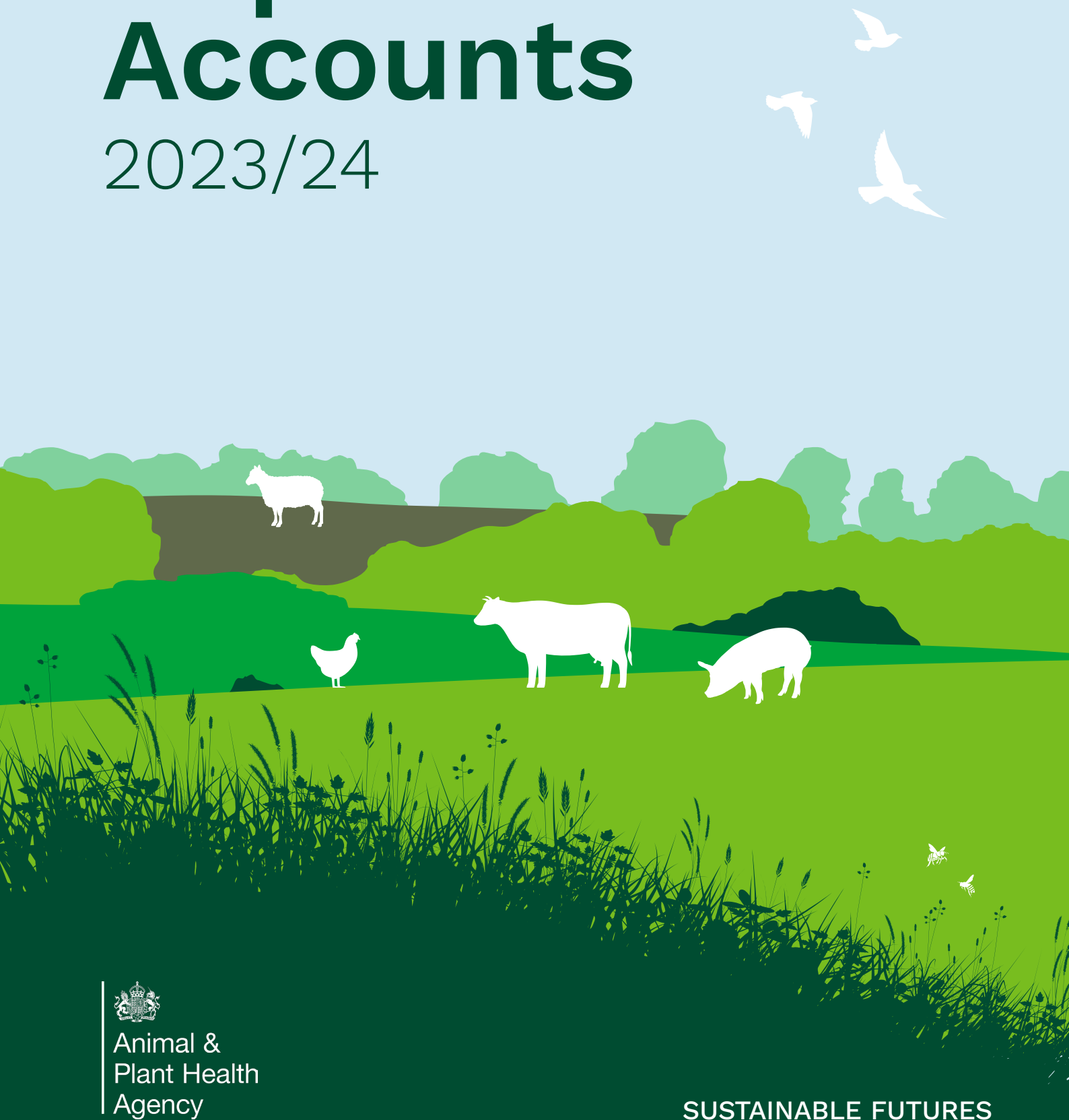


# Annual Report & Accounts

2023/24



Animal &  
Plant Health  
Agency

SUSTAINABLE FUTURES



# Annual Report & Accounts 2023/24

(For the year ended 31 March 2024)

Accounts presented to the House of Commons in pursuant to  
Section 6(4) of the Government Resources and Accounts Act 2000

Ordered by the House of Commons to be printed 30 January 2025

HC 619



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Any enquiries regarding this publication should be sent to APHA, Woodham Lane, New Haw, Addlestone, Surrey, KT15 3NB.

