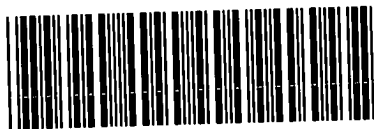


**LAWES AGRICULTURAL TRUST**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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COMPANIES HOUSE

Company Registration No. 8901784  
Charity Registration No. 1156150

# **LAWES AGRICULTURAL TRUST**

## **REFERENCE AND ADMINISTRATIVE INFORMATION**

**COMPANY NUMBER:** 8901784

**REGISTERED CHARITY No.** 1156150

**BANKERS:** Coutts & Co  
440 Strand  
London WC2R 0QS

Barclays Bank Plc  
St. Albans City Business Centre  
PO Box 104  
22-24 Upper Marlborough Road  
St. Albans  
Herts. AL1 3AL

**SOLICITOR:** Withers  
16 Old Bailey  
London EC4M 7EG

**AUDITOR:** RSM UK Audit LLP  
St Philips Point  
Temple Row  
Birmingham B2 5AF

**INVESTMENT ADVISER:** Sarasin & Partners LLP  
Juxon House  
100 St Paul's Churchyard  
London EC4M 8BU

**PLANNING ADVISER & CHARTERED SURVEYOR:** Bidwells  
John Ormond House  
899 Silbury Boulevard,  
Milton Keynes, Buckinghamshire  
MK9 3XJ

**PRINCIPAL OFFICE:** Rothamsted  
Harpenden  
Hertfordshire.  
AL5 2J

# **LAWES AGRICULTURAL TRUST**

## **REPORT OF THE TRUSTEES**

### **FOR THE YEAR ENDED 31 MARCH 2017**

The Trustees present their Report and Financial Statements of the Lawes Agricultural Trust (“the Trust”, or “LAT”) for the year ended 31<sup>st</sup> March 2017. The financial statements have been prepared in accordance with FRS 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)). The financial statements have been prepared under the historic cost convention as modified by the revaluation of investments. The financial statements meet the requirements of the Companies Act 2006, the Statement of Recommended Practice – Accounting and Reporting by Charities (Charities SORP (FRS 102)) and applicable accounting standards so far as these requirements are appropriate. The charity is a public benefit entity as defined by FRS 102.

#### **Structure, Governance and Management**

The Trust is an incorporated charity and company limited by guarantee registered on 19<sup>th</sup> February 2014. It traces its origin to a Trust that was established in 1889 by the Declaration of Trust of Sir John Bennet Lawes FRS, who founded Rothamsted Experimental Station in 1843. The original trust was a registered charity, under the Number 208228. From April 2014 Lawes Agricultural Trust (Charity Number 1156150; Company Number 8901784) assumed all of the activities previously undertaken by the original and its corporate trustee, including guardianship of Rothamsted International.

The Trustees of the Lawes Agricultural Trust for 2016/17 are:

- Lord De Ramsey DL (Chairman) \*
- Professor Sir David Baulcombe FRS
- Dr Graham Birch #
- Lord Curry of Kirkharle CBE FRAgS
- Professor Sir Gordon Conway FRS
- Lord Cameron of Dillington
- Professor Sir Charles Godfray FRS \$
- Sir Peter Kendall
- Dr Tina Barsby

\* Resigned as Chairman and as Trustee 1<sup>st</sup> December 2016

# Chairman from 2<sup>nd</sup> December 2016

\$ Joined 2<sup>nd</sup> December 2016

The Trustees (who are also the Directors of the incorporated entity for the purposes of company law) meet regularly to consider policy, research, administrative matters and risks; they do not receive remuneration. The balance of skills needed for the long-term success of the Trust and succession is kept under constant review; currently these include experience at the highest level in terms of scientific achievement, large estate/property management, farming and food business, international science (including developing countries), investment and political awareness. To date, new Trustees have been sought by personal recommendation and unanimous agreement within the Board; this is deemed to have served the needs of the Trust very effectively so is expected to continue. New Trustees are inducted by visits to the estate with the Chairman and Company Secretary highlighting scientific involvement, estate responsibilities, historical matters and urgent issues that are facing the Trustees. Training relevant to charity law and other matters as appropriate to the individual is offered. When new Trustee-Directors are required, account is taken of the current edition of the Charity Commission publication CC30 as modified from time to time. In addition, in 2017 Sir John Beddington, as Chairman of the Rothamsted Research Board, was invited with unanimous approval of the Trustees to attend the Trust Board as an observer, though this is not an obligation of the Trust’s Articles.

**LAWES AGRICULTURAL TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**Structure, Governance and Management (continued)**

The only standing sub-Committee of the Trust is the Investment Committee whose role is to critically examine and liaise with the Trust's investment advisors. Its members are Dr Graham Birch and Lord Cameron of Dillington.

Company Secretary Stephen James (resigned 24<sup>th</sup> October 2017)

Company Secretary Peter Oxley (appointed 24<sup>th</sup> October 2017)

The Lawes Agricultural Trust, along with other activities, principally supports Rothamsted Research Limited ("Rothamsted Research"), an incorporated charity that occupies and operates its agricultural research activities from land and buildings belonging to the Trust. These research activities are directed by the chief executive and director of Rothamsted Research; this position is currently held by Professor Achim Dobermann who has been in post since 1<sup>st</sup> June 2014.

The Lawes Agricultural Trust is a Corporate Member of Rothamsted Research Limited along with the Biotechnology and Biological Sciences Research Council ("BBSRC") and the Chair of the Board of Trustee-Directors for Rothamsted Research. The role of these Members is defined through a Members' Agreement that describes how this tripartite arrangement recognises the critical contribution in land and buildings (from LAT) and funding (from BBSRC) to the well-being of Rothamsted Research and, achieving this through an arms-length stance, does not seek to unduly influence the strategic direction of the Institute. The Chairman of the LAT at the time attends Rothamsted Research Board meetings as an Observer.

The role of Rothamsted International in the assessing and granting of Fellowships and is carried out through the advice of a panel of Rothamsted Research scientists distinguished in relevant agricultural and related research. We are grateful for their services in this role and for ensuring the funding is spent wisely.

The Lawes Agricultural Trust and its component charity Rothamsted International are administered by the Company Secretary, provided by Chaseside Solutions Limited. This arrangement will cease in Autumn 2017 and a new person has been recruited to be employed in this role, see above. In the light of 17 years in the role, Stephen James will assist in the transition. The Key Management Personnel are the Trustees (who receive no remuneration), and the Company Secretary. His remuneration is agreed by the Trustees and Chairman based on market information. The contribution of the Director/CEO of Rothamsted Research to the Trust in overseeing and running those research interests at Rothamsted and funded by the Trust is recognised by a voluntary contribution, by way of a grant from the Trust to Rothamsted Research, towards his remuneration.

**Assets**

At Harpenden, Hertfordshire, the Trust owns Rothamsted Estate (330 ha) incorporating a laboratory complex comprising research buildings and facilities (7 ha); an extensive experimental farm on most of the rest of the area; a Grade 1 listed building dating from the 13<sup>th</sup> century (Rothamsted Manor) used as a staff and student residence, plus fifty-one houses and cottages. Properties that are surplus to immediate requirements are let on fully commercial terms. Some are on permanent external rent and defined as investment properties. The Trust also owns 10 flats ("Lawes Court") that are used as accommodation for scientists at Rothamsted, especially visiting from overseas and another property ("Southwood Court") of 15 bedrooms aimed at PhD students and young people, especially newly qualified post-doctoral scientists. Southwood Court is associated with a potential building plot for a single house. Three major commercial lets are as follows: the ground floor of the North Building (first floor is vacant) is let to "The

**LAWES AGRICULTURAL TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2017**

Little Gym”; Rothamsted Lodge to “Busy Bees Childcare” and Rivers Lodge to “The Workstation”. The leases relating to the first two both expire in 2018.

At Higham in Suffolk the Trust owns an experimental farm (77 ha) with a further 9 houses and laboratory buildings.

Most of these experimental lands, buildings and facilities are occupied under a bare licence by Rothamsted Research (“RRes”) and the buildings and facilities are included in that organisation’s Balance Sheet at historic cost to Rothamsted Research. The Trustees consider the open market value on an alternative use basis of these assets to be materially in excess of book value. Over many years it has been the custom for buildings not required by Rothamsted Research to be handed over to LAT for the latter to maximise its income. Trustees of both LAT and RRes are keen that the land and buildings occupied by the latter are provided under a set of formal leases appropriate to the property in question and draft heads of terms have been prepared as a basis for further discussions. These discussions this will be re-initiated as soon as possible.

