

for the period  
25 January 2023  
to 31 March 2024

# Annual Report + Accounts

Advanced  
Research  
+ Invention  
Agency

ARIA



# Advanced Research and Invention Agency

## Annual Report and Accounts 2023-24

for the period from 25 January 2023 to 31 March 2024

Presented to Parliament pursuant to paragraphs 14(5) and 15(4) of Schedule 1 of the Advanced Research and Invention Agency Act 2022.

Ordered by the House of Commons to be printed on 24 July 2024.

Advanced  
Research  
+ Invention  
Agency

ARIA

## OGI

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# 1

# Introduction

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## Chairman's letter

### It's a privilege to introduce the Advanced Research and Invention Agency's (ARIA) first Annual Report and Accounts.

ARIA is a true startup within the public sector. One challenge for any startup is to balance an ambitious long-term vision with the operational demands of the here and now. Ilan and his team have met this challenge head on. They have spent this first year assembling the people, processes and culture to enable ARIA to fulfil its mission – unlocking scientific and technological breakthroughs for the UK and the world.

Now that ARIA is a living, breathing thing, it's easy to forget that even getting to Day One was far from inevitable. ARIA's existence is the result of a huge collective effort that began long before Ilan and I were appointed to our roles. I am grateful to the ministers, civil servants and parliamentarians who made ARIA possible and to the team at the Department of Science, Innovation and Technology (DSIT) who have embraced ARIA's mission, freedoms and independence since the beginning.

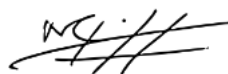
When I was appointed as ARIA's Chair, the question I was asked most frequently was how the Board and I would evaluate the organisation's progress, given that it will be decades before we know the full impact of the research ARIA funds. My answer was always that ARIA would live or die by the quality of the people it could attract from the start. This test ARIA is passing with flying colours: the calibre of people joining the organisation at every level and in every role is exceptional. I congratulate Ilan and his team on assembling a group of people and crafting a culture that extraordinary individuals want to be part of.

We are all conscious that the work that will define ARIA lies ahead. ARIA's second year will see our inaugural cohort of Programme Directors (PDs) – a truly exceptional group – launch their programmes and begin funding researchers from around the UK and the world.

It is the whole purpose of ARIA that these programmes are wildly ambitious – and commensurately risky. I see maintaining this level of ambition and risk appetite as one of the Board's most important responsibilities. It will not be easy. In any organisation like ARIA, there will always be the temptation to look for quick wins or safe bets in an effort to start to show results. But for ARIA this is the opposite of what being a good steward of public money looks like.

**"If we're staying true to our mission, only a fraction of our programmes will succeed, but the impact of those that do will be world changing."**

I encourage you to read through the opportunity spaces that our PDs are exploring. As you do, I hope you share my excitement, not only about the possibilities they might unlock, but about the power and potential of the ARIA model itself. There is much work ahead, but the foundations that the team has laid have given ARIA the best possible start.



**Matt Clifford**  
Chair

## Chief Executive's Statement

**Society faces challenges that are bigger and more complex than ever before. The power of science and technology at our disposal is equally unprecedented. If we harness it with ambition and responsibility, we can rise to meet those challenges and create opportunities for a better life that no one imagined possible.**

But scientific and technological breakthroughs don't just happen, and they can't be delivered by just anyone. They require a depth and richness of expertise, talent, networks, facilities, institutions, and imagination that exists in only a few special places around the world. The UK is one of them.

ARIA's job is ambitious but simple: support bold starts that will drive a step change in social and economic prosperity — not just of the UK, but across the world.

How will we do it? By activating the incredible science and technology ecosystem that exists here. By finding those individuals, teams, and communities who dare to think differently about what is possible. And by empowering them to put their ingenuity and determination to work in making their vision of the future real.

In fact, we've already started.

Since joining ARIA in October 2023, our founding PDs have defined seven major opportunity spaces — areas where breakthroughs in science and technology can make a huge impact on society but are currently unlikely to occur, either because the ideas are too speculative, too hard, or too interdisciplinary. Exploring those areas through public engagement, expert workshops and hundreds of meetings and lab visits, they have shaped funding initiatives that are already sparking new ambitions, ideas and research collaborations, all poised to unlock new capabilities across climate, AI, health, manufacturing, and beyond.

ARIA was created to be bold, agile and singularly focused on long-term transformation vs. quick wins. In this first year, we have built a strong foundation to support that mandate: a dedicated team, strong culture, robust operations, and a new approach to catalysing breakthroughs. Next, we'll work to cultivate powerful new communities across our opportunity spaces and infuse them with the entrepreneurial talent, ambition, and partnerships needed to not just imagine the future, but to build it. After all, discovery and inventions cannot change the world unless they form the basis of new communities and networks, products, businesses, supply chains and industries.

Our success is defined by one simple question: when the children of the UK grow up, how will their lives have been transformed by ARIA's work? Whether that's a life-changing technology or a burgeoning new industry, it should be obvious that ARIA played a catalytic role.

We can't guarantee success, nor is there a simple formula we can follow to get there. But one thing is sure: we can't do it alone. It will take our collective ingenuity and determination, a willingness to stumble and keep going, and — perhaps above all — your engagement and a shared belief that it's possible. So we invite you to join us in taking these first bold steps together. A collective bold start.



**Ilan Gur**

Chief Executive and Accounting Officer

# 2 Performance Report

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## About ARIA

This is ARIA's first Annual Report and Accounts and covers the period from its establishment on 25 January 2023 to 31 March 2024.

ARIA was established by the UK Government under the Advanced Research and Invention Agency Act 2022 (the 'ARIA Act 2022') as a new research and development (R&D) funding agency with an ambitious risk appetite. ARIA is an independent non-departmental public body sponsored by the Department for Science, Innovation and Technology and with an initial allocation of approximately £800m over five years to 2025/26.

Since ARIA's official launch in January 2023, we have: hired our executive and operational teams; shaped the organisation's risk appetite and culture; designed bespoke contracting and intellectual property rights principles; established an effective control environment; and selected our inaugural cohort of Programme Directors. These PDs have launched ARIA's initial areas of research, engaged extensively with the science and research communities and launched our first funding calls.

## Mission

**ARIA's mission is to unlock scientific and technological breakthroughs that benefit everyone. Our success will be measured by the lives, industries and communities transformed by ARIA's work.**

 For further information regarding ARIA, please see our [Corporate Plan](#)

# Highlights

## Key milestones in our establishment

### 2024

**MARCH** First programme funding call launched

**FEBRUARY** All seven opportunity spaces launched  
Finance system implemented

**JANUARY** First opportunity seed funding call launched

### 2023

**DECEMBER** First programme thesis published

**OCTOBER** First PD cohort appointed

**SEPTEMBER** Project, CRM and work management platform selected

**AUGUST** Procurement system selected

**JUNE** Communications and engagement partner selected

**MAY** PD Finalist Day  
Legal advisers selected

**FEBRUARY** Open call for PDs launched

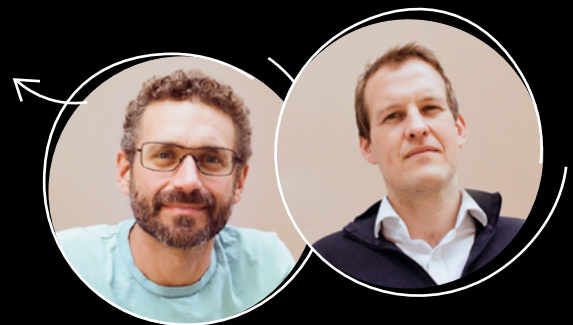
**JANUARY** ARIA legally established and Board appointed  
Managed IT service provider selected

- Programme and project management operating partner selected
- Outsourced recruitment provider selected
- Applicant tracking system selected

### 2022

**JULY** Ilan Gur and Matt Clifford announced as ARIA's first Chief Executive and Chair

**FEBRUARY** ARIA Act 2022 granted Royal Assent



## The Board

ARIA's Board of Directors (the Board) oversees performance and supports the Executive Team in effective decision making and strategic direction. The Board is also responsible for monitoring and supporting the optimisation of risk within ARIA to ensure it pursues ambitious research, development and exploitation with a high tolerance to failure, while maintaining effective governance, risk management and internal controls.

Our Board comprises the Chair, the Government Chief Scientific Adviser, five other Non-Executive Board members as well as four Executive Team members.



**Matt Clifford**  
Chair  
Co-Founder, Entrepreneur First



**Dame Kate Bingham**  
Non-Executive Director  
Venture Capitalist and former  
Chair of the Vaccine Taskforce



**Sir Patrick Vallance**  
Non-Executive Director  
Former Government Chief  
Scientific Adviser



**Sarah Hunter**  
Non-Executive Director  
Technology and public policy adviser



**Sir David MacMillan**  
Non-Executive Director  
Nobel laureate and organic chemist



**Dame Angela McLean**  
Non-Executive Director  
Government Chief Scientific Adviser



**Stephen Cohen**  
Non-Executive Director  
UK Civil Service and Gambling  
Commission Commissioner



**Sue Hunt**  
Independent member  
of the Audit and Risk Committee\*  
Chartered Accountant and  
Vice Chair of The Connected  
Places Catapult

\* ARIA is able to appoint independent members to its Board sub-committees under the ARIA Act 2022.

## The Executive Team

The Executive Team have all joined in the reporting period and provide a blend of startup, non-profit and public sector experience. Our Chief Executive and Accounting Officer previously served as a founding PD at the United States' Advanced Research Projects Agency–Energy (ARPA-E), an organisation which, alongside its sister agency the Defense Advanced Research Projects Agency (DARPA), originally inspired ARIA's creation.

The team has since recruited an entirely new operational and delivery team, totalling 37 staff as at 31 March 2024 (see page 34 of the Remuneration and Staff Report for further detail), as well as working closely with outsourced operating partners to enable rapid scaling. See further details in the Our people and culture section, page 14 and Remuneration and Staff Report, page 31.

**Ilan Gur**

Chief Executive and Accounting Officer

Ilan founded Activate.org, an organisation that empowers scientists and engineers to bring ground-breaking research to market. Prior to this, Ilan built two science-based startups and served as a founding Programme Director at ARPA-E.

