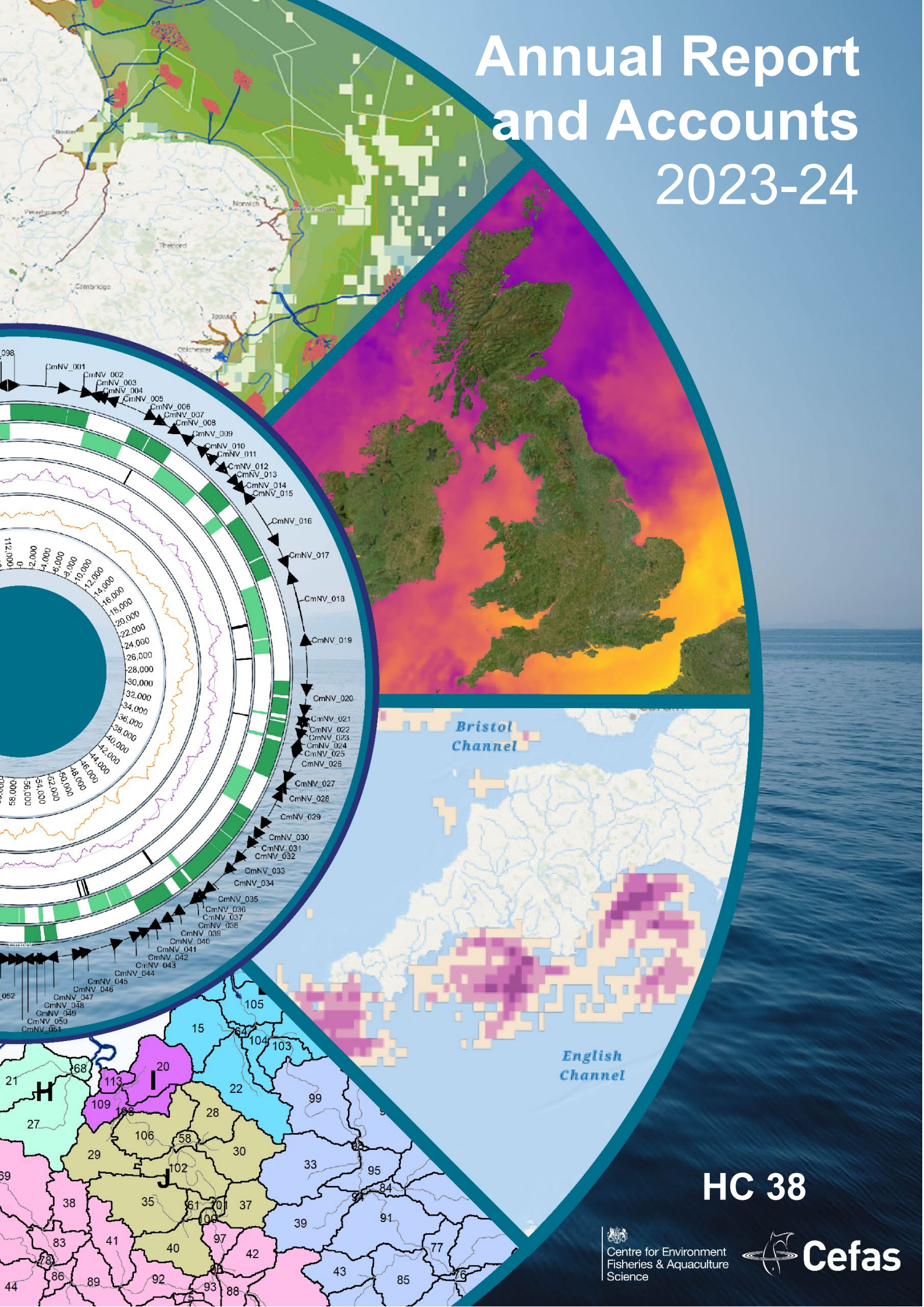


Annual Report and Accounts 2023-24



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Image 5: © Crown Copyright 2024. PATH-SAFE hydrological model of Taw-Torridge catchment.

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**Centre for Environment, Fisheries
& Aquaculture Science**

Annual Report and Accounts 2023-2024

For the period 1st April 2023 to 31st March 2024

Presented to the House of Commons pursuant to Section
7 of the
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Ordered by the House of Commons to be printed on 25th
July 2024

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PERFORMANCE REPORT



Performance Report

Chief Executive Statement Summary of 2023-2024

Applying our science to address the triple threat of climate change, biodiversity loss and pollution to our marine and freshwater ecosystems remains our critical focus. Cefas' data, science, analysis and advice all play a fundamental role in enabling governments to sustainably manage our rivers, seas and the ocean; helping to mitigate the serious impact of these threats. These precious aquatic environments are under growing pressure from environmental change and increasing human impact. In the last year, we have witnessed a series of global marine heatwaves, with average global sea temperatures exceeding their highest ever levels according to the EU's Copernicus Climate Service. Here in the UK, Cefas reported sea temperatures several degrees higher than average through April-June 2023 and notably in September 2022 we recorded a UK sea temperature record of 21°C at South Knock WaveNet site in the southern North Sea.

This report highlights how our science has supported the UK government's priorities set out in the Environmental Improvement Plan and the sustainable management of our fisheries outside the EU. It also demonstrates how we are enabling the transition to net zero and supporting the

sustainable growth of marine industries, including offshore marine renewables and the seafood and aquaculture sector, where we play a vital role in protecting aquatic animal health and maintaining food safety. Cefas scientists also played an important role in the preparation of the OSPAR Quality Status Report (QSR) this year. This international assessment of the environmental status of the North-East Atlantic showed that environmental quality had improved in some aspects, particularly in relation to pollution levels, but biodiversity decline and habitat degradation continues.

Globally, we continue to work with partners around the world to increase scientific collaboration and build capacity to manage marine and freshwater ecosystems. This has included a greater role in UK government funded Official Development Assistance (ODA) projects helping to achieve poverty alleviation through nature recovery, reducing pollution and improving climate resilience. In September 2023, the Cayman Islands joined the Blue Belt Programme, further extending the impact of this flagship UK programme, towards its aim of protecting and managing UK Overseas Territories' (UKOT) unique marine environments. In February 2024, I was proud to hear this ambitious programme recognised by His Majesty King Charles III, in his opening message to a three-day Blue

Belt Symposium, bringing partners together to celebrate progress and plan for a shared future.

Artificial intelligence and other innovative tools and techniques, have the potential to revolutionise how we collect, analyse and interpret data as well as offering wholly new insights into the changes we are seeing in our marine and freshwater environments. Over the last year, we have made some significant steps forward in this area, including through our partnership with the Alan Turing Institute, through which we have been trialling the use of artificial intelligence in areas of our work including plankton classification, sea bed monitoring using underwater cameras, and remote electronic monitoring of fisheries catches. Developments in technology are also a critical part of our developing plans to replace the capability of our current research vessel, the Cefas Endeavour, as it nears the end of its planned economic life.

Alongside computing technology advances, we are also growing our use of next generation genomic sequencing across Cefas' work from disease surveillance to fish stock assessments. One example of this is through our involvement in the Path-Safe project we are taking a one health approach and applying genomic sequencing to evaluate aquatic foodborne disease pathways. Another examples is that we have just begun a new industry-

science partnership project to undertake genetic testing on pollack in the channel deploying close-kin DNA analysis for the first time in the UK to assess fish populations.

Looking ahead, later in 2024 we will launch a new Cefas Science and Evidence Strategy for 2025 to 2030. This will set out our scientific priorities and the areas of capability where we want to grow and develop our expertise to meet the needs of government and society. We are also looking forward to hosting the ICES Annual Science Conference in Gateshead in September 2024, the first time this event has been held in the UK since 2005. Here, attendees will have the opportunity to consider the future evolution of international fisheries science.

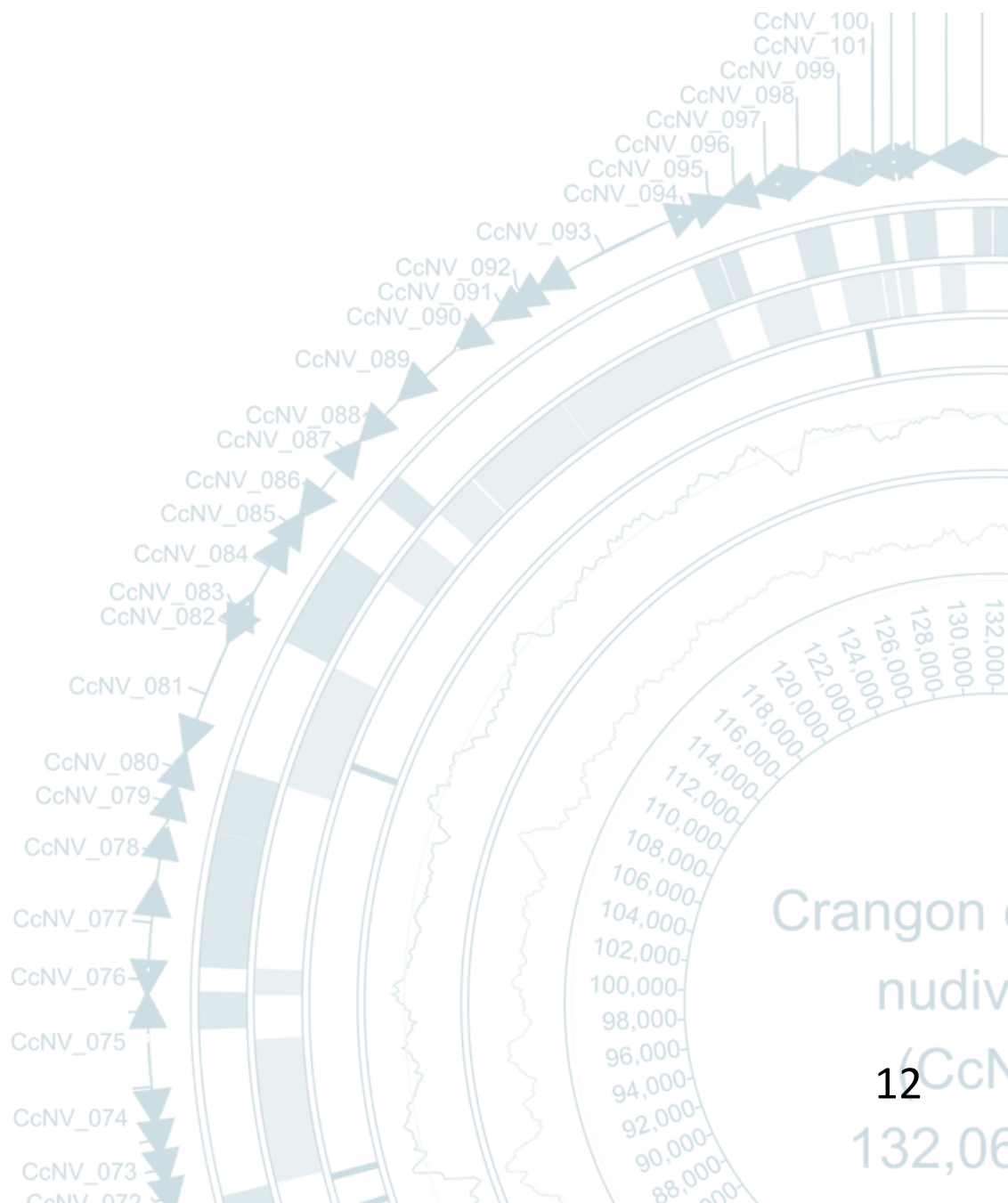
A vital part of our role is sharing our work with others and building new partnerships and collaborations. We have been pleased to welcome many friends and colleagues to our sites and to visit the research vessel this year. Our biennial Science Conference was held at the British Museum in November 2023. This event took place in person for the first time since 2019 and was a valuable opportunity to showcase our work and strengthen relationships with our partners.

I am grateful to all my colleagues for their contribution this year and very aware that it has been possible to only include a small selection of their many achievements in this report. I look forward to working with them and all of Cefas' partners in the year ahead.



A handwritten signature in black ink, appearing to read 'N. Hornby'.

NEIL HORNBY
Chief Executive
16 July 2024



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A Sustainable Future

Cefas, the Centre for Environment, Fisheries, and Aquaculture Science, is an Executive Agency of Defra (the UK Government's Department of Environment, Food and Rural Affairs). Through innovative solutions and world leading applied science we work to ensure a sustainable future for our rivers, seas and the ocean, supporting healthy and productive marine and freshwater ecosystems.

Cefas' Chief Executive and Accounting Officer, Neil Hornby, has personal responsibility and accountability to Parliament for the organisation and quality of management within Cefas, including its use and stewardship of public assets. In delivering this role, the Chief Executive is supported and challenged by the Cefas Management Board (CMB). In addition, Cefas is made up of four directorates covering Science, Strategy & Delivery, International Funding & Partnership and Corporate Services. These are run by Directors and Executive Directors in order to support and deliver the objectives of the organisation.

Our rivers, seas and the ocean are facing significant global threats. These precious environments regulate our climate, are home to up to 80% of life on earth and provide essential resources that we all rely on. Many are now seriously degraded and communities around the world are

facing the devastating consequences of climate change, biodiversity loss, energy and food insecurity, disease, and pollution. Our people tackle these pressing problems, supporting both UK and international governments to fulfil their commitment to restoring nature for healthier and more prosperous societies.

Data and innovation drive our work. We continue to use innovative techniques to collect data and are committed to harnessing its power to draw out new insights for the benefit of society. Increasingly we are working with partners, like The Alan Turing Institute, to ensure we remain at the forefront of data science, recognising the potential of technology to solve complex challenges. We deploy our Research Vessel, Cefas Endeavour, as well as autonomous marine vehicles, remotely piloted aircraft, and satellites to monitor and assess the state of our aquatic environments. We have also started exploring options for the future of data collection at sea from 2033 onwards, as Cefas Endeavour approaches end of life. This future vision must utilise the latest technology and meet the government's environmental goals.

We believe that science is integral to good decision making. By embedding our science and our scientists at the heart of the process we ensure our work is applied for the public good and has lasting impact. We employ

specialists from right across the aquatic sciences – from aquatic animal health to aquaculture, blue carbon to biological effects monitoring, fisheries to future energy. In addition to supporting these important policy areas, we also stand prepared to respond to marine and freshwater emergencies including, aquatic animal disease outbreaks, extreme weather events, oil or chemical spills and radioactivity contamination.

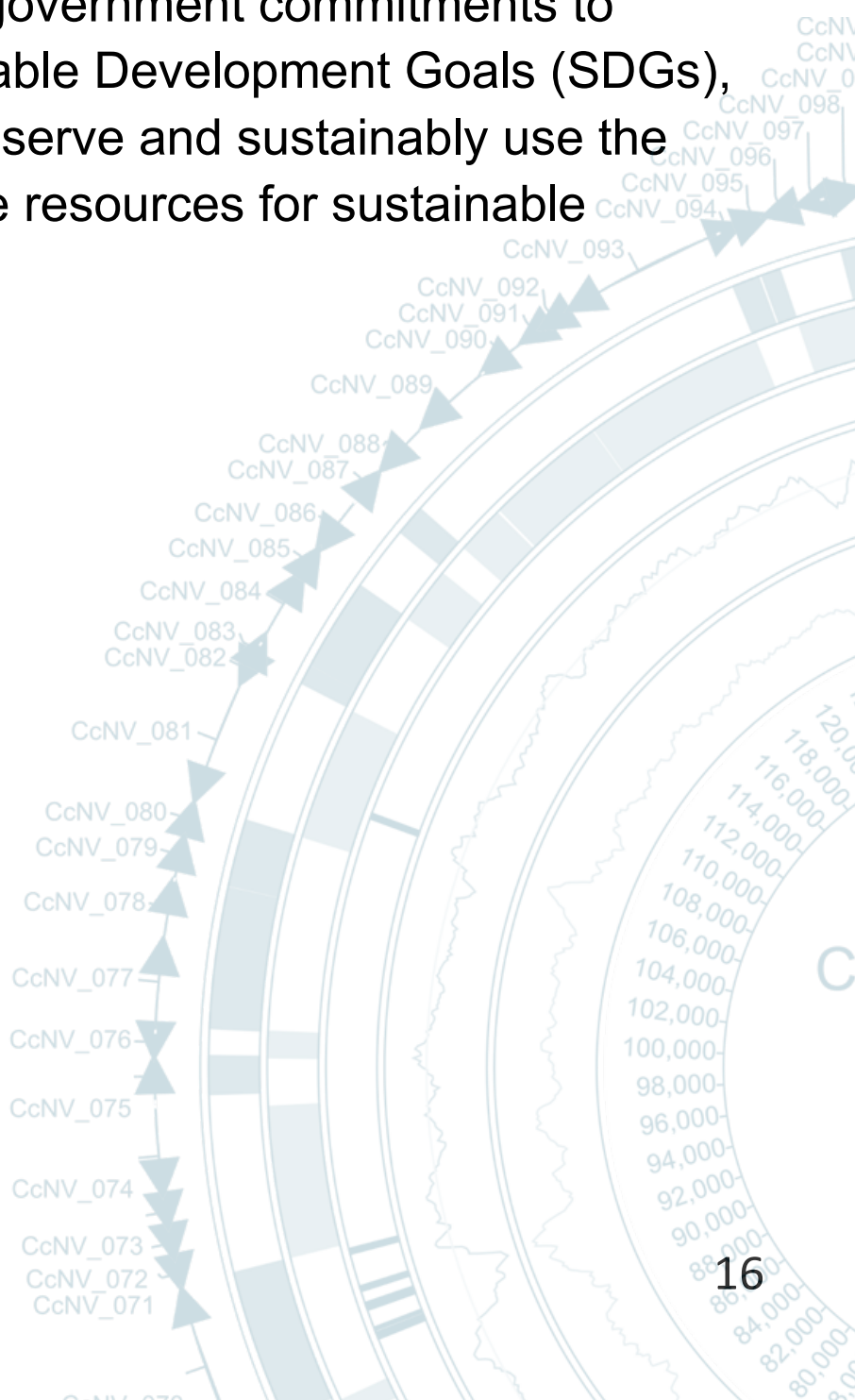
We cannot do this alone. We work collaboratively with partners across UK and international governments, the maritime and fishing industry, non-governmental organisations, research institutes and universities, to achieve the best outcomes with those that share our vision. We have also been increasing our engagement and partnerships with our local communities, through this we want to inspire the next generation of scientists to deliver our critical ambitions: understanding, protecting and restoring our precious aquatic environments and meeting society's needs, now and in the future.

Our work, both domestically and internationally, continues to support the achievement of Defra's strategic outcomes: protecting human, animal and plant health, restoring nature, adapting to climate change, achieving net zero and growing the economy. We are doing this through focussing on the following goals:

- Enhancing biosecurity;
- Thriving plants and wildlife;
- Drive international action to restore and protect nature;
- Productive and sustainable agriculture, fisheries, food and drink, forestry and recreational service sectors.

We use science and analysis to make better decisions and accelerate achievement of these goals.

Our work also supports government commitments to deliver the UN's Sustainable Development Goals (SDGs), specifically: SDG14 'Conserve and sustainably use the oceans, seas and marine resources for sustainable development.'



Cefas 2030: Our Priorities

Our Cefas 2030 strategy will help us achieve our vision of a sustainable future for rivers, seas and the ocean. Cefas 2030 is ambitious as the global environmental challenges that we face are significant and require global leadership, collaboration and bold action. To achieve effective national and international outcomes will require us to think, work and act differently.

2023/24 is the first year we have been working to our new strategic objectives and associated success criteria. We have set ourselves stretching targets to drive progress, with the key actions we committed to take set out in our business plan. We will continue to apply our unique scientific expertise to achieve healthy and productive marine and freshwater ecosystems.

All our work is aligned with objectives set out in our [framework document](#) and supports the achievement of **seven critical strategic outcomes:**

- Achieving UK and global net zero emissions by 2050, with improved resilience and adaptation to the impacts of climate change.
- Protected and enhanced marine ecosystems in the UK and around the world, supporting delivery of the Global Biodiversity Framework.

- Thriving marine industries and sustainable marine development which supports UK economic growth.
- A safe and sustainable supply of seafood domestically and overseas.
- A productive and sustainable UK fishing industry with an increasing percentage of total allowable catches set in line with scientific advice.
- Achieving good environmental status in UK marine environments.
- England and Wales benefit from high aquatic animal health status, with aquaculture and aquatic animals protected from the impacts of hazards (including new/emerging diseases and pathogens).

Six strategic priorities in Cefas 2030 (shown below) provide a framework of focus for the organisation. We want to ensure that our science delivers impactful outcomes for society, working with a variety of partners and in a way that supports and empowers all our staff to make valued contribution



Influencing Decisions

As a **trusted global authority**, we will embed marine and freshwater science at the heart of decision making.



Excellent Science Leading Change

Using **excellent science**, we will **lead transformative change** to achieve healthy and productive rivers, seas and the ocean.



Ambitious for Each other

We will enable **individuals to thrive together**, delivering safely wherever we work.



At Cefas Everyone is Valued

We will build an **inclusive and supportive culture** where diversity is truly valued.



Data and Innovation

We will harness the **power of data and technology** to respond to the world's pressing problems.



Working Together

We will strengthen **partnerships and community engagement** to collaborate and build collective understanding.

Performance Overview

Long-term indicators assessing our strategic performance over time are reported below:



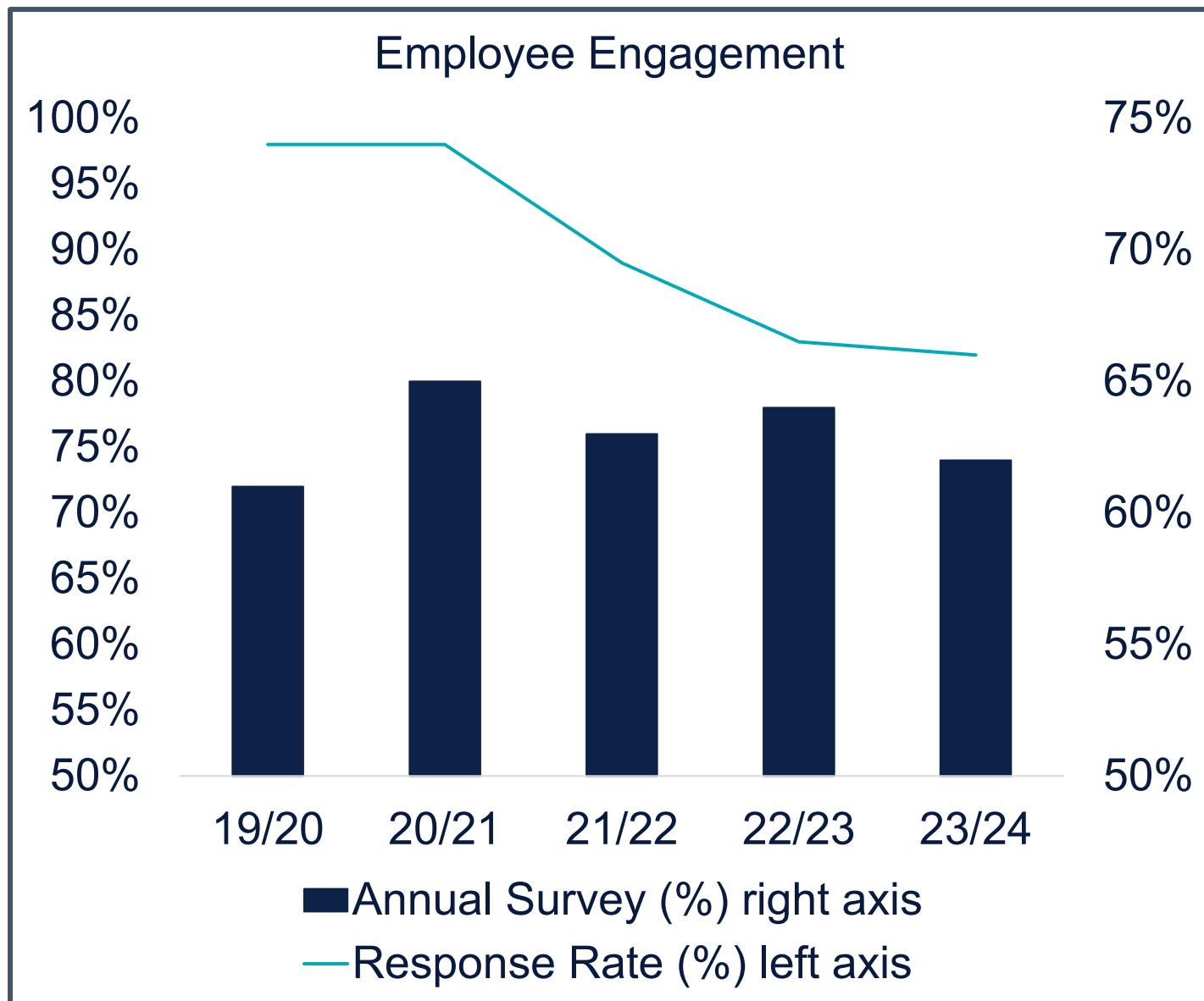
Our Science



Evidence of the excellence of our science is assessed through time in the volume of our peer reviewed scientific paper outputs. 2023 volumes are in line with 2022 after the previous peak during COVID years but we recognise we have not hit the stretch target of 200 papers p.a. outlined in our success indicator “Excellent science leading change” as part of the 2030 strategy. Of the 163, 88% were open access with 40% having Cefas lead authorship, showing

positive indicators of our leadership in the articles published. We are no longer reporting on Impact Factors statistics as the academic community have committed to move away from this metric.

