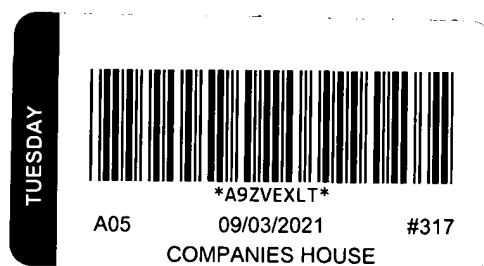


Rothamsted Research Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 March 2020



Company Registration No. 2393175
Charity No. 802038

Legal and Administrative Information	2
Trustees' Report (incorporating the Strategic Report- pages 6-16)	3 - 18
Statement of Trustees' Responsibilities	19
Independent Auditor's Report	20-22
Consolidated Statement of Financial Activities	23
Charity Statement of Financial Activities	24
Balance Sheets	25
Consolidated and Charity Cash Flow Statements	26-27
Accounting Policies	28-32
Notes to the Financial Statements	33-53
Income and Expenditure Accounts	54

Rothamsted Research Limited

LEGAL & ADMINISTRATIVE INFORMATION

DIRECTORS

Professor Sir John Beddington FRS (Chair)	
Professor Sir David Baulcombe ⁺ FRS	
Mr Russell Brooks*	Resigned 4 December 2019
Dr Oliver Doubleday	
Professor Sir Charles Godfray ⁺ FRS	
Mr John Haywood	Appointed 4 December 2019
Dr Stuart Jarvis*	
Professor Louise Manning	Appointed 6 December 2019
Ms Sally Smith* (Deputy Chair)	
Professor Michael Winter ⁺	
Dr Alastair Leake	Resigned 8 May 2019

* - Member of Finance and Audit Committee

⁺ - Member of the Science Advisory Group of the Board

CHARITY NUMBER: 802038

COMPANY NUMBER: 2393175, a company registered in England and Wales

REGISTERED OFFICE

Rothamsted Research Limited
Harpenden
Hertfordshire AL5 2JQ

AUDITOR

RSM UK Audit LLP
The Pinnacle
170 Midsummer Boulevard
Milton Keynes MK9 1BP

PRINCIPAL BANKERS

Barclays Bank
22-24 Upper Marlborough Road
St Albans
Hertfordshire AL1 3AL

PRINCIPAL SOLICITORS

Mills and Reeve LLP
Botanic House
100 Hills Road
Cambridge
CB2 1PH

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 2020. This contains a Directors report as required by company law. 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, were as follows:

Directors

Professor Sir John Beddington FRS (Chairman)	
Professor Sir David Baulcombe	
Mr Russell Brooks	Resigned 4 December 2019
Dr Oliver Doubleday	
Professor Sir Charles Godfray	
Mr John Haywood	Appointed 4 December 2019
Dr Stuart Jarvis	
Professor Louise Manning	Appointed 6 December 2019
Ms Sally Smith (Deputy Chair)	
Professor Michael Winter	
Dr Alastair Leake	Resigned 8 May 2019

Institute Director

Professor Achim Dobermann	Resigned 31 December 2019
Professor Angela Karp	Appointed Interim 31 December 2019, Permanent 16 July 2020

Officer

Company Secretary: Louise Warren

Constitution

Rothamsted Research Limited (the Institute or the Company, Rothamsted Research 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 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

An executive search agency is used for the identification of potential Trustee-Directors. These are then considered by an appointments panel nominated by the Board and composed of two or three Trustees considering 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 Institute Director and others as appropriate.

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.

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

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 overall governance and strategic direction of the Company in accordance with the Company's Articles of Association, with day-to-day management delegated to the Chief Executive Officer and Institute Director, who the Board is expected to support in the development of strategic direction and policies, objectives and goals. There may be between 9 and 15 Trustee-Directors sitting on the Board of Directors, with Lawes Agricultural Trust ("LAT") and Biotechnology and Biological Sciences Research Council ("BBSRC"), part of UK Research & Innovation, each providing an Observer at Board meetings and each nominating one Director. The Chair 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 Chair, 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 Chair and Trustee-Directors of Rothamsted Research Limited. There is an appointments panel that is set up as required. The Board considers and is guided by the guidance issued from time to time by the Charity Commission.

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 Chair 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 Limited; 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 three sub-committees for specific purposes, namely the Finance and Audit Committee, the Science Advisory Group of the Board, and the Remuneration Committee; the latter setting remuneration for key senior staff based on performance.

Until 2017 there was an agreement in place by which BBSRC employees (who were public sector employees and subject to those controls) were deployed to work at Rothamsted Research with the latter bearing all relevant costs. With effect from 1 April 2017 all BBSRC employees were transferred to Rothamsted Research Limited employment under TUPE regulations. Pension arrangements protected by TUPE remain the same and are administered by the Research Councils' Pension Scheme. 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 1 April 2012) provided and administered by Aviva PLC.

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. The Employee Forum gives an employee voice within Rothamsted and represents all staff across the whole of the organisation. It provides the opportunity for representatives and senior management to share key information, have discussions about the issues, interests and ideas that are important to all, and provides a platform to ensure participation in constructive discussions on how best to grow and develop the Institute. The Forum complements and is additional to existing methods of internal

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

communication. It proactively seeks views and feedback and acts as a communication and consultative body in areas such as: Institute strategy & performance, the political environment and its impact on RRes, organisational development and changes, employment terms and arrangements, employee engagement, health, safety and well-being, training & people development as well as work life balance and equality and diversity. The Institute Director attends the Institute Negotiating Consultative Committee and receives regular reports from the Employee Forum, which is attended by a member of HR, reporting back to the Board.

Disabled Persons

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

Athena SWAN Charter

The Athena SWAN Charter recognises advancement of gender equality: representation, progression and success for all, and Rothamsted Research Limited is committed to achieving this. Rothamsted Research Limited gained the Athena SWAN Bronze award in 2014, and this was renewed in 2018 – originally established to encourage and recognise commitment to advancing the careers of women in science, technology, engineering, maths and medicine (STEMM). The charter now recognises work undertaken to address gender equality more broadly, and not just barriers to progression that affect women.

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 (LAT), 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 LAT. Land and buildings at North Wyke, Devon are owned by the Biotechnology and Biological Sciences Research Council ("BBSRC") 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 with all accumulated losses at 1 April 2010 from LAT. RML formerly provided property and events management services for LAT owned properties occupied by Rothamsted students and staff but the company will be made dormant from September 2020. Rothamsted Enterprises Limited (REL) is a joint venture of Rothamsted Research, LAT and BBSRC. REL operates and provides catering, conferencing and some management agent services for the Conference Centre, Lawes Open Innovation Hub and, on behalf of LAT, The Daniel Hall Building and Russell Building. REL is a unique hub focused on promoting collaboration and innovation by partnering with commercial agricultural technology businesses and opening the research process. With access to Rothamsted's world class facilities and researchers, REL offers flexible laboratory space, offices and informal meeting hubs, as well as an extended Conference Centre. No other material subsidiary undertakings conducted any trading activities during the year.

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

The Charity has a 15.87% 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 2019/20 operating profit of £268k (18/19:355k, 17/18:320k, 16/17: £175k, 15/16: £200k) was achieved across all territories of the globe. The company is not expected to provide share dividends in 20/21.

Fund Raising

The Company does not actively fund raise, and no professional fund-raisers are engaged. Therefore no complaints were received in connection with fundraising.

STRATEGIC REPORT OBJECTIVES AND ACTIVITIES

The objects of RRes 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 whilst providing for regional diversity in the environment and in agricultural practice, and to collaborate in joint programmes where appropriate;
- To promote the dissemination and extension of research findings alone or in association with other charitable organisations having objects similar to the objects of the Company and to actively facilitate the uptake of research results by industry;
- To extend these activities through external funding to provide support to developing countries.

RRes remains dedicated to providing scientific research that contributes to the sustainability of agricultural land management systems both in the UK and throughout the world. This includes improving yield and quality of crops produced for a variety of purposes and enhancing the sustainability of agricultural systems worldwide. RRes 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.

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 RRes is increasingly relevant for that and the growing bioeconomy.

The mission of RRes 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. RRes's purpose is to bring together global science, fresh thinking and innovation for lasting benefits worldwide. The unique value proposition for which RRes is held in high regard globally, is the novelty and integrity of its knowledge on agricultural systems. RRes' research underpins key sectors of UK biosciences such as sustainable food production, bioenergy and biotechnology.

The launch of RRes' 2017-2022 research and innovation strategy coincided with the commencement of the new Institute Strategic Programmes (ISPs). The strategy was formed after extensive stakeholder discussions, in which period the present ISPs were also shaped. The RRes strategy identified three overarching Themes ("Science Portfolios") that address major challenges for future agriculture: **Superior Crops**: Increasing sustainable yield and quality of food crops and designing crops with novel nutritional or industrial value; **Securing Productivity**: Increasing resilience of crop productivity by reducing losses caused by biotic and

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

abiotic stresses; **Future Agri-Food Systems:** High-performing crop and livestock production systems with lower environmental impact.

Five **Institute Strategic Programmes (ISPs)**, and three **National Capabilities (NCs)** act as central pillars of these Science Portfolios:

Portfolio	ISP	NC
Superior Crops	<ul style="list-style-type: none">• Designing Future Wheat (DFW)• Tailoring Plant Metabolism (TPM)	
Securing Productivity	<ul style="list-style-type: none">• Smart Crop Protection (SCP)	<ul style="list-style-type: none">• Rothamsted Insect Survey (RIS)
Future Agri-Food Systems	<ul style="list-style-type: none">• Soil to Nutrition (S2N)• Achieving Sustainable Agricultural Systems (ASSIST)	<ul style="list-style-type: none">• North Wyke Farm Platform (NWFP)• Long-Term Experiments (LTE)

Briefly, the five inter-connected ISPs and numerous other grants linked to them have the following major aims:

- **ISP 1: Designing Future Wheat** a UK wheat research programme to improve resource, resilience and value of wheat through genetic improvement
- **ISP 2: Tailoring Plant Metabolism** a programme aimed at delivering novel traits in bespoke crops for the bioeconomy, including oilseed crops and willows
- **ISP3: Smart Crop Protection** a programme on novel, systems-based solutions for managing insect pests, crop disease and weeds in crop production
- **ISP4: Soil to Nutrition** a programme that applies a mechanistic approach to optimising nutrient use efficiency across crop and livestock food production systems

ISP 5: Achieving Sustainable Agricultural Systems a programme to evaluate and understand the performance of sustainable intensification options at farming scale

The three National Capabilities, the Long-Term Experiments, the Rothamsted Insect Survey and the North Wyke Farm Platform continue to serve as a key resource for our strategic research as well as research conducted by national and international partners. They are supported by BBSRC and open to scientists everywhere.

