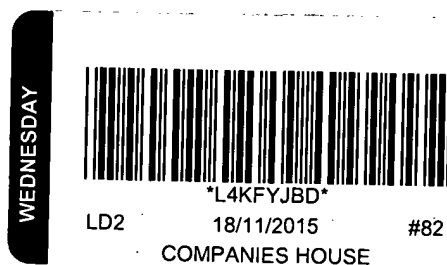


**LAWES AGRICULTURAL TRUST**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2015**

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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 OQS

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

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

**AUDITOR:** RSM UK Audit LLP  
(formerly Baker Tilly 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 2015**

The Trustees present their Report and Financial Statements of the Trust for the year ended 31<sup>st</sup> March 2015. The financial statements have been prepared in accordance with the applicable accounting practices and policies, complying with the Articles and Objects, the Charities Act 2011, the Companies Act and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005), issued in March 2005.

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

Lawes Agricultural Trust ("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 November 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 Lawes Agricultural Trust for 2014/15 are:

- Lord De Ramsey DL (Chairman)
- Professor Sir David Baulcombe FRS
- Lord Curry of Kirkharle CBE FRAGS
- Professor Edward Cocking FRS#
- Professor Sir Gordon Conway FRS
- Lord Cameron of Dillington
- Lord Haskins of Skidby
- Professor Tina Barsby\*
- Sir Peter Kendall\*\*

# Resigned 31<sup>st</sup> December 2014

\* Joined 21<sup>st</sup> February 2015; \*\* Joined 22<sup>nd</sup> February 2015

The Trustees, who are also the Directors of the incorporated charity 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 particular individual is offered. When new Trustees are required, account is taken of the current edition of the Charity Commission publication CC30 as modified from time to time.

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:

- Lord De Ramsey DL
- Lord Cameron of Dillington

The Company Secretary of the Trust is Stephen James.

**LAWES AGRICULTURAL TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2015**

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

Rothamsted Research Limited (“RRes”), an incorporated charity that occupies and operates its agricultural research activities from land and buildings belonging to the Trust and it is largely through the work of RRes that the charitable objects of the Trust are delivered. These research activities are directed by the chief executive and director of Rothamsted Research Limited who also is invited to attend Trust Meetings; this position is currently held by Professor Achim Dobermann who has been in post since 1<sup>st</sup> June 2014.

In October 2011, Lawes Agricultural Trust (“LAT”) became 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 RRes. The role of these Members is defined through a Members’ Agreement that describes how this tripartite arrangement recognises the contribution in land and buildings (from LAT) and funding (BBSRC) to the well-being of RRes and, achieving this through an arms-length stance, does not seek to unduly influence the strategic direction of RRes.

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

Lawes Agricultural Trust and its component charity Rothamsted International are administered by the Company Secretary. The contribution of the chief executive and director of Rothamsted Research Limited and the Company Secretary in overseeing and running Trust interests is recognised by a voluntary contribution, by way of a grant, towards their remuneration, has been paid by RRes in respect of 2014/15.

**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 thirty-seven 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.

At Higham in Suffolk the Trust owns an experimental farm (77 ha) with 9 houses and laboratory buildings. Seventy six hectares of experimental land at Woburn, Bedfordshire previously leased from the Bedford Estate, has been transferred to Rothamsted Research Limited as indicated in the previous Report of the Trustee.

Most of these experimental lands, buildings and facilities are occupied under a bare licence by RRes and are included in that organisation’s Balance Sheet at historic cost. The Trustees consider the open market value on an alternative use basis of these assets to be materially in excess of book value. During 2012 the (then) corporate Trustee initiated discussions with RRes for the land and buildings occupied by the latter to be 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. Significant campus development discussions have delayed the progression of these, but both the Trust and RRes are keen that this will be re-initiated in 2015 with view to formal completion in 2016.

# **LAWES AGRICULTURAL TRUST**

## **REPORT OF THE TRUSTEES**

### **FOR THE YEAR ENDED 31 MARCH 2015**

#### **Assets (continued)**

During 2014/2015 the Trust has been very closely involved with the strategy and direction of “Rothamsted Centre for Research and Enterprise” (RoCRE), which is aimed at attracting scientifically-based, companies involved in the agricultural arena – large and small, new and established – to create a cluster of like-minded organisations at Rothamsted. This has involved the preparation of leases to RoCRE of buildings largely funded by BBSRC, on land owned by the Trust.

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 are included in the balance sheet at valuation. The first of these were re-valued in 2013. The (then) corporate trustee initiated discussion with relevant higher educational establishments on the custodianship of the rare and early books with the aim that they may become accessible to a wider audience. However, a suitable UK location was not identified and so the options at Rothamsted will be kept under review with this accessibility aim in mind. Some very limited disposals will be considered to fund improvements such as easy on-line accessibility to the catalogue. The Trust also holds liquid funds in the form of stock market investments, managed by Sarasins and Partners, and cash deposits.

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).

#### **Risk Management**

The Board of Trustees reviews the major risks to which the Trust and Rothamsted International are exposed and the steps which have been taken to mitigate such risks. The major risks are:

1. The Trust's significant involvement with and major commitments to campus development puts excessive strain on finite resources.
2. As Trustees retire, the Trust fails to continue to attract high calibre Trustees with relevant, outstanding skills and experience.
3. Maintaining the future use, management and financial viability of Rothamsted Manor (House) given its Grade 1 listing and rudimentary facilities and its present use of providing accommodation.
4. Both the Trust and RRes wish that Brooms Barn continues to contribute to agricultural research and an agreement for joint working has been put in place with National Institute for Agricultural Botany, which is based close by. This may require additional investment.
5. The relationship between RRes and LAT is impaired as a result of lease and related negotiations.