During 2016/2017 the Trust has continued to be very closely involved with the strategy and direction of “Rothamsted Centre for Research and Enterprise” (RoCRE). RoCRE is a joint venture between Rothamsted Research Limited (40%), the Lawes Agricultural Trust (40%), and the Biotechnology and Biological Sciences Research Council (20%). It is aimed at attracting scientifically-based companies and organisations involved in the agricultural arena – large and small, new and established – to establish a cluster of like-minded organisations at Rothamsted. The first step of this has been the completion of new purpose-built facilities, largely funded by BBSRC and these are leased from LAT to RoCRE on a right to occupy basis in recognition of the novelty of the concept and the challenges faced.

The Trust also owns a significant collection of rare and early books on agriculture and related subjects, collections of livestock prints and paintings (including bequests) and small collections of furniture and effects in the Manor that have all been included in the balance sheet at a deemed cost value or insurance valuation. In the case of the books the access of these has been significantly improved over recent years with an on-line catalogue. Nonetheless, the books are very seldom consulted and in the past four years the ten requests to view have been driven by technical printing interest and not agricultural motivations. It is now considered that disposal of the collection should be seriously contemplated and thus their value has been re-assessed to reflect the sales values (less costs) that could be achieved: the revaluation of the books from an insurance replacement value to a sales value of around £1.2m resulted in an impairment of £2.7m. The Trust also holds liquid funds in the form of stock market investments and cash deposits, but it is planned to draw on these investments to finance a building programme for student accommodation (Fisher and De Ramsey Courts, see below).

Intellectual property rights created during the course of operation of Rothamsted Experimental Station until 1991, including registered trade-marks and copyrights, also continue to belong to the Trust. These were established in the Memorandum of Understanding dated 12<sup>th</sup> June 2000 between the (then) corporate trustee and Rothamsted Experimental Station (soon after to become Rothamsted Research in the same year). Other archives, including soil and plant archive samples until 1991 also belong to the Trust and are under the guardianship of the Rothamsted Research.

# **LAWES AGRICULTURAL TRUST**

## **REPORT OF THE TRUSTEES**

**FOR THE YEAR ENDED 31 MARCH 2017**

### **Risk Management**

The Board of Directors of the Trust – the Trustees - reviews the major risks and principal uncertainties to which the Trust and Rothamsted International are exposed and the steps which have been taken to mitigate against these, namely:

1. The Trust's significant commitment to a range of campus development, especially Fisher & De Ramsey Courts (student accommodation) place an excessive strain on finite resources.
2. The sale of land at Townsend Lane was expected to net approximately £5m, but the sale has been more challenging than expected and its success must be in doubt. This will seriously limit future options for the Trust.
3. As we enter a period of renewed political uncertainty, the continued support by a range of agencies of agricultural research and thus Rothamsted Research is once again under renewed strain, though direct exposure to EU funding is modest. Additional support and new approaches from the Trust may be needed.
4. The Trust continues to attract high calibre Trustees with the most outstanding skills and experience relevant to the Trust's evolving activities and role. It is critical that this is maintained.
5. Maintaining the future use, management and financial viability of Rothamsted Manor (House) given its Grade 1 listing and rudimentary facilities, in the light of its present, but largely unsuitable use of providing accommodation for PhD students and visiting workers at Rothamsted Research.

A complete review of the risk register is undertaken annually at Trust meetings with a formal register being kept up to date at these meetings. To date, no risks have been identified that are judged to threaten the existence or solvency of the Trust and/or Rothamsted International.

### **Objectives and Activities**

The Object of the Trust as defined in the Articles of Association is: "to advance the science of agriculture for the public benefit through original investigation and research, which may embrace all or any subject(s) connected to or bearing upon agriculture, including animal or vegetable physiology, meteorology, botany and chemistry". This Object is a restatement of that in the original Deed of 1889. Like its predecessor, the Trust focuses on the estate and lands at Rothamsted, Hertfordshire and this remains the main base for activity, but the Trust is free to consider other land, entities or locations from time to time.

The Trust ensures compliance with its Charitable Object by building its income and applying most of the assets and proceeds of the Trust to the sponsorship and promotion, either directly or indirectly, of the charitable agricultural research activities of Rothamsted Research, whose agricultural research objects are similar to, and derived from, those of the original Trust. There is an extensive programme of public benefit research, public engagement and knowledge transfer undertaken at Trust premises. The Trustees are especially keen to ensure that the research is converted into practical application. This work is reviewed by the Trust through reports of supported projects, provision of an observer from the Trust at Rothamsted Research Board meetings and a bi-annual report from its Chief Executive/Director at Trust meetings. Further information on Rothamsted Research and its Reports are available on the web site at <http://www.rothamsted.ac.uk>, or information can be sought on application, from the Company Secretary of the Trust at the principal address as per page 1.

The objects of Rothamsted International, a restricted Fund of the Trust, regulated by the terms of its own Declaration of Trust, are: promoting and sharing research excellence in crop and environmental research; fostering international co-operation in crop and environmental research; providing the opportunity for scientists from developing and emerging countries, to share their expertise within an advanced multi-

# LAWES AGRICULTURAL TRUST

## REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2017

### Objectives and Activities (continued)

disciplinary research environment; and providing developing nations with technologies and expertise to address issues of agricultural intensification and related problems. The Trust ensures compliance with the objects of Rothamsted International by creating and supporting research fellowships for scientists who visit Rothamsted or sites associated with it or with the Trust.

Thus, the Trust utilises its assets to pursue its Object through five principal routes:

1. The provision of land and buildings suitable for agricultural and related sciences conducted by Rothamsted Research, on beneficial terms.
  - *This operates as a close partnership with Rothamsted Research and that organisation's main grant-giving and sponsoring body, the Biotechnology and Biological Sciences Research Council.*
2. The provision of accommodation on a preferential, but defined, limited term basis to key workers, to other RRes staff and, in a few exceptional cases, ex-staff, which allows them to move into this very expensive location whilst on modest scientific salaries. Thus, high quality scientific and other staff as well as students or scientific visitors on modest incomes or grants can contribute to the work.
  - *The very significant majority of the residential provision owned by the Trust is available preferentially for students, staff and visitors. These are not furnished, kept to a good standard and are very well located with easy access on foot for the scientific facilities. Rothamsted Research identifies the most deserving and appropriate tenants, but tenancies are with LAT through assured shorthold tenancies to ensure maximum flexibility.*
  - *Other properties are furnished and suitable for students or visitors and single persons just starting out on their scientific career. In particular, this currently includes: the Rothamsted Manor with 45 beds now with only bed and breakfast provision but use will decline as its facilities are considered sub-standard for this use, plus Southwood Court and several refurbished houses for 4 or 5 persons sharing kitchen and bathroom facilities. De Ramsey and Fisher Courts are under construction and due for occupation in January 2018; these will provide small studio rooms and cluster flats with a shared kitchen, all of which have en-suite showers/WCs.*
  - *The challenge with these facilities is seeking to ensure they are adequately maintained in order to protect the assets and provide good quality accommodation but, at the same time keep the charges at affordable levels and that occupancy is both maximised and fairly assigned.*
3. Granting financial support for scientific costs to Rothamsted Research, mainly through a "Director's Vote" fixed annually by the Trustees following proposals made to them. The Trustees have recently agreed to increase this from £350k to £500k from 2017/18 (inclusive), providing that resources permit.
4. Capital funding provision of diverse facilities deemed to help meet the Trust's Object, with partners where possible, including technology transfer, catering, sample archive and the like.
5. In addition, the Trust is playing a vigorous and lead role in taking forward the site at Rothamsted so that it enables interaction with small companies that actively enhance the uptake of agricultural and environmental research output into practice across different communities, in conjunction with RoCRE (as detailed on page 7) and otherwise.
  - *Items 3, 4 and 5 require the generation of cash sums. These can originate from:*
    - a. *Rental income on the Trust's properties made available on the open market at commercial rents. The policy is to maintain these at, the highest possible standard to attract high rents and to maximise the properties in this category.*
    - b. *Income from equity and similar investments.*
    - c. *Occasional sale of land and assets to generate capital sums to address charitable objects.*

**LAWES AGRICULTURAL TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**Public Benefit**

The primary object of LAT is the advancement of the science of agriculture. The way that this is carried out is clearly aimed at public benefit especially by virtue of the emphasis on publication in widely available scientific journals, in the popular agriculture and broader press and through conferences or seminars, many of which are aimed at the wider public. The term “advancement” is taken to include such science becoming widely used in agricultural practice. Thus, it falls within the charitable purpose of “the advancement of the arts, culture, heritage or science”. Inevitable ancillary benefits 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 specifically mentions scientific research projects under the heading of the advancement of science. The Trustees have complied with Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

Elsewhere in this report we detail how LAT provides a range of facilities on a highly preferential, exclusive basis and also modest grants to Rothamsted Research whose charitable Object significantly overlaps with that of the Trust. This charitable activity takes place at the two main sites owned by the Trust - Rothamsted in Hertfordshire (which is the main site for Rothamsted Research) and Brooms Barn in Suffolk, but the output has global reach. Trustees closely monitor the activities of Rothamsted Research to ensure that they continue to serve its charitable purpose and meet the requirements of public benefit. As already described, the Trustees note that this is achieved by making the scientific advances freely available throughout the scientific literature, engaging in knowledge exchange with farmers on an unhindered basis as well as initiating and promoting the wider discussion of scientific matters affecting agriculture, climate change food quality and food security.