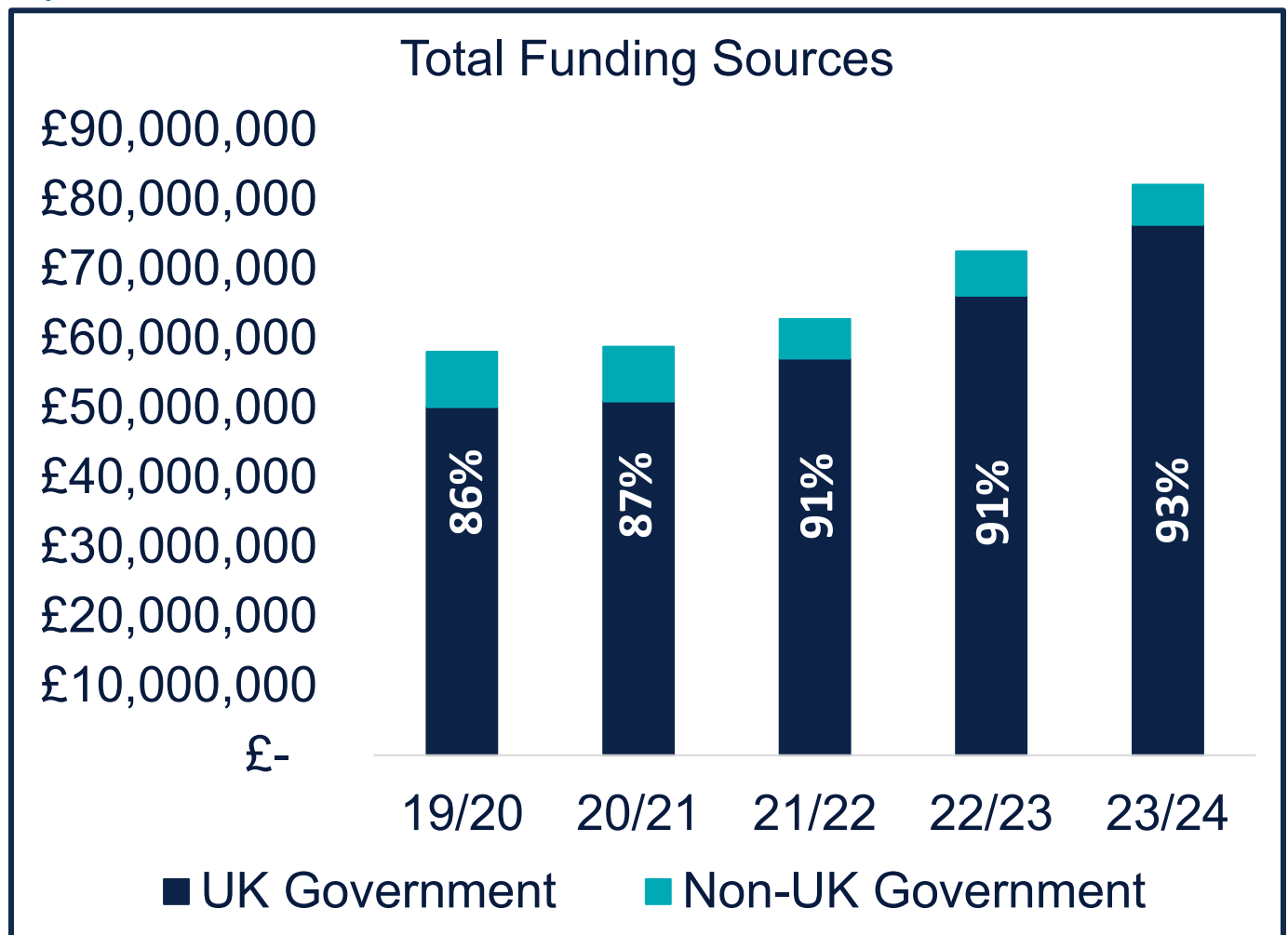
Our People



Evidence of the engagement of our people is assessed through the annual Civil Service People Survey. The annual survey score of engagement decreased in 2023-24

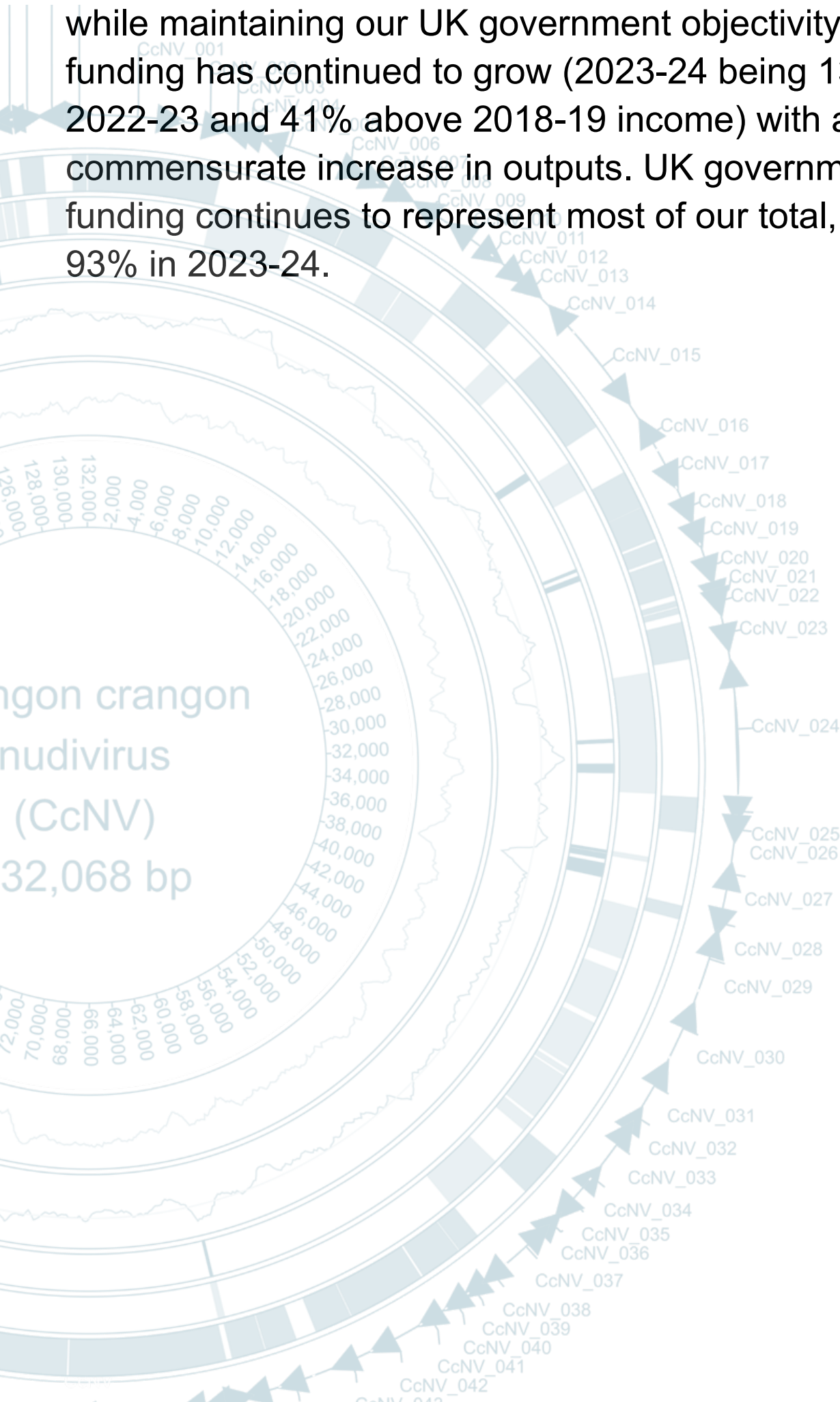
to 62%, (2022-23 64%) as the challenging climate of concern over levels of pay continues. Significant focus is placed on learning and responding to the results and issues raised from the Survey. We believe our results are representative, with high number of Cefas colleagues routinely responding, 83% in 2023-24. while this is below our target, of 85%, it is above the average across the whole Civil Service of 65%.

 **Our Work**



Evidence of the nature and scale of our work is assessed through ensuring sufficient and appropriate funding


supports our critical mass to enable scientific excellence, while maintaining our UK government objectivity. Our total funding has continued to grow (2023-24 being 13% above 2022-23 and 41% above 2018-19 income) with a commensurate increase in outputs. UK government funding continues to represent most of our total, being 93% in 2023-24.



Our Objectives and Success Indicators

This financial year is the first full year using our new Success Indicators. They are linked to our six strategic priorities in our Cefas 2030 Strategy: Influencing decisions, Excellent Science leading change, Ambitious for each other, At Cefas everyone is valued, Data and innovation driven, and Working together. Our Success Indicators measure a broader set of objectives of relevance across the organisation, related to our development and our culture and the increasing importance of data and innovation.

The Cefas annual plan and associated success indicators and targets are reviewed each year to ensure they continue to be relevant and stretching, supporting both the development of Cefas and broader government objectives. Progress against these is reviewed monthly by Executive management, performance in 2023-24 is reported here:

	23-24 Target	Result
 <p data-bbox="147 699 434 817">Influencing Decisions</p> <p data-bbox="504 284 1263 619">5 impactful case studies from Cefas published and unpublished science and advice (per quarter) delivering solutions for our partners.</p>	5 impactful case studies per quarter.	Achieved
<p data-bbox="504 655 1240 916">Recognised as a trusted and influential advisor and delivery partner by our key national and international stakeholders</p>	Develop new feedback mechanisms and collate baseline.	Achieved New feedback questionnaire launched - data being collected



**Excellent
Science
Leading
Change**

Year on year have an improved rating, aiming to be in the top 3% of global marine and freshwater organisations by 2030

Within top 5%

Achieved
2018-2022
Cefas top 5%

Maintain > 200 ISI papers p.a


200 papers in the calendar year 2023


Not Achieved
163 papers

Ensure our Moving Five Year Total Investment in R&D, science capability (data and technology) and science infrastructure (CDEL) is between 8.5-10% of total Cefas Delivered Turnover

9.1%

Achieved
8.7%

Success indicators		23-24 Target	Result
 <p>Ambitious for each other</p>	Increase our Employee Net Promoter Survey Score aligned with and improving compared with our peers.	63%	Not Achieved 62%
	Increase our Survey Score regarding: colleagues can achieve their career goals and are empowered to make career decisions that are right for them.	60%	Not Achieved 58%
	Increase in positive health and safety culture (by 2030 Cefas Safety Climate Tool will achieve the 'industry benchmark in all categories)	Increase pulse and annual surveys	Achieved Scores increased across surveys

Success indicators	23-24 Target	Result
 <p data-bbox="170 687 409 874">At Cefas Everyone is Valued</p>	Build and sustain a diverse workforce (all protected characteristics) across Cefas, ensuring that our recruitment reflects the diversity of the UK working age population by 2030	Increase in % recruited with protected characteristics
Reduced gender pay gap year on year to achieve gender pay parity by 2030	Reduce pay gap below 8.2%	Achieved Percentage increased
		Achieved Mean gap reduced to 8.1%



Data and Innovation

Increase, year on year, the amount of publicly funded scientific data we openly publish with 100% published by 2030 (QFAIR principles)


Increase the percentage

Achieved
Percentage increased but limited progress

1 impactful case study (per quarter) demonstrating how new technology, AI/ machine learning has delivered solutions for our partners.

1 impactful case study per quarter

Achieved
Data DOI - milestone reached for publishing 150 'higher quality' datasets centrally with Digital Object Identifiers

Success indicators	23-24 Target	Result
 <p>Working Together</p> <p>Increase the visibility of our work demonstrating our contribution to priority outcome measures (10 self-generated national, regional and sector media stories p.a., Increased social media impressions and engagement with content across variety of platforms)</p>	<p>10 self-generated national media stories and 20 sector/ regional/ stories</p>	<p>Achieved</p>
<p>Strengthen and deepen our engagement with our people, partners and communities to drive awareness and understanding of the</p>	<p>Maintain outreach programme and</p>	<p>Achieved New feedback questionnaire launched -</p>

Success indicators		23-24 Target	Result
	importance of our work and inspire a new generation.	Increase feedback.	data being collected
Enabling Indicators	By end Q4 secure Cefas delivered turnover funding for the following year which represents 60-70% of the total plan and is aligned with our priority outcome measures	Secure turnover funding	Achieved 62% of CDT secured
	Ensure a breakeven position against allocated budget (+/- £250k)	Breakeven	Not Achieved £2.3 million surplus
	Achieve year on year reductions in Cefas'	Reductions	Achieved

Success indicators	23-24 Target	Result
environmental footprint: GHG, water, paper.		In part – GHG, water use, paper
Ensure compliance with Government Functional Standards for business support professional services and other appropriate Cefas policies and quality standards (ISO 14001, ISO 9001, ISO17025, ISO45001, ASPA)	Ensure compliance	Achieved
A high level of preparedness to respond to marine and freshwater emergencies	Review all ER areas	Achieved

Science Impact

2023 has seen Cefas scientists fully committed to delivering science in response to critical global challenges of climate change, biodiversity loss, energy and food insecurity, animal disease and pollution. New programmes to address these issues have been launched, events hosted and ongoing initiatives further developed. In support of our mission, our experts work within four core science themes of science expertise and development: food from water, environment and people, ecosystem change and animal health. Within these themes, International Centres of Excellence help drive the delivery of our science.

Flagship international programmes such as Blue Belt, Ocean Country Partnership Programme (OCPP) and the Middle East Climate, Health and Environment Resilience Programme have continued to require our experts to provide surveying, analysis and advice in locations spanning the breadth of UK Territories and coastal states and countries from Ascension to Pitcairn Island, Belize to Bangladesh and across the Gulf Central States. COP28, in Dubai, shone a spotlight on our marine climate change work in the Middle East, with Cefas experts in the region actively engaged in the Conference.

In the UK, Defra's Catch Tag and Release programme completed its final fishing season; its science, skills and animal welfare standards celebrated by the full range of stakeholders. Cefas, co-convened with University of Essex, the FSBI Annual Symposium to focus on climate change impact on fish habitat ecology. The flagship Defra funded marine Natural Capital Environment Assessment (mNCEA) programme entered its second year. Through this initiative, Cefas has been working with a range of partners to bring together ecological, societal and economic data to help make better decisions about the marine environment.

In addition to supporting the mNCEA programme, our multi-disciplinary research vessel RV Cefas Endeavour, has spent a total of 255 days at sea, in her mission to deliver multidisciplinary science surveys throughout the year. The survey data collected is critical to informing a breadth of important policy and management decisions supporting sustainable fisheries and nature recovery in our domestic waters.



As RV Cefas approaches end of life in 2033, work is already underway to consider options for alternative capability to support the UK's aquatic science leadership, whilst supporting the UK's transition to meeting net zero commitments.

We strive to make our work accessible to all our audiences: whether it be our work in our labs, the field, offices and communities. Through our dedicated science communications and engagement, we share our outputs and our impact through a range of public-facing platforms and initiatives. This year, we hosted or attended approximately 20 outreach events, with the aim of engaging communities and students in the work we do and the difference it makes, towards our commitment to enabling “ocean literacy” and inspiring the next generation of aquatic scientists.

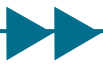
Alongside the breadth of external communications, we published 163 peer-reviewed papers in 2023 across a range of journals. While the number of papers published was similar to 2022 (166) the proportion available as open access was higher than ever (88%) and 10% were in journals with an impact factor (IF) of 10 and above. More than 40% of these papers had Cefas staff or a Cefas student as lead author. Beyond the Journal Literature highlights included leading or supporting authorship in 14 of the 15 Thematic Assessments that formed the OSPAR Quality Status Report for the North-East Atlantic.

Food from Water

Sustainable Fisheries

Throughout 2023, Cefas fisheries scientists and advisers provided data, evidence, and advice to support implementation of the Fisheries Act 2020 and to help the UK fulfil its responsibilities as an independent coastal state.

Cefas science advice was enabled by a chain of interlinked activities at sea, in our land-based laboratories and in ports and harbours. These included planning and conducting market and observer surveys (approximately 830 port visits and 350 days of offshore sampling, focused on around 80 fish stocks), fishery independent surveys (430 survey stations and 2,200 miles of acoustic transect), sample processing (57,000 otoliths processed), data curation and delivery (responding to 17 international data calls). The resulting data and information underpinned fish stock assessments and advice drafting, and 90 scientists participated in expert groups of the International Council for the Exploration of the Sea (ICES) including those assessing stocks of UK and wider international interest.



Our Cefas Fisheries International Centre of Excellence focused on documenting and further developing approaches to quality assure these activities. The benefits of decades of investment in studying fish biology and life-histories, stock identity and migrations, and developing monitoring and assessment methods, were showcased in Cefas contributions to the evidence base for the first two tranches of Fisheries Management Plans (FMPs), as required by the Fisheries Act 2020 and the 2022 Joint Fisheries Statement. The first of these FMP were published by Defra on 14th December 2023.

The UK negotiates total allowable catches for around 70 fish stocks with the European Union and other nations. Cefas scientists provided advisory support for UK-EU negotiations; bilateral negotiations with the Faroe Islands and with Norway; trilateral negotiations with the EU and Norway; and multilateral coastal state negotiations on blue whiting, Atlanto-Scandian herring and North-east Atlantic mackerel.

Cefas provided science advice to support the UK's role as a contracting party to the Commission for the Conservation

of Antarctic Marine Living Resources, the North-East Atlantic Fisheries Commission, North Atlantic Salmon Conservation Organisation, Northwest Atlantic Fisheries Organization, International Commission for the Conservation of Atlantic Tunas, and the Indian Ocean Tuna Commission. This has been well evidenced by our support to North Atlantic Salmon Conservation Organisation to develop plans to advance the conservation and restoration of Atlantic salmon and Northwest Atlantic Fisheries Organization to develop reference limits for bottom fishing effort and area closures to balance use and protection of seabed habitats.

Aquaculture

Cefas supports sustainable practices and development of the aquaculture industry, nationally and internationally. In the last year, our scientists completed major evaluations of the potential and barriers to growth of Recirculating Aquaculture Systems, the licencing of seaweed farms, and the role of seaweed and bivalve aquaculture for carbon and nitrogen removal.

The evaluations addressed critical actions identified in the English Aquaculture Strategy and sought to answer emerging questions and challenges identified by regulators and stakeholders. On seaweed aquaculture, Cefas worked alongside Defra, the Marine Management Organisation and Natural England to develop a guidance document for

this growing industry, as set out in the case study over leaf.

Scientists have continued to engage with Exeter University under the Collaborative Centre for Sustainable Aquaculture Futures, the Southwest Aquaculture Network and Defra by providing advice, guidance and presentations when requested. In addition, project results have been presented at the Aquaculture Common Interest Group, discussions held with the Commonwealth Blue Charter aquaculture group and engagement in European Aquaculture Society webinars.

Throughout the year, aquaculture scientists have engaged in delivery of overseas projects around aquatic animal health and aquaculture development plans with advice on biosecurity and development plans and marine spatial planning projects (e.g. Ghana, Malaysia). Furthermore, aquaculture scientists have worked closely with Defra, UKRI, Non-Governmental Organisations and others in steering and creating work areas for furthering aquaculture science.

Case Study: Advancing fisheries science

Every year, Cefas conducts a broad range of scientific research to develop evidence, methods and tools that advance national and international capacity for fisheries management. For example, Cefas fisheries science underpinned:

- consultations on a stepwise and collaborative approach to introduce Remote Electronic Monitoring of fisheries;
- new policies on discarding, to better account for all catches



Photo by Bedis ElAcheche from Pexels

and incentivise the avoidance of unwanted fish, and

- our software technology group introduced a suite of web-based applications and back-end services now enabling state-of-the-art fisheries data collection and storage.

Internationally, Cefas collaborations with Indonesia, the world's third largest trader in shark and ray products, increased capacity to identify CITES-listed species in traded products and supported the work of law enforcement agencies. This will disincentivise illegal trade and is expected to reduce fishing pressure on CITES-listed species.

Case Study: Developing UK seaweed aquaculture

Seaweed aquaculture has a great potential to feed and sustain the world's growing population. In the last decade there has been a resurgence in interest in seaweed production in the UK. This has brought the development of seaweed aquaculture in the UK, with the first commercial seaweed farm established in 2015.

In response to the need to advance and scale-up the sustainable development of this industry, Cefas has worked on various projects alongside partners from across government, science and industry both in the UK and internationally.

This has included:

- the development of a guidance document which sets out how to obtain a marine licence for seaweed aquaculture in England;
- the Seaweed in East Anglia project to provide an understanding of the opportunity Norfolk has to build a seaweed economy;
- AquaSmart to support the UK's global influence in setting standards for emerging technology by applying GIS-tool for aquaculture planning in Malaysia.

The topic of seaweed continues to be of interest to the media and has allowed Cefas to highlight our leadership in this space. In this financial year, Cefas has provided

comment and stories to national and regional media including, the Telegraph, BBC Radio 4 Solent, [Fish Farmers magazine](#) and [BBC Radio 4 - The Food Programme](#), further highlighting the growing interest in seaweed and the industry.



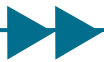
Credit – Elisa Capuzzo

Environment and People

Environment and People represents wide-ranging expertise in natural sciences and socioeconomics delivering innovative, interlinked science. Work under this theme provides advice on how to move towards a sustainable ocean economy, where “people” are always considered as part of the marine ecosystem.

Measuring the impacts of human activities on our coastal habitats is a key topic for Cefas and is aligned to our UK and our international science, supported by

multidisciplinary work to understand positive and negative drivers on coastal resilience and human wellbeing.



There is now a new International Centre of Excellence for Protection and Use of the Ocean connected to much of the work under this theme. Through its work, the Centre will seek to provide options, including new solutions, for balancing human use of natural resources with nature conservation and recovery.

This remit sits across many of our core topics and relates strongly to that interconnection between environmental outcomes and social and economic drivers.

Monitoring water quality in UK seas

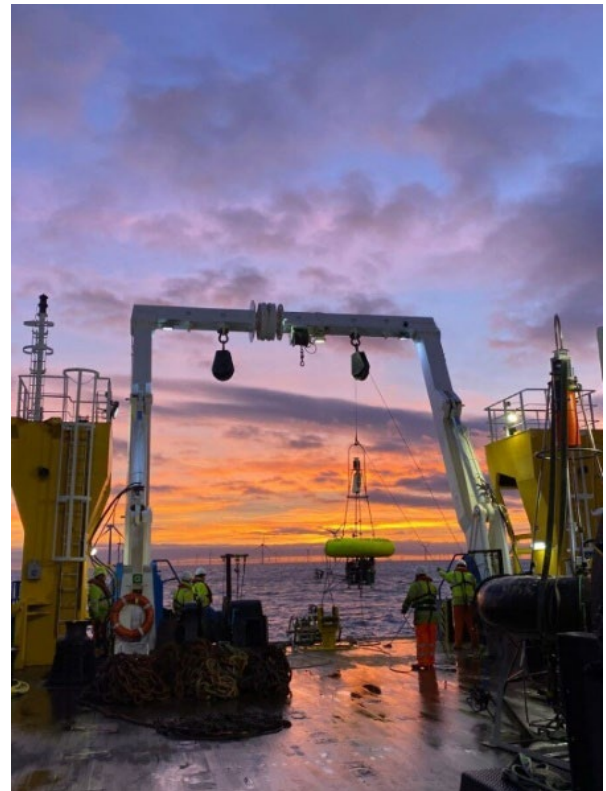
Cefas plays a vital role in monitoring water quality that helps us assess whether UK waters are clean and safe. The Cefas RV Endeavour, uses a range of technology to collect data that is used for national eutrophication assessments; from SmartBuoys – moored autonomous systems capable of recording fixed point data for months on end at sea, Ferryboxes – installed on the vessel to automatically record data as the ship travels; to in-situ sampling equipment such as Niskin bottles deployed over the side of the ship to sample water from both the surface and at depth.

By collecting a wide range of data, we can better assess the impact of land-based nutrients and pollution, which is used for national eutrophication assessments. Our work is driven by policies such as the [UK Marine Strategy](#) and the [OSPAR](#) Comprehensive Procedure. To enable the UK government to successfully implement these strategies, and measure their progress, Cefas works collaboratively across UK agencies in developing methods and technologies to innovate and improve the efficiency of monitoring programmes.

Our water quality programmes, laboratories and scientists have supported targeted research, papers, PhDs, research, policy and national assessments. Recently, we have had our work accepted, under a UN Decade of Ocean Science Action Program, where we will work with Cefas, Defra and international colleagues to catalyse global action to address nutrient and wastewater pollution.

Case Study: A harmonised assessment of eutrophication for the North-East Atlantic

In 2023, Cefas led a multi-authored paper with the first fully harmonised assessment of eutrophication for the North-East Atlantic. This was the outcome of the fourth application of the Common Procedure for the Identification of Eutrophication for OSPAR Maritime Area (the “Common Procedure”), conducted for the period 2015–2020 for the



North-East Atlantic. Over five years in the making, it has also delivered ecologically relevant assessment areas, consistent assessments across exclusive economic zones, acknowledging that eutrophication is a transboundary problem with participation from 14 countries. This builds on the many decades of water quality and eutrophication science for Cefas

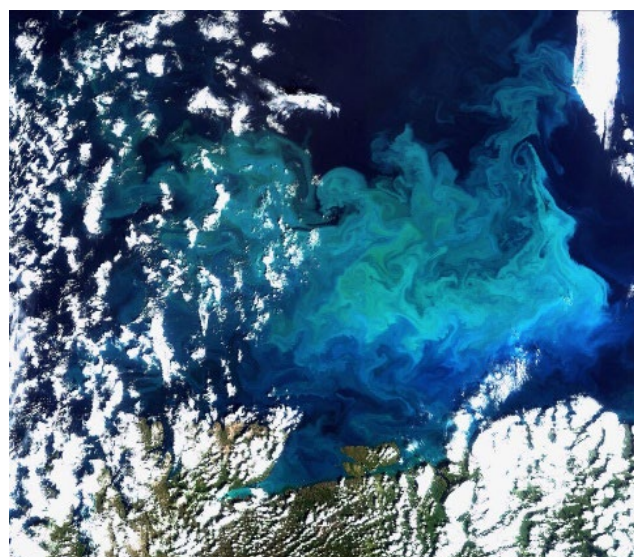
The eutrophication assessment forms part of a larger body of work where many Cefas scientists delivered key parts of the OSPAR Quality Status Reporting (QSR). The QSR forms a series of assessments conducted across the region helping to inform the development of measures that

address the threats to, and their cumulative impacts on, the marine environment.

Cefas scientists played many key parts, leading on thematic assessments, indicator assessments and also developing the Drivers-Activities-Pressures-State-Impact-Response framework that was a key part of the cumulative assessment of the QSR.

Case Study: Developing indicators to assess plankton health

Plankton are a vital food source for marine biodiversity, helping regulate carbon dioxide in our atmosphere and generate up to half of the world's oxygen. However, very little is known about the essential ecosystem services



they provide and the impact of human activities on plankton communities. Working in partnership with many UK agencies, the Pelagic Natural Capital Project (PelCap) led by Cefas has developed an indicator to assess the impact of human activities on plankton health to support OSPAR and UK government pelagic habitat assessments.