ISBN: 978-1-5286-5065-6

E-Number: E03162272 01/25

Printed on paper containing 40% recycled fibre content minimum.

Printed in the UK by HH Associates Ltd. on behalf of the Controller of His Majesty's Stationery Office.

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# Foreword

## Foreword by David Holdsworth, former Chief Executive

28 June 2024

This has been another extraordinary year with APHA and its people responding to record levels of disease threats and pest incursions in addition to enabling record levels of agricultural and horticultural trade and exports supporting the UK economy and rural jobs.



These challenges are not going to diminish as we see the increasing threats of climate change to our environment, food security and the ability of diseases and pests to travel, survive and thrive across the world.

It's therefore important that we not only deal with the threats of today but look ahead to ensure APHA continues to deliver for the people of the UK:

- protecting our biosecurity thereby protecting animal, plant and human health
- safeguarding animal, plant and bee health as well as animal welfare
- enabling the UK rural economy to grow and thrive.

That's why despite the record levels of disease and pest response throughout the year we developed our new strategy with a clear mission, ambitions and priorities which are structured around the pillars: Protect, Promote, Innovate, People and Place. This report highlights just some of the extraordinary achievements of APHA under each pillar, thanks to its amazing people. In particular:

### PROTECT



**New border operating model:** we delivered the new border operating model ensuring improved biosecurity at the UK border while still enabling and supporting vital trade and exports.

**Incursion / outbreak response:** we delivered a record number of investigations and responses to disease and pest incursions to protect animal and plant health, as well as human health. We also, for the first time, modelled a bluetongue disease incursion (BTV3) enabling us to work with our industry and policy partners in Defra, Scottish and Welsh Governments to agree a response and containment plan.

## PEOPLE



This year we focused on increasing our expert and specialist capacity to meet our additional duties and objectives as well as our disease and pest response role. We recruited over 400 new colleagues using a new and improved induction programme. We also enhanced our planning by adopting a data driven approach to ensure we can operate more efficiently in response to increasing demands.

## PROMOTE



**Exports and trade:** we provided a record almost half a million export health certificates to support UK trade and economic growth.

**Research and technical advice:** we provided evidence and science led advice to policy colleagues to promote confidence in UK's animal and plant health which underpins new trade negotiations and deals.

## INNOVATE



**Innovative and enabling regulation:** our Genetic Modification Inspectorate enabled through robust but supportive engagement safe research programmes in several areas looking to maintain and enhance UK food security and productivity, as we prepare for the increasing impact of climate and pest threats.

**Innovative regulator:** we progressed the development of digital customer services, such as CITES and Plant Health Exports System, to replace legacy IT and to improve customer experience simplifying the system for traders and exporters.

## PLACE



We operate across Great Britain at over 60 locations which is a key strength in our disease surveillance capability. Our high containment laboratories at Weybridge have a proud 100-year history in keeping the UK at the forefront of animal science and zoonotic research.

This is critical for ensuring the UK's biosecurity, animal and human health are protected while also contributing to and being a leading player in the global animal health system. This year we drove forward our redevelopment and investment plans to ensure the UK continues long into the future to have this capability.

I have felt incredibly privileged to have led an agency with so many talented, committed and, above all else, expert public servants. APHA and its work has never been more important to the UK and the people, animals, plants we protect, as well as supporting trade, and the economy in rural communities.

**I am proud of what the agency and its remarkable people have achieved this year, and I wish Jenny, and everyone across APHA, continued success in its crucial work for us all.**

# Foreword

**by Jenny Stewart,  
Chief Executive (interim)**

16 December 2024

I took up my post as chief executive at the beginning of July 2024 and feel privileged to have been given the opportunity to lead APHA on an interim basis.



The agency delivers such a breadth of work including scientific, field, and international trade services all of which are critical in supporting UK economic growth. Our work also has direct ‘one health’ benefits for animal, plant human and environmental health and our scientific research also provides confidence to our trade partners, enabling billions in UK exports.

During my short tenure I have overseen the impact of the change in government in APHA, and our contribution to the Autumn Spending Review. While these have brought their specific challenges, our greatest asset continues to be the passion,

skills, knowledge, and capability of the people working in APHA. I am immensely proud of their achievements, their expertise and fortitude, as they should be themselves.