**Achievements**

Mindful of developments at similarly institute-centred locations such as Babraham Institute, Norwich Research Park (University of East Anglia) and IBERS (University of Aberystwyth), the Trust is strongly supportive of the creation of a unique innovation cluster with Rothamsted science as the focus around which new, small companies will orbit. Though successful in pharmaceutical and IT areas, this is a new concept in the agricultural and related fields so will be a challenge, but it coincides with the Trust’s charitable objectives and brings wider public benefit through the progression of scientific developments at Rothamsted Research, and elsewhere, into practice. Embodied within “Rothamsted Centre for Research and Enterprise” (RoCRE) it provides enhanced opportunities and facilities for communication, education, knowledge exchange and commercialisation across the campus. Wider and closer collaborations with researchers will help ensure the continuation of public-funded agricultural science at Rothamsted Research demonstrating the synergy and enhanced knowledge exchange that arises from such a cluster.

The Hertfordshire Local Enterprise Partnership has published their growth strategy and this shows Rothamsted campus development as one of three principal growth objectives.

To progress the RoCRE concept to the benefit of the agricultural community, the Trust is:

- (1) Continuing to invest in refurbishment of the Daniel Hall Building to provide an incubator and small company facilities. With current negotiations and tenants already in place the expectation is that this building will be fully occupied by December 2017. In association with RoCRE the Hertfordshire Local Enterprise Partnership provided a grant of £500k in 2015/16 to establish new laboratory facilities specifically suitable for new, small companies.



**LAWES AGRICULTURAL TRUST**  
**REPORT OF THE TRUSTEES**  
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**Achievements (continued)**

- (2) Contributing (largely brown field) land via leases to RoCRE where BBSRC has funded a new knowledge exchange laboratory and new conference centre facilities and additional car park. Participating with Rothamsted Research and BBSRC in a joint venture company, this arrangement offers major benefits to LAT in the pursuance of its charitable objects by seeing basic research progressed into development science and thus on to application.
- (3) Completing accommodation units offering a mixture of shared kitchen and studios on the site of the derelict Fisher Building. The Units, arranged in two blocks, will be known as Fisher Court (noting the link with RA Fisher) and De Ramsey Court (recognising the contributions from current and previous Lords De Ramsey)
- (4) Arranging to free-up an existing Trust building (the North Building) that is only 50% occupied, by discussing the relocation of an existing (non-agricultural) tenant with the hope of attracting further LEP support of up to £2m related to adding the North Building to the RoCRE facilities offer.

The Trust has provided a member of the Campus Project Board along with Rothamsted Research and BBSRC throughout 2016/17. This Project Board oversaw progress with the significant investment from BBSRC (approx. £11m) and the LAT contribution of land outlined above, announced in July 2013. LAT also has a nominated director on the RoCRE company Board, in which the LAT has 40% interest now that the arrangements have been agreed with the Charity Commission and leases signed.

Compared with more than ten years ago, and under the guidance of the Chairman, Lord De Ramsey, LAT now takes a more active and wider role in the development and progress across the estate as well as the work being undertaken and its impact on agriculture and society. The Trust has funded refurbishment of the Daniel Hall Building to make it attractive to smaller agriculturally-related businesses integrating with the RoCRE vision and on track to be fully occupied by the end of 2017. Lord De Ramsey stepped down in December 2016. Dr Graham Birch is equally committed to this wider and active role for the Trust.

Planning permission having been granted on 26<sup>th</sup> April 2016, the replacement of the Fisher Building with on-site residential facilities is well advanced with an opening date of January 2018. The build cost and fees are expected to be £5.2m. The project started in early Autumn 2016 with demolition and clearance of the existing structure funded by Rothamsted Research by way of recognition of “handing back” a seriously dilapidated building. To fund this development, in addition to using current income and cash held at the bank, the Trust has mobilised £2.5m from the Sarasin investment portfolio, whilst a short-term bank loan of approximately £1.3m (from a facility granted of up to £2.2m) will also be utilised in 2017/18. A long-term loan, funded by income from the tenants’ rents is likely to be sought. Completion of Fisher Court and De Ramsey Court will facilitate the implementation of a new and exciting vision, currently under consideration by Rothamsted Research, for the future use of the Grade-I-listed Rothamsted Manor.

The option to sell land on the north of the Rothamsted site, near Townsend Lane, was tendered and agreed in November 2015. The eventual sale should achieve not less than £5m for the Trust and this sum was originally planned to be allocated to the funding of Fisher Court to enable repayment of the bank loan and replenishment of the investment portfolio. Despite very active attempts through the local authority, no progress has been made by the option holder. The Trust is aware that this land is designated as Green Belt, but firmly believes that it is very appropriate for suitable residential development and its location represents little, if any, harm to the Green Belt. The option holder continues to actively promote the site, with the visible support of the Trust, but this is proving very problematic especially given the position of the local strategic plan (it still dates from 1994 – the oldest in the country) and little progress was made through the pre-application process. Very active attempts

**LAWES AGRICULTURAL TRUST**  
**REPORT OF THE TRUSTEES**  
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**Achievements (continued)**

are being made to influence both the Neighbourhood and Local Strategic Plans that are currently being drafted.

After vacation by a long-term tenant, a very thorough and detailed refurbishment of Grade-2-listed, Rivers Lodge has been completed working closely with the local planning and conservation authorities. Heating, electrics, plumbing, telephony and IT, some of which was 70 or 80 years old, have been replaced and the opportunity taken to hide the previously all surface mounted conduits and cables. A new tenant was found at the asking price, before the work was finished, who took occupation in January 2017, though a six-month rent free period was granted because the Fisher demolition and build compound is within a few metres.

Expenditure has, once again been directed towards professional fees for Fisher and De Ramsey Courts and the cost of the work at Rivers Lodge. These have required significant sums so, unusually, no large commitments have been made to the residential properties though a high standard of maintenance has been continued. Work on improving the Daniel Hall building has continued, in particular a new office and laboratory for Plant Impact.

The Director's Vote was dispensed according to plan. The Trust believes that it provides long term underpinning support for activities that otherwise would not continue. This allowed the Trust to support, for instance:

- Lawes Agricultural Trust Postgraduate Studentships in partnership with the Universities of Nottingham and Reading. This is achieved via the Research Councils' Doctoral Training Programme.
- Long-term experiments at Rothamsted – the classical field experiments and the insect survey. Although now significantly supported through the National Capability Grants from BBSRC, LAT continues to provide additional and vital funding.
- Assistance to Lawes Trust Senior Fellowships. Equivalent to emeritus positions at Universities, these operate by giving a special status and, requests are considered for small contributions to allow retired senior staff to continue their scientific or historic work based at Rothamsted.
- Vacation bursaries and support of educational activities at Annables Farm on the outskirts of Harpenden.

Rothamsted International (RI) is a restricted fund within the main Trust operation whose use is tightly circumscribed by agreement with the Charity Commission. Like the word "Rothamsted", the RI logo is also a trade mark owned by LAT. Very little, if any, further additional income is being received for this fund. Since 1993, over 180 RI Fellowships have been awarded to scientists who originate from 30 developing and emerging countries worldwide. The Trustees review on an annual basis the activities undertaken through these grants and donations, ensuring that they are well-suited to the objects of the Trust and are of high scientific merit.

Professor Dobermann, the Director and CEO of Rothamsted Research, has considerable experience and deep interest in research for agriculture in developing countries; he has expressed an interest in reviving Rothamsted International activities as well as its income stream by way of donations. This might be achieved by passing the RI operation from LAT to RRes to allow a smoother flow of funding and decision making with the consequent advantage to the RI fund's beneficiaries. The Trustees are considering the full implications of such a move and will be recommending this in due course once the Trust's finances are re-stabilised after the funding of the Fisher and De Ramsey Courts and the income is fully understood.