**Pippy James**

Chief Product Officer

Pippy was previously founder and CEO of a women's health startup. She was also Global Product Manager at Entrepreneur First, which supports the creation of technology companies internationally.

**Antonia Jenkinson**

Chief Finance and Operating Officer

Antonia served as CFO of the UK Atomic Energy Authority. Prior to this, she was CFO/COO in various private sector organisations after a career in corporate finance and private equity with Apex Partners/Altium Capital.

**Dan Cole**

Chief of Staff

Dan served as COO at UK healthtech startup Accurx, which supported the care of over 50 million NHS patients. Prior to this, Dan worked in strategy consulting focusing on sustainability.

## External Advisors

Our network of advisors is composed of individuals who have pushed the limits of the possible across a range of disciplines and sectors. Their expertise, insights and connections are an invaluable resource for our teams.



**Artur Ekert**  
Professional Fellow, Quantum Physics and Cryptography, University of Oxford



**Arun Majumdar**  
Founding Director, ARPA-E and Dean, Stanford Doerr School of Sustainability



**Sir Demis Hassabis**  
Founder and CEO, DeepMind



**Hayaatun Sillem**  
CEO, Royal Academy of Engineering



**Katie Rae**  
CEO and Managing Partner, The Engine



**Özlem Türeci**  
Co-founder and Chief Medical Officer, BioNTech



**Patrick Collison**  
Co-founder and CEO, Stripe

## How we deliver

### Delivering breakthrough R&D through science entrepreneurship

ARIA's role is to create transformative, outlier outcomes. This starts with our model, which is driven by the entrepreneurial vision of our PDs.



**Angie Burnett** is a plant biologist with a background in plant physiology. Her work focuses on harnessing the power of plants to solve some of our most pressing challenges such as food insecurity, climate change and environmental degradation. Before ARIA, Angie worked as a Postdoctoral Research Associate at Brookhaven National Laboratory and a Consultant at the Food and Agriculture Organization of the United Nations, before becoming a Research Associate at the University of Cambridge.



**Gemma Bale** and **Sarah Bohndiek** are co-PDs with backgrounds in optics now applying their experience to climate science. Gemma Bale is an Assistant Professor of Medical Therapeutics and Head of the Neuro Optics Lab at the University of Cambridge where she focuses developing non-invasive brain monitoring in real-world environments. Sarah Bohndiek is a Professor of Biomedical Physics at the University of Cambridge and leads an interdisciplinary team that develops optical imaging technology for earlier cancer detection.



**Mark Symes** is an electrochemist, focused on energy conversion and the production of green fuels. He is now looking at how we can manage the weather through responsible engineering. Mark joined ARIA from his role as Professor of Electrochemistry and Electrochemical Technology at the School of Chemistry at the University of Glasgow. He also co-founded a spin-out in the green hydrogen space.

Our PDs joined in October 2023 from Glasgow, Newcastle, Cambridge, London, Oxford and the US. There is a balanced gender profile and they come from across research areas, geographies and sectors.



**David 'davidad' Dalrymple** is a software engineer with a multidisciplinary scientific background. His current work looks at how we can have both transformational and safe AI. Before joining ARIA, Davidad was a Research Fellow in technical AI safety at Oxford, co-invented the top-40 cryptocurrency Filecoin, led an international neuroscience collaboration, and was a senior software engineer at Twitter and multiple startups.



**Jenny Read** is a visual neuroscientist, previously trained in theoretical astrophysics. Her work focuses on how we can build smarter bodies for robots through new modes of sensing, transmission of sensory information, and actuation through hardware advances. Prior to ARIA, Jenny was Professor of Vision Science at Newcastle University.



**Jacques Carolan** is an applied physicist and neuroscientist. His work involves applying the principles of physics and engineering to create next-generation, scalable tools that aim to radically change our understanding of the brain and ultimately, be used to repair it. Prior to ARIA, he was a BBSRC Discovery Fellow at the University College London.



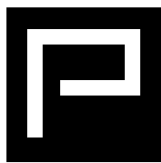
**Suraj Bramhavar** is an electrical engineer. His work focuses on how we can redefine the way computers process information to build dramatically more efficient computers. Suraj joined ARIA from Sync Computing, where he was co-founder and CTO, which optimises the use of modern cloud computing resources. The company spun-out from his research at MIT Lincoln Laboratory. Suraj previously worked at Intel Corp, helping transition silicon photonics technology from an R&D effort into a business worth over \$1bn.

## Our operating partners

Our operating partners offer professional services and specialised expertise to help ARIA achieve its goals, deliver on strategic objectives, and scale effectively.



Project and programme management partner providing a centralised delivery office and specialist support (expertise and personnel) to the PDs, helping to deliver all programme and project management aspects related to research solicitation design, grant/contract awards and subsequent management and closure of grants/contracts.



**PENNINGTONS  
MANCHES  
COOPER**

Providing legal support during ARIA’s set-up phase and into the launch of our first programmes, including drafting the full suite of funding documents and advising on approach to intellectual property, subsidy control, governance and policies, data protection compliance, supplier contracts, employment law and policies, and trademarks.



**MILLTOWN  
PARTNERS**

Engagement partner providing strategic communications advice and support, including development and implementation of an engagement plan to support the launch of programmes as well as branding, events planning and media monitoring.



Recruitment partner providing services including assisting with the implementation of new internal recruitment systems and processes, headhunting, supporting ARIA’s brand activities and supporting hiring teams. These services have varied over the course of ARIA’s establishment to meet specific talent acquisition challenges.

## Performance analysis

This report outlines our performance against our priorities for the period from 25 January 2023 to 31 March 2024. We have not reported on performance trends given the absence of historic comparative data.

### Performance against FY23/24 strategic objectives

1. Recruit exceptional and diverse operating and programme leaders



2. Empower our teams to operate with agility and excellence



3. Establish a strong and inclusive working culture aligned with our values



4. Build stakeholder trust and excitement in ARIA's early team/work



### Looking forward

ARIA has been established to conduct and develop scientific knowledge over the long term. In particular, the ARIA Act 2022 stipulated that ARIA could not be dissolved for at least ten years following the Act. Following the current round of programme funding initiated by our inaugural cohort of PDs, we expect to continue recruiting new PDs, both in existing opportunity spaces and new opportunity spaces, and for there to be a continuous cycle of new talent and new science initiatives. The ARIA model will not only see us invest in additional opportunity spaces but also withdrawing from opportunity spaces where we see that our ideas have failed to materialise. In addition to programmes, we plan on developing strategic initiatives to mobilise entrepreneurship in our opportunity spaces to maximise our impact in each area and to accelerate commercialisation.

ARIA plans to use the financial flexibilities it was granted in the ARIA Act 2022, including joint ventures or other funding arrangements. These initiatives will be assessed and evaluated as and when opportunities are identified.

ARIA's funding profile will be different to the original business case as ARIA's establishment took place later than expected. This will be reviewed as part of future spending reviews.

### Impact

ARIA's Model of Impact is available to view as part of the Corporate Plan on ARIA's website. It demonstrates that the ultimate success of our activities will be to catalyse world-changing technological and scientific advances over a decadal time frame. Whilst many of our programmes may not achieve this success due to the highly ambitious objectives we are pursuing, those which are successful are expected to deliver an impact far in excess of that expected in traditional research.

ARIA plans to take steps to monitor this impact over the next ten years through the creation of an evaluation framework, with steps in the interim to assess leading indicators.

## Performance analysis continued

### Financial review

ARIA was established as a new organisation at the start of the reporting period. No assets or liabilities were transferred from the Department of Business, Energy and Industrial Strategy (BEIS now DSIT) on the legal creation of ARIA. During the reporting period, ARIA spent £8.6m, the majority of which related to initial startup and operational activity.

ARIA's financial target applies to DSIT's Departmental Expenditure Limit (DEL) budget lines - capital (CDEL) and resource (RDEL). The total expenditure was less than the resources made available in the reporting period largely due to the later establishment date of ARIA delaying the commencement of research programmes.

ARIA is required to advise DSIT of its total forecast expenditure for the reporting period and, in line with the requirements from HM Treasury, to adhere as closely as possible to this financial target. The table below includes the details of the DEL financial target agreed with DSIT and final outturn, along with the reported variance between the two.

25 January 2023 – 31 March 2023

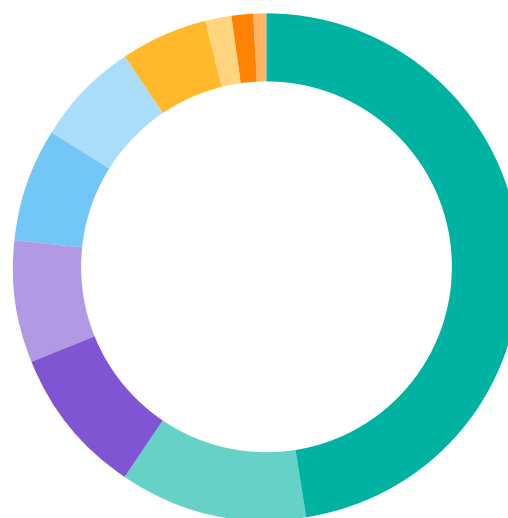
	Financial target £000s	Outturn £000s	Variance £000s
CDEL	3,000	640	2,360
RDEL	–	1	(1)
<b>Total</b>	<b>3,000</b>	<b>641</b>	<b>2,359</b>

1 April 2023 – 31 March 2024

	Financial target £000s	Outturn £000s	Variance £000s
CDEL	7,500	7,906	(406)
RDEL	30	29	1
<b>Total</b>	<b>7,530</b>	<b>7,935</b>	<b>(405)</b>

Of the total spend in the reporting period the largest proportion was on staff costs (£4.1m). Of this, £3.7m related to directly employed and seconded staff, and £0.4m to expenditure on temporary staff and contractors. The remaining costs were operational set up and running costs for the establishment of ARIA.

