at bioenergy

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 is not likely to change in the medium term and the unique combination of skills and experience across Rothamsted Research are increasingly relevant.

The mission of Rothamsted Research is to be recognised internationally as a primary source of first-class scientific research and new knowledge that addresses stakeholder requirements for innovative policies, products and practices to enhance the economic, environmental and societal value of agricultural land.

Rothamsted Research will accomplish its Mission through its Strategic Programmes (see pages 8 to 10):

- Improve crop quality and the sustainability of production systems;
- Develop environment-enhancing management practices for agricultural land;
- Predict and mitigate the impacts of climate change on agriculture and other land-based activities;
- Develop methods for the reduction of fossil-fuel inputs to, and greenhouse gas emissions from managed land;
- Protect and improve soil quality;
- Exploit crops as renewable substitutes for fossil carbon feedstocks;
- Conserve and utilise biodiversity;
- Elevate society's confidence in science for agriculture and the environment.

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

OBJECTIVES AND ACTIVITIES (continued)

The Company's main objectives for the year were to:

- Achieve publications in high impact journals;
- Succeed in being awarded grants from scientifically reputable sources;
- Continue to enhance the sites to provide a high level of environment, services and facilities compatible with staff numbers.

To help achieve this 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 160 years ago. The major areas of activity are scientific research and postgraduate education and training. Rothamsted is committed to ensuring that all of its research is published in widely available media of various types appropriate for the target audience.

Throughout 2010/11 Rothamsted Research undertook a thorough review of its Strategy across all the organisation's activities and this came to fruition in mid-2011 with revised mission statements and objectives as well as restructuring of staffing, as required, to meet those objectives. This has formed the basis of the staff restructuring that took place in 2012/13 and was completed in 2013/14.

During 2012/13 Rothamsted Research undertook a major field trial of genetically modified wheat that had a gene introduced that coded for E-beta-farnesene, a pheromone chemical found widely in nature that is known to repel aphids. These sap-sucking insects can occur in large infestations on cereal crops but their main deleterious effect is due to the transmission of serious virus diseases. This trial, supported by the BBSRC attracted a great deal of publicity both in support and in opposition. Those opposing the work publicly declared their intention to destroy the field and included a large demonstration held in May 2012. Thanks to added physical and manned security funded by BBSRC as well as a very constructive and thorough operation by Hertfordshire Constabulary the crop was protected and constructive public engagement resulted. This trial was brought to a conclusion and the results are currently being analysed prior to publication in a peer-reviewed journal.

After receiving permission from the Advisory Committee on Releases to the Environment (ACRE), in Spring 2014 a trial was started of the oilseed "Camelina" genetically modified to produce oils with significant health benefits. The outcome of this will be reported in later years. See also below.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE - Research Activities and benefits

Throughout 2013/14 the Institute has been continuing to refocus its research and describing a new strategy that has been widely disseminated and discussed during the preceding year. This is based around the delivery of the objectives that were described within the "Institute Strategic Programme Grants" that are the larger part of BBSRC's grant to Rothamsted Research and were formally implemented with effect from April 2012 playing the most critical part of the way ahead. Progress in the various elements in 2013/14 is as follows:

"20:20 Wheat®"

The 20:20 Wheat® seeks to raise the yield potential of wheat in the UK to 20 tonnes per hectare within 20 years. This programme focuses on maximizing yield, protecting yield, soil resource interactions and systems modelling. In 2013 the Institute developed a strategic alliance with Syngenta that will both fund additional work in some of these core areas as well as extension projects to broaden its scope. All the work packages have made good progress and the first year report was approved by BBSRC. Rothamsted Research investment in aerial and ground based phenotyping will facilitate our ability to understand

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

complex traits and phenotypic performance and our investment in a new unique 1000 m² high throughput field phenotyping system will be constructed in 2014 and become operational 2015.

“Cropping Carbon”

Diurnal and full perennial life cycle analysis of willow has revealed a clear shift in metabolism towards secondary metabolite production after growth ceases in summer. A novel aspirin analogue which has potential commercial value has been identified. N-Alkanes associated with leaves of perennial energy crops show different signatures that can be traced as above-ground inputs into soils. A third willow bioenergy variety has been granted plant breeders rights and two more genotypes are under registration.

“Designing Seeds for Nutrition and Health”

Building on our strong capability in seed development and composition, we shall focus on three research themes which promote the enrichment of beneficial components of grains and oilseeds.

The primary notable achievement for the Designing Seeds ISPG was the successful submission of an application to DEFRA to carry out a GM field trial of transgenic *Camelina sativa* plants engineered to accumulate omega-3 long chain polyunsaturated fatty acids normally only found in fish oils. The process required effective communications with all our stakeholder groups and a thorough risk-assessment of the proposed trial. The completed dossier was submitted to DEFRA in Jan 2014, where it was considered by an independent expert panel (ACRE) and also made available for public comment.

“Delivering Sustainable Systems”

In Delivering Sustainable Systems, we shall investigate and test a series of hypotheses related to the key themes of pest control, biodiversity, grassland systems which support livestock and managing soils with the overall goal of quantifying sustainable systems. This provides the unifying concepts and is one of the features that give the Rothamsted Research approach its unique qualities.

Programme staff have played a very significant role in the neonicotinoids debate: Prof. Lin Field was invited to a DEFRA workshop on pollinators and to a Parliamentary and Scientific Committee Meeting on bees. Our discoveries in plant signalling have provided new ways of activating plant defense via mycorrhizal networks, and developed ‘Smart’ cereals for management of stemborer pests in staple cereals in Africa. Analyses of national-scale long-term data has established that the UK is experiencing worrying declines in important groups of natural biological pest control organisms and other beneficial and non-target groups such as carabid beetles and moths.

National Capabilities:

Long-Term Experiments

Rothamsted Annual Reports, maps, plans and yield books are a unique resource that complements the experiments, data and the Sample Archive. Updating these through electronic publication has self-evident value. We are therefore scanning these and other documents and obtaining a DOI: Digital Object Identifier. The articles are deposited with a reference agency and become publically available. So far c 3300 articles have been scanned and curated into e-RA.

Farm Platform

The Farm Platform has secured its first BBSRC-LINK Responsive Mode grant (‘Sureroot: roots for the future- a systematic approach to root design’; value c £2.4M) in collaboration with IBERS and industry partners that include Waitrose, EBLEX and DairyCo. Key appointments have been made to build on the research: Prof. Sarah Gurr and Dr Michael Lee (with the universities of Exeter and Bristol respectively), Prof. Adrian Collins (Hydrology) and Dr Paul Harris (Informatician).

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

Rothamsted Insect Survey

Daily data on UK aphids from 15 suction-traps and moths from 84 light-traps were gathered. A new SQL Server database is under development and will allow direct external data access in 2015. Forecasts of aphid phenology and abundance, and weekly bulletins on population levels of key pest species were provided to growers. The 50th anniversary of the networks was marked with an event to thank contributors, celebrate success, generate publicity and foster collaborations.

PHI-Base

Last year the Pathogen-Host Interactions database (www.phi-base.org) expanded by 441 genes, 951 interactions, 57 new pathogenic species, 18 host species, 74 diseases and 194 references. The current version, released May 2014, contains 2875 genes, 4102 interactions, 166 pathogenic species, 110 host species, 181 diseases and 1243 references. In 2013, the web-site was used for 5,400 search visits PHI-base use has now been cited in 92 peer reviewed publications.

ACHIEVEMENTS AND PERFORMANCE: Knowledge Exchange through Commercialisation ("KEC")

As clearly stated in our objectives (see page 7), the Institute is firmly committed to ensuring that the output of our scientific research delivers benefits to society at large, the environment and the economy both at UK and global levels. The Institute achieves this by focussing on optimising economic, environmental and societal impact across our research portfolio as our primary objective, consistent with our charitable status. Where the Institute has the opportunity to generate commercial income (through contract research, research collaboration with industry, and IP commercialisation), our aim is to achieve a fair commercial deal without compromising this primary objective. We also aim to ensure that our contracts with commercial partners are on terms that facilitate this primary objective including fair use by developing countries, for instance.

The Institute entered a new strategic phase in 2012 with KEC taking a more visible role in the activities of Rothamsted Research by playing its part in delivering the pathways to impact agenda that is prominent within BBSRC. A dedicated budget agreed with BBSRC as part of the IAE will help embed innovation throughout the Institute. A Head of KEC is now in place at a senior level, an Alliance Manager has been appointed to promote our links with industry, and other appointments are in the pipeline.

KEC includes a wide spectrum of activities to help ensure our research outcomes find their way into improved policies, products and practices across the globe; from our dialogue with farmers and agribusiness (knowledge exchange) through to collaboration with industry intellectual property licencing (commercialisation).

Rothamsted Research Association will continue its activities aimed at farmers and agribusiness, and has now completed structural changes that will allow it to be more effective, including changing from a membership organisation with the existing Board consolidating its role as a users' stakeholder group. In the coming year we will continue with the successful Advanced Training Programme with Harpers Adams University and the University of Nottingham. We will continue to apply for technology development funds such as the BBSRC Pathfinder and Follow on Funds, in addition to other funding streams, such as those available through TSB and the Agritech Catalyst Fund, to help the research community transfer their knowledge. A new KEC web-site is close to completion.

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

Knowledge Exchange through Commercialisation (continued)

In July 2013 the Institute signed a Framework Agreement with Syngenta to develop commercial projects within the 20:20 Wheat@ ISP. With our Alliance Manager now on board we are increasing our activities to identify new sources of income. This will be achieved through attendance at suitable events, and by identifying and targeting potential partners. Licensing activities will continue in the year ahead. We are now in talks with potential licensees for our EPA omega-3 oilseed technology. We will continue supplying contract research services to address global needs through the most effective means. This activity will deploy any unused capacity in our key facilities such as greenhouses and controlled environment units, and through the full exploitation of major facilities like the North Wyke Farm Platform. A dedicated Business Development Manager will be employed to push this work forward. There are three research tenants of the Lawes Agricultural Trust (LAT) in the Daniel Hall incubator building, including the UK based plant research company Plant Impact PLC. It is hoped that these companies and new LAT tenants will work with Rothamsted Research scientists and make use of spare capacity in facilities such as Glasshouses and Controlled Environment. We continue to work with LAT to seek additional tenants.

