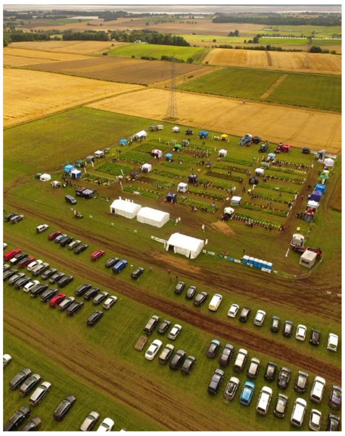
Annual Review 2021/22

The James Hutton Institute


NEFERTITI
FARM DEMO


CAPITOL
LGBT+


LECTURE




Completion due 2024
INTERNATIONAL BARLEY HUB
ADVANCED PLANT GROWTH CENTRE
Scottish Government
HM Government
TAYCITIES
The James Hutton Institute
World Leading Research and Innovation Centres at the heart of Tayside


Riddarhyttan
2000
The National Soils Archive is held at the James Hutton Institute site at Craigiebuckler in Aberdeen. It contains around 60,000 air-dried soil samples collected from 1934 to the present, from around 15,000 locations.
The samples are representative of soil in the archive.
Soil Survey of Scotland

A Summary from the Chief Executive

Our plans during financial year 2021/22 remained somewhat constrained due to the continued impact of the COVID-19 pandemic, although the impact lessened as the year progressed. Our confidence about a sustained move back towards normal operations increased as the year progressed, with both our activity levels and our research partners' and funders' activity levels increasing steadily, culminating in a stronger final quarter. In support of our people, the remote working arrangements established by necessity during COVID-19 have transitioned into ongoing hybrid working arrangements for those employees whose roles permit them to work more flexibly, and this is a welcome positive development out of an otherwise difficult period. To the greatest degree possible in the circumstances, we continued during 2021/22 to pursue the application of our science to help address the global challenges specifically related to the use of land and natural resources. Some of our planned activities still could not take place exactly in the manner or to the degree originally envisaged, particularly where these necessarily required travel to research sites, where work could not satisfactorily or fully be undertaken remotely, and where our work or our partners' work suffered various COVID-related disruptions that slowed or interrupted activity. We nonetheless delivered the great majority of our planned research with many significant research deliverables, publications, and further progress in sustaining and building on our Scottish, UK and global collaborations.

The promise of the Tay Cities Region Deal (TCRD) investment started to become more real during 2021/22. Having purchased the Invergowrie site in March 2021, we were able to move construction forwards rapidly during the year, with essential enabling works starting in April 2021, including a new site access road as one the key initial deliverables, both to improve future access to the site but as importantly, allowing us to keep significant construction traffic away from the Invergowrie roads. Construction of the new barley research facilities and research farm hub then commenced, and these buildings were well-progressed by the financial year end, and operational after the year end, in October 2022.

Our gross income increased from £39m in 2020/21 to just under £52m in 2021/22, driven most significantly by £14m of capital income recognised in relation to TCRD, plus £1m recognised in relation to non-recurring capital grant income from Scottish Government. Expenditure of £35.6m was lower than last year's £38.4m, with the decrease largely attributable to last year's £4.7m write-down of assets associated with the transfer of the Invergowrie site into Hutton ownership. Expenditure was otherwise slightly higher than last year, reflecting a move back to more normal operating levels, albeit with a continued focus on cost control.

The significant increase in capital income meant we reported a surplus of £16m for 2021/22, compared to the 2020/21 surplus of just under £1m.

While the increase in our reported income and surplus are very welcome, they do not reflect underlying revenue growth, nor any step change in our capacity to generate and sustain an ongoing operating surplus. Notwithstanding the significant capital inflow to date, it remains challenging to secure sufficient revenue grants and generate other income to support pay and non-pay costs, which began to increase rapidly after the year end. Our scientific facilities also remain costly to maintain, and most public research funding is at lower than the full economic cost of providing that research. We hope that the ongoing capital investment will provide the platform for us to secure additional income in future years, once the facilities are in use.

During 2021/22, our wholly-owned commercial trading subsidiary, James Hutton Limited (JHL) remained a key element of our strategy to reduce the reliance of the Institute on government funding and to increase our revenues from income sources that provide a contribution to Institute activities funded at less than full cost. JHL's Analytical Services division, which was the area most affected during the COVID-19 disruption due to decreased customer activity, achieved a particularly strong full year outturn, with demand for its services picking up consistently during the final quarter. Plant Breeding and Licensing & Sales similarly showed strong recoveries, although Contract Research & Consultancy Services experienced lower activity than hoped for. JHL's £900k year on year increase in total income to £4.3m for 2021/22 is a strong position from which to consolidate performance and aim to grow further during 2022/23.