The work builds on over 10 years of collaborative research by the Pelagic Habitats Expert Group, which has advanced our understanding of changes to plankton and zooplankton diversity, and the role of healthy plankton in providing essential ecosystem services. The evidence generated under PelCap will feed into Defra's marine Natural Capital programme (mNCEA), helping policymakers understand the value of plankton as an important source of natural capital and therefore the best approaches to protecting and conserving plankton in the marine environment.

Ecosystem Change



Understanding ocean change means understanding ocean health. By learning from the past, observing the present, and predicting the future we understand, track, and forecast how and why our marine ecosystems change and adapt.

Through innovative approaches and multi-disciplinary science, we provide a crucial link between research and policy support, enabling implementation of science-informed strategies at domestic and international levels. All research in this theme works to understand and solve some of the biggest global challenges: the biodiversity crisis and the climate crisis. Underlying these approaches are an understanding of what drives changes to ecosystems, and how to measure and quantify change.

Advising international and UK marine protection policy

Throughout 2023, we have continued to provide scientific advice to support UK marine priorities at several international fora, such as the through the [UK delegation to the International Seabed Authority](#) (ISA), the Conservation of Antarctic Marine Living Resources, the North-East Atlantic Fisheries Commission, and Northwest Atlantic Fisheries Organization, helping to advance scientific understanding on issues such as protecting seabed habitats, the recognition of Other Effective Conservation Measures, and vulnerable marine ecosystem indicator species.

Internationally, Cefas scientists have further contributed to the South Georgia & South Sandwich Islands [Marine Protected Area \(MPA\) review](#) where additional measures were recently announced; participated in the 5th International Marine Protected Areas Congress showcasing progress contributing to the 30 by 30 MPA designation and effective management targets; and supported Commonwealth partners in their MPA monitoring and assessment frameworks. In partnership with Joint Nature Conservation Committee (JNCC) and Natural England, we have been [monitoring benthic habitats](#) in the UK MPA network to generate evidence and provide recommendations to support the UK's aim to

ensure that the number of protected features which are in favourable condition within all relevant MPAs is not less than 70%.

International Marine Climate Change Centre

The International Marine Climate Change Centre brings together expertise from across Cefas, and through collaboration with external partners, provides scientific evidence and applied advice on marine climate change and blue carbon. In June 2023, as part of the UK Blue Carbon Evidence Partnership, we launched an Evidence Needs Statement to help address key research gaps in understanding and protecting UK blue carbon ecosystems. Internationally, at the UN Climate Change Conference in Dubai as part of Nature and Land-Use Day, we continued to profile our climate change and adaptation work in the Gulf, with the launch of Arabic and Farsi translations of our policy briefs and working papers with the Regional Organization for the protection of the Marine Environment. We also contributed to high level panel discussions on the role of marine protected areas and sea shelf sediment in contributing to climate change mitigation.

Case Study: Developing UK and regional indicators for monitoring the status of marine environments

Understanding the condition of our marine environment is a key objective of the UK government's Marine Strategy Regulations 2010; however, monitoring and assessing these changes can be



challenging. Cefas scientists working on indicators of Good Environmental Status (GES) are tasked with understanding complex changes to biodiversity in UK waters.

Over the past 10 years, Cefas scientists have collaborated with international and EU partners through OSPAR, ICES and EU projects to develop robust indicators to monitor changes and impacts on marine biodiversity, food webs and fisheries.

This has required extensive work to analyse the latest scientific evidence, revise and update assessment indicators to provide policy relevant advice, reduce uncertainties and harmonise approaches internationally to

ensure consistency in reporting. Since 2015, the team have:

Produced:

- over 20 papers;
- carried out multiple assessments of the north-east Atlantic, led the ICES Working Group on Biodiversity Science;
- produced several OSPAR working papers to drive innovation and progress at the regional level.

As a result of this work, Cefas scientists have successfully developed a set of UK specific indicators and carried out several assessments to inform the upcoming 2024 assessment of progress towards achieving Good Environmental Status, helping to inform decision making by policy makers

Case Study: Advancing our understanding of seabed carbon

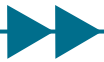
As part of several Defra funded research programmes and the [marine Natural Capital Economic Assessment Programme \(mNCEA\)](#), Cefas has been collecting data on seabed carbon stock in the North Sea shelf sediments, and developing and testing a [blue carbon 'toolbox'](#) of methods to help scientists understand where carbon stocks may be at risk due to their vulnerability and when management of carbon in seabed sediments may

contribute to climate change mitigation. By developing the evidence base, this work aims to inform a nationally standardised way of measuring, monitoring, and valuing seabed carbon and to develop technical guidance to support policymakers in developing strategies aimed at improving their protection and recovery, such as through

Case Study: Advancing our understanding is leading both nationally and internationally, helping to inform the development and designation of Defra's Highly Protected Marine Areas as a nature-based solution to climate change, supporting the UK's Net Zero objectives through Natural Capital, as well as shaping the direction of UK and regional fora, such as ICES and the UK Blue Carbon Evidence Partnership.



Animal and Human Health



We strive to consider the health of our planet and all life as a continuum (One Health) and seek to achieve this by developing and applying cutting-edge methods for characterisation of aquatic animal and human pathogen and chemical hazards.

The Animal and Human Health theme covers diverse aspects of animal and human health. Human health includes understanding and mitigating biological and chemical hazards associated with food safety, zoonotic diseases and more indirect challenges to health via environmental change and biodiversity loss.

Our laboratories monitor shellfish for human pathogens, toxins and radiological impacts to support our Food Standards Agency and Food Safety Scotland essential UK food safety programmes. Similarly, aquatic animal health is covered by activities ranging from statutory investigations of disease and mortality events, through to elucidating new and emerging diseases, and how animal health status results from interactions between the animal itself, its environment, and its entire biota, interpreted in One Health and systems-based frameworks.

The Animal and Human Health theme operates both nationally and internationally, represented by our World Organisation for Animal Health Collaborating Centre for Emerging Aquatic Animal Diseases, United Nations (UN) Food and Agriculture Organisation (FAO) Reference Centre for Bivalve Mollusc Sanitation and UK UN FAO Antimicrobial Resistance (AMR) Reference Centre designations.

We develop capacity-building collaborations and promote sustainable One Health approaches to aquatic food production in ODA-eligible countries and with regional partners globally through projects such as the One Food and Ocean Country Partnership programmes. We also collaborate within Defra and overseas on cutting edge science programmes such as the Genomics of Animal and Plant Pathogens consortium, which aims to develop genomics-based understanding and management of pathogen activity and impact.

Our current science priorities include developing our programmes of work using a One Health/all hazards approach – understanding how collective chemical and microbial threats may interact to avert safe and sustainable aquatic food production and consumption. These methods are applied across our work such as through the PATH-

SAFE project looking at aquatic foodborne disease pathways with partner organisations in the UK.

We also focus our efforts on data, using meta-analysis to define the basis for disease emergence, spread and epidemiology by incorporating citizen, farmer, climate, public and specialist data. The Coastal Health, Livelihoods, and Environment Shared Outcome Fund programme aims to devise an ongoing UK coastal analytical framework to improve our understanding of coastal ecosystem health, and our ability to explain and manage unexplained adverse coastal health events, and enable quick, effective, and robust responses to such events.

Case Study: **PATH-SAFE**

The Pathogen Surveillance in Agriculture, Food and Environment (PATH-SAFE) programme is a £19.2 million cross-government programme funded by the HMT Shared Outcome Fund to tackle major public health risks. PATH-SAFE uses the latest DNA-sequencing technology and environmental sampling to improve the detection and



Geospatial data inform PATH-SAFE analysis of foodborne pathogens in water

tracking of foodborne disease (FBD) and antimicrobial resistance (AMR).

PATH-SAFE aims to:

- pilot a better national surveillance system for the monitoring and tracking of FBD and AMR in the environment and agri-food system;
- bring together and build on existing initiatives across the UK and to understand what the end-user needs to improve how they work in this space;
- provide better data to identify the prevalence, source and pathways of FBD and AMR, helping to prevent spread by enhanced targeting of interventions.

Cefas is working with partners across government, academia, the social and private sectors to pilot FBD and AMR surveillance in shellfish, river catchments, abattoirs and wastewater. Novel methods have been developed for the quantification and long-range sequencing of norovirus from wastewater and a combined approach of hydrodynamic and catchment modelling along with a machine-learning tool are being developed to predict foodborne disease pathogen transmission risk through river catchments into shellfish.

During this past year Cefas hosted stakeholder workshops to bring together experts in norovirus research from public health, food safety and environmental monitoring to assess the options for norovirus surveillance in wastewater and to

discuss the opportunities and barriers to a One Health approach to FBD and AMR surveillance in water networks.

Case Study: Fish Health Inspectorate

Our Fish Health Inspectorate (FHI) provides statutory policy advice, inspections, enforcement and disease diagnosis on behalf of Defra and the aquaculture industry in England and Wales. Serious diseases pose a threat to aquatic animal health in both aquaculture and in the wild. Many of these diseases have no effective treatment and have the potential to cause high numbers of mortalities in fish and shellfish, with the consequent large economic loss and threat to biodiversity.

The FHI conducted a full programme of statutory disease surveillance and authorisation compliance inspections in 2023. 557 authorisation compliance inspections were undertaken across various aquaculture production businesses including finfish and shellfish farms, fish

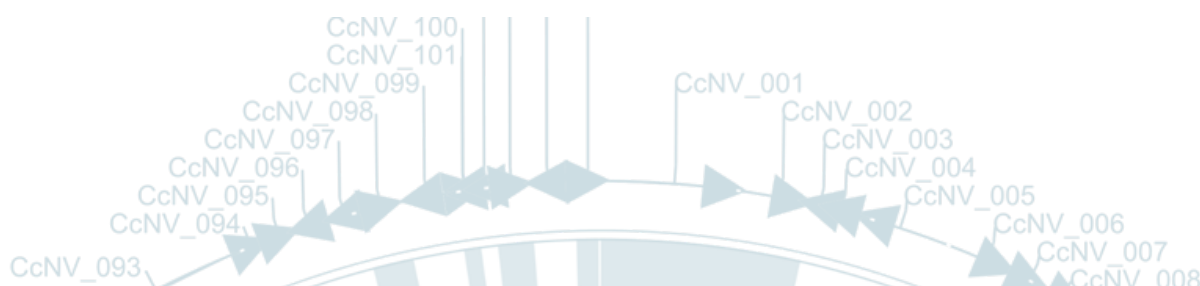


The FHI is the Official Service for aquatic animal health in England and Wales, responsible, on behalf of Defra and the Welsh Government (WG), for the monitoring and control of serious diseases in fish and shellfish.

dealers, ornamental importers and aquatic animal exporters. 376 targeted disease surveillance inspections were carried out to monitor for the listed diseases which included import checks at the Border Control Posts as well as, with the help of the Environment Agency and Natural Resources Wales, surveillance for the listed parasitic disease *Gyrodactylus salaris* in wild salmonid populations across seven river catchments.

A total of 69 disease investigations took place on suspicion of listed diseases in finfish. 22 Confirmed Designations were made to control Koi herpesvirus disease, mainly on recreational fisheries. Four disease investigations involving crustaceans were conducted and nine investigations on suspicion of listed molluscan diseases took place. With the exception of an OsHV-1 μ var outbreak on the River Exe, the disease situation in England and Wales remained stable, the disease situation in England and Wales remained stable.

In addition to the duties carried out by fish health inspectors, the FHI's Aquatic Trade and Technical Advice Team have continued to monitor all EU imports of live aquatic animals with just over 1000 checks on import health certification and associated documentation and notifications from the EU and Crown Dependencies carried out in 2023. The FHI also facilitated 246 exports of live aquatic animals to the EU and Crown Dependencies.



Science Conference and Review

The annual Cefas Science Conference was hosted in London's British Museum in November 2023, with 117 attendees in person and 219 online. The event was attended by Cefas colleagues and representatives from our partner organisations. The conference provided a unique opportunity to share the end-to-end science that we do and to discuss innovative approaches that will help define our future strategy. These conversations are informing the development of the new Science and Evidence Strategy for 2025-2030. The event received positive feedback from attendees with all increasing their understanding of the work that Cefas does.

Over two days in December, we hosted a full Student Conference having been online or limited attendance since 2019. This is the first time we have



welcomed them in as a group at our new building in Lowestoft and 23 of our 80+ students presented the findings and progress of their research across topics as diverse as predicting marine heatwaves, the epigenetics of

disease resistance and microplastic impacts on ecosystem services.

Animal Research

Most of our work does not directly involve the use of live animals, and alternative methods, such as modelling and environmental DNA sampling, are increasingly replacing traditional techniques. However, in some situations the use of animals is necessary to ensure that sound evidence is available to protect wild and farmed aquatic animals, food security, public health and the environment. All our experimental work using protected animals is regulated by the Home Office under the Animals (Scientific Procedures) Act 1986 (ASPA). ASPA requires that our laboratories, programmes of work and personnel are licensed and that we follow approved processes that promote a 'culture of care'. This obligation is managed by our Animal Welfare and Ethical Review Bodies which also review our animal use, welfare and ethical justification. Cefas has an established Animal Welfare Policy and plays an active role in cross-governmental initiatives to apply the principles of the 3Rs (Replace, Reduce, Refine) to the scientific use of animals, including recently responding to the Home Office's call for evidence on decapods. Cefas is a signatory of the Concordat on Openness on Animal Research in the UK and publishes data annually on animal use <https://www.cefas.co.uk/about-us/animals-in-science>.

Future Ambition

The coming year will see the launch of a new Cefas Science and Evidence Strategy for 2025 to 2030. The strategy will set an ambitious blueprint for the development of our science capability and impact, putting science evidence and advice at the heart of decision making and aligning to the UK's key environmental and science commitments; built on a number of core principles: acknowledging the triple threat of climate change, biodiversity loss and pollution; prioritising public goods and supporting the well-being of society and to live within nature's resources.

Towards this ambition, our international delivery will continue through the UK government's ongoing support of our major programmes overseas. Domestically, and in further support of Defra's Environment Improvement Plan, we will continue to deliver commitments set out in the Fisheries Act, such as working with industry to deliver Fisheries Management Plans, in support of sustainable fisheries. The Coastal Health Shared Outcome Fund, announced in the Autumn Statement, will pilot new approaches to ensure government responds quickly, effectively, and robustly to adverse marine events, such as mass mortality events; working with and to protect coastal communities.



At the heart of all this work is a commitment to harness the power of the data we hold, scaling up our ambition for UK marine science, to be able to collate, store, share and exploit multiple datasets to address cross disciplinary issues for the benefit of society.

Advances in data science, including the use of artificial intelligence, have enormous potential to address the complex issues we seek to manage.

Partnership working is central to our approach, and we will continue to work with a breadth of partners to develop innovative and collaborative approaches to data collection, analysis and evidence-based advice.

This year's science conference will take place towards the end of the year, providing an opportunity to engage Cefas colleagues and students in the new Science Evidence Strategy to work together to deliver a shared science ambition to 2030 and beyond. We will host a separate Cefas Student Day to celebrate our network of more than 80 PhD students with Cefas supervisors, ensuring ongoing Cefas relationships with over 30 higher educational establishments. We will grow our national academic

outreach and strengthen our science through the Collaborative Centre for the Sustainable Use of the Seas and our other Collaborative Centre for Sustainable Aquaculture Futures with Exeter University.

Working with our wider University network, sustained investment in doctoral training, and targeted recruitment of our most promising students, will bring fresh skills to Cefas and support succession planning. We will drive forward our commitment to Equity, Diversity and Inclusion in STEM, in addition to ocean literacy by working to diversify our workforce through developing new partnerships with schools, colleges and universities; creating national educational content linked to curriculum and community outreach initiatives.

The coming year will also see the development of the project to replace the Cefas Research Vessel. The Strategic Outline Case (SOC) with a "preferred way forward" has been approved by Defra Investment Committee, the Defra Permanent Secretary and Treasury to progress to the development of Outline Business Case (OBC), where the shortlisted options will be refined to a "preferred option". It is anticipated that the OBC will be submitted for investment approvals during Q4 of 2024/25.

Performance Analysis

In 2023-24, Cefas delivered a core programme of work to the value of £82.2 million (2022-23: £72.5 million) being for Defra policy colleagues a total of £58.0 million (2022-23: £50.0 million) and for wider market partners a value of £24.2 million (2022-23: £22.5 million) see note 3 Income Analysis. Our reported Net Operating Costs, after funding from other partners, were £55.7 million (2022-23: £47.6 million). Therefore, the net operating surplus generated above our Business Plan target to breakeven was £2.3 million (2022-23: £2.4 million).

Our work, both domestically and internationally, continues to support the achievement of Defra's strategic outcomes, agreed in the Spending Review 2020 settlement. Our priority focus continues on Environment and Climate, representing around 30% of our outputs, and on Agriculture, Food and Fisheries, representing around 60% of our outputs.

Key variances in this year's net operating surplus of £2.3 million include:

+ £1.7 million of additional funding growth (£82.2 million 2023-24 v £80.5 million Business Plan) predominantly due to greater demand from Defra policy colleagues in research & development and Official Development Assistance funding;

- £0.4 million of additional pay costs predominately due to an increase in holiday pay accrual as total outstanding leave increased in support of the additional funding growth above without increasing total employed heads;
+ £1.0 million of costs below Business Plan due to lower self-funded research and development , as well as + £0.2m of property provision releases as we transferred responsibilities for our sites to Defra.

Total Defra Group activity, including competed income and all Defra bodies, grew year-on-year to £62.4 million (2022-23: £54.7 million) due to increases including: £2.9 million additional official development assistance work with international partners through the Blue Planet Fund and One Food programme, £2.4 million additional work under the Marine Natural Capital Ecosystem Assessment programme and an increase of £2.5 million in the funding made available to support the long-term productivity and sustainability of the UK seafood sector through the Seafood Innovation Fund.

Non-Defra Group activity saw inflationary growth in the year from both public-sector and wider-market partners, to £19.8 million (2022-23: £17.9 million). This work remains an important part of our long-term strategy to ensure a diversity of funding partners. This strategy focuses on working across other UK Government Departments and

wider-markets to leverage our collective impact and sustains our operational breadth and financial critical mass, ensuring we maintain leading applied science capabilities and assets that support our UK Government remit.

Non-Defra Group activity came from:

Other UK Public Sector partners, £12.3 million (2022-23: £10.6 million), and included activity for the Food Standards Agency, in assuring the safety of shellfish for human consumption and environmental monitoring, and the Foreign, Commonwealth & Development Office, to actively enhance the marine environment and economies of partner nations;

Research and development activity funded by the European Commission, £0.8 million (2022-23: £0.9 million);

Industry and other, £6.8 million (2022-23: £6.4 million), including work for the energy sector and for overseas governments. Whilst work for non-UK Government partners is vital for sustaining Cefas' strength, our primary funding continues to be firmly UK Government related.

Our total work for all UK Government bodies and related EU research and development comprises 93% of our total delivery activity (2022-23: 91%).

Total salary costs increased to £35.4 million over the prior year (2022-23: £33.7 million) while average FTE staff numbers decreased to 610 FTE (2022-23: 630 FTE). This increase was due to a 5% rise in general rates of pay and a one-off fixed non-pensionable payment of £1,500 to all staff excluding SCS1 and equivalent pay bands, per our HM Treasury set public-sector pay remit. External costs of running the organisation increased year on year principally driven by costs of running our buildings and vessel infrastructure which rose in line with inflation. There were no charitable donations made in the year (2021-22: Nil).

Over the last five years, total operating expenditure has increased from £58.0 million (2019-20) to £79.9 million (2023-24) predominately reflecting an increase in demand from Defra providing: a broader range of evidence and advice to government as an independent coastal nation, enhanced support for innovation in the UK seafood sector and new support for UK SDGs through delivery of international programmes through the Blue Planet Fund. Over the comparable period, total income has grown from £58.7 million (2019-20) to £82.2m (2023-24), again reflecting growth in Defra funded outputs.

Assets

Land and buildings were formally revalued, on a desktop basis, as at 31 March 2024, resulting in a £1.0 million

increased valuation. Buildings investments completed in the year totalled £0.4 million (2022-23: £2.7 million), being transferred from assets under construction on the completion of works on air handling units in Lowestoft.

Capital investment in scientific equipment of £1.3 million were completed in the year, (2022-23: £1.9 million), and transferred from assets under construction. This included significant updates to a range of core scientific analysis equipment. New additions in the year of £0.4 million (2022-23: £2.1 million) were purchased of scientific equipment which were transferred to assets under construction.

Cefas owns 100% of the share capital of Cefas Technology Limited (CTL). CTL is currently operationally inactive but holds net assets against residual trading liabilities which are in excess of the investment holding valuation. CTL accounts are not consolidated into Cefas' statements of accounts as they are outside the Departmental boundary.

CTL's unaudited results include: Operating profit before tax of £Nil (2022-23: profit of £2,000 (audited)) on income of £1,000 (2022-23: £32,000 (audited)). CTL net assets at 31 March 2023: £215,000 (unaudited) (31 March 2022, £215,000 (audited)).

Cash Management

Cefas consumed operating cash of £48.1 million (2022-23: £36.7 million) during the year. This increase over the prior year is primarily due to higher operating volumes and budgets from Defra and changes in working capital. Investments in property, plant and equipment have continued in the year and account for a further outflow of £0.7 million (2022-23: £2.2 million). Having reviewed the cash requirements of the agency with Defra, we have drawn down £50.1 million (2022-23: £37.1 million) from them to fund our operating needs. Based on continued support from Defra for our budget allocation, and our forecasted other funding sources, we are in a sound cash position with sufficient liquid funds and funding contracts to meet expected obligations within the coming financial year.

Financial Risk

The primary financial instrument risk that Cefas is exposed to is the receipt of payments from partners in foreign currencies. This risk is assessed as low, given that 96% of our invoiced income, represented by Total operating income, was received in pounds sterling and 4% in foreign currencies. Credit risk is the risk of non-payment by partners. This risk is assessed as low as the amount of overdue debt is low and carefully managed.

Counter Fraud, Bribery and Corruption

Cefas follows the principles of The Bribery Act 2010 and complies with Government Functional Standard, GovS 013: Counter Fraud, which underpins our Counter Fraud, Bribery and Corruption Policy. Cefas requires all colleagues to act honestly and with integrity, and to safeguard the public resources for which they are responsible, including tangible property and intangibles such as intellectual property. Fraud, Bribery and Corruption are an ever-present threat to these resources, and Cefas remains alert to these risks. Improvements in fraud awareness training across the agency were undertaken during the year.

Cefas is committed to maintaining an honest and open culture, balanced with the commitment to eliminate any fraud, bribery or corruption involving the organisation, and to rigorously investigate any such cases. The Board wishes to encourage anyone having reasonable suspicions of fraud, bribery or corruption to report them.

Social Matters and Human Rights

As an Executive Agency of Defra, Cefas is part of the Department's Equality Diversity and Inclusion Strategy. This recognises that we need the skills and abilities of a truly diverse workforce, that represents the communities we live in and serve, to provide greater innovation,

creativity and partner insight, whilst offering a workplace where colleagues feel comfortable and are able to apply their full range of talents. We strive to ensure that individuals and groups are treated fairly and with equity, and that we account for the different experiences and needs of all our colleagues and partners. Being a diverse organisation means that we can show that positive action is taken on social matters as well as providing respect for human rights.

Future Plans

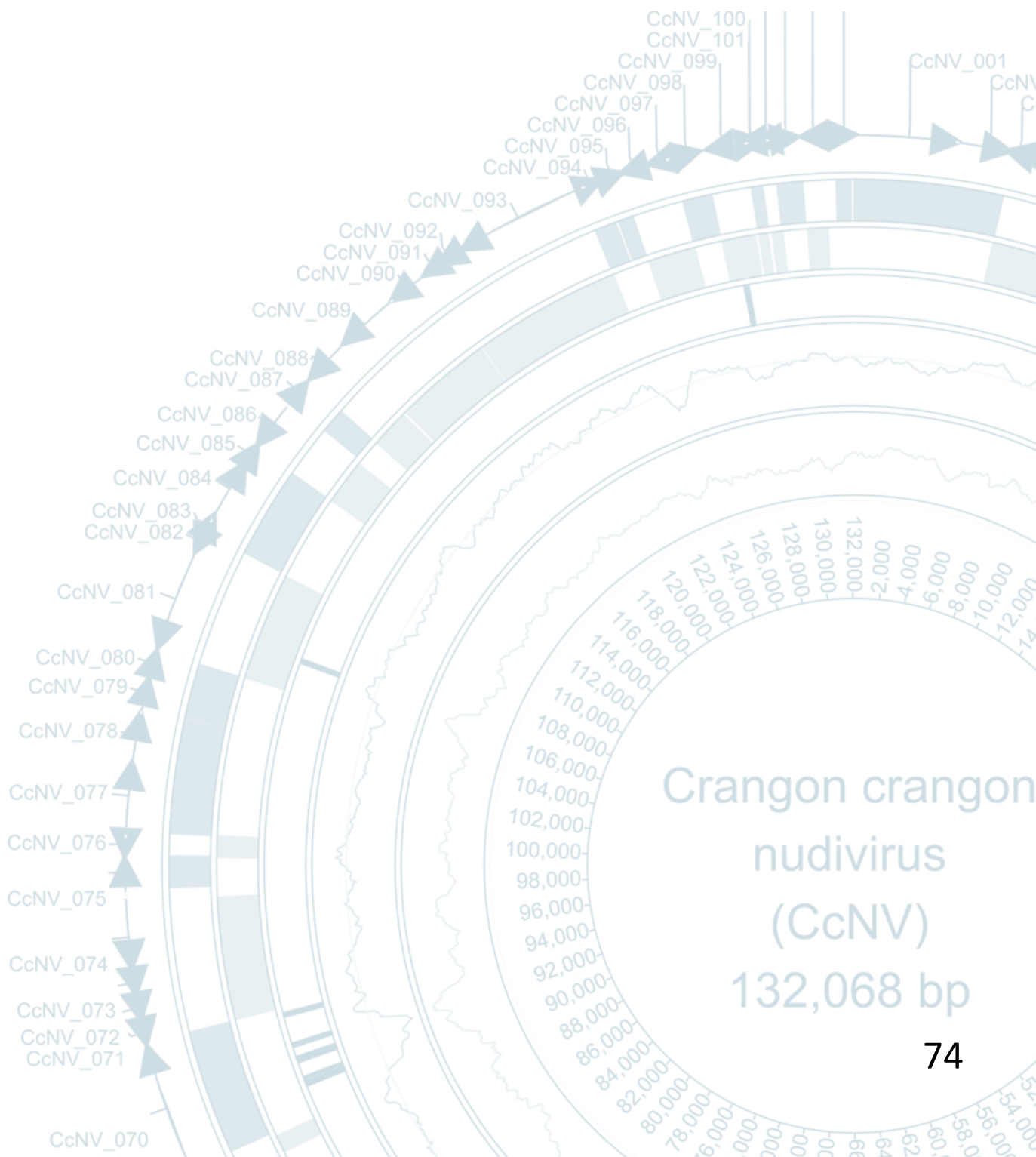
We enter 2024-25 with secured financial budgets from Defra, and wider Partners' for a significant proportion of the financial year's Planned funding. Our plans are endorsed by Defra and reflect budget allocations set out in the Spending Review 2020.