KEC activities in 2013/14 worthy of note:

1. To date we manage 26 patent families, 5 plant varieties and 2 trademark families. Of the 26 patent families 5 have been licensed or fully/partly assigned.
2. We made 3 patent applications in 2013/14.
3. In total we have 74 granted patents.
4. 27 Copyright Licences were agreed allowing (in the main) third parties to use our copyright materials at no charge. In a small minority of cases we did ask for a small fee. We are currently working the copyright licences to an online automated system.
5. In July 2013 we signed a Framework Agreement with Syngenta to develop and support our 20:20 Wheat programme. This major strategic collaboration, agreed for five years in the first instance, will bring at least £3.5M in new industrial funding, as well as significant expertise and other resources from the company.
6. A delegation from Rothamsted attended the BIO2013 congress in Chicago in April 2013. At this event 51 one-on-one partnering meetings were held with a range of companies.
7. Negotiations continue with a view to licencing our Omega 3 technology.
8. We have been in discussions with a number of parties to explore licencing and development opportunities for our various technologies in chemical ecology.
9. The first round of the Rothamsted Technology Innovation Programme funded through the KEC budget has been completed and further rounds are planned.

ACHIEVEMENTS AND PERFORMANCE - Papers published in high impact journals during 2013 (calendar year)

Publication of the 2013 journal impact factors has been delayed, and they will not be available until later in 2014. 2012 impact factors have therefore been used in the analysis below, and while it is unlikely that there would have been any major changes for individual journals, it is likely that some of the newer journals which have no impact factor for 2012 will receive an impact factor in 2013. Last year a relatively high proportion of papers were published in journals without impact factors (*5.5% in 2013; 3.8% in 2012*), so mean and median scores in particular should be regarded as provisional.

The Institute published 270 papers in refereed journals in 2013 (*316 in 2012; 307 in 2011; 346 in 2010; 284 in 2009; 359 in 2008*). 229 papers had Harpenden-based authors and 45 came from North Wyke. There were 4 papers that had authors from both the Harpenden and North Wyke sites.

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

40 papers were published in journals with an impact factor of 5 or more (65 in 2012; 65 in 2011; 50 in 2010; 39 in 2009; 41 in 2008) and 13 in high impact journals such as PNAS, Science and Plant Cell (20 in 2012; 12 in 2011; 16 in 2010; 11 in 2009; 11 in 2008). The range (excluding journals with no impact factors) was 38.6 (Nature) to 0.32 (Nematropica). Both the median (2.8 in 2013; 3 in 2012; 2.8 in 2011; 2.7 in 2010; 2.5 in 2009; 2.4 in 2008) and mean (3.4 in 2013; 3.8 in 2012; 3.6 in 2011; 3.5 in 2010; 3.2 in 2009; 3.1 in 2008) impact factors (including journals with no impact factor) have fallen slightly, but may recover when the 2013 impact factors become available.

Web of Science was searched for citation data for individual papers published in 2013. Clearly papers published in January are more likely to have gathered citations than those published in December, and many 2013 papers were in fact available and citable on the web in 2012. There are currently 10 papers for 2013 with 10 or more citations (8 for 2012 at 21.6.2013; 9 for 2011 at 11.7.2012; 20 for 2010 at 11.7.2011). Three of the 10 'highly cited' papers were published in journals with impact factors of less than 5.

2013 papers with 10 or more citations to date:

Liu, X., Zhang, Y., Han, W., Tang, A., Shen, J., Cui, J., Vitousek, P., Erismann, J. W., **Goulding, K. W. T.**, Christie, P., Fangmeier, A. & Zhang, F. (2013). Enhanced nitrogen deposition over China. *Nature* **494**, 459-463. <http://dx.doi.org/10.1038/nature11917>

Times cited: 45 Impact factor: 38.6

Stockmann, U., Adams, M. A., Crawford, J. W., Field, D. J., Henakaarchchi, N., Jenkins, M., Minasny, B., McBratney, A. B., de Remy de Courcelles, V., Singh, K., Wheeler, I., Abbott, L., Angers, D. A., Baldock, J., Bird, M., **Brookes, P. C.**, Chenu, C., Jastrow, J. D., Lal, R., Lehmann, J., O'Donnell, A. G., Parton, W. J., Whitehead, D. & Zimmermann, M. (2013). The knowns, known unknowns and unknowns of sequestration of soil organic carbon. *Agriculture, Ecosystems and Environment* **164**, 80-99. <http://dx.doi.org/10.1016/j.agee.2012.10.001>

Times cited: 23 Impact Factor: 2.86

Asseng, S., and 50 other authors including, **Semenov, M. A. & Stratonovitch, P.** (2013). Uncertainty in simulating wheat yields under climate change. *Nature Climate Change* **3**, 827-832. <http://dx.doi.org/10.1038/nclimate1916>

Times cited: 19 Impact factor: 14.47

Parry, M. A. J., Andralojc, P. J., Scales, J. C., Salvucci, M. E., Carmo-Silva, A. E., Alonso, H. & Whitney, S. M. (2013). Rubisco activity and regulation as targets for crop improvement. *Journal of Experimental Botany* **64**, 717-730. <http://dx.doi.org/10.1093/jxb/ers336>

Times cited: 15 Impact factor: 5.24

Adams, M. J., King, A. M. Q. & Carstens, E. B. (2013). Ratification vote on taxonomic proposals to the International Committee on Taxonomy of Viruses (2013). *Archives of Virology* **158**, 2023-2030. <http://dx.doi.org/10.1007/s00705-013-1688-5>

Times cited: 13 Impact factor: 2.03

O'Hara, L. E., **Paul, M. J. & Wingler, A.** (2013). How do sugars regulate plant growth and development? New insight into the role of trehalose-6-phosphate. *Molecular Plant* **6**, 261-274. <http://dx.doi.org/10.1093/mp/sss120>

Times cited: 13 Impact factor: 6.13

Babikova, Z., Gilbert, L., **Bruce, T. J. A., Birkett, M. A., Caulfield, J. C., Woodcock, C. M., Pickett, J. A. & Johnson, D.** (2013). Underground signals carried through common mycelial networks warn neighbouring plants of aphid attack. *Ecology Letters* **16**, 835-843. <http://dx.doi.org/10.1111/ele.12115>

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

Times cited: 12 **Impact factor:** 17.95

Read, B. A., Kegel, J., Klute, M. J., Kuo, A., Lefebvre, S. C., Maumau, F., Mayer, C., Miller, J., Monier, A., Salamov, A., Young, J., Aguilar, M., Claverie, J.-M., Frickenhaus, S., Gonzalez, K., Herman, E. K., Lin, Y.-C., **Napier, J. A.**, and 20 additional authors (2013). Pan genome of the phytoplankton *Emiliania* underpins its global distribution. *Nature* **499**, 209-213. <http://dx.doi.org/10.1038/nature12221>

Times cited: 11 **Impact factor:** 38.6

De Miranda, J. R., **Bailey, L.**, **Ball, B. V.**, Blanchard, P., Budge, G. E., Chejanovsky, N., Chen, Y.-P., Gauthier, L., Genersch, E., de Graaf, D. C., Ribiere, M., Ryabov, E., De Smet, L. & van der Steen, J. J. M. (2013). Standard methods for virus research in *Apis mellifera*. *Journal of Apicultural Research* **52**(4), 52.4.22. <http://dx.doi.org/10.3896/IBRA.1.52.4.22>

Times cited: 11 **Impact factor:** 1.93

Lawlor, D. W. (2013). Genetic engineering to improve plant performance under drought: physiological evaluation of achievements, limitations and possibilities. *Journal of Experimental Botany* **64**, 83-108. <http://dx.doi.org/10.1093/jxb/ers326>

Times cited: 10 **Impact factor:** 5.24

4-year Retrospective

Last year, Web of Science (WoS) was used to perform some simple analyses of papers published in the four years 2009 to 2012. This has been repeated for the four years 2010-2013.

There are 1312 journal papers and reviews with an Institute address included in WoS for the years 2010-2013 (1383 for the years 2009-2012). There are currently 12757 citations of these 1312 papers (11355 without self-citations), giving an average of 9.72 citations/paper (8.36 for 2009-2012). The Institute's H-index is unchanged at 43. There are nine papers with more than 100 citations to date (6 papers in 2013).

The most highly cited paper remains (*) indicates no longer at Rothamsted Research:

International Aphid Genomics Consortium including, **Zhou, J.-J.**, ***He, X.-L.**, ***Liu, R.**, **Field, L. M.**, ***Davies, T. G. E.** & **Williamson, M. S.** (2010). Genome sequence of the pea aphid *Acyrtosiphon pisum*. *PLoS Biology* **8**, e1000313 (24pp). <http://dx.doi.org/10.1371/journal.pbio.1000313> with 241 citations (194 in June 2013)

Guo, J. H., Liu, X. J., Zhang, Y., Shen, L. J., Han, W. X., Zhang, W. F., Christie, P., **Goulding, K. W. T.**, Vitousek, P. M. & Zhang, F. S. (2010). Significant acidification in major Chinese croplands. *Science* **327**, 1008-1010. <http://dx.doi.org/10.1126/science.1182570>

Times cited: 232 (141)

Ma, L.-J., van der Does, H. C., Borkovich, K. A., Coleman, J. J., Daboussi, M.-J., Di Pietro, A., Dufresne, M., Freitag, M., Grabherr, M., Henrissat, B., Houterman, P. M., Kang, S., Shim, W.-B., Woloshuk, C., Xie, X., Xu, J.-R., **Antoniw, J. F.**, Baker, S. E., Bluhm, B. H., Breakspear, A., Brown, D. W., Butchko, R. A. E., Chapman, S., Coulson, R., Coutinho, P., Danchin, E. G. J., Diener, A., Gale, L. R., **Hammond-Kosack, K. E.** & 34 other authors (2010). Comparative genomics reveals mobile pathogenicity chromosomes in *Fusarium*. *Nature* **464**, 367-373. <http://dx.doi.org/10.1038/nature08850>

Times cited: 227 (156)

Rousk, J., Baath, E., ***Brookes, P. C.**, Lauber, C. L., Lozupone, C., Caporaso, J. G., Knight, R. & Fierer, N. (2010). Soil bacterial and fungal communities across a pH gradient in arable soil. *ISME Journal* **4**, 1340-1351. <http://dx.doi.org/10.1038/ismej.2010.58>