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

- Move towards a portfolio-based, outcome-driven approach in science and its support services;
- Increase and diversify grant income;
- Expand innovation and commercialisation mechanisms to accelerate our strategic research and its impact;
- Accelerate the organisational transformation through new initiatives;
- Improve the financial sustainability of the Institute through a variety of business management measures.

The Institute assembled a Covid-19 core response team in March 2020. The Institute worked closely with the Lawes Agricultural Trust, and Rothamsted Enterprises Ltd in all decision-making and planning. During lockdown, small, dedicated teams working in rotas (complying with all Covid-19 safety guidelines), ensured that the high standards of animal welfare have been fully maintained, through a very busy lambing and calving period, and that all critical experiments were cared for, on the farm, in the glasshouses and in controlled environment rooms on all sites. Home working was made possible by careful planning of IT who have continued to service all needs. The Institute worked hard to prepare the working environment to be as safe as possible and implemented a phased return to work, whilst always encouraging home-working

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

whenever possible. Through these means the Institute maintained business continuity and a high level of health and safety throughout this whole period of the pandemic.

As part of the Transformation Programme being undertaken by the Institute, steps have been taken for the recruitment of 3 Senior level Science Leaders, highly recognised in their fields with excellent track records, to inspire and provide new leadership under science portfolios.

Four Working Groups (WGs), each comprised of a diverse representation of staff, were established to start shaping the form of the new initiatives: Strategic Programmes Group (SPG); Future Science Forum (FSF); Facilities and Resources Group (FRG) and Innovation and Commercialisation Group (ICG). Each of these have made excellent progress over the year. As a result of their activities throughout the year, the Institute now has: a clear plan of activities, resource use and financial planning for the remaining period of the current strategic programmes, including the additional rollover year due to Covid-19 (SPG); a set of opportunity areas that could be the focus for new strategic programmes, and provide opportunities for new grant submission (FSF); a more efficient method for costing the use of facilities and resources (FRG); a clear process of steps from research result to impact, and the start of a tool kit of templates needed to carry out each step (ICG).

A consultancy company, Wilson Fletcher has been contracted to work with the Institute on developing a road map for digital transformation. The Wilson Fletcher team completed over 40 one-to-one interviews with staff (from across the Institute in areas and grades), completed their current state analysis maps of key functions and ran Five Future State workshops. The roadmap will be used in 2021 as the basis for digital transformation of the institute's science and business.

The Institute Research Grants Office has worked hard with Departmental Heads to identify and support grants submissions. In 2019/20, the overall success rate for grant submission was 29% which was higher than the UK average. Notable successful wins in 2020 included the following grants of over £500k:

- BBSRC Responsive Mode award to Matthew Paul
- NERC Responsive Mode award to Alice Milne
- EU H2020 award to Richard Haslam

Along with grants of over £300k:

- BBSRC Microbiome Initiative award to Tim Mauchline
- Bacterial Diseases Initiative to Josef Vuts
- BBSRC Follow-on-Fund award to Nigel Halford

In addition, the Institute has achieved great success with Equipment and Capital bids, summing to £2,836,800 and £2,360,00, respectively.

The SHAKE Climate Change Entrepreneur support programme has successfully completed the first two cohort runs. Nine ventures are currently in the portfolio of invested companies, each receiving a convertible loan of £140K. Two Rothamsted spinout companies, Pherosyn and SugarOx are among the successful ventures. Following the launch of Pherosyn, this team successfully bid for a £308K BBSRC grant (Industrial Biotechnology for Improving production of Higher Value Chemicals) and a £270K Innovate UK grant under the SMART initiative for scale up.

Financial modelling exercises have been undertaken to ensure the institute remains ahead of any issues over financial sustainability. The impact of Covid-19 resulted in a request for additional funding support from BBSRC, which was provided through UKRI. This additional support has helped the institute, but the years ahead remain challenging.

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 its research is published in widely available media of various types appropriate for the target audience.

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

Science: All ISPs are on track in delivering against their objectives. Particularly noteworthy achievements include: acceleration of novel germplasm development by speed breeding (DFW); discovery of novel genes influencing recombination, crop architecture, disease resistance (DFW) and metabolism (TPM); knowledge-based strategies for metabolic engineering (TPM); gene-to-field pipelines for new industrial crops (TPM); new knowledge on soil processes influencing effective nutrient use (S2N); development of new sustainability indicators and tools for bench marking nutrient use on commercial farms (S2N). More than 349 journals papers were published in 2019/20 and additional funding has been leveraged from numerous sources. The searchable database of every Rothamsted publication spanning 175 years has proved immensely popular with a five-fold increase in month by month downloads over the course of its first full year.

Innovation: We have made excellent progress in establishing new mechanisms for innovation that adapt lean start-up principles. Our Agricultural Research and Innovation Accelerator (AgRIA) was launched in collaboration with University College London, Cranfield University and University of Hertfordshire, operating three models: a) short leaps; b) long leaps and c) next generation entrepreneurs. c£5.6m of external funding (total amounts of different grants for 3-4 years duration) has been attracted in support of AgRIA models, introducing new ways of working for our researchers, expanding our innovation ecosystem and attracting business. This includes: (i) FarmInn (£90K, co-funded by the AHDB), currently supporting 4 projects where farmer-led innovations are co-developed with our scientists, (ii) ERDF funding (£2m) for collaborative short leap innovation projects with SMEs and (iii) RRes' first entrepreneurship programme, SHAKE Climate Change (£3.5m), that combines seed investment from the Société Générale UK Foundation, entrepreneurial/business mentorship and scientific expertise. Two RRes spinout companies, Pherosyn and SugarOx have successfully applied for funding thorough the SHAKE Climate Change programme. RRes has also established two new startups after teams of early career researchers (ECRs) successfully competed in hackathons.

Partnerships: Our initial alliance with Syngenta involving 60 scientists in 10 collaborative projects finished in late 2018, resulting in 45 publications/disclosures. Valuable insights and tools were developed and adopted by the company. A highlight was the development of a new method for rapid validation of gene function. The new patented tool has already been made available to 20+ academic organisations around the world for scientific use. RREsis now looking to license it non-exclusively to industry. We are now in process of agreeing the next phase and have new collaboration agreements with several other companies. RRes significantly expanded its collaborations with SMEs, through InnovateUK projects, AgRIA and two ERDF programmes at North Wyke; £10.2m Agri-Tech Cornwall initiative (led by Duchy College) and £6.4m Environmental Futures and Big Data Impact Lab (led by the University of Exeter). We remain an active member of the Agrimetrics and CIEL Agri-Tech Centres in the UK. A major recent development has been the signing of a tripartite agreement between the Mohammed VI University (Morocco), RRes and Cranfield University on research, innovation and scientific capacity building for Africa, which will be funded by the OCP Group.

Farmer & industry engagement: We strengthened links with UK farmers and farmer networks through direct research involvement in programmes such as ASSIST, BGRI, ERDF Agri-tech projects and the Soil to Nutrition ISP. Our Research Advisory Group based at North Wyke and the Advisory Group for FarmInn (see above) provide healthy early sounding beds for ideas, whilst our partnerships with key bodies such as AHDB, AgriTech East and the National Farmers Union enable us to connect to regional and national farmer networks. Scientists also engaged with the agricultural industry at external events; Cereals 2019, CropTec, Groundswell, NFU meetings, and both Oxford Farming Conferences. KE Managers also hosted visits on campus from farming and environmental stakeholders; these included visits of Lord and Lady Salisbury, the University of Kentucky and the National Sheep Association (NSA). This year the KE Managers also started a series of KE Explainer Farm Visits, taking scientists out to local, innovative farmers to hear first-hand

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

about their operations. The team successfully secured £35,000 funding from UKRI to engage with beef farming communities near our North Wyke site. Working with local community groups and researchers from the University of Exeter, the project aims to explore the research related to a transition to net zero farming, drawing on outputs from our S2N ISP and aligned projects.

Government and Policy: RRes has played an influencing role, providing thought leadership and evidence for policy development via responses to inquiries/consultations across government and the policy sector. We consulted directly with the National Food Strategy, leading to a visit by strategy leader Henry Dimbleby to the Harpenden site. The ASSIST team provided evidence for the DasGupta Review on the Economics of Biodiversity. Our hydrologists at North Wyke are heavily involved with assessments for the new Environmental Land Management farm payment system. Rothamsted is also represented on the team that compiles and reports the UK inventory of greenhouse gases to the UNFCCC, which will be a critical resource in the lead up to COP 26 in Glasgow. The Insect Survey team presented evidence to a Parliamentary research briefing on insect declines. The TPM ISP has also continued its engagement with the government on efficacy and field performance of GM plants including a lunch briefing with the Minister.

Public Engagement and Science Communication: A successful programme of communication was implemented, including press releases; media engagement (e.g. video shoots and expert engagement), TV and radio. During 2019/2020, 35 press releases were produced with successful reach in mainstream and specialist media. Views of science stories on the website increased by 70% over this period. In October, Rothamsted took part in *New Scientist Live*, the UK's largest public science event, attracting over 40,000 people over 4 days.

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 Finance and 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;
- Financial processes are carefully controlled and monitored through active and regular review of policies and procedures to ensure segregation of duty, appropriate signing authority is monitored.

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	Institute Goal at Risk	Control Mitigation
Covid-19 Pandemic	Excellent, outcome-driven, and well-resourced science; highly motivated, skilled and well-performing workforce. Impact on financial sustainability.	Core Covid Response and Work Smart, Stay Apart taskforces established and working effectively. Financial and legal control mechanisms established to ensure

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

		appropriate sign off, control and monitoring of additional cost.
Failure to effectively support scientific activity (including red tape/bureaucratic overload)	Excellent, outcome-driven and well-resourced science.	Two-year financial strategy; resource allocation team in place and working effectively.
Compliance failure or failure of the regulatory process, leading to accident, legal issues or prohibitions.	Maintain robust risk management process and an active internal audit presence.	Recruitment of a new role for internal audit, risk and compliance. A review of existing policy to produce a consistent easy to use document with a programme of review, revise, circulate widely and approve.

The Institute has a dedicated Audit, Risk and Compliance officer and day to day responsibility for the implementation of risk management procedures and ongoing monitoring of risk and the effectiveness of controls rests with the Director's Advisory Team (DAT). The DAT 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 Finance and Audit Committee, to which significant risks may be escalated for action or monitoring, as well as high level oversight by the Board.

The Finance and 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. To fulfil this requirement, the risk profile is reviewed by the Finance and Audit Committee.

In terms of financial risks, the Group has no borrowings and limited exposure to financial instruments, such as trade debtors and trade creditors. 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 £1.7m at 31 March 2020, 2019 £1.1m. Future strategic funding from April 2023 is subject to the recent comprehensive spending review and has yet to be filtered down to the strategic institutes but there is nothing to suggest that Rres does not remain a key strategic institute of the BBSRC and UKRI as evidenced by recent financial investment in the capital requirements and transformation of the institute.