**LAWES AGRICULTURAL TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**Key Performance Indicators**

The main beneficiaries of the Trust are Rothamsted Research and its stakeholders who benefit from the research that is undertaken. The Trust also ensures the provision of resource to maintain, refurbish and enhance the built estate. Agricultural science projects at Rothamsted Research are funded through the Director's Vote which this year expended £352k (2016: £310k. *See later for some historic values*)

In the past the Trustees agreed to make not less than £200k available per year as the "Director's Vote" and for both 2015/16 and 2016/17 it was considered that the Trust's finances could allow the option to spend up to £350k per annum; for 2017/18 it has been agreed to raise this further to £500k. These allocations cannot be accrued. In addition, the support of Rothamsted International Fellowships was £33k (2016: £38k)

The estate properties program continues to provide affordable housing for key workers and visiting workers, whereas the Trust maximises the rental income on externally let properties (those properties that are limited to external lets are defined as "investment properties"- see below) according to market conditions. In turn, this will also provide funding for future years' refurbishment plans of all properties, thus maximising long-term rental income for the Trust and providing affordable accommodation for RRes staff.

Some criteria used by the Trust to assess performance against its objectives can be summarised below:

- 1) Investment income is monitored by the Board with a more detailed review and assessment carried out by the Investment Committee who liaise directly with the Trust's investment advisors Sarasin and Partners. Once complete, six-monthly reports will provide performance indicators for the investments against the industry average. The gross dividends and interest income for the year on the investments was a £162k (2016: 214k) which remains broadly in line with typical market performance.
- 2) The maintenance of sound rental income against a planned refurbishment program for Trust properties without borrowing or jeopardising the Trust's financial position has been operating over several years and continues. In the year, the total estate income (both charitable and investment properties) was £1,076k (2016: £1,286k). See also Notes 5 and 6.
- 3) Director's Vote funding is approved by the Board and allocated by the Director of Rothamsted Research to sponsor continuing long term scientific projects. The results of these projects are reported to the Board who monitor and review the results against the Trust's objectives.

**Financial Review**

Overall the Statement of Financial Activities show that total funds have decreased to £23,030k (2016: £24,486k). We have a recorded a modest decrease in overall estate rental income (including investment properties) to £1,076k (2016: £1,286k) and this is expected to stabilise as refurbished properties, including Daniel Hall Building and Rivers Lodge have come available and benefited from investment. All such improvements are achieved by utilising on-going income from the estate and therefore estate management costs are monitored closely.

**LAWES AGRICULTURAL TRUST**  
**REPORT OF THE TRUSTEE**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**Financial Review (continued)**

There was further expenditure on properties, £306k (*2016: £817k*) noting that the expenditure on Fisher Court has been capitalised, so is not evident in this figure, but as stated overall income trajectory is set to rise in line with our estate programme continuing and the overall quality of the stock being both maintained and steadily improved across the whole portfolio. This includes investment into the innovation facilities as part of the Enterprise objectives for the Campus. In 2009 it was recognised that certain high rental properties should be classified as investments in that they will be reserved for open market, income generating purposes. This distinction remains in place and expenditure levels are likely to reflect this difference. Which properties sit in which category will be reviewed in the next year or so.

The value of the investment portfolio has slightly decreased by about 2% in the past year to a Fair Value of £5,339k (*2016: £5,444k*). All equity investments are managed by Sarasin & Partners LLP. Direct costs of the investment management were £0.6k (*2016: credit of £2.3k*) The investment in the unlisted, spin out statistic software company VSN International Limited is valued at £153k (*2016: £153k*) and we are pleased to note that the payment of a dividend of £23.1k has been received for 2016/17 albeit a decrease on the previous year (*2016: £28.4k*).

The Trustees note the level of cash being held in banks (mainly as Barclays Treasury Deposits) has decreased to £1,566k (*2016: £1,676k*). This is according to plan and the Trust's participation in the Campus development plans requires a ready availability of funds to invest in the refurbishment of property, especially that aimed at attracting new agri-industries to the Rothamsted campus.

Payments associated with the Director's Vote, which make an important contribution to the agricultural research at Rothamsted, were maintained and now also include the support of agricultural science students located at Rothamsted, registered at Nottingham and Reading and whose Studentships bear the name of the Trust though dispersed through the Research Councils' Doctoral Training Programme.

**LAWES AGRICULTURAL TRUST**  
**REPORT OF THE TRUSTEE**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**Financial Review (continued)**

**Comparison of Headline figures (£) from Statutory Accounts in year ending March**

Activity	2017	2016	2015	2014	2013	2012	2011
Director's Vote	352k	310k	270k	200k	187k	198k	195k
RI Fellowships	33k	39k	22k	35k	43k	96k	94k
Expenditure on all properties	306k	817k	420k	513k	490k	209k	274k
Gross Investment Income	162k	214k	179k	168k	151k	121k	113k
VSNi dividend	23k	28k	26k	27k	0	0	0
Total Estate Income (all properties)	1,076k	1,286k	946k	802k	728k	643k	659k
Free Reserves	5,025k	5,877k	5,273k	5,848k	5,672k	5,498k	5,018k
Cash held at Banks and Investment Manager (including Treasury Deposits)	1,927k	2,291k	1,847k	2,083k	1,967k	1,926k	1,214k
Value of Sarasin investment portfolio	5,339k	5,444k	5,677k	5,286k	5,148k	4,704k	4,871k
Total Funds	23,030k	24,486k	23,970k	23,212k	22,924k	21,391k	21,655k

**Investment Policy**

The Trustees' investment mandate is stated in its Articles where the Board has powers: "to deposit or invest its funds in any manner as may be thought fit (including, but not limited to, the establishment of trading or other subsidiaries of any kind), but only after obtaining such advice from a Financial Expert as the Trustees consider necessary and having regard to the suitability of investments and the need for diversification". Dr Graham Birch has extensive investment experience in the City of London and replaces Lord De Ramsey on the Investment Committee, which liaises with the appointed investment manager, Sarasin and Partners. The aim of the portfolio is to maximise total return and there are no restrictions placed on the investment portfolio, but the use of the portfolio to partially fund the Fisher/De Ramsey Court build programme will be evident in future years. Sarasin present to all Trustees from time to time.

Note that as stated earlier we hold certain properties as investments as they are not used at all for charitable purposes (i.e. providing accommodation for Rothamsted staff) but rather only to generate an income. This is a small number of the total housing stock as the Trust wishes to keep the flexibility that enables the majority to be available for Rothamsted staff if and when necessary.

**LAWES AGRICULTURAL TRUST**  
**REPORT OF THE TRUSTEE**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**Reserves Policy**

The Trust policy on the maintenance of reserves seeks to ensure that sufficient reserves are available to enable the Trustees to fulfil the short and longer-term liabilities and obligations of the Trust and Rothamsted International, as well as fully participating in the development of the Estate at Rothamsted and Brooms Barn in a timely manner. In the context of the latter, the Trustees are of the opinion that this falls clearly within and directly serves the charitable Object of the Trust. Free reserves available for use by the Trust are deemed to be those that are readily realisable, less funds whose uses are restricted or designated for particular purposes. The calculation thus excludes fixed assets, restricted and designated funds. The level of free reserves as at 31 March 2017 was down at £5,025k (2016: £5,877). As a broad principle and with due consideration to short term demands, the Trust's overall aim is to invest in facilities rather than be holding cash. It is noted by the Trustees that overall Total Unrestricted Funds stand at £22,699k (2016: £24,123k)

**Future**

Rothamsted Research and the Trust are both charities with shared objects – essentially the advancement of agricultural science<sup>1</sup>. Functionally, they are very closely linked and interdependent. The Trust is a member of Rothamsted Research along with two other members. Rothamsted Research has moved from the wider public sector into the “private” sector, recognised by UK Government to be in the same category as universities. This has been a major change and has been largely positive; it continues with the move of all BBSRC (public sector) employment contracts to RRes contracts and this certainly brings new challenges.

The Trust will be acting in due course to secure appropriate new charitable and business relationships with Rothamsted Research so as to ensure the meeting of the objects of the Trust; it is not believed that these are in question given the scenarios presently under discussion. The Trust wishes to continue to move to formal leases that will form the basis for occupation of land and buildings by Rothamsted Research. This will regularise and give greater clarity to the relationship for the first time since the Trust ceased to be the employer of the staff at Rothamsted in 1990 and Rothamsted Experimental Station was created as a separate entity in 1986. These will build on the leases that have been signed with RoCRE for the Conference Centre and the Lawes Open Innovation Hub.

The Trust aims to play an ongoing and active role in campus expansion at Rothamsted in a fully equitable partnership with Rothamsted Research and BBSRC in the management and continued development of the overall programme. This is likely to increase as the RoCRE concept progresses and may require additional expenditure, such as continuing the upgrading and refurbishment of the Daniel Hall building and elsewhere to accommodate small companies, especially start-ups that are offering agricultural and environmental products and services, so contributing to the cluster effect on the campus. In this regard, the Trust will seek to free up the North Building by finding alternative accommodation for the Trust's existing tenant currently there.