Times cited: 215 (126)

The Brassica rapa Genome Project Sequencing Consortium, including & ***King, G. J.** (2011). The genome of the mesopolyploid crop species *Brassica rapa*. *Nature Genetics* **43**, 1035-1039. <http://dx.doi.org/10.1038/ng.919>

Times cited: 210

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

***Sohi, S. P.**, Krull, E., Lopez-Capel, E. & ***Bol, R.** (2010). A review of biochar and its use and function in soil. *Advances in Agronomy* **105**, 47-82. [http://dx.doi.org/10.1016/S0065-2113\(10\)05002-9](http://dx.doi.org/10.1016/S0065-2113(10)05002-9)

Times cited: 169

Thackeray, S. J., Sparks, T. H., Frederiksen, M., Burthes, S., Bacon, P. J., **Bell, J. R.**, Botham, M. C., Brereton, T. M., Bright, P. W., Carvalho, L., Clutton-Brock, T., Dawson, A., Edwards, M., Elliott, J. M., **Harrington, R.**, Johns, D., Jones, I. D., Jones, J. T., Leech, D. I., Roy, D. B., Scott, W. A., Smith, M., Smithers, R. J., Winfield, I. J. & Wanless, S. (2010). Trophic level asynchrony in rates of phenological change for marine, freshwater and terrestrial environments. *Global Change Biology* **16**, 3304-3313. <http://dx.doi.org/10.1111/j.1365-2486.2010.02165.x>

Times cited: 135

Demire, E., Cary, M. P., Paley, S., Fukuda, K., Lemer, C., Vastrik, I., Wu, G., D'Eustachio, P., Schaefer, C., Luciano, J., Schacherer, F., Martinez-Flores, I., Hu, Z., Jimenez-Jacinto, V., Joshi-Tope, G., Kandasamy, K., Lopez-Fuentes, A. C., Mi, H., Pichler, E., Rodchenkov, I., **Splendiani, A.** & and 69 other authors (2010). The BioPAX community standard for pathway data sharing. *Nature Biotechnology* **28**, 935-942. <http://dx.doi.org/10.1038/nbt.1666>

Times cited: 133

Zhao, F. J., McGrath, S. P. & Meharg, A. A. (2010). Arsenic as a food chain contaminant: mechanisms of plant uptake and metabolism and mitigation strategies. *Annual Review of Plant Biology* **61**, 535-559. <http://dx.doi.org/10.1146/annurev-arplant-042809-112152>

Times cited: 131

(as at 24 June 2014)

Open access

There is now a requirement that publications resulting from Research Councils UK (RCUK) funded research that are submitted for publication after 1 April 2013 should be available either as immediate open access publications on the publisher's site or as full-text deposits in a repository within six months of publication. Institutions are expected to achieve 45% compliance in the first year of this policy and funding has been made available to cover the article processing charges (APCs) which publishers levy on open access publications.

48 of the 270 papers published during 2013 were submitted after 01/04/2013 and therefore fall within the scope of the mandate. 23 (48%) of these papers were published in open access journals, or as open access papers within subscription journals. The majority of the APCs for these papers have been paid either from existing grant funding, or by corresponding authors from other institutions. Four of the 23 papers were funded from the RCUK block grant at a total cost of about £6K. However, the take-up of funding for papers published during 2014 has been much greater, with around £64.5K already spent to date.

ACHIEVEMENTS AND PERFORMANCE: Grants and contracts won

Just as the publications from Rothamsted Research are a measure of achievements made by previous research, the quality and magnitude of grants won from major grant giving bodies available to UK researchers is an indicator of the high repute and esteem in which Rothamsted's proposals are held. It holds great promise for the strength of future work.

As an indicator of success in this area, the table overleaf gives examples of such successes in drawing on a variety of sponsors and covering the broad range of scientific activities to be found at the Institute. The grants above £300,000 total value to the Institute (spread over 3-5 years of income) won during the financial year 2013/14 are shown in the table overleaf.

The ISPG and related BBSRC strategic grants are shown separately in a second table.

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

Project Number	Grant Title	Total Value £	Start date	Grant Body
5325	Bridging the gap between lab and field: quantifying the pronostic value of lab root screens - core project no 13: Root architecture (Confidential)	668,582	01/01/2014	Syngenta Ltd
5269	XYLAN arbinosyl transferases: identification and characterisation of their role in determining properties of grass cell walls	647,894	15/04/2013	BBSRC
5319	Algal oils by design: a new biotech platform for high-value lipids	557,312	01/01/2014	BBSRC Via UCL
5314/5315	Delivering the agricultural greenhouse gas and ammonia inventories and projections	481,677	01/05/2013	Defra
5310	Phytopath an infrastructure for hundreds of plant pathogen genomes	430,974	01/12/2013	BBSRC
5266	Bilateral BBSRC-FAPESP: Defining the genetic and semiochemical basis of tick resistance in cattle	416,880	01/02/2014	BBSRC
5312	Neuronal studies of ticks and mites	412,136	01/07/2013	BAYER
5313	Cleavage of acyl-CoA by peroxisomal ABC subfamily D transporters in peroxisomes: mechanism and functional roles	364,064	17/02/2014	BBSRC
5361	Renewable Industrial Products from Rapeseed (RIPR)	358,386	01/01/2014	BBSRC via York
5298	Mitigating new threats from virus yellows: monitoring aphid populations and insecticide resistance to maintain control	322,729	01/04/2013	BBRO

* Note that the values are at approved Full Economic Costs; BBSRC and other research council awards are provided at 80% of the amount shown. All others are at the full value received.

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

BBSRC STRATEGIC GRANT TYPE	Total 2012/13 to 2016/17* £ millions
National Capabilities	
Insect Survey	1.554
NW Farm Platform	1.647
NW Farm Costs	4.563
PHI-Base	0.275
LTE and Archive and ERA	3.220
Total NC	11.259
ISPGs	
20/20 Wheat	14.695
WISP LOLA	1.435
Sub-total	16.130
Cropping Carbon	7.377
Designing Seeds	8.222
Sustainability	14.373
Total ISPG's	46.102
Institute Development Grant	6.393
KETC	5.130
Total for 5 years*	68.884
* Subject to mid-term Review and UK Government's Comprehensive Spending Review	

These ISPG and strategic grants are of huge strategic importance to Rothamsted Research reflecting the commitment to the Institute by the BBSRC to this area of scientific endeavour and the potential beneficial impact for the UK economy and the global food and energy security agenda.

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

ACHIEVEMENTS AND PERFORMANCE – Public Engagement

Rothamsted Research is committed to using a variety of means to engage with the public covering both how we do our science and the outcomes of our research. Amongst a great number of activities ranging from visits and workshops with individual groups to major presentations on subjects of topical or emerging interest, the Institute has carried out a major and multi-faceted, public dialogue project with the aim of gauging public opinion as to how the organisation might arrange its ways of working with industry in the future.

The dialogue will inform Rothamsted Research's developing Knowledge Exchange and Commercialisation Strategy, which will, amongst other things, set out the organisation's guiding principles for its work with industry. It was the first such public dialogue that Rothamsted Research and any similar Institute has undertaken. Five main critical themes emerged: a) importance of the public good; b) maintaining its independence and integrity; c) transparency about its relationship with industry; d) open access of results; e) reconciliation of pragmatism and idealism in terms of the need to seek increase of industry funding. It was particularly noted that these themes are entirely consistent with the charitable status of Rothamsted Research and build on principles that we have in place at the moment, but with this guidance will continue to develop. We believe that such dialogue projects should be able to highlight activities that have influenced how the business is run as a consequence of the project.

ACHIEVEMENTS AND PERFORMANCE – Other

Management- Director

On 30th November 2013 we were sorry that our Director, Professor Maurice Moloney, left Rothamsted Research to join the Commonwealth Scientific and Industrial Research Organisation (CSIRO), Australia for the post of Group Executive, Food, Health and Life Science Industries. Since joining in Spring 2010 as the 12th Director of Rothamsted Research, he had reoriented strategies across the whole organisation and has been very vigorous in building relationships with new funders – especially multi-national industries – and attracting new talent to meet the challenges of the future. After a few months in the capable hands of Professor Martin Parry as Acting Director, the post was taken up on 1st June 2014 by Professor Achim Dobermann joining Rothamsted Research from the International Rice Research Institute (IRRI) in the Philippines, where he was the Deputy Director General for Research. He has enjoyed a long and distinguished career with numerous high impact scientific publications.

Professor Dobermann is a soil scientist and agronomist with 25 years' work experience in all world regions. He is recognized internationally as an authority on science and technology for food security and sustainable management of the world's major cereal cropping systems. After studying for a PhD in Soil Science at the Institute of Tropical Agriculture of the University of Leipzig, Professor Dobermann joined IRRI as a soil and plant nutrition specialist in 1992. His expertise and passion for the subject quickly established him as a team leader for soil and water sciences. In 2000, he joined the Department of Agronomy and Horticulture at the University of Nebraska as Associate Professor and later full Professor in Soil Science and Nutrient Management. He re-joined IRRI in 2007 to lead its largest interdisciplinary research programme, focusing on developing environmentally sustainable rice-based agricultural systems. His rapid success led him to becoming Deputy Director General for Research in 2008. Professor Dobermann's plans for the Institute are yet to be formulated after a period of in depth analysis.

Management- Board Chairman

Rothamsted Research is also delighted to announce that Professor Sir John Beddington FRS has been appointed as the Chair of the Rothamsted Research Board of Directors in succession to Professor Nick Talbot FRS. In addition to numerous high profile publications Sir John was from 2008 until 2013 the Government Chief Scientific Adviser (GCSA) reporting directly to the Prime Minister. As GCSA, he led on providing scientific advice to Government during the 2009 swine flu outbreak, the 2010 volcanic ash incident and the emergency at the Fukushima nuclear power plant in 2011. As GCSA, he was also

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

responsible for increasing the scientific capacity across Whitehall by encouraging all major departments of state to recruit a Chief Scientific Adviser. In 2008 Sir John raised the concept of the "Perfect Storm" of food, energy and water security in the context of mitigating and adapting to climate change. He continues to work in the area and will work closely with the new Director.