PUBLIC BENEFIT

Rothamsted Research Limited traces its primary Object back to that of the 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 Trustee-Directors 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

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

conferences as speakers and 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 proactively engage in discussions and consultations involving these topics.

We are convinced of the necessity to help ensure that our scientific advances can enhance the countryside and environment at both a national and a global level taking as many steps as we can to ensure this is achieved.

The benefits of our work reach and influence, directly or indirectly, all sectors of society: the broad aim of optimising the use of resources, maintaining crop production, while minimising potentially damaging environmental impacts is of benefit to all of humanity. There are some sectors of society who hold views that would limit the introduction of some of the technologies that arise from, or are an inherent part of, our scientific investigations; genetic modification of crop plants might fall into this category. Equally, much of our work is of direct benefit to the practices that are supported by the very same groups; improvement of biological control strategies may be highlighted in this context. Thus, we cover a wide number of sectors and interests and philosophical positions without favouring any one.

The scientific strategy is highly outcome-focussed. Rothamsted Research Limited 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 identifying new opportunities within our research findings or during a collaboration; this is incidental to our work so 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 protection of our intellectual property and therefore fully accept that such an approach can be a legitimate form of comprehensive dissemination and actively pursue this where appropriate. Any financial benefit captured by RRes in this or any other way will be used to further pursue its Objects.

FINANCIAL REVIEW

Income

Total income was £32.4m (2019: £32.6m). This included capital grants of £2.6m (2019: £2.7m). When comparing income year on year, if capital funding is removed it has remained flat at c£30.0m. Rothamsted's principal funder is the UK Biotechnology and Biological Sciences Research Council (UKRI) which contributed 69% of total income (2019: 60%). This increase is as a result of a restricted award towards the Transformation of Rothamsted project.

Expenditure

Total expenditure for the year amounted to £33.1m (2019 £37.1m). Recurrent expenditure (excluding depreciation and redundancy costs) reduced from £34.0m to £29.3m, a reduction of £4.7m. Of this reduction £0.9m was on pay costs with a reduction in the total number of FTE posts of 34 in the year. Support costs reduced by £0.3m but the biggest reduction was in direct costs of £3.3m. Depreciation charges have increased by £0.5m in the year with the additional capital funding received.

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

Net movement in reserves and reserves position

The net movement in reserves for the year was a decrease of £0.7m. Unrestricted reserves fell by £4.0m to £17.6m, and restricted reserves increased by £3.3m to £46.6m.

The Institute is very carefully monitoring its cost base and is striving for efficiency savings where possible in order to prevent future deterioration of its unrestricted reserves. The Institute is operating on a tight financial budget for the remainder of the current Institute Strategic Programme funding cycle (to March 2023) and is putting in place the tools to improve the quality and success rates of grant applications and secure additional income streams.

Subsidiaries and joint ventures

One subsidiary company (Rothamsted Manor Ltd) contributed a small profit of £2k and one joint venture (Rothamsted Enterprise Limited) made a profit of £60k of which Rothamsted's 40% share, as included in the consolidated accounts, was £24k.

Post year end Rothamsted has surrendered the lease on the Manor (3rd July 2020) to Lawes Agricultural Trust (LAT) and as a result the subsidiary company Rothamsted Manor Ltd has been made dormant from the 31st August 2020. An extended year end has been applied with 17 month accounts to the 31st August 2020 filed for the subsidiary. All accumulated losses have been provided for in full in the charity's financial statements.

During 2014/15, Rothamsted Enterprises Ltd completed the construction of the Lawes Open Innovation Hub and the Rothamsted Conference Centre extension on land at West Common, Harpenden, and its principal activities are conferencing, business incubation and shared laboratory facilities to promote collaborative working. REL manages both the Daniel Hall and Russell Buildings for LAT and is due to relaunch the Manor once appropriate licenses are in place.

Capital expenditure

Capital expenditure for the year was £3.9m. This was part funded by £0.25m of funds released from the restricted Estate Rebuild Fund to fund the purchase of assets to support our Institute Strategic Programmes (ISPs). It also includes capital spend which was supported by a capital grant from BBSRC.

Cash

Cash at 31 March 2020 was £12.4m (2019: £16.0m). Rothamsted deposits its cash with major UK clearing banks. Income from cash deposits in the year was £107k (2019: £120k).

Investment policy

The Group's investments are held to:

- Provide operational liquidity
- Plan for scientific research and
- Support intellectual property

Investments are held as fixed term deposits with major UK clearing banks. Cash is drawn down in line with a planned expenditure schedule within the budget and in conjunction with the reserves policy and forecasting. Maturities of the deposits match these timelines.

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

In addition there are a small number of investments held to achieve a longer term return on intellectual property to provide funding for future research programmes and a model for commercialisation of research and innovation in to the market place.

Reserves policy

The Group's reserves are held to support financial solvency, manage uncertainty and fund future activities. The level of reserves required by the group is therefore determined by reference to:

- Future operational and capital expenditure requirements for the ISP funding cycle
- Potential financial risks identified in the risk register
- Potential funding required for strategic investments not included in the operating budget
- Working capital/liquidity requirements

Unrestricted reserves that have been designated for specific purposes are shown in a separate designated reserve. £0.75m is designated towards the Transformation of Rothamsted project which is expected to spent in 2022/23.

The Institute has set itself a target level of reserves of £4.6m and defines its current free reserves as £5.3m.

Key performance indicators

During the year a number of key performance indicators (KPI's) have been implemented in order for the executive team and trustee board to monitor financial performance and sustainability of the Institute. Each KPI is Specific, Measurable, Achievable, Realistic and Time-bound (SMART) and is reported on at least once a quarter.

For external reporting the following four KPIs have been chosen.

KPI 1 is concerned with the submitting and winning of new grants in order to generate additional income. A grant will typically span several years.

KPI 2 measures the cost of unfunded science posts and how much it contributes to the overhead cost of the Institute.

KPI 3 measures the financial performance of our unrestricted reserves in the year

KPI 4 measures the overall value of unrestricted reserves and is used in conjunction with the reserves policy.

Targets were set for the financial year based on performance in the previous year and the overall performance is highlighted in the table below.

	2018/19	2019/20	Target for 2019/20
KPI 1: Grants awarded (£'000)	11,940	11,161	9,000
KPI 2: Unfunded Science Cost	119	322	500
KPI 3: Unrestricted net surplus/deficit	(2,584)	(3,988)	(2,601)
KPI 4: Unrestricted reserves	22,026	17,636	19,023

The total value of grants awarded has decreased marginally on the previous year (KPI 1). This is better than target however the impact on this financial year ended 31st March 2020 is a decline in competitive research. The unfunded science cost remained below target and is a measure that we continue to closely monitor. The adverse movement in unrestricted reserves was greater than targeted and last year (KPI 3) which in turn has led to the overall value of unrestricted reserves being below target also (KPI 4). This is a combination of reduced grant awards above and targeted savings taking longer to realise. The budget for next financial year seeks to reduce the speed of reserves reduction to allow the group to move to a sustainable position going forward.

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

FUTURE DEVELOPMENTS

Within the overall UK research landscape, Rothamsted's key strength lies in conducting strategic, problem-oriented, integrated agricultural science with wide impact. Embedding a systems approach and working in an excellence- and outcome-driven manner, we develop novel solutions for the sustainable intensification, smart protection and diversification of arable and grassland-livestock systems in the UK and globally. This approach is firmly embedded in the new Science Strategy for 2017-2022, which we have been implementing since April 2017. As a result of the coronavirus pandemic the ISPs have been extended by one year to 2023. This extension period will be used not only to complete the current work under the ISP but to develop and prepare for the next round of ISP submissions.

Our priorities for 2020/21 are to (i) attract new talent at Professorial and Project Leadership level to expand our capabilities and grant winning capacity; (ii) develop a revised HR strategy to improve culture and career development, including a revised performance and rewards review process that helps drive culture change; (iii) strengthen our science by focussing efforts onto fewer areas and achieving excellence in these through mentorship and training; (iv) implementing a strategy for capability gap filling by recruitment, upskilling of existing staff or partnerships; (v) implementing the digital road map that has been developed through the digital consultancy with Wilson Fletcher; (vi) shaping our new draft programmes in readiness for future submission to BBSRC and (vii) improving financial sustainability through operational efficiencies and clear and transparent accounts. These will need to be managed in the context of the ongoing pandemic and any future lockdowns and restrictions on access to the site but these challenging conditions have been successfully navigated since early 2020 and we expect this to continue.

In order to ensure that Rothamsted delivers to UK needs in the agricultural sector, we will also keep abreast of, and contribute to, policy developments through membership of key panels and committees, and engage with farmers and industry. We will also continue to realise impact by building a continuous innovation pipeline through the commercialisation of our outputs, including through licensing, spinouts and co-innovation with commercial partners.

Compliance with section 172

The Board of Trustees appreciate the intention behind the new reporting requirements and welcome the opportunity to demonstrate how they have developed the Institute's business relationships with stakeholders. The Trustees consider that they have acted in a way they consider would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the act) in the decisions taken during the year ended 31 March 2020 and in the approval of the Transformation Programme.

As Trustees, our intention is to behave responsibly and ensure that management operate the business in a responsible manner, operating within high standards of business conduct and good governance. The Trustees' intention is to behave responsibly towards our stakeholders and treat them fairly and equally, so they too may benefit from the successful delivery of our plan. When making strategic decisions the Trustees have taken into account the likely consequences of these decisions in the long term.

The Trustees continue to work closely with UKRI-BBSRC, as evidenced through the conception and progress of the Transformation Programme described on Page 8. Employees from across the Institute have been closely involved in the development and direction of the Transformation Programme, with working groups given the opportunity to attend Board meetings and provide feedback. As reflected in the Strategic Report (Pages 6-10), the Institute has continued to strengthen links with farmers, Government and public engagement. The Institute engages with staff through the employee consultation channels described on Page 4 of the Trustees Report, and is pleased to confirm renewal of its Athena SWAN Charter.

The Trustees are responsible for the overall governance and strategic direction of Rothamsted Research and have a duty to ensure it provides a service that is a public benefit and meets the needs of its beneficiaries.

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

Their role includes the provision of leadership with a framework of prudent and effective controls, including through the Finance & Audit Committee and Scientific Advisory Group of the Board.

The Trustees have maintained a close relationship with the Institute leadership team and have been reassured by the measures put in place in response to the Covid-19 pandemic. The Institute formed two groups, the Core Covid Response Team (CCRT) and Work Smart, Stay Apart (WSSA) team in response to the global pandemic. The CCRT reports to the Board through the Institute Director operating on a strategic level, with the WSSA providing day-to-day support and guidance for the implementation of best practices and safe working. Staff are surveyed and consulted on a weekly basis to ensure their needs are being appropriately addressed.

