

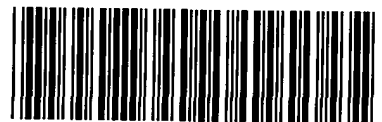
Rothamsted Research Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 March 2015

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COMPANIES HOUSE

Company Registration No. 2393175
Charity No. 802038

Rothamsted Research Limited

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Rothamsted Research Limited

LEGAL & ADMINISTRATIVE INFORMATION

DIRECTORS

Professor Nick Talbot (Chairman)	Resigned 13 May 2014
Professor Sir John Beddington (Chairman)	Appointed 13 May 2014
Professor Mark Bailey	Resigned 12 May 2015
Professor Richard Bardgett	
Professor Sir David Baulcombe	
Dr Graham Birch (Deputy Chairman)	Resigned 12 May 2015
Mr Russell Brooks*	Appointed 10 February 2015
Ms Caroline Drummond	Resigned 12 May 2015
Professor Charles Godfray	
Dr Stuart Jarvis	Appointed 10 February 2015
Dr David Lawrence	Resigned 12 May 2015
Dr Alastair Leake	Appointed 12 May 2015
Mr Paul Leonard*	
Ms Sally Smith*	
Professor Michael Winter	Appointed 15 September 2014

* - Member of Audit Committee

CHARITY NUMBER: 802038

COMPANY NUMBER: 2393175

REGISTERED OFFICE

Rothamsted Research Limited
Harpenden
Hertfordshire AL5 2JQ

AUDITOR

RSM UK Audit LLP (formerly 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 2015. 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)	Resigned 13 May 2014
Professor Sir John Beddington (Chairman)	Appointed 13 May 2014
Professor Mark Bailey	Resigned 12 May 2015
Professor Richard Bardgett	
Professor Sir David Baulcombe	
Dr Graham Birch (Deputy Chairman)	Resigned 12 May 2015
Mr Russell Brooks	Appointed 10 February 2015
Ms Caroline Drummond	Resigned 12 May 2015
Professor Charles Godfray	
Dr Stuart Jarvis	Appointed 10 February 2015
Dr David Lawrence	Resigned 12 May 2015
Dr Alastair Leake	Appointed 12 May 2015
Mr Paul Leonard	
Ms Sally Smith	
Professor Michael Winter	Appointed 15 September 2014

See also: <http://www.rothamsted.ac.uk/about-us/corporate>

Institute Director

Professor Martin Parry (from 1 st December 2013 to 31 st May 2014 – Acting Director)	
Professor Achim Dobermann	Appointed 1 June 2014

Officer

Company Secretary: Stephen James	Resigned 10 February 2015
Company Secretary: Louise Warren	Appointed 10 February 2015

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.

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, with 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.

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.

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 number of staff has also transferred by mutual consent from BBSRC to Rothamsted Research employment terms.

There is 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 Charity Commission.

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TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

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 the Company's main operating site, (Rothamsted, Harpenden, Hertfordshire) is held by Lawes Agricultural Trust, a charity with similar objects to Rothamsted Research. There is no written agreement for the occupation of this site and no rent is charged to the Company by the Trust. Land and buildings at North Wyke, Devon are 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 Lawes Agricultural Trust. RML provided catering, meeting and conference facilities almost exclusively for Rothamsted Research, together with property management services. Conferencing services transferred from RML to Rothamsted Centre for Research & Enterprise (RoCRE) on 1 April 2015. None of the other subsidiary undertakings conducted any trading activities during the year.

RoCRE, which was formerly Rothamsted Research Centres Limited, completed the construction of two buildings on the site at Harpenden, as detailed on page 16.

The Charity has a 15.98% 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 2014/15 gross profit was £1,206k (13/14: £1,143k, 12/13: £1,167k) with an operating profit of £277k (13/14: £285k, 12/13: £278k), with an improved turnover of £1.8m (13/14: £1.7m, 12/13: £1.6m) achieved across all territories of the globe. The company is expected to continue to provide modest share dividends in 15/16.

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TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

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 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 principal risks identified, their associated exposures and management strategies are as follows:

Risk Identified	Business Objective Risk	Risk Management Strategy	Monitoring Arrangements
Failure to attract sufficient competitive grant income	Progress towards long term sustainability	Actively manage application process for new grants. Specialist team created to drive grant submission.	Value of competitively won grants vs plan
Failure to understand and adapt to the changing requirements of sponsors, especially BBSRC	Deliver multi-discipline, integrative bioscience aligned with BBSRC vision.	Maintain a close relationship with sponsors and feedback relevant information. Engage with sponsors and contribute to strategy.	Regular monitoring of initiatives and changes in funding levels.
Governance structure is inappropriate to exert effective control over the Institute, and appropriately qualified trustees are not attracted and retained	Progress towards long term sustainability and maintain productive relationships with BBSRC and LAT.	Continue to review structure on an ongoing basis. Put in place appropriate mechanisms to recruit Trustees with the time commitment and skills to contribute effectively to the Institute.	Internal audit reports and outputs from governance reviews.
Failure to respond to financial and cash flow information seriously deviating from forecasts	Progress towards long term sustainability and maintain productive relationship with BBSRC	Regular review of budget information by Finance Team, Audit Committee and Board who will make appropriate response to new situations	Annual Business Plan
Failure to manage and motivate staff	Achieve staffing levels and skills required	Appoint sensitive and inspirational staff to all posts where staff management is a key component. Operate effective internal	Staff turnover levels

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TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

		communication systems from top down and develop ways of rewarding team performance	
Failure to address and respond to public concern over key scientific issues	Strengthen linkages with and delivery to end-users	Identify potential areas of concern and develop policy and position statements. Take positive steps to communicate with the media, opinion formers and local community	Monitor media coverage and feedback through departments

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

The Audit Committee is empowered by the Board of Trustee Directors and has responsibility for advising on the effectiveness of the systems of internal control, including risk management. 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. The Audit Committee comprises three members of the Board of Trustee Directors and meets at least twice a year.

In terms of financial risks, the Group has no borrowings and limited exposure to financial instruments, such as trade debtors and trade creditors. The major area is cash at bank and on treasury deposit. As detailed in the investment policy on page 19, cash is held in deposit accounts and treasury deposits with major UK clearing banks. The Group's exposure to trade debtors and the associated risk of default is limited to only £4.3m at 31 March 2015. The vast majority of trade debtors represents amounts due from the BBSRC, where the risk of default is not considered significant.

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;

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TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

OBJECTIVES AND ACTIVITIES (continued)

- 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 is increasingly relevant for that and the growing bioeconomy.

The mission of Rothamsted Research is to perform world-class research to deliver knowledge, innovation and new practices to increase crop and animal productivity and to develop environmentally sustainable solutions for food and energy production.

Rothamsted Research will accomplish its Mission through its Institute Strategic Programmes (see pages 9 and 10):

- 20:20 Wheat
- Cropping Carbon
- Designing Seeds for Nutrition and Health, and
- Delivering Sustainable Systems.

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

- Advance further in scientific excellence, relevance and delivery of innovations;
- Create new initiatives and enterprises;
- Begin a process of organisational change towards developing a new vision and strategy, to position Rothamsted Research for the future, and;
- Continue to enhance sites and services to provide an excellent environment for science and for all employees.

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 170 years ago. The major areas of activity are scientific research, postgraduate education and public engagement. Rothamsted is committed to ensuring that all of its research is published in widely available media of various types appropriate for the target audience.