Management – Executive group

In November 2013 Professor John Crawford joined Rothamsted Research to lead the Institute's Delivering Sustainable Systems Strategic Programme where his main aim is to support the growth of integrative research at Rothamsted. John's personal research ambitions include an attempt to create a synthesis of systems biology, soil and plant science approaches to get a better understanding of the soil phenotype and how the natural productivity of the soil-plant-microbe system may be enhanced and complemented by efficient use of additional inputs. Soil is essential for providing our food, carbon cycling, filtering water and much more. The UK has a strong base and tradition in soil research. John Crawford is also working with colleagues at North Wyke where the Farm Platform is located where he will promote the exploration of the potential of a nutritional ecology approach to integrate the flow of nutrition (and hence energy) between soil, plants, animals and humans, and between the managed and natural environment.

Research and Innovation Campus- RoCRE

After a call for proposals in April 2013 from the Department for Business, Innovation and Skills, it was announced that BBSRC, Lawes Agricultural Trust and Rothamsted Research would fund this exciting new campus development: the "Rothamsted Centre for Research and Enterprise" (RoCRE). Planning approval was granted in December 2013.

The new laboratory and extended conference facilities will open mid-way through 2015 with work starting in January 2014. It will add to the scope and options by which Rothamsted Research outputs can generate public benefit and make a key contribution to the UK innovation ecosystem, generating important impacts like new products, services and jobs, nurturing innovation and the translation of excellent agri-science into real life applications. BBSRC will invest up to £8.2M towards the delivery of the Lawes Open Innovation Hub and up to £2.7M will also help to deliver a new Rothamsted communications and conference centre. Support will also be provided by the Lawes Agricultural Trust and other sources.

A former dormant subsidiary of the Institute, Rothamsted Research Centres Limited, has been used for the building project. This entity is jointly controlled by the campus partners – Rothamsted Research, Lawes Agricultural Trust and BBSRC.

Research at Brooms Barn

During 2013 and in the context of a withdrawal of funding by the British Beet Research Organisation (BBRO), Rothamsted Research took the decision to change operations at the Broom's Barn site. Previously a centre exclusively for sugar beet research, the site near Bury St Edmunds will be now be used as an additional field site for the increasing range of arable experiments and complementing the other field sites that are critical to its work. Rothamsted Research is continuing sugar beet research with relevant scientific expertise being integrated into the teams at the Rothamsted main centre in Hertfordshire. Opened in 1962 as a specialist sugar beet centre, Broom's Barn has enjoyed a rich history of investigating the science of crop weeds, pests and diseases and their control as well as agronomy and yield studies it confirmed its place as the UK centre of excellence for sugar beet research. We will continue to grow sugar beet at Broom's Barn whilst considering a number of research based options, including closer collaborations with partners.

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

PUBLIC BENEFIT

Rothamsted Research traces its primary Object back to that of the Lawes Agricultural Trust (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 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 Trustees 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 Rothamsted Research 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 refereed scientific literature; through contributions to research conferences as speakers and as 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 also proactively engage in discussions and consultations involving these topics. We are convinced of the necessity to help ensure that our scientific advances are able to 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 any one.

The scientific strategy is highly outcome-focussed. Rothamsted Research 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 the 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. In 2012/13 we initiated a contract that will provide some measures of this impact and report in 2014.

Indirect benefit may arise from a commercial company seeing new opportunities within our research findings or in the course of a collaboration, but this is incidental and 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 patent protection and therefore fully accept that such an approach can be a legitimate form of comprehensive dissemination and actively pursue this approach where appropriate. Any financial benefit captured by the charity in this or any other way will be used to further pursue its Object.

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

FINANCIAL REVIEW

The largest single grant - originally known as the Core Strategic Grant and now as the Institute Strategic Programme Grants – comes from the BBSRC. However, this grant has not been increased with inflation since 2006 and the new award made in March 2012 also has no provision for inflation, resulting in a huge total erosion of the main BBSRC support. This previous period also came after a period of decreases in DEFRA funding from approximately one third of total income to one ninth. This legacy has given us substantial challenges and as a result of restructuring in 2012/13 and 2013/14 we have achieved a degree of stability. Subject to public sector procedures, oversight and controls, progress has been slower than wished by the Board. Staffing levels (on a full time equivalent basis) have now stabilised for the charity at 363 in 2014 (349 in 2013; 397 in 2012, 430 in 2011, 477 in 2010 [increase due to North Wyke merger], 416 in 2009). Staff costs (excluding redundancy costs) have been kept under control at £16,613k for the charity (2013: £16,410k; 2012: £18,118k; 2011: £19,612k) and £16,972k (2013:£16,805k; 2012: £18,485k) for the group. Inflationary pressures continue in relation to the cost base of the Company; of particular note is the cost of utilities and the employer's contribution to the JSS pension scheme to 26% in 2012/13.

At the same time income levels relating to continuing operations (c.f. total incoming resources, below) – see income and expenditure account summary after Note 22 of the financial statements - have fallen to £34,553k (2013: £37,689k; 2012: £31,378k; 2011: £32,423k; 2010: £30,741k) for the charity, whilst costs fell to £28,253k (2013: £28,339k; 2012: £29,650k; 2011: £28,896k; 2010: £33,875k). The resulting net income position that results is an improved overall (for the charity) surplus of £6,300k for the year (2013: £9,350k surplus; 2012: £1,728k surplus; 2011: £3,527k surplus; 2010: £3,134k deficit). This significant surplus enables the charity to have a balance sheet more appropriate for the size of undertaking and a cushion against unexpected events or planned investments.

The Trustees recognised that as well as driving income, a continued emphasis on cost saving is essential and a restructuring plan around the new scientific strategy was initiated in 2011. Although expected to be complete in 2012, public sector processes meant that a full reduction was not achieved until 31 March 2013. A business plan, based on improved diversity of income and the reduction of posts through the restructuring programme has been approved by the Trustees and this is revised annually.

Regarding fixed assets, the carrying value of the VSNI investment was reassessed. The preference share value was reduced in 2012/13 due to the post year end surrender of the preference shares which represented the best value available. This has also given the company greater flexibility going forward; 2013/14 has brought a modest level of dividend for the first time.

Principal Funding Sources

Incoming resources for the group totalled £38,053k (2013: £43,279k; 2012: £36,814k; 2011: £38,340k; 2010: £41,432k) of which £34,962k related to unrestricted funds (2013: £38,199k; 2012: £31,042k; 2011: £29,981k; 2010: £29,602k).

Incoming resources for the Charity for the year totalled £37,644k (2013: £42,769k; 2012:£36,350k; 2011: £37,782k; 2010: £41,432k) of which £34,553k was relating to unrestricted funds (2013: £37,689k; 2012: £30,578k; 2011: £30,660k; 2010: £29,602k). The principal funding sources for the Company are grants and contract income from a number of government and industrial customers to carry out scientific research.

The core strategic grant (ISPGs *et cetera*) from BBSRC for 2013/14 remained similar at £12,542k compared with £13,390k in 2012/13 (2011/12 £13,209k; 2010/11 £13,209k) for the year. Despite continued efforts of staff in increasing BBSRC competitive grant income this has fallen to £5,481k (2013:

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

£6,105k; 2012: £5,075k; 2011: £6,292k; 2010: £5,689k). This is disappointing after last year's rise, but staff remain focussed. The competitive grants are received from Research Councils at 80% of the FEC, which includes a contribution to capital and infrastructure. The decline in DEFRA funding has been reversed in 2013/14, achieving £4,089k, but this remains a concern. Trustees noted some significant DEFRA grants in the pipeline (see Grants won, above). (DEFRA income to end March 2013 was £2,487k; 2012: £3,990k; 2011: £3,786k; 2010: £4,517k, 2009: £3,159k – note increase on merger with North Wyke in 2009/10). We are conscious that it remains a risk. We believe that the work of the Institute closely reflects the current DEFRA needs for climate change and agri-environmental research in support of their policy, but only modest funding is available in this department and we can rarely afford to maintain the required teams of researchers when funding is not being received.

We are disappointed that the British Beet Research Organisation has changed the orientation of its funding with a much greater emphasis on near-market activities and less on the longer-term, ground-breaking research that has formed the basis of the UK sugar beet industries' success over several decades. In so doing, the BBRO has also withdrawn from the field and laboratory facilities at Brooms Barn, a process that will be largely complete by March 2014. However, we look forward to exciting new field-focussed facilities being developed at the Brooms Barn site in the near future based around an Arable Farm Platform, such that the site will continue to serve the UK arable industry.

Overall, it is unquestionably the case that food security as well as climate change (and thus biofuels) are very high on the political agenda and Rothamsted Research is extremely well placed to exploit such opportunities even in a period of austerity.

The Company has continued to invest in maintaining a good stock of buildings and infrastructure; the capital programme across Rothamsted Research is almost entirely funded through the BBSRC. In particular, there has been a significant consolidation of staff accommodation, due to the decrease in numbers over many years, such that three buildings are now empty of Rothamsted staff – the Russell Building, the Fisher Building and the Daniel Hall Building. These represent significant opportunities for campus development especially centred on provision of facilities that will attract large and small businesses and other entities onto the site, to interact with our scientists by setting up operations at Rothamsted and/or using the enormously enhanced conference and communication facilities that are planned for 2015. The "Farm Platform" at North Wyke is now fully operational and is a first class facility for a wide variety of grassland based research.

Investment policy

The Company has invested in a few small entities as detailed in note 11 to the financial statements. The Company makes very limited investments and these are aimed at ensuring research outcomes from the Company's activities are put into practice in an effective, sustainable manner. Thus, the purpose of holding these investments is to achieve returns of both income and capital growth as these companies market their intellectual property obtained from research in the commercial market place. Although the investments have yet to provide any returns, the directors expect them to generate significant returns in the future that will be used to help finance the Company's research programmes.

In addition to the above investments the Company has a policy of keeping available funds in safe, interest bearing deposit account(s) and Treasury deposits to achieve a good rate of interest. This is difficult in the current challenging economic conditions. In view of the risk, we have only used the major UK clearing banks for these deposits with only modest interest rates – we have not been able to match nor exceed inflation as measured by the retail price index.

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

Reserves policy

The directors closely monitor the reserves of the Company via the finance dual assurance structure. These reviews encompass the nature of the income and expenditure streams, the need to match variable income with fixed commitments, the need to fulfil longer term liabilities and the need to replace and extend the capital assets of the Company where necessary. Thus, the Board considers the Company's exposure to the risk of any significant loss of income and to the risk of unforeseen expenditure, which cannot be mitigated by executive actions.