Budgets for any future capital works at all our operating sites at Lowestoft, Weymouth, Plymouth, Scarborough and Hayle are now managed by Defra group property who provide Cefas with property services under a partnership agreement.

Events After the Reporting Date

The Accounting Officer, Neil Hornby, authorised these financial statements for issue on the same date that the Comptroller and Auditor General signed his certificate.

There were no events after the reporting date that should be reflected in the accounts, which are prepared on a going concern basis.



Sustainability Report

Summary

Cefas has made progress against the 2021-25 Greening Government Commitments (GGC) seeing a reduction in water consumption, paper usage and domestic travel. Sub-targets for reduction in carbon emissions and waste were not met, indirect emissions of greenhouse gases and direct emissions remain a challenge. Our increasing international work-related travel and research vessel survey work remain significant challenges. Increasingly we are working overseas with travel required to support programme delivery. 2024-25 GGC targets will be challenging with behavioural change and investment required to meet the targets.

Sustainability Targets

Cefas reports against the 2021-25 Greening Government Commitments (GGC) using the baseline of 2017-18. Targets for meeting the GGC 2021-25 are included in this report as well as internal stretch targets that demonstrate our ambition to be more sustainable in all our operations.

About Our Data

Cefas sustainability data and associated financial costs, are consistent with the requirements of HM Treasury's Public Sector Annual Reports: Sustainability Reporting Guidance 2023-24. The information contained within this

section has not been subject to audit and does not form part of the auditor's opinion on the accounts. Consumption figures are based on a mix of billed amounts and direct meter readings and may be subject to future adjustment. Carbon data are calculated using the Department of Energy Security and Net Zero and Department of Environment Food and Rural Affairs carbon factors published in June 2023. Changes to historical data are only made if impact is more than 1% of Cefas aggregated data.

Carbon Footprint Overview

Carbon footprint reporting is aligned with the guidelines set out in the Greenhouse Gas (GHG) Protocol, and Sustainability Reporting Guidance. Cefas reports scope 1, scope 2 and, where available, scope 3 data in this report. It is not currently possible to assess all scope 3 emissions, and the reported carbon footprint is therefore lower than the total footprint. The Carbon Trust have compiled carbon accounts for Defra Group for 2022-23 for Cefas. As data become more readily available, Cefas aspires to adopt the methodology used by the Carbon Trust as much as possible to report in the ARA against all scope 3 categories.

Task force on Climate Related Financial Disclosure

Cefas continues to apply Greening Government Commitments 2021-25 for metrics and targets in line with Sustainability Reporting Guidance. Governance for annual reported Sustainability financial data is reported to our Sustainability Committee and signed off by Environment Head of Function. Our annual Sustainability Report is reported to our Board and Senior Leadership Team. Climate change adaption risk has been assessed and is discussed at quarterly SLT-level risk review meetings. Although greenhouse gas emissions are an important part of impact assessment, Cefas also considers the social value of the work that we undertake worldwide.

Net Zero Working Group

Chairs of the Net Zero Working Group with support from our Sustainability champion, secured sponsorship, and support for their plans from the Senior Leadership Team. Two all staff engagement workshops were completed in 2023 to establish priority decarbonisation actions for 2024. A draft of Cefas commitments to climate action has been presented to Senior Leadership Team, with the Net Zero Working Group being formally recognised as a Cefas change project as part of the internal change and improvement programme. Net Zero Working Group chairs attended and presented at Defra Sustainability Leadership

Group meeting at Kew which was a great opportunity for collaboration and knowledge sharing.

Greenhouse Gas Emissions

Cefas built estate is actively managed by Defra Group Property to optimise occupancy and minimise greenhouse gas emissions from fossil fuel energy use. Direct and indirect emissions are reviewed under the Environmental Management System and via energy audits of sites. The energy audits feed into outline business cases for energy efficiency measures. Total emissions from estate and domestic business travel have fallen by 38% against the 2017-18 baseline, driven by a reduction in indirect emissions. This reduction and the trend over the reporting period, which tracks Cefas internal Greening Government Commitment (GGC) targets, can be attributed to refurbishment of Cefas's sites. The installation of a Combined Heat and Power (CHP) plant at Weymouth has also had an unintended consequence of driving direct emissions above GGC target, and in 2023-24 were 5% higher than the 2017-18 baseline.

There is currently no expectation that gas supplies will decarbonise significantly over the next decade, and future reductions in direct emissions to meet Cefas internal and stretch targets will be challenging. Cefas holds Renewable Energy Guarantees of Origin (REGO) certification for use

of renewable electricity supplies. Business travel emissions are reduced where possible through ongoing support for flexible working arrangements and the use of online working practices to reduce the need for travel for work. Emissions from domestic business travel have fallen by 10% against the 2017-18 baseline, again exceeding the internal target for reductions. Wherever possible ultra-low emission vehicles or electric vehicles are used for fleet and short-term rental.

The Research Vessel Cefas Endeavor is Cefas largest individual emission impact and is powered by marine gas oil. We are currently exploring opportunities for using a transition fuel to reduce the carbon emissions of the vessel. However, this is a challenging task because decarbonisation of the marine sector is lagging significantly behind UK mainland decarbonisation.

CARBON – greenhouse gas emissions			
	Performance : 2023-24 against baseline (2017-18)	2023-24 Internal target	2021-25 GGC target
GGC CO² emissions 1	38% reduction	40% reduction	50% reduction required by 2025

		(52% reduction)*	
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Notes: ¹ GGC requirement: From buildings and domestic travel. * = stretch target

ENERGY CONSUMPTION		2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18 (Baseline)
Non-financial indicators								
No WDHS, consumption of biomass, LPG or 'Other'	Energy Consumed Total (kWh '000)	7,309	6,537	7,816	6,103	5,928	7,812	7,805
No WDHS, consumption of biomass, LPG or 'Other'	Total Electricity	3,172	2,165	2,956	2,467*	2,244*	4,104	4,088
	Electricity: Brown		-	-	-	-	1	1
	Electricity: Green	3,172	2,165	2,956	2,200	2,175	4,063	4,087
	Electricity: CHP ¹		-	-	-	-	-	-

	Electricity: Photovoltaic	924	351	283	267	69	40	-
	Gas	4,135	4,372	4,860	3,636	3,684	3,708	3,717
	No Oil or LPG		-	-	-	-	-	-
Financial indicators	Energy Costs Total (£'000)	673	718	552	479	664	651	618

GREEN HOUSE GAS EMISSIONS		2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18 (Baseline)
Non-financial indicators	Total GHG Emissions reportable under GGC†	1,589	1,673	1,910	1,386	1,561	2,373	2,558
	<u>Scope 1</u> : Direct Emissions from Buildings	748	893	904	676	673	682	708
	<u>Scope 2</u> : Indirect Emissions from Buildings	687	635	895	668	668	1,471	1,588
	Total Building Emissions	1,434	1,528	1,788	1,344	1,341	2,153	2,296
	<u>Scope 1</u> : Direct Emissions from Business Travel	127	124	109	32	144	127	150

	<u>Scope 3:</u> Indirect Emissions from Business Travel	28	31	13	10	76	93	112
	Travel Emissions reportable under GGC	155	155	122	42	220	220	262
Financial indicators	Official Business Travel Expenditure Total (£'000)	1,263	848	306	120	1,294	1,431	1,150

Notes:

†REGO Certification received for electricity supplied from renewable sources in 2021-22. Certification for previous years being sought and data will be updated when received.

Waste and Resource Consumption

Due to improvements in waste data collection operational waste total excluding hazardous waste is above the 2017-18 baseline. There has been a significant increase in waste produced at all sites in 2023-24 compared to the previous years. Cefas diverts all waste away from landfill and utilises the principles of the waste hierarchy to reuse and recycle as much waste as possible. Recycling is not possible for certain laboratory waste streams due to contamination, and products not being suitable for recycling. Reuse of laboratory sample containers has increased significantly in the last year. Weymouth has a return system with chemical glass containers with the supplier and this is being replicated at Lowestoft site in 2024.

Although the current proportion of waste (69%) sent for reuse, recycling or composting is below the 70% target this is a significant improvement due to improved data collection from estimated to actual data. Our Research Vessel contractor has improved data collection and reporting too, collaborating with Cefas to ensure that data is accurate. Reporting for 2023-24 represents the best performance since the baseline year. Behavioural change by everyone is a key element in managing waste and especially recycling. Cefas has a high-water demand due to the operation of the on-site aquarium facilities at

Weymouth. This site is a national facility with strict controls relating to hygiene standards and cleanliness. A substantial proportion of our water use is therefore unavoidable. Nevertheless, reductions on water use have exceeded the GGC target, having been reduced by 35% against the 2017-18 baseline.

Resource consumption represents a significant cost to Cefas, the myriad of laboratory consumables resources purchased, used, and stored are being managed through a central team. By maintaining centralised oversight on consumables and equipment we aim to manage operational costs while reducing waste and consumption more effectively. Single use consumer plastic removed from offices and purchasing monitored for offices via ISS contractor.

Cefas has joined the Freezer Challenge 2024 a programme coordinated by non-profit organisations My Green Lab and International Institute for Sustainable Laboratories. The Freezer Challenge aims to promote cold storage best practice encouraging labs to take action that benefits the planet through energy efficiency while also benefiting the scientists themselves. Cefas will report the results of the Freezer Challenge for improvements in sample access, sample integrity, and energy efficiency. Paper use for printing has continued to reduce with a 71%

decrease in reams of paper used against baseline 2017-18. Reuse scheme for returning chemical containers and packaging in place at Weymouth being implemented at Lowestoft 2024-25.

Waste

WASTE		
	Performance: 2023-24 against baseline (2017-18)	2021-25 GGC target
Waste Total	8% reduction on baseline total waste	15% reduction on baseline total waste
Waste to landfill	100% reduction of waste going to landfill	GGC Target of <5%
Waste reused, recycled, composted	69% of waste is being reused, recycled and composted	70% of total waste recycled

WASTE		2023	2022	2021	2020	2019	2017-18
		-24	-23	-22	-21	-20	(Baseline
Non-financial indicators	Waste Total (tonnes)	168	143	97	81	123	220
	Hazardous Waste	9	11	7	11	19	29
	Non-Hazardous Waste	159	132	94	70	104	191
	Reused, recycled,	116	67	35	25	29	80
	Incinerated with energy	51	51	58	44	65	74
	Incinerated without energy	1	4	-	-	1	5
	Landfill	0	0	1	1	9	32
	% to Landfill (of Total non-hazardous waste)	0	0	1	1	9	17
	% Reused, recycled composted (of Total non-hazardous	69	51	37	36	28	42
Financial indicators	Disposal Costs Total (£'000)	These are part of a central Defra contract and not available at Cefas level but are included with the Defra Annual Report.					

Notes:

1. Composted includes food waste sent to anaerobic digestion.

Water

WATER		
	Performance: 2023-24 against baseline (2017-18)	2021-25 GGC target
Water consumption¹	35% reduction in water consumption compared to baseline	GGC Target 8% reduction achieved

Notes: ¹ Water consumption directly linked to Cefas workload, e.g. large aquarium operations.

WATER		2023-24	2022-23	2021-22	2020-21	2019-20	2017-18 (Baseline)
Non-financial indicators (m3)	Total Water Consumption ²	49,581	39,232	40,844	32,550	47,427	64,451
Water Carbon Footprint	Carbon factor 0.149	17	5.84 tCO2e	6.08 tCO2e	5	7	10
Financial indicators (£'000)	Water Supply Costs	207	221	169	147	203	192

Other Target Areas

OTHER TARGET AREAS		
	Against baseline year	2021-25 GGC target
Domestic flights	83% reduction on 2017-18	GGC target 30% reduction achieved
Paper use	72% reduction on 2017-18	GGC reduce by 50% achieved
Ultra-Low Emission Vehicles	30% of fleet vehicles ULEV	GGC at least 22% ULEV by end 2022

OTHER TARGET AREAS		2023-24	2022-23	2021-22	2020-21	2019-20	2017-18 (Baseline)
Non financial indicators	No. domestic flights	60	34	3	1	86	199
	Domestic Flights Km	32,690	31,727	2000	4426	74114	101,523
	Research Vessel tCO _{2e}	4612	3,864	4,483	5,422	4,295	3,837
	International flights tCO _{2e}	883	814	99	55	874	500
	International Flights Km	5,489,669	5,166,906	875,707	301,838	4,832,587	3,169,862
	No. international flights	1680	923	97	64	987	1,524
	Short Haul International Economy	439,116	211,960	No data	No data	No data	NA
	Short Haul International Business	41,559	No data	No data	No data	No data	NA

Long Haul Int Premium Economy	1,025,264	No data	112,513	No data	No data	NA
Long Haul International Economy	2,337,176	4,954,946	763,194	No data	No data	NA
Long Haul International Business	18,084	No data	No data	No data	No data	NA
Non UK International Economy	1,531,844	No data	No data	No data	No data	NA
Non UK International Premium Eco	66,244	No data	No data	No data	No data	NA
Non UK International Business	30,382	No data	No data	No data	No data	NA
Rail Euro Star Km	6649	15,045	No data	No data	No data	NA

Domestic Hotel Rooms (tCO ₂ e)	16.2	23.5	8.7	No data	No data	NA
International Hotel Rooms (tCO ₂ e)	51.6	50.1	2.7	No data	No data	NA
Total Reported GHG	7,084	6351	6492	6863	6730	NA
Paper use (Reams)	447	435	382	650	865	1,568

Governance

Overall responsibility for sustainability performance lies with Senior Leadership Team and the Environment Head of Function. For targeted action, sustainability progress is supported by the Cefas Sustainability Committee (CSC) which meets quarterly and a Net Zero Working Group which meets every six weeks to plan and review progress towards net zero ambitions. The CSC reports through to Directors at the Senior Leadership Team. The purpose of the CSC is to monitor and promote the development of reliable and effective environmental management standards across Cefas, whilst encouraging a culture of continuous environmental improvement. The CSC, via the Sustainability Champion, provides a management review to direct the Senior Leadership Team and Cefas Management Board on recommended actions to reduce the environmental impact of the organisation. Cefas is a member of Defra's Sustainability Leadership Group and Sustainable Laboratory Group. UN Sustainable Development Goals

The UN has developed 17 Sustainable Development Goals (SDG) to transform our world, end poverty, protect the planet and ensure prosperity for all. Cefas's purpose and core aims align with: SDG 14, Life Below Water, to conserve and sustainably use the oceans, seas, and marine resources for sustainable development, and SDG

13, Climate Action, take urgent action to combat climate change and its impacts. Cefas operational project work in the UK and around the world contributes to these two SDG in numerous ways.

Travel

International travel (as measured by the number of flights taken) has increased in 2023-24 to above baseline level: the total number of flights was 10% higher at 1680 against the 2017-18 baseline. Emissions from flights have reduced in real terms due to the mitigations put into place by airlines for improved fuel efficiency. Many meetings and events that formerly would have required travel are now attended or held online. The greenhouse gas emissions from hotel accommodation (domestic and international) have remained at 2022-23 level.

Sustainable Procurement

Purchasing has enormous potential to support people, communities, and the environment, Cefas awards many of its major contracts through Crown Commercial Service frameworks, Defra group contracts or through other central purchasing bodies, where sustainability has been built into the contracts, and the social, economic, and environmental impact in the purchase of goods, services and works has been considered. Cefas launched its own Sustainable Procurement Policy in June 2023 identify, prioritise,

address, measure and monitor progress on sustainable procurement. Through the policy we aim to achieve social and environmental good through every pound that we spend-as well as ensuring fair value for money. We are working closely with our large suppliers to better understand, report and reduce the environmental impacts of procurement encouraging suppliers to set their own science-based carbon reduction targets and provide emission data to Cefas.

Cefas is also a member of the cross Defra steering group on Modern Slavery; working towards improving modern slavery training and creating clear lines for reporting, remediation, and escalation of cases of modern slavery.

Green IT

Cefas continues to align with the Government's Greening Government sustainable IT strategy. This includes acknowledging the extent to which Green IT best practice has been adopted to date and to embedding Green IT into our future management practice and processes. We continue to implement the UK Government's Cloud First programme by consolidating Cefas use of Microsoft's Office 365 and Azure hosting, as well as the implementation of cloud-based video and telephony services. These improvements increase the availability and usage of web-based messaging, video conferencing and increased collaboration facilities, enabling colleagues to

share and collaborate on documents with each other and partners, reducing face-to-face meetings and their travel related emissions.

We continue to assess and optimise personal and server computing assets to reduce our carbon footprint, rolling out lighter and more energy efficient laptops. Where possible, IT hardware continues to be re-used within Cefas, or collected by specialist contractors who arrange re-use, recycling, and eventual disposal. Future improvements will be to begin accounting for carbon use in relation to data storage requirements.

Environmental Management system

Cefas environmental management system is based on the requirements of BS EN ISO 14001:2015, all Cefas operations are included in Defra's ISO 14001 certification. This system is an integral tool in managing Cefas' environmental impacts and provides a mechanism to monitor, report and deliver against targets and objectives.

Building Assurance

Cefas maintain certifications to ISO 9001 (Quality), ISO 14001 (Environmental), ISO 45001 (Health & Safety) and ISO 17025 (laboratory accreditation). Lowestoft site main building achieved Very Good rating for Building Research Establishments Environmental Assessment Method

(BREEAM). These standards provide a management and improvement system to help us to ensure continual improvement. Defra Group Property took over the management of Cefas buildings in 2024.

Biodiversity and Natural Environment

Landscaping work at the Lowestoft site, completed in 2021, has been designed to provide homes and food for pollinating insects and other biodiversity. Cefas will continue to look for new opportunities to promote biodiversity and support wildlife at our sites. Two hedgehog houses and additional bird boxes are being procured in 2024 to encourage wildlife at two Cefas sites.

Climate Change Adaptation

Cefas sites are included in the Defra Group Estates' climate change national adaptation plan. Defra Group Property manage the Cefas buildings and promotes, shares, and implements the Defra Environment Improvement Plan, which supports UK and the United Nations SDGs, and will reduce the impact on the environment from greenhouse gases. Cefas is aligned with Defra by integrating wider environment and climate considerations into all policies and procedures. Cefas follows Defra's current rural proofing guidance and considers the specific challenges and opportunities whilst completing fieldwork. Cefas is part of the Defra

Sustainability Leadership Group that has contributed to the development of the Defra Sustainability Strategy.

Future Strategy

Cefas strives to operate in the most sustainable and environmentally responsible manner: improving the way we use our workspaces; reducing energy and water use; reducing the amount of waste generated; making strategic energy and waste savings from IT services; and assessing the products and services that are purchased to support all operational activities. Laboratory efficiency assessment framework implementation is included in the 2024-25 Cefas business plan with the aim to improve the sustainability and efficiency in all Cefas laboratories including the Research Vessel. Travel principles to lower the environmental impact of all our business travel, including International Travel, is planned for 2024.



ACCOUNTABILITY REPORT



Accountability Report

Corporate Governance

The purpose of the Accountability Report is to explain the composition and organisation of our governance structures and how they support the achievement of our objectives.

The Governance Statement sets out how we have managed and controlled our resources during the year. It provides assurance on how we have conducted our corporate governance, how we have managed significant organisational risks and how we have addressed control issues. The requirements of the Accountability Report are based on the matters required to be dealt with in a Directors' Report.

The Remuneration and Staff Report provides information on people in Cefas and sets out our remuneration policy for directors. It reports on how that policy has been implemented and sets out the amounts awarded to directors.

Conflicts of Interest

A system is in place to record and manage potential conflicts of interest of Board Members and a Register of Interests is maintained and published at: [Our governance - Centre for Environment, Fisheries and Aquaculture Science - GOV.UK \(www.gov.uk\)](#). Details of any related

party transactions are set out in Note 15.

Personal Data Related Incidents

There have been no incidents of data loss involving personal information over the reporting period that required formal reporting to the Information Commissioners Office. There were four non-reportable incidents of unauthorised minor personal data disclosure recorded at Cefas over the reporting period.

Complaints

There have been no formally escalated complaints during 2023-24 (2022-23: two). Routine enquiries were raised with the Fish Health Inspectorate, responsible for regulating fish and shellfish husbandry in England and Wales and were satisfactorily resolved without formal escalation to a complaint. We use our complaints procedure to improve our operations and to ensure that stakeholders are able to raise concerns over our performance in a timely and effective way.

Directors' Report

Our Board

The Cefas Management Board is comprised of four Non-Executive Directors, one Defra Representative and seven Cefas Executives. Board members serving for more than 6 months of the year were:



MARK PENDLINGTON

Cefas Management Board, Chair (Non-Executive)

Appointed 2020

Career includes extensive experience of working across the public and private sectors including in industry, national and regional voluntary organisations, further and higher education, economic development bodies and academia, many with UK and international dimensions.



IAN SELBY

Audit & Risk Assurance Committee, Chair (Non-Executive)

Appointed 2018

Career includes managing offshore development rights for The Crown Estate up to 2018 and a director role at the University of

Plymouth. Ian Selby's full term as Non-Executive Director will end in July 2024.



DR RUTH BOUMPHREY

**Cefas People Development Committee,
Chair (Non-Executive)**

Appointed 2021

Career includes environmental protection, Head of Earth Observation, marine science and technology, and engineering related research.



PROFESSOR RACHEL MILLS

**Cefas Science Advisory Committee, Chair
(Non-Executive)**

Appointed 2021

Career includes leadership roles at King's College London, where she is currently Senior Vice President (Academic) and at the Universities of Sussex and Southampton. Deep Sea oceanographer and ocean chemist.



MIKE ROWE

Defra Representative (Non-Executive)

Appointed 2021

Career includes current role as Director of Marine and Fisheries in Defra and previously

positions including Director for EU and International Trade and Principal Private Secretary.



NEIL HORNBY

Cefas Chief Executive | Appointed 2021

Career includes a range of senior roles in central government, including most recently as Marine and Fisheries Director in Defra.

Previous roles include responsibility for floods policy and nuclear energy.



TIM GREEN

Deputy Chief Executive and Chief Operating Officer | Appointed 2005

Career includes a broadly equal split within both the public and private sector in a range of finance and operations leadership roles in Defra and the professional services, leisure, construction and healthcare sectors.



PROFESSOR GRANT STENTIFORD

Chief Scientist | Appointed 2023

Joined Cefas in 2000 with a PhD in invertebrate pathology. An aquatic animal health specialist with broad interests in development of sustainable aquatic food systems.



DR SIÂN LIMPENNY

Strategy and Delivery Director | Appointed 2020

Joined Cefas in 1994 completing a PhD then working as a Marine scientist in the UK and the Middle East. Appointed as Cefas Divisional Director in 2013, Strategy, Partnerships & Transformation Director in 2016, Middle East Operations Director in 2017 and Strategy and Delivery Director in 2022.



STEVE MILLWARD

HSEQ and Delivery Infrastructure Director | Appointed 2013

Joined Cefas in 2003. Career includes nearly 20 years' experience within the electric and gas retail sector prior to joining Cefas. Appointed as Cefas Divisional Director in 2008, Operations Director in 2013 and HSEQ and Delivery Infrastructure Director in 2022.



STEVE ADDISON

International Funding and Partnerships Director | Appointed 2014

31 years' experience in the environmental, marine and finance industries including extensive financial and business development

expertise gained through international banking and the Oil and Gas markets.



KARIN RUNDLE

Corporate Services (HR/OD) Director | Appointed 2012

Joined Cefas in 2009 as Director HR/OD and is a Fellow of the CIPD. Career includes 30 years of senior HR leadership in local government, NHS, Police, Social Services and engineering/technology in the private sector. Karin Rundle retired in April 2024, after the end of the financial year.

Our Board's Year

Our Board's focus across 2023-24 has been aligned to our corporate strategies and the delivery of our strategic priorities.