Following a successful BBSRC-commissioned mid-term review of its programmes in October 2014, Rothamsted Research has begun to undertake a thorough review of its strategy across all the organisation's activities, which will come to full fruition in 2016. A restructuring of the Institute major functions has been completed, including the appointment of a new senior management team and succession in various areas.

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TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE - Research Activities and benefits

Throughout 2014/15 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"(ISPG) 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 2014/15 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. The strategic alliance with Syngenta is now funding additional work on maximizing yield, protecting yield and soil resource interactions as well as through extension projects to broaden its scope. All the work packages have made good progress and the traffic light monitoring is green for all of the major objectives; the mid-term report was approved by BBSRC. Rothamsted Research and BBSRC have made substantial investments to facilitate our ability to understand complex traits and phenotypic performance. The aerial system is now operational and UAV-based imagery is being coupled with digital elevation modelling to record crop height, thermal imagery canopy temperatures and hyperspectral values for crop health and performance. The land based system was commissioned in summer 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 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 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, including serving on the DEFRA 'Pollinators Expert Advisory Group' and to a Parliamentary and Scientific Committee Meeting on bees.

Our discoveries in plant signalling have provided new ways of activating plant defence 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

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TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

important groups of natural biological pest control organisms and other beneficial and non-target groups such as carabid beetles and moths.

Programme staff play an important role in discussions on fungicide resistance management. We have developed a combination of field experimental and modelling approaches to quantify the effectiveness of anti-resistance strategies (for example, use of alternation, mixtures, choice of dose, etc.). Recently we have shown that there is a single governing principle that predicts whether proposed changes to a fungicide application program increase or decrease selection for resistance.

Analysis of the soil metagenome and metatranscriptome in Rothamsted soils with contrasting fertilizer inputs is now revealing insights into the abundance and activity of the microbial groups that are responsible for nitrogen and phosphorous cycling. Preliminary results have been presented at several national meetings. Our expertise in this area has been recognised by the award of two research grants in the BBSRC/NERC SARISA/Soil Security programme contributing £700k to Rothamsted over the next four years.

National Capabilities:

Long-Term Experiments

Four more sets of open access data from the Long-Term Experiments (LTEs) together with meteorological data and information on the treatments included in the experiments were made freely available via the electronic Rothamsted Archive (e-RA; <http://www.era.rothamsted.ac.uk>) in 2014-15, including:

- Mean long-term yields of the Hoosfield Spring Barley Experiment
- Soil carbon from the Broadbalk Wheat Experiment
- Soil and tree carbon accumulation in Broadbalk and Geescroft Wilderness
- Mean annual temperature at Rothamsted (1878-2014).

We continue to promote the work of the LTEs by presenting findings at conferences and meetings. An exhibition of samples from the Rothamsted Sample Archive and soil cores from the LTEs, as part of the International Year of Soils activities at Rothamsted (May 17-18, 2015), generated considerable interest and positive feedback from the public and local schools. Following the brainstorming meetings organised in October 2014 at Rothamsted additional Lawes Agricultural Trust funding was made available to support 3 new Ph.D. studentships based on the LTEs.

North Wyke Farm Platform

The Farm platform is positioned as a world leading research facility into the sustainability of ruminant livestock from temperate grassland systems emphasised by:

- Partnering in the DEFRA £4.5 M Sustainable Intensification Platform project, Global Farm Platform Initiative, represents Best Practice for Temperate Grassland on the FAO Sustainability Pathways database <http://www.fao.org/nr/sustainability/grassland/best-practices/best-practices/en/>,
- Potentially representing the UK in the AnaEE (Infrastructure for Analysis and Experimentation on Ecosystems) framework and the NERC-funded Centre for Ecology and Hydrology (CEH)
- Installing one of 27 UK COsmic-ray Soil Moisture Observing Systems (COSMOS) sites on the NWFP in October 2014.
- Having the farm platform named as a leading facility in the £34.4 M Centre for Innovation Excellence in Livestock (CIEL) AgriTech Centres bid to BIS. Prof Michael Lee was appointed as the new Head of Site in March 2015 as a joint appointment with the University of Bristol.

Rothamsted Insect Survey ("RIS")

Daily data on UK aphids from 15 suction-traps and moths from 80 light-traps were gathered, a 16th suction-trap was erected at FERA, York and trapping commenced in April 2015. 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

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TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

growers. Annual data on moth abundances were distributed to stakeholders. Bespoke data extractions were performed for a range of external researchers (24 data requests) both for direct collaborations and for independent research. Over 25,000 page views were registered on the website. Samples were sent to University of Innsbruck and Natural History Museum for DNA extraction pilot projects and to Pirbright Institute for *Culicoides* research. A Leonardo fellow investigating parasitoids of grain aphids and a researcher from University of Hamburg investigating pollinating Diptera visited the lab to utilise the stored samples. The 50th anniversary of the networks was marked with an event to thank contributors, celebrate success, generate publicity and foster collaborations. Dr James Bell has been shadowing Richard Harrington in the last 3 months of the RIS reporting year, in preparation for Dr Harrington's retirement and handover period to Dr Bell as head in May 2015.

PHI-Base

Last year the Pathogen-Host Interactions database (www.phi-base.org) expanded by 687 genes, 915 interactions, 65 new pathogenic species, 33 host species, 102 diseases and 569 references. The current version, released July 2015, contains 3562 genes, 5017 interactions, 231 pathogenic species, 143 host species, 283 diseases and 1812 references. In 2014, the web-site was used for 5,918 search visits. PHI-base use has now been cited in 131 peer reviewed publications.

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

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 2014 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. 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 agri-business (knowledge exchange) through to collaboration with industry intellectual property licencing (commercialisation).

Rothamsted is focussed on increasing funding from technology development funds such as the BBSRC Pathfinder and Follow on Funds, in addition to other funding streams, such as those available through Innovate UK and the Agritech Catalyst Fund, to help the research community transfer their knowledge. We are also targeting the development of Strategic Centre funding and to this end have secured, with partner institutions, funding from Innovate UK for Agritech Informatics Centre to be based at Rothamsted. We have also secured Newton funding from STFC to extend this development into China. We will continue with this strategic approach and are currently part of two further Agritech Centre bids – in crop health and protection and livestock production.

KEC activities in 2014/15 worthy of note:

1. We currently manage 23 patent families, 5 plant varieties and 2 trademark families. Of the patent families 5 have been licensed or fully/partly assigned. With dedicated resource in this area activity will increase.
2. The KEC Department is now fully staffed with dedicated resource in Business Development, Alliance Management, KE and Outreach, and IP & Licencing.

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TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

3. The research alliance project with Syngenta is now fully up and running.
4. We led the successful bid for the Governments flagship Agri-Informatics Centre, and have two further Centres close to funding success.
5. The projects funded by the first round of the Rothamsted Technology Innovation Programme have all achieved success, and our next round is underway.
6. The Lawes Open Innovation Hub is now complete and we are working closely with RoCRE to develop activities in this space to the benefit of Rothamsted and our partners. Working with RoCRE we have initiated a successful series of events for internal and external stakeholders.
7. We are developing closer links with local farmers and with key stakeholders to improve our knowledge exchange and outreach.
8. We continue to participate in Cereals in collaboration with BBSRC and John Innes Centre, and last year won second place to Bayer Cropsciences for the quality of our plot.