GOING CONCERN

One of the Group's main objectives for the year was to improve the financial sustainability of the Institute and financial modelling exercises have been undertaken throughout the last 12 months to ensure the Institute remains ahead of any issues over financial sustainability. The impact of Covid-19 resulted in a request for additional funding support from BBSRC, which was provided through UKRI in summer 2020. This additional support has helped the Institute, but the years ahead remain challenging. The BBSRC continues to invest in the Institute despite these challenges with further capital awards of £5.1m made in the 2020/21 financial year and with the transformation programme award (total £6.5m) designed to accelerate the scientific and organisational transformation of the Institute. It is expected that the transformation will shortly begin having a positive impact on grant success rates with a new tranche of senior scientists appointed and with greater resource to open up new opportunities (innovation managers), free up Principal Investigator (PI) time to write grant proposals (technicians) and a science catalyst fund to allow PI's to advance research into a more fundable state. The Institute has confirmed strategic funding in place from the BBSRC until March 2022 and a rollover process for one additional year (2022/23) is presently being developed for all the BBSRC's strategic Institutes. All indications are that this will be a flat cash award. Following the Comprehensive Spending Review in November 2020 further information will be disseminated to all UKRI strategic Institutes on funding arrangements post 2022/23 after UKRI's allocation is confirmed in March 2021 but there is nothing to suggest that Rres does not remain a key strategic Institute of the BBSRC and UKRI as evidenced by the financial investment detailed.

In addition the Institute has been taking steps to generate more trading income from commercialisation of its expertise and consultancy services both to the campus and beyond. A more efficient method for costing and charging the use of scientific and operational facilities has been developed and has been applied across the Institute. In addition there are several mitigating actions being developed to reduce cost should this become required.

The board has reviewed and approved management's financial forecasts, supporting cash flows and sensitivity analysis to March 2023 based on the financial sustainability modelling which show sufficient funds to cover liabilities as they fall due. These forecasts are considered by the Directors to assume:

- Achievable levels of new competitive funding awards through recruitment of senior scientists
- Achievable levels of trading income
- Reasonable and prudent assumptions for cost levels and the financial impact of COVID-19

As a result the board conclude that the Company can continue to operate within its currently available cash and working capital facilities and is therefore considered a going concern. In arriving at this conclusion the board has had regard to relevant factors including the COVID-19 pandemic.

The Strategic Report, which concludes above, includes information in respect of financial instruments, future development and research and development activities in accordance with the section 414C(11) of the Companies Act 2006.

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

Energy and Carbon Reporting

As part of the obligations set out under the Energy and Carbon Report Regulations 2018, the charity is required to disclose the energy and carbon created as an organisation over the last reporting year starting on or after April 2019. To fulfil this we have measured our UK Energy and greenhouse gas emissions as classified within scope 1 and 2 (Streamlined Energy and Carbon Reporting (SECR)) which are presented in tables 1, 2 and 3.

Energy Consumption and Greenhouse Gases

The methodology used for determining energy and carbon emissions within this section of the report come from a number of sources of our greenhouse emissions:

- Natural gas used for heating the building we occupy and for hot water.
- Electricity used for lighting, cooling and air conditioning.
- Fuel consumption in vehicles that are used for business including staff vehicles and hire cars.
- Gas and electricity consumption have been taken from invoices and sub-meter readings as appropriate.
- Fuel consumption is measured from mileage incurred by employees travelling to and from locations.

The charity's consumption and associated greenhouse gas emissions for the financial year April 2019 to March 2020 are shown in Tables 1 and 2.

Table 1: Total energy consumption and associated greenhouse gas emissions for SECR Year 1 reporting period

Energy Type	Energy Use (kWh)	% Split kWh	Emissions (tCO ₂ e/yr)	% Split CO ₂ e
Gas	135,015,795	95.7%	24,825	94.6%
Electricity	5,821,998	4.1%	1,357	5.2%
Transport	215,833	0.2%	55	0.2%
Total	2,259,034	100%	26,238	100%

Table 2: Energy and Carbon Conversion Factors

Activity	Fuel	Unit	Year	kg CO ₂ e
Combustion of fuel	Natural Gas	kWh	2020	0.18387
Electricity generation	UK Electricity	kWh	2020	0.23308
Transport (average car)	Diesel	KWh	2020	0.25483

Vehicle use is based on fleet vehicles and employee travel using their own vehicles for business use. An assumption has been made that all vehicles use standard diesel and are average size cars.

Intensity Ratio

Intensity ratios compare emissions data with an appropriate business metric or financial indicator. This allows a comparison of energy efficiency performance over time and with other similar types of organisation. We have chosen to compare our overall emissions with meters squared of occupied property.

Table 3: Intensity Ratio

Energy Consumption	Total green-house gases emissions	Meters squared of occupied property	Intensity Ratio	Intensity Ratio
(kWh)	(tCO ₂ e)	FY19/20	(kWh/m ²)	(tCO ₂ e/m ²)
2,259,034	26,238	59,868	37.74	0.44

Rothamsted Research Limited

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

Energy Efficiency Actions

The charity has installed LED lighting in its controlled environment rooms and installed new chillers for our insectary chilled water supply (inverter driven compressors).

AUDITOR

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

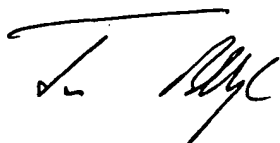
The Directors who were in office at the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. The Directors

have confirmed that they have taken all the steps that they ought to have taken as Directors to make

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

The Trustees' Report prepared under the Charities Act 2011, which also contains all information required in a Directors' Report by the Companies Act 2006, and the incorporated strategic report prepared under the Companies Act 2006, were approved by the Board and signed

On Behalf of the Board



Professor Sir John Beddington
Trustee
Rothamsted Research Limited
Harpenden
Hertfordshire
AL5 2JQ

Date: 10 February 2021

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' Annual 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 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 UK 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Opinion

We have audited the financial statements of Rothamsted Research Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Consolidated and Charity Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated and Charity Cash Flow Statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial

Rothamsted Research Limited

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

statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees'/Directors' Report.

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:

- adequate accounting records have not been kept by the parent charitable company, 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 19 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Rothamsted Research Limited

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

Use of our report

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.

RSM UK Audit LLP

Sarah Mason (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
The Pinnacle
170 Midsummer Boulevard
Milton Keynes
MK9 1BP

5 March 2021

Rothamsted Research Limited
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2020

	<i>Notes</i>	Unrestricted funds £'000	Restricted funds £'000	Total funds 2020 £'000	Total funds 2019 £'000
INCOME					
Income from:					
- trading	1	398	-	398	703
- investments	2	107	-	107	120
- donations		-	-	-	24
Net interest in results of joint venture	12	290	-	290	-
Income from charitable activities:					
- scientific research	3	10,773	17,712	28,485	28,161
- capital grants	3	-	2,645	2,645	2,687
- postgraduate education and training	3	520	-	520	866
		<u>11,293</u>	<u>20,357</u>	<u>31,650</u>	<u>31,714</u>
TOTAL INCOME		<u>12,088</u>	<u>20,357</u>	<u>32,445</u>	<u>32,561</u>
EXPENDITURE ON:					
Raising funds	5	58	-	58	111
Charitable activities	6a	16,264	16,779	33,043	36,918
Net interest in results of joint venture	12	-	-	-	103
		<u>16,322</u>	<u>16,779</u>	<u>33,101</u>	<u>37,132</u>
TOTAL EXPENDITURE		<u>16,322</u>	<u>16,779</u>	<u>33,101</u>	<u>37,132</u>
NET INCOME/EXPENDITURE FOR THE YEAR BEFORE TRANSFERS		<u>(4,234)</u>	<u>3,578</u>	<u>(656)</u>	<u>(4,571)</u>
Transfer between funds	18	246	(246)	-	-
NET MOVEMENT IN FUNDS IN YEAR		<u>(3,988)</u>	<u>3,332</u>	<u>(656)</u>	<u>(4,571)</u>
RECONCILIATION OF FUNDS					
Fund balances at 1 April 2019		<u>21,624</u>	<u>43,269</u>	<u>64,893</u>	<u>69,464</u>
Fund balances at 31 March 2020		<u>17,636</u>	<u>46,601</u>	<u>64,237</u>	<u>64,893</u>

All income and expenditure derives from continuing activities

Rothamsted Research Limited
CHARITY STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2020

		Unrestricted funds £'000	Restricted funds £'000	Total funds 2020 £'000	Total funds 2019 £'000
	Notes				
INCOME					
Income from:					
- trading	1	351	-	351	647
- investments	2	107	-	107	120
- donations	3	-	-	-	24
Income from charitable activities:					
- scientific research	3	10,773	17,712	28,485	28,161
- capital grants	3	-	2,645	2,645	2,687
- postgraduate education and training	3	520	-	520	866
		11,293	20,357	31,650	31,714
TOTAL INCOME		11,751	20,357	32,108	32,505
EXPENDITURE ON:					
Raising funds	5	13	-	13	21
Charitable activities	6a	16,262	16,779	33,041	36,952
TOTAL EXPENDITURE		16,275	16,779	33,054	36,973
NET INCOME/ EXPENDITURE FOR THE YEAR BEFORE TRANSFERS		(4,524)	3,578	(946)	(4,468)
Transfer between funds	18	246	(246)	-	-
NET MOVEMENT IN FUNDS IN YEAR		(4,278)	3,332	(946)	(4,468)
RECONCILIATION OF FUNDS					
Fund balances at 1 April 2019		22,025	43,269	65,294	69,762
Fund balances at 31 March 2020		17,747	46,601	64,348	65,294

Rothamsted Research Limited

BALANCE SHEETS

31 March 2020

Company Registration Number 2393175

	Notes	Group 2020 £'000	Charity 2020 £'000	Group 2019 £'000	Charity 2019 £'000
FIXED ASSETS					
Tangible assets	10	49,624	49,624	50,261	50,261
Intangible assets	11	1,217	1,217	-	-
Investments	12	154	154	153	153
Joint venture	12	(108)	-	(398)	-
		<u>50,887</u>	<u>50,995</u>	<u>50,016</u>	<u>50,414</u>
CURRENT ASSETS					
Stock		752	752	809	809
Debtors	13	4,902	4,873	5,469	5,614
Cash at bank and in hand		12,405	12,345	16,014	15,858
		<u>18,059</u>	<u>17,970</u>	<u>22,292</u>	<u>22,281</u>
CREDITORS: Amounts falling due within one year	14	(4,709)	(4,617)	(7,415)	(7,401)
NET CURRENT ASSETS		<u>13,350</u>	<u>13,353</u>	<u>14,877</u>	<u>14,880</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>64,237</u>	<u>64,348</u>	<u>64,893</u>	<u>65,294</u>
NET ASSETS		<u>64,237</u>	<u>64,348</u>	<u>64,893</u>	<u>65,294</u>
FUNDS					
Restricted funds	18	46,601	46,601	43,269	43,269
Unrestricted funds:					
General funds		16,886	16,997	20,124	20,525
Designated funds		750	750	1,500	1,500
	18	<u>17,636</u>	<u>17,747</u>	<u>21,624</u>	<u>22,025</u>
TOTAL FUNDS		<u>64,237</u>	<u>64,348</u>	<u>64,893</u>	<u>65,294</u>