A complete review of the risk register is undertaken annually at Trust meetings with a formal risk register being established and kept up to date at these meetings. At the date of this Report, no risks have been identified that (a) are not subject to specific risk management controls and (b) 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

# LAWES AGRICULTURAL TRUST

## REPORT OF THE TRUSTEES

### FOR THE YEAR ENDED 31 MARCH 2015

#### Objectives and Activities (continued)

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 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, either directly or indirectly, of the charitable agricultural research activities of RRes, 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. This work is reviewed by the Trust through annual reports of supported projects, involvement of an observer from the Trust at RRes Board meetings and a bi-annual report from its chief executive and director at Trust meetings. Further information on RRes 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 ([stephen.james@lawestrust.org](mailto:stephen.james@lawestrust.org)).

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-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 objects through five principal routes:

1. The provision of land and buildings suitable for agricultural and related sciences conducted by Rothamsted Research Limited, on beneficial terms.
  - *This operates as a close partnership with RRes 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 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 kept to a good standard, but are not furnished and are very well located with easy access on foot for the scientific facilities, usually being within the Rothamsted Estate. Except for a small number designated as investment properties, we ensure that they are available for internal rent at some periods and as external tenancies at other times depending upon demand for that particular sort of property. The customary 6-month, short term tenancy arrangements 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 includes the Rothamsted Manor with 45 beds now with only bed and breakfast provision, Southwood Court and refurbished houses for 4 or 5 persons sharing kitchen and bathroom facilities.*
  - *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 to keep the charges at affordable levels and ensure that occupancy is both maximised and fairly assigned.*

**LAWES AGRICULTURAL TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**Objectives and Activities (continued)**

3. Granting financial support for scientific costs to RRes, mainly through a “Director’s Vote” fixed annually by the Trustees following proposals made to them.
  4. Capital funding provision of facilities, with partners where possible, including conference, 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.
- o *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 to generate capital sums to address charitable objects.*

**Public Benefit**

The primary object of Lawes Agricultural Trust 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. Thus, it 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 includes scientific research and specifically mentions scientific research projects under the heading of the advancement of science.

Elsewhere in this report we detail how LAT provides a range of facilities on a highly preferential, exclusive basis and also modest grants to RRes 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 RRes) and Brooms Barn in Suffolk, but the output has global reach. Trustees closely monitor the activities of RRes 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 and IBERS (Aberystwyth), the Trustees are strongly supportive of the creation of a unique innovation cluster with Rothamsted science as the focus. This would coincide with the Trust’s charitable objectives and bring wider public benefit through the progression of scientific developments at RRes, and elsewhere, into practice. The “Rothamsted Centre for Research and Enterprise” provides enhanced opportunities and facilities for communication, education, knowledge exchange and commercialisation across the campus.

**LAWES AGRICULTURAL TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**Achievements (continued)**

Wider and closer collaborations with researchers will help ensure the continuation of public funded agricultural science at Rothamsted demonstrating the synergy and 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) Investing in refurbishment of the Daniel Hall Building to provide an incubator facility; initial work has been completed with about 31% of rentable space occupied with start-ups and SMEs, with further plans agreed. The Local Enterprise Partnership ("LEP") have offered a grant of £500k to progress work on this building, to establish new laboratory facilities specifically suitable for new, small companies. Continued development of the building is being planned.
- (2) Contributing (largely brown field) land via leases to the RoCRE project where BBSRC has funded a new knowledge exchange laboratory and new conference centre facilities and additional car park. Participating with RRes and BBSRC in a joint venture company, this arrangement offers major benefits to the Trust in the pursuance of its charitable objects by seeing basic research progressed into development science and thus on to application.
- (3) Drawing up plans to build accommodation units offering a mixture of shared kitchen and studios on the site of the Fisher Building once that group of structures is demolished.

The Trust has provided a member of the Campus Project Board along with RRes and BBSRC throughout 2014/15. 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 now has agreed to have a nominated director on the RoCRE company Board in which the LAT will have a 40% interest, if finalised with the Charity Commission. LAT has contributed, jointly with BBSRC, to the Campus Project Director whose role is to oversee progress, seek appropriate tenants and promote RoCRE; this role will now transfer to the RoCRE chief executive officer.

Compared with around ten years ago, 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. In addition, as RRes staff levels have decreased in recent years such that they cease to occupy some significant buildings and therefore "return" buildings to the landlord, a new relationship is evolving. The modification of the first of these buildings (Daniel Hall) has started and the Trust has funded refurbishment to make the building attractive to smaller agriculturally-related businesses, which will integrate with the RoCRE vision and will be managed/ marketed by that body. This included work completed in March 2015.

Plans for the demolition and replacement of the Fisher Building with on-site residential facilities, likely to be called Fisher Court, have been initiated. The option to sell land on the north of the Rothamsted site, near Townsend Lane, has been put out to tender and the preferred bidder for the option identified with detailed negotiations now in place and due for completion November 2015. The income from this project is provisionally allocated to the funding of Fisher Court. Furthermore, successful completion of the latter will provide funding to allow implementation of a new vision, yet to be identified, for the use and future of Rothamsted Manor.

Rivers Lodge has been vacated by the commercial tenant as expected. It is a Grade 2 listed building and detailed surveys have been completed prior to its refurbishment, but any work requires listed building consent so this may be a protracted process involving the local planning and conservation authorities.