I will continue to invest in the excellent partnerships the APHA has established which make a difference and put us at the forefront of protecting animal and plant health for the benefit of people, the environment, and the economy.

This is alongside championing everything that APHA achieves. With our strategy now firmly embedded, I believe we have the right framework to help us meet today’s and future challenges.





# Statement

**by Chris Nicholson,  
Lead Non-Executive and Chair of Steering Board**

Fortunately, we did not see the scale of avian flu cases which we saw during the past two years, but it was still been a busy year for APHA.



With no major disease outbreak during 2023/24, we were able to progress implementing the new APHA strategy, Sustainable Futures.

We were able to get some of the basics sorted so we are in a good place to respond to future outbreaks and start on the implementation of the new Border Target Operating Model which will see further significant resource increases in the agency.

However, we can never be complacent about outbreaks. We responded to over 100 confirmed cases of bluetongue virus in sheep and cattle in England during the autumn, and Asian hornet incursions increased significantly.

The Board focused on ensuring that the strategy was being implemented by exercising more discipline in business planning and reviewing our performance.

We also spent time considering what is necessary in terms of technology enabled transformational change to ensure that, at a time of real constraints on public expenditure, we're able to improve the efficiency and effectiveness of what we do.

We were pleased to see that staff participation in the annual Civil Service People Survey 2023 increased significantly and, despite the many pressures on staff, the engagement score also improved.

However, we are not complacent because engagement is still not at the level we would wish for APHA to be seen as a great place to work. The enthusiasm and expertise of our people is what makes the agency's work so vital to the health of animals, plants and people as well as international trade and the economy.

This is my last Annual Report after six years as Chair of the Steering Board. It has been a fascinating role and I've never ceased to be inspired by the dedication and expertise of staff and my fellow directors.

I would like to pay particular tribute to the contribution of our former Chief Executive, David Holdsworth. In just over two years he oversaw APHA's response to the most severe avian influenza outbreak we have experienced, as well as masterminding the drafting of a new strategy for the agency which sets it in good stead for the future.

I'm delighted that Elizabeth Buchanan succeeds me as Chair of the Steering Board. Elizabeth will bring her experience both as a farmer and a former non-executive director of Defra to the role as well as her enthusiasm for the range of critical work which the agency delivers. I'm sure that APHA will continue to thrive with her and the new chief executive's leadership.

# Performance report and analysis

## OVERVIEW OF APHA

The Animal and Plant Health Agency (APHA) is an executive agency of the Department for Environment, Food and Rural Affairs (Defra). We also provide services to the Scottish and Welsh Governments, and a range of other customers including government departments.



In a fast changing and uncertain world, APHA is the early warning system that keeps the UK safe from threats to animal, plant and human health.

We are part of the wider Defra group and government biosecurity system, working across organisational boundaries supporting the UK Government, Scottish Government and Welsh Government to deliver their agriculture, economic and biosecurity policies.

Our mission is to protect animal and plant health for the benefit of people, the environment and the economy.

This is delivered via our strategic pillars **Protect**, **Innovate** and **Promote**, and by working as One APHA based on the principles of **People** and **Place**.

The following pages highlight some of our successes for each pillar.





# Protect

We protect the UK from animal and plant-related threats to human health, the economy and the environment

## CASE STUDY

### APHA responds to confirmed findings of Colorado potato beetle



APHA's Plant Health and Seeds Inspectorate (PHSI) responded to a report of the possible finding of the Colorado potato beetle (*Leptinotarsa decemlineata*) in Hampshire by a member of the public.

While endemic in large parts of Europe, the summer of 2023 was the first time an outbreak of the beetle was confirmed in the UK since 1977. If it's not eradicated, the Colorado potato beetle is a significant threat to potato crops. The adult beetles and larvae feed on the foliage of potato

and several other plants and can completely strip them of their leaves if they are left uncontrolled. The beetle is therefore regulated as a Great Britain quarantine pest with import and movement restrictions in place for susceptible host material.

APHA inspectors responded swiftly to eradicate the pest and led ground surveillance in gardens, potato crops and land at the infested sites areas and surrounding areas to ensure there were no other Colorado beetles present.