The financial results over recent years have limited our ability to improve reserves, but the level of reserves has been improved in 2013/14 and every effort should be made to ensure that this stronger position should be maintained. Overall, the Company's reserves policy seeks to ensure that sufficient reserves are available to fulfil cash flow obligations and longer term liabilities. A detailed review of the reserves policy was undertaken in 2013/14. Under this updated policy, the Company defines its free reserves at 31 March 2014 as being approximately £10 million, compared with a target level of reserves of approximately £13 million. This target has been set by reference to expected ongoing levels of income, obligations (both known and inherent) and the Company's strategic development priorities.

Designated Fund

During the year, the charity received £2.825m from the BBSRC in respect of a grant for the long term maintenance and sustainability of the institute's facilities, equipment and IT infrastructure. As agreed with the BBSRC, this is held in a designated fund, together with the charity's own agreed contribution thereto and will be used for agreed building works in future years.

FUTURE DEVELOPMENTS

The Company will continue to be principally engaged in the field of agricultural, agri-ecology and climate change research, specifically crop science and crop protection; seed quality and contribution to diet and health; analysing and mitigating the carbon footprint of agriculture through biofuels and understanding sustainable agricultural systems and how that might be maximised in practice. We also will be taking forward our well-established commitments to ensure our scientific insights and discoveries are put into practice by dialogue with various users in the food chain, especially farmers, and by protecting intellectual property such that commercial companies can place innovative products in the market place.

During the second half of 2013/14 the executive pursued a policy of minimal change whilst ensuring that vital policies were pursued rigorously. With a change in leadership at the top of the organisation (Director and Chairman) some changes are inevitable, but these will not emerge until late 2014 and it will not be possible to describe these in the context of this Report. The priority will be to ensure that all our BBSRC-funded research is internationally competitive with the best academic groups in our area of endeavour. We note the need to control costs in all categories including pay costs, but noting the need to invest strategically to reach new customers and collaborators, we are also aware of addressing future needs.

The recognition that land has a major role in the production of alternative fuels through crop production is now very widespread in political circles. Emerging public opinion will have an important part to play in how the global limitations in available land are to be approached. This, in turn, will lead to an emphasis on the importance of efficient crop production through whatever is the most appropriate technology and possible increasing interest in all of these technologies from Government departments. Now that North Wyke is part of Rothamsted Research we have a truly impressive coverage of temperate crop science, including the exploitation of grass as a valuable crop in the wetter, temperate regions. We are aware that we must continue to take action to ensure that all of the Rothamsted Research activities are fully integrated from North Wyke in the west to Brooms Barn in the east. We believe this suggests a very bright future for Rothamsted Research and the new opportunities that will become available.

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

At North Wyke, the establishment of the "Farm Platform" (3 hydrologically separate and closely monitored farmlets) through very significant funding from BBSRC provides opportunities to attract a large number of new funding bodies to this unique facility. It has attracted a great deal of excitement and attention and its future will further enhance the reputation of North Wyke. As it progresses towards its truly experimental phase we will increase our resource going into the promotion of the facility. The coalition government's "Agri-Technology Strategy" is a unique initiative and may represent an opportunity to pursue this aim as well as some new and innovative approaches across the Institute. These will emerge in 2014.

There will be many other challenges for the Charity. The importance of obtaining increased income from industrial and European Union sources will continue, but other options will need to be pursued, perhaps in the area of BRIC developing countries research, and resources will be allocated towards achieving this ambition.

The site at Rothamsted is too large for the number of staff so that the total accommodation available on site exceeds that required by the research institute. As a result a plan has been completed in which the Company rationalises and remodels certain buildings whilst making the unwanted ones available to the landlord to generate an income through rental as part of the RoCRE project. Noting that as Rothamsted Research no longer occupies the whole site and in recognition of the need to modernise the relationship, LAT is proposing a formal lease with Rothamsted Research; it is currently envisaged that this will be an agreed amount and at least nominally charged for with the majority of funds being returned to Rothamsted Research to undertake research projects.

Succession planning remains an important issue. This will continue to be achieved through new recruitment to priority areas as well as through advancing the careers of younger scientists and ensuring that they are fully equipped to take leading roles in the future development of the organisation. Rothamsted Research will seek a mutually agreed way in which staff changing job descriptions, especially at the latter part of their career, will transfer to a RRes employment contract in such a way that is beneficial to both parties and giving some certainty to succession planning.

AUDITOR

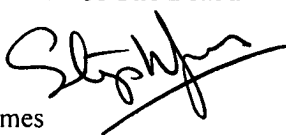
Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

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 in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Report (incorporating the Strategic Report) was approved by the Board and signed

By Order Of The Board


S James
Company Secretary
Rothamsted Research Limited
Harpenden
Hertfordshire
AL5 2JQ

Dated 24 September 2014

Rothamsted Research Limited

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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' Report (and the incorporated Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 incoming resources and application of resources, including the income and expenditure, of the charitable company and 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 the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Rothamsted Research Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROTHAMSTED RESEARCH LIMITED

We have audited the group and parent charity financial statements of Rothamsted Research Limited ("the financial statements") for the year ended 31 March 2014 on pages 26 to 50. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 24 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2014 and of the group's incoming resources and application of resources, including its 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 Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the parent charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable 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.



SIMON HART (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

St Philips Point

Temple Row

Birmingham

B2 5AF

Date: 20/11/2014

Rothamsted Research Limited

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 March 2014

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total funds 2014 £'000	Total funds 2013 £'000
INCOMING RESOURCES					
Incoming resources from generated funds:					
- activities for generating funds	1	628	-	628	698
- investment income	2	209	-	209	249
Incoming resources from charitable activities:					
- scientific research	3	33,571	3,091	36,662	42,007
- postgraduate education and training	3	554	-	554	325
TOTAL INCOMING RESOURCES		34,962	3,091	38,053	43,279
RESOURCES EXPENDED					
Costs of generating funds:					
- costs of goods sold and other costs	5	481	-	481	634
Charitable activities	6a	27,857	5,790	33,647	35,212
Governance costs	7	138	-	138	198
TOTAL RESOURCES EXPENDED		28,476	5,790	34,266	36,044
NET INCOMING / (OUTGOING) RESOURCES FOR THE YEAR		6,486	(2,699)	3,787	7,235
RECONCILIATION OF FUNDS					
Fund balances at 1 April 2013		19,408	44,672	64,080	56,845
Fund balances at 31 March 2014		25,894	41,973	67,867	64,080

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Statement of Financial Activities.

All incoming resources and resources expended derive from continuing activities.

Rothamsted Research Limited
CHARITY STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2014

	<i>Notes</i>	Unrestricted funds £'000	Restricted funds £'000	Total funds 2014 £'000	Total funds 2013 £'000
INCOMING RESOURCES					
Incoming resources from generated funds:					
- activities for generating funds	1	219	-	219	188
- investment income	2	209	-	209	249
Incoming resources from charitable activities:					
- scientific research	3	33,571	3,091	36,662	42,007
- postgraduate education and training	3	554	-	554	325
TOTAL INCOMING RESOURCES		34,553	3,091	37,644	42,769
RESOURCES EXPENDED					
Costs of generating funds:					
- costs of goods sold and other costs	5	21	-	21	17
Charitable activities	6a	28,094	5,790	33,884	35,212
Governance costs	7	138	-	138	198
TOTAL RESOURCES EXPENDED		28,253	5,790	34,043	35,427
NET INCOMING / (OUTGOING) RESOURCES FOR THE YEAR		6,300	(2,699)	3,601	7,342
RECONCILIATION OF FUNDS					
Fund balances at 1 April 2013		19,602	44,672	64,274	56,932
Fund balances at 31 March 2014		25,902	41,973	67,875	64,274

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Statement of Financial Activities.

All incoming resources and resources expended derive from continuing activities.

Rothamsted Research Limited

BALANCE SHEETS

31 March 2014

Company Registration Number 2393175

	Notes	Group 2014 £'000	Charity 2014 £'000	Group 2013 £'000	Charity 2013 £'000
FIXED ASSETS					
Tangible assets	10	45,828	45,787	47,614	47,558
Investments	11	87	95	105	113
Share of joint venture assets	11	609	-	-	-
Share of joint venture liabilities	11	(609)	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
		45,915	45,882	47,719	47,671
CURRENT ASSETS					
Stock		366	360	410	405
Debtors	12	6,439	6,725	10,360	10,553
Cash at bank and in hand		33,167	33,022	21,784	21,766
		<hr/>	<hr/>	<hr/>	<hr/>
		39,972	40,107	32,554	32,724
CREDITORS: Amounts falling due within one year	13	(18,010)	(18,104)	(16,023)	(15,951)
		<hr/>	<hr/>	<hr/>	<hr/>
NET CURRENT ASSETS		21,962	22,003	16,531	16,773
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		67,877	67,885	64,250	64,444
		<hr/>	<hr/>	<hr/>	<hr/>
CREDITORS: Amounts falling due after one year	14	(10)	(10)	(170)	(170)
		<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS		67,867	67,875	64,080	64,274
		<hr/>	<hr/>	<hr/>	<hr/>
FUNDS					
Restricted funds	17	41,973	41,973	44,672	44,672
Unrestricted funds:					
General funds	17	22,319	22,327	19,408	19,602
Designated funds	17	3,575	3,575	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS		67,867	67,875	64,080	64,274
		<hr/>	<hr/>	<hr/>	<hr/>

The financial statements set out on pages 26 to 50 were approved by the Board and authorised for issue on 24 September 2014 and signed on its behalf by:



Dr Graham Birch
Director

Rothamsted Research Limited
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 March 2014

	<i>Notes</i>	2014 £'000	2013 £'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	18	12,290	6,917
RETURN ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		213	168
Dividends received		27	-
CAPITAL EXPENDITURE			
Receipts from sales of tangible fixed assets		52	103
Purchase of tangible fixed assets		(1,395)	(1,877)
Capital grants received		3,091	5,080
Capital grants expended		(2,913)	(2,760)
Receipts from sales of fixed asset investments		18	-
MANAGEMENT OF LIQUID RESOURCES			
Placement of fixed term deposits		(5,653)	(10,539)
FINANCING			
Repayment of loans		-	(2,500)
INCREASE/(DECREASE) IN CASH	19	5,730	(5,408)

The accompanying notes form part of these financial statements.