# **LAWES AGRICULTURAL TRUST**

## **REPORT OF THE TRUSTEES**

### **FOR THE YEAR ENDED 31 MARCH 2015**

#### **Achievements (continued)**

A property known as Park Cottage, once a farm building, was redesigned and completely refurbished during the year at a cost of around £70k (including VAT), little having been expended for a number of decades. This has been initially let externally and found a tenant within the first week of marketing at a gross rent of £1,400 per calendar month (£16,800 per annum), which represents a favourable return on the costs incurred.

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:

- 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, the Trust 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. Since the closure of the RI office and its volunteers, very little further additional income is being received for this fund. In the meanwhile, Rothamsted International Fellowships continue; these provide grants for travel, subsistence and research to developing countries scientists, but the level of activity has declined markedly since 2012. Since 1993, over 170 RI Fellowships have been awarded to scientists who originate from 30 developing and emerging countries worldwide. Professor Dobermann, chief executive and director 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.

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.

The Trustees are pleased to report that, as noted elsewhere in this Report, they have achieved a significant change, but smooth transition in the status and governance such that the main functional body is now a charitable company limited by guarantee. Appropriate and extensive professional advice has been sought and followed throughout. Thus, the two tier arrangement by which the LAT Co Ltd served as the corporate trustee to LAT has been removed to give greater flexibility in conducting its business including continued residential and commercial property management, for instance. This also gives greater clarity for partners. Given the way that the total assets were accumulated this has proven, as expected, to be a complex and protracted process, and was completed during 2014/15.

**LAWES AGRICULTURAL TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**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 £270,091 (2014: £199,743; 2013: £186,584; 2012: £49,274; 2011: £111,878). The Trustees make not less than £200k available per year to the Director's Vote and currently the option to spend up to £350k per annum has been agreed for 2015/16. These allocations cannot be accrued. The support of Rothamsted International Fellowships was £22,150 (Totals in 2014: £35,058; 2013: £43,233; 2012: £96,324; 2011: £94,008).

The planned refurbishment for the estate properties program continues in order to provide affordable housing for key workers and visiting workers and to allow the Trust to maximise the rental income on externally let properties (those properties that are limited to external lets are defined as "investment properties"- see below). In turn, this will also provide funding for future years' refurbishment plans thus maximising long-term rental income for the Trust.

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 reasonable £179,136 (2014: £167,490; 2013: £151,308; 2012: £120,923; 2011: £112,735), 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 a number of years and continues. The income and refurbishment program is assessed and monitored by the Lawes Agricultural Trust Estate Committee, consisting of operational staff and oversight from the Chairman. In the year the total estate income (both charitable and investment properties) was £946,436 (2014: £802,085; 2013: £728,161; 2012: £643,517; 2011: £659,704). See Notes 3 and 4.
- 3) Director's Vote funding is approved by the Board and allocated by the chief executive and director of Rothamsted Research Limited 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 increased to £23.970m (2014: £23.212m; 2013: £22.924m; 2012: £21.391m; 2011: £21.655m). We have a reasonable increase in overall estate rental income (including investment properties) to £946,436 (2014: £802,085; 2013: £728,161; 2012: £643,517; 2011: £659,704) as certain refurbished properties, including Daniel Hall Building have come available and benefited from investment. Once again, there is a policy of continually improving property condition. Wherever possible this is achieved by utilising only on-going income from the estate and therefore estate management costs are monitored closely.

**LAWES AGRICULTURAL TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**Financial Review (continued)**

There was further expenditure on properties, £422k (*2014: £513k; 2013: £490k; 2012: £209k; 2011: £274k*) noting that the expenditure on the Daniel Hall Building has been capitalised, but income continues to rise in line with our estate programme progressing and the quality of the stock slowly improving, as well as investment into the innovation facilities as part of RoCRE. In 2009 it was recognised that certain high rental properties should be classified as investments in that they will not be rented to staff or visitors at Rothamsted, but reserved for income generating purposes. This distinction remains in place.

The status of the investment portfolio is slightly increased with the value increasing in the past year to a Market Value of £5.677m (*compared with £5.286m at 31 March 2014; £5.148m at 31 March 2013; £4.704m at 31 March 2012; £4.871m at 31 March 2011*). All equity investments are managed by Sarasins and Partners. Net costs of the investment management have decreased to £1.8k (*£2.6k in 2014; £4.0k in 2013; £4.6k in 2012; £2.9k in 2011*). The investment in the unlisted, spin out statistic software company VSN International Limited is now valued at £153,463 (£87,353:2014) and we are pleased to note that the payment of a dividend of £25.7k has been received for 14/15 (first dividend in 2013/14 was £27k).

The Trustees note the level of cash being held in banks (mainly as Barclays Treasury Deposits) has decreased slightly to £1,783k (from £2,076k). In particular, the Trust's participation in the Campus development plans and contribution to the Campus Project Director requires an availability of funds to invest in the new refurbishment and other support for the RoCRE facilities to attract future tenants as agreed by the Trustees.

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. The Fellowship expenditure under Rothamsted International continues, in the year ended March 2015 it was £22.2k (*2014: £35.1k; 2013: £43.2k; 2012: £96.3k; 2011: £94.0k*).

**Investment Policy**

The Trustees' investment mandate is stated in the Articles where there are 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". The Investment Committee 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. Sarasin present to all Trustees from time to time.

Note that as stated earlier LAT holds 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 makes enables the majority to be available for Rothamsted staff if and when necessary.

**LAWES AGRICULTURAL TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**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 2015 was £5,273k (2014: £5,849k; 2013: £5,672k; 2012: £5,498k; 2011: £5,018k).

**Future Plans**

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 contingency reserve, created by the Trustee, comprising realised and unrealised gains on all tangible assets and investments. The purpose of the Fund is to ensure the long term future of the Trust, its agricultural research activities and its other obligations.