The financial statements set out on pages 23 to 54 were approved by the Board and authorised for issue on 10 February 2021 and signed on its behalf by:

Stuart Jarvis
Director

Stuart Jarvis

Rothamsted Research Limited
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 March 2020

	<i>Notes</i>	2020 £'000	2019 £'000
Cash used in operations	19	(2,470)	(5,950)
Cash flows from investing activities			
Dividends, interest and rent from investments		107	120
Purchase of property, plant and equipment		(3,891)	(4,052)
Capital grants received		2,645	2,687
Capital grants expended		-	-
Proceeds on sale of fixed assets		-	-
Decrease in money market deposits greater than 90 days		3,000	6,500
Net cash received from investing activities		<u>1,861</u>	<u>5,255</u>
Change in cash and cash equivalents in reporting period		(609)	(695)
Cash and cash equivalents at beginning of reporting period		13,014	13,709
Cash and cash equivalents at the end of the reporting period	19	<u><u>12,405</u></u>	<u><u>13,014</u></u>

Rothamsted Research Limited
CHARITY CASH FLOW STATEMENT
for the year ended 31 March 2020

	<i>Notes</i>	2020 £'000	2019 £'000
Cash used in operations	20	(2,374)	(5,857)
Cash flows from investing activities			
Dividends, interest and rent from investments		107	120
Purchase of property, plant and equipment		(3,891)	(4,052)
Capital grants received		2,645	2,687
Capital grants expended		-	-
Proceeds on sale of fixed assets		-	-
Decrease in money market deposits greater than 90 days		3,000	6,500
Net cash received from/(used in) investing activities		1,861	5,255
Change in cash and cash equivalents in reporting period		(513)	(602)
Cash and cash equivalents at beginning of reporting period		12,858	13,460
Cash and cash equivalents at the end of the reporting period	20	<u>12,345</u>	<u>12,858</u>

Rothamsted Research Limited

ACCOUNTING POLICIES

These financial statements have been prepared in accordance with FRS102 (The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102)). The financial statements have been prepared under the historical cost convention as modified by carrying investments at fair value. The financial statements meet the requirements of the Companies Act 2006, the Statement of Recommended Practice - Accounting and Reporting by Charities (Charities SORP (FRS102)) and applicable accounting standards so far as these requirements are appropriate. Rothamsted Research Limited is a private company limited by guarantee and a registered charity. It is registered, domiciled and incorporated in England. The registered company and charity numbers are on page 2. The charity is a public benefit entity as defined by FRS102 and part of a public benefit group. Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated. Sterling is the Group's functional and presentational currency.

In accordance with FRS 102, the charity has taken advantage of the exemption from the following disclosure requirement in its individual financial statements: Section 33 'Related Party Disclosures' – Compensation for key management personnel.

GOING CONCERN

One of the Group's main objectives for the year was to improve the financial sustainability of the Institute and financial modelling exercises have been undertaken throughout the last 12 months to ensure the Institute remains ahead of any issues over financial sustainability. The impact of Covid-19 resulted in a request for additional funding support from BBSRC, which was provided through UKRI in summer 2020. This additional support has helped the Institute, but the years ahead remain challenging. The BBSRC continues to invest in the Institute despite these challenges with further capital awards of £5.1m made in the 2020/21 financial year and with the transformation programme award (total £6.5m) designed to accelerate the scientific and organisational transformation of the Institute. It is expected that the transformation will shortly begin having a positive impact on grant success rates with a new tranche of senior scientists appointed and with greater resource to open up new opportunities (innovation managers), free up Principal Investigator (PI) time to write grant proposals (technicians) and a science catalyst fund to allow PI's to advance research into a more fundable state. The Institute has confirmed strategic funding in place from the BBSRC until March 2022 and a rollover process for one additional year (2022/23) is presently being developed for all the BBSRC's strategic Institutes. All indications are that this will be a flat cash award. Following the Comprehensive Spending Review in November 2020 further information will be disseminated to all UKRI strategic Institutes on funding arrangements post 2022/23 after UKRI's allocation is confirmed in March 2021 but there is nothing to suggest that Rres does not remain a key strategic Institute of the BBSRC and UKRI as evidenced by the financial investment detailed.

In addition the Institute has been taking steps to generate more trading income from commercialisation of its expertise and consultancy services both to the campus and beyond. A more efficient method for costing and charging the use of scientific and operational facilities has been developed and has been applied across the Institute. In addition there are several mitigating actions being developed to reduce cost should this become required.

The board has reviewed and approved management's financial forecasts, supporting cash flows and sensitivity analysis to March 2023 based on the financial sustainability modelling which show sufficient funds to cover liabilities as they fall due. These forecasts are considered by the Directors to assume:

- Achievable levels of new competitive funding awards through recruitment of senior scientists
- Achievable levels of trading income
- Reasonable and prudent assumptions for cost levels and the financial impact of COVID-19

As a result the board conclude that the Company can continue to operate within its currently available cash and working capital facilities and is therefore considered a going concern. In arriving at this conclusion the board has had regard to relevant factors including the COVID-19 pandemic.

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 UK subsidiary

Rothamsted Research Limited

ACCOUNTING POLICIES

undertaking that has traded during the year (see Note 12). 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 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 in the course of 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 available for use. Freehold land is included at cost and not depreciated. An assessment is made at each reporting date of whether there are any indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the recoverable amount of the asset is estimated. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments in the Statement of Financial Activities.

INTANGIBLE ASSETS

Intangible assets are amortised to their estimated residual values over their expected useful lives on a straight-line basis. Items over £3,000 are capitalised.

Computer Software	3 - 5 years
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Assets in the course of construction are included at cost, and will be amortised to their estimated residual values over their expected useful lives on a straight-line basis once the asset is available for use. An assessment is made at each reporting date of whether there are any indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the recoverable amount of the asset is estimated. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments in the Statement of Financial Activities.

STOCKS

Inventory takes the form of both materials to be consumed in the rendering of services and assets held for sale in the ordinary course of business (farm livestock). Inventory is measured at the lower of cost and estimated selling price less cost to complete and sell.

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.

INVESTMENTS IN GROUP UNDERTAKINGS

Investments in group undertakings are stated at cost less impairment, where relevant, as these represent shareholdings in unlisted companies.

FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustee-Directors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Rothamsted Research Limited

ACCOUNTING POLICIES

Designated funds comprise unrestricted funds that have been set aside by the Trustee-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 is charged against the specific fund. The aim and use of the restricted funds are set out in the notes to the financial statements.

INCOME

All income except grants is 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 income 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 must 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 income until pre-conditions for use have been met.

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

Rothamsted Manor Limited (RML) generates income from property and events management. The income and expenditure associated with this activity are included within income from trading and expenditure on raising funds.

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Group or Charity to the expenditure. All expenditure is 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 raising 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.

GRANTS

Expenditure by the Charity, which is financed by grants from third parties and 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, is not treated as a donation as it is not possible to place an appropriate 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

Rothamsted Research Limited

ACCOUNTING POLICIES

are published (see Note 9). 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 FRS 102, 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 accounted for its contributions to the scheme as if it were a defined contribution scheme. 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 and is split between restricted and unrestricted funds based on how the individual is funded.

REDUNDANCY COSTS

A liability is recognised for redundancy where the charity is demonstrably committed to terminating the employment of an employee or to provide termination benefits. A redundancy payment is charged to the Statement of Financial Activities immediately on recognition at the best estimate of the cost at the reporting date. Where the responsibility for funding the redundancy payment lies with a third party in full or in part the associated income is immediately recognised in the Statement of Financial Activities.

Redundancy payments for employees who remain on BBSRC contracts are linked to severance arrangements under the exit terms outlined in the Civil Service Compensation Scheme Terms (CSCS). These terms cover all agreed exits under Voluntary Redundancy, Compulsory Redundancy and Voluntary Exit. Payments are made following a process approved by Joint Superannuation Services (JSS) who administer the CSCS on the charity's behalf. Severance estimates are provided as part of the agreed redundancy process with funding being agreed at 100% with BBSRC until 31 March 2020, tapering off to 50% from 1st April 2020, 25% from 1st April 2021 and 0% from 1st April 2022.

Redundancy payments for staff employed by the charity under Rothamsted contracts are not funded and are calculated in accordance with statutory provisions.

RELATED PARTY TRANSACTIONS

BBSRC and LAT are 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.

FINANCIAL INSTRUMENTS

The Group applies the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Rothamsted Research Limited

ACCOUNTING POLICIES

Financial Assets

Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Such debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected per the original terms of the contract. Impairment losses are recognised as expenditure in the Statement of Financial Activities for the excess of the carrying value of the debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Financial Activities.

Concessionary loans are measured at the amount paid, including interest accrued and after impairment, where applicable.

Financial Liabilities

Creditors

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

Under the terms of the bare licence, the Charity has unencumbered usage of the buildings reported as fixed assets in note 10 in these financial statements. 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.

Grants received for capital expenditure are included in the Statement of Financial Activities when the Group is entitled to receipt, whereas the depreciation on those grant-funded capital assets is reflected in the Statement of Financial Activities over the useful economic lives of those assets as stated on page 29. The depreciation cost (included in note 10) is significant to the result as shown in the financial statements and, accordingly, the expected useful lives are an important estimate in the context of these financial statements.