### Total comprehensive net expenditure by expenditure category



Staff costs	47.1%	<b>£4.1m</b>
Engagement and communications costs	11.9%	<b>£1.0m</b>
IT costs	9.3%	<b>£0.8m</b>
HR, training and recruitment costs	7.8%	<b>£0.6m</b>
Programme management costs	7.1%	<b>£0.6m</b>
Rent and building costs	6.8%	<b>£0.6m</b>
Legal, professional and consultancy costs	5.3%	<b>£0.5m</b>
Travel and subsistence costs	1.6%	<b>£0.1m</b>
Research and development advisory	1.4%	<b>£0.1m</b>
External audit fees	0.8%	<b>£0.1m</b>

### Going concern

In line with HM Treasury's Financial Reporting Manual (FReM), the information presented in these financial statements is based on the assumption that ARIA will continue to operate in the future, with no changes to our role or through legislation currently expected. The services currently delivered by ARIA will continue in the future, and as a result, in line with FReM requirements, ARIA considers that it is a going concern.

In common with other non-departmental public bodies across government, ARIA's future funding is to be met by Grant in Aid from its sponsoring department, DSIT. Approval of Grant in Aid for 2024/25 has already been allocated. Based on this information, it has therefore been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

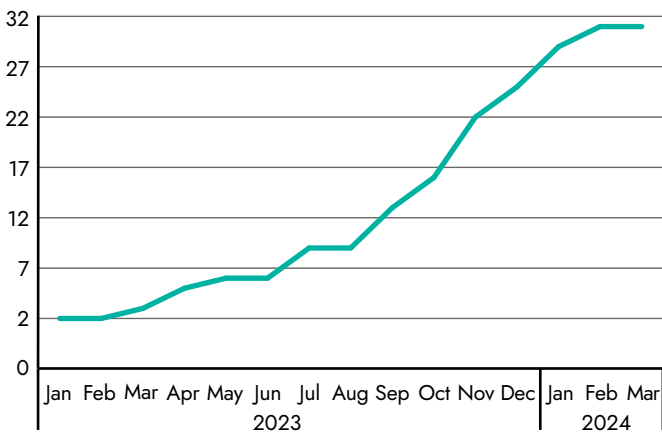
# Our people and culture

During the reporting period, ARIA has hired an entirely new team across science, technology, delivery, product, communications, finance, procurement, people and legal as well as implementing its initial governance, systems and processes.

ARIA recognises that a team with a wide breadth of diversity and experience is essential for a working environment that enhances creativity, knowledge sharing, and thoughtful decision making. We are dedicated to creating a safe and inclusive workspace.

## Our current team

### Number of employees\*



\* All data is self reported. This team data includes our staff (employees, secondees and contractors) and our outsourced operating partners who work alongside us embedded within our team.

- We are 56% female, 40% male, and 4% non-binary or transgender.
- Our team is aged 25–54. The largest proportion of our team are 25–29 years old (29.2%).
- We have at least six different races, 24 different ethnicities and 13 different nationalities represented.
- At least 26.4% of us are from ethnic minority backgrounds (10.4% of our team have not disclosed).
- At least 10% are LGBTQIA+ (12% of employees have not disclosed).
- We have more than eight different religions and belief systems represented.
- At least 6% have a disability (8% of our team have not disclosed).
- At least 13% are neurodiverse (16% of our team have not disclosed).
- The largest proportion of our team’s career background has been in the private sector (41%).

**56%**  
female

**40%**  
male

**4%**  
non-binary  
or transgender

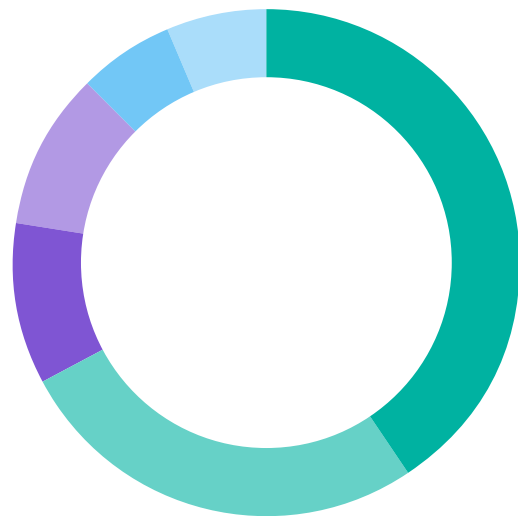
**6+**  
different races

**24**  
different ethnicities

**13**  
different  
nationalities

**8+**  
different religions  
and belief systems

### Primary career backgrounds prior to ARIA:



Private	20
Public	13
Third	5
Other	5
Academic	3
Mixed	3

# Our people and culture continued

ARIA is committed to:

- Creating an environment in which individual differences and the contributions of our people are recognised and valued;
- Providing training, development and progression opportunities to everyone;
- Understanding equality and inclusion in the workplace and in our programmes is good management practice and makes sound business sense;
- Creating all our employment practices and procedures to ensure fairness and inclusion for all;
- Taking steps to ensure equity amongst our workforce such as ensuring that our vacancies are advertised to a diverse range of potential candidates and, where relevant, to groups that have been identified as disadvantaged or underrepresented in ARIA; and
- Ensuring there are no unlawful barriers to accessing our employment opportunities, training, progression opportunities, benefits, and facilities.

ARIA has an established set of ED&I principles and is actively working on an ED&I strategy, involving consultation across the whole organisation. Our primary focus has been on embedding the following within recruitment processes:

- Regular unconscious bias training to panel members;
- Anonymised CVs;
- Diverse interview panels;
- All job adverts go through an inclusive language tool to reduce bias, increase diversity and improve the quality of hire;
- Standardised competency and technical questions at panel interview stage to ensure a fair process for all candidates;
- Standardised presentations/simulations by internal job levelling at panel stage;
- Consistent feedback best practice for all interviews;
- Hiring manager call shortlists include at least one candidate from underrepresented groups; and
- Equal Opportunities survey sent out to all candidates booked for recruiter screens, enabling us to make more data-led sourcing decisions.

## Supporting our team

### Mental health and wellbeing

At ARIA we want to cultivate a supportive and positive culture which promotes and protects the mental wellbeing of our community. We recognise that mental health, much like physical health, changes over time and many of us will go through periods of poor mental health in the course of our professional and personal lives. That's why we've provided our team with access to an Employee Assistance phoneline, which offers 24/7 professional and confidential support to our team. We've also increased our number of mental health first aiders, so that 16% of our organisation has completed or is set to undergo mental health first aid training, ensuring each area of our organisation is supported.

### Volunteering leave

Each of our team members are able to take two days of volunteering leave each year. We're looking forward to running with this initiative and seeing the impact we're able to create as a team in other organisations by volunteering our time.



# Sustainability Report

At ARIA, we are dedicated to integrating sustainable practices into our business operations. During the period since establishment, we have initiated efforts to assess ways that we can minimise our environmental impact in accordance with the Greening Government Commitments (GGCs) and contribute to achieving UK net zero goals.

During the reporting period, organisational policies were developed with sustainable considerations, for example within our expenses and travel policy, which aim to keep ARIA's impact on the environment to a minimum. We will further develop the approach we take to environmental and climate impact, and sustainability, in 2024/25.

Our first sustainability report has been prepared in alignment with the latest HM Treasury guidance for public bodies on sustainability reporting, and will serve as a baseline against which we can benchmark our future progress.

## Energy and waste consumption

All our energy, waste and water consumption arises from our office occupation. During the reporting period, we occupied hotdesking facilities within the Alan Turing Institute's occupation of The British Library as well as a small office facility in Cambridge. The environmental impact of the occupation in The British Library is reported in the Alan Turing Institute's annual report and accounts. Our occupation is less than 1% of the building and is not separately metered. Meaningful data for this occupation is therefore not available and, consequently, Scope 1 and 2 emissions data does not feature in our report.

We make no use of consumer single-use plastic. For example, we provide biodegradable or reusable glass and tableware for staff.

## Business travel

ARIA operates a hybrid working model where staff are able to balance the benefits of collaboration in the office with the flexibility of working from home. This adoption of smarter and more flexible ways of working, supported by our IT and digital platforms, reduces the need for staff to travel and our overall environmental footprint.

However, some business travel remains essential as we balance the need for regional presence and coverage across the UK. If travel is required, our travel policy encourages staff to assess whether their planned travel is essential. Where a business trip is necessary, then staff are encouraged to use the most sustainable form of transport.

Our business travel measurements during the reporting period both total and per full-time equivalent (FTE) staff, are detailed below.

	Measurement	25 Jan 2023 – 31 Mar 2024
Business travel*	Total miles (per FTE)	214,300 (5,986)
	Tonnes CO <sub>2</sub> e (per FTE)	36.2 tonnes (1.0)
	Expenditure (per FTE)	£51,050 (£1,426)
	Miles – air travel (per FTE)	147,600 (4,123)
	Tonnes CO <sub>2</sub> e – air travel (per FTE)	32.8 tonnes (0.9)
	Expenditure – air travel (per FTE)	£22,981 (£642)

\* The Scope 3 emissions from ARIA's business travel are calculated by ARIA's travel management company and a report is provided on an annual basis.

## IT policy

We align with the GGCs and the associated **Greening government: ICT and digital services strategy**. Our technology estate is provided by outsourced providers. As a new organisation, with no legacy technology, we have taken a cloud first approach to designing our technology infrastructure. We therefore make use of cloud-based hosting and associated applications. This virtual infrastructure ensures we use resources efficiently and supports our hybrid working workforce strategy and reduces the need for unnecessary travel for face-to-face meetings.

## Sustainable procurement

The Procurement team has developed and implemented a Social Value Policy, aligning where possible with the Government's wider procurement policy relating to Social Value.

## Biodiversity

ARIA has no landholdings and no independent estate. All of our office occupation in 2023/24 was within multi-occupied estates, as a very small proportion of the total office occupation. We do not have a biodiversity action plan given this context.



**Ilan Gur**

Chief Executive and Accounting Officer

Date: 8 July 2024

# 3

# Accountability Report

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# Corporate Governance Report

## Directors' Report

The Corporate Governance Report sets out the governance arrangements of ARIA and comprises:

1. The Directors' Report
2. The Statement of Accounting Officer's Responsibilities
3. The Governance Statement

ARIA was established as an independent non-departmental public body of BEIS by the ARIA Act 2022. In February 2023, a major machinery of government change was announced which redistributed the activities of several existing government departments, including BEIS. DSIT was one of three new departments created as a result of this redistribution. ARIA was designated to DSIT with Accounting Officer responsibilities formally transferred from 1 April 2023.