The Harpenden Town Council Neighbourhood Plan (NP) is being developed and the Trust has opened discussions with, and made presentations to, the Council including the possibility for an hotel (associated with the Old Apiary, which is a brownfield site), continued commercial expansion of the Campus and housing development of Townsend Lane (jointly with Hill Residential). With the government's rejection of the District Strategic Plan it is expected that the NP will be highly influential in any re-write and future policies.

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<sup>1</sup> Rothamsted Research' current objects are: for the benefit of the public to advance the science of agriculture by the initiation, prosecution, development and continuance of investigations and experiments related thereto.

**LAWES AGRICULTURAL TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2017**

The Trust-funded building of accommodation at Fisher and De Ramsey Courts is well advanced and due for completion at the end of December 2017. This is based upon cluster flats of en-suite rooms around a shared kitchen/communal area, plus self-contained studio rooms of varying sizes to suit different budgets and needs. The Trust will engage with HMRC to clarify the VAT position on the Courts, which was put in doubt by the St Albans District's wording of the planning conditions, whilst its design and function was carefully designed around the HMRC rules. The Trust will also work with RRes to ensure the Courts' business plan is successful and enables the repayment of a new loan (to replace the existing short term loan) over a 20-25 year period, as agreed by Trustees at the time.

The poor standard of the bedroom facilities in Rothamsted Manor and its Grade 1 status that offers little realistic chance of improvement, as well as the opening of Fisher and De Ramsey Courts, means that its use as a low-grade bed and breakfast facility will not continue. During 2016/17 the Trust commissioned a study by a Heritage team which highlighted areas with little historic importance and this will inform the future. RRes is leading on alternative approaches in which the Manor becomes a setting for weddings and celebrations (probably marquee based) with limited principal guest accommodation plus social/leisure/business options. The income will be directed to RRes and RoCRE with the surplus committed to the upkeep of the building. At the same time, the Trust is developing detailed plans for adaptation of the Manor outbuildings into commercial use, in the first instance for use by the Little Gym who are currently located in the North Building and whose presence there has become incongruous given the direction for the Campus tenants. Quotes or planning permission are yet to be received. Attention will need to turn to establishing an alternative route to the Farm for tractors and heavy traffic that currently use the outbuilding courtyard, as well as perhaps more distantly reopening the historically original traffic entrance for the Manor at Redbourn Lodges.

Attention will also turn to a new lease with Busy Bees children's nursery located at Rothamsted Lodge, which was originally the Dower House and later the Bee Research department. Busy Bees OFSTED report for 2013 was "Good", but "Requires Improvement" in 2016, nonetheless it remains popular in the area. If the hotel concept is looked on favourably, then Busy Bees will need to be considered in this context.

### **Statement of Trustees' Responsibilities**

The Trustees (who are also the directors of Lawes Agricultural Trust for the purposes of company law) are responsible for preparing the Report of the Trustees 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 of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgements 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 charity will continue in business.

**LAWES AGRICULTURAL TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**Statement of Trustees' Responsibilities (continued)**

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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditor**

A resolution will be proposed at the Annual General Meeting that RSM UK Audit LLP be re-appointed as auditor to the Trust.

**Statement as to Disclosure of Information to Auditors**

The Trustees 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 Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make itself aware of any relevant audit information and to establish that it has been communicated to the auditor.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

**On behalf of the Board**

  
**Stephen James**  
**Trust Secretary**



Date: 24 October 2017



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAWES AGRICULTURAL TRUST

### Opinion on financial statements

We have audited the financial statements of Lawes Agricultural Trust (the 'charitable company') for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its 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.

### Scope of the audit of the financial statements

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

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Report of the Trustees has 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 charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Report of the Trustees.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the Trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

### Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on pages 14 to 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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*

STEPHANIE WARBOYS (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
St Philips Point  
Temple Row  
Birmingham  
B2 5AF

Date: *24th October 2017*

**LAWES AGRICULTURAL TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	<i>Unrestricted Funds</i> General Fund £	Designated Fund £	<i>Restricted Fund</i> Restricted Fund £	Total Funds 2017 £	Total Funds 2016 £
<b>Income</b>						
<b>Income from:</b>						
Donations - Rothamsted International		-	-	407	407	942
- Capital Grants		-	-	-	-	500,000
	4		-	407	407	500,942
Investments	5	567,437	-	460	567,897	704,272
		567,437	-	867	568,304	1,205,214
<b>Charitable Activities:</b>						
Estate Management	6	671,427	-	225,546	896,973	796,733
<b>Total Income</b>		1,238,864		226,413	1,465,277	2,001,947
<b>Expenditure on:</b>						
<b>Raising Funds:</b>						
Investment Management costs	8	11,128	-	-	11,128	6,541
<b>Charitable Activities:</b>						
Estate Management	9	370,455	-	-	370,455	871,297
Research	10	351,939	-	33,006	384,945	372,382
Research – impairment	10	1,704,574	954,676	-	2,659,250	-
<b>Total Charitable Expenditure</b>	7b	2,426,968	954,676	33,006	3,414,650	1,243,679
<b>Total Expenditure</b>		2,438,096	954,676	33,006	3,425,778	1,250,220
Net gains/(losses) on investments		-	504,573	-	504,573	(235,813)
Net (expenditure)/income		(1,199,235)	(954,676)	193,407	1,960,504	515,914
Transfers between funds	16	225,546	-	(225,546)	-	-
<b>Net Movement in Funds in Year</b>		(973,686)	(450,103)	(32,139)	(1,455,928)	515,914
<b>Reconciliation of Funds</b>						
Funds Balance Brought Forward as at 1 April		9,086,320	15,037,016	362,593	24,485,929	23,970,015
Funds Balance Carried Forward as at 31 March	16/17	8,112,634	14,586,913	330,454	23,030,001	24,485,929

All income and expenditure derive from continuing activities.

The notes on pages 20 to 34 form part of these financial statements.


The charitable company's Income and Expenditure Account is set out on page 35 of these financial statements.

**LAWES AGRICULTURAL TRUST**  
**BALANCE SHEET AS AT 31 MARCH 2017**  
**Company Registration No: 8901784**

		Total	Total
	Notes	2017 £	2016 £
<b>Fixed Assets</b>			
Tangible Assets	12	10,187,770	11,264,476
Investments	13	11,627,119	11,302,380
		<u>21,814,889</u>	<u>22,566,856</u>
<b>Current Assets</b>			
Debtors	14	358,062	615,603
Bank Balances: -			
Barclays		814,103	1,037,082
Coutts & Co		752,242	638,552
		<u>1,924,407</u>	<u>2,291,237</u>
<b>Current Liabilities</b>			
Creditors Falling Due Within One Year	15	709,295	372,164
<b>Net Current Assets</b>		<u>1,215,112</u>	<u>1,919,073</u>
<b>Net Assets</b>	17	<u>23,030,001</u>	<u>24,485,929</u>
<b>Funds</b>			
<b>Restricted Funds</b>	16/17	<u>330,454</u>	<u>362,593</u>
<b>Unrestricted Funds</b>			
General Funds	16/17	8,112,634	9,086,320
Designated Fund			
Capital Reserve Fund	16/17	14,586,913	15,037,016
<b>Total Unrestricted Funds</b>		<u>22,699,547</u>	<u>24,123,336</u>
<b>Total Funds</b>		<u>23,030,001</u>	<u>24,485,929</u>

Approved by the Trustees and authorised for issue on 24 October 2017

Signed on behalf of the Trustees.

  
.....  
Dr Graham Birch

The notes on pages 20 to 34 and the charitable company's Income and Expenditure Account on page 35 form part of these financial statements.

**LAWES AGRICULTURAL TRUST**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

		<b>Total</b>	<b>Total</b>
	<b>Notes</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
<b>Net cash generated by/(used in) operating activities</b>			
Cash generated by/(used in) operating activities	19	725,524	(627,673)
<b>Cash flows from investing activities</b>			
Dividends, interest and rent from investments		567,897	704,272
Purchase of tangible fixed assets		(1,582,544)	(184,464)
Purchase of investment property additions		(486,129)	-
Purchase of investments		(2,550,000)	-
Proceeds on sale of investments		3,215,963	-
Net cash (used in)/generated from investing activities		(834,813)	519,808
Net decrease in cash and cash equivalents		(109,289)	(107,865)
Cash and cash equivalents at beginning of year		1,675,634	1,783,499
Cash and cash equivalents at the end of year		1,566,345	1,675,634

**LAWES AGRICULTURAL TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**1. Accounting Policies**

**General Information**

Lawes Agricultural Trust ("the Charity" or "the Trust") is a charitable company limited by guarantee domiciled and incorporated in England. The address of the Company's registered office and principal place of business is Rothamsted, Harpenden, Hertfordshire, AL5 2J.