Rothamsted Research Limited

ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments. The financial statements meet the requirements of the Companies Act 2006, the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) issued in March 2005 and applicable accounting standards so far as these requirements are appropriate.

GOING CONCERN

The Group has net current assets of £21,962k (2013:£16,531k) and the Charity £22,003k (2013:£16,773k).

The Charity undertakes a detailed annual Business Planning exercise, which is reviewed and agreed by BBSRC on an annual basis, where income, expenditure and cashflow are forecast for the following 3 years, and this is assessed for major changes on a six-monthly basis.

The Directors have reviewed the going concern status of the Group and the Charity and their assessment based on these forecasts is that the Charity and the Group can continue as a going concern for the foreseeable future.

BASIS OF CONSOLIDATION

The results of Rothamsted Manor Limited have been included in the consolidated financial statements on a line by line basis, using the acquisition method of accounting. Rothamsted Manor Limited is the only subsidiary undertaking that has traded during the year (see Note 11). Other subsidiaries have not been consolidated on grounds of immateriality.

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 gross equity method.

TANGIBLE ASSETS

Tangible 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

STOCKS

Owing to the nature of the Charity's funding, research stocks are treated as an expense and are not carried forward as they are considered to have no net realisable value. The only stock held on the balance sheet is stock for re-sale (for example grain).

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

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.

Rothamsted Research Limited

ACCOUNTING POLICIES

FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the 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 directors for particular purposes. The aim and use of each designated fund is 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 are charged against the specific fund. The aim and use of the restricted fund is set out in the notes to the financial statements.

INCOMING RESOURCES

All incoming resources except grants are 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 incoming resources 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 have to 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 incoming resources until pre-conditions for use have been met.

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

Rothamsted Manor Limited (RML) generates income from catering and hospitality. The income and expenditure associated with this activity are included within activities for generating funds and the costs thereof.

RESOURCES EXPENDED

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the group to the expenditure. All resources expended are 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 generating 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.

OPERATING LEASES

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

Rothamsted Research Limited

ACCOUNTING POLICIES

GRANTS

Expenditure by the Charity which is financed by grants from third parties to the Charity and which is applied to buildings 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, and the contingent liability of the owner of the buildings on which such expenditure has been applied, to the provider of such capital grants, is not treated as a donation to the Charity as it is not possible to place a certain value on such arrangements.

Grants received as Unrestricted Funds, whether designated or general, are deferred to the extent that they relate to expenditure where the donor has stipulated that they be incurred in future periods, or are subject to pre-conditions that have not been met at the balance sheet date.

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 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.

RELATED PARTY TRANSACTIONS

The group has taken advantage of the exemption under FRS8 not to disclose transactions entered into between two or more members of a wholly owned group. However, due to its revised governance and membership structure, explained on page 4 of the Report of the Trustees, from 1 October 2011 BBSRC and LAT are now considered related parties of the Institute.

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.

Rothamsted Research Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

1	ACTIVITIES FOR GENERATING FUNDS GROUP	Unrestricted 2014 £'000	Restricted 2014 £'000	Total 2014 £'000	Total 2013 £'000
	Consultancy	26	-	26	21
	Other	193	-	193	167
	Sale of goods (RML) – trading	409	-	409	510
		<u>628</u>	<u>-</u>	<u>628</u>	<u>698</u>
	CHARITY	Unrestricted 2014 £'000	Restricted 2014 £'000	Total 2014 £'000	Total 2013 £'000
	Consultancy	26	-	26	21
	Other	193	-	193	167
		<u>219</u>	<u>-</u>	<u>219</u>	<u>188</u>
2	INVESTMENT INCOME GROUP	Unrestricted 2014 £'000	Restricted 2014 £'000	Total 2014 £'000	Total 2013 £'000
	Dividend income	27	-	27	-
	Interest receivable	182	-	182	249
		<u>209</u>	<u>-</u>	<u>209</u>	<u>249</u>
	CHARITY	Unrestricted 2014 £'000	Restricted 2014 £'000	Total 2014 £'000	Total 2013 £'000
	Dividend income	27	-	27	-
	Interest receivable	182	-	182	249
		<u>209</u>	<u>-</u>	<u>209</u>	<u>249</u>

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

3 CHARITABLE ACTIVITIES

Total incoming resources from charitable activities are analysed as follows:

GROUP AND CHARITY	Unrestricted 2014 £'000	Restricted 2014 £'000	Total 2014 £'000	Total 2013 £'000
BBSRC ISPG	12,542	-	12,542	13,390
Competitive Project Grant	5,481	-	5,481	6,105
Minor Works	-	430	430	420
Capital Equipment	-	1,063	1,063	2,307
Site Redevelopment funding	-	1,334	1,334	2,353
Loan repayment funding	-	-	-	2,500
Building project funding	-	264	264	-
Energy support	-	-	-	1,762
Maintenance funding	2,319	-	2,319	2,654
Sustainability funding	139	-	139	654
Foregone savings funding	-	-	-	1,200
Redundancy funding	320	-	320	1,264
Rebuild grant funding	2,825	-	2,825	-
Open Access funding	57	-	57	-
TOTAL BBSRC	23,683	3,091	26,774	34,609
DEFRA Commissions	1,565	-	1,565	989
DEFRA Competitive	2,524	-	2,524	1,498
Other Government Departments, Public Sector (see below)	941	-	941	955
European Union	745	-	745	563
Industry	2,364	-	2,364	1,852
Trusts, Foundations, Charities	793	-	793	18
Income from Farm Operations	658	-	658	593
Postgraduate Education and Training	554	-	554	325
Miscellaneous income	298	-	298	930
TOTAL INCOMING RESOURCES	34,125	3,091	37,216	42,332
Other Government Departments / Public Sector:				
Foreign and Commonwealth Office	-	-	-	153
Other Research Councils	576	-	576	422
Other	365	-	365	380
	941	-	941	955

Rothamsted Research Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

4 INCOMING RESOURCES

GROUP	Unrestricted	Restricted	Total	Total
Analysis of incoming resources by geographical region:	2014	2014	2014	2013
	£'000	£'000	£'000	£'000
United Kingdom	33,324	3,091	36,415	42,510
Europe:				
EU	959	-	959	690
Other	126	-	126	9
North America	400	-	400	70
Other	153	-	153	-
	<u>34,962</u>	<u>3,091</u>	<u>38,053</u>	<u>43,279</u>

CHARITY	Unrestricted	Restricted	Total	Total
Analysis of incoming resources by geographical region:	2014	2014	2014	2013
	£'000	£'000	£'000	£'000
United Kingdom	32,915	3,091	36,006	42,000
Europe:				
EU	959	-	959	690
Other	126	-	126	9
North America	400	-	400	70
Other	153	-	153	-
	<u>34,553</u>	<u>3,091</u>	<u>37,644</u>	<u>42,769</u>

5 COSTS OF GENERATING FUNDS

GROUP	Unrestricted	Restricted	Total	Total
	2014	2014	2014	2013
	£'000	£'000	£'000	£'000
Consultancy	21	-	21	17
Cost of goods sold – trading (RML)	460	-	460	617
	<u>481</u>	<u>-</u>	<u>481</u>	<u>634</u>
CHARITY	Unrestricted	Restricted	Total	Total
	2014	2014	2014	2013
	£'000	£'000	£'000	£'000
Consultancy	21	-	21	17

Rothamsted Research Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

6a) CHARITABLE ACTIVITIES	Direct costs £'000	Other costs £'000	Support costs £'000	Total 2014 £'000	Total 2013 £'000
GROUP					
Activity					
Scientific research	20,895	7,332	4,551	32,778	34,139
Postgraduate education and training	629	-	240	869	1,073
	<u>21,524</u>	<u>7,332</u>	<u>4,791</u>	<u>33,647</u>	<u>35,212</u>
	Direct costs £'000	Other costs £'000	Support costs £'000	Total 2014 £'000	Total 2013 £'000
CHARITY					
Activity					
Scientific research	21,132	7,332	4,551	33,015	34,139
Postgraduate education and training	629	-	240	869	1,073
	<u>21,761</u>	<u>7,332</u>	<u>4,791</u>	<u>33,884</u>	<u>35,212</u>

Direct costs are those associated with providing the activity, such as laboratory supplies. Other costs include indirect costs relating to premises and equipment. Support costs are detailed in note 6b).

6b) SUPPORT COSTS

The Group and Charity allocate support costs as shown in the table below and then further apportion these between the charitable activities undertaken (see note 6a). Support costs are allocated on a basis consistent with the use of the resources.

GROUP AND CHARITY

	Basis	Scientific research £'000	Postgraduate education and training £'000	Governance £'000	Total 2014 £'000	Total 2013 £'000
Commercial and Finance	Staff time	474	88	23	585	557
Human Resources	Staff time	559	30	-	589	472
Computing Service	Usage	858	9	-	867	845
Institute Management	Staff time	606	55	58	719	445
Other administration	Usage	2,054	58	-	2,112	1,695
		<u>4,551</u>	<u>240</u>	<u>81</u>	<u>4,872</u>	<u>4,014</u>

Rothamsted Research Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

7	GOVERNANCE COSTS	Unrestricted 2014 £'000	Restricted 2014 £'000	Total 2014 £'000	Total 2013 £'000
	GROUP AND CHARITY				
	Audit fee	48	-	48	102
	Trustee expenses	3	-	3	3
	Support costs	81	-	81	80
	Professional advice to Trustees	6	-	6	13
		<u>138</u>	<u>-</u>	<u>138</u>	<u>198</u>

12 Directors claimed reimbursement of travel expenses, the amount of which was £3,470 (2013: 9 Directors claimed reimbursement of £3,178).