There are various plant pests and diseases called quarantine pests (not yet present in Europe) and regulated pests (present but not widely distributed). APHA's PHSI leads on identifying and controlling these pests and pathogens by checking plants, trees and crops at various agricultural premises including plant nurseries and garden centres.

## CASE STUDY

# Supporting APHA's global surveillance of avian influenza



Leading APHA scientist Dr Marco Falchieri visited the sub-Antarctic region to collect samples from dead mammals and birds for avian influenza (AI) testing and sequencing at APHA Weybridge.

Highly pathogenic AI was first suspected on Bird Island off the north west coast of the British Overseas Territory of South Georgia in October 2023 after the deaths of several brown skua.

With growing concerns about the impact of the virus on wildlife in this area, Dr Falchieri spent three weeks onboard the Royal Navy vessel HMS Forth, visiting the South Georgian islands affected.

Following the testing and sequencing of the samples at APHA Weybridge, the Virology Department confirmed that the samples tested positive for HPAI H5N1 virus in elephant seals, fur seals, brown skuas, kelp gulls and Antarctic terns.

Samples collected from albatross and giant petrel colonies on Bird Island tested negative, and there have been no reports of above average mortality in any penguin species to date.

APHA's surveillance data of AI continues to suggest that there is no widespread change to the virus in mammals and the analysis of infected birds demonstrates that the virus has most likely been introduced through migratory bird movement from South America.

APHA leads on surveillance for avian influenza throughout the year. This includes monitoring the international disease situation alongside sampling and testing both wild birds and the farmed bird population in the UK.

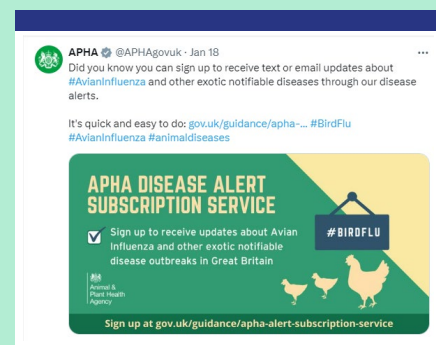
# Protecting animal health and welfare



APHA organises an annual winter bluetongue survey to review whether there has been undetected incursion of the virus during the warmer months of the year. As part of this survey during 2023/24, The Pirbright Institute identified bluetongue in a non-imported animal in November 2023. During follow-up investigations by APHA, 119 cases were confirmed in cattle and 7 cases in sheep at 73 premises in 4 counties.

Over 40,000 samples were collected and APHA responded to around 670 licence applications to enable animal movements in the temporary control zones introduced to prevent the spread of the disease.

Responded to 9 confirmed cases of highly pathogenic avian influenza (HPAI) in England between April 2023 and March 2024, and 18 in Scotland.



On behalf of the UK Government, our Non-native Species Inspectorate reviewed the Intergovernmental Platform on Biodiversity and Ecosystem Services assessment and responded to incursions of the invasive non-native species raccoons and greater white toothed shrews in the UK.



Responded to  
**1,475**  
reports of animal  
welfare concerns

Responded to  
**3,595**  
risk-based egg  
marketing inspections

Completed  
**2,195**  
animal feed sampling visits  
for the National Feed Audit

Issued  
**3,127**  
import animal health licences  
and authorisations

Issued  
**418,818**  
export animal health certificates with  
**343,020**  
of these auto-dispatched via the EHC  
online service and  
**194**  
were auto-dispatched via the  
former Electronic Export Health  
Certificates system

Issued  
**3,127**  
import animal health licences  
and authorisations

Tested  
**43,859**  
samples for statutory  
artificial breeding controls

Tested  
**77,574**  
export  
samples

Tested  
**10,378**  
samples for antimicrobial resistance  
surveillance

Completed  
**223,671**  
TB gamma tests

Completed  
**2,842**  
TB genotyping tests

Completed  
**10,941**  
culture/PCR TB tests  
of cattle

Completed  
**5,261**  
TB tests of  
non-bovine animals

# Protecting plant and bee health

Worked with the Forestry Commission to control an outbreak of oak processionary moth in Derbyshire by tracing the host trees to identify the source of the pest.

Responded to a report of the pest, citrus longhorn beetle in a bonsai tree at a nursery in Cornwall to investigate the potential source from an import consignment and quickly recall sold trees from the infested batch.