The following items, required as part of the Directors' Report are included in the Governance Statement on page 20:

- Composition of the ARIA Board
- Disclosure of other interests of the ARIA Board
- Disclosure of personal data-related incidents

# Corporate Governance Report continued

## Statement of Accounting Officer's Responsibilities

The ARIA Act 2022 requires ARIA to prepare a statement of accounts in the form specified by the Secretary of State.

The Secretary of State for DSIT has directed ARIA to prepare a statement of accounts for each financial year in the form and on the basis set out in the Accounts Direction. For the current reporting period, ARIA has been directed to prepare extended accounts for the period 25 January 2023 to 31 March 2024.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of ARIA and of its income and expenditure, statement of financial position and cash flows for the financial year.

In preparing the accounts the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual (FReM) and in particular to:

- Observe the Accounts Direction issued by the Secretary of State for DSIT, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the FReM have been followed, and disclose and explain any material departures in the accounts;
- Prepare the accounts on the going concern basis; and
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Principal Accounting Officer for DSIT designated the Chief Executive as ARIA's Accounting Officer.

The responsibilities of an Accounting Officer are set out in Managing Public Money published by HM Treasury. These include responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable to, for keeping proper records, and for safeguarding ARIA's assets.

### Preparation and audit of the Accounts

The accounts have been prepared under a direction issued by DSIT and are audited by the Comptroller and Auditor General.

As the Accounting Officer, I have taken all steps that I ought to have taken to make myself aware of any relevant audit information and to establish that ARIA's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

I also confirm that the Annual Report and Accounts are fair, balanced and understandable, and I take personal responsibility for judgements made to ensure that they are fair, balanced and understandable.



**Ilan Gur**

Chief Executive and Accounting Officer

Date: 8 July 2024

# Corporate Governance Report continued

## Governance Statement

The Accounting Officer is responsible for maintaining a system of internal control that supports the achievement of ARIA’s policies, aims and objectives, while safeguarding public funds and departmental assets. This is in accordance with the responsibilities assigned in the HM Treasury publication **Managing Public Money**.

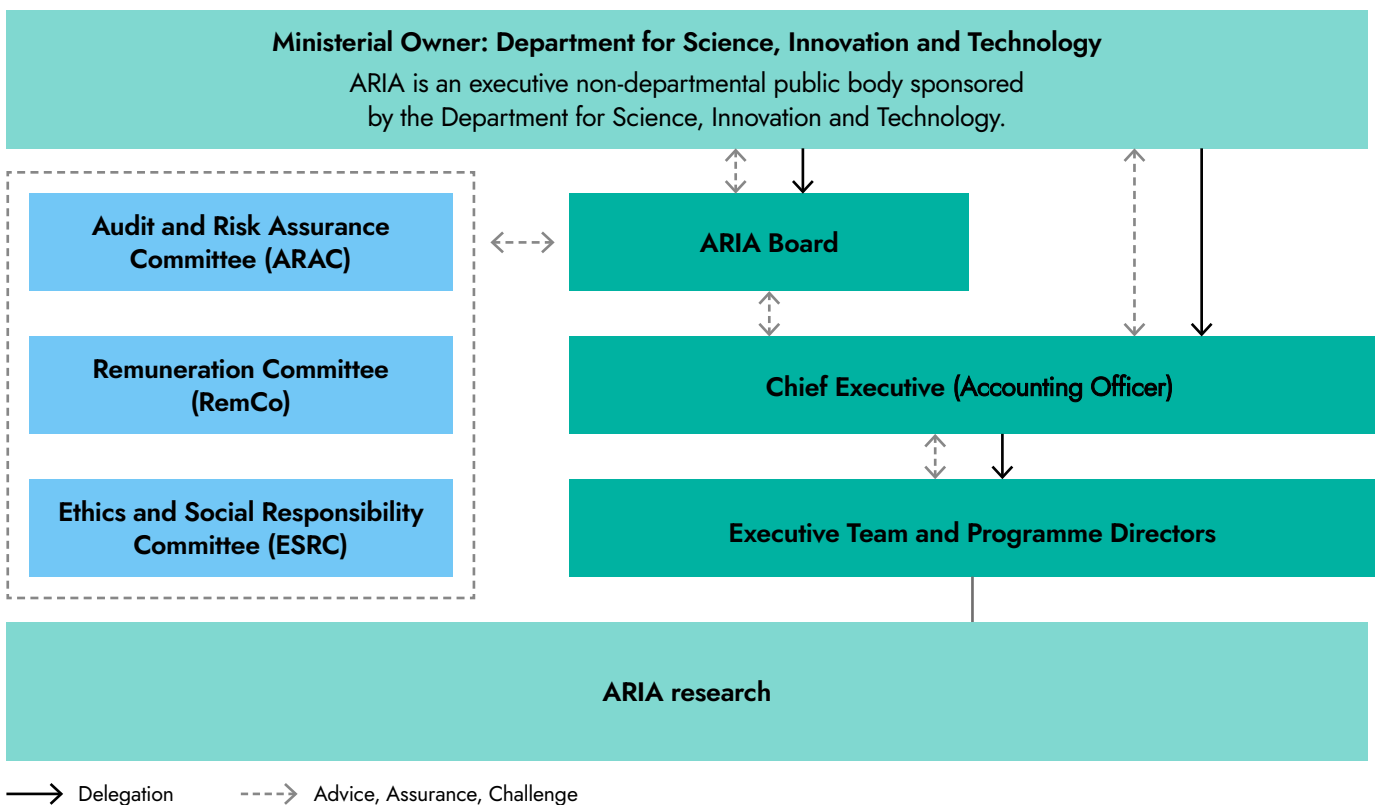
This Governance Statement describes how these duties have been carried out by the Accounting Officer and the supporting structure in place in the reporting period.

The reporting period is one where the governance arrangements and broader controls were developed as ARIA was established. The Accounting Officer ensured that proportionate controls were in place at all times, and that these were applied in a system of effective governance.

### Governance structure

ARIA is accountable to Parliament through our parent department, DSIT, for the funds it expends. ARIA’s working relationship and lines of accountability with DSIT are defined in its Framework Agreement and Delegation and Allocation Letter made to the Chief Executive as Accounting Officer. These documents are subject to periodic review. The ARIA Framework Document was reviewed and published in February 2023. ARIA also maintains active engagement and a transparent relationship with its parent department.

### ARIA Governance structure



# Corporate Governance Report continued

## Governance Statement

### The Board

The Board is the main body for oversight within ARIA. The key objectives of the Board are as follows:

- Agreeing an annual strategic and operational plan for ARIA;
- Supporting the Chief Executive to help ARIA achieve its objectives, in alignment with those set out in the ARIA Act 2022;
- Ensuring effective stewardship of ARIA's funding;
- Agreeing ARIA's risk appetite and monitoring and supporting optimisation of risk within ARIA to ensure it pursues ambitious research, development and exploitation with a high tolerance to failure, while maintaining effective governance, risk management and internal controls;
- Advising the Secretary of State for DSIT where there are any significant areas of concern that may impact on ARIA's ability to fulfil its objectives; and
- Representing ARIA to help promote its activities and improve its connectivity in the UK and abroad.

The Board comprises the Chair, the Government Chief Scientific Adviser, five other Non-Executive Board members and the founding Chief Executive – appointed by the Secretary of State for DSIT – as well as three other Executive Team members, including a Chief Finance & Operating Officer – appointed by the Chair.

Board members and any roles as part of the three sub-committees of the Board as at 31 March 2024 – the Remuneration Committee (RemCo), the Audit and Risk Committee (ARAC) and the Ethics and Social Responsibility Committee (ESRC) – are listed below:

Appointee	Role	Sub-committee	Dates served
Matt Clifford	Chair	N/A	From 15 August 2022*
Ilan Gur	Chief Executive	N/A	From 15 August 2022*
Dame Kate Bingham	Non-Executive Director	RemCo (Chair)	From 25 January 2023
Stephen Cohen	Non-Executive Director	ARAC (Chair)	From 25 January 2023
Sarah Hunter	Non-Executive Director	ESRC (Chair) RemCo	From 25 January 2023
Sir David MacMillan	Non-Executive Director	ESRC	From 25 January 2023
Sir Patrick Vallance**	Non-Executive Director	ARAC ESRC	i) 25 January 2023 to 2 April 2023 ii) 27 June 2023
Dame Angela McLean	Non-Executive Director	N/A	From 3 April 2023
Antonia Jenkinson	Chief Finance & Operating Officer	N/A	From 25 January 2023
Pippy James	Chief Product Officer	N/A	From 25 January 2023
Sarah Hodgetts (interim)	Director of Operations (BEIS Seconded)	N/A	From 25 January 2023 to 31 May 2023
Dan Cole (interim)	Chief of Staff	N/A	From 15 May 2023
Independent Member		Sub-committee	Dates served
Sue Hunt		ARAC	From 21 March 2023

\* These appointments were made on designate basis before ARIA was legally created.

\*\* Sir Patrick Vallance was a member of the ARIA Board in his role as Government Chief Scientific Adviser. This terminated when he stepped down from this role in April 2023. He was subsequently appointed an independent Non-Executive Director in June 2023.

# Corporate Governance Report continued

## Governance Statement

During the reporting period, the Board held six regular Board meetings. The key areas of focus for the Board during the reporting period included:

- Board and sub-committee terms of reference;
- Development of ARIA Strategy and budgets;
- Approach to risk, intellectual property and funding mechanisms; and
- Financial performance and controls.

### Conflicts of interest

All Board members are required to declare any personal or business interests which may influence their judgement in discharging their obligations, or which may be perceived to do so. These interests are published on ARIA's website at: [aria.org.uk/transparency](http://aria.org.uk/transparency).

### Board effectiveness

The Board is undertaking its first effectiveness review in 2024 (after the end of the reporting period), having been established in January 2023. The results of this review will be reported in the next Annual Report and Accounts.

### Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee is a permanent sub-committee of the Board to support it and the Chief Executive as Accounting Officer in their responsibilities for risk, control and governance. It also oversees internal and external audit arrangements covering both financial and non-financial systems.

The ARAC was formed and met four times in the reporting period to review the ARIA's performance, the framework for assessing and managing controls, fraud and risk and the appointment of internal and external auditors.

The results of the internal audit team's work, including assurance ratings for individual audits and summaries on the progress of the implementation of agreed actions, are reported at each meeting. The ARAC reviewed the external audit planning work and final audit reports, which were delivered by the National Audit Office.

The Chair of the ARAC reported to the Board after each meeting.

### Remuneration Committee

The role of the Remuneration Committee is to ensure that remuneration arrangements, including senior pay strategy and succession planning for senior appointments support ARIA's aims and enable the recruitment, retention and performance of the leadership team and PDs. The committee will also support and inform ARIA's wider workforce strategies, including ensuring the organisation attracts, retains and develops diverse people at all levels, and provides an inclusive and equal opportunities working environment.

The RemCo also approves the performance related pay scheme and other remuneration and people related policies and issues. The RemCo met four times during the reporting period.

The Chair of the RemCo reported to the Board after each meeting.

### Ethics and Social Responsibility Committee

The Ethics and Social Responsibility Committee was established in March 2024 to support the Board and the Chief Executive by providing additional oversight on issues related to ethics and social responsibility. The ESRC's responsibilities include reviewing and sharing recommendations on the ethical and social responsibility aspects of ARIA's programmes and other funding calls.

# Corporate Governance Report continued

## Governance Statement

### Board and Committee attendance for the period 25 January 2023 to 31 March 2024

Board/Committee member	Board	Audit and Risk Assurance Committee	Remuneration Committee	Ethics and Social Responsibility Committee (established March 2024)
<b>Total meetings during the reporting period</b>	6	4	4	0
<b>Non-Executive Directors</b>				
Matt Clifford Chair	6	1 By invitation only	2 By invitation only	N/A
Dame Angela McLean Government Chief Scientific Adviser	2	N/A	N/A	N/A
Dame Kate Bingham Chair of RemCo	6	N/A	4	N/A
Stephen Cohen Chair of ARAC	6	4	N/A	N/A
Sarah Hunter Chair of ESRC	6	N/A	4	0
Sir David MacMillan	5	N/A	0	0
Sir Patrick Vallance	6	3	N/A	0
<b>ARAC Independent Member</b>				
Sue Hunt	N/A	4	N/A	N/A
<b>Executive Directors</b>				
Ilan Gur Chief Executive	6	4 By invitation only	4 By invitation only	0
Antonia Jenkinson Chief Financial & Operating Officer	6	4 By invitation only	4 By invitation only	0
Dan Cole Chief of Staff	6	N/A	N/A	0
Pippy James Chief Product Officer	5	1 As observer	N/A	0
<b>Observer</b>				
Jo Shanmugalingam Director General for Science, Innovation and Growth	2	N/A	N/A	N/A
Alex Jones Director General for Science, Innovation and Growth	4	N/A	N/A	N/A

# Corporate Governance Report continued

## Governance Statement

### Executive Team

The Executive Team (ET) convenes bi-weekly and is responsible for developing ARIA's strategy, annual plan (strategic objectives and budget) and ensures its delivery, with oversight from the Board. In addition, the ET is responsible for effective governance, financial stewardship, risk management, compliance, stakeholder management and ensuring the organisation has the appropriate culture and policies.

Executive Team member	Position	Date of appointment
Ilan Gur	Chief Executive	25 January 2023
Antonia Jackson	Chief Financial & Operating Officer	25 January 2023
Pippy James	Director of Product	i) 25 January 2023 – 28 February 2023 as contractor ii) Employee from 1 March 2023
Dan Cole	Chief of Staff	15 May 2023

# Risk management

ARIA is unique in its attitude to risk and aims to explore bold and innovative approaches to R&D. The ARIA Act 2022 states:

**“Ambitious research, development and exploitation: tolerance to failure... In exercising any of its functions under this Act, ARIA may give particular weight to the potential for significant benefits to be achieved or facilitated through scientific research, or the development and exploitation of scientific knowledge, that carries a high risk of failure.”**

ARIA recognises that appropriate risk optimisation is vital to achieving its mission and goals. To achieve this approach to risk, ARIA has established its processes to support the effective management and, in certain areas, acceptance of risk. ARIA encourages openness, challenge, innovation and excellence in embedding this approach to support decision making at all levels of the business.

## Risk strategy

ARIA has been established to be a “high risk, high reward” research funding agency. This risk appetite relates to its strategic delivery and scientific programmes (and underlying projects); there is lower risk tolerance for its corporate functions and operations such as legal, information management and financial exposure (such as fraud/expenses and compliance). ARIA will assess and closely monitor technical and programmatic risks post Programme Approval, whilst ensuring risk related opportunities are fully explored.

ARIA’s risk and strategic management are closely integrated, with risk considerations integrated into decision making around key areas such as organisational strategy, governance and assurance.

# Risk management continued

## Risk appetite

ARIA's risk appetite reflects the ambition to take on bold and high-risk R&D ventures, whilst retaining strict oversight and diligent approach to environmental, financial and security risks.

## High risk

### Strategic delivery

ARIA is set up to take an experimental approach, and in its startup phase it will place a high value on iterative learning. This means that we may take on operational risk if the value of fast learning (and potentially failing) merits doing so in pursuit of a more optimal long term solution.

### Expected programme and project results

The nature of the work ARIA funds is highly innovative and uncertain. In many cases, the programme proposals will be taking what looks like a "leap of faith" in terms of what's possible. This will be acceptable to ARIA so long as the societal benefit is both material and well articulated, and progress is well managed and evaluated.

## Medium risk

### Budgeting

Budgeting risks denote the possibility of underspend/overspend each year which can have knock-on effects to funding elsewhere in the department and HM Treasury. The ARIA model relies on giving programme managers freedom to cut projects and reallocate funds at short notice, optimising the likelihood of portfolio success at any given moment.

### Commercial

In commercial undertakings, we will exercise good business practice to protect the business and its ongoing growth and development. We will be prepared to take some risk where the strategic or scientific return merits this.

### Communications

In support of its strategic and programme goals, ARIA may decide to communicate in a manner perceived to be different or provocative, to engage a community or encourage ideas.

### Reputational risk

ARIA will deliberately seek to protect its reputation and brand as a trusted public body with all relevant stakeholders, recognising that ARIA's reputation and brand should reflect the higher risk appetite described in other parts of this framework.

## Low risk

### Health and Safety

The Health and Safety of all people (employees, contractors, visitors or members of the public) is paramount, and ARIA will mitigate these risks in line with all applicable legislation, taking into account shared best practice with similar research organisations.

### Security

ARIA will be an outward-facing Intellectual Property (IP) generating public sector research organisation that works in an international arena and is subject to security threats. ARIA will manage cyber, personnel and building security by continually monitoring these respective policies, processes, training and systems.

### Financial

ARIA will operate robust financial control systems to protect against fraud and other financial losses. ARIA will endeavour to minimise risks of fraud associated with financial transactions.

### Compliance with legislation

ARIA will operate strictly in accordance with all laws at all times. Any non-compliances identified will be addressed as soon as is reasonably practicable.

### Protection of the environment

ARIA will not take significant risks with regards to damage to the environment.

# Risk management continued

## Accountability and responsibility framework for risk management

Group	Responsibility	Frequency
ARIA Board	· Review and approve ARIA's risk appetite.	Annual review
	· Monitor ARIA's risks	Quarterly review of most critical risks
ARAC	· Review, oversight, assurance and challenge around ARIA's risks	Quarterly
ESRC	· Ethical and social responsibility risks	Three times a year
Executive Team / Functional Leads / Programme Directors	· Ownership and management of risks, opportunities and issues	Continuous, alongside quarterly deep dives and calibration

## Key strategic and operational risks

ARIA defined its risks in the following categories, based on areas of impact:

- Safety and Security
- Trust with Stakeholders
- Team and Culture
- Operational Excellence
- Focus

## Risk management continued

ARIA's current top strategic and operational risks are:

Risk description	Risk areas (primary and secondary)	Mitigations enacted	Risk appetite	Latest risk movement
<b>Top three strategic risks</b>				
Designing ARIA products, controls and processes may take longer than stakeholder expectations affecting future funding allocations	<b>Trust with Stakeholders</b> Focus	<ul style="list-style-type: none"> <li>· Communication with DSIT</li> <li>· Recruitment and empowering the PDs as quickly as possible</li> </ul>	Medium	→
PD attrition/dissatisfaction may lead to challenges with retention and recruitment	<b>Focus</b> Trust with Stakeholders	<ul style="list-style-type: none"> <li>· Rigorous selection process</li> <li>· Portfolio of mechanisms designed to maintain and improve PD satisfaction</li> </ul>	Medium	→
Solicitations do not elicit good quality bids	<b>Focus</b> Operational Excellence	<ul style="list-style-type: none"> <li>· Feedback from diverse eco system incorporated into processes</li> <li>· FAQ funding page available</li> <li>· Ongoing communications engagement and support</li> </ul>	Medium	→
<b>Top three operational risks</b>				
Cyber attack/malicious action from internal or external party	<b>Safety and Security</b> Operational Excellence	<ul style="list-style-type: none"> <li>· Portfolio of mitigating measures including Cyber Security Essentials certification, established policies and procedures, training and partnerships with IT providers</li> </ul>	Low	↑
Internal or external fraud, or misuse of funds	<b>Operational Excellence</b> Trust with Stakeholders Safety and Security	<ul style="list-style-type: none"> <li>· Policies, processes and systems in place</li> <li>· Fraud Risk Assessment and training for all staff</li> </ul>	Low	→
Systems/ways of working are not differentiated or not agile enough	<b>Operational Excellence</b> Focus	<ul style="list-style-type: none"> <li>· Portfolio of mitigating measures in form of working guides, training sessions, and ongoing tailoring of systems to meet ARIA's needs</li> </ul>	Medium	↓

## Assurance

ARIA's control environment is managed across three lines of defence: operational functions and support functions, functions that oversee or who specialise in compliance or the management of risk such as Legal or Finance, and functions that provide independent assurance such as Internal Audit.