ACHIEVEMENTS AND PERFORMANCE - Papers published in high impact journals during 2014 (calendar year)

The Institute published 262 papers in refereed journals in 2014 (270 in 2013; 316 in 2012; 307 in 2011). 52 papers were published in journals with an impact factor of 5 or more (42 in 2013; 65 in 2012; 65 in 2011) and 16 in high impact journals such as Science, Nature, PNAS, and Plant Cell (14 in 2013; 20 in 2012; 12 in 2011). The range (excluding journals with no impact factors) was 41.46 (Nature) to 0.27 (Acta Alimentaria).

The median (3.2 in 2014; 3.1 in 2013; 3 in 2012; 2.8 in 2011) continues to show steady improvement but the mean (4.21 in 2014; 3.6 in 2013; 3.8 in 2012; 3.6 in 2011) has increased markedly, mainly due to a record 3 papers in Nature. Both measures include journals with no impact factors.

4-year Retrospective

There are 1329 journal papers and reviews with an Institute address included in Web of Science (WoS) for the years 2011-2014 (1312 for the years 2010-2013). There are currently 12544 citations of these 1329 papers (11359 without self-citations), giving an average of 9.44 citations/paper (9.72 for 2010-2013). The Institute's H-index has increased from 43 to 45.

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, rising to 53% in the second year. Funding has been made available to cover the article processing charges (APCs) which publishers levy on open access publications.

233 of the 262 papers published during 2014 were submitted after 01/04/2013 and therefore fall within the scope of the mandate. 119 (51%) of these papers were published in open access journals, or as open access papers within subscription journals.

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TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

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 below summarises the successes in drawing on a variety of sponsors and covering the broad range of scientific activities to be found at the Institute.

<u>Funder*</u>	Total value of grants won (spread over 3-5 years of income) £
BBSRC	4,600,102
DEFRA	821,894
EU	1,216,477
Industry	5,323,671
Other Government Departments and Public Sector	1,510,346
Trusts, Foundations, Charities	204,000
	<u>13,676,490</u>

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

BBSRC STRATEGIC GRANT TYPE	Total 2012/13 to 2016/17* £ millions
National Capability Grants (NCGs)	
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 NCGs	<u>11.259</u>
ISPGs	
20/20 Wheat	16.130
Cropping Carbon	7.377
Designing Seeds	8.222
Sustainability	14.373
Total ISPG's	<u>46.102</u>
Institute Development Grant	<u>6.393</u>
Knowledge Exchange and Commercialisation Grant	<u>5.130</u>
Total for 5 years^	<u>68.884</u>

^ Subject to mid-term Review and UK Government's Comprehensive Spending Review

These ISPG and strategic grants are of 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 presented an exhibition in May 2014 at the Chelsea Flower Show. Our display, called Petals and Pests was focused on using flower margin to minimise pesticide use and enhance biodiversity. It won a Silver Flora Award from the Royal Horticultural Society in the Discovery category. The exhibit and Rothamsted Research's work attracted the attention from the media and a few thousand members of the public engaged with researchers in discussion about this work during the exhibition.

In June 2014 the Institute presented an exhibit with title Alpha & Omega: making omega-3 fish oils in GM plants at the Cheltenham Science Festival and the Edinburgh Royal Highland Show. The researchers presenting the interactive exhibit engaged with thousands of members of the public explaining the research they do in developing a sustainable source of omega-3 fish oils, thus contributing solutions for health and nutrition as well as environmental sustainability. The exhibit was also presented over four days in November 2014 at the Great British Bioscience Festival held and organised by the BBSRC in London to celebrate the twentieth anniversary of the BBSRC.

During 2014 the Institute carried out a 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 was completed in September 2014 and has informed Rothamsted Research's developing Knowledge Exchange and Commercialisation Strategy, which, amongst other things, sets out the organisation's guiding principles for its work with industry. It was the first such public dialogue that Rothamsted Research or any similar Institute has undertaken. Five main critical themes emerged: a) importance of the public good; b) maintaining Rothamsted's independence and integrity; c) transparency about Rothamsted's relationship with industry; d) open access of results; e) reconciliation of pragmatism and idealism in terms of the need to seek increased industry funding. 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.

In 2014, the Institute made a significant effort in communicating the breadth of its research to the media and stakeholders and in total 56 news stories and press releases were disseminated to the media. This was the first year in Rothamsted's history that this number of announcements was disseminated based on original research publications and other relevant announcements across the spectrum of the work that is undertaken by the Institute. In their majority, these announcements resulted in interviews in the trade and national press on Rothamsted's work, giving opportunities to a range of researchers to inform the wider public on the breadth of the Institute's scientific achievements.

ACHIEVEMENTS AND PERFORMANCE – Other

Management

Professor Achim Dobermann joined Rothamsted Research as new Director and Chief Executive on June 1, 2014. The organisational structure was revised to strengthen the leadership capacity for meeting future needs, including the appointment of Donna Lipsky as new Director of Operations, Laura Smillie as Director of External Affairs, John Crawford and Johnathan Napier as Associate Directors for Science, and Florentin Albu as Chief Information Officer. All of these new leaders have an outstanding national and international track record in their areas of responsibility, placing the Institute in a position to now develop and implement its new vision and strategy.

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

ACHIEVEMENTS AND PERFORMANCE – Other (continued)

Board

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. Following the retirement of Stephen James, Louise Warren was appointed as the new Company Secretary.

Campus development

The “Rothamsted Centre for Research and Enterprise” (RoCRE) was further developed as a new partnership between Rothamsted Research, the Lawes Agricultural Trust and BBSRC. The new Lawes Open Innovation Hub and Conference Centre were completed in time and within budget.

Operations at the Broom's Barn site were wound down and a new management agreement with NIAB was put in place to secure continued use of the site for field research. The North Wyke Farm Platform was further developed as a unique National Capability with state-of-the art research facilities and equipment. A key investment in 2014/15 was the construction and launch of a new cattle facility.

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.

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

PUBLIC BENEFIT (continued)

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.

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.

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 award made in March 2012 also has no provision for inflation, resulting in a total erosion of the main BBSRC support. DEFRA funding has also continued to fall. The combination of these changes challenges The Institute and, as a result, restructuring has continued into 14/15 to ensure that the staffing structure is fit for purpose. Subject to public sector procedures, progress has been slower than wished by the Board. Staffing levels (on a full time equivalent basis) have now stabilised for the charity at 389 in 2015 (2014:363), while those of the group were 401 (2014: 374). Staff costs (excluding redundancy costs) have been kept under control at £17,513k for the charity (2014: £16,613k) and £17,830k (2014: £16,972k) for the group. Inflationary pressures continue in relation to the cost base of the Company.

At the same time income levels relating to continuing operations, that is before accounting for capital grant income (c.f. total incoming resources, below) – see income and expenditure account summary after Note 22 of the financial statements - have increased slightly to £36,496k (2014: £34,553k) for the charity, whilst costs have also increased to £32,719k (2014: £28,253k). The resulting net income position is £3,777k for the year; the net income on unrestricted funds for the year was £2,069k and £1,708k in respect of restricted funds (2014: £6,300k or £3,475k after the Estate Rebuild funding received from the BBSRC in 2014). This 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.

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.