Rothamsted Research Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

1	TRADING INCOME GROUP	Unrestricted 2020 £'000	Unrestricted 2019 £'000	Restricted 2020 £'000	Restricted 2019 £'000	Total 2020 £'000	Total 2019 £'000
	Consultancy	27	92	-	-	27	92
	Other	324	555	-	-	324	555
	Sale of goods trading	47	56	-	-	47	56
		<u>398</u>	<u>703</u>	<u>-</u>	<u>-</u>	<u>398</u>	<u>703</u>
	CHARITY	Unrestricted 2020 £'000	Unrestricted 2019 £'000	Restricted 2020 £'000	Restricted 2019 £'000	Total 2020 £'000	Total 2019 £'000
	Consultancy	27	92	-	-	27	92
	Other	324	555	-	-	324	555
		<u>351</u>	<u>647</u>	<u>-</u>	<u>-</u>	<u>351</u>	<u>647</u>
2	INVESTMENT INCOME GROUP	Unrestricted 2020 £'000	Unrestricted 2019 £'000	Restricted 2020 £'000	Restricted 2019 £'000	Total 2020 £'000	Total 2019 £'000
	Dividend income	25	-	-	-	25	-
	Interest receivable	82	120	-	-	82	120
		<u>107</u>	<u>120</u>	<u>-</u>	<u>-</u>	<u>107</u>	<u>120</u>
	CHARITY	Unrestricted 2020 £'000	Unrestricted 2019 £'000	Restricted 2020 £'000	Restricted 2019 £'000	Total 2020 £'000	Total 2019 £'000
	Dividend income	25	-	-	-	25	-
	Interest receivable	82	120	-	-	82	120
		<u>107</u>	<u>120</u>	<u>-</u>	<u>-</u>	<u>107</u>	<u>120</u>

Rothamsted Research Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

3 CHARITABLE ACTIVITIES

Total income from charitable activities is analysed as follows:

GROUP AND CHARITY	Unrestricted 2020 £'000	Unrestricted 2019 £'000	Restricted 2020 £'000	Restricted 2019 £'000	Total 2020 £'000	Total 2019 £'000
Strategic Funding	-	-	10,814	10,546	10,814	10,546
Competitive Project Grant	3,125	4,340	-	-	3,125	4,340
Open Access Funding	-	-	85	85	85	85
Smart Crop Protection	-	-	1,891	1,678	1,891	1,678
Strategic Hires	-	-	200	200	200	200
Capital Equipment	-	-	2,157	691	2,157	691
Building Project Funding	-	-	-	1,690	-	1,690
Capital maintenance	-	-	489	306	489	306
Redundancy Funding	-	-	378	225	378	225
Resource Grant Funding	-	-	3,145	-	3,145	-
TOTAL BBSRC	3,125	4,340	19,159	15,421	22,284	19,761
DEFRA	409	645	-	-	409	645
Other Government Departments / Public Sector (see below)	1,603	4,147	-	-	1,603	4,147
European	298	761	-	-	298	761
Industry	1,069	1,724	-	-	1,069	1,724
Trusts, Foundations, Charities	1,893	680	-	-	1,893	680
SHAKE Climate	-	-	1,121	-	1,121	-
Income from Farm Operations	566	522	-	-	566	522
ERDF	555	-	-	-	555	-
Postgraduate Education and Training Union	520	651	-	215	520	866
Bill and Melinda Gates Foundation	-	-	-	2,029	-	2,029
Open Access Funding (RCUK)	-	-	77	56	77	56
Miscellaneous income	1,255	523	-	-	1,255	523
TOTAL INCOME	11,293	13,993	20,357	17,721	31,650	31,714
Other Government Departments / Public Sector: Other Research Councils	1,255	2,803	-	-	1,255	2,803
Other	348	1,344	-	-	348	1,344
	1,603	4,147	-	-	1,603	4,147

Rothamsted Research Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

4 INCOME

GROUP	Unrestricted	Unrestricted	Restricted	Restricted	Total	Total
Analysis of income by	2020	2019	2020	2019	2020	2019
geographical region:	£'000	£'000	£'000	£'000	£'000	£'000
Domestic Customers (UK)	10,536	13,992	20,357	15,716	30,893	29,708
EU Customers	573	786	-	-	573	786
Non -EU Customers	979	38	-	2,029	979	2,067
	-	-	-	-	-	-
	12,088	14,816	20,357	17,745	32,445	32,561

CHARITY	Unrestricted	Unrestricted	Restricted	Restricted	Total	Total
Analysis of income by	2020	2019	2020	2019	2020	2019
geographical region:	£'000	£'000	£'000	£'000	£'000	£'000
Domestic Customers (UK)	10,199	13,936	20,357	15,716	30,556	29,652
EU Customers	573	786	-	-	573	786
Non – EU Customers	979	38	-	2,029	979	2,067
	-	-	-	-	-	-
	11,751	14,760	20,357	17,745	32,108	32,505

5 COST OF RAISING FUNDS

	Unrestricted	Unrestricted	Restricted	Restricted	Total	Total
	2020	2019	2020	2019	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000

GROUP

Consultancy	13	21	-	-	13	21
Cost of goods sold	45	90	-	-	45	90
	58	111	-	-	58	111

CHARITY	Unrestricted	Unrestricted	Restricted	Restricted	Total	Total
	2020	2019	2020	2019	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Consultancy	13	21	-	-	13	21

Rothamsted Research Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

6a) CHARITABLE ACTIVITIES	Direct costs	Other costs	Support costs	Total 2020	Total 2019
GROUP	£'000	£'000	£'000	£'000	£'000
Scientific research	22,178	4,390	5,512	32,080	35,976
Postgraduate education and training	761	-	202	963	942
	<u>22,939</u>	<u>4,390</u>	<u>5,714</u>	<u>33,043</u>	<u>36,918</u>
Unrestricted	6,160	4,390	5,714	16,264	18,271
Restricted	16,779	-	-	16,779	18,647
	<u>22,939</u>	<u>4,390</u>	<u>5,714</u>	<u>33,043</u>	<u>36,918</u>
CHARITY	Direct costs £'000	Other costs £'000	Support costs £'000	Total 2020 £'000	Total 2019 £'000
Scientific research	22,176	4,390	5,512	32,078	36,010
Postgraduate education and training	761	-	202	963	942
	<u>22,937</u>	<u>4,390</u>	<u>5,714</u>	<u>33,041</u>	<u>36,952</u>
Unrestricted	6,158	4,390	5,714	16,262	18,305
Restricted	16,779	-	-	16,779	18,647
	<u>22,937</u>	<u>4,390</u>	<u>5,714</u>	<u>33,041</u>	<u>36,952</u>

Direct costs £22,939k (2019: £26,176k) for the Group and £22,937k (2019: £26,651k) for the Charity are those associated with providing the activity, such as laboratory supplies. Other costs of £4,390k (2019: £4,230k) include indirect costs relating to premises and equipment. Support costs are detailed in Note 6b.

Rothamsted Research Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

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 expenditure.

GROUP AND CHARITY

	Scientific research £'000	Postgraduate education and training £'000	Total 2020 £'000	Total 2019 £'000
Commercial and Finance	846	26	872	775
Human Resources	265	12	277	356
Computing Service	498	26	524	783
Institute Management	1,733	54	1,787	1,596
Other administration	2,091	83	2,174	2,465
Governance	79	1	80	96
	<u>5,512</u>	<u>202</u>	<u>5,714</u>	<u>6,071</u>

An analysis of the comparative 2018/19 support costs are as follows:

GROUP AND CHARITY

	Scientific research £'000	Postgraduate education and training £'000	Total 2019 £'000	Total 2018 £'000
Commercial and Finance	754	21	775	718
Human Resources	346	10	356	367
Computing Service	761	22	783	773
Institute Management	1,566	30	1,596	1,049
Other administration	2,368	97	2,465	3,410
Governance	95	1	96	88
	<u>5,890</u>	<u>181</u>	<u>6,071</u>	<u>6,405</u>

Rothamsted Research Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

7 GOVERNANCE COSTS	Unrestricted 2020 £'000	Unrestricted 2019 £'000	Restricted 2020 £'000	Restricted 2019 £'000	Total 2020 £'000	Total 2019 £'000
GROUP AND CHARITY						
Audit fee	38	54	-	-	38	54
Trustees' expenses	1	2	-	-	1	2
Technical support	41	39	-	-	41	39
Professional advice to Trustees	-	1	-	-	-	1
	<u>80</u>	<u>96</u>	<u>-</u>	<u>-</u>	<u>80</u>	<u>96</u>

6 Directors (2019:6) claimed reimbursement of travel expenses, the amount of which was £927 (2019: £2,093).

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 2020 paid an honorarium of £10,932 (2019: £10,932). Other trustees received £Nil (2019: £Nil).

8 NET EXPENDITURE IS STATED AFTER CHARGING/(CREDITING) THE FOLLOWING:	Group 2020 £'000	Charity 2020 £'000	Group 2019 £'000	Charity 2019 £'000
Interest receivable	(82)	(82)	(120)	(120)
Auditor's remuneration – audit services – parent	40	38	54	54
Auditor's remuneration – audit services – subsidiary	5	-	2	-
Auditor's remuneration – taxation advisory	12	12	16	14
Auditor's remuneration – taxation compliance	4	2	4	2
Auditor's remuneration – other	-	-	4	2
Depreciation	3,223	3,223	2,813	2,809
Amortisation	87	87	-	-

Rothamsted Research Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

9 STAFF COSTS AND NUMBERS	Unrestricted 2020 £'000	Unrestricted 2019 £'000	Restricted 2020 £'000	Restricted 2019 £'000	Total 2020 £'000	Total 2019 £'000
GROUP						
Salaries and wages	8,204	8,894	5,185	5,222	13,389	14,116
Social security costs	821	890	541	588	1,362	1,478
Other pension costs	1,509	1,540	1,041	1,053	2,550	2,593
Redundancy costs	82	30	378	225	460	255
	<u>10,616</u>	<u>11,354</u>	<u>7,145</u>	<u>7,088</u>	<u>17,761</u>	<u>18,442</u>
CHARITY						
Salaries and wages	8,191	8,881	5,185	5,222	13,376	14,103
Social security costs	821	890	541	588	1,362	1,478
Other pension costs	1,509	1,540	1,041	1,053	2,550	2,593
Redundancy costs	82	30	378	225	460	255
	<u>10,603</u>	<u>11,341</u>	<u>7,145</u>	<u>7,088</u>	<u>17,748</u>	<u>18,429</u>

The average number of persons employed by category was:

	Group Total 2020 No.	Charity Total 2020 No.	Group Total 2019 No.	Charity Total 2019 No.
Science staff	262	262	279	279
Technical and administrative staff	102	102	116	116
	<u>364</u>	<u>364</u>	<u>395</u>	<u>395</u>

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

	235	235	260	260
Science staff	235	235	260	260
Technical and administrative staff	98	98	107	107
	<u>333</u>	<u>333</u>	<u>367</u>	<u>367</u>

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

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 2020	Charity Total 2020	Group Total 2019	Charity Total 2019
£60,000 - £69,999	17	17	16	16
£70,000 - £79,999	4	4	5	5
£80,000 - £89,999	1	1	1	1
£90,000 - £99,999	2	2	2	2
£110,000 - £119,999	0	0	1	1
£120,000 - £129,999	0	0	2	2
£130,000 - £139,999	0	0	0	0
£150,000 - £159,999	1	1	1	1
	<u>25</u>	<u>25</u>	<u>28</u>	<u>28</u>

Remuneration for 10 key Management Committee employees, expanded from the prior year, was £970k, including employer's national insurance (2019: £1,127k, 12 employees).

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 rested with the BBSRC through to 31 March 2020, the Charity is expected to meet all staff costs arising from normal activities.