RRes 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 though they have virtually no legal connection. RRes has moved from the wider public sector into the “private” sector, recognised by UK Government to be in the same category as universities. This is a major change. The Trust will be acting to secure appropriate new charitable and business relationships with the new entity 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. In particular, the Trust will be taking forward a series of leases that will form the basis for occupation of land and buildings by RRes and regularise the relationship for the first time since 1990. In addition, leases will be signed with RoCRE covering the Conference Centre and the Lawes Open Innovation Hub, though permission must be sought from the Charity Commission for the latter.

The Trust will play an ongoing and leading role in campus expansion at Rothamsted in equal partnership with RRes 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 to attract small companies, especially start-ups that are offering agricultural and environmental products and services so contributing to the cluster effect on the campus. The Trust will submit the planning application for the Fisher Court residential project taking careful account of the sensitivities of the conservation area and the proximity to listed buildings. This will be based upon good quality en-suite rooms around a shared kitchen/communal area and self-contained studio rooms on the current site of the Fisher Building. Funding this project has yet to be resolved.

The option agreement with a highly regarded residential developer is expected to be signed in connection with a disposal of land on the north of the estate. This will be especially important in the light of the wish to build Fisher Court. The future direction of use of Rothamsted Manor will be examined; although its use as a bed and breakfast facility is high at the moment the bedroom facilities are of a relatively poor standard and its Grade 1 listing offers little chance of improvement.

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<sup>1</sup> RRes’ 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 2015**

### **Future Plans (continued)**

Other options for minor development will be considered as they arise with a view to future meeting of charitable objects. Attention will also turn to initiation of major refurbishment work on Rivers Lodge once the conservation issues have been resolved in a commercially and financially acceptable manner.

### **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 state of affairs 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.

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 (formerly Baker Tilly 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.

### **On behalf of the Board**

  
**Stephen James**  
**Company Secretary**

Date:

18/11/15

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

We have audited the financial statements of Lawes Agricultural Trust for the year ended 31 March 2015 on pages 14 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2015 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 Companies Act 2006.

### **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.

### **Matters on which we are required to report by exception**

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

- the charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

*RSM UK Audit LLP*

STEPHANIE WARBOYS (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor

Chartered Accountants

St Philips Point

Temple Row

Birmingham B2 5AF

Date: *18th November 2015*

# LAWES AGRICULTURAL TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (including an Income and Expenditure Account)

FOR THE YEAR ENDED 31 MARCH 2015

|   | Notes | Unrestricted Funds<br>General Fund<br>£ | Designated Funds<br>£ | Restricted Fund<br>Rothamsted International<br>£ | Total Funds<br>2015<br>£ | Total Funds<br>2014<br>£ |
|---|-------|---|-----------------------|--|--------------------------|--------------------------|
| <b>Incoming Resources</b>                             |       |   |                       |  |                          |                          |
| <i>Incoming Resources from Generated Funds:</i>       |       |   |                       |  |                          |                          |
| Voluntary Income                                      | 2     | -                                       | -                     | 2,104  | 2,104                    | 3,322                    |
| Investment Income                                     | 3     | 634,621                                 | -                     | 2,347  | 636,968                  | 566,214                  |
|   |       | 634,621                                 | -                     | 4,451  | 639,072                  | 569,536                  |
| <i>Incoming Resources from Charitable Activities:</i> |       |   |                       |  |                          |                          |
| Estate Management                                     | 4     | 490,007                                 | -                     | -  | 490,007                  | 412,597                  |
| <b>Total Incoming Resources</b>                       |       | 1,124,628                               | -                     | 4,451  | 1,129,079                | 982,133                  |
| <b>Resources Expended</b>                             |       |   |                       |  |                          |                          |
| <i>Costs of Generating Funds:</i>                     |       |   |                       |  |                          |                          |
| Investment Management Costs                           |       | 1,763                                   | -                     | -  | 1,763                    | 2,586                    |
|   |       | 1,763                                   | -                     | -  | 1,763                    | 2,586                    |
| <i>Charitable Activities:</i>                         |       |   |                       |  |                          |                          |
| Estate Management                                     | 6     | 421,642                                 | -                     | -  | 421,642                  | 513,061                  |
| Research  | 7     | 278,892                                 | -                     | 22,150   | 301,042                  | 234,801                  |
|   |       | 700,534                                 | -                     | 22,150   | 722,684                  | 747,862                  |
| <i>Governance Costs</i>                               | 5a    | 102,083                                 | -                     | -  | 102,083                  | 82,445                   |
| <b>Total Resources Expended</b>                       |       | 804,380                                 | -                     | 22,150   | 826,530                  | 832,893                  |
| Net incoming resources                                |       | 320,248                                 | -                     | (17,699)   | 302,549                  | 149,240                  |
| <b>Other Recognised Gains and Losses</b>              |       |   |                       |  |                          |                          |
| Realised gains on Investments                         |       | -                                       | 125,230               | -  | 125,230                  | 12,123                   |
| <b>Net Income for the Year</b>                        |       | 320,248                                 | 125,230               | (17,699)   | 427,779                  | 161,363                  |
| Unrealised gain on Investments                        | 8     | -                                       | 330,446               | -  | 330,446                  | 125,732                  |
| <b>Net Movement in Funds in Year</b>                  |       | 320,248                                 | 455,676               | (17,699)   | 758,225                  | 287,095                  |
| <i>Reconciliation of Funds</i>                        |       |   |                       |  |                          |                          |
| Funds Balance Brought Forward as at 1 April 2014      |       | 7,977,648                               | 14,817,153            | 416,989  | 23,211,790               | 22,924,695               |
| Funds Balance Carried Forward as at 31 March 2015     | 14    | 8,297,896                               | 15,272,829            | 399,290  | 23,970,015               | 23,211,790               |

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

The notes on pages 16 to 26 form part of these financial statements.