Principal Funding Sources

Incoming resources for the group totalled £43,046k (2014: £38,053k) of which £35,146k related to unrestricted funds (2014: £34,962k).

Incoming resources for the Charity for the year totalled £42,603k (2014: £37,644k) of which £34,703k was relating to unrestricted funds (2014: £34,553k). The principal funding sources for the Company are grants

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

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 2014/15 remained similar at £13,899k compared with £12,542k in 2013/14 for the year. Despite continued efforts of staff in increasing BBSRC competitive grant income this has remained stable at £5,474k (2014: £5,481k). Staff remain focussed on achieving further competitive grants. 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 continued in 2014/15, achieving £2,115k, and this remains a concern. (DEFRA income to end March 2014 was £4,089k). The Trustees are conscious that it remains a risk, but 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. However, 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.

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. There are 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 have been completed during 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.

In addition to the investment in fixed assets noted above, the balance sheet shows continued improvement in net current assets, with a modest decrease in the amounts held on deposit.

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

5 year summary of financial review

				2015	2014	2013	2012	2011
Staffing levels FTE's								
Group				401	374	358	405	445
Charity				389	363	349	397	430
Staff costs (excluding redundancy) £'000								
Group				17,830	16,972	16,805	18,485	19,991
Charity				17,513	16,613	16,410	18,118	19,612
Unrestricted incoming resources £'000								
Charity				34,703	34,553	37,689	31,378	32,423
Unrestricted resources expended £'000								
Charity				32,634	28,253	28,339	29,650	28,896
Unrestricted surplus before transfers £'000								
Charity				2,069	6,300	9,350	1,728	1,764
Incoming resources £'000								
Group				43,046	38,053	43,279	36,814	38,340
of which Unrestricted				35,146	34,962	38,199	31,042	29,981
Charity				42,603	37,644	42,769	36,350	37,782
of which Unrestricted				34,703	34,553	37,689	30,578	30,660
Principal funding sources £'000								
ISPGs				13,899	12,542	13,390	13,209	13,209
BBSRC competitive grant income				5,474	5,481	6,105	5,075	6,292
DEFRA funding				2,115	4,089	2,487	3,990	3,786

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 and the Reserves Policy was discussed and agreed at the Board meeting held on 3 December 2014. 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 2014/15 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 December 2014. Under this updated policy, the Company defines its free reserves at 31 March 2015 as being approximately £14.7 million, compared with a target level of reserves of approximately £10 million. Free reserves is defined as unrestricted, undesignated net assets, excluding fixed assets, less forecast planned reduction in unrestricted, undesignated reserves over the life of the current Business Plan to 31 March 2017. The target level 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 designated £750k (2014: £750k) as Estates Rebuild Designated Fund, to ensure, in conjunction with grants from BBSRC held as a restricted fund, the long term sustainability of the Institute and its estate facilities. The designated fund is expected to be expended in conjunction with the restricted Estate Rebuild Fund as agreed with the BBSRC in the medium term.

FUTURE DEVELOPMENTS

The Institute went through a visioning and strategic planning process in 2010/11, leading to the current Science Strategy for 2012-2017. Building on that, we will now analyse in a systematic manner how to further position RRes in a fast-changing world, both nationally and internationally. Our overall goal is to develop an ambitious longer-term vision for RRes and a science strategy for 2017-2022 that is built around a portfolio of exciting strategic programmes with clear products and outcomes, including strategic collaboration with national, international and industry partners. We will do that in a strategic and creative manner, using a transparent priority setting and programme design process that enables wide staff engagement as well as external feedback at various stages.

A substantial growth in volume and quality will be required for the Institute's sustainability, but also to realise its full science and impact potential. Responding to the key external drivers of change, we will develop and analyse a range of institutional scenarios. Our goal is to arrive at a compelling vision for the evolution of the Institute and the key roles it can play nationally and internationally in a changing research landscape. For our science strategy, we will particularly look at potential innovation opportunities in areas such as:

1. New crop improvement solutions for agriculture and the bioeconomy
2. Plant and animal health
3. Future food systems
4. Informatics and smart data applications along the whole food chain

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

FUTURE DEVELOPMENTS (continued)

We will seek more strategic cooperation with selected research institutes and universities in the UK, companies as well as international partners. The new Agrimetrics centre was launched in 2015 as the first new Agritech Innovation Centre. We will have a co-leading role in two other such centres. A joint China-UK Centre for Sustainable Intensification of Agriculture was launched in September 2015. We expect similar activities in Brazil and we will further expand our international strategy.

We will develop and implement a new Monitoring & Evaluation framework and reporting system, including Key Performance Indicators (KPIs) for science quality and impact as well as other areas of institutional performance. 2015/16 will also see the introduction of many improvements in our Operations, External Relations and Information Management functions. New Business Management Software system will be introduced as well as other, cloud-based IT solutions. A new Career Development Framework will provide clear, generic job profiles and careers paths. A number of strategic new recruitments will be made in science and various measures will be taken to enhance and diversify funding, including from international and non-traditional sources. We will completely overhaul our external and internal web presence, including making better use of social media and other communication tools.

AUDITOR

RSM UK Audit LLP (formerly 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

On Behalf Of The Board


.....

Trustee
Rothamsted Research Limited
Harpenden
Hertfordshire
AL5 2JQ

Dated 7th December 2015

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 2015 on pages 23 to 48. 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 21 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 2015 and of the group's and the parent charitable company's incoming resources and application of resources, including their 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.

RSM UK Audit LLP

SIMON HART (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP (formerly BAKER TILLY UK AUDIT LLP), Statutory Auditor

St Philips Point

Temple Row

Birmingham

B2 5AF

Date: 18 December 2015

Rothamsted Research Limited

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 March 2015

	<i>Notes</i>	Unrestricted funds £'000	Restricted funds £'000	Total funds 2015 £'000	Total funds 2014 £'000
INCOMING RESOURCES					
Incoming resources from generated funds:					
- activities for generating funds	1	594	-	594	628
- investment income	2	194	-	194	209
Incoming resources from charitable activities:					
- scientific research	3	32,802	7,900	40,702	36,662
- postgraduate education and training	3	1,556	-	1,556	554
TOTAL INCOMING RESOURCES		35,146	7,900	43,046	38,053
RESOURCES EXPENDED					
Costs of generating funds:					
- costs of goods sold and other costs	5	484	-	484	481
Charitable activities	6a	32,434	4,974	37,408	33,647
Governance costs	7	154	-	154	138
TOTAL RESOURCES EXPENDED		33,072	4,974	38,046	34,266
NET INCOMING RESOURCES BEFORE TRANSFERS		2,074	2,926	5,000	3,787
TRANSFER BETWEEN FUNDS	17	(2,825)	2,825	-	-
NET INCOMING / (OUTGOING) RESOURCES FOR THE YEAR		(751)	5,751	5,000	3,787
RECONCILIATION OF FUNDS					
Fund balances at 1 April 2014		25,894	41,973	67,867	64,080
Fund balances at 31 March 2015		25,143	47,724	72,867	67,867