As featured on the BBC's The One Show, our National Bee Unit responded to 59 sightings of the Asian hornet in England to capture the hornet or destroy the nest. With over 70% of the nests found in Kent, the team extended their surveillance of this non-native invasive species across the county.

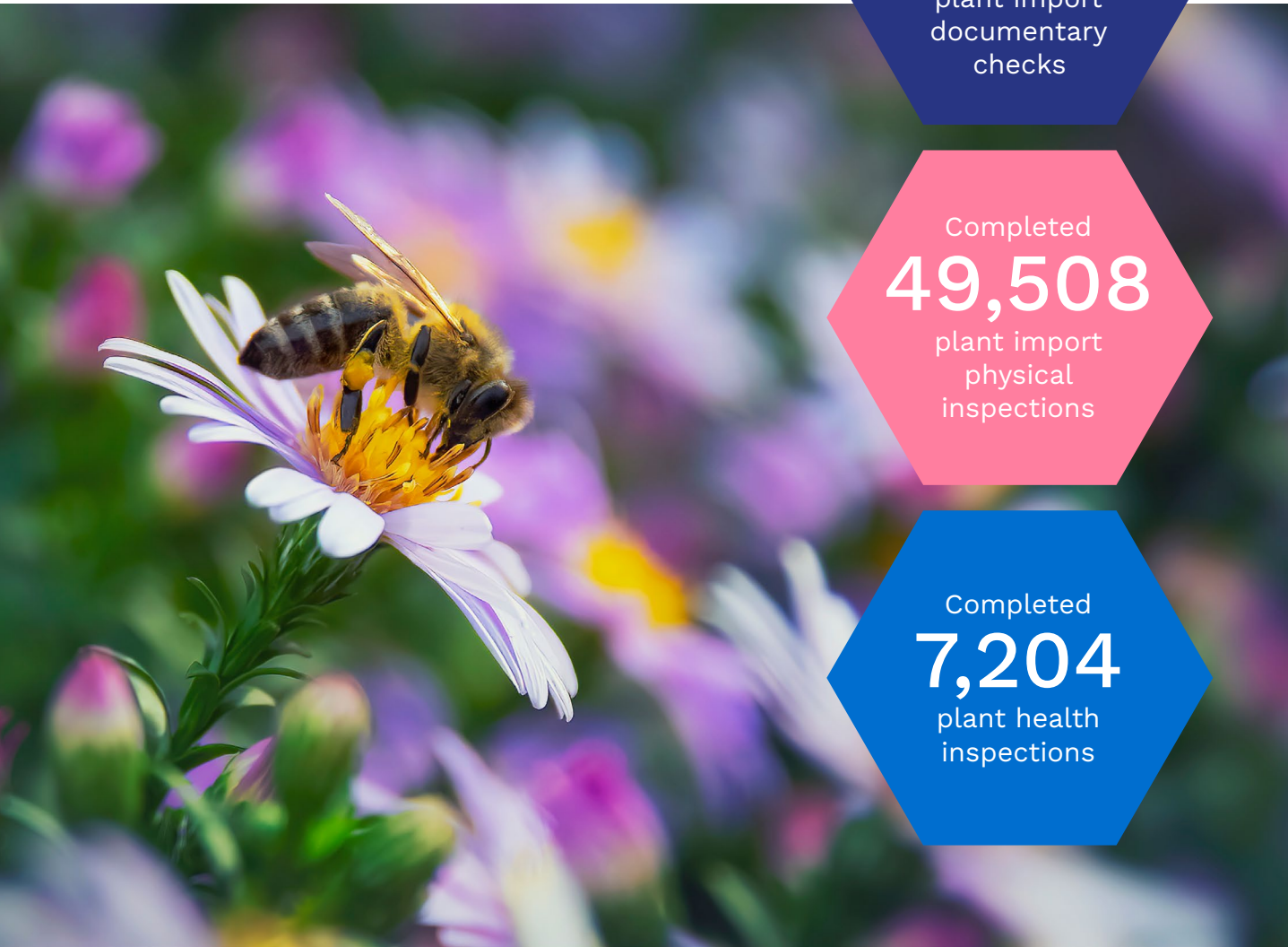
Inspected  
**3,711**  
apiaries  
(England & Wales)

Issued  
**38,555**  
phytosanitary  
certificates

Completed  
**255,081**  
plant import  
documentary  
checks

Completed  
**49,508**  
plant import  
physical  
inspections

Completed  
**7,204**  
plant health  
inspections



# One Health

Our integrated approach to tackling joint disease threats to people, animals and the environment

Worked with the UK Health Security Agency (UKHSA) on the detection and analysis of highly pathogenic avian influenza in two poultry workers picked up during UKHSA's surveillance programme of people with direct exposure to infected birds. Our risk assessments with UKHSA continue to indicate that the virus does not spread easily to people.