### Counter-fraud, anti-bribery and anti-corruption

ARIA is committed to creating a transparent environment and has a policy framework in place covering counter-fraud, bribery and corruption. This policy provides guidance to staff and is reviewed regularly for relevance and clarity.

A fraud response plan, which involves regular fraud risk assessments, was developed during the reporting period to review the effectiveness of controls in place to give an accurate picture of the fraud risk across ARIA.

Counter-fraud continues to be promoted by the finance team through workshops and internal communications, with alignment with the Cabinet Office Government Functional Standard for Counter Fraud (GovS 013).

There were no instances of fraud, bribery or corruption reported during the reporting period. ARIA maintains a Gifts and Hospitality register to record all gifts or hospitality received or given.

### Internal audit

Mazars was appointed to provide ARIA's internal audit services in April 2023. An internal audit plan was formed that comprised a risk-based programme of work across a range of key control areas. The ARAC receives reports from the internal audit provider on the progress of its audits, final internal audit reports, including ARIA's management response to the findings (where appropriate) and the progress made in addressing any issues identified during the audits.

During the reporting period, four internal audits – on core financial controls, procurement, governance and data privacy – were undertaken. Three of these reports concluded with ratings of Substantial Assurance, with data privacy being scored as Moderate Assurance. This gave rise to 16 action points assessed as low priority by Mazars. At the end of the reporting period, five actions were completed, with 11 not yet due for completion. The overall opinion on the design of framework of governance, risk management, and control was Substantial in its overall adequacy and effectiveness.

### Health and Safety

A Health and Safety policy was implemented during the reporting period which sets out ARIA's approach to managing its responsibilities for Health and Safety throughout the organisation. Key to this is ensuring that all levels of the organisation understand the importance of Health and Safety and the role that each individual plays in contributing to this. All staff and contractors are required to complete mandatory Health and Safety awareness training, with additional support provided to encourage safe office and home working in the form of Display Screen Equipment (DSE) training and assessments.

ARIA conducts regular six-weekly Health and Safety review meetings, which monitors the level of incidents during the reporting period, examines training statistics and DSE referrals, and updates the Health and Safety risk log with any related mitigations. Several ARIA staff members have received first aid training and are acting as designated first aiders for the office. We also have a small contingent of mental health first aiders with more individuals to receive training in 2024. Fire Marshals have been established to ensure that all ARIA staff, operating partners, contractors and visitors are safely evacuated from the office premises in the event of a fire, after which the British Library's general evacuation process becomes active. Health and Safety risk assessments have been completed for both of ARIA's office facilities. Regular Health and Safety inspections are conducted in order to proactively identify and resolve any risks. There were no reportable injuries during the reporting period.

## Assurance continued

### Information security

Policies and procedures were implemented during the reporting period to manage information security and data protection effectively. These controls include access management protocols that restrict sensitive data access to authorised personnel only. Audits and monitoring mechanisms ensure compliance with security policies and regulatory requirements. Encryption methods are employed to safeguard data during transmission and storage. Additionally, employee communications and training programmes are conducted to emphasise the importance of data security and provide guidance on best practices.

Incident response procedures are in place to promptly address any security breaches or vulnerabilities, minimising potential damage. Continuous evaluation and improvement of these internal controls are undertaken to maintain the confidentiality, integrity, and availability of ARIA's data.

ARIA continues to enforce a robust security posture across its devices and systems. Devices are managed centrally with remote provision and wiping available when required. New app or system requests are passed through a rigorous internal assessment process to ensure that data residency and processing is kept within the UK/EEA when required and that ARIA's security requirements are met.

During the reporting period, ARIA was awarded with Cyber Essentials Plus certification. Future audits will be conducted to ensure that ARIA retains this recognised standard going forward.

### Data protection

ARIA has embedded data protection into our processes and systems by design and default, such that personal data is managed proactively, thoughtfully and in compliance with our legal obligations. ARIA's Data Protection Officer is a visible champion of the issue within the organisation, including through onboarding and periodic training.

ARIA has adopted a comprehensive set of data protection policies which set out ARIA's approach to data protection at an organisational level, the technical and organisational measures that personnel must deploy in their role, data retention and handling, when and how data protection impact assessments and transfer risk assessments must be carried out, and the proper handling of data subject access requests.

### Whistleblowing

ARIA has a whistleblowing policy which is available to all staff and operating partners. No whistleblowing claims were received during the reporting period.

# Remuneration and Staff Report

## Remuneration policy

ARIA maintains fairness and transparency in all aspects of remuneration, with appointments made on merit on the basis of fair and open competition. During the reporting period, ARIA has established its initial recruitment policies and processes which have been overseen and approved by the RemCo.

The remuneration of Non-Executive Directors appointed to the ARIA Board and the Chief Executive is set by the Secretary of State for DSIT in accordance with the ARIA Act 2022.

The RemCo advises the Chair who determines the overall remuneration package for Executive Directors (excluding the Chief Executive) after consulting with the other Non-Executive Directors and with the consent of the Secretary of State.

The RemCo also advises the Board on the overall remuneration package for PDs.

In reaching its recommendations, the RemCo has regard to the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities, the evidence it receives about wider economic considerations and the affordability of its recommendations.

The remuneration of those who serve on the ARIA Board is disclosed within this report.

## Service contracts

As per the ARIA Act 2022, the first Chief Executive is appointed by the Secretary of State for DSIT. Thereafter the appointments of the Chief Executive and the Executive Directors are to be proposed by the Chair after consulting with the Non-Executive Directors, and with the consent of the Secretary of State, which can only be withheld in the interests of national security.

The Chief Executive is on a two-year fixed term contract that has been renewed for at least a further year. The other Executive Directors are on open-ended appointments.

The notice period for the Chief Executive and Chief Financial & Operating Officer is three months and one month for other Executive Directors. Each Executive Director remained in post from the date of their appointment to 31 March 2024.

## Remuneration – audited information

The following table shows the remuneration of Executive Board members on an annual basis and during the reporting period, including the details of their salary, allowances, performance related pay and pension entitlements.

### Annual values – for the 12 months to 31 March 2024

Name	Start date	Salary & allowances in bands of £5,000	Performance related pay in bands of £5,000	Pension benefits to nearest £1,000	Total remuneration in bands of £5,000
Ilan Gur* Chief Executive	25 January 2023	385–390	45–50	19	455–460
Antonia Jenkinson Chief Finance & Operating Officer	25 January 2023	180–185	20–25	9	215–220
Pippy James Chief Product Officer	1 March 2023	145–150	20–25	7	175–180
Dan Cole Chief of Staff	15 May 2023	120–125 (full-year equivalent 135–140)	15–20	6 (full-year equivalent 7)	140–145

\* Note that salary and allowances for Ilan Gur includes travel allowance of £5–10k.

# Remuneration and Staff Report continued

## Account period values – for the reporting period 25 January 2023 to 31 March 2024

Name	Start date	Salary and allowances in bands of £5,000	Performance related pay in bands of £5,000	Pension benefits to nearest £1,000	Total remuneration in bands of £5,000
Ilan Gur* Chief Executive	25 January 2023	470–475	85–90	23	580–585
Antonia Jenkinson Chief Finance & Operating Officer	25 January 2023	215–220	25–30	11	255–260
Pippy James Chief Product Officer	1 March 2023	160–165	20–25	8	185–190
Dan Cole Chief of Staff	15 May 2023	120–125	15–20	6	140–145

\* Note that salary and allowances for Ilan Gur includes travel allowance of £10–15k. Ilan Gur's employment with ARIA began on 25 January 2023 and his previous employment with BEIS as Chief Executive for ARIA is to be counted as continuous employment from 15 August 2022, therefore, travel allowance and accrued performance related pay is for the period from 15th August 2022 to 31 March 2024.

### Salary

Salary includes gross salary and travel allowances.

### Performance related pay

ARIA'S performance related pay policy has been approved by the ARIA Board and DSIT. Performance Related Payments (PRP) are discretionary (non-contractual), subject to available funding and require RemCo approval every year.

The performance related pay for Executive Directors is calculated, as with all staff, in accordance with performance against agreed objectives, skills and behaviours and evaluated on an annual basis in line with the financial year. For the Chief Executive these objectives are determined by the Chair of the ARIA Board, with recommendations from the Remuneration Committee. The Chief Executive sets the objectives for other Executive Directors.

PRPs reflect performance levels attained as assessed during the appraisal process. Payments are non-consolidated and non-pensionable. Amounts shown are estimated and accrued and will be paid in 2024/25.

### Pension benefits

Pension benefits are employer only, as accrued during the reporting period, in ARIA's defined contribution scheme.

### Benefits-in-kind

No Executives covered by this report received any benefits in kind during the reporting period.

### Expenses

All staff are reimbursed for reasonable business expenses incurred in line with ARIA expense policy.

### Fair Pay disclosure – audited information

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid Director in their organisation as shown above, and the lower quartile, median and upper quartile remuneration of the organisation's workforce. This is shown on page 33.

Total remuneration includes salary, allowances and accrued performance-related pay. It does not include employer pension contributions.

As this is the first year that ARIA is in operation, it is not possible to include all disclosures such as the prior year comparatives in respect of the highest paid Director, nor the changes year on year in respect of the pay ratio.

## Remuneration and Staff Report continued

Annualised figures for the 12 months from 1 April 2023 to 31 March 2024 are shown for greater transparency.

£000s	2023/2024	
	Total remuneration	Ratio to highest paid Director's remuneration
Remuneration banding for highest-paid Director	£435,000 – £440,000	
75th centile employee	£138,875	3.2:1
Median employee	£103,750	4.2:1
25th centile employee	£73,500	6.0:1
Remuneration range	£57,000 – £57,500 to £435,000 – £440,000	
		Salary component
		£380,000 – £385,000
		£123,750
		£94,500
		£66,000
		£45,000 – £50,000 to £380,000 – £385,000

In 2023/24, no employees received remuneration in excess of the highest paid Director. Annualised total remuneration ranged from £57k–£57.5k to £435k–£440k.