**LAWES AGRICULTURAL TRUST**  
**BALANCE SHEET AS AT 31 MARCH 2015**

**Company Registration No: 8901784**

|                                       |              | <b>Total</b>      | <b>Total</b>      |
|---------------------------------------|--------------|-------------------|-------------------|
|                                       | <b>Notes</b> | <b>2015</b>       | <b>2014</b>       |
|                                       |              | <b>£</b>          | <b>£</b>          |
| <b>Fixed Assets</b>                   |              |                   |                   |
| Tangible Assets                       | 10           | 11,080,012        | 10,182,438        |
| Investments                           | 11           | 11,535,401        | 11,078,392        |
|                                       |              | <u>22,615,413</u> | <u>21,260,830</u> |
| <b>Current Assets</b>                 |              |                   |                   |
| Debtors                               | 12           | 63,638            | 6,846             |
| Bank Balances:-                       |              |                   |                   |
| Barclays                              |              | 1,327,755         | 1,764,770         |
| Coutts & Co                           |              | 455,744           | 311,650           |
|                                       |              | <u>1,847,137</u>  | <u>2,083,266</u>  |
| <b>Current Liabilities</b>            |              |                   |                   |
| Creditors Falling Due Within One Year | 13           | 492,535           | 132,306           |
| <b>Net Current Assets</b>             |              | <u>1,354,602</u>  | <u>1,950,960</u>  |
| <b>Net Assets</b>                     | 15           | <u>23,970,015</u> | <u>23,211,790</u> |
| <b>Funds</b>                          |              |                   |                   |
| <b>Restricted Funds</b>               |              |                   |                   |
| Rothamsted International Fund         | 14           | 399,290           | 416,989           |
| <b>Unrestricted Funds</b>             |              |                   |                   |
| General Fund                          | 14           | 8,297,896         | 7,977,648         |
| Designated Funds                      |              |                   |                   |
| Capital Reserve Fund                  | 14           | 15,272,829        | 14,817,153        |
| <b>Total Unrestricted Funds</b>       |              | <u>23,570,725</u> | <u>22,794,801</u> |
| <b>Total Funds</b>                    |              | <u>23,970,015</u> | <u>23,211,790</u> |

Signed



Lord De Ramsey DL  
on behalf of the Trustees.

Approved by the Trustees and authorised for issue on 18 / 11 / 2015

The notes on pages 16 to 26 form part of these financial statements.



**LAWES AGRICULTURAL TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2015**

1. **Accounting Policies**

a) **Basis of Accounting**

The financial statements have been prepared under the historical cost convention with the exception of investments and the Collections of Books, Prints, Paintings, Rare Furniture, Statuary and Effects, which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005) issued in March 2005, and applicable UK Accounting Standards, the Companies Act 2006 and the Charities Act 2011. The principal accounting policies adopted in the preparation of the financial statements are set out below.

**Merger Accounting**

Further to the establishment of the charitable company, Lawes Agricultural Trust (company registered number: 8901784 and registered charity number: 1156150) in November 2014, this entity has assumed all the activities and the assets and liabilities of the former unincorporated trust "The Lawes Agricultural Trust" (the old trust, established in 1889, registered charity number: 208228). In these circumstances, merger accounting has been applied and these financial statements have been prepared as if this entity had been in existence throughout both periods.

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. This together with an assessment of their estimated useful lives and residual values indicates that no provision for depreciation is necessary, as any depreciation charge is deemed by the Trustees to be immaterial.

**Collections of Books, Prints and Paintings** are stated at market value calculated by reference to professional valuation.

**Rare Furniture, Statuary and Effects** are stated at market value calculated by reference to professional valuation.

No depreciation is provided on the Collections of Books, Prints and Paintings, nor on the rare Furniture, Statuary and Effects 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 Trustee considers that any depreciation charge would be immaterial. Where required by relevant accounting standards, impairment reviews are performed.

**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 2015 (continued)**

**c) Investments**

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

Investment properties are stated at market value. Gains and losses arising on revaluation are disclosed as unrealised.

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) Incoming Resources**

Voluntary income including gift aid receipts and other donations are recognised where there is entitlement, certainty 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 on the basis of the Trustees' estimate of the market 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) Resources Expended**

Expenditure is recognised when a liability is incurred:

- Costs of Generating Funds are those costs incurred in attracting voluntary income and investment management costs.
- Charitable activities include expenditure associated with the Trust's estate management, research activities and grant making, in accordance with the objects of the Trust.
- 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.

**g) Cash Flow Statement**

The Trust is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

**h) Funds Structure**

The Trust has a restricted fund (Rothamsted International) to be used for specific purposes as laid out in the Trustees' Report. Expenditure which meets these criteria is charged to the fund.

All other funds are unrestricted funds. The Trustee has set up a designated fund and the purpose of this is detailed in note 15 to the financial statements.