Science, Infrastructure, Innovation and Investment Board

Excellent Science

- Development started on next Science and Evidence Strategy.
- Peer Reviewed Publications and associated impact factors

Development of Science Themes

- Food from water
- Seafood hazards
- Ecosystem change
- Environment and people

Centres of Excellence

- Continued development of four Cefas Centres of Excellence:
 - Seafood safety
 - Fisheries
 - Aquatic animal health

- International marine climate change

Engagement & Developing Professionalism Board	People and Engagement Health, Safety, Environment & Quality	<ul style="list-style-type: none"> ● Delivery of our People Action Plan ● Focus on people engagement, with an emphasis on the results of the People Survey ● Advancing equality, diversity and inclusion ● Implementation and regular review of a Health and Safety Culture Improvement Programme ● Improving our environmental accounting and setting future actions for Cefas sustainability
Performance, Improvement and Risk Management Board	Operational Delivery	<ul style="list-style-type: none"> ● Focus on quality deliverables to our partners ● Annual Cefas Satisfaction Questionnaire results and actions ● maintaining professional capability through our ISO Accreditations and Functional standards

	Organisational Change	<ul style="list-style-type: none"> • Update to organisational Governance structure in line with GIAA audit findings • Review of project delivery capabilities and priorities against resource and objectives.
Partnership Impacts Board	Financial Performance Funding Development	<ul style="list-style-type: none"> • Approval and subsequent monitoring of our 2023-24 plans • Setting and monitoring of our annual key performance indicators • Preparing for the next Spending Review – to be undertaken after the General Election. • Development and implementation of the Cefas international funding and partnership strategy

Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed Cefas to prepare, for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Cefas and of its net resource outturn, application of resources, changes in taxpayers' equity 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 HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;

Make judgments 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 financial statements;

Prepare the financial statements on a going concern basis;

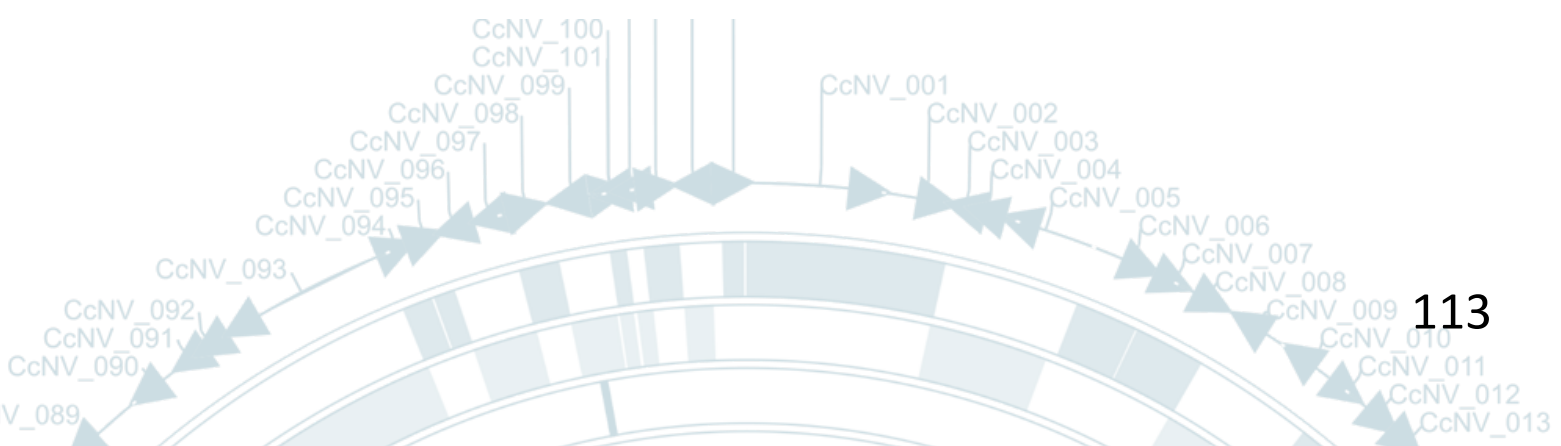
Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the

judgements required for determining that it is fair, balanced and understandable.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding Cefas' assets, are set out in Managing Public Money issued by HM Treasury.

The Accounting Officer of Defra has designated the Chief Executive of Cefas as Accounting Officer of Cefas. The Accounting Officer confirms the following:

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



Governance Statement

This statement sets out the governance arrangements and performance of the Centre for Environment, Fisheries & Aquaculture Science (Cefas) in 2023-24. Cefas is an Executive Agency of the Department for Environment, Food and Rural Affairs (Defra) and as such it is fully accountable to Parliament through ministers.

Governance arrangements are formalised in a Framework Document set by Ministers, which is available to download from [Our Governance](#)

Ministers nominate a member of the Defra Executive Committee (ExCo) to act on their behalf in all ownership matters and to be line manager for the Chief Executive. During 2023-24 this role was fulfilled by Defra's Director General for Environment, Rural and Marine. Their responsibilities include providing oversight of Cefas and assurance to the ExCo that appropriate governance arrangements are in place for the agency. Regular performance reports, risk assessments and other management information flows from Cefas to Defra, which are appropriately reported to the ExCo. There are numerous other informal links with the Department, including between non-executive directors (NEDs) and in functional areas such as science, finance and human resources.

The Chief Executive, Neil Hornby, as Accounting Officer, has personal responsibility and accountability to Parliament for the organisation and quality of management within Cefas, including its use and stewardship of public assets. In delivering this role, the Chief Executive is supported and challenged by the Cefas Management Board (the Board). The Board provides strategic leadership for Cefas within a framework of prudent and effective controls, which enables risk to be assessed and managed. It is collectively responsible for the long-term success of the agency. The Board operates within the strategic context and authorities set by Defra. Its remit includes setting strategic aims, objectives and risk appetite; ensuring that necessary leadership and resources are in place to deliver its aims; challenging and supporting management performance; providing assurance on effective controls and risk management. A balance of executives, NEDs and a Defra senior official Representative provides the appropriate skills, experience, independence and knowledge to enable the Board to discharge its duties and responsibilities. One NED is appointed as a “lead NED” and is Chair of the Board, this role was fulfilled by Mark Pendlington throughout the year. The lead NED provides a sounding board for the Chief Executive and serves as an intermediary for other NEDs, when necessary.

The Board has three committees routinely reporting to it, including an Audit Risk and Assurance Committee (ARAC), Cefas Science Advisory Committee (CSAC) and Cefas People Development Committee (CPDC), each with individual terms of reference that are approved by the Board. These committees have a wholly external membership and are chaired by a NED. Appropriate Cefas Executive and external representatives attend the committees as required.

A register of interests declared by Board members are managed by the Chair of the Board to ensure any potential conflict of interest is avoided or managed. During the year, no material conflicts have been reported. The Board and the ARAC have been fully quorate during the year. A record of Board attendance, committee attendance and the register of interests is published at: [Our Governance](#)

The Board's assessment of its adherence to the Corporate Governance in Central Government Departments': Code of good practice 2017, published by HM Treasury, confirms that Cefas complies with relevant principles and protocols in so far as it applies to an Executive Agency, with no known exceptions.

For more detailed disclosures regarding Governance see the following reports within this document:

Cefas Management Board (the Board)

Executive Members	Non-Executive Members
Neil Hornby Tim Green Grant Stentiford Siân Limpenny Steve Millward Steve Addison Karin Rundle	Mark Pendlington, Chair Ian Selby Ruth Boumphrey Rachel Mills
	Defra Representative
	Mike Rowe

	Audit & Risk Assurance Committee	Science Advisory Committee	People Development Committee
Frequency	4 meetings held	2 meetings held	3 meetings held
Members (Non-Executive Directors)	Ian Selby (Chair) Mark Pendlington Anne Marie Millar (Independent ARAC NED)	Rachel Mills (Chair)	Ruth Boumphrey (Chair) Ian Selby Rachel Mills
Key areas of responsibility	Provides a monitoring function for corporate governance and control systems, advising on audit matters, as well as reviewing performance and risk,	Provides independent scrutiny and advice to the Board on the quality and relevance of the agency's science strategy and operations	Provides independent scrutiny and advice to the Board on the quality and relevance of the agency's people strategy to ensure it is meeting

	including health and safety		operational needs
Key subjects of focus in year	<ul style="list-style-type: none"> • Health & Safety metrics and culture. • Cyber and Information Security • People processes, retention, and pressures. • Strategic Financial Planning and control • Property management. • Collaboration with Defra Group Corporate Services 	<ul style="list-style-type: none"> • Provides independent scrutiny of the Science and Evidence Strategy through the Science Review. • A new panel was appointed on 1st January 2024 drawing in expertise across Cefas science, data and people. The panel will meet 	<ul style="list-style-type: none"> • Monitoring of progress with People Strategy • Advice and support in development of rewards • Advice and support with employee engagement and professional alignment with government frameworks • Supporting employee equality,

		as required to provide challenge, guidance and share expertise during the creation of the new Cefas Science and Evidence Strategy.	diversity & inclusion performance.
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Effectiveness of Cefas Management Board Performance

The Board conducts an annual review of its terms of reference and a continuing evaluation of its own performance and effectiveness. The performance evaluation approach in 2023-2024 was to conduct effectiveness assessments at the close of each meeting. This recognised the Board was performing effectively with improvement actions followed through in the year being: increasing the visibility of the Board, an increase in external engagement with partner organisations and bringing more external voices and ideas to the Board.

The Board routinely reviews performance data using a balanced scorecard approach that aligns operational indicators with Cefas' strategic objectives. The Board considered this data to be of an appropriate quality and is content that all relevant matters are correctly reported for Board assessment. This judgement is further assured through management statements on compliance performance, NEDs' personal engagement with operating Directorates, rotational presentations from operational teams and formal reports from Board sub-committees.

Cefas has delivered well through a year with challenges including: significant inflationary and cost of living pressures, industrial action and resource constraints.

Despite the pressures, Cefas has demonstrated a strong performance of high impact evidence and advice provision at home and overseas at the same time as strong performance against success performance indicators, exceeding expectations in a number of areas, including our: partner satisfaction results, our health and safety cultural improvement and our financial delivery (details provided in: Section 1, Performance Report).

As well as challenge and assurance of Cefas' operational performance, other significant items the Board addressed in the year included: Cefas' contributions to a number of high profile events including COP28 in Dubai, continuing to support the UN Decade of Ocean Science and ; embedding the new organisational strategy, Cefas 2030, and assessing performance against new success indicators that have focused our ambitions. The board have also offered challenge and guidance on high-profile inquiries, such as the continuing work on the North-East crustacean mortality incident and provided insight to Defra with regards to response preparedness for emergency situations. The Board continues to challenge Cefas to prioritise work that supports our strategic, national and global priorities to support the sustainability of the marine environment.

Risk Management

Cefas' science and the environment in which it operates are evolving and, as a result, the risks and opportunities Cefas faces are continually changing. A sound system of internal control therefore depends on a thorough and regular evaluation of the nature and extent of the risks and opportunities to which Cefas is exposed. The system of internal control is designed to identify and manage risk to a reasonable level rather than to eliminate all risk of failure; it can therefore only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control follows the best practice guidance laid out in the HM Government Orange Book. The system is based on an ongoing process designed to identify and prioritise the principal risks and opportunities to the achievement of policies, aims and objectives, to evaluate the likelihood of those risks and opportunities being realised and the impact should they be realised. The system then requires efficient, effective, and economic management. Public overview and reporting are provided annually in this Governance Statement.

Risk Management identifies the range of issues that Cefas may be exposed to, so that the organisation risk appetite can be used to assess risks to allow a timely response to be taken to identify corresponding actions to avoid, mitigate or exploit their consequences as appropriate. Risk

Management is not a separate activity, divorced from the day-to-day management of Cefas' delivery. Rather, risk presents both opportunities for, and potential challenges to, achieving strategic, tactical, and operational objectives. Risk awareness, and how to manage and exploit those risks, is inherent in our operations and needs to be embedded in all aspects of the management and governance framework of Cefas. Management planning, Business Continuity Planning, Incident Management and Disaster Recovery are natural supporting activities of the risk management process.

Risk management requires that issues are identified and then quantified by assessing their likelihood of occurrence and potential impact on the operation of the agency. Once quantified, these are prioritised in terms of the expected benefit that will flow from their proper management. Cefas sets out to utilise a bottom-up and top-down approach. Formal risk and opportunity identification and management is the responsibility of managers, but they should be identified and assessed wherever they occur, by any member of Cefas. Once identified, they should be reported to the person best able to manage them and escalated to higher levels of management and risk structure, as required, for monitoring and consolidation with similar risks in the higher-level risk registers. Regular and extraordinary management reviews determine and

prioritise those key Cefas risks and opportunities. Key operational risks are captured in the Cefas Opportunity and Risk Register and reported to Defra, and internal Cefas boards. Key strategic risks are identified in the Annual Plan.

Risk Management in Cefas builds upon the experience of managers and colleagues over many years and the aim is to use risk and opportunity management to prioritise activity in the most productive and traceable manner. Insurance is a part of this plan as, whilst Cefas is self-insured as a government agency, additional commercial insurance is applied for motor liability, contractor research vessel activity, health support for colleagues working overseas, and professional indemnity for work with non-UK Government customers. The professional indemnity insurance recognises the increased risk to our government remit of this other work and the extra insurance costs are recovered from these customers. Insurance is not seen as a replacement for good risk management.

Principles of Risk Management

The Cefas risk management strategy is based on the following principles:

Where unacceptable hazards can be avoided, take timely mitigating action. Encourages risk taking informed by intelligent decisions and consultation. Where Cefas is best

served by taking well-managed risk, ensure that appropriate risk management is in place to reduce the risk of unacceptable surprises and consequences.

Where Cefas is not best served by taking risk, avoid the activity, where the operational benefit of an activity is outweighed by the potential risk, this should be recorded in the Risk Register.

- Prepare mitigation plans and set key targets.
- Prepare fallback plans including: crisis management, business continuity, incident management and disaster recovery plans, where needed.
- Regularly exercise and performance review fallback plans.
- Review performance of risk management at all levels.

Risk Appetite

Cefas has defined a risk appetite in-line with the HM Government Orange Book: Management of Risk: Principles and Concepts, and the Government Finance Function's: Risk Appetite Guidance Note. Cefas has adopted the Guidance Note's risk categories and risk appetite levels.

Our risk appetite has been defined following consideration of organisational risks, issues, and consequences.

Appetite levels will vary, in some areas our risk tolerance will be minimal or cautious in others, we are open for risk

and are willing to actively tolerate and manage risk in the pursuit of important objectives. We have aimed at operating organisational activities at the risk levels set

below. Where activities are projected to exceed the defined risk levels, this must be reported and approved through appropriate governance mechanisms.

Summary: Cefas Risk Appetite Levels by Risk Category, 2023-24:

Legal		Security, Data & Info management	People, commercial & reputational	Technology	
AVERSE	MINIMAL	CAUTIOUS		OPEN	EAGER
Property	Financial	Operational	Strategy & Governance	Projects/ Programme	

Significant risk categories:



Reputational risks: We have adopted a cautious stance for Reputational risks. We wish to be seen as the Government's marine and freshwater applied science experts. Cefas depends on its reputation for scientific excellence to support all partner delivery. Cefas' risk appetite is to only tolerate a low level of managed risk that would arise due to the delivery of poor scientific evidence or advice.




Technology risks: We have adopted an open stance for technology risks, willing to embrace newer technologies to improve our science and delivery, while ensuring the required protective controls are in place to protect the confidentiality, integrity, and availability of our information.

Data and Information Management risks: We have adopted a cautious stance for Data and Information Management risks. Cefas accept the need for sharing information and data to ensure our operational effectiveness and will manage the risks through carefully considered mitigations.

Risk Management Approach

Cefas uses a 5-step risk management model in line with the Defra Risk Management Framework:

	<p>IDENTIFY</p>	<ul style="list-style-type: none"> • Risks are identified in local risk registers and escalated upwards to Directorate and the Cefas level based on scale. • Risks identified at Defra level are shared via the Defra Risk Management Group. 	
	<p>CLASSIFY</p>	<ul style="list-style-type: none"> • Each risk is classified using six categories defined across the Defra network: 	<ul style="list-style-type: none"> • External • Financial • Infrastructure • Operational • Strategic • People

	<p>ASSESS</p>	<ul style="list-style-type: none"> • Each risk is assessed to determine the impact, likelihood, and proximity of crystallisation. 	
	<p>RESPOND</p>	<ul style="list-style-type: none"> • Responses are determined based on the impact and likelihood of the risk crystallising to determine the appropriate action to limit the risk to the organisational risk appetite. 	<ul style="list-style-type: none"> • Treat • Transfer • Tolerate • Terminate • Take opportunity
	<p>ESCALATE</p>	<ul style="list-style-type: none"> • Risks are either managed within Cefas or escalated to Defra depending on the nature of the remaining risk after responses. 	<ul style="list-style-type: none"> • Manage within Cefas • Notify Defra via Risk Management Group • ExCo action required

Lines of Defence

Cefas use three lines of defensive control to manage potential risks:

First line - Daily operational risk management

Primary responsibility for managing organisational risks through designing and implementing appropriate mitigating controls rests with operational level management.

Second line - Monitoring and reporting

Secondary responsibility for implementing and/or monitoring the performance of first line of defence controls comprises internal risk management and compliance functions.

Third line – Independent Review and Audit

Final responsibility to provide independent risk assurance and review of the effectiveness of governance, risk management and internal controls, including first- and second-line controls. Independent assurances will typically be provided by auditors from outside of Cefas primarily provided through an annual assurance program conducted by GIAA and the statutory audit conducted by NAO:

GIAA provides Cefas with our Head of Internal Audit, Dayo Olusesi, who provides the Accounting Officer with an annual opinion as to the design and effectiveness of internal controls operating in the organisation. This opinion is supported by an annual programme of assurance audits focused on the risks of the organisation.

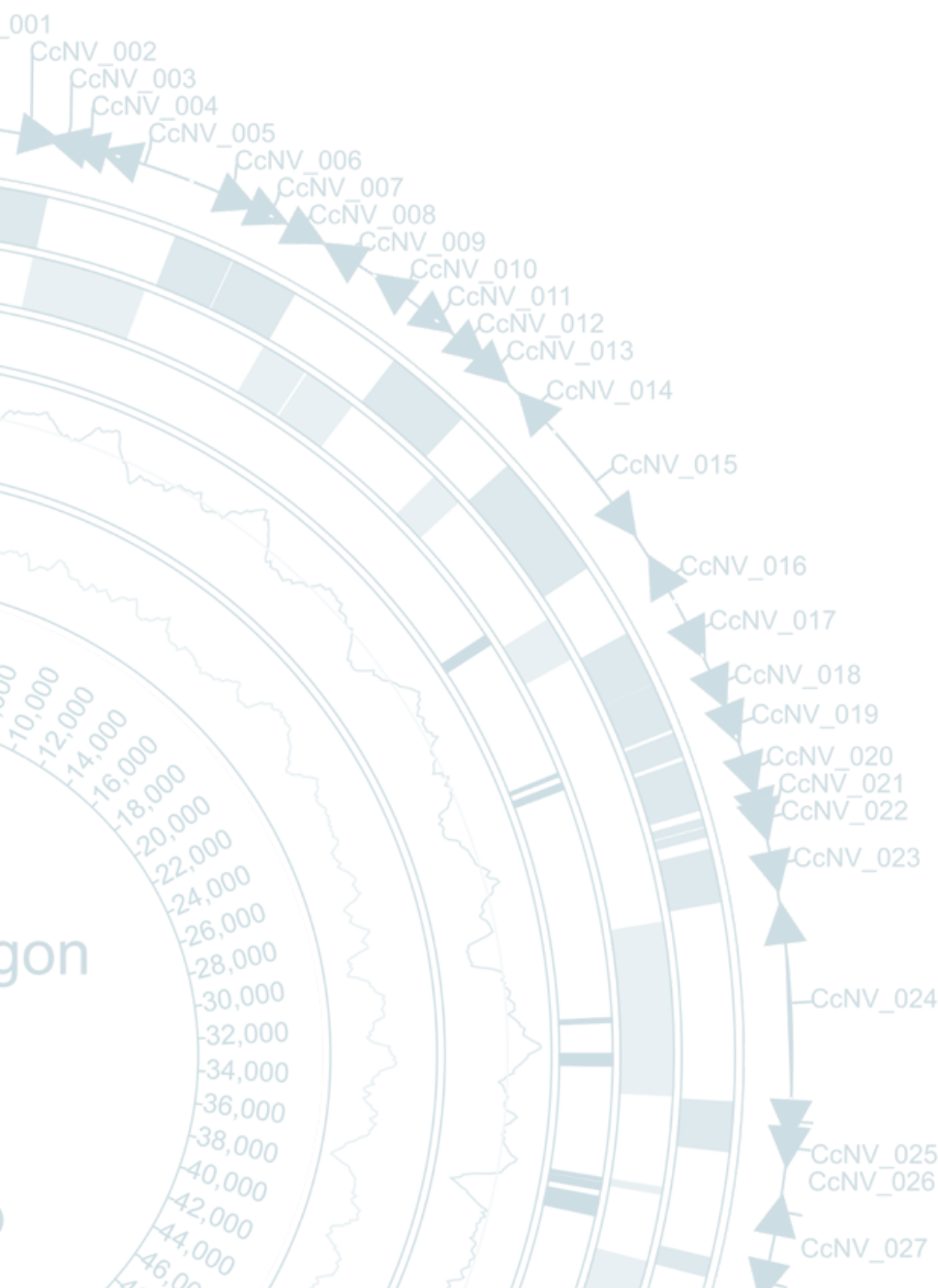
This year's programme included reviews of: governance, health and safety, stakeholder engagement, fraud risk awareness, payroll accuracy, cyber security and data protection. The overall opinion provided positive assurance as well as a range of recommendations to further enhance the control environment.

NAO provides an annual audit of Cefas financial statements including an opinion on the adherence to the FREM, regularity of operations and necessary assurances of systems and controls used to manage our financial affairs. This included a positive opinion for the year 2023/2024 reflected in a formal report to the ARAC covering the detail of the work and findings for the year. This also supports future improvements to our reporting and control environment.

Role of the Audit and Risk Assurance Committee (ARAC)

The ARAC provides the primary assurance mechanism. It operates in accordance with the Audit and Risk Assurance Committee Handbook, published by HM Treasury. For 2023-24, the ARAC has been supported by a Head of Internal Audit and team from the Government Internal Audit Agency. An agreed annual risk-based audit plan, operating to government internal audit standards, has been delivered and the annual opinion from the Head of

Internal Audit provided positive but moderate assurance over the controls reviewed in the year. Management have agreed with the recommendations arising from these audits and are implementing those improvements to enhance the adequacy and effectiveness of the framework of governance, risk management and control.



Risks Managed in the Year

Risks are identified at an organisational level and across each of the directorates. Cefas has identified and managed these as the key organisational risks in year. The risk trends have been captured and monitored via ongoing management and quarterly risk management reviews:

Risk Area	Principal Mitigation
<p><i>Defra Group Reputation damage in high profile work areas</i></p> <p>At times Cefas works on science supporting high-profile and possible contentious area of government and customer work. This has the potential to cause reputational damage for Cefas and the Defra Group where the science quality is not upheld to the stringent Cefas standard's or where our scientists</p>	<p>To reduce the potential for reputational risk from high-profile cases Cefas will:</p> <p>When required ensure that teams and expert witnesses engage with Legal Counsel, to advise on the preparation of proofs of evidence.</p> <p>Ensure sufficient resilience of Cefas teams especially if required to support events in rapid succession, this will include specialist witness training. Cefas will assess the potential for liability at engagement, but only to the extent</p>

<p>are called upon to be expert witnesses in inquiries or legal cases.</p>	<p>caused by a) our default or breach of contract or b) our negligence.</p>
<p><i>Failure to gain a satisfactory pay offer</i> There is a risk if Cefas is unable to gain a satisfactory pay offer (from remit or being part of Defra pay flexibility case) and overall affordability that levels of dissatisfaction with pay continue to escalate leading to higher turnover and inability to attract quality staff.</p>	<p>Cefas developed a business case to support the transition to the Defra pay remit and assessed the transition. Cefas had expectations that there would be benefits in the mid to longer term to erode the perceived differences with Defra and other agencies that can prevent flexibility and transfer of skills across the Department.</p> <p>In year the Defra pay case changed and Cefas management recognised this would no longer advantage Cefas staff, and therefore withdrew and moved forward with local pay award in-line with treasury guidance. Cefas management are now reviewing options for next year's pay review.</p>

Funding pressures

Funding pressures are a constant risk to manage, inflationary and cost-of-living pressures and supply issues add uncertainty and risk to: our income (UK Govt may change funding priorities); our inputs (energy, RV fuel, inflation), and staff and partner wellbeing (financial and other concerns).

Continuous monitoring of the impacts and responses to the changing situation.

Risk and sensitivity incorporated into Business Planning, quarterly reforecasting will consider risks arising and mitigations and raise to Senior Leadership Team for a response.

We will continue to maintain good relationships with our customers and develop potential links to new or emerging funds and provide opportunity for input to strategic country planning.

Research Vessel Management Services Performance

Inadequate contract, operations, and technical management, could lead to poor operational performance from the RV, and a negative impact to survey delivery and associated Cefas outcomes.

Cefas has engaged Technical Consultant's to perform Condition Surveys of the RV and ad-hoc support.

A review of the RV management structure has been completed and improvements made with the structure now including an RV Coordinator role, an RV Operations Manager role, a Contract Manager and an Asset Owner who is the Senior Contact for the RV contract.

People Risk - Loss of Required Skills and Knowledge

There are risks identified across Cefas directorates of the loss of required skills and knowledge to perform functions and science across Cefas deliveries, due to various reasons: recruitment constraints, retention and succession planning.

Cefas has introduced plans to enhance retention and succession planning including:

Annual training needs assessments are completed by line managers for all staff;

Staff are supported to undertake additional paid work in their specialism to enhance their career and their standing in the science community.

Science Staff are encouraged and supported to undertake non-financial CV-building opportunities outside of Cefas where delivery is not unduly affected.

Line Managers are supported by the Civil Service Learning platform which is supplemented with bespoke management and development training to maintain and enhance team working, communications and connectivity across the organisation.

Compliance to Government Functional Standards

Cefas is committed to complying with the UK government's functional standards. These standards set out expectations for the management of functional work and the functional model across government. Cefas has several measures in place to ensure compliance with the functional standards, including:

setting clear roles, responsibilities, policies and procedures, and ensuring an annual programme of assurance for compliance to the functional standards.

Cefas receives Property services from the Core department and Internal Audit services from the Government Internal Audit Agency. Cefas is confident that the measures in place are effective in ensuring compliance with the functional standards, and where compliance is not fully met, action plans are in place to progress compliance. These measures help to ensure that Cefas can deliver its services effectively and efficiently, and that it is accountable for its performance. All relevant standards have been reviewed, and the degree to which Cefas meets the standard is recorded.

Whistleblowing

A whistleblowing policy is in place and operated throughout the year. The annual review of the performance of this policy took place and agreed that it was effective in providing a clear route to raise concerns regarding Cefas'

operations. No formal incidents were reported and reviewed in the year, however, several concerns were resolved at management level, in line with the policy. There were no significant lapses of corporate or personal protected data. Training and internal communications are used to maintain skills and awareness amongst colleagues of the obligations and reporting arrangements for dealing with potential fraud, bribery, corruption, information security and whistleblowing matters. An increased adoption of these resources has been identified as an area for improvement.

Ministerial Directions

No ministerial directions were received in the year.