8	NET INCOMING RESOURCES IS STATED AFTER CHARGING/ (CREDITING) THE FOLLOWING:	Group 2014 £'000	Charity 2014 £'000	Group 2013 £'000	Charity 2013 £'000
	Interest receivable	(182)	(182)	(249)	(249)
	Auditor's remuneration – audit services – parent	48	48	56	56
	Auditor's remuneration – audit services – underprovision in previous year	-	-	46	46
	Auditor's remuneration – audit services – subsidiary	4	-	4	-
	Auditor's remuneration – taxation advisory	33	33	72	72
	Auditor's remuneration – taxation compliance	2	2	2	2
	Hire of plant and machinery	2	2	2	2
	Depreciation	3,162	3,147	4,674	4,659
	Operating lease rentals: Land and buildings	17	17	17	17
		<u></u>	<u></u>	<u></u>	<u></u>

Rothamsted Research Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

9	STAFF COSTS AND NUMBERS	Unrestricted 2014 £'000	Restricted 2014 £'000	Total 2014 £'000	Total 2013 £'000
	GROUP				
	Salaries and wages	13,055	-	13,055	12,800
	Social security costs	1,084	-	1,084	1,058
	Other pension costs	2,833	-	2,833	2,947
	Redundancy costs	390	-	390	593
		<u>17,362</u>	<u>-</u>	<u>17,362</u>	<u>17,398</u>
	CHARITY	Unrestricted 2014 £'000	Restricted 2014 £'000	Total 2014 £'000	Total 2013 £'000
	Salaries and wages	12,770	-	12,770	12,487
	Social security costs	1,069	-	1,069	1,039
	Other pension costs	2,774	-	2,774	2,884
	Redundancy costs	390	-	390	572
		<u>17,003</u>	<u>-</u>	<u>17,003</u>	<u>16,982</u>

The average number of persons employed by category was:

	Group Total 2014 No.	Charity Total 2014 No.	Group Total 2013 No.	Charity Total 2013 No.
Science staff	224	224	225	225
Technical and administrative staff	185	171	165	152
	<u>409</u>	<u>395</u>	<u>390</u>	<u>377</u>

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

	Group 2014	Charity 2014	Group 2013	Charity 2013
Science staff	210	210	212	212
Technical and administrative staff	164	153	146	137
	<u>374</u>	<u>363</u>	<u>358</u>	<u>349</u>

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

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 2014	Group Total 2013	Charity Total 2013	Charity Total 2013
£60,000 - £69,999	12	12	13	13
£70,000 - £79,999	3	3	2	2
£80,000 - £89,999	3	3	4	4
£90,000 - £99,999	3	3	-	-
£100,000 - £109,999	1	1	-	-
£150,000 - £159,999	1	1	1	1
	<u>23</u>	<u>23</u>	<u>20</u>	<u>20</u>

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 rests with the BBSRC, the Charity is expected to meet all staff costs arising from normal activities.

Employees of the Council 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 benefits schemes and provide retirement and related benefits on final emoluments, redundancy and injury benefits are administered and funded by the Council. 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 17 (Retirement Benefits) 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 taken advantage of the exemption of FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. For 2013/14, the group paid £2,541k (2012/13: £2,894k) in employer's contributions into the scheme. A separate Research Councils' Pensions Schemes Account was published for the year ended 31 March 2011 and contains the further disclosure of information under the relevant accounting standard. The combined schemes accounts as at 31 March 2014 have not yet been published, the total net liability as at 31 March 2013 was £3,537m (2012: £3,180m). The group expects to pay £2,750k in respect of employer's contribution in 2014/15.

Staff employed by Rothamsted Research are members of a defined contribution scheme, as noted on page 3. Contributions made in 2013/14 amounted to £292k (2013: £46k), and there were no accrued or prepaid contributions at 31 March 2014 (2013: £Nil).

In the year the Charity paid £5.6k in premiums for Professional Indemnity Insurance (2013: £7.8k).

Trustees received £Nil remuneration (2013: £Nil). The Charity is authorised to remunerate its Chairman but there was no such remuneration in 2013/14.

Rothamsted Research Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

10 TANGIBLE FIXED ASSETS

GROUP	Buildings £'000	Plant and machinery £'000	Fixtures, fittings and vehicles £'000	Total £'000
Cost:				
As at 1 April 2013	62,462	17,745	1,683	81,890
Additions	-	1,119	276	1,395
Disposals	-	(86)	(120)	(206)
As at 31 March 2014	62,462	18,778	1,839	83,079
Accumulated depreciation:				
As at 1 April 2013	21,334	11,410	1,532	34,276
Charge for the year	1,112	1,973	77	3,162
Disposals	-	(68)	(119)	(187)
As at 31 March 2014	22,446	13,315	1,490	37,251
Net book value:				
As at 31 March 2014	40,016	5,463	349	45,828
As at 31 March 2013	41,128	6,335	151	47,614
CHARITY	Buildings £'000	Plant and machinery £'000	Fixtures, fittings and vehicles £'000	Total £'000
Cost:				
As at 1 April 2013	62,462	17,745	1,606	81,813
Additions	-	1,119	276	1,395
Disposals	-	(86)	(120)	(206)
As at 31 March 2014	62,462	18,778	1,762	83,002
Accumulated depreciation:				
As at 1 April 2013	21,334	11,410	1,511	34,255
Charge for the year	1,112	1,973	62	3,147
Disposals	-	(68)	(119)	(187)
As at 31 March 2014	22,446	13,315	1,454	37,215
Net book value:				
As at 31 March 2014	40,016	5,463	308	45,787
As at 31 March 2013	41,128	6,335	95	47,558

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

10 TANGIBLE FIXED ASSETS (Continued)

The replacement cost or valuation of land owned by The Lawes Agricultural Trust and occupied by the Charity at 31 March 2014 was £11,595,000 (2013: £11,595,000). This land is occupied on the basis of a bare licence between Lawes Agricultural Trust and the Charity, and accordingly is not included in fixed assets. In the opinion of the Directors, £11,595,000 represents a realistic valuation as at 31 March 2014. This value has been made available by the BBSRC from the valuations prepared by Powis Hughes, Chartered Surveyors in October 2003.

Under the terms of the bare licence, the Charity has unencumbered usage of the buildings 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.

11 INVESTMENTS

GROUP	Unlisted investments £'000
Valuation:	
As at 1 April 2013	263
Disposal of investment	(176)
As at 31 March 2014	87
Impairment:	
As at 1 April 2013	158
Impairment released on disposal	(158)
As at 31 March 2014	-
Net Book Value	
As at 31 March 2014	87
As at 31 March 2013	105

The unlisted investments relate to the following holdings:

The Company owns 2,833 £0.01 ordinary shares in VSNI International Limited, a 17.7% shareholding. The Company's shareholding of 175,529 £1 preference shares in VSN International Limited was disposed of during the year by way of a capital reduction.

The Company also owns 103,675 £0.001 ordinary shares, a 0.9% shareholding in Insense Limited and 130,200 £0.001 shares in Inscentinel Limited, a 1.6% shareholding. Investments are held at the Directors' estimate of fair value. The valuation reflects the current market valuation for comparable quoted companies in the niche software and data analysis sectors, and reflects the anticipated discount appropriate for an unquoted company. The valuation was undertaken by management.

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

11	INVESTMENTS (Continued)			
	CHARITY	Unlisted investments £'000	Shares in group undertakings £'000	Total £'000
	Cost / valuation:			
	As at 1 April 2013	263	45	308
	Disposal of investment	(176)	-	(176)
	As at 31 March 2014	<u>87</u>	<u>45</u>	<u>132</u>
	Impairment:			
	As at 1 April 2013	158	37	195
	Impairment released on disposal	(158)	-	(158)
	As at 31 March 2014	<u>-</u>	<u>37</u>	<u>37</u>
	Net Book Value:			
	As at 31 March 2014	<u>87</u>	<u>8</u>	<u>95</u>
	As at 31 March 2013	<u>105</u>	<u>8</u>	<u>113</u>

Shares in subsidiary undertakings

The Charity held the following shares in subsidiary undertakings at 31 March 2014:

	Shares held Class	%	Capital and Reserves £	Country of Incorporation
Rothamsted Research Holdings Limited (dormant)	Ordinary	100	(77,251)	England & Wales
Rothamsted International Consulting Limited (dormant)	Ordinary	100	2	England & Wales
Genetic Technologies Limited (dormant)*	Ordinary	100	2	England & Wales
Rothamsted Manor Limited	Ordinary	100	(236,562)	England & Wales
Rothamsted Experimental Station Limited (dormant)*	Ordinary	100	1	England & Wales

* held indirectly via Rothamsted Research Holdings Limited.

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

11 INVESTMENTS (Continued)

The results of Rothamsted Manor Limited, for the year ended 31 March 2014, which are included in the consolidated financial statements, are set out below:

	£'000
Turnover	409
Cost of sales	(460)
Gift aid to Rothamsted Research	-
	<hr/>
Retained loss for the year	(51)
Net liabilities at 1 April 2013	(186)
	<hr/>
Net liabilities at 31 March 2014	<u>(237)</u>

Rothamsted Manor Limited's principal activity is the operation of a restaurant and conference centre as well as property management. No other subsidiary undertaking has traded during the year. Therefore, they have not been included in the consolidated financial statements on grounds of immateriality.

During the year, the Charity entered into a joint venture with Lawes Agricultural Trust and the BBSRC to construct new campus development, as explained in the Trustees' Report on page 18. As Rothamsted Research Centres Limited (RRCL) was already formed and was dormant, it was decided by all parties that Rothamsted Research Centres Limited would be used as the joint venture company. Notwithstanding that RRCL is currently 100% owned by the Charity and whilst the only activity of the joint venture company is the construction of new campus buildings, joint control is achieved by the formation of a Project Board on which each of the parties to the joint venture has representation. It is the intention of the parties to the Rothamsted Centre for Research and Enterprise (RoCRE) Project Board, namely Rothamsted Research Limited, Lawes Agricultural Trust and the BBSRC that the shareholding of RRCL will be finalised in due course with Rothamsted Research Limited retaining 40% of the joint venture company's share capital. Accordingly, on the basis of joint control, the trustees consider Rothamsted Research Centres Limited to be a joint venture. The results of Rothamsted Research Centres Limited for the year ended 31 March 2014 are set out below. 40% has been included in the consolidated financial statements of Rothamsted Research Limited as a joint venture.