Hutton's purpose has become ever more important in the recent period, in the context of interlinked global crises around climate, nature and food and energy security. While there remain many uncertainties due to the challenging national and global economic outlook, including the prospect of challenging public funding settlements, we have a key national and international role to play, and we are optimistic about our prospects.

Professor Colin Campbell
Chief Executive

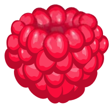
Finance

Where does the money come from?

Total income: £51.7 million

44%
Scottish Government (RESAS)

27%
Tay Cities Deal



15%
Research grants & contracts

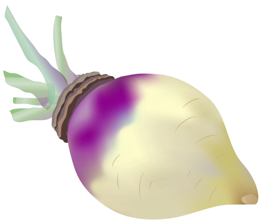
9%
Trading income from subsidiaries

3%
Other income

2%
Capital

Where is the money spent?

Total expenditure: £35.7 million



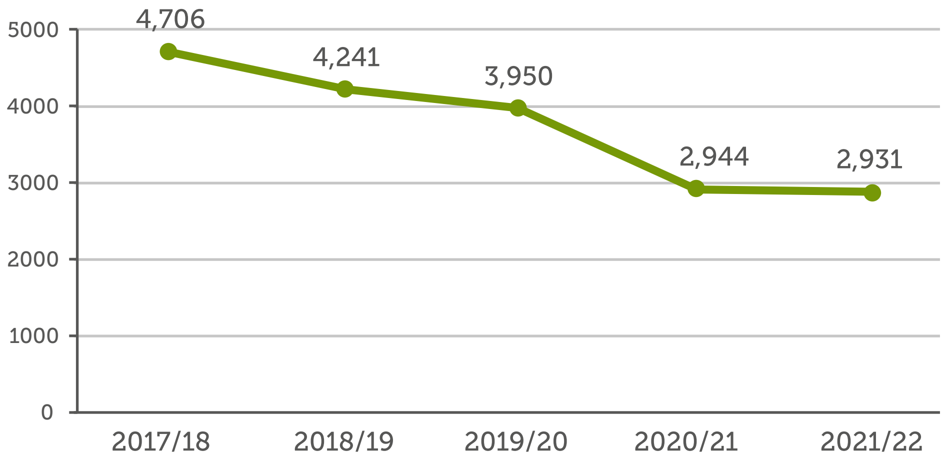
63%
Staff costs

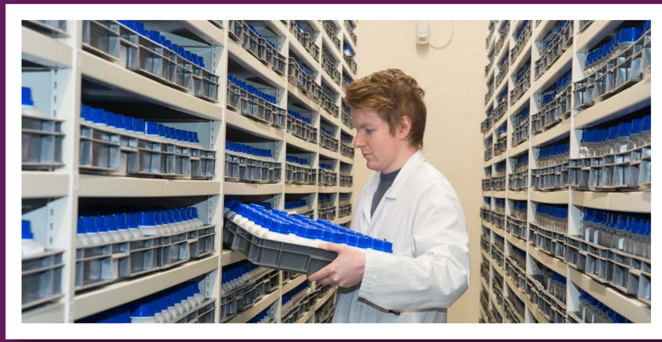
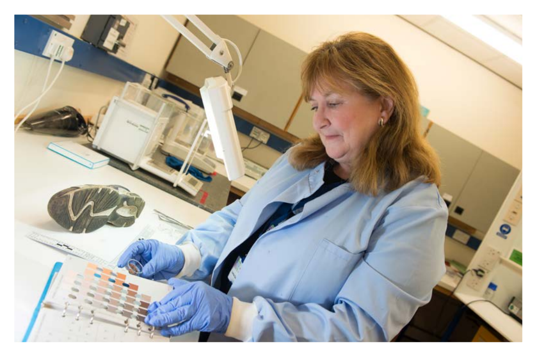
19%
Scientific consumables

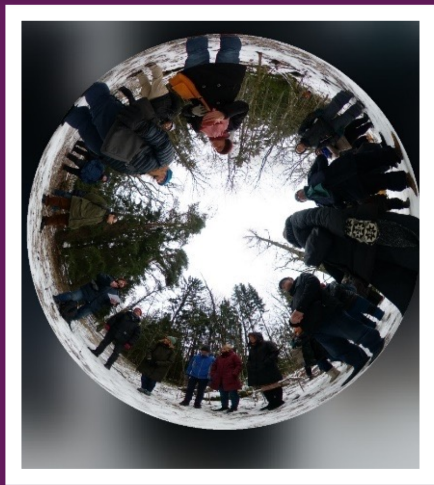
14%
Other costs

4%
Depreciation

Institute CO_2 emissions (tonnes CO_2 equivalent)









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