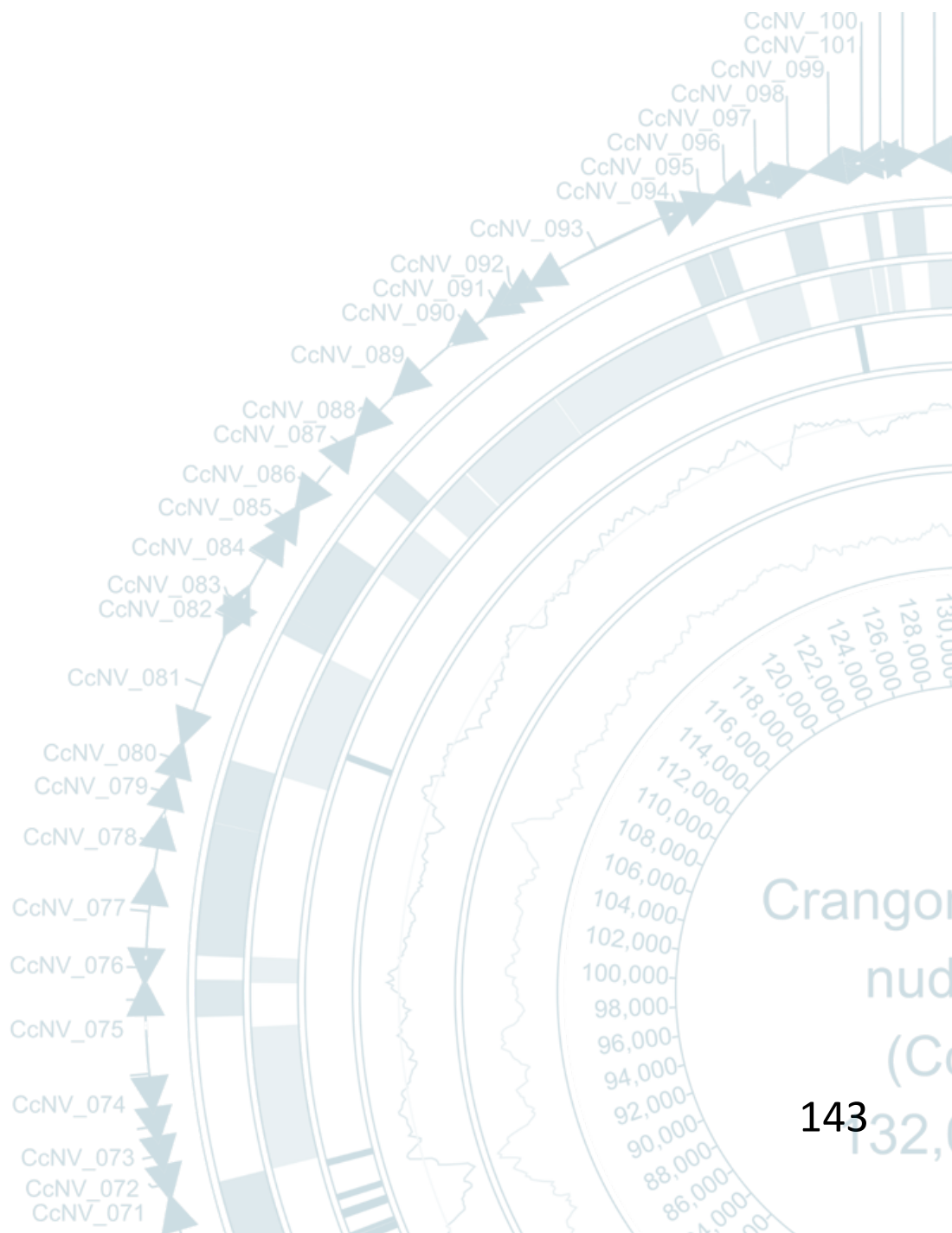
Significant Issues and Ongoing Risks

There is positive assurance over the operation of Cefas' overall governance and controls during the reporting period 1 April 2023 to 31 March 2024 and no significant performance or control weaknesses were identified in year.

The assurance and performance for the significant risks managed in year, as listed above, continues to be closely managed and monitored.

Conclusion

The governance arrangements set out in this statement have supported Cefas' aims throughout the reporting year as evidenced by high levels of partner satisfaction, highly regarded scientific excellence, sustainable finances, engaged people and sound assurances. Accordingly, the Board are satisfied of the position of the 2023-24 record and look to the future with confidence.



Remuneration Report

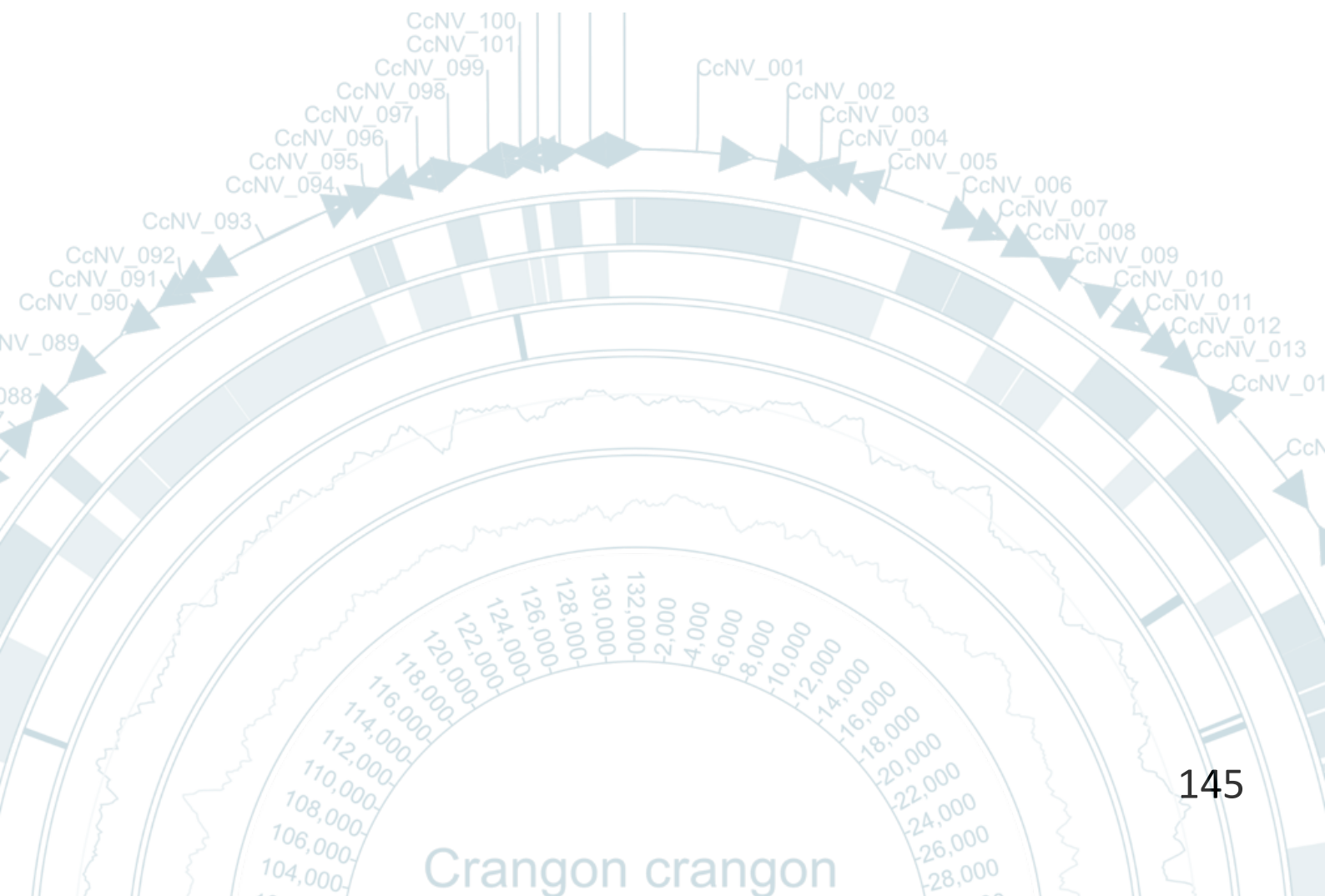
The Cabinet Office, subject to HM Treasury remits, together with the Chief Executive sets the remuneration of the Cefas Management Board's (the Board's) executive directors. The remuneration of senior civil servants (SCS) is set by the Prime Minister, following independent advice from the Senior Salaries Review Body (SSRB). The Cabinet Office advises the Department each year of the government's response to the SSRB recommendations and produces guidance for departments to follow.

Neil Hornby, Chief Executive; Tim Green, Deputy Chief Executive and Finance Director, Steve Addison, Commercial Director and Grant Stentiford, Chief Scientist are senior civil servants under permanent contracts of employment with Defra. Karin Rundle, Sian Limpenny and Steve Millward are civil servants under permanent contracts of employment with Cefas. The agency bears the cost of each set of executive directors' employment.

Up to 15% of Directors' remuneration may be performance-related and is reviewed against the achievement of ministerial and personal targets. There is a maximum notice period of six months from Cefas/ Defra and a minimum of three months from the employee. The length of service, salary and age of the employee determine any termination payments payable.

All non-executive directors are contracted by Cefas and have notice periods of three months, from either Cefas or the individual. The Defra Representative on the Board is employed by Defra who assume all the costs of their attendance at the board and these costs are not reflected within Cefas' reporting. No awards for early termination were made to existing or former directors in the year.

No benefits in kind were paid to directors in the year.



Remuneration of Cefas Directors (subject to audit)

Board Executive Directors	Salary		Performance pay		Pension benefits		Total	
	2023-24	2022-23	2023-24	2022-23	2023-24 See note 2	2022-23	2023-24	2022-23
£'000								
Chief Executive Officer Neil Hornby	110-115	100-105	0-5	-	-	-2	110-115	100-105
Chief Operating Officer & Deputy CEO Tim Green	80-85	80-85	0-5	0-5	-	12	80-85	95-100
Chief Scientist Grant Stentiford	75-80		-		-		75-80	
Director of Strategy and Delivery Siân Limpenny	75-80	70-75	0-5	0-5	-	2	75-80	75-80

HSEQ and Infrastructure Delivery Director Steve Millward	80-85	75-80	0-5	0-5	-	9	80-85	90-95
Commercial Director Steve Addison	80-85	75-80	-	-	-	31	80-85	105-110
Corporate Service (HR/OD) Director Karin Rundle	75-80	70-75	0-5	0-5	-	29	75-80	105-110

Notes:

1. The individuals in the above table were executive directors during the year. Salaries include gross salaries, performance pay, overtime, recruitment and retention allowances and any other allowance to the extent that it is subject to UK taxation. In line with other senior civil servants, contractual performance payments were capped in 2023-24 and 2022-23.

2. Accrued pension benefits for directors are not included in this table for 2023/24 due to an exceptional delay in the calculation of these figures following the application of the public service pension remedy.

Remuneration Median and Ratios (subject to audit)

	FTE 2023- 24	FTE 2022- 23	Headcount 2023-24	Headcount 2022-23
Band of highest paid employee total remuneration excluding pension benefits (£'000)	110-115	100-105	110-115	100-105
Median Total Remuneration (£)	45,503	40,206	41,079	35,747
Ratio	2.5	2.6	2.8	2.9
Total percentage change in highest paid director total remuneration in relation to previous year	9	-4	9	-6
Total percentage change in average salary and allowances (all staff) in relation to previous year	13	5	12	9
Total percentage change in average performance and	27	-6	26	-6

bonus payments (all staff) in relation to previous year				
25 th Percentile pay (£)	34,535	30,544	34,535	30,607
Ratio of the highest paid director & FTE employee on the 25th percentile	3.3	3.4	3.3	3.4
75 th Percentile pay (£)	51,221	42,306	51,221	42,309
Ratio of the highest paid director & FTE employee on the 75th percentile	2.2	2.5	2.2	2.5

FTE columns are subject to audit and the Headcount columns are not subject to audit.

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Total percentage change in average performance and bonus payments (all staff) in relation to previous year shows a 27% increase. In 2022-23 the full bonus pot was

not utilised but in 2023-24 the full pot was utilised in bonuses to staff.

In 2023-24, nil (2022-23, nil) employees received remuneration in excess of the highest-paid director. The banded remuneration of the lowest paid employees for the financial year 2023-24 was £25,000-£30,000 (2022-23: £20,000-£25,000).

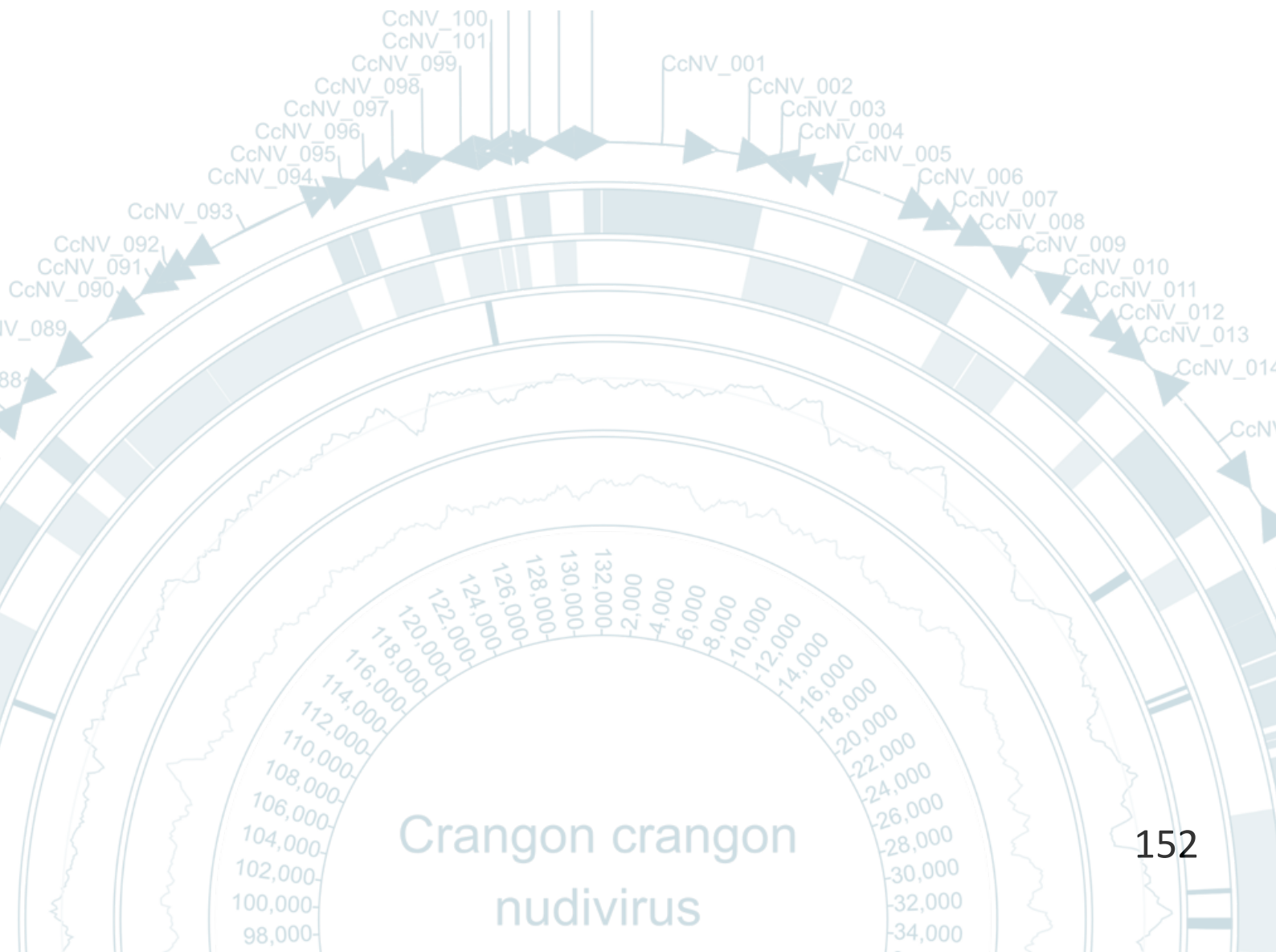
The percentage increase in the highest paid director's remuneration compared to 2023-24 is 9%.

There was a 13% increase to the average salaries (including overtime and allowances) which includes the underlying Civil Service remit of 5%, in respect of employees' of the entity, as compared to 2022-23. The underlying Civil Service remit increase was 5%, as mandated by HM Treasury. In addition to this, a one-off fixed non-pensionable payment of £1,500 was made to all staff, excluding the four SCS staff.

No Board executive directors were in receipt of any benefits in kind (2022–23: Nil); nor did they hold any company directorships or other significant interests that may have conflicted with their management responsibilities. All salary or fee-related payments to Board

executive and non-executive directors are made through the PAYE system.

Cefas gender pay comparative is reported alongside the Defra group at [Defra gender pay gap report 2023 - GOV.UK \(www.gov.uk\)](#) (not subject to audit).



Remuneration of Cefas Non-Executive Directors (subject to audit)

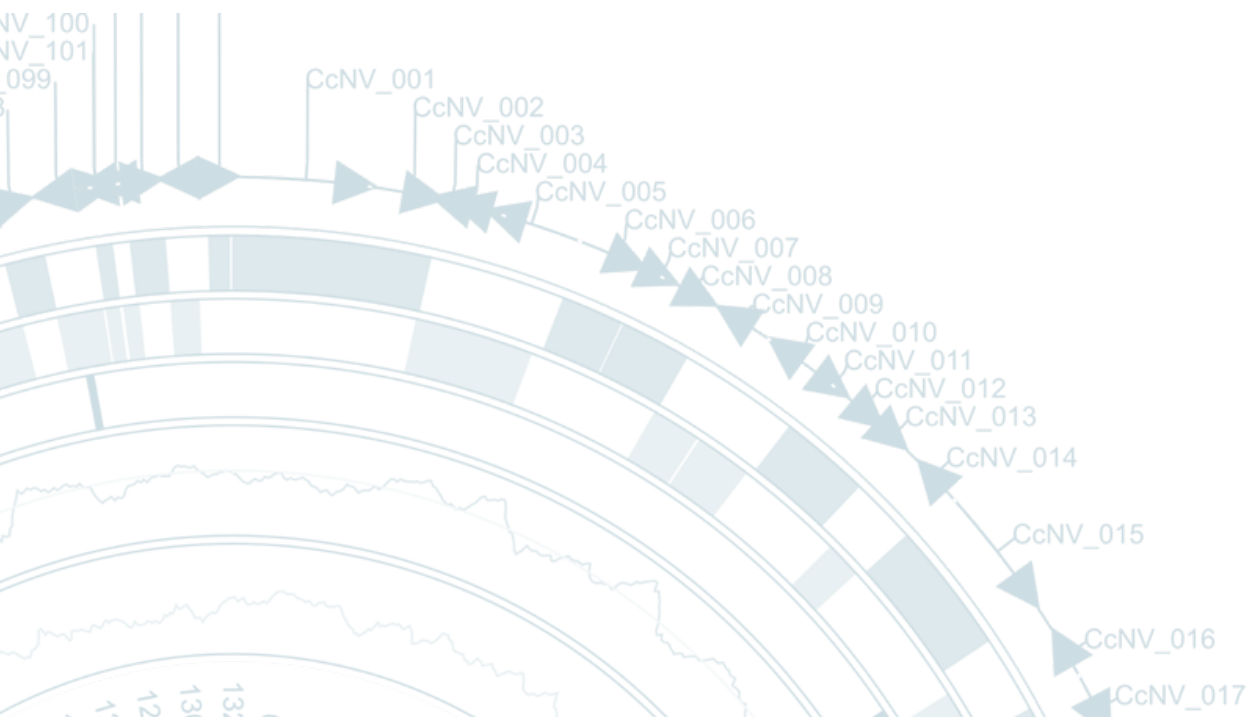
Board Non-executive Directors	Fee band		Performance pay		Pension benefits		Total Remuneration	
	2023-24	2022-23	2023-24	2022-23	2023-24 See note 3	2022-23	2023-24	2022-23
Mark Pendlington, Chair (from December 2020)	5-10	5-10	-	-	-	-	5-10	5-10
Ian Selby (from May 2018)	5-10	5-10	-	-	-	0-5	5-10	10-15
Ruth Boumphrey (from June 2021)	-	0-5	-	-	-	-	-	0-5
Rachel Mills (from June 2021)	5-10	5-10	-	-	-	-	5-10	5-10

Notes

1. Anne Marie Millar acts as an Independent Non-Executive Director on the ARAC and receives no fees.

2. Ruth Boumphrey is a Non-Executive Director on the Cefas Management Board and chooses to receive no fees.

3. Accrued pension benefits for non-executive directors are not included in this table for 2023/24 due an exceptional delay in the calculation of these figures following the application of the public service pension remedy.



Pension Entitlement of Cefas Directors* (subject to audit)

Board Executive Directors £'000	Real increase in pension and related lump sum at age 60	Total accrued pension and related lump sum at age 60	CETV at 31 March 2024 (cash equivalent transfer value)	CETV at 31 March 2023 (cash equivalent transfer value)	Real increase in CETV
	At 31 March 2024 See note 3	At 31 March 2024 See note 3	At 31 March 2024 See note 3	At 31 March 2023	At 31 March 2024 See note 3
Chief Executive Neil Hornby	-	-	-	608	-
Chief Operating Officer & Deputy CEO Tim Green	-	-	-	478	-
Chief Scientist Grant Stentiford	-	-	-	-	-

Director of Strategy and Delivery Siân Limpenny	-	-	-	457	-
HSEQ and Infrastructure Delivery Director Steve Millward	-	-	-	507	-
Commercial Director Steve Addison	-	-	-	277	-
Corporate Services (HR/OD) Director Karin Rundle	-	-	-	471	-
Non- Executive Director Ian Selby	-	-	-	18	-

Notes

1. CETV: cash equivalent transfer value. CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2024. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2024-25 CETV figures. Taking account of inflation in 2023-24, the CETV funded by the employer has decreased in real terms.

2. Any members affected by the Public Service Pensions Remedy were reported in the 2015 scheme for the period between 1 April 2015 and 31 March 2022 in 2022-23, but are reported in the legacy scheme for the same period in 2023-24.

3. Accrued pension benefits for directors are not included in this table for 2023/24 due to an exceptional delay in the calculation of these figures following the application of the public service pension remedy.

Staff Report

All of the Cefas' permanently employed people are public servants. The average number of full-time equivalent employees (FTEs) during the year was:

People Numbers (totals are audited)

Full Time Equivalents	2023-24			2022-23		
	Male	Female	Total Nos	Male	Female	Total Nos
Directors - SCS 2	1	-	1	1	-	1
Directors - SCS 1	3	-	3	3	-	3
Directors - Other	1	2	3	1	2	3
Other Permanently employed staff	300	303	603	305	318	622
Total FTEs	305	305	610	310	320	630

Staff Costs (subject to audit)

£'000	Permanently Employed People	Temporarily Employed People	Total 2023-24	Total 2022-23
Wages and Salaries	26,131	-	26,131	24,870
Social Security Costs	2,892	-	2,892	2,716
Superannuation	6,344	-	6,344	6,138
Total staff expenditure	35,367	-	35,367	33,724

The average number of working days lost due to sickness was 3.1 days (2022-23: 3.26 days). Included in the permanently employed people costs for 2023-24 is an accrual for untaken leave and Leave in lieu of £2,063,656 (2022-23: £1,831,663).

No consultancy and no temporary people costs were incurred during the year (2022-23 Nil). Turnover (wastage rate) for 2023-24 was 7.3% (compared to 8.1% in 2022-23).

Off-payroll arrangements

Table 1: Highly paid off-payroll worker engagements as at 31 March 2024, earning £245 per day or greater

No. of existing engagements as of 31 March 2024 ¹	1
Of which:	
No. that have existed for less than one year at time of reporting	0
No. that have existed for between one and two years at time of reporting	1
No. that have existed for between <u>two</u> and <u>three</u> years at time of reporting	0
No. that have existed for between <u>three</u> and <u>four</u> years at time of reporting	0
No. that have existed for <u>four or more</u> years at time of reporting	0

Note ¹ - The engagement declared in the report is for Sea++ and in 23-24 we spent £14.4k.

Table 2: All highly paid off-payroll workers engaged at any point during the year ended 31 March 2024, earning £245 per day or greater

Number of off-payroll workers engaged during the year ended 31 March 2024	3
Of which:	
Not subject to off-payroll legislation	3
Subject to off-payroll legislation and determined as in-scope of IR35	0
Subject to off-payroll legislation and determined as out-of-scope of IR35	0
Number of engagements reassessed for compliance or assurance purposes during the year	0
Of which: number of engagements that saw a change to IR35 status following review	0

Note:

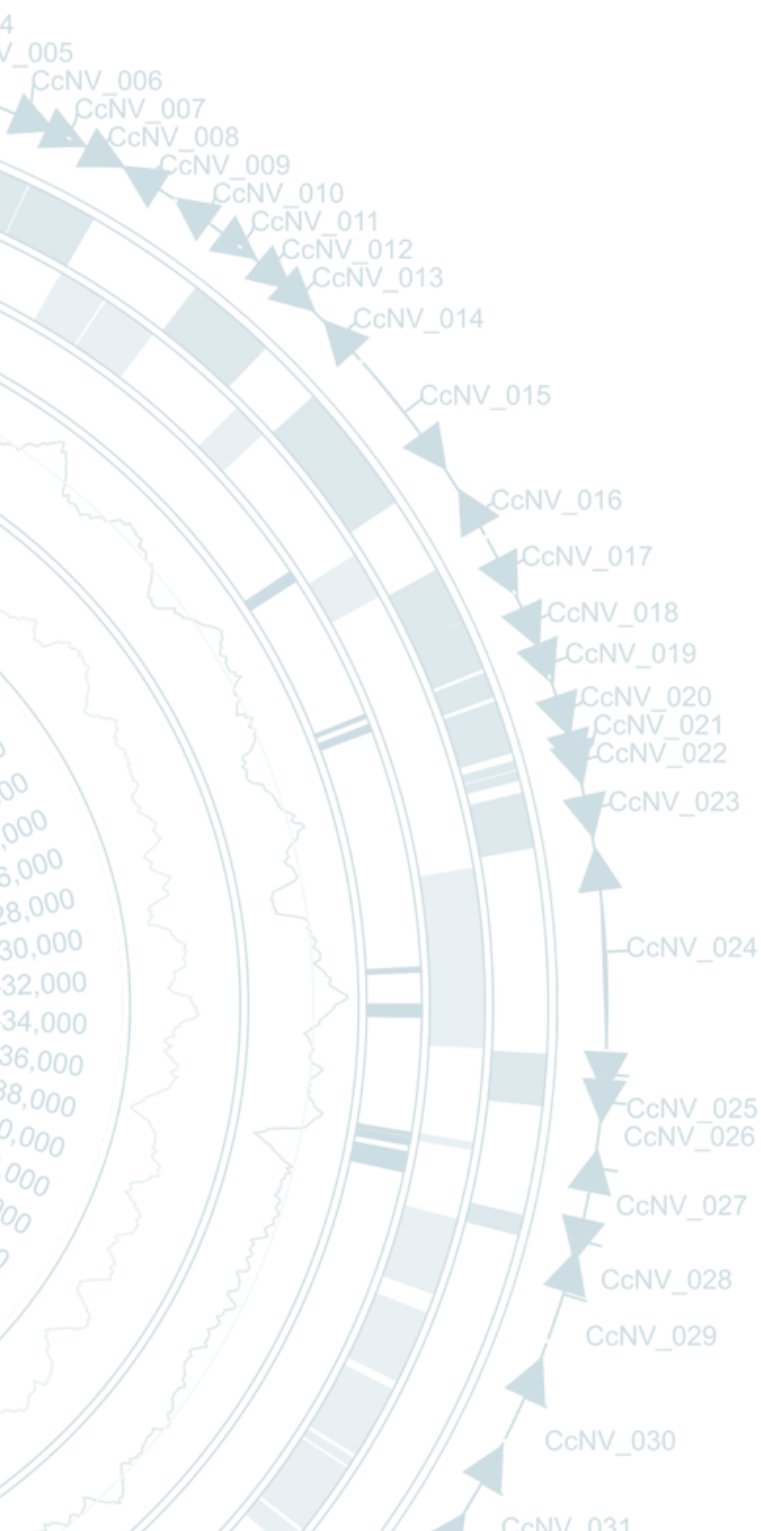
1. The £245 threshold is set to approximate the minimum point of the pay scale for a Senior Civil Servant.
2. A worker that provides their services through their own limited company or another type of intermediary to the client will be subject to off-payroll legislation and the Department must undertake an assessment to determine whether that worker is in-scope of Intermediaries legislation (IR35) or out-of-scope for tax purposes.