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 2015

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total funds 2015 £'000	Total funds 2014 £'000
INCOMING RESOURCES					
Incoming resources from generated funds:					
- activities for generating funds	1	151	-	151	219
- investment income	2	194	-	194	209
Incoming resources from charitable activities:					
- scientific research	3	32,802	7,900	40,702	36,662
- postgraduate education and training	3	1,556	-	1,556	554
TOTAL INCOMING RESOURCES		34,703	7,900	42,603	37,644
RESOURCES EXPENDED					
Costs of generating funds:					
- other costs	5	16	-	16	21
Charitable activities	6a	32,464	4,974	37,438	33,884
Governance costs	7	154	-	154	138
TOTAL RESOURCES EXPENDED		32,634	4,974	37,608	34,043
NET INCOMING RESOURCES BEFORE TRANSFERS		2,069	2,926	4,995	3,601
TRANSFER BETWEEN FUNDS	17	(2,825)	2,825	-	-
NET INCOMING / (OUTGOING) RESOURCES FOR THE YEAR		(756)	5,751	4,995	3,601
RECONCILIATION OF FUNDS					
Fund balances at 1 April 2014		25,902	41,973	67,875	64,274
Fund balances at 31 March 2015		25,146	47,724	72,870	67,875

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

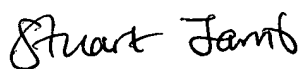
BALANCE SHEETS

31 March 2015

Company Registration Number 2393175

	Notes	Group 2015 £'000	Charity 2015 £'000	Group 2014 £'000	Charity 2014 £'000
FIXED ASSETS					
Tangible assets	10	43,947	43,887	45,828	45,787
Investments	11	87	87	87	95
Share of joint venture assets	11	5,812	-	609	-
Share of joint venture liabilities	11	(5,813)	-	(609)	-
		<u>44,033</u>	<u>43,974</u>	<u>45,915</u>	<u>45,882</u>
CURRENT ASSETS					
Stock		402	396	366	360
Debtors	12	8,415	8,812	6,439	6,725
Cash at bank and in hand		31,493	31,151	33,167	33,022
		<u>40,310</u>	<u>40,359</u>	<u>39,972</u>	<u>40,107</u>
CREDITORS: Amounts falling due within one year	13	(11,473)	(11,460)	(18,010)	(18,104)
		<u>40,310</u>	<u>40,359</u>	<u>39,972</u>	<u>40,107</u>
NET CURRENT ASSETS		<u>28,837</u>	<u>28,899</u>	<u>21,962</u>	<u>22,003</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>72,870</u>	<u>72,873</u>	<u>67,877</u>	<u>67,885</u>
CREDITORS: Amounts falling due after one year	14	(3)	(3)	(10)	(10)
		<u>72,867</u>	<u>72,870</u>	<u>67,867</u>	<u>67,875</u>
NET ASSETS		<u>72,867</u>	<u>72,870</u>	<u>67,867</u>	<u>67,875</u>
FUNDS					
Restricted funds	17	47,724	47,724	41,973	41,973
Unrestricted funds:					
General funds	17	23,643	23,646	22,319	22,327
Designated funds	17	1,500	1,500	3,575	3,575
		<u>72,867</u>	<u>72,870</u>	<u>67,867</u>	<u>67,875</u>
TOTAL FUNDS		<u>72,867</u>	<u>72,870</u>	<u>67,867</u>	<u>67,875</u>

The financial statements set out on pages 23 to 48 were approved by the Board and authorised for issue on 7th December 2015 and signed on its behalf by:


STUART JARVIS
 Director

Rothamsted Research Limited
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 March 2015

	<i>Notes</i>	2015 £'000	2014 £'000
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	18	(4,615)	12,290
RETURN ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		187	213
Dividends received		26	27
CAPITAL EXPENDITURE			
Receipts from sales of tangible fixed assets		72	52
Purchase of tangible fixed assets		(1,452)	(1,395)
Capital grants received		6,107	3,091
Capital grants expended		(1,874)	(2,913)
Receipts from sales of fixed asset investments		-	18
MANAGEMENT OF LIQUID RESOURCES			
Withdrawal/(placement) of fixed term deposits	20	3,298	(5,653)
FINANCING			
Repayment of loans	20	(125)	-
INCREASE IN CASH	19	1,624	5,730

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 £28,837k (2014: £21,962k) and the Charity £28,899k (2014: £22,003k).

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

Assets under construction are included at cost, and will be depreciated to their estimated residual values over their expected useful lives on a straight line basis once the asset is brought into use.

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 or Charity 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.

AGENCY ARRANGEMENTS

Incoming resources and resources expended are included within the Statement of Financial Activities where the Group or the Charity is acting as principal and bears the risks and rewards associated with those arrangements, rather than acting as an agent. Only any fee earned in respect of any agency arrangements is included within the Statement of Financial Activities.

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

1	ACTIVITIES FOR GENERATING FUNDS GROUP	Unrestricted 2015 £'000	Restricted 2015 £'000	Total 2015 £'000	Total 2014 £'000
	Consultancy	21	-	21	26
	Other	130	-	130	193
	Sale of goods (RML) – trading	443	-	443	409
		<u>594</u>	<u>-</u>	<u>594</u>	<u>628</u>
	CHARITY	Unrestricted 2015 £'000	Restricted 2015 £'000	Total 2015 £'000	Total 2014 £'000
	Consultancy	21	-	21	26
	Other	130	-	130	193
		<u>151</u>	<u>-</u>	<u>151</u>	<u>219</u>
2	INVESTMENT INCOME GROUP	Unrestricted 2015 £'000	Restricted 2015 £'000	Total 2015 £'000	Total 2014 £'000
	Dividend income	26	-	26	27
	Interest receivable	168	-	168	182
		<u>194</u>	<u>-</u>	<u>194</u>	<u>209</u>
	CHARITY	Unrestricted 2015 £'000	Restricted 2015 £'000	Total 2015 £'000	Total 2014 £'000
	Dividend income	26	-	26	27
	Interest receivable	168	-	168	182
		<u>194</u>	<u>-</u>	<u>194</u>	<u>209</u>

Rothamsted Research Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

3 CHARITABLE ACTIVITIES

Total incoming resources from charitable activities are analysed as follows:

GROUP AND CHARITY	Unrestricted 2015 £'000	Restricted 2015 £'000	Total 2015 £'000	Total 2014 £'000
BBSRC ISPG	13,899	-	13,899	12,542
Competitive Project Grant	5,474	-	5,474	5,481
Minor Works	-	838	838	430
Capital Equipment	-	805	805	1,063
Site Redevelopment funding	-	401	401	1,334
Building project funding	-	200	200	264
Maintenance funding	796	-	796	2,319
Sustainability funding	1,704	-	1,704	139
Redundancy funding	133	-	133	320
Rebuild grant funding	-	3,863	3,863	2,825
Newton Funding	-	1,100	1,100	-
Open Access funding	-	693	693	57
Institute Development Grant funding	1,700	-	1,700	-
TOTAL BBSRC	23,706	7,900	31,606	26,774
DEFRA Commissions	962	-	962	1,565
DEFRA Competitive	1,153	-	1,153	2,524
Other Government Departments, Public Sector (see below)	750	-	750	941
European Union	1,186	-	1,186	745
Industry	2,959	-	2,959	2,364
Trusts, Foundations, Charities	1,328	-	1,328	793
Income from Farm Operations	548	-	548	658
Postgraduate Education and Training	1,556	-	1,556	554
Miscellaneous income	210	-	210	298
TOTAL INCOMING RESOURCES	34,358	7,900	42,258	37,216
Other Government Departments / Public Sector:				
Other Research Councils	710	-	710	576
Other	40	-	40	365
	750	-	750	941