### Pension benefits

Employees of ARIA are eligible to participate in a defined contribution pension scheme, which is managed on ARIA's behalf by Smart Pension. Employees are automatically enrolled in the pension scheme on their first day of employment unless they decide to opt out. The employer makes a basic contribution of 5%. Employee contributions are made via salary sacrifice arrangements at a minimum rate of 3%.

For the reporting period ending 31 March 2024, employer contributions of £104k were paid.

No Non-Executive Member received a pension benefit from ARIA during the reporting period under review.

### Life assurance

We have implemented a life assurance policy for all our employees as this does not form a part of the ARIA defined contribution pension scheme benefits.

### Remuneration of the Board and independent member – audited information

Membership details of the Board and the independent member are detailed in the Governance Statement.

Below are the annual fees paid to the Non-Executive Board members and the independent member in the reporting period to 31 March 2024.

	25 January 2023 to 31 March 2024 in bands of £5,000	Full year equivalent in bands of £5,000
Matthew Clifford	30–35	25–30
Stephen Cohen	15–20	15–20
Sarah Hunter	15–20	10–15
Sir David MacMillan	15–20	10–15
Sir Patrick Vallance	5–10	10–15
Susan Hunt	5–10	5–10
Dame Angela McLean	—	—
Dame Kate Bingham	—	—

# Remuneration and Staff Report continued

## Staff report

### Staff numbers – audited information

The FTE number of persons at 31 March 2024 was as follows:

Category of staff	Number of staff	FTE
Permanent	25	25
Fixed-term	6	5.6
Secondees	4	3.2
Temporary / Contractors	2	2
<b>Total staff</b>	<b>37</b>	<b>35.8</b>

The average number of FTE staff during the reporting period to 31 March 2024 was as follows:

Staff	25 January 2023 to 31 March 2024 Total	12 months to 31 March 2024 Total
Permanent	9.2	11.2
Fixed-term	4.6	5.5
Secondees	5.1	5.0
Temporary/Contractors	3.4	3.6
<b>Total</b>	<b>22.3</b>	<b>25.3</b>

The number of staff-in-post (headcount) by gender as at 31 March 2024 was as follows:

Staff	Male	Female	Non-binary	Total
Executive members of the Board and its committees	2	2	0	4
Directors (excluding executive members of the Board)	2	2	0	4
Other	10	17	2	28
<b>Total staff</b>	<b>14</b>	<b>21</b>	<b>2</b>	<b>37</b>
Non-Executive Directors of the Board and its committees	4	4	0	8

Staff, as set out above, includes employees (permanent and fixed term), secondees and temporary/contractors.

### Early departure costs – audited information

There were no early departures or compulsory exits in 2023/24.

## Remuneration and Staff Report continued

### Staff costs – audited information

Staff costs consists of the following:

	25 January 2023 to 31 March 2024			2023/24		
	Permanently employed staff £000	Others £000	Total £000	Permanently employed staff £000	Others £000	Total £000
Wages and salaries	1,290	2,192	3,482	1,249	1,887	3,136
Social security costs	160	191	351	156	168	324
Pension costs	53	144	197	52	118	170
Total	1,503	2,527	4,030	1,457	2,173	3,630
Non-Executive Director fees			108			93
<b>Total staff costs</b>	<b>1,503</b>	<b>2,527</b>	<b>4,138</b>	<b>1,457</b>	<b>2,173</b>	<b>3,723</b>

'Permanently employed staff' comprises staff employed on a permanent basis. 'Others' includes staff employed directly on a fixed term basis, agency staff and inward secondments.

### Sickness absence data

Data is only available from the date of launching our full HR Information System in December 2023 (prior to this date any sickness absence was minimal).

The total FTE days lost through staff sickness absence in the reporting period was 15.5. The average working days lost per employee during the reporting period was 0.53 FTE; these were all short-term sickness absences of five days or less.

### Off payroll engagements

The tables below present data on our off-payroll engagements. Off-payroll engagements refer to workers who are paid off-payroll, without deducting tax and national insurance at source, typically contractors.

#### Highly paid off-payroll worker engagements as at 31st March 2024, earning £245 per day or greater

Number of existing engagements as at 31st March 2024	1
Of which, number that have existed:	
Less than 1 year	1

#### All highly paid off-payroll workers engaged at any point during the reporting period ended 31st March 2024, earning £245 per day or greater at ARIA

No. of all off-payroll workers engaged during the reporting period ended 31st March 2024	7
Of which, not subject to off-payroll legislation	0
Of which, subject to off-payroll legislation and determined as in-scope of IR35	1
Of which, subject to off-payroll legislation and determined as out-of-scope of IR35	6
No. of engagements reassessed for compliance or assurance purposes during the reporting period	0
Of which, No. of engagements that saw a change to IR35 status following review	0

### Expenditure on consultancy

Expenditure on consultancy in the reporting period to 31 March 2024 was £684k. This expenditure primarily relates to legal and communications consultancy services.

# Parliamentary Accountability and Audit Report

## Regularity of expenditure – audited information

We have considered all our activities during the reporting period and confirm that they are in accordance with the legislation authorising them.

## Losses and special payments – audited information

There were no losses or special payments that need to be reported in accordance with Managing Public Money.

## Remote contingent liabilities – audited information

In addition to contingent liabilities reported within the meaning of IAS 37, Provisions, Contingent Liabilities and Contingent Assets, ARIA discloses, for parliamentary reporting and accountability purposes, liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of a contingent liability. As at 31 March 2024 there are nil to report.

## Audit fees – audited information

The accounts of ARIA are audited by the Comptroller and Auditor General under the ARIA Act 2022. The audit fee charged was £60,000. The auditors did not provide any non-audit services.

The auditors have been provided with all relevant audit information necessary to complete their audit and the Accounting Officer has taken all of the necessary steps to ensure that the auditors are aware of any relevant information.



**Ilan Gur**

Chief Executive and Accounting Officer

Date: 8 July 2024

# The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

## Opinion on financial statements

I certify that I have audited the financial statements of the Advanced Research and Invention Agency for the period ended 31 March 2024 under the Advanced Research and Invention Agency Act 2022.

The financial statements comprise the Advanced Research and Invention Agency's:

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the period then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adapted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Advanced Research and Invention Agency's affairs as at 31 March 2024 and its comprehensive net expenditure for the period then ended; and
- have been properly prepared in accordance with the Advanced Research and Invention Agency Act 2022 and Secretary of State directions issued thereunder.

## Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I am independent of the Advanced Research and Invention Agency in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Advanced Research and Invention Agency's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Advanced Research and Invention Agency's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Advanced Research and Invention Agency is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

## Other information

The other information comprises information included in the Annual Report but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

# The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament continued

## Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Advanced Research and Invention Agency Act 2022.

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Advanced Research and Invention Agency Act 2022; and
- the information given in the Performance Report and Accountability Report for the financial period for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

## Matters on which I report by exception

In the light of the knowledge and understanding of the Advanced Research and Invention Agency and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Advanced Research and Invention Agency or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Advanced Research and Invention Agency from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the Advanced Research and Invention Agency Act 2022;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the Advanced Research and Invention Agency Act 2022; and
- assessing the Advanced Research and Invention Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Advanced Research and Invention Agency will not continue to be provided in the future.

## Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Advanced Research and Invention Agency.

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

# The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament continued

## Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

## Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Advanced Research and Invention Agency's accounting policies.
- inquired of management, the Advanced Research and Invention Agency and those charged with governance, including obtaining and reviewing supporting documentation relating to the Advanced Research and Invention Agency's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Advanced Research and Invention Agency's controls relating to the Advanced Research and Invention Agency compliance with the Advanced Research and Invention Agency Act 2022 and Managing Public Money;
- inquired of management, the Advanced Research and Invention Agency's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Advanced Research and Invention Agency for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Advanced Research and Invention Agency's framework of authority and other legal and regulatory frameworks in which the Advanced Research and Invention Agency operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Advanced Research and Invention Agency. The key laws and regulations I considered in this context included the Advanced Research and Invention Agency Act 2022, Managing Public Money, and relevant employment, pensions and tax legislation.

## Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management and the Audit and Risk Assurance Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

# The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament continued

## **Other auditor's responsibilities**

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

## **Report**

I have no observations to make on these financial statements.

## **Gareth Davies**

Comptroller and Auditor General

National Audit Office  
157–197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

# 4

# Financial Statements

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# Statement of Comprehensive Net Expenditure

for the period 25 January 2023 to 31 March 2024

	Note	31 March 2024 £000
Staff costs	2	4,138
Other operating expenditure	3	4,408
Depreciation and loss on disposal	4	30
<b>Net operating expenditure</b>		<b>8,576</b>
Finance income		—
Finance expense		—
<b>Comprehensive net expenditure for the year</b>		<b>8,576</b>

The notes on pages 46 to 50 form part of these financial statements

# Statement of Financial Position

as at 31 March 2024

	Note	31 March 2024 £000
<b>Non-current assets</b>		
Property, plant and equipment	4	96
<b>Total non-current assets</b>		<b>96</b>
<b>Current assets</b>		
Trade and other receivables	5	169
Cash and cash equivalents	6	1,726
<b>Total current assets</b>		<b>1,895</b>
<b>Total assets</b>		<b>1,991</b>
<b>Current liabilities</b>		
Trade and other payables	7	(1,192)
<b>Total current liabilities</b>		<b>(1,192)</b>
<b>Total assets less current liabilities</b>		<b>799</b>
<b>Taxpayers' equity and other reserves</b>		
General fund		(799)
<b>Total equity</b>		<b>(799)</b>

The notes on pages 46 to 50 form part of these financial statements



**Ilan Gur**

Chief Executive and Accounting Officer

Date: 8 July 2024

# Statement of Cash Flows

for the period 25 January 2023 to 31 March 2024

	Note	31 March 2024 £000
<b>Cash flows from operating activities</b>		
Total comprehensive net expenditure		(8,576)
<b>Adjustments for non-cash items:</b>		
Increase in Trade and other receivables	5	(169)
Increase in Trade and other payables	7	1,192
Depreciation	4	29
Loss on disposal of non-current assets	4	1
Net cash outflow from operating activities		(7,523)
<b>Cash flows from investing activities</b>		
Purchase of Fixed Assets	4	(126)
Net cash outflow from investing activities		(126)
<b>Cash flows from financing activities</b>		
Grant-in-aid received from sponsoring department		9,375
Net cash inflow from financing activities		9,375
Net increase in cash and cash equivalents		1,726
Cash and cash equivalents at beginning of the year		–
<b>Cash and cash equivalents at end of the year</b>	<b>6</b>	<b>1,726</b>

The notes on pages 46 to 50 form part of these financial statements

# Statement of Changes in Taxpayers' Equity

for the period 25 January 2023 to 31 March 2024

	General reserve £000	Total reserves £000
<b>Balance at 25 January 2023</b>	—	—
Grant in aid from DSIT	(9,375)	(9,375)
Net expenditure for the period	8,576	8,576
<b>Balance at 31 March 2024</b>	<b>(799)</b>	<b>(799)</b>

The notes on pages 46 to 50 form part of these financial statements

# Notes to the Financial Statements

## 1. Statement of Accounting Policies

ARIA is an executive non-departmental public body, sponsored by the Department for Science, Innovation and Technology (DSIT). The principal accounting policies applied in the preparation of these financial statements are set out below.