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024 Senior Officials with significant financial responsibility are defined as all board level executives, non–executive directors and finance directors.

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Total number of individuals <u>on payroll and off payroll</u> that have been deemed “board members, and/or senior officials with significant financial responsibility”, during the financial year. This figure should include both on-payroll and off-payroll engagements	12

Cefas is a “Disability Confident leader” enabling us to display the disability confident Level 3 symbol in recruitment and employment. This recognises Cefas as a champion for Disability Confident, enabling us to benefit from being able to draw from the widest possible pool of talent and secure, retain and develop disabled colleagues who are skilled, loyal and hard-working. Cefas offer a guaranteed interview to any candidate who has disclosed a disability, as defined under the Equality Act 2010, and meets the minimum (essential eligibility) criteria for the

post. Comprehensive guidance on making reasonable adjustments at work and supporting disabled employees is provided to managers, including supporting and training an employee who becomes disabled during their employment. All other employment policies are adopted where employment law or Civil Service Employment Policy dictate.



Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 were switched into alpha. All members switched to

alpha have protection from this switch through the McCloud judgement to ensure no discriminatory loss from the transition. Those switch members have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted in the Remuneration Report for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic

and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from the appointed provider - Legal & General. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted in the Remuneration Report is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk.

Pension Liabilities and Entitlements

Pension liabilities arising from early retirement or other enhancements are accrued in total in the year in which the liability arises. These charges are paid either to the PCSPS, which is responsible for meeting future pension obligations on behalf of Cefas, or to employees' stakeholder-based pension provider.

Reporting of Civil Service and Other Compensation Schemes Exit Packages (subject to audit)

There were no redundancies or other departure costs paid in 2023-24 (2022-23 – nil).

Our People

The information contained within this section has not been subject to audit and does not form part of the auditor's opinion on the accounts.

We achieved an 83% response rate to the annual Civil Service People Survey conducted in October 2023. The average response rate for the entire civil service was 65%. The survey is designed to measure people engagement and Cefas use the results to inform our actions to enhance our levels of engagement. Our overall engagement index for 2023 was 62% (2022 - 64%).

Employee involvement in all our operations is actively encouraged through listening events, informal drop-in sessions with the Chief Executive, directorate meetings and a variety of operational and science-related workshops and roadshows. There are formal trade union meetings carried out in association with a Facilities Time agreement in accordance with Cabinet Office guidance. Cefas recognises the Prospect Trade Union for official consultation and negotiations.

The 'Cefas Connects' volunteering scheme supports community-based initiatives including: colleagues raising funds for charities, undertaking beach clean-ups and participating in outreach activities with local schools.

During 2023 we launched a new colleague forum, Cefas Evolve, to further support pro-active colleague engagement across Cefas. This forum will provide an alternative route for colleagues to engage, provide feedback and make suggestions on specific focus topics, complementing established networks. Cefas also has a Community Engagement Team who undertake a variety of initiatives to promote awareness of Cefas and the work it undertakes.

The Equality Act 2010 requires Cefas to consider the needs of all individuals in their day-to-day work, how we develop our policies, deliver our services and manage our people. The Act places additional statutory duties



on public-sector organisations through the Public-Sector Equality Duty, which requires us to publish equality information on our workforce.

Cefas adopts Defra policies as defined by Civil Service Employment Policy. We use the Government Resourcing Service to attract people which is based on the Success Profile methodology. Information on Success Profiles is available at:

<https://www.gov.uk/government/publications/success-profiles>

Leading in Health and Safety

Our Systems and Compliance

Certification was maintained to the ISO 45001 Health and Safety standard during the last financial year. This past year has seen consistent colleague engagement in our health and safety systems and surveys demonstrate positive improvements in key areas. Our efforts will continue to work to increase levels of proactive engagement in targeted areas including: core training and document control requirements.

Culture Change in Health and Safety

Our Health and Safety Cultural Programme continues to enhance our culture and the Senior Leadership Team has approved the continuation of the improvement activity under this programme umbrella into 2024-25. Programme performance highlights are provided to Senior Leadership monthly, and an annual summary is provided as part of end of year health and safety reporting. The programme's plans continue to support our Health and Safety Strategy to 2030 and the associated Vision, Values, and strategic priorities.

Positive colleague feedback has been received on key improvements delivered in the past year including travel process simplification, vessel assurance streamlining and

H&S investigation management improvements. Further process simplifications will continue into 2024-25.

This year we have used simple H&S Pulse surveys, as opposed to the previously used Safety Climate Tool, aiming to gauge how colleagues feel on key aspects of health, safety and wellbeing. The results have been valuable to our continuous improvement, and they will inform future engagement with colleagues for the long term to support a positive health and safety culture at Cefas.

During the upcoming year, significant activity will prioritise the procurement of health, safety, environment and quality systems management software, a refocus on our Leadership behaviours and clarifying standards and expectations for safe working while overseas.

Incidents and Accidents

Incident trends regarding injuries and near misses are maintained at low levels but do note an increase in the last quarter of the year in overseas/ travel related accident and illness events. These have been fully investigated, root causes identified and improvement actions initiated.

Proactive reporting of safety flags that support system and cultural improvement remains active, with a ratio of 28:1 against all lost time/ medical treatment cases. There was 1 reportable incident under Reporting of Injuries, Diseases

and Dangerous Occurrences Regulations 2013 regulations relating to lost time for a musculoskeletal injury due to manual handling activities.

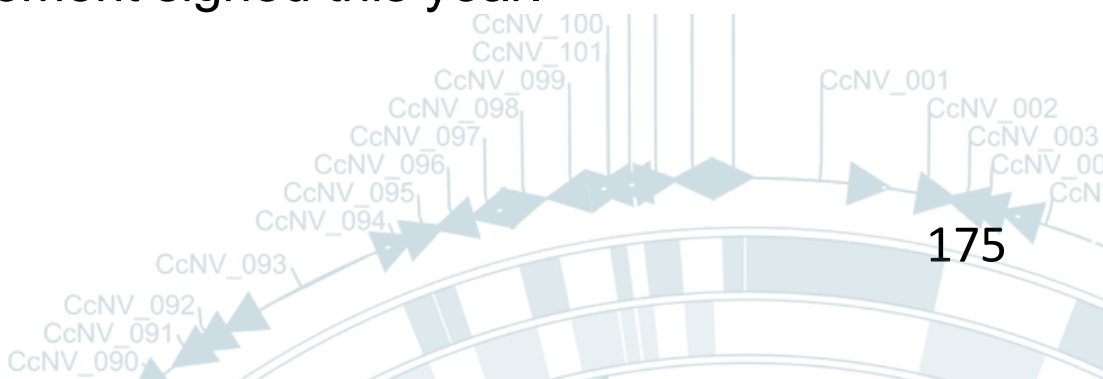
Partnership Engagement

As a result of the review of partnership engagement with Cefas' vessel management supplier AWSM, there have been significant improvements in the health and safety culture and integrated approach to working aboard and around the RV Cefas Endeavour. Cefas and our vessel management supplier leadership team remain



committed to supporting both this cultural improvement initiative and to stronger partnership engagement, meeting regularly to monitor and manage priority improvement actions.

Good relationships and ways of working continue to be fostered at our laboratory, office and stores sites with our facilities management team, and this has been strengthened through a new Cefas/ Defra Property Partnership agreement signed this year.



The Trade Union (Facility Time Publication Requirements) Regulations 2017

Trade Union facility time is the paid time of union representatives carrying out trade union activities. We acknowledge the valued productive and collaborative nature of the inputs that the Trade Union makes to Cefas. Prospect is the one officially recognised union at Cefas.

Relevant Union Officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent (FTE) employee number
14 employees	13.6 FTE

Percentage of Time Spent on Facility Time

Percentage of time	Number of employees
0%	2
1-50%	12
51%-99%	-
100%	-

Percentage of Pay Bill Spent on Facility Time

	£000
Provide the total cost of facility time	37
Provide the total pay bill	35,367
Provide the percentage of the total pay bill spent on facility time, calculated as: (Total cost of facility time ÷ total pay bill) x 100	0.1%

Paid Trade Union Activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100%
--	-------------

Parliamentary Accountability and Audit Report

The information in this section has been subject to audit:

- Regularity of Expenditure - Cefas has considered all its activities during the year and confirm they are in accordance with the legislation authorising them.
- Cefas incurred no losses, special payments or gifts totalling more than £300,000 in the year.
- In addition to the contingent liabilities reported within IAS 37 (see note 11), the agency also reports liabilities for which the likelihood of a transfer or economic benefit in settlement is too remote to meet the definition of contingent liability. There were no remote contingent liabilities.

The information in this section has not been subject to audit:

- Long term expenditure trends - refer to the performance analysis section of our Performance Report for details of our performance to date.
- “Cefas” approach to functional standards and their application are set out on page 56.

- No gifts were made over the defined limits set out in Managing Public Money.



A handwritten signature in black ink, appearing to read "N. Hornby", written over a horizontal line.

NEIL HORNBY
Chief Executive
16 July 2024

This signature covers the Accountability Report

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS

Opinion on Financial Statements

I certify that I have audited the Financial Statements of the Centre for Environment, Fisheries and Aquaculture Science for the year ended 31 March 2024 under the Government Resources and Accounts Act 2000.

The Financial Statements comprise the Centre for Environment, Fisheries and Aquaculture Science'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 year 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 adopted international accounting standards.

In my opinion, the Financial Statements:

- give a true and fair view of the state of the Centre for Environment, Fisheries and Aquaculture Science's affairs as at 31 March 2024 and its net operating expenditure for the year then ended; and

- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury 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 Centre for Environment, Fisheries and Aquaculture Science 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 Centre for Environment, Fisheries and Aquaculture Science'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 Centre for Environment, Fisheries and Aquaculture Science'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 Centre for Environment, Fisheries and Aquaculture Science 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.

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 HM Treasury directions issued under the Government Resources and Accounts Act 2000.

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 HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- the information given in the Performance and Accountability Reports for the financial year 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 Centre for Environment, Fisheries and Aquaculture Science and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance 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 Centre for Environment, Fisheries and Aquaculture

- Science 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 Chief Executive as 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 [Name of audited entity [and its

Group]] 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 and are in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- assessing the Centre for Environment, Fisheries and Aquaculture Science'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 Centre for Environment, Fisheries and Aquaculture Science 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 Government Resources and Accounts Act 2000.

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.

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 Centre for Environment, Fisheries and Aquaculture Science's accounting policies, key performance indicators and performance incentives.
- inquired of management, the Centre for Environment, Fisheries and Aquaculture Science's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Centre for Environment, Fisheries and Aquaculture Science's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - other internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Centre for Environment, Fisheries and Aquaculture Science's controls relating to the Centre for Environment, Fisheries and Aquaculture Science's compliance with the Government Resources and Accounts Act 2000 and Managing Public Money.;

- inquired of management, the Centre for Environment, Fisheries and Aquaculture Science'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 Centre for Environment, Fisheries and Aquaculture Science for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, 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 Centre for Environment, Fisheries and Aquaculture Science's framework of authority and other legal and regulatory frameworks in which the Centre for Environment, Fisheries and Aquaculture Science 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 Centre for Environment, Fisheries and Aquaculture Science. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, employment law and pensions legislation 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, the Audit Committee and in-house legal counsel 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 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. This description forms part of my certificate.

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

22 July 2024

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

FINANCIAL STATEMENTS



Financial Statements

Statement of Comprehensive Net Expenditure

For the Year Ending 31st March 2024

	2023-24	2022-23
Note	£000	£000
Operating income from contracts with customers	(22,043)	(20,896)
Other operating income	(2,164)	(1,612)
Total operating income	3 (24,207)	(22,508)
Staff Costs	35,367	33,724
Other Costs	35,634	27,169
Non-Cash items	8,917	9,214
Total operating expenditure	2 79,918	70,107
Net operating expenditure	55,711	47,599
Other comprehensive expenditure		

Items that will not be reclassified to net operating costs			
Net (gain)/loss on			
Revaluation of Property, plant and equipment	4	(1,384)	(668)
Total comprehensive net expenditure for the year		<u>54,327</u>	<u>46,931</u>

All income and expenditure relate to continuing operations.

The Notes on pages 196-241 form part of these accounts.

Statement of Financial Position

As at 31st March 2024

		31st March 2024	31st March 2023
	Note	£000	£000
Non-current assets			
Property, plant and equipment	4	38,717	39,516
Right of Use Assets (IFRS 16)	6	319	120
Investments	7	150	150
Total non-current assets		39,186	39,786
Current assets			
Trade, other receivables and contract assets	8	7,503	7,081
Cash and cash equivalents	9	4,164	3,036
Total current assets		11,667	10,117
Total assets		50,853	49,903
Current liabilities			

Trade, other payables and contract liabilities	10	(9,061)	(10,315)
Lease Liability	13	(112)	(99)
Provisions	11	(60)	-
Total current liabilities		(9,233)	(10,414)
Non-current assets plus/less net current assets/liabilities		41,620	39,489
Non-current liabilities			
Provisions	11	(165)	(406)
Lease Liability	13	(249)	(22)
Total non-current liabilities		(414)	(428)
<i>Assets less liabilities</i>		41,206	39,061
Taxpayers' equity and other reserves			
General fund	SCTE	33,598	32,714

Revaluation reserve	SCTE	7,608	6,347
Total reserves		<u>41,206</u>	<u>39,061</u>

N.H.

Neil Hornby
 Chief Executive
 16 July 2024

The Notes on pages 196-241 form part of these accounts.

Statement of Cash Flows
For the Year Ended 31st March 2024

	2023-24	2022-23
	£000	£000
Cash flows from operating activities		
Net operating expenditure	(55,711)	(47,599)
Adjustments for non-cash transactions	8,917	9,214
(Increase)/Decrease in trade and other receivables	(422)	1,853
Increase/(Decrease) in trade payables	(1,254)	44
Less movements in payables relating to items not passing through the Operating cost statement	382	50
Use of provisions	-	(222)
Net cash outflow from operating activities	(48,088)	(36,660)
Cash flows from investing activities		
Purchase of property, plant and equipment	(760)	(2,182)
Proceeds of disposal of property, plant and equipment	16	-
		199

Net cash outflow from investing activities	<u>(744)</u>	<u>(2,182)</u>
Cash flows from financing activities		
Payment of Lease liabilities	(90)	(103)
Agency funding	50,050	37,100
Net financing	<u>49,960</u>	<u>36,997</u>
Increase/(decrease) in cash	1,128	(1,845)
Cash and cash equivalents at the beginning of the year	3,036	4,881
Cash and cash equivalents at the end of the year	<u>4,164</u>	<u>3,036</u>
The Notes on pages 196-241 form part of these accounts.		

Statement of Changes in Taxpayers' Equity For the Year Ending 31st March 2024

	Note	General Fund £000	Revaluati on Reserve £000	Total Reserv es £000
Balance at 31 March 2022		36,303	5,832	42,135
Funding received		37,100	-	37,100
Net Operating Costs for the year	SoCN E	(47,599)	-	(47,599)
Non-cash adjustments				
Non-cash charges - auditors' remuneration	2	74	-	74
				201

Non-cash charges - Defra notional and estates charges	2	6,683	-	6,683
Movements in reserves				
Recognised in Other Comprehensive Expenditure:				
Other revaluation of Property, plant and equipment	4	-	668	668
Transfers between reserves		153	(153)	-
Balance at 31 March 2023		32,714	6,347	39,061
Funding received		50,050	-	50,050
Net Operating Expenditure for the year	SoCN E	(55,711)	-	(55,711)
Non-cash adjustments				

Non-cash charges - auditors' remuneration	2	84	-	84
Non-cash charges - Defra notional and estates charges	2	6,338	-	6,338
Movement in reserves				
Recognised in Other Comprehensive Expenditure:				
Other revaluation of Property, plant and equipment	4	-	1,384	1,384
Transfers between reserves		123	(123)	-
Balance at 31 March 2024		33,598	7,608	41,206

The Notes on pages 196-241 form part of these accounts.

Notes to the Accounts

1.1 Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2023–24 Government Financial Reporting Manual (FReM) issued by HM Treasury under the Government Resources and Accounts Act 2000. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRSs) as adapted or interpreted for the public-sector context. Where the FReM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of Cefas for the purpose of giving a true and fair view has been selected. The policies adopted by Cefas are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.2 Accounting Convention

These financial statements have been prepared on the accrual's basis under the historical cost convention, modified, where material, to account for the revaluation of property, plant and equipment. The accruals basis of accounting means reporting income and expenditure when it is incurred rather than when it is received or paid.

Going Concern: Management have prepared a going concern assessment, which includes consideration of a business forecast for the going concern period through to

31 July 2025 and anticipates that services provided by Cefas will continue. This considers the reliance on available support and funding from DEFRA and considers reasonably plausible downside sensitivities related to income risk on our business activities. From this assessment, management has concluded that it is appropriate to prepare these accounts on a going concern basis applying IAS1 as interpreted under the FReM.

1.3 Significant Judgements and Estimation

Uncertainty

In the preparation of financial statements, Cefas is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported amount of income and expenditure.

All estimates are based on knowledge of current facts and circumstances, assumptions concerning past events, and forecasts of future events.

The following areas represent significant judgments and estimates that Cefas has made in applying the accounting policies:

- The useful economic lives of assets that form the basis of periods over which property, plant and equipment, including the Research Vessel, is depreciated (reported in notes 1.4 and 4);

- The valuation and impairment of property, plant and equipment, including Research Vessel (reported in note 5). Accrued and deferred income, and contract assets/liabilities within Trade Payables and Receivables, where it is expected that income from operations will break-even over a reasonable period of time (reported in notes 8 and 10).
- Judgements are used to assess the expected timing for the satisfaction of performance obligations, and determination of transaction prices per IFRS 15 (reported in note 1.7)

Sensitivity Analysis

Property valuation is sensitive to changes in underlying assumptions. Key sensitivities are: a change in build and labour costs, where +/- 1% change could lead to an approximate +/- £250k change in the value of land and buildings; and judgement on Useful Economic Life, where difference in management and valuation lives could lead to an approximate +/- £200k change in in-year depreciation charge but do no effect valuations.

Research Vessel valuation is sensitive to changes in underlying assumptions. Key sensitivities are: a change in market values , where +/- 1% change could lead to an approximate +/- £50k change in the value of the Research Vessel; and judgement on Useful Economic Life, where difference in management and valuation lives could lead to

an approximate +/- £50k change in in-year depreciation charge but do no effect valuation.

1.4 Property, Plant and Equipment Recognition and Valuation

Land and Buildings

Due to the specialised nature of the laboratory premises used by Cefas, freehold land and buildings at Lowestoft and Weymouth are stated at their depreciated replacement cost and are professionally revalued at least every five years, in accordance with guidance issued by the Royal Institute of Chartered Surveyors. The most recent quinquennial full valuation was at 31 December 2019 and the last valuation was on a desktop basis as at 31st March 2024. Valuations were performed by Hugh Mitchell, MRICS and signed off by Gary Howes, BSc MRICS, partner at Montagu Evans.

Specialised property valuations are adjusted annually by adopting the Global Standards 2022, under the Global Technical and Performance Standards (VPS 4) Bases of Value, with assumptions and special assumptions supplied by the Royal Institute of Chartered Surveyors.

Vessel

An external valuation was conducted in 2019-20 when a market review was undertaken by Mariant (Offshore Services) Ltd on behalf of Houlder, marine design and engineering. The valuation was performed by Paul Baker (Mariant), Fellow of the Institute of Chartered Shipbrokers, and signed off by Andy Holder (Houlder). The valuation was based upon carrying out a fleet review of vessels with their principal characteristics similar in nature to the RV Endeavour, owned and operated in Northern Europe. A subsequent desk-top valuation has been provided by Houlder as of March 2023 which supports the age adjusted valuation. Management reviewed the desktop evaluation and re assessed the valuation assumptions around comparable vessels sale values and future income and expenditure relating to the vessel and believes the valuation assumptions continue to be relevant as at 31 March 2024.

Non-property assets

Non-property assets (Information Technology and Plant and Machinery) have been stated at 'current value in existing use' using appropriate indices provided by the Office of National Statistics.

The following table provides information as to the measurement basis of our PPE asset groups:

Asset Type	Measurement Basis: Current Value in Existing Use
Buildings	Depreciated replacement cost
Vessel	Existing use value
Information Technology	Existing use value
Plant and Machinery (inc Scientific Equipment)	Existing use value

The minimum level of capitalisation in Cefas is £10,000. Subsequent expenditure is capitalised if the criteria for initial capitalisation are met, if it is probable that economic benefits will flow to Cefas, and that the cost of the expenditure can be reliably measured.

Depreciation

Depreciation is provided at rates calculated to write off the valuation of freehold buildings and other items of property, plant and equipment on a straight-line basis over the estimated useful life of the asset and is charged in the month of disposal but not in the month of purchase.

Depreciation is not charged on freehold land and assets under construction.

Assets are depreciated over the following timescales:

Asset Type	Useful Economic Life
Buildings	25-60 years
Vessel	30 years
Information Technology	3-6 years
Plant and Machinery (inc Scientific Equipment)	3-30 years

Where Cefas purchases a capital item specifically to fulfil a customer contract, and the asset is not expected to have operational life beyond servicing that contract, the useful economic life is determined by the length of the contract.

The Useful Economic Life for assets is assessed and set by management and determines the depreciation charge, this can vary from the Useful Economic Life as applied in the asset valuation process by external valuers.

Impairment

Impairments are recognised when the recoverable amount of non-current assets falls below their carrying amount. A review is carried out on an annual basis for any indicators of impairment.

Any permanent diminution in the value of an asset, due to clear consumption of economic benefit or service potential, is recognised in full as an impairment loss in the SoCNE. An amount up to the value of the impairment is transferred from the Revaluation Reserve (to the extent that a balance exists) to the General Fund for the individual asset concerned.

Downward revaluations, resulting from changes in market value, only result in impairment where the asset is revalued below its historical cost carrying amount. In these cases, the accounting treatment is as for any other impairments, with amounts being firstly set against any accumulated balance in the revaluation reserve, and any amount in addition to this being recognised in the SoCNE.

Assets Under Construction

Assets under construction are shown at accumulated cost with depreciation commencing only when the asset is completed and brought into service.

1.5 Investments

Investments are reported at market value or at cost where market value cannot be readily ascertained. In accordance with the FReM, the non-current asset investment in Cefas Technologies Limited (CTL) has not been consolidated, as it is not listed within the Department boundary issued by the Office of National Statistics. As it is a private limited

company with no active market for its shares or observable inputs on which to base a reliable fair value, CTL is recognised at cost. Applying the principles of IFRS 9, Financial Instruments, reclassification is required only where there has been a change to the business model for the financial asset. There has been no change in the business model for CTL in year which have impacted the valuation approach. The valuation is reviewed on a regular basis and provision made for any impairment in value. Disclosure of the net assets and results of the investment are reported in note 7.

1.6 Research and development (R&D)

Expenditure on R&D is treated as an operating cost in the year in which it is incurred and taken to the statement of comprehensive net income. Assets acquired for use in R&D are depreciated over their useful economic life.

1.7 Operating Income

Operating income relates directly to the operating activities of the agency. Cefas operates using funding received from Defra and external income relating to services provided by Cefas to other government departments and wider-market bodies.

Gross Agency Accounting

As a Gross Accounting Agency, activity for Defra is not invoiced or reported as income, but an authority to spend is delegated to the agency along with delivery objectives. These are objectives detailed within Service Level Agreements and performance is tracked by Defra Policy Partners.

Operating income is shown net of value-added tax (VAT) and comprises contractually entitled income for services provided to other government bodies and wider-market bodies and is recognised over the term of the individual contract, in line with work delivered.

Operating Income

Cefas recognises revenue from contracts with customers in accordance with IFRS 15 Revenue from contracts with customers. Income is recognised progressively as the performance obligations associated with these engagements are satisfied over time.

All of Cefas' work is managed as projects. Each project, or group of projects for the same customer, has a signed customer contract. Three main types of contract are identified:

- Fixed Price
- Time and Material
- Call off Agreements

When a contract contains a termination clause which allows Cefas to be paid for all of the work delivered and costs incurred should the contract be terminated, revenue will be recognised based on the amount of staff time and direct costs which have been incurred on each project within the year.