Rothamsted Research Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

4 INCOMING RESOURCES

GROUP	Unrestricted	Restricted	Total	Total
Analysis of incoming resources by geographical region:	2015	2015	2015	2014
	£'000	£'000	£'000	£'000
United Kingdom	32,666	7,900	40,566	36,415
Europe:				
EU	1,656	-	1,656	959
Other	28	-	28	126
North America	644	-	644	400
Other	152	-	152	153
	<u>35,146</u>	<u>7,900</u>	<u>43,046</u>	<u>38,053</u>

CHARITY	Unrestricted	Restricted	Total	Total
Analysis of incoming resources by geographical region:	2015	2015	2015	2014
	£'000	£'000	£'000	£'000
United Kingdom	32,223	7,900	40,123	36,006
Europe:				
EU	1,656	-	1,656	959
Other	28	-	28	126
North America	644	-	644	400
Other	152	-	152	153
	<u>34,703</u>	<u>7,900</u>	<u>42,603</u>	<u>37,644</u>

5 COSTS OF GENERATING FUNDS

GROUP	Unrestricted	Restricted	Total	Total
	2015	2015	2015	2014
	£'000	£'000	£'000	£'000
Consultancy	16	-	16	21
Cost of goods sold – trading (RML)	468	-	468	460
	<u>484</u>	<u>-</u>	<u>484</u>	<u>481</u>
CHARITY	Unrestricted	Restricted	Total	Total
	2015	2015	2015	2014
	£'000	£'000	£'000	£'000
Consultancy	16	-	16	21

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

6a) CHARITABLE ACTIVITIES	Direct costs £'000	Other costs £'000	Support costs £'000	Total 2015 £'000	Total 2014 £'000
GROUP					
Activity					
Scientific research	24,098	7,398	5,005	36,501	32,778
Postgraduate education and training	675	-	232	907	869
	<u>24,773</u>	<u>7,398</u>	<u>5,237</u>	<u>37,408</u>	<u>33,647</u>
CHARITY	Direct costs £'000	Other costs £'000	Support costs £'000	Total 2015 £'000	Total 2014 £'000
Activity					
Scientific research	24,128	7,398	5,005	36,531	33,015
Postgraduate education and training	675	-	232	907	869
	<u>24,803</u>	<u>7,398</u>	<u>5,237</u>	<u>37,438</u>	<u>33,884</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. 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 2015 £'000	Total 2014 £'000
Commercial and Finance	Staff time	605	70	26	701	585
Human Resources	Staff time	684	24	-	708	589
Computing Service Institute	Usage	1,067	11	-	1,078	867
Management	Staff time	578	52	57	687	719
Other administration	Usage	2,071	75	-	2,146	2,112
		<u>5,005</u>	<u>232</u>	<u>83</u>	<u>5,320</u>	<u>4,872</u>

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

7	GOVERNANCE COSTS	Unrestricted 2015 £'000	Restricted 2015 £'000	Total 2015 £'000	Total 2014 £'000
	GROUP AND CHARITY				
	Audit fee	44	-	44	48
	Trustee expenses	15	-	15	3
	Support costs (see note 6b)	83	-	83	81
	Professional advice to Trustees	12	-	12	6
		<u>154</u>	<u>-</u>	<u>154</u>	<u>138</u>

10 Directors claimed reimbursement of travel expenses, the amount of which was £4,081 (2014: 12 Directors claimed reimbursement of £3,470).

Under the amended Articles of Association approved by Special Resolution on 10 December 2013, the Charity is authorised to remunerate its Chairman, and in the year ended 31 March 2015 paid an honorarium of £10,932 (2014: £Nil). Other trustees received £Nil remuneration (2014: £Nil).

8	NET INCOMING RESOURCES IS STATED AFTER CHARGING/ (CREDITING) THE FOLLOWING:	Group 2015 £'000	Charity 2015 £'000	Group 2014 £'000	Charity 2014 £'000
	Interest receivable	(168)	(168)	(182)	(182)
	Auditor's remuneration – audit services – parent	44	44	48	48
	Auditor's remuneration – audit services – subsidiary	3	-	4	-
	Auditor's remuneration – taxation advisory	24	24	33	33
	Auditor's remuneration – taxation compliance	3	3	2	2
	Hire of plant and machinery	1	1	2	2
	Depreciation	3,323	3,298	3,162	3,147
	Operating lease rentals: Land and buildings	20	20	17	17
		<u></u>	<u></u>	<u></u>	<u></u>

Rothamsted Research Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

9	STAFF COSTS AND NUMBERS	Unrestricted 2015 £'000	Restricted 2015 £'000	Total 2015 £'000	Total 2014 £'000
	GROUP				
	Salaries and wages	13,758	-	13,758	13,055
	Social security costs	1,187	-	1,187	1,084
	Other pension costs	2,885	-	2,885	2,833
	Redundancy costs	472	-	472	390
		<u>18,302</u>	<u>-</u>	<u>18,302</u>	<u>17,362</u>
	CHARITY	Unrestricted 2015 £'000	Restricted 2015 £'000	Total 2015 £'000	Total 2014 £'000
	Salaries and wages	13,507	-	13,507	12,770
	Social security costs	1,175	-	1,175	1,069
	Other pension costs	2,831	-	2,831	2,774
	Redundancy costs	472	-	472	390
		<u>17,985</u>	<u>-</u>	<u>17,985</u>	<u>17,003</u>

The average number of persons employed by category was:

	Group Total 2015 No.	Charity Total 2015 No.	Group Total 2014 No.	Charity Total 2014 No.
Science staff	259	259	224	224
Technical and administrative staff	179	166	185	171
	<u>438</u>	<u>425</u>	<u>409</u>	<u>395</u>

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

Science staff	241	241	210	210
Technical and administrative staff	160	148	164	153
	<u>401</u>	<u>389</u>	<u>374</u>	<u>363</u>

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

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 2015	Group Total 2014	Charity Total 2015	Charity Total 2014
£60,000 - £69,999	12	12	12	12
£70,000 - £79,999	6	3	6	3
£80,000 - £89,999	1	3	1	3
£90,000 - £99,999	2	3	2	3
£100,000 - £109,999	2	1	2	1
£150,000 - £159,999	1	1	1	1
£160,000 - £169,999	1	-	1	-
	<u>25</u>	<u>23</u>	<u>25</u>	<u>23</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.

RRES staff employed by the BBSRC 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 2014/15, the group paid £2,241k (2014: £2,541k) 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 2015 have not yet been published, the total net liability as at 31 March 2014 was £3,862m (2013: £3,537m). The group expects to pay £2,150k in respect of employer's contributions in 2015/16.

Staff employed by Rothamsted Research are members of a defined contribution scheme, as noted on page 3. Contributions made in 2014/15 amounted to £644k (2014: £292k), and there were no accrued or prepaid contributions at 31 March 2015 (2014: £Nil).

In the year the Charity paid £5.8k in premiums for Professional Indemnity Insurance (2014: £5.6k).