### 1.1 Basis of accounting

These financial statements have been prepared on a going concern basis in accordance with the Government Financial Reporting Manual (FReM) issued by HM Treasury which is updated annually. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of ARIA for the purpose of giving a true and fair view has been selected. The particular policies adopted by ARIA are described below. We have applied these policies consistently in dealing with items that are considered material to the accounts.

The financial statements are prepared in sterling and rounded to the nearest £000.

### 1.2 Grant in aid

In line with the FReM, grant-in-aid for revenue purposes from DSIT (the controlling body) are recognised as a financing flow and thus credited to the General Reserve and is recognised in the reporting period in which it is received.

### 1.3 Plant and equipment

Plant and equipment comprises single assets and are capitalised at cost on an accruals basis, provided that it is probable that the future economic benefit associated with the item will flow to ARIA. A capitalisation threshold of £500 is applied to all asset classes. Expenditure below this value is charged as an expense in the Statement of Comprehensive Net Expenditure.

### 1.4 Depreciation

Depreciation is provided on a straight line basis over the estimated useful life of the asset as follows:

Asset class	Useful life
Computer equipment	3 years
Fixtures and fittings	3 years

Depreciation is charged in full in the month of acquisition on the date it was brought into service.

### 1.5 Leased assets

ARIA has adopted IFRS 16, in line with FReM requirements. At the inception of a contract ARIA assesses whether a contract contains a lease. A contract contains a lease if the contract conveys the right for ARIA to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, ARIA assesses whether:

- The asset is greater in value than ARIA's capitalisation threshold, which is £500.
- The contract involves the use of an identified asset, which is physically distinct or represents substantially all of the capacity of a distinct asset and there are no substantive substitution rights.
- The contract conveys the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use.
- The lessee has the right to direct the use of the asset.

ARIA has assessed all of its contracts and determined that it does not have any leases as defined by IFRS 16.

### 1.6 Grants payable

Grant expenditure is recognised in the period in which eligible activity creates an entitlement in line with the terms and conditions of the grant.

No grants were awarded during the reporting period.

### 1.7 IFRS 17 Insurance contracts

ARIA has determined that it has no contracts that will be impacted by the implementation of IFRS 17, which requires insurance contract liabilities to be calculated as the present value of future insurance cash flows with a provision for risk.

### 1.8 Value added tax

ARIA is not registered for VAT as it does not provide taxable supplies. All expenses are therefore presented inclusive of VAT.

### 1.9 Currency

The functional and presentational currency of ARIA is sterling.

## Notes to the Financial Statements continued

### 1.10 Pensions

Employees of ARIA are eligible to participate in a defined contribution pension scheme, which is managed on the Agency's behalf by Smart Pension. Employees are automatically enrolled in the pension scheme on their first day of employment unless they decide to opt out. The costs of ARIA's employer's contributions to this scheme is recorded as expenditure in the Statement of Comprehensive Net Expenditure.

### 1.11 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand held with the Government Banking Service, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less.

The carrying amount of these assets approximates their fair value.

### 1.12 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are non-interest bearing and recognised initially at fair value.

Other payables represent money owing to third parties at the reporting date.

### 1.13 Provisions

ARIA makes provision for liabilities and charges in accordance with IAS 37 where a legal or constructive liability (i.e. a present obligation arising from past events) exists, the transfer of economic benefits is probable, and a reasonable estimate can be made.

Provisions for liabilities are based on reliable estimates of the expenditure required to settle future legal or constructive obligations that exist. Provisions are charged to the Statement of Comprehensive Net Expenditure and released when the transfer of economic benefit to settle the obligation is made.

### 1.14 Foreign exchange

Transactions designated in foreign currencies are translated into pounds sterling at the rate of exchange prevailing at the transaction date. Monetary assets and liabilities designated in foreign currencies are translated at the rates prevailing at the reporting date with the resulting profit or loss recognised in the Statement of Comprehensive Net Expenditure for the reporting period.

### 1.15 Segmental analysis

A segment is a distinguishable component of the organisation that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), and is subject to risks and rewards that are different from those of other segments.

ARIA has no separate reportable business segments and all its funding is received from one UK source, therefore, no analysis of ARIA's activities has been presented.

### 1.16 Corporation tax

ARIA is subject to corporation tax on taxable profits from trading activities. No corporation tax is payable as ARIA did not undertake any trading activities during the reporting period.

### 1.17 Critical accounting estimates and judgements

The Chief Executive, in his capacity as Accounting Officer, uses judgement in making estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the accounting period in which the estimate is revised, and if the revision also affects future periods in these periods as well. In reviewing these estimates, we consider the extent to which these could possibly vary and whether such a variation could indicate the need for a material adjustment to the accounts. There is nothing in the current review to indicate that a variation of a material amount could arise.

Critical judgements that have the most significant effect on the amounts recognised in the financial statements are considered to be accrued expenditure.

### 1.18 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities would be recognised in the balance sheet if ARIA became a party to the contractual provisions of an instrument.

ARIA has no borrowings and relies on grant in aid from DSIT for its cash requirements and is therefore not exposed to liquidity risks. All material assets and liabilities are denominated in sterling so it is not exposed to significant currency risk.

## Notes to the Financial Statements continued

### 2. Staff costs

	Permanently employed staff £000	Other £000	31 March 2024 £000
Wages and salaries	1,290	2,192	3,482
Social security costs	160	191	351
Other pension costs	53	144	197
<b>Total</b>	<b>1,503</b>	<b>2,527</b>	<b>4,030</b>
Non-Executive Director fees			108
<b>Total staff costs</b>	<b>1,503</b>	<b>2,527</b>	<b>4,138</b>

### 3. Other operating costs

	31 March 2024 £000
HR, training and recruitment costs	637
Legal and professional costs	450
IT costs	791
Rent and building costs	580
Engagement and communications costs*	988
Programme management costs**	603
Travel and subsistence costs	139
External audit fees	60
Internal audit fees	40
Research and development advisory costs	120
<b>Total spend</b>	<b>4,408</b>

\* Engagement and communications costs include outsourced strategic communications advice and support, as well as costs incurred in hosting events and workshops during the reporting period.

\*\* Programme management costs relate to specialist support to ARIA's Programme Directors, in the form of expertise and personnel to develop and deliver research solicitation design and grant/contract awards.

## Notes to the Financial Statements continued

### 4. Property, plant and equipment

	Fixtures and fittings £000	Computer equipment £000	Total £000
<b>Cost</b>			
At 25 January 2023	—	—	—
Additions	1	125	126
Disposals	—	(1)	(1)
At 31 March 2024	1	124	125
<b>Depreciation</b>			
At 25 January 2023	—	—	—
Charged in year	—	(29)	(29)
Disposals	—	—	—
At 31 March 2024	—	(29)	(29)
<b>Carrying amount at 31 March 2024</b>	<b>1</b>	<b>95</b>	<b>96</b>

### 5. Trade and other receivables

	31 March 2024 £000
Prepayments	165
Deposits	4
<b>Total receivables</b>	<b>169</b>

Prepayments predominantly comprise software licences.

### 6. Cash and cash equivalents

	31 March 2024 £000
Balance at 25 January 2023	—
Net change in cash and cash equivalent balances	1,726
<b>Balance at 31 March</b>	<b>1,726</b>
The following balances were held at 31 March	
Government banking service	1,726
<b>Total cash and cash equivalents</b>	<b>1,726</b>

# Notes to the Financial Statements continued

## 7. Trade and other payables

	31 March 2024 £000
Trade payables	71
Accruals	957
Social security and other taxation	155
Other payables	9
<b>Total trade and other payables</b>	<b>1,192</b>

Accruals include accrued expenditure in respect of amounts due to operating partners for the provision of communications, programme management and legal services, and fees for seconded staff, as well as other operating expenditure accruals, including employee benefits accruals in respect of performance related pay and untaken annual leave.

ARIA considers the carrying amount of trade and other payables approximates to their fair value.

## 8. Commitments

### Capital commitments

ARIA has no contractual capital commitments as at 31 March 2024.

### Other financial commitments

ARIA has no non-cancellable contracts as at 31 March 2024.

## 9. Contingent assets and liabilities

ARIA has no contingent assets or liabilities.

## 10. Related party transactions

ARIA is an Arm's Length Non-Departmental Body sponsored by DSIT, which is regarded as a related party.

During the reporting period, ARIA had various material transactions with DSIT and other entities within the DSIT group, including Innovate UK and UK Space Agency. These transactions primarily relate to information technology services and personnel on secondment to support ARIA's initial launch of operations. In accordance with the FR&M IAS24 Related Party Disclosures interpretation, details of these transactions are not disclosed.

No Board member, key management personnel or other related party has undertaken any transactions with ARIA during the year, except for remuneration as disclosed in the Remuneration and Staff Report.

## 11. Events after the reporting period

These accounts have been authorised for issue by the Accounting Officer on the date the audit certificate and report were signed by the Comptroller and Auditor General.



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