The Charity's principal activities are as detailed in the Report of the Trustees. The charity is a public benefit entity as defined by FRS 102.

Monetary amounts in these financial statements are rounded to the nearest £. Sterling is the functional and presentational currency.

**a) Basis of Accounting**

The financial statements have been prepared in accordance with FRS 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

The financial statements have been prepared under the historic cost convention as modified by the revaluation of investments. The financial statements meet the requirements of the Companies Act 2006, the Statement of Recommended Practice – Accounting and Reporting by Charities (Charities SORP (FRS 102)) and applicable accounting standards so far as these requirements are appropriate.

**b) Tangible Fixed Assets**

Individual fixed assets costing £3,000 or more are capitalised.

**Freehold Land and Buildings** are stated at cost and no depreciation on buildings is provided. The Trustees are satisfied that the maintenance of freehold properties is adequate. An assessment of the residual values of the properties at the balance sheet date indicates that no provision for depreciation is necessary.

**Collections of Books, Prints and Paintings** are stated at deemed cost on transition to FRS 102.

**Rare Furniture, Statuary and Effects** were stated at deemed cost on transition to FRS 102.

No depreciation is provided on the rare Furniture, Statuary and Effects, Books, Prints and Paintings as described above. These assets have long useful lives and are not anticipated to be used or consumed or to deteriorate significantly through effluxion of time. Accordingly, the Trustees consider that the residual value of the assets is such that no depreciation is required to be charged. An assessment is made at each reporting date of whether there are indicators that a fixed asset may be impaired. If such indications exist, the Trust estimates the recoverable amount of the asset. Shortfalls between the carrying value and recoverable amount are recognised as an impairment loss and recognised in expenditure.

**Intellectual Property** is not valued as in the opinion of the Trustees no realistic valuation can be placed on this asset in the absence of an arms' length offer for the purchase thereof.

# LAWES AGRICULTURAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2017 (continued)

c) **Investments**

Listed investments are stated at the fair value at the Balance Sheet date. Unquoted investments are stated at the Trustees' estimate of fair value.

Investment properties are stated at fair value. Gains and losses arising on revaluation are recognised in the Statement of Financial Activities as these arise.

Undertakings in which the Trust has a long-term interest and which are under joint control are defined as joint ventures. Joint ventures are accounted for at cost.

d) **Taxation**

As a charity, the Trust is not usually liable to corporate taxation on its other income and capital gains. Recovery of taxation is made in respect of donations under gift aid. The Trust is registered for Value Added Tax (VAT) but where VAT is irrecoverable; it is included in the relevant category of expenditure.

e) **Income**

Income, including grants, gift aid receipts and other donations is recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability.

Where material, donated services and facilities are included in the Statement of Financial Activities based on the Trustees' estimate of the fair value of the services received.

Investment income is recognised on a receivable basis.

Income from charitable activities represents income received from the Trust's estate management activity and includes rental and other income on estate properties together with surpluses on disposal of any properties. This is recognised on a receivable basis.

f) **Expenditure**

Expenditure is recognised when a liability is incurred:

- Costs of raising funds are those costs incurred in relation to management of the investments.
- Charitable activities include expenditure associated with the Trust's estate management, research activities and grant making, in accordance with the objects of the Trust.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources. Support costs also include costs incurred in the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements.

g) **Funds Structure**

The Trust currently has one restricted fund (Rothamsted International) to be used for specific purposes as laid out in the Report of the Trustees. Expenditure which meets these criteria is charged to the fund. A further restricted fund from the Hertfordshire Local Enterprise Partnership for the renovation of the Daniel Hall building, to extend the laboratory capacity, was fully expended in 2015/16.

All other funds are unrestricted funds. The Trustees have set up a designated fund and the purpose of this is detailed in note 17 to the financial statements.

# LAWES AGRICULTURAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2017 (continued)

#### h) **Financial Instruments**

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

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument, and are offset only when the Charity 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.

#### ***Financial assets***

##### ***Trade and other debtors***

Trade and other 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 trade and other debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in income or expenditure 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 income or expenditure.

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

#### ***Financial liabilities***

##### ***Trade and other creditors***

Such 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.

#### i) **Government Grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. Grants are recognised as income when any associated performance conditions are met.

#### j) **Going Concern**

The Trustees have adopted the going concern basis in the preparation of these financial statements. Forecasts have been prepared which support this. There are no material uncertainties in this assessment.

**LAWES AGRICULTURAL TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017 (continued)**

**2. Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

***Critical accounting estimates***

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are considered to be the residual values of tangible fixed assets, which is the key estimate in assessing whether depreciation is required, the carrying value of the Collection of Books after the impairment and the fair value of the investment properties.

***Critical areas of judgement***

There are not felt to be any critical areas of judgement other than the key estimates discussed above.



**LAWES AGRICULTURAL TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017 (continued)**

**3. Comparative statement of financial activities  
for the year ended 31 March 2016**

	<i>Unrestricted Funds</i> General Fund £	<i>Designated Funds</i> £	<i>Restricted Fund</i> Restricted Funds £	Total Funds 2016 £
<b>Income</b>				
<i>Income from:</i>				
Donations – Capital Grants	-	-	500,000	500,000
Donations - Rothamsted International	-	-	942	942
	-	-	500,942	500,942
Investments	703,002	-	1,270	704,272
<i>Charitable Activities:</i>				
Estate Management	796,733	-	-	796,733
<b>Total Income</b>	1,499,735	-	502,212	2,001,947
<b>Expenditure on:</b>				
<i>Raising Funds:</i>				
Investment Management Costs	6,541	-	-	6,541
	6,541	-	-	6,541
<i>Charitable Activities:</i>				
Estate Management	845,047	-	26,250	871,297
Research	333,473	-	38,909	372,382
	1,178,520	-	65,159	1,243,679
<b>Total Expenditure</b>	1,185,061	-	65,159	1,250,220
Net loss on investments	-	(235,813)	-	(235,813)
<b>Net income</b>	314,674	(235,813)	437,053	515,914
Transfers between funds	473,750	-	(473,750)	-
Net movement in funds in the year	788,424	(235,813)	(36,697)	515,914
<i>Reconciliation of Funds</i>				
Funds Balance Brought Forward as at 1 April	8,297,896	15,272,829	399,290	23,970,015
Funds Balance Carried Forward as at 31 March	9,086,320	15,037,016	362,593	24,485,929

**LAWES AGRICULTURAL TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017 (continued)**

**4. Income from donations**

	General £	Designated £	Restricted £	Total 2017 £	Total 2016 £
Hertfordshire LEP	-	-	-	-	500,000
Rothamsted International	-	-	407	407	942
	<u>-</u>	<u>-</u>	<u>407</u>	<u>407</u>	<u>500,942</u>

**5. Investments**

	General £	Designated £	Restricted £	2017 £	2016 £
Dividends	161,456	-	-	161,456	210,741
Bank interest	247	-	460	707	3,351
Letting income	405,734	-	-	405,734	378,082
Option income	-	-	-	-	112,098
	<u>567,437</u>	<u>-</u>	<u>460</u>	<u>567,897</u>	<u>704,272</u>

**6. Income from charitable activities**

	General £	Designated £	Restricted £	Total 2017 £	Total 2016 £
Rental income from estate properties	670,783	-	-	670,783	795,771
Dilapidation income	-	-	225,546	225,546	-
Sundry income	644	-	-	644	962
	<u>671,427</u>	<u>-</u>	<u>225,546</u>	<u>896,973</u>	<u>796,733</u>

**7a. Support costs**

The Trust allocates its support costs as shown in the table below and then further apportions these between the charitable activities undertaken (see notes 7b and 8). Support costs are allocated on a basis consistent with the use of the resources.

	Raising Funds £	Estate Management £	Governance Costs £	Total 2017 £	Total 2016 £
Legal and other professional fees	6,773	31,607	6,773	45,153	40,109
Audit fees	-	-	29,861	29,861	22,600
	<u>6,773</u>	<u>31,607</u>	<u>36,634</u>	<u>75,014</u>	<u>62,709</u>
2016	<u>6,016</u>	<u>28,076</u>	<u>28,617</u>	<u>62,709</u>	

Governance costs are then further allocated with £32,971 (2016: £25,755) allocated to Estate Management and £3,663 (2016: £2,862) allocated to Raising Funds.