Where a contract does not contain a termination clause, revenue is recognised for the performance obligations which have been achieved in year in the Statement of Comprehensive Net Expenditure. For both 'Fixed Price' and 'Time and Materials' contracts this would include planning, fieldwork and reporting and revenue will be recognised at the contracted value for each phase, which is primarily based upon costs to deliver each phase. Customer call off agreements exist with a pre-defined set of terms and conditions and no specific deliverables. Individual service level agreements will be set up when the customer requests for work, which is carried out on a 'Time and Materials' basis.

No warranties or refunds are provided. A different pattern of invoicing may also take place to the performance obligations resulting in either a contract asset or contract liability. This is based upon a contractual invoice plan, determined at the beginning of the project, and any differences from this to the subsequent project expenditure

is aligned to appropriately recognise only income delivered. Any contract asset and contract liability is recognised within the Statement of Financial Position:

Contract asset – the difference between the amount invoiced to the customer and the latest milestone achieved. An accompanying receivable will be recognised if they customer has yet to pay the invoice. This balance will also include recognition of a receivable for costs which have been incurred to support milestones that have not yet been fully achieved. Any impairment relating to this balance will be measured, presented and disclosed in relation to IFRS 9.

Contract liability – the difference between the invoiced income and the latest achieved contracted milestone. An accompanying receivable will be recognised if they customer has yet to pay the invoice.

This approach has also been followed for EU income.

1.8 Revenue Grants

Government grant income is recognised when there is reasonable assurance that the entity will comply with any conditions attached to the grant and the grant will be received.

The grant is recognised as income over the period necessary to match it with the related costs, for which the

grant is intended to compensate. On the Statement of Financial Position, the balance of deferred income on grants, where income has been received prior to contracts being fully complete, is held within Current liabilities and the balance of accrued income, is also calculated from contracts where work has been completed in advance of income being received, is held within Current assets. This process was also applied to EU income.

1.9 Additional Funding

CTL Dividend

Under IFRS 9, any dividend payable from CTL to Cefas is recognised when the shareholders right to receive the payment is established. No dividend was declared in 2023-24 (2022-23: no dividend declared).

1.10 Financial Instruments

Financial Assets

These comprise of receivables that are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at fair value and subsequently held at amortised cost after an appropriate provision for expected credit loss.

Financial Liabilities

These comprise trade and other payables, and other financial liabilities. They are initially recognised at the fair value of consideration received, less directly attributable transaction costs. They are subsequently measured at amortised cost.

1.11 Employee Benefits

Pensions

Past and present employees are covered by the provisions of the civil service pension arrangements, which are defined benefit schemes open to participating public sector bodies in which the benefit the employee receives during retirement is dependent on factors such as age, length of service and salary. These schemes are administered by MyCSP on behalf of the Cabinet Office. Cefas pays contributions into these schemes at an agreed rate. As one of many participating organisations, Cefas is not able to identify its share of any liability for making future pension payments to members and accordingly, the Cefas accounts for this as if it were a defined contribution scheme and recognises the costs of these contributions when they fall due.

Employees may opt to join a personal stakeholder pension scheme instead. These are defined contribution schemes

where Cefas pays established contribution rates into a separate fund. The amount of pension benefit that a member receives in retirement is dependent on the performance of the fund. Cefas recognises the cost of these contributions in the Statement of Comprehensive Net Expenditure when they fall due. There is no further payment obligation for Cefas once the contributions have been paid.

Other employee benefits

Cefas recognises a liability and expense for all other employee benefits, including unused annual leave, accrued at the reporting date, provided these amounts are material in the context of the overall staff costs.

Early retirement costs

Cefas is required to meet the additional costs of benefits beyond the normal PCSPS benefits in respect of employees who retire early. Cefas provides in full for this cost when the early-retirement programme has been announced and is binding on the agency. Cefas may, in certain circumstances, settle some or all of its liability in advance by making a payment to the Paymaster General's account at the Bank of England for the credit of the Civil Superannuation Vote. The amount provided is shown net of any such payments.

Termination benefits are recognised as a liability when Cefas has a binding commitment to terminate the employment of an employee or group of employees before the normal retirement date, or as a result of an offer to encourage voluntary redundancy.

1.12 Provisions

Cefas provides for obligations arising from past events where there is a present obligation at the date of the Statement of Financial Position, if it is probable that Cefas will be required to settle the obligation and a reliable estimate can be made, in line with the requirements of IAS 37 (reported in note 11).

1.13 Leases

IFRS 16 requires an entity to recognise an asset in the Statement of Financial Position relating to contracts which are, or contain, a lease of an identified asset, such as property, vehicles or equipment. A corresponding lease liability is recognised at the same time, measured using the present value of the lease payments not yet paid.

Charges for the depreciation of Right of Use assets and interest on lease liabilities do not form part of the initial measurement of Right of Use assets, and are included in the SoCNE in place of rental expenses continue to reflect irrecoverable VAT where applicable on any leases.

This treatment has been applied to all leases except short-term leases (less than 12 months), or in some cases where the underlying asset is of low value, and Cefas has chosen to account for them as expenditure on a straight-line basis in the SoCNE for the duration of the lease term.

Subsequent measurement of Right of Use assets is at fair value or current value in existing use where assets are held for their service potential unless cost represents a reasonable proxy. For land and buildings, valuations will be determined by appropriately qualified professionals in accordance with RICS Guidance.

1.14 Taxation

Corporation Tax

No corporation tax is payable on the surplus generated by Cefas as it is an Executive Agency of Defra and not subject to UK corporation tax.

Value-added tax (VAT)

Where Cefas' activities are outside the scope of VAT and output tax does not apply, input tax on purchases is not recoverable. An element of recovery of input tax does take place under the contracted-out services provisions applicable to government departments and through a

‘business/non-business’ apportionment agreed with His Majesty’s Revenue and Customs.

Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged, or input tax is recoverable, the amounts are stated net of VAT.

1.15 Contingent Liabilities

Where the time-value of money is material, contingent liabilities and contingent assets, which are required to be disclosed under IAS 37, are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities and contingent assets that are not required to be disclosed by IAS 37 are stated at the amounts reported to Parliament.

1.16 Notional Costs

Notional costs are recharges from Defra charged against the SoCNE by virtue of an interdepartmental adjustment via the General Fund. Costs incurred (HR, legal and property) from shared services are made by cash transfer in accordance with other supplier invoices.

1.17 Insurance

Cefas, in common with other government bodies, does not insure the majority of its assets with the exception of the

Cefas Endeavour. Losses and compensations are charged to the SoCNE.

1.18 Foreign Exchange

Transactions denominated in a foreign currency are translated into sterling at the average exchange rate set for the year or, where more appropriate, a rate agreed for a specific project. Balances held in foreign currencies are translated at the rate of exchange ruling at the date of the Statement of Financial Position (reported in note 2).

1.19 Reserves

General Fund

The General Fund is the account which summarises the revenue costs of providing services within the year and funding received to support delivery of services in year.

Revaluation Reserve

The Revaluation Reserve is the account which records the net surpluses created when assets are revalued. When an asset is disposed of, any balance on the revaluation reserve relating to the asset is transferred to the general fund.

1.20 Impending application of newly issued accounting standards not yet effective

IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, requires disclosures in respect of new IFRSs, amendments and interpretations that are, or will be applicable after the reporting period. There are a number of IFRSs, amendments and interpretations that have been issued by the International Accounting Standards Board that are effective for future reporting periods. Those with relevance to Cefas are outlined below. Cefas has not adopted any new IFRS standards early.

IFRS 17 – Insurance Contracts. This standard is effective from 1 January 2023 and is due to be adopted by the FReM for financial year 2023-24 and will supersede IFRS 4 Insurance Contracts. It requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. This standard is not expected to have any material impact upon Cefas.

Note 2: Operating Expenditure

	<u>2023-24</u>	<u>2022-23</u>
Staff Costs		
Wages and Salaries	26,131	24,870
Social Security Costs	2,892	2,716
Other Pension Costs	6,344	6,138
Total	<u>35,367</u>	<u>33,724</u>
Other Costs		
Rentals under operating leases	-	5
Interest charges	19	2
Travel, subsistence and hospitality	2,892	2,276
Consumables	5,568	5,385
Vessels	7,207	6,916
IT service costs	3,055	2,695
Technical services	11,414	5,863
Estate management	(289)	(77)
Hired and contracted services	3,810	2,481

Training	588	454
Publicity, marketing & promotion	71	43
Office and Research services	879	777
Exchange rate (gains)/losses - Realised	10	33
Exchange rate (gains)/losses - Unrealised	-	(43)
Internal audit fees	68	91
Fees & commissions	24	30
Credit Losses	5	(26)
Other	313	264
Total	35,634	27,169
Non-cash items		
Depreciation	2,562	2,333
Depreciation on Right of Use assets	102	104
(Profit) on the disposal of Property, Plant and Equipment	(16)	-
Loss on the disposal of Property, Plant and Equipment	28	13
NAO Auditors' remuneration	84	74
Non-pension provisions provided for in year/(written back)	(181)	7
Defra notional charges	5,648	5,972

Defra estates charges	690	711
Total	8,917	9,214
Total Operating Expenditure	79,918	70,107

Defra notional charges are for facilities management £5,365,000 (2022-23 £5,649,000) and Defra management overheads £283,000 (2022-23 £323,000).

For more detailed disclosures regarding staff costs, see the Remuneration Report

Note 3: Income Analysis

Cefas management has determined that Cefas operates as one operating segment, with results reviewed by the Chief Executive, as the chief operating decision-maker for Cefas as a whole.

Operating Income	2023-24	2022-23
	£000	£000
Defra (competed income)	17	1,267
Defra Group Bodies	4,389	3,373
Public Sector	12,279	10,502
European Union	764	962
Industry and other	6,758	6,404
Total operating income	24,207	22,508

There are no external customers that amount to greater than 10% of our annual funding.

Funding from Defra in relation to our core activities is recognised in the Statement of Change in Taxpayers' Equity/Movement in Reserves.

Note 4: Property, Plant and Equipment

	Land	Buildings excluding Dwellings	Plant & Machinery	Vessel	Assets under Construction	Total
Cost or valuation	£000	£000	£000	£000	£000	£000
At 1 April 2023	884	35,879	9,760	24,279	1,603	72,405
Additions	-	-	-	-	378	378
Transfers	-	401	1,347	-	(1,748)	-
Disposals	-	-	(428)	-	-	(428)
Revaluation	-	969	474	-	-	1,443
At 31 March 2024	884	37,249	11,153	24,279	233	73,798
Depreciation						
At 1 April 2023	-	10,382	3,582	18,925	-	32,889
						228

Charges in year	-	1,047	1,083	431	-	2,561
Disposals	-	-	(428)	-	-	(428)
Revaluation	-	-	59	-	-	59
At 31 March 2024	-	11,429	4,296	19,356	-	35,081
						-
Net book value 31 March 2024	884	25,820	6,857	4,923	233	38,717
Net book value 31 March 2023	884	25,497	6,178	5,354	1,603	39,516
Assets financing						
Owned	884	25,820	6,857	4,923	233	38,717
Net book value 31 March 2024	884	25,820	6,857	4,923	233	38,717

Notes: See note 5 for details of impairments and revaluation

Note 4: Property, Plant and Equipment cont'd

	Land	Buildings excluding Dwellings	Plant & Machinery	Vessel	Assets under Construction	Total
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Cost or valuation						
At 1 April 2022	884	32,844	7,922	24,279	4,036	69,965
Additions	-	-	-	-	2,132	2,132
Transfers	-	2,709	1,856	-	(4,565)	-
Disposals	-	-	(555)	-	-	(555)
						230

Revaluation	-	326	537	-	-	863
At 31 March 2023	884	35,879	9,760	24,279	1,603	72,405
Depreciation						
At 1 April 2022	-	9,452	2,957	18,494	-	30,903
Charges in year	-	930	972	431	-	2,333
Disposals	-	-	(542)	-	-	(542)
Revaluation	-	-	195	-	-	195
At 31 March 2023	-	10,382	3,582	18,925	-	32,889

-

Net book value 31 March 2023	884	25,497	6,178	5,354	1,603	39,516
Net book value 31 March 2022	884	23,392	4,965	5,785	4,036	39,062
						-
Assets financing						-
Owned	884	25,497	6,178	5,354	1,603	39,516
Net book value 31 March 2023	884	25,497	6,178	5,354	1,603	39,516

Note 5: Impairment and Revaluation

At the 31 March 2024 the land and buildings, representing our freehold sites in Lowestoft

and Weymouth, were valued resulting in a total valuation gain of £969,000 (2022-23: £326,000 gain) being a gain of £909,000 (2022-23: £1,458,000 gain) at the Lowestoft site and a gain of £60,000 (2022-22: £1,132,000 loss) at the Weymouth site.

The increase in the total revaluation reserve £1,384,000 (2022-23: £668,000) is made up of the valuation gain of £969,000 (2022-23: £326,000 gain) on buildings and a gain of £415,000 (2022-23: £342,000 gain) from indexation on Plant and machinery.

In reviewing the valuations set out above, reference should be made to accounting policies 1.3 and 1.4 which set out the approach taken to management estimation regarding the year end buildings valuation as presented by our valuer, Montagu Evans.

Note 6: Right of Use Assets

	Plant & Machinery	Vehicles	Total
	£000	£000	£000
Cost or valuation			
At 1 April 2023	-	224	224

Additions	33	297	330
Disposals	-	(190)	(190)
At 31 March 2024	33	331	364
Depreciation			
At 1 April 2023	-	104	104
Charges in year	1	102	103
Disposals	-	(162)	(162)
At 31 March 2024	1	44	45
Carrying amount 31 March 2024	32	287	319
Carrying amount 31 March 2023	-	120	120

	Vehicles	Total
	£000	£000
Cost or valuation		
At 1 April 2022	-	-

Initial Recognition	224	224
At 31 March 2023	224	224
Depreciation		
At 1 April 2022	-	-
Charges in year	104	104
At 31 March 2023	104	104
Carrying amount 31 March 2023	120	120
Carrying amount 31 March 2022	-	-

Land and Buildings for occupation across the Defra group are managed by Defra group Property services. Where there is a formal sub-lease between entities, these sub leases will be assessed and treated accordingly as finance or operating sub leases. The majority of occupation across the Defra group is not a formal sub lease arrangement and therefore the right-of-use assets for the Defra corporate estate are reflected in the accounts of the core department. Operational expenditure included within the Defra notional charges, in Note 2, is £156,000 which covers Cefas's occupancy.

Note 7: Non-Current Assets Investments

In 2001, Cefas purchased the entire share capital of Cefas Technology Limited (CTL) for £150,000. During 2022-23 the trading activities of CTL were assumed by Cefas. CTL is currently operationally inactive but holds net assets against any residual liabilities which are in excess of the investment holding valuation.

In accordance with the Government Financial Reporting Manual, the non-current asset investment has not been consolidated as it is outside the departmental boundary.

Cefas' share of the net assets and results of the above investment are as follows where 2023-24: results are unaudited, and 2022-23 numbers have been updated from the 2022-23 Annual Report and Accounts to reflect audited numbers:

	2023-24	2022-23
	£000	£000
Cash and cash equivalents	215	220
Liabilities	-	(5)
Net assets at 31 March 2024	215	215
Turnover	(1)	32
		236

Profit/(Loss) before tax for the year	-	2
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Note 8: Trade Receivables and Other Current Assets

	31st March 2024	31st March 2023
	£000	£000
Amounts falling due within one year		
Trade receivables	3,676	3,675
Other receivables	12	9
Prepayments and accrued income	985	1,243
Contract Assets	2,836	2,155
Less Expected Credit Loss for receivables and contract assets	(6)	(1)
Trade and other receivables	7,503	7,081

Accrued income and contract assets relating to EU funding total £409,000 (2022-23: £803,000).

Intra-government receivable balances as at 31 March 2024 with the following bodies were: other central government bodies £3,481,000 (2022-23: £2,883,000), local authorities

£Nil (2022-23: £Nil) public corporations and trading funds, £Nil (2022-23: £Nil), bodies external to government £4,022,000 (2022-23: £4,198,000).

Contract assets £2,836,000 (2022-23: £2,155,000) relate to projects where costs have been incurred but not yet invoiced to the customer at year end. Revenue recognised in the period which was a contract asset at the beginning of the year was £2,155,000.

Note 9: Cash and Cash equivalents

	2023- 24	2022- 23
	£000	£000
Balance at 1 April	3,036	4,881
Net change in cash and cash equivalent balances	<u>1,128</u>	<u>(1,845)</u>
Balance at 31 March	<u>4,164</u>	<u>3,036</u>
The following balances at 31 March are held at:		
Government Banking Services	<u>4,164</u>	<u>3,036</u>
Balance at 31 March	<u>4,164</u>	<u>3,036</u>

Note 10: Trade Payables and Other payables

	31st March 2024 £000	31st March 2023 £000
Amounts falling due within one year		
Value Added Tax	792	924
Other taxation & social security	641	622
Trade payables	398	679
Other payables:		
Other	652	618
Accruals and deferred income	5,364	5,906
Contract liabilities	<u>1,214</u>	<u>1,566</u>
Trade and other payables	<u>9,061</u>	<u>10,315</u>

Other payables include employee pension contributions, at 31 March 2024, totalling £652,000 (2022-23: £618,000).

Intra-government payable balances as at 31 March 2024

with the following bodies were: other central government bodies £2,630,000 (2022–23: £3,270,000), local authorities £Nil (2022-23: £8,000), public corporations and trading funds £70,000 (2022–23: £Nil), bodies external to government £6,361,000 (2022–23: £7,037,000).

Contract liabilities £1,214,000 (2022-23: £1,566,000) relate to projects where income has been received but further work is to be delivered in the next reporting period. Revenue recognised in the period which was a contract liability at the beginning of the year was £1,566,000.

Note 11: Provisions

	Facilities	Legal claims	Total
	£000	£000	£000
Balance at 1st April 2023	336	70	406
Provided in the year	4	90	94
Not required - written back	(275)	-	(275)
Balance at 31st March 2024	65	160	225
Analysis of expected timings of discounted flows			
Not later than one year	-	60	60
Later than one year and not later than five years	65	100	165
Balance at 31st March 2024	65	160	225

Facilities

Provision values relate to property commitments for leased sites that require Cefas to make good respective sites to the original condition. These provisions are based on professional estimates and management judgements.

Legal claims and other items

These items relate to liabilities for known Health and Safety cases £100,000 (2022-23: £70,000) and an ongoing HMRC VAT audit £60,000 (2022-23 £Nil). The amounts provided reflect an estimate of the potential settlements that Cefas may incur.

No contingent liabilities have been identified in 2023-24 (2022-23: Nil).

Note 12: Capital Commitments

31st	31st
March	March
2024	2023
£000	£000

**Contracted capital commitments at 31
March for which no
provision has been made:**

Property, plant and equipment	110	117
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The balances relate to commitments for science equipment.

Note 13: Commitments under Leases

Operating Leases

Total future minimum lease payments under operating leases under IFRS16 relating to vehicles:

	31st March 2024 £000	31st March 2023 £000
Other		
Not later than one year	128	99
Later than one year and not later than five years	268	23
Later than five years	<u>-</u>	<u>-</u>
Total	<u>396</u>	<u>122</u>
Less interest element	<u>(35)</u>	<u>(1)</u>
Present value of obligations	<u>361</u>	<u>121</u>
Total Present value of Obligations	<u>361</u>	<u>121</u>
Current	<u>112</u>	<u>99</u>
Non Current	<u>249</u>	<u>22</u>

Note 14: Other Financial Commitments

The agency benefits from certain services that are provided centrally by Defra, including facilities management. These services are agreed and managed through service level agreements between the agency and Defra but the contractual commitments underlying these arrangements are made by the core Department and disclosed in their accounts. The total charge made by Defra in the current year was £690,000 (2022-23: £711,000) as disclosed in note 2.

Note 15: Related Party Transactions

Cefas is an executive agency of Defra and is sponsored by it. Defra is regarded as a related party. Cefas has dealings with Defra and its sponsored bodies. Four of Cefas' board members are employed by Defra. All transactions have been undertaken on an arm's length basis.

During the year, Cefas has had significant transactions with Defra, a number of its agencies and NDPBs, including the Marine Management Organisation, Natural England, the Joint Nature Conservation Committee and the Environment Agency.

Income from Defra of £57,999,000 was made up of Funding

of £57,982,000 (Core Defra), and £17,000 (invoiced Defra) (2022–23: £50,032,000 (Core Defra) and £1,267,000 (Invoiced Defra)). At 31 March 2024, £161,000 was due from Defra (31 March 2023: £111,000) and £Nil was owed to Defra (31 March 2023: £Nil).

Cefas has transacted with various other central government bodies, the most significant of these transactions have been with the Food Standards Agency. Cefas has also transacted with local authorities.

Board members, directors and key managerial executives that have undertaken any material transactions with Cefas, Cefas Technology Limited or other related parties during the year, other than reimbursement for travel and subsistence in the normal course of activities, are detailed below:

Cefas Technology Limited (CTL) is a non-current asset investment (see Note 7). The shares are held by Tim Green as nominee of the trustees for Cefas. Income of £Nil was derived from CTL (2022-23: £20,000) and costs of £Nil were payable to CTL (2022-23: £Nil). At 31 March 2024, £Nil was due from CTL (contract asset) (31 March 2023: £Nil) and £Nil was owed to CTL (31 March 2023: £Nil). Tim Green and Steve Millward are Executive Directors of CTL and Cefas.

Ian Selby, Non-Executive Director, is currently a Director of

Sustainable Geoscience, Plymouth University. Costs of £10,000 (2022-23: £15,000) were payable to Plymouth University.

Ruth Boumphrey, Non-Executive Director, is currently a Trustee at The National Oceanography Centre. Costs of £3,000 (2022-23: £2,000) were payable to and income of £7,000 (2022-23: £45,000) was receivable from The National Oceanography Centre.

Rachel Mills, Non-Executive Director is currently a Visiting Professor, School of Ocean and Earth Science, University of Southampton. Costs of £4,000 (2022-23: £Nil) were payable to and Income of £Nil (2022-23: £29,000) was receivable from University of Southampton.

Rachel Mills, Non-Executive Director is currently a Honorary Research Fellow, Natural History Museum, London. Costs of £35,000 (2022-23: £Nil) were payable to Natural History Museum, London.

Anne-Marie Millar, ARAC Non-Executive Director is currently a Non-Executive Director Department of Energy Security and Net Zero. Income of £49,000 (2022-23: £Nil) was receivable from Department of Energy Security and Net Zero.

Grant Stentiford, Chief Scientist is currently an Honorary Professor, University of Exeter. Costs of £442,000 (2022-23: £Nil) were payable to University of Exeter.

Grant Stentiford, Chief Scientist is currently part of the Research Advisory Group, Edinburgh. Income of £40,000 (2022-23: £Nil) was receivable from the Research Advisory Group.

Note 16: Events after the Reporting Date

The Accounting Officer, Neil Hornby, authorised these financial statements for issue on the same date that the Comptroller and Auditor General signed his certificate. There were no events after the reporting date that should be reflected in the accounts, which are prepared on a going concern basis.

Abbreviations

AI	Artificial Intelligence
AMR	Antimicrobial Resistance
ARA	Annual Reports and Accounts
ARAC	Audit and Risk Assurance Committee
ASPA	Animals Scientific Procedures Act 1986
AWSM	AW Ship Management LTD
BBC	British Broadcasting Corporation
C&AG	Comptroller and Auditor General
CCTV	Closed Circuit Television
CDEL	Capital Departmental Expenditure Limit
CDT	Cefas Delivered Turnover
CHP	Combined Heat and Power
CITES	Convention on International Trade in Endangered Species
COP	Conference of the Parties
CSAC	Cefas Science Advisory Committee
CSC	Cefas Sustainability Committee
CSOPS	Civil Servant and Other Pension Scheme
CTL	Cefas Technology Limited
CV	Curriculum Vitae
EDI	Equity, Diversity and Inclusion
ER	Emergency Response
EU	European Union
FAO	Food and Agriculture Organisation

FHI	Fish Health Inspectorate
FSBI	Fish Biology and Fisheries Field
FTE	Full Time Employees
GGC	Greening Government Commitments
GHG	Greenhouse Gas
GIAA	Government Internal Audit Agency
GIS	Geographic Information System
HM	His Majesty
HMT	His Majesty's Treasury
HSEQ	Health, Safety, Environment, and Quality
IAS	International Accounting Standards
ICES	International Council for the Exploration of the Sea
IFRS	International Financial Reporting Standards
IR35	Intermediaries Legislation 35
ISA	International Seabed Authority
ISI	Institute for Scientific Information
ISO	International Organisation for Standardization
IT	Information Technology
JNCC	Joint Nature Conservation Committee
LPG	Liquefied Petroleum Gas
MMO	Marien Management Organisation marine Natural Capital and
mNCEA	Ecosystem Assessment Programme
MPA	Marine Protected Area

MRICS	Member of the Royal Institution of Chartered Surveyors
NAO	National Audit Office
NDPB	Non-departmental public body
NED	Non-Executive Director
OCPP	Ocean Country Partnership Programme
ODA	Official Development Assistance
OSPAR	The Convention for the Protection of the Marine Environment of the North-East Atlantic
PATH-SAFE	Pathogen Surveillance in Agriculture, Food and Environment
PCSPS	Principal Civil Service Pension Scheme
QA	Quality Assurance
QFAIR	Findable, Accessible, Interoperable, Reusable and of the right Quality that is fit for purpose
QSR	Quality Status Report
REGO	Renewable Energy Guarantees of Origin
RICS	Royal Institute of Chartered Surveyors
RV	Research Vessel
SCS	Senior Civil Servant
SCTE	Statement of Changes in Taxpayers' Equity
SDG	Sustainable Development Goals
SLT	Senior Leadership Team
SoFP	Statement of financial position

SR	Spending Review
SSRB	Senior Salaries Review Body
STEM	Science, Technology, Engineering & Mathematics
UK	United Kingdom
UKOT	UK Overseas Territories'
UKRI	UK Research and Innovation
UN	United Nations
US	United States
VAT	Value Added Tax
WDHS	Wind-Diesel-Hybrid Systems



Centre for Environment
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Department
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Further information about Cefas, our activities and services, and news of recent developments can be found on our website: www.cefasc.co.uk

Cefas is an executive agency of Defra

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