# LAWES AGRICULTURAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2015 (continued)

#### 2. Voluntary Income

|                 | General<br>£ | Designated<br>£ | Restricted<br>£ | Total<br>2015<br>£ | Total<br>2014<br>£ |
|-----------------|--------------|-----------------|-----------------|--------------------|--------------------|
| Other donations | -            | -               | 2,104           | 2,104              | 3,322              |

#### 3. Investment Income

|                      | General<br>£   | Designated<br>£ | Restricted<br>£ | Total<br>2015<br>£ | Total<br>2014<br>£ |
|----------------------|----------------|-----------------|-----------------|--------------------|--------------------|
| Dividends            | 172,569        | -               | -               | 172,569            | 159,925            |
| Bank interest        | 4,220          | -               | 2,347           | 6,567              | 7,565              |
| Letting income       | 407,832        | -               | -               | 407,832            | 398,724            |
| Dilapidations income | 50,000         | -               | -               | 50,000             | -                  |
|                      | <u>634,621</u> | <u>-</u>        | <u>2,347</u>    | <u>636,968</u>     | <u>566,214</u>     |

#### 4. Incoming Resources From Charitable Activities

|                                      | General<br>£   | Designated<br>£ | Restricted<br>£ | Total<br>2015<br>£ | Total<br>2014<br>£ |
|--------------------------------------|----------------|-----------------|-----------------|--------------------|--------------------|
| Rental income from estate properties | 488,604        | -               | -               | 488,604            | 403,361            |
| Sundry income                        | 1,403          | -               | -               | 1,403              | 9,236              |
|                                      | <u>490,007</u> | <u>-</u>        | <u>-</u>        | <u>490,007</u>     | <u>412,597</u>     |

#### 5a. Support Costs

The Trust allocates its support costs as shown in the table below and then further apports these between the charitable activities undertaken (see notes 5b and 6). Support costs are allocated on a basis consistent with the use of the resources.

|                                   | Estate<br>Management<br>£ | Costs of<br>Generating<br>Funds<br>£ | Governance<br>Costs<br>£ | Total<br>2015<br>£ | Total<br>2014<br>£ |
|-----------------------------------|---------------------------|--------------------------------------|--------------------------|--------------------|--------------------|
| Legal and other professional fees | 6,350                     | -                                    | 79,583                   | 85,933             | 70,388             |
| Insurance premiums                | 22,067                    | -                                    | -                        | 22,067             | 23,518             |
| Management fees                   | 1,344                     | -                                    | -                        | 1,344              | 1,024              |
| Audit fees                        | -                         | -                                    | 22,500                   | 22,500             | 20,800             |
|                                   | <u>29,761</u>             | <u>-</u>                             | <u>102,083</u>           | <u>131,844</u>     | <u>115,730</u>     |
| 2014                              | <u>33,285</u>             | <u>-</u>                             | <u>82,445</u>            | <u>115,730</u>     |                    |

**LAWES AGRICULTURAL TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

**5b. Analysis of Charitable Expenditure**

|                            | Direct<br>costs<br>£ | Support<br>costs<br>£ | Total<br>2015<br>£ | Total<br>2014<br>£ |
|----------------------------|----------------------|-----------------------|--------------------|--------------------|
| Estate management (note 6) | 391,881              | 29,761                | 421,642            | 513,061            |
| Research (note 7)          | 301,042              | -                     | 301,042            | 234,801            |
|                            | <u>692,923</u>       | <u>29,761</u>         | <u>722,684</u>     | <u>747,862</u>     |

**6. Estate Management Expenditure**

|                          | General<br>£   | Designated<br>£ | Restricted<br>£ | Total<br>2015<br>£ | Total<br>2014<br>£ |
|--------------------------|----------------|-----------------|-----------------|--------------------|--------------------|
| Repairs and renewals     | 215,647        | -               | -               | 215,647            | 352,915            |
| Light and heat           | 22,463         | -               | -               | 22,463             | 16,584             |
| Rates                    | 21,665         | -               | -               | 21,665             | 16,176             |
| Campus Director (note 9) | 85,000         | -               | -               | 85,000             | 50,000             |
| Legal fees               | 6,655          | -               | -               | 6,655              | 7,654              |
| Sundry expenses          | 40,451         | -               | -               | 40,451             | 36,447             |
| Support costs (note 5a)  | 29,761         | -               | -               | 29,761             | 33,285             |
|                          | <u>421,642</u> | <u>-</u>        | <u>-</u>        | <u>421,642</u>     | <u>513,061</u>     |

**7. Research Expenditure**

|                         | General<br>£   | Designated<br>£ | Restricted<br>£ | Total<br>2015<br>£ | Total<br>2014<br>£ |
|-------------------------|----------------|-----------------|-----------------|--------------------|--------------------|
| Fellowship costs        | -              | -               | 22,150          | 22,150             | 40,058             |
| Insect survey           | 100,534        | -               | -               | 100,534            | 30,000             |
| Classical experiments   | 79,556         | -               | -               | 79,556             | 45,000             |
| Student                 | 86,202         | -               | -               | 86,202             | 106,503            |
| Other research costs    | 5,000          | -               | -               | 5,000              | 5,000              |
| Undergraduate Bursaries | 7,600          | -               | -               | 7,600              | 8,240              |
|                         | <u>278,892</u> | <u>-</u>        | <u>22,150</u>   | <u>301,042</u>     | <u>234,801</u>     |

**LAWES AGRICULTURAL TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

**8. Unrealised Movement on Investments**

|  | £         |
|--|-----------|
| As at 1 April 2014                       | 1,506,938 |
| Net increase in unrealised gains in year | 330,446   |
|  | <hr/>     |
| As at 31 March 2015                      | 1,837,384 |
|  | <hr/>     |

**9. Trustees and Related Party Transactions**

There were no employees of the Trust (2014: £Nil), and there was £Nil payment of remuneration to trustees in the year (2014: £Nil). Four trustees (2014: 6) claimed reimbursement of travel expenses, the amount of which was £879 (2014: £1,024).