# LAWES AGRICULTURAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017 (continued)

### 7b. Analysis of Charitable Expenditure

	Direct costs £	Support costs £	Total 2017 £	Total 2016 £
Estate management (note 9)	305,877	64,578	370,455	871,297
Research (note 10)	3,044,195	-	3,044,195	372,382
	<u>3,350,072</u>	<u>64,578</u>	<u>3,414,650</u>	<u>1,243,679</u>

### 8. Expenditure on Raising Funds

	2017 £	2016 £
Investment management costs/(refunds)	692	(2,337)
Direct costs	<u>692</u>	<u>(2,337)</u>
Support costs (note 7a)	10,436	8,878
	<u>11,128</u>	<u>6,541</u>

### 9. Estate Management Expenditure

	General £	Designated £	Restricted £	Total 2017 £	Total 2016 £
Repairs and renewals	110,173	-	-	110,173	557,335
Light and heat	20,734	-	-	20,734	25,732
Rates	26,724	-	-	26,724	34,677
Legal fees	82,055	-	-	82,055	112,011
Sundry expenses	54,390	-	-	54,390	62,737
Insurance premiums	11,801	-	-	11,801	24,974
Direct costs	<u>305,877</u>	<u>-</u>	<u>-</u>	<u>305,877</u>	<u>817,466</u>
Support costs (note 7a)	64,578	-	-	64,578	53,831
	<u>370,455</u>	<u>-</u>	<u>-</u>	<u>370,455</u>	<u>871,297</u>

# LAWES AGRICULTURAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2017 (continued)

#### 10. Research Expenditure

	General £	Designated £	Restricted £	Total 2017 £	Total 2016 £
Fellowship costs	-	-	33,006	33,006	38,909
Insect survey	71,685	-	-	71,685	74,515
Classical experiments	113,660	-	-	113,660	81,137
Student	166,594	-	-	166,594	154,364
Other research costs	-	-	-	-	1,176
Undergraduate bursaries	-	-	-	-	22,281
	<u>351,939</u>	<u>-</u>	<u>33,006</u>	<u>384,945</u>	<u>-</u>
Impairment	1,704,574	954,676	-	2,659,250	-
	<u>2,056,513</u>	<u>954,676</u>	<u>33,006</u>	<u>3,044,195</u>	<u>372,382</u>
2016	<u>333,473</u>	<u>-</u>	<u>38,909</u>	<u>372,382</u>	

#### 11. Trustees and Related Party Transactions

There were no direct employees of the Trust (2016: £Nil), and there was £Nil payment of remuneration to trustees in the year (2016: £Nil). 6 trustees (2016: 5) claimed reimbursement of travel expenses, the amount of which was £1.5k (2016: £1k).

The key management personnel are considered to be the Trustees and the Chief Executive/Company Secretary. The trustees did not receive any emoluments for their services (2016: £Nil). The services of the Chief Executive/Company Secretary were provided during the year by Chaseside Solutions Ltd, a company owned by the Chief Executive/Company Secretary, and costs of £42k (2016: £40k) were incurred in relation to these services. £11k was owed to Chaseside Solutions Ltd at the year-end (2016: £10k), this is included within accruals in note 15.

In October 2011, following a change in governance of Rothamsted Research Limited (Rothamsted Research), the Trust became one of three members of Rothamsted Research Limited, and hence related party transactions are required to be disclosed. As one of three equal members, the Trustee considers that the Trust does not have significant influence over Rothamsted Research Limited and does not seek to unduly influence the strategic direction of Rothamsted Research Limited. Full details of this can be found in the Report of the Trustees.

The net balance due from Rothamsted Research Limited at 31 March 2017 was £71k (2016: due to Rothamsted Research £11k). Details are in Notes 14 and 15. Grants paid to Rothamsted Research in respect of research expenditure are detailed in Note 10 above. Rothamsted Research also uses certain of the Trust's tangible fixed asset properties and land held for charitable use as described in Note 12. Rothamsted Research has made a contribution of £225,546 to the Trust in respect of dilapidations on one of these properties (2016: nil) - see Note 6.

**LAWES AGRICULTURAL TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017 (continued)**

**11. Trustees and Related Party Transactions (continued)**

The Trust also works closely with a subsidiary of Rothamsted Research Limited, Rothamsted Manor Limited (RML), which collects rents and pays expenses on a number of the Trust's properties that are then transferred to the Trust. In the year 2016/17, RML collected £114k in income, and paid £114k in costs. At the year end, the Trust owed £43k net to RML (2016: owed net £7k to RML). This is set out in Notes 14 and 15.

The Trust has agreed to provide land on a suitable lease basis for the Lawes Open Innovation Hub, the Conference Centre extension and improved car parking at Rothamsted, which has been constructed by Rothamsted Centre for Research & Enterprise Limited (RoCRE), a joint venture of the Trust as detailed in Note 13e). As set out in Note 14, the Trust has retained an unsecured working capital loan to RoCRE of £50k (2016: £50k), which remains outstanding at the year end. No interest is charged on this concessionary loan, which is due for repayment on 31 March 2020 if not settled earlier.

In 2015/16, a capital grant was paid by the Hertfordshire LEP to RoCRE to fund refurbishment of the Daniel Hall laboratories. However, as Lawes Agricultural Trust owns Daniel Hall and conducted the refurbishment, RoCRE owed £500k to the Trust at 31 March 2016 as per Note 14. This was paid to the Trust during 2016/17.

Costs again exclude the cost of administering the actual Fellowship awarding process in connection with Rothamsted International as these costs have been borne by Rothamsted Research Limited in 2017 and 2016. This is normal practice for such a granting body.

**12. Tangible Assets**

	Freehold land and buildings £	Collections of books and paintings £	Rare furniture, statuary and effects £	Total £
Cost/Deemed cost as at 1 April 2016	6,596,476	4,333,050	334,950	11,264,476
Additions	1,582,544	-	-	1,582,544
Cost/Deemed cost as at 31 March 2017	<u>8,179,020</u>	<u>4,333,050</u>	<u>334,950</u>	<u>12,847,020</u>
Impairment as at 1 April 2016	-	-	-	-
Impairment charge	-	2,659,250	-	2,659,250
Impairment as at 31 March 2017	<u>-</u>	<u>2,659,250</u>	<u>-</u>	<u>2,659,250</u>
Net book value as at 31 March 2017	<u>8,179,020</u>	<u>1,673,800</u>	<u>334,950</u>	<u>10,187,770</u>
Net book value as at 31 March 2016	<u>6,596,476</u>	<u>4,333,050</u>	<u>334,950</u>	<u>11,264,476</u>
Historical cost as at 31 March 2017	<u>8,179,020</u>	<u>1,883,724</u>	<u>326,300</u>	<u>10,124,024</u>
Historical cost as at 31 March 2016	<u>6,596,476</u>	<u>1,883,724</u>	<u>326,300</u>	<u>8,806,500</u>

The freehold land and buildings are included at cost. Some of the land and buildings noted above are occupied by Rothamsted Research Limited based on a bare licence. There is currently no charge for this occupancy. Included in freehold land and buildings above are assets under construction of £1,499,768 (2016: £nil) which relate to Fisher and De Ramsey Courts.

# LAWES AGRICULTURAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2017 (continued)

#### 12. Tangible Assets (continued)

The collections of rare furniture, statuary and effects were revalued in May 2007 by L & J Gull Fine Arts Limited International Valuers and Loss Adjusters at an estimated open market value of £334,950. The collection of prints and paintings were revalued in May 2007 by L& J Gull Fine Arts Limited International Valuers and Loss Adjusters at an estimated open market value of £395,050. These values were adopted by the Trustees as at 31 March 2007 and are now held at deemed cost at the date of transition to FRS 102. The collection of books was revalued in July 2013 at an estimated open market value of £3,938,000 and this was the deemed cost of the assets on the date of transition to FRS 102. The Trustees are reconsidering the plans for the books and obtained a valuation from Bernard Quaritch Ltd to support a potential sale price. This indicated the fair value of the books is £1,278,750 at 31 March 2017 and consequently an impairment of £2,659,250 has been recognised in the year (2016: £nil).

13. Fixed Asset Investments	Note	2017 £	2016 £
Investment properties	13a	6,135,129	5,705,000
Quoted investments	13b	5,338,527	5,443,917
Unlisted investment	13c	153,463	153,463
		<u>11,627,119</u>	<u>11,302,380</u>
		<b>2017 £</b>	<b>2016 £</b>
<b>a) Investment Properties at valuation</b>			
Fair value at 1 April		5,705,000	5,705,000
Additions		486,129	-
Deficit on revaluation		(56,000)	-
Fair value at 31 March		<u>6,135,129</u>	<u>5,705,000</u>
Historic cost at 31 March		<u>819,497</u>	<u>333,368</u>

A small number of specific properties are reserved for letting at full market rates to non-Rothamsted tenants and these are designated as investment properties. It is important that all others are available on a fully flexible basis for charitable purposes.

The investment properties are included at the Trustees' estimate of fair value which is based on independent professional advice.