Ex BBSRC staff employed by Rothamsted Research Ltd 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 benefit schemes and provide retirement and related benefits on final emoluments, redundancy and injury benefits are administered and funded by the Research 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 102 the schemes are 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 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. For 2019/20, the Group paid £1,237k (2019: £1,388k) in employer's contributions into the scheme. A separate Research Councils' Pensions Schemes Account was published for the year ended 31 March 2020 and contains the further disclosure of information under the relevant accounting standard. The total net liability as at 31 March 2020 was £6,124m (2019: £5,103m). The Group expects to pay £1,435k in respect of RCPS and £1,293k in respect of the defined contribution scheme in employer's contributions in 2020/21.

Staff employed since 1 April 2012 are members of a defined contribution scheme, as noted on page 4. Group contributions made in 2019/20 amounted to £1,293k (2019: £1,254k), and there were £Nil accrued or prepaid contributions at 31 March 2020 (2019: £Nil). In the year, the Charity paid £6.6k in premiums for Professional Indemnity Insurance (2019: £7.0k).

Rothamsted Research Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

10	TANGIBLE FIXED ASSETS				
		Land & Buildings £'000	Plant and machinery £'000	Fixtures, fittings and vehicles £'000	Total £'000
	GROUP				
	Cost:				
	As at 1 April 2019	68,737	26,712	6,597	102,046
	Additions	936	1,900	707	3,543
	Transfers	-	11	(968)	(957)
	As at 31 March 2020	69,673	28,623	6,336	104,632
	Accumulated depreciation:				
	As at 1 April 2019	28,061	21,056	2,668	51,785
	Charge for the year	1,384	1,017	822	3,223
	As at 31 March 2020	29,445	22,073	3,490	55,008
	Net book value:				
	As at 31 March 2020	40,228	6,550	2,846	49,624
	As at 31 March 2019	40,676	5,656	3,929	50,261
	CHARITY				
		Land & Buildings £'000	Plant and machinery £'000	Fixtures, fittings and vehicles £'000	Total £'000
	Cost:				
	As at 1 April 2019	68,737	26,712	6,471	101,920
	Additions	936	1,900	707	3,543
	Transfers	-	11	(968)	(957)
	As at 31 March 2020	69,673	28,623	6,210	104,506
	Accumulated depreciation:				
	As at 1 April 2019	28,061	21,035	2,563	51,659
	Charge for the year	1,384	1,017	822	3,223
	As at 31 March 2020	29,445	22,052	3,385	54,882
	Net book value:				
	As at 31 March 2020	40,228	6,571	2,825	49,624
	As at 31 March 2019	40,676	5,677	3,908	50,261

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

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, a related party as disclosed in note 21.

11 INTANGIBLE FIXED ASSETS

GROUP AND CHARITY	Software £'000	Total £'000
Cost:		
As at 1 April 2019	-	-
Additions	347	347
Transfers in from Plant and Machinery (note 10)	957	957
As at 31 March 2020	1,304	1,304
Accumulated amortisation:		
As at 1 April 2019	-	-
Charge for the year	87	87
As at 31 March 2020	87	87
Net book value:		
As at 31 March 2020	1,217	1,217
As at 31 March 2019	-	-

Now that the ERP software build has been completed computer software has been separated out as intangible cost with the costs brought forward within Plant and Machinery Fixed Assets transferred in the year to intangible fixed assets.

12 INVESTMENTS

GROUP	Unlisted investments 2020 £'000	Unlisted investments 2019 £'000
Valuation:		
As at 1 April and 31 March	154	153

The unlisted investments relate to the following holdings:

The Company owns 2,833 £0.01 ordinary shares in VSN International Limited, a 15.87% shareholding.

The Company also owns 103,675 £0.001 ordinary shares, a 0.9% shareholding in Insense Limited.

Investments are held at the Directors' estimate of fair value. The valuation was undertaken by management based on audited financial information.

Rothamsted Research Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

12	CHARITY	Unlisted investments £'000	Shares in group undertakings £'000	Total £'000
	Cost / valuation:			
	As at 1 April 2019	154	-	154
	Unrealised gain	-	-	-
		<hr/>	<hr/>	<hr/>
		<hr/>	<hr/>	<hr/>
	Impairment as at 1 April 2019	-	-	-
	Charge for the year	-	-	-
		<hr/>	<hr/>	<hr/>
	As at 31 March 2020	154	-	154
		<hr/>	<hr/>	<hr/>
	Net Book Value:			
	As at 31 March 2020	154	-	154
		<hr/>	<hr/>	<hr/>
	As at 31 March 2019	153	-	153
		<hr/>	<hr/>	<hr/>

Shares in subsidiary undertakings

The Charity held the following shares in subsidiary undertakings at 31 March 2020:

	Shares held Class	%	Capital and Reserves £	Country of Incorporation
Rothamsted Research Holdings Limited (dormant)	Ordinary	100	(77,254)	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	(615,640)	England & Wales
Rothamsted Experimental Station Limited (dormant)*	Ordinary	100	1	England & Wales
AfSIS Ltd	Ordinary	100	8,000	Tanzania

* held indirectly via Rothamsted Research Holdings Limited.

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

The registered office of these undertakings is Rothamsted Research Limited, Harpenden, Hertfordshire AL5 2JQ except AfSIS Limited. The registered office of this entity is P.O. Box 2704, Dodoma Road, Arusha, Tanzania.

The results of Rothamsted Manor Limited (company no 03706064), for the year ended 31 March 2020, which are included in the consolidated financial statements, are set out below:

	2020 £'000	2019 £'000
Turnover	47	56
Expenditure	(45)	(90)
Retained profit/(loss) for the year	2	(34)
Net liabilities at 1 April	(618)	(584)
Net liabilities at 31 March	(616)	(618)
Being:		
Tangible fixed assets	-	-
Current assets	89	178
Current liabilities	(705)	(796)
Net liabilities at 31 March	(616)	(618)

Rothamsted Manor Limited's principal activity during 2019/20 was property and events management.

AfSIS Ltd did not trade during the year but with a turnover of £Nil (2019:£75k) and profit of £Nil (2019:Nil) has not been included in the consolidated financial statements on grounds of immateriality.

Rothamsted Enterprises Limited as shown below, is a joint venture between Rothamsted Research Limited (40%), the Lawes Agricultural Trust (40%), and the Biotechnology and Biological Sciences Research Council (20%). The Charity owns 40% of the 5 ordinary shares issued. Accordingly, given joint control, 40% of the results and the assets of the joint venture have been included in the consolidated financial statements of Rothamsted Research Limited, on the basis of statutory accounts this year as follows

	2020 £'000	2019 £'000
Turnover	784	662
Administrative expenses	(760)	(765)
Retained profit/(loss) for the year	24	(103)
Recognition of additional 2018/19 profit	266	-
Net liabilities at 1 April	(398)	(295)
Net liabilities at 31 March	(108)	(398)

2020 2019

Rothamsted Research Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

	£'000	£'000
Being:		
Fixed assets	4,255	4,467
Net current assets	146	259
	<u>4,401</u>	<u>4,726</u>
Liabilities greater than one year	(4,509)	(5,124)
Net liabilities at 31 March	<u>(108)</u>	<u>(398)</u>

13	DEBTORS	Group 2020 £'000	Charity 2020 £'000	Group 2019 £'000	Charity 2019 £'000
	Due within one year				
	Trade debtors	1,727	1,727	1,083	1,083
	Other debtors	164	164	31	26
	Prepayments and accrued income	2,327	2,325	3,479	3,425
	Other tax and social security	31	4	19	19
	Corporation tax	-	-	364	364
	Due from subsidiary undertaking	-	-	-	204
	Due from joint venture – due in one year	453	453	493	493
		<u>4,702</u>	<u>4,673</u>	<u>5,469</u>	<u>5,614</u>
	Other debtors due after one year				
	Due from joint venture	200	200	-	-
		<u>4,902</u>	<u>4,873</u>	<u>5,469</u>	<u>5,614</u>
		<u><u>4,902</u></u>	<u><u>4,873</u></u>	<u><u>5,469</u></u>	<u><u>5,614</u></u>
14	CREDITORS: Amounts falling due within one year	Group 2020 £'000	Charity 2020 £'000	Group 2019 £'000	Charity 2019 £'000
	Trade creditors	1,759	1,759	1,583	1,580
	Other creditors	87	-	46	41
	Accruals	941	936	1,595	1,589
	Due to joint venture	-	-	23	23
	Deferred income (see note 15)	1,922	1,922	4,168	4,168
		<u>4,709</u>	<u>4,617</u>	<u>7,415</u>	<u>7,401</u>
		<u><u>4,709</u></u>	<u><u>4,617</u></u>	<u><u>7,415</u></u>	<u><u>7,401</u></u>

Rothamsted Research Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

15	DEFERRED INCOME represents grant income received in advance of expenditure. The movement can be analysed as follows:	Group 2020 £'000	Charity 2020 £'000	Group 2019 £'000	Charity 2019 £'000
	Opening balance	4,168	4,168	5,159	5,159
	Amounts deferred during the year	1,922	1,922	4,168	4,168
	Release of amounts previously deferred	(4,168)	(4,168)	(5,159)	(5,159)
		<u>1,922</u>	<u>1,922</u>	<u>4,168</u>	<u>4,168</u>

16 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.

17 COMMITMENTS

As at 31 March 2020, the Charity had capital commitments amounting to £Nil (2019: £266k) in respect of buildings.

Rothamsted Research Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

FUNDS

	Unrestricted 2020 £'000	Unrestricted 2019 £'000	Restricted 2020 £'000	Restricted 2019 £'000	Total 2020 £'000	Total 2019 £'000
GROUP						
Funds as at 31 March	17,636	21,624	46,601	43,269	64,237	64,893
Funds balances are represented by:						
Fixed assets	11,557	10,809	39,330	39,207	50,887	50,016
Current assets	10,788	17,085	7,271	5,207	18,059	22,292
Current liabilities	(4,709)	(6,270)	-	(1,145)	(4,709)	(7,415)
	17,636	21,624	46,601	43,269	64,237	64,893

CHARITY

	Unrestricted 2020 £'000	Unrestricted 2019 £'000	Restricted 2020 £'000	Restricted 2019 £'000	Total 2020 £'000	Total 2019 £'000
CHARITY						
Funds as at 31 March	17,747	22,025	46,601	43,269	64,348	65,294
Funds balances are represented by:						
Fixed assets	11,665	11,207	39,330	39,207	50,995	50,414
Current assets	10,699	17,074	7,271	5,207	17,970	22,281
Current liabilities	(4,617)	(6,256)	-	(1,145)	(4,617)	(7,401)
	17,747	22,025	46,601	43,269	64,348	65,294

Rothamsted Research Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

18	FUNDS (continued)		
	GROUP – GENERAL FUNDS	2020 £'000	2019 £'000
	Balance brought forward	20,124	22,812
	Net expenditure	(3,484)	(3,669)
	Transfer from restricted funds	246	981
	Balance carried forward	16,886	20,124
	CHARITY – GENERAL FUNDS	2020 £'000	2019 £'000
	Balance brought forward	20,525	23,110
	Net expenditure	(3,774)	(3,566)
	Transfer from restricted funds	246	981
	Balance carried forward	16,997	20,525
	DESIGNATED ESTATE REBUILD FUND GROUP AND CHARITY	2020 £'000	2019 £'000
	Balance brought forward	1,500	1,500
	Released in the year	(1,500)	-
	Designated in the year	750	-
	Balance carried forward	750	1,500

The designated fund relates to funds set aside by the trustee-directors for the transformation of Rothamsted.