In October 2011, following a change in governance of Rothamsted Research Limited (RRes), 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 Trustees consider 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 balance due from Rothamsted Research Limited at 31 March 2015 was £22,796 (2014: due to RRES £29,795). Grants paid to Rothamsted Research in respect of research expenditure are detailed in note 7 above. In addition, the grant in respect of the Campus Director is detailed in note 6 above. Rothamsted Research also uses certain of the Trust's tangible fixed asset properties held for charitable use as described in Note 10.

The Trust also works closely with a subsidiary of Rothamsted Research Limited (RRes), 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 2014/15, RML collected £213k in income, and paid £840k in costs. As part of the year end, the Trust owed £195,916 to RML (2014: owed £16,954 to RML).

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 11f.

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 2015 and 2014. This is normal practice for such a granting body.

# LAWES AGRICULTURAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2015 (continued)

| 10. Tangible Assets                               | Freehold land and buildings<br>£ | Collections of books and paintings<br>£ | Rare furniture, statuary and effects<br>£ | Total<br>£        |
|---|----------------------------------|---|---|-------------------|
| Cost/Valuation as at 1 April 2014                 | 5,514,438                        | 4,333,050                               | 334,950                                   | 10,182,438        |
| Additions   | 897,574                          | -                                       | -   | 897,574           |
| Cost/Valuation as at 31 March 2015                | <u>6,412,012</u>                 | <u>4,333,050</u>                        | <u>334,950</u>                            | <u>11,080,012</u> |
| Depreciation as at 1 April 2014 and 31 March 2015 | -                                | -                                       | -   | -                 |
| Net book value as at 31 March 2015                | <u>6,412,012</u>                 | <u>4,333,050</u>                        | <u>334,950</u>                            | <u>11,080,012</u> |
| Net book value as at 31 March 2014                | <u>5,514,438</u>                 | <u>4,333,050</u>                        | <u>334,950</u>                            | <u>10,182,438</u> |
| Historical cost as at 31 March 2015               | <u>6,412,012</u>                 | <u>1,883,724</u>                        | <u>326,300</u>                            | <u>8,622,036</u>  |
| Historical cost as at 31 March 2014               | <u>5,514,438</u>                 | <u>1,883,724</u>                        | <u>326,300</u>                            | <u>7,724,462</u>  |

The freehold land and buildings are disclosed at cost. The market value of interests in land and buildings can be determined by the insurance value. The freehold land and buildings currently have an insurance valuation of £42,975,873. Some of the land and buildings noted above are occupied by Rothamsted Research Limited on the basis of a bare licence. There is currently no charge for this occupancy.

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 as at 31 March 2007.

The collection of books was revalued in July 2013 at an estimated open market value of £3,938,000. These values were adopted at 31 March 2013. The books were revalued by Bernard Quaritch Limited.

The Trustees do not consider there has been a material change in the value of these assets between the date of valuation and 31 March 2015.

| 11. Fixed Asset Investments | Note | 2015<br>£         | 2014<br>£         |
|-----------------------------|------|-------------------|-------------------|
| Investment properties       | 11a  | 5,705,000         | 5,705,000         |
| Quoted investments          | 11b  | 5,676,938         | 5,286,039         |
| Unlisted investment         | 11c  | 153,463           | 87,353            |
|                             |      | <u>11,535,401</u> | <u>11,078,392</u> |

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

**FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

| 11. Fixed Asset Investments (continued)              | Note | 2015<br>£        | 2014<br>£        |
|--|------|------------------|------------------|
| <b>a) Investment Properties at valuation</b>         |      |                  |                  |
| Market value at 1 April 2014 and<br>at 31 March 2015 |      | 5,705,000        | 5,705,000        |
|  |      | <u>5,705,000</u> | <u>5,705,000</u> |
| Historical cost at 31 March                          |      | 333,368          | 333,368          |
|  |      | <u>333,368</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 market value which is based on independent professional advice.

|   | 2015<br>£        | 2014<br>£        |
|---|------------------|------------------|
| <b>b) Movements in Quoted Investments</b> |                  |                  |
| Market Value as at 1 April 2014           | 5,286,039        | 5,148,184        |
| Additions                                 | 528,939          | 24,231           |
| Disposals                                 | (402,376)        | (12,108)         |
| Unrealised investment gains               | 264,336          | 125,732          |
|   | <u>5,676,938</u> | <u>5,286,039</u> |
| Market Value as at 31 March 2015          | 5,676,938        | 5,286,039        |
|   | <u>5,676,938</u> | <u>5,286,039</u> |
| Historical Cost as at 31 March 2015       | 3,987,222        | 3,863,345        |
|   | <u>3,987,222</u> | <u>3,863,345</u> |

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

**FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

**11. Fixed Asset Investments (continued)**

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

|                                     | £         |
|-------------------------------------|-----------|
| Unlisted investment (note 11e)      | 153,463   |
| Quoted Equities: Europe             | 224,183   |
| Global                              | 1,042,420 |
| Hedge Funds                         | 4,162,240 |
| Property                            | 60,055    |
| Cash                                | 188,040   |
|                                     | <hr/>     |
| Market Value as at 31 March 2015    | 5,830,401 |
|                                     | <hr/>     |
| Historical Cost as at 31 March 2015 | 3,993,017 |
|                                     | <hr/>     |

Significant investments within the total investment holding are as follows:-

|                                | £         | %     |
|--------------------------------|-----------|-------|
| Sarasin Equisar IIID CLS 'INC' | 1,042,420 | 18%   |
| Alpha CIF for endowments       | 4,162,240 | 72%   |
|                                | <hr/>     | <hr/> |

**d) Investment drawdown**

The Trust is committed to further annual drawdowns in respect of European equities at circa €30,500 until October 2015.