**LAWES AGRICULTURAL TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017 (continued)**

**Fixed Asset Investments (continued)**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>b) Movements on Quoted Investments</b>		
Fair value as at 1 April	5,443,917	5,676,938
Additions	2,550,000	150,000
Disposals	(3,215,963)	(147,208)
Investment gains/(losses)	560,573	(235,813)
Fair value	<u>5,338,527</u>	<u>5,443,917</u>
Historic cost	<u>4,167,796</u>	<u>4,017,494</u>

**c) Summary of Quoted and Unlisted Investments**

	<b>£</b>
Unlisted investment (note 13d)	153,463
Quoted Equities: Europe	226,997
Global	634,412
Hedge Funds	2,556,823
Property	39,889
Liquid Assets-Global	1,519,515
Cash	360,891
Fair value as at 31 March 2017	<u>5,491,990</u>
Historical cost as at 31 March 2017	<u>4,255,149</u>

Significant investments within the total investment holding are as follows:

	<b>£</b>	<b>%</b>
Sarasin Global Equity	634,412	12%
ICS-INS Sterling Liq- Heritage Account	1,519,515	28%
Alpha CIF for endowments	<u>2,556,823</u>	<u>47%</u>

# LAWES AGRICULTURAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2017 (continued)

#### 13. Fixed Asset Investments (continued)

##### d) Unlisted Investment

The Trust holds 2,833 out of 17,850 (15.87%) £0.01 ordinary shares in VSN International Limited which was originally held at a deemed cost of £87,353; but this value was uplifted to £153,463 agreed by the Trustees during the year ended 31 March 2015, based on the net assets of VSN International Limited at that date and this is still considered to be the fair value.

##### e) Joint Venture Investment

During 2013/14, the Trust entered into a joint venture with Rothamsted Research Limited and the BBSRC to construct new campus development, as explained in the Report of the Trustees. Rothamsted Centre for Research & Enterprise Limited (RoCRE), has completed the construction of the campus development, and this has now commenced use.

Rothamsted Centre for Research and Enterprise Limited, as shown below, is a joint venture between the Lawes Agricultural Trust (40%), Rothamsted Research Limited (40%), and the Biotechnology and Biological Sciences Research Council (20%). 40% of the results and the assets and liabilities of the joint venture for the year ended 31 March 2017 are set out below:

	2017 £'000	2016 £'000
Turnover	541	427
Cost of sales	(512)	(477)
Gross profit	29	(50)
Administrative expenses	(121)	(77)
Loss before tax	(92)	(127)
Deferred taxation	(26)	26
Retained loss for the year	(118)	(101)
Net liabilities at 1 April	(102)	(1)
Net liabilities at 31 March	(220)	(102)
Being:		
Tangible fixed assets	4,883	5,091
Current assets	344	815
Current liabilities: Creditors: due within one year	(440)	(681)
Creditors: due after more than one year	(204)	(100)
Deferred capital grant	(4,803)	(5,227)
Net liabilities at 31 March	(220)	(102)



# LAWES AGRICULTURAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2017 (continued)

**14. Debtors**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Due within 1 year</b>		
Trade debtors	78,048	26,732
Amounts due from Rothamsted Research Limited	225,547	-
Amounts due from Rothamsted Manor Limited	-	35,476
Prepayments	4,467	3,395
Capital grant receivable from Rothamsted Centre for Research & Enterprise Limited	-	500,000
	<u>308,062</u>	<u>565,603</u>
<b>Due after more than 1 year</b>		
Rothamsted Centre for Research & Enterprise Limited	50,000	50,000
	<u>358,062</u>	<u>615,603</u>

**15. Creditors: amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade creditors	298,338	19,399
Amounts due to Rothamsted Research Limited	154,357	11,323
Amounts due to Rothamsted Manor Limited	43,373	42,926
Deposits	55,233	16,920
Accruals	153,869	265,909
VAT	4,125	15,687
	<u>709,295</u>	<u>372,164</u>

**16. Funds and transfers**

The 2016/17 transfer of £225,546 represents funds capitalised in respect of additions in Note 12 (2016: £473,750 being the completion of Hertfordshire LEP funded capital works at Daniel Hall).

All 2016/17 fund movements are shown in the Statement of Financial Activities on Page 17. The comparative analysis of restricted fund movements is shown below:

	<b>At 1 April 2015</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>At 31 March 2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Herts LEP	-	500,000	(26,250)	(473,750)	-
Rothamsted					
International Fund	399,290	2,212	(38,909)	-	362,593
	<u>399,290</u>	<u>502,212</u>	<u>(65,159)</u>	<u>(473,750)</u>	<u>362,593</u>

The nature of the funds is described in note 17.

# LAWES AGRICULTURAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2017 (continued)

#### 17. Net Assets: analysis between funds

	Unrestricted Funds	Restricted Funds	Total
<b>31 March 2017</b>			
	General Fund £	Designated Capital Reserve Fund £	Rothamsted International £
Allocation of Net Assets:			£
Tangible fixed assets	3,087,767	7,100,003	-
Investments	3,351,531	2,140,459	-
Investment properties	819,497	5,315,632	-
Current assets	1,530,128	30,819	363,460
Current liabilities	(676,289)	-	(33,006)
	8,112,634	14,586,913	330,454
			23,030,001

	Unrestricted Funds	Restricted Funds	Total
<b>31 March 2016</b>			
	General Fund £	Designated Capital Reserve Fund £	Rothamsted International £
Allocation of Net Assets:			£
Tangible fixed assets	3,209,797	8,054,679	-
Investments	4,017,494	1,579,886	-
Investment properties	333,368	5,371,632	-
Current assets	1,897,825	30,819	362,593
Current liabilities	(372,164)	-	-
	9,086,320	15,037,016	362,593
			24,485,929

#### Purposes of funds

The General Fund represents the cumulative results of the Trust other than results reflected in the Capital Reserve Fund.

The Capital Reserve Fund is a Designated Fund contingency reserve created by the Trustees. The purpose of the Fund is to assure the long term future of the Trust's agricultural research activities. Movements on the Fund represent the realised and unrealised gains / (losses) for the year.

Rothamsted International is a restricted fund of the Trust established for the purposes set out on pages 5 and 6 of the Report of the Trustees.

The Hertfordshire LEP restricted fund related to a capital grant received for refurbishment of laboratory facilities in Daniel Hall. This work was completed in 2016 and undertaken over the previous few years, the balance of the spend was reflected as restricted expenditure and a transfer in 2015/16.

# LAWES AGRICULTURAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2017 (continued)

#### 18. Property matters

As at 31 March 2017, the Trust had capital a commitment of £2,716k (2016: £70k). This capital commitment will be met by using £1.4m of the investment portfolio currently with Sarasin and Partners LLP and the remainder funded by a loan taken out with Barclays PLC in August 2017, which is supported by a legal charge granted over the agricultural land of the Trust's estate at Rothamsted.

The Trustees recognise that there is a duty relating to their custodianship of Rothamsted Manor as an historically important Grade 1 listed building. At the moment the lease for the building is with Rothamsted Research Limited and that requires full repairing and maintenance, but the Lawes Agricultural Trust Trustees consider that there is a shared responsibility so will monitor progress with repairs and continue to assist when appropriate and possible.

#### 19. Reconciliation of net income for the year to net cash used in operating activities

	2017 £	2016 £
Net (expenditure)/income for the year	(1,445,928)	515,914
Dividends, interest and rent from investments	(567,897)	(704,272)
Gain on disposal of investments	(165,848)	(10,098)
Investment (gain)/loss	(338,725)	243,119
Exceptional impairment on books	2,659,250	-
Operating cash flows before movements in working capital	130,852	44,663
Decrease/(increase) in debtors	257,541	(551,965)
(Decrease)/increase in creditors	337,131	(120,371)
Cash generated by/(used in) operating activities	725,524	(627,673)

#### 20. Financial Instruments

	2017 £	2016 £
Financial assets at amortised cost	303,595	562,208
Other financial assets:		
Concessionary loan at cost plus accrued interest less impairment, where applicable	50,000	50,000
Financial assets (investments) at fair value though income and expense	5,491,990	5,597,380
Financial liabilities at amortised cost	649,937	339,557

**LAWES AGRICULTURAL TRUST**  
**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2017**

	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Income of continuing operations	2,025,850	1,528,197
Expenditure of continuing operations	(3,481,778)	(1,486,033)
Net (expenditure)/income for the year	<u>(1,455,928)</u>	<u>42,164</u>
Net (expenditure)/income for the year	(1,455,928)	42,164
Capital grants received	-	500,000
Capital grants expended	-	(26,250)
Net movement in funds in the year per SOFA	<u>(1,455,928)</u>	<u>515,914</u>