Rothamsted Research Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

10	TANGIBLE FIXED ASSETS	Buildings £'000	Assets in course of construction £'000	Plant and machinery £'000	Fixtures, fittings and vehicles £'000	Total £'000
	GROUP					
	Cost:					
	As at 1 April 2014	62,462	-	18,778	1,839	83,079
	Additions	-	535	829	88	1,452
	Disposals	-	-	(85)	(16)	(101)
	As at 31 March 2015	62,462	535	19,522	1,911	84,430
	Accumulated depreciation:					
	As at 1 April 2014	22,446	-	13,315	1,490	37,251
	Charge for the year	1,149	-	2,008	166	3,323
	Disposals	-	-	(75)	(16)	(91)
	As at 31 March 2015	23,595	-	15,248	1,640	40,483
	Net book value:					
	As at 31 March 2015	38,867	535	4,274	271	43,947
	As at 31 March 2014	40,016	-	5,463	349	45,828
	CHARITY	Buildings £'000	Assets in course of construction £'000	Plant and machinery £'000	Fixtures, fittings and vehicles £'000	Total £'000
	Cost:					
	As at 1 April 2014	62,462	-	18,778	1,762	83,002
	Additions	-	535	829	44	1,408
	Disposals	-	-	(85)	(16)	(101)
	As at 31 March 2015	62,462	535	19,522	1,790	84,309
	Accumulated depreciation:					
	As at 1 April 2014	22,446	-	13,315	1,454	37,215
	Charge for the year	1,149	-	2,008	141	3,298
	Disposals	-	-	(75)	(16)	(91)
	As at 31 March 2015	23,595	-	15,248	1,579	40,422
	Net book value:					
	As at 31 March 2015	38,867	535	4,274	211	43,887
	As at 31 March 2014	40,016	-	5,463	308	45,787

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

10 TANGIBLE FIXED ASSETS (Continued)

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. The land is owned by The Lawes Agricultural Trust.

11 INVESTMENTS

GROUP	Unlisted investments £'000
Valuation:	
As at 1 April 2014 & 31 March 2015	87
Impairment:	
As at 1 April 2014 & 31 March 2015	-
Net Book Value	
As at 31 March 2015	87
As at 31 March 2014	87

The unlisted investments relate to the following holdings:

The Company owns 2,833 £0.01 ordinary shares in VSN International Limited, a 15.98% shareholding.

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 2015

11 INVESTMENTS (Continued)

CHARITY	Unlisted investments £'000	Shares in group undertakings £'000	Total £'000
Cost / valuation:			
As at 1 April 2014 & 31 March 2015	87	45	132
Impairment:			
As at 1 April 2014	-	37	37
Provision in the year	-	8	8
As at 31 March 2015	-	45	45
Net Book Value:			
As at 31 March 2015	87	-	87
As at 31 March 2014	87	8	95

Shares in subsidiary undertakings

The Charity held the following shares in subsidiary undertakings at 31 March 2015:

	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	(260,561)	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 2015

11 INVESTMENTS (Continued)

The results of Rothamsted Manor Limited, for the year ended 31 March 2015, which are included in the consolidated financial statements, are set out below:

	£'000
Turnover	443
Cost of sales	(467)
	<hr/>
Retained loss for the year	(24)
Net liabilities at 1 April 2014	(237)
	<hr/>
Net liabilities at 31 March 2015	<u>(261)</u>
Being:	
Tangible fixed assets	59
Current assets	678
Current liabilities	(998)
	<hr/>
Net liabilities at 31 March 2015	<u>(261)</u>

Rothamsted Manor Limited's principal activity during 2014/15 was the operation of a restaurant and conference centre as well as property management. The conferencing activity was transferred to Rothamsted Centre for Research & Enterprise Limited on 1 April 2015. 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 prior 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 16. Rothamsted Centre for Research & Enterprise Limited (RoCRE), which changed its name from Rothamsted Research Centres Limited during the year, has completed the construction of the campus development. Notwithstanding that RoCRE is currently 100% owned by the Charity, joint control is achieved by the formation and operation 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 RoCRE Project Board, namely Rothamsted Research Limited, The Lawes Agricultural Trust and the BBSRC that the shareholding of RoCRE 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 RoCRE to be a joint venture. 40% of the results and the assets and liabilities of the joint venture for the year ended 31 March 2015 have been included in the consolidated financial statements of Rothamsted Research Limited as follows:

	£'000
Turnover	-
Administrative expenses	(1)
	<hr/>
Retained loss for the year	(1)
Net assets at 1 April 2014	-
	<hr/>
Net liabilities at 31 March 2015	<u>(1)</u>

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

11 INVESTMENTS (Continued)

Being:	£'000
Tangible fixed assets:	
Assets in the course of construction	5,008
Current assets	804
Current liabilities: Deferred income	(5,813)
	<u> </u>
Net liabilities at 31 March 2015	<u> (1)</u>

12 DEBTORS	Group 2015 £'000	Charity 2015 £'000	Group 2014 £'000	Charity 2014 £'000
Due within one year				
Trade debtors	4,296	4,296	1,439	1,439
Other debtors	447	117	177	9
Prepayments and accrued income	3,086	3,086	4,811	4,809
Due from subsidiary undertaking	-	-	-	456
Due from joint venture	579	579	2	2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	8,408	8,078	6,429	6,715
Other debtors – due after one year	7	7	10	10
Due from subsidiary undertaking – due after one year	-	727	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	8,415	8,812	6,439	6,725
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

13 CREDITORS: Amounts falling due within one year	Group 2015 £'000	Charity 2015 £'000	Group 2014 £'000	Charity 2014 £'000
Loans from the BBSRC	-	-	125	125
Trade creditors	1,069	1,069	753	753
Other taxes and social security costs	-	-	19	19
Other creditors	660	619	150	59
Accruals	1,544	1,572	712	897
Deferred income (see page 43)	8,200	8,200	16,251	16,251
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	11,473	11,460	18,010	18,104
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

13 CREDITORS: Amounts falling due within one year (continued)

Deferred income represents income received in advance of expenditure. The movement can be analysed as follows:	Group 2015 £'000	Charity 2015 £'000	Group 2014 £'000	Charity 2014 £'000
Opening balance	16,251	16,251	13,714	13,714
Amounts deferred during the year	8,200	8,200	16,251	16,251
Release of amounts previously deferred	(16,251)	(16,251)	(13,714)	(13,714)
	<u>8,200</u>	<u>8,200</u>	<u>16,251</u>	<u>16,251</u>

14 CREDITORS: Amounts falling due after more than one year

	Group 2015 £'000	Charity 2015 £'000	Group 2014 £'000	Charity 2014 £'000
Redundancy accruals, relating to annual pension contributions for former staff	3	3	10	10
	<u>3</u>	<u>3</u>	<u>10</u>	<u>10</u>
	Group 2015 £'000	Charity 2015 £'000	Group 2014 £'000	Charity 2014 £'000
Repayable within 1 – 2 years	2	2	6	6
Repayable within 2 – 5 years	1	1	4	4
	<u>3</u>	<u>3</u>	<u>10</u>	<u>10</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. The Charity carries appropriate levels of insurance on all buildings, plant and equipment and has regular risk reviews and insurance audits.

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

16 COMMITMENTS

As at 31 March 2015, the Charity had capital commitments amounting to £571,000 (2014: £667,000) in respect of plant and machinery.

At 31 March 2015, the Charity also had financial commitments amounting to £Nil (2014: £2.7million) in respect of its agreed contribution to the joint venture, Rothamsted Centre for Research & Enterprise Limited's construction project. This contribution formed part of the total capital commitment of the joint venture, which amounted to £Nil at 31 March 2015 (2014: £12.1million). Both the Charity and the joint venture's commitments had been expended by 31 March 2015.