	£'000
Turnover	-
Profit before and after tax	-
	<hr/>
Retained profit for the year	-
Net assets at 1 April 2013	-
	<hr/>
Net assets at 31 March 2014	<u>-</u>
Being:	
Tangible fixed assets:	
Assets in the course of construction	1,523
Current liabilities: Deferred income	(1,523)
	<hr/>
Net assets at 31 March 2014	<u>-</u>

Rothamsted Research Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

12	DEBTORS	Group 2014 £'000	Charity 2014 £'000	Group 2013 £'000	Charity 2013 £'000
	Due within one year				
	Trade debtors	1,439	1,439	3,876	3,876
	Other debtors	177	9	220	53
	Prepayments and accrued income	4,811	4,809	6,247	6,247
	Due from subsidiary undertakings	-	456	-	360
	Due from joint venture	2	2	-	-
		<u>6,429</u>	<u>6,715</u>	<u>10,343</u>	<u>10,536</u>
	Other debtors – due after one year	10	10	17	17
		<u>6,439</u>	<u>6,725</u>	<u>10,360</u>	<u>10,553</u>
13	CREDITORS: Amounts falling due within one year	Group 2014 £'000	Charity 2014 £'000	Group 2013 £'000	Charity 2013 £'000
	Loans from the BBSRC	125	125	-	-
	Trade creditors	753	753	265	177
	Other taxes and social security costs	19	19	46	16
	Other creditors	150	59	85	85
	Accruals	712	897	1,913	1,959
	Deferred income (see below)	16,251	16,251	13,714	13,714
		<u>18,010</u>	<u>18,104</u>	<u>16,023</u>	<u>15,951</u>
	Deferred income represents income received in advance of expenditure. The movement can be analysed as follows:	Group 2014 £'000	Charity 2014 £'000	Group 2013 £'000	Charity 2013 £'000
	Opening balance	13,714	13,714	12,396	12,396
	Amounts deferred during the year	16,251	16,251	13,714	13,714
	Release of amounts previously deferred	(13,714)	(13,714)	(12,396)	(12,396)
		<u>16,251</u>	<u>16,251</u>	<u>13,714</u>	<u>13,714</u>

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

14	CREDITORS: Amounts falling due after more than one year	Group 2014 £'000	Charity 2014 £'000	Group 2013 £'000	Charity 2013 £'000
	Loans from the BBSRC	-	-	125	125
	Redundancy accruals, relating to annual pension contributions for former staff	10	10	45	45
		<u>10</u>	<u>10</u>	<u>170</u>	<u>170</u>
		Group 2014 £'000	Charity 2014 £'000	Group 2013 £'000	Charity 2013 £'000
	Repayable within 1 – 2 years	6	6	38	38
	Repayable within 2 – 5 years	4	4	132	132
		<u>10</u>	<u>10</u>	<u>170</u>	<u>170</u>

15 INSURANCE

In line with government policy no proportion of funds contributed by Government bodies is expended upon insurance on equipment, stocks etc unless it is required by statute or where it is cost effective to do so. Any loss which might occur as a result of the policy would be discussed with the BBSRC and H.M. Treasury with whom any decision to defray such loss would rest.

16 COMMITMENTS

As at 31 March 2014, the Charity had capital commitments amounting to £667,000 (2013: £Nil) in respect of plant and machinery. At 31 March 2014, the Charity also had financial commitments amounting to £2.7 million (2013: £Nil) in respect of its agreed contribution to the joint venture, Rothamsted Research Centres Limited's ongoing building project in respect of the Rothamsted Centre for Research and Enterprise (RoCRE). This £2.7 million forms part of the total capital commitment of the joint venture, which amounts to £12.1million at 31 March 2014 (2013: £Nil). Both the Charity and the joint venture's commitments are expected to have been expended by 31 March 2015.

There were also annual commitments under non-cancellable operating leases as follows:-

	Group 2014 £'000	Charity 2014 £'000	Group 2013 £'000	Charity 2013 £'000
Land and buildings: expiring in the second to fifth year	20	20	17	17

Rothamsted Research Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

17	FUNDS	Unrestricted £'000	Restricted £'000	Total £'000
	GROUP			
	Funds as at 31 March 2014	25,894	41,973	67,867
	Funds balances are represented by:			
	Fixed assets	7,637	38,278	45,915
	Current assets	36,277	3,695	39,972
	Current liabilities	(18,010)	-	(18,010)
	Long-term liabilities	(10)	-	(10)
	Total net assets	25,894	41,973	67,867
	CHARITY	Unrestricted £'000	Restricted £'000	Total £'000
	Funds as at 31 March 2014	25,902	41,973	67,875
	Funds balances are represented by:			
	Fixed assets	7,604	38,278	45,882
	Current assets	36,412	3,695	40,107
	Current liabilities	(18,104)	-	(18,104)
	Long-term liabilities	(10)	-	(10)
	Total net assets	25,902	41,973	67,875
	GROUP		2014 £'000	2013 £'000
	GENERAL FUND			
	Balance brought forward		19,408	7,763
	Net incoming resources		6,486	9,243
	Transfer to designated fund		(3,575)	2,402
	Balance carried forward		22,319	19,408
	CHARITY		2014 £'000	2013 £'000
	GENERAL FUND			
	Balance brought forward		19,602	7,850
	Net incoming resources		6,300	9,350
	Transfer to designated fund		(3,575)	2,402
	Balance carried forward		22,327	19,602

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

17	FUNDS (continued)		
		2014	2013
	DESIGNATED FUNDS	£'000	£'000
	GROUP AND CHARITY		
	Balance brought forward	-	-
	Transfer from general fund	3,575	-
		<hr/>	<hr/>
	Balance carried forward	3,575	-
		<hr/>	<hr/>

The designated fund has been established during the year and relates to funds set aside to ensure the long term sustainability of the Institute and its estate facilities.

		2014	2013
	RESTRICTED FUNDS	£'000	£'000
	GROUP AND CHARITY		
	Capital Fund:		
	Balance brought forward	44,672	49,082
	Grants received	3,091	5,080
	Expenditure of capital grants included in resources expended	(2,913)	(2,760)
	Depreciation charge for the year	(2,877)	(4,328)
	Fixed asset adjustment – transfer	-	(2,402)
		<hr/>	<hr/>
	Balance carried forward	41,973	44,672
		<hr/>	<hr/>

This fund principally represents funding received, largely from the Biotechnology and Biological Sciences Research Council, for the past and future acquisition of tangible fixed assets. These assets are built on land that is not owned by Rothamsted Research Limited.

During 2012/13, the Company implemented a fixed asset system. This identified that a greater quantity of assets than had previously been believed should have been defined as “unrestricted”, and as such a transfer between restricted and unrestricted funds was made to better reflect these values.

Rothamsted Research Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

18	RECONCILIATION OF THE GROUP NET INCOMING RESOURCES FOR THE YEAR TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2014 £'000	2013 £'000		
	Net incoming resources	3,787	7,235		
	Interest receivable	(182)	(249)		
	Dividends receivable	(27)	-		
	Depreciation charges	3,162	4,674		
	Profit on disposal of fixed assets	(33)	(70)		
	Impairment of fixed asset investments	-	27		
	Capital grants (net)	(178)	(2,320)		
	Decrease/(increase) in stocks	44	(7)		
	Decrease/(increase) in debtors	3,890	(296)		
	Increase/(decrease) in creditors	1,827	(2,077)		
		<hr/>	<hr/>		
	Net cash inflow from operating activities	12,290	6,917		
		<hr/> <hr/>	<hr/> <hr/>		
19	ANALYSIS OF CHANGES IN NET FUNDS	At 31 March 2013 £'000	Cash flow £'000	Non-cash flow movements £'000	At 31 March 2014 £'000
	Bank balances and cash	6,245	5,730	-	11,975
	Short term deposits	15,539	5,653	-	21,192
	BBSRC loans due within one year	-	-	(125)	(125)
	BBSRC loans due after one year	(125)	-	125	-
		<hr/>	<hr/>	<hr/>	<hr/>
		21,659	11,383	-	33,042
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
20	RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS	2014 £'000	2013 £'000		
	Increase in fixed term deposits	5,653	10,539		
	Increase/(decrease) in cash in the period	5,730	(5,408)		
	Repayment of BBSRC loan due within one year	-	2,500		
		<hr/>	<hr/>		
	Change in net funds	11,383	7,631		
	Net funds at 31 March 2013	21,659	14,028		
		<hr/>	<hr/>		
	Net funds as at 31 March 2014 (Note 19)	33,042	21,659		
		<hr/>	<hr/>		

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

21 RELATED PARTY TRANSACTIONS

BBSRC funds scientific research and equipment purchases for the Institute. Funding for 2013/14 was £26,774k (2013: £34,609k) and the breakdown of this is shown in Note 3. At the 2013/14 year-end BBSRC had £237k (2013: £2,156k) included within trade debtors of the Institute, and £0.1k (2013: £Nil) included within trade creditors. Note 9 of the financial statements explains the staffing arrangements between BBSRC and the Institute. The loan shown in Note 14 is interest-free and unsecured.

LAT also funds scientific research through grants to the Institute, and in the year 2013/14 the value of this to the Institute was £264k (2013 - £230k). The Institute's subsidiary, Rothamsted Manor Limited, collects rents and pays expenses on a number of LAT properties, which are then transferred to LAT. In the year 2013/14, RML paid out £205k (2013: £228k) in costs and collected £159k (2013: £198k) in income on behalf of LAT. At year end, the charity was owed £61k (2013 - £84k) by LAT, and RML was owed by LAT £17k (2013 - owed LAT £78k). Details of the agreements regarding the Institute's use of buildings owned by LAT are set out in Note 10.

At the year end, the charity was owed £2k (2013: £Nil) by Rothamsted Research Centres Limited.

22 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 2014 (2013: £Nil).

Rothamsted Research Limited
INCOME AND EXPENDITURE ACCOUNTS
for the year ended 31 March 2014

	Group 2014 £'000	Charity 2014 £'000	Group 2013 £'000	Charity 2013 £'000
Gross income of continuing operations	34,962	34,553	38,199	37,689
Total expenditure of continuing operations	(28,476)	(28,253)	(28,956)	(28,339)
Net income for the year	6,486	6,300	9,243	9,350
RECONCILIATION OF NET INCOME TO NET INCOMING RESOURCES FOR THE YEAR				
Net income for the year	6,486	6,300	9,243	9,350
Capital grants received	3,091	3,091	5,080	5,080
Expenditure of capital grants included in resources expended	(2,913)	(2,913)	(2,760)	(2,760)
Release of deferred capital grant in line with depreciation	(2,877)	(2,877)	(4,328)	(4,328)
Net incoming resources for the year	3,787	3,601	7,235	7,342