GROUP AND CHARITY RESTRICTED	1 April 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2020 £'000
Capital fund	39,207	2,645	(2,522)	-	39,330
Estate Rebuild fund	2,875	-	(250)	(246)	2,379
Open Access fund(RCUK)	-	77	(77)	-	-
Shake Climate Change Gates Foundation(AfSIS)	-	1,121	(394)	-	727
Gates Foundation(ISDA)	270	-	(270)	-	-
BBSRC Resource Grant	770	12,991	(12,888)	-	873
RI fellows	147	-	-	-	147
Redundancy (2019-20)	-	378	(378)	-	-
Transformation award	-	3,145	-	-	3,145
	43,269	20,357	(16,779)	(246)	46,601

Rothamsted Research Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

18 FUNDS (continued)

The Capital fund principally represents funding received, largely from the BBSRC, for the acquisition of tangible fixed assets. These assets are built on land that is not owned by the Institute. It represents the net book value of such fixed assets. The Estate Rebuild fund represents funding received from the BBSRC in respect of ensuring the long-term sustainability of the Institute's estate facilities. 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 Bill and Melinda Gates Foundation supports the work of the Agronomy to Scale project. In accordance with the Institute Standard Conditions of Grant it has become required to place all grant award payments from the BBSRC in relation to ISP's in a restricted reserve called BBSRC resource grant, or BBSRC capital grant for capital spend on ISP's, against which actual costs incurred will be charged. RI fellows funds are used to make awards to scientists from developing and emerging countries worldwide to conduct research into agriculture in developing countries. The transformation award is monies received towards the overall Transforming Rothamsted project.

There was a transfer from the restricted Estate Rebuild Fund of £246k (2019:£584k) to unrestricted funds during the year. This was in order to invest in the small ruminant facility at North Wyke. £1m of the total cost was funded by capital funding provided by the BBSRC. The release of the restriction on funds has the written approval of the BBSRC.

An analysis of the comparative 2018/19 restricted fund movements follows:

GROUP AND CHARITY RESTRICTED	1 April 2018 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2019 £'000
Capital fund	38,661	2,687	(2,141)	-	39,207
Estate Rebuild fund	3,459	-	-	(584)	2,875
Open Access fund	433	56	(76)	(413)	-
Newton fund	578	-	(594)	16	-
Gates Foundation (Afsis)	356	1,606	(1,962)	-	-
Gates Foundation (ISDA)	-	424	(154)	-	270
BBSRC Resource Grant	1,578	12,509	(13,317)	-	770
BBSRC Capital Grant	-	-	-	-	-
Donation	87	23	(110)	-	-
Redundancy funding	-	225	(225)	-	-
RI Fellows	-	215	(68)	-	147
	<u>45,152</u>	<u>17,745</u>	<u>(18,647)</u>	<u>(981)</u>	<u>43,269</u>

Rothamsted Research Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

19	RECONCILIATION OF GROUP NET EXPENDITURE FOR THE YEAR TO NET CASH USED IN OPERATIONS	2020 £'000	2019 £'000
	Net (expenditure) for the year	(656)	(4,571)
	Adjustments for:		
	Depreciation of tangible fixed assets	3,223	2,813
	Amortisation of intangible fixed assets	87	-
	Dividends, interest and rents from investments	(107)	(120)
	Share of joint venture loss / (gain)	(290)	103
	Capital Grants	(2,645)	(2,687)
	Operating cash flows before movements in working capital	<u>(388)</u>	<u>(4,462)</u>
	Increase in stocks	57	(99)
	Decrease in debtors	567	3,043
	Increase in creditors	(2,706)	(4,432)
		<u>(2,082)</u>	<u>(1,488)</u>
	Cash used in operations	<u><u>(2,470)</u></u>	<u><u>(5,950)</u></u>
	ANALYSIS OF CASH AT BANK AND IN HAND		
		2020 £'000	2019 £'000
	Cash and cash equivalents represent:		
	Bank balances	4,905	6,014
	Short term deposits 90 days or less	7,500	7,000
		<u>12,405</u>	<u>13,014</u>
	Cash and cash equivalents	12,405	13,014
	Short term deposits more than 90 days	-	3,000
		<u>12,405</u>	<u>16,014</u>
	Cash at bank and in hand as per balance sheet	<u><u>12,405</u></u>	<u><u>16,014</u></u>

Rothamsted Research Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

20	RECONCILIATION OF CHARITY NET INCOME/ (EXPENDITURE) FOR THE YEAR TO NET CASH (USED IN)/GENERATED BY OPERATIONS	2020 £'000	2019 £'000
	Net income / (expenditure) for the year	(946)	(4,468)
	Adjustments for:		
	Depreciation of tangible fixed assets	3,223	2,809
	Amortisation of intangible fixed assets	87	-
	Dividends, interest and rents from investments	(107)	(120)
	Gain on disposal of tangible fixed assets	-	-
	Capital grants	(2,645)	(2,687)
	Operating cash flows before movements in working capital	(388)	(4,466)
	Increase/Decrease in stocks	57	(99)
	Decrease in debtors	741	3,131
	Decrease in creditors	(2,784)	(4,423)
		(1,986)	(1,391)
	Cash used in operations	(2,374)	(5,857)
	ANALYSIS OF CASH AT BANK AND IN HAND		
		2020 £'000	2019 £'000
	Cash and cash equivalents represent:		
	Bank balances	4,845	5,858
	Short term deposits 90 days or less	7,500	7,000
	Cash and cash equivalents	12,345	12,858
	Short term deposits more than 90 days	-	3,000
	Cash at bank and in hand as per balance sheet	12,345	15,858

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

21 RELATED PARTY TRANSACTIONS

As explained in the Trustees' Report (incorporating the Strategic Report), LAT and BBSRC are members of the charitable company and, accordingly, are considered related parties. BBSRC funds scientific research and equipment purchases for the Institute. Funding for 2019/20 was £22,284k (2019: £19,761k) and the breakdown of this is shown in Note 3. At the 2019/20 year-end BBSRC had £528k (2019: £25k) included within trade debtors of the Charity. Note 9 of the financial statements explains the staffing arrangements between BBSRC and the Charity. Land and buildings at North Wyke, Devon are owned by the Biotechnology and Biological Sciences Research Council and occupied by the Charity under a formal lease and at a peppercorn rent.

LAT also funds scientific research through grants to the Institute, and in the year 2019/20 the value of this to the Charity was £500k (2019: £500k). The Charity made a total sale of £788k (2019: £610k) and purchases of £16k (2019: £57k) to and from LAT. These transactions relate to pay, utility recharges and site support. At year-end, the Charity was owed £151k (2019: £17k) by LAT. LAT provides student accommodation to RRES. The Charity owed £Nil (2019: £10k) to the Lawes Trust. Details of the agreements regarding the Charity's use of buildings owned by LAT are set out in Note 10, which are currently rent free.

During the year, the Charity made a further provision £115k against the amount due from Rothamsted Manor Limited (see note 12), (2019: £34k). The Charity made a total sales of £110k (2019: £88k) to RML and purchases of £Nil (2019: £Nil) from RML. RRES provided site support to the company during the year.

At the year end, the Charity was owed £453k (2019: £493k) by Rothamsted Enterprise Ltd (REL). This includes a concessionary loan of £200k (2019: £200k) which falls due after more than one year and on which no interest is payable. A provision of £Nil (2019: £204k) has been made in the accounts for the debt. The Charity made total sales of £492k (2019: £346k) to REL and purchases of £324k (2019: £420k) from REL. RRES provides back office support, site support and scientific services to REL. At 31 March 2020, the Charity owed REL £Nil (2019: £23k). REL provides conference centre facilities, meeting rooms and catering.

Rothamsted Research is a member of AgriMetrics Ltd and performed administrative and scientific services for the company. The balance of monies owed to RRes outstanding at the year-end was £Nil (2019: £33k). The Charity made a total sale of £3.5k (2019: £188k) to Agrimetrix during the year.

In order to enable the local delivery of the Africa Soil Information Service work supported by The Bill and Melinda Gates Foundation, the Charity has a subsidiary established in Tanzania, AFSIS Ltd. The Charity made grants of £Nil (2019: £97k) to the subsidiary during the year.

During the year, The Company acted as fiscal agents for Innovative Solutions for Decision Agriculture (ISDA) a project funded by the Bill and Melinda Gates Foundation. The charitable purpose of the fund is to build market-driven, tailored and scalable digital tools for the management of soil and agricultural systems for small scale farm holders in Africa. An equivalent of £268k (2019: £1,802k) was administered on behalf of ISDA. At the end of the period, a balance of £nil remained (2019: £1,133).

Rothamsted Research Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

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 2020 (2019: £Nil).

23 FINANCIAL INSTRUMENTS

	Group 2020 £'000	Charity 2020 £'000	Group 2019 £'000	Charity 2019 £'000
Financial assets which are debt instruments at amortised cost	4,671	4,669	5,398	5,543
Other financial assets:				
- concessionary loans at cost plus accrued interest less impairment, where applicable	200	200	200	200
Financial liabilities at amortised cost	(2,786)	(2,695)	(3,246)	(3,233)

Rothamsted Research Limited
INCOME AND EXPENDITURE ACCOUNTS
for the year ended 31 March 2020

	Group 2020 £'000	Charity 2020 £'000	Group 2019 £'000	Charity 2019 £'000
Gross income of continuing operations	29,800	29,463	29,874	29,818
Total expenditure of continuing operations	(30,579)	(30,532)	(34,992)	(34,833)
Net income / (expenditure) for the year	<u>(779)</u>	<u>(1,069)</u>	<u>(5,118)</u>	<u>(5,015)</u>
Net income / (expenditure) for the year	(779)	(1,069)	(5,118)	(5,015)
Capital grants received	2,645	2,645	2,687	2,687
Expenditure of capital grants included in resources expended	-	-	-	-
Release of deferred capital grant in line with depreciation	(2,522)	(2,522)	(2,141)	(2,141)
Net income / (expenditure) for the year per SOFA	<u>(656)</u>	<u>(946)</u>	<u>(4,572)</u>	<u>(4,468)</u>