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

	Group 2015 £'000	Charity 2015 £'000	Group 2014 £'000	Charity 2014 £'000
Land and buildings: expiring in the second to fifth year	20	20	20	20

17 FUNDS	Unrestricted £'000	Restricted £'000	Total £'000
GROUP			
Funds as at 31 March 2015	25,143	47,724	72,867
Funds balances are represented by:			
Fixed assets	4,705	39,328	44,033
Current assets	31,914	8,396	40,310
Current liabilities	(11,473)	-	(11,473)
Long-term liabilities	(3)	-	(3)
Total net assets	25,143	47,724	72,867
CHARITY	Unrestricted £'000	Restricted £'000	Total £'000
Funds as at 31 March 2015	25,146	47,724	72,870
Funds balances are represented by:			
Fixed assets	4,646	39,328	43,974
Current assets	31,963	8,396	40,359
Current liabilities	(11,460)	-	(11,460)
Long-term liabilities	(3)	-	(3)
Total net assets	25,146	47,724	72,870

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

17	FUNDS (continued)	2015 £'000	2014 £'000
	GENERAL FUNDS		
	Balance brought forward	22,319	19,408
	Net incoming resources	2,074	6,486
	Transfer to designated fund	(750)	(3,575)
	Balance carried forward	23,643	22,319
	CHARITY	2015 £'000	2014 £'000
	GENERAL FUNDS		
	Balance brought forward	22,327	19,602
	Net incoming resources	2,069	6,300
	Transfer to designated fund	(750)	(3,575)
	Balance carried forward	23,646	22,327
	DESIGNATED ESTATE REBUILD FUND	2015 £'000	2014 £'000
	GROUP AND CHARITY		
	Balance brought forward	3,575	-
	Transfer to restricted fund	(2,825)	-
	Transfer from general fund	750	3,575
	Balance carried forward	1,500	3,575

The designated fund relates to funds set aside by the Trustees to ensure the long term sustainability of the Institute and its estate facilities. Funding received from the BBSRC for this purpose has been reclassified as a restricted fund, following notification received from the BBSRC.

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

17 FUNDS (continued)

GROUP AND CHARITY	As at 1 April 2014 £'000	Incoming resources £'000	Resources expended £'000	Transfers between funds £'000	As at 31 March 2015 £'000
Capital fund	41,973	2,244	(4,889)	-	39,328
Estate Rebuild fund	-	3,863	-	2,825	6,688
Open Access fund	-	693	(85)	-	608
Newton fund	-	1,100	-	-	1,100
	<u>41,973</u>	<u>7,900</u>	<u>(4,974)</u>	<u>2,825</u>	<u>47,724</u>

The Capital fund principally represents funding received, largely from the Biotechnology and Biological Sciences Research Council, for the acquisition of tangible fixed assets. These assets are built on land that is not owned by Rothamsted Research Limited. It represents the net book value of such fixed assets.

The Estates Rebuild fund represents funding received from the BBSRC in respect of ensuring the long term sustainability of the Institute and its estate facilities. Funding received in the prior year (£2,825k) has been reclassified as a restricted fund by means of transfer, following confirmation received from the BBSRC.

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

The Newton fund represents funding received from the BBSRC, in respect of increasing international partnerships with scientific organisations in Brazil, China, Colombia and the Philippines.

18 RECONCILIATION OF THE GROUP NET INCOMING RESOURCES FOR THE YEAR TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2015 £'000	2014 £'000
Net incoming resources	5,000	3,787
Interest receivable	(168)	(182)
Dividends receivable	(26)	(27)
Depreciation charges	3,323	3,162
Profit on disposal of fixed assets	(61)	(33)
Share of loss in joint venture investment	1	-
Capital grants (net)	(4,233)	(178)
Decrease/(increase) in stocks	(36)	44
Decrease/(increase) in debtors	(1,996)	3,890
Increase/(decrease) in creditors	(6,419)	1,827
	<u>(4,615)</u>	<u>12,290</u>
Net cash (outflow)/inflow from operating activities	(4,615)	12,290

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

19	ANALYSIS OF CHANGES IN NET FUNDS	At 1 April 2014 £'000	Cash flow £'000	Non-cash flow movements £'000	At 31 March 2015 £'000
	Bank balances and cash	11,975	1,624	-	13,599
	Short term deposits	21,192	(3,298)	-	17,894
	BBSRC loans due within one year	(125)	125	-	-
		<u>33,042</u>	<u>(1,549)</u>	<u>-</u>	<u>31,493</u>

20	RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS	2015 £'000	2014 £'000
	(Decrease)/increase in fixed term deposits	(3,298)	5,653
	Increase in cash in the period	1,624	5,730
	Repayment of BBSRC loan due within one year	125	-
		<u>(1,549)</u>	<u>11,383</u>
	Change in net funds	33,042	21,659
	Net funds at 1 April 2014		
	Net funds as at 31 March 2015 (Note 19)	<u>31,493</u>	<u>33,042</u>

21 RELATED PARTY TRANSACTIONS

BBSRC funds scientific research and equipment purchases for the Institute. Funding for 2014/15 was £31,606k (2014: £26,774k) and the breakdown of this is shown in Note 3. At the 2014/15 year-end BBSRC had £3,024k (2014: £237k) included within trade debtors of the Institute, £19k (2014: £0.1k) included within trade creditors, and £251k (2014: £Nil) included within accruals. 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, and was repaid during the year. Land and buildings at North Wyke, Devon are owned by the Biotechnology and Biological Sciences Research Council and occupied by the Company under a formal lease and at a peppercorn rent.

LAT also funds scientific research through grants to the Institute, and in the year 2014/15 the value of this to the Institute was £316k (2014 - £264k). 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 2014/15, RML paid out £212k (2014: £205k) in costs and collected £174k (2014: £159k) in income on behalf of LAT. At year end, the charity owed £21k (2014 - was owed £61k) by LAT, and RML was owed £196k by LAT (2014 - £17k). Details of the agreements regarding the Institute's use of buildings owned by LAT are set out in Note 10, which are currently rent free.

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

21 RELATED PARTY TRANSACTIONS (continued)

At the year end, the charity was owed £579k. (2014: £2k) by Rothamsted Centre for Research & Enterprise Limited (RoCRE). As described in Note 16, the Charity contributed £2.7 million during the year towards RoCRE's construction project.

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 2015 (2014: £Nil).

Rothamsted Research Limited
INCOME AND EXPENDITURE ACCOUNTS
for the year ended 31 March 2015

	Group 2015 £'000	Charity 2015 £'000	Group 2014 £'000	Charity 2014 £'000
Gross income of continuing operations	36,939	36,496	34,962	34,553
Total expenditure of continuing operations	(33,157)	(32,719)	(28,476)	(28,253)
Net income for the year	3,782	3,777	6,486	6,300
RECONCILIATION OF NET INCOME TO NET INCOMING RESOURCES FOR THE YEAR				
Net income for the year	3,782	3,777	6,486	6,300
Capital grants received	6,107	6,107	3,091	3,091
Expenditure of capital grants included in resources expended	(1,874)	(1,874)	(2,913)	(2,913)
Release of deferred capital grant in line with depreciation	(3,015)	(3,015)	(2,877)	(2,877)
Net incoming resources for the year	5,000	4,995	3,787	3,601