**e) Unlisted Investment**

The Trust holds 2,833 out of 17,731 (15.98%) £0.01 ordinary shares in VSN International Limited at deemed cost of £87,353. This investment has been revalued by the Trustees during the year on the basis of the Trust's share of VSN International Limited's net assets and the unrealised gain of £66,110 has uplifted the carrying value at 31 March 2015 to £153,463.

**f) Joint Venture Investment**

During the prior year, 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), which changed its name from Rothamsted Research Centres Limited during the year, has completed the construction of the campus development.



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

**FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

**11. Fixed Asset Investments (continued)**

**f) Joint Venture Investment (continued)**

Notwithstanding that RoCRE is currently 100% owned by Rothamsted Research Limited, joint control is achieved by the formation and operation of a Project Board on which each of the parties to the joint venture has representation. It is the intention of the parties to the RoCRE Project Board, namely Rothamsted Research Limited, Lawes Agricultural Trust and the BBSRC that the shareholding of RoCRE will be finalised in due course with Lawes Agricultural Trust holding 40% of the joint venture company's share capital. Accordingly, on the basis of joint control, the Trustees consider RoCRE to be a joint venture. 40% of the results and the assets and liabilities of the joint venture for the year ended 31 March 2015 are set out below.

|                                      | £'000      |
|--------------------------------------|------------|
| Turnover                             | -          |
| Administrative expenses              | (1)        |
|                                      | <hr/>      |
| Retained loss for the year           | (1)        |
| Net assets at 1 April 2014           | -          |
|                                      | <hr/>      |
| Net liabilities at 31 March 2015     | <u>(1)</u> |
| Being                                |            |
| Tangible fixed assets:               |            |
| Assets in the course of construction | 5,008      |
| Current assets                       | 804        |
| Current liabilities: Deferred income | (5,813)    |
|                                      | <hr/>      |
| Net liabilities at 31 March 2015     | <u>(1)</u> |

**12. Debtors**

|  | 2015<br>£ | 2014<br>£ |
|--|-----------|-----------|
| Amounts due from Rothamsted Research Limited | 22,796    | -         |
| Other debtors                                | 31,479    | 6,846     |
| Prepayments                                  | 9,363     | -         |
|  | <hr/>     | <hr/>     |
|  | 63,638    | 6,846     |
|  | <hr/>     | <hr/>     |

# LAWES AGRICULTURAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2015 (continued)

#### 13. Creditors

|  | 2015<br>£      | 2014<br>£      |
|--|----------------|----------------|
| Amounts due to Rothamsted Research Limited | -              | 29,795         |
| Amounts due to Rothamsted Manor Limited    | 195,916        | 16,954         |
| Other creditors                            | 22,924         | 22,924         |
| Accruals                                   | 273,695        | 62,633         |
|  | <u>492,535</u> | <u>132,306</u> |

#### 14. Funds

##### Unrestricted Funds

|               | At 1 April<br>2014<br>£ | Incoming<br>Resources<br>£ | Resources<br>Expended<br>£ | Investment<br>Gains<br>£ | At 31<br>March 2015<br>£ |
|---------------|-------------------------|----------------------------|----------------------------|--------------------------|--------------------------|
| General funds | 7,977,648               | 1,124,628                  | (804,380)                  | -                        | 8,297,896                |

##### Designated Funds

|                      | At 1 April<br>2014<br>£ | Incoming<br>Resources<br>£ | Resources<br>Expended<br>£ | Investment<br>Gains<br>£ | At 31<br>March 2015<br>£ |
|----------------------|-------------------------|----------------------------|----------------------------|--------------------------|--------------------------|
| Capital Reserve Fund | 14,817,153              | -                          | -                          | 455,676                  | 15,272,829               |

##### Restricted Fund

|                                  | At 1 April<br>2014<br>£ | Incoming<br>Resources<br>£ | Resources<br>Expended<br>£ | Investment<br>Gains<br>£ | At 31<br>March 2015<br>£ |
|----------------------------------|-------------------------|----------------------------|----------------------------|--------------------------|--------------------------|
| Rothamsted International<br>Fund | 416,989                 | 4,451                      | (22,150)                   | -                        | 399,290                  |

The nature of the above funds is described in note 15.

# LAWES AGRICULTURAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015 (continued)

### 15. Net Assets: analysis between funds

|                           | Unrestricted Funds |                      | Restricted Funds              | Total      |
|---------------------------|--------------------|----------------------|-------------------------------|------------|
|                           | General Fund<br>£  | Designated Fund<br>£ | Rothamsted International<br>£ | £          |
| Allocation of Net Assets: |                    |                      |                               |            |
| Tangible Fixed Assets     | 3,025,333          | 8,054,679            | -                             | 11,080,012 |
| Investments               | 3,987,222          | 1,843,179            | -                             | 5,830,401  |
| Investment Properties     | 333,368            | 5,371,632            | -                             | 5,705,000  |
| Current Assets            | 1,444,508          | 3,339                | 399,290                       | 1,847,137  |
| Current Liabilities       | (492,535)          | -                    | -                             | (492,535)  |
|                           | <hr/>              | <hr/>                | <hr/>                         | <hr/>      |
|                           | 8,297,896          | 15,272,829           | 399,290                       | 23,970,015 |
|                           | <hr/>              | <hr/>                | <hr/>                         | <hr/>      |

### 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 for the year.

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

### 16. Capital commitments

As at 31 March 2015, the Trust had no capital commitments (2014: £350,000).