Provided genomic analysis of swine influenzas to support the investigation by the UK Health Security Agency and the biomedical Francis Crick Institute after swine influenza virus H1N2v was detected in a human in the UK.

With a continuing rise in the number of cases of *Brucella canis* in the UK, we have raised awareness of this disease among veterinary professionals and continue to test samples from animals as part of our role as a National Reference Laboratory and United Nations Food and Agriculture Organization (FAO) International Reference Centre for brucellosis.





# Promote

We promote and assure animal health, plant health and animal welfare to support the UK's productivity and trade

## CASE STUDY

### Highlighting how everyone can help to protect animal and plant health



APHA exhibited at New Scientist Live 2023 in London for the first time. The three-day public show draw over 20,000 people from all age groups with an interest in science.

Presented by APHA Science, Technology, Engineering and Mathematics (STEM) ambassadors, our stand highlighted how everyone can help to protect animal and plant health through some simple biosecurity practices.

Visitors to the stand were invited to pledge to protect animal and plant health in one of three ways: 1) wash their boots after a walk; 2) report dead wild birds or 3) not to bring home plant and animal food products from abroad.

Our Plant Health Engagement Team attended the RHS Chelsea Flower Show in July 2023 to inspect all the plants and trees entering the show grounds and discuss disease prevention with the exhibitors. They shared their biosecurity message by handing out many recyclable 'Don't Risk It' luggage tags to people attending the show, including HM King Charles.

The Chelsea Flower Show is one of the many horticultural shows the team attended including the Four Oaks Trade Show in Cheshire, where they hosted a face to face surgery to provide advice on imports and exports, and the Vineyard and Winery Show in Kent. Attending the National Honey Show in Surrey was an opportunity for the National Bee Unit to discuss concerns about the Asian hornet with international and UK beekeepers and the importance of reporting sightings of this invasive species.

# Raising awareness of risks to animal and plant health

We continue to work with our partners in the Defra group and overseas to develop understanding of antimicrobial resistance (AMR).

Our Cattle Expert Group was highly commended in the Royal College for Veterinary Surgeons (RCVS) Knowledge Antimicrobial Stewardship Awards for their contribution to the control of AMR with their on-farm mastitis testing project.



We have run campaigns to highlight the disease risks from bringing pork and pork meat products into the UK and feeding kitchen scraps to livestock.

We have encouraged travellers to help protect the UK from pests and disease by not bringing home plants, seeds, flowers, fruit or vegetables from their travels abroad.



We published 169 staff papers and 28 science blogs to provide evidence and inform people of our scientific research.



# Innovate

We're an innovative organisation that enables industry to thrive

## CASE STUDY

### Working with our partners in Northern Ireland to implement the Windsor Framework



Around 13 APHA plant health and seeds inspectors spent several months working at ports in Northern Ireland (NI) to work with their Department for Agriculture, Environment and Rural Affairs (DAERA) on the new Northern Ireland Plant Health Labelling Scheme (NIPHL).

This was part of APHA's efforts in preparing for the implementation of the new border operating model for Northern Ireland in early October 2023.

APHA is the designated Competent Authority for the new scheme introduced as part of the Windsor Framework, a legal agreement between the UK and the European Union (EU) for moving goods within the UK and safeguard NI's place in the EU.

Working alongside DAERA inspectors, APHA colleagues inspected plants and seed potatoes arriving in NI from England, Wales and Scotland under the new scheme. This involved inspecting plants for quarantine pests and diseases and checking the validity of the new NI plant health labels attached to the consignments. The Plants Professional Operator registration process was also launched on GOV.UK to support the new labelling scheme.

This example of international collaboration was also an opportunity to share expertise and knowledge of pests and disease symptoms to help protect NI's biosecurity and gain insight into NI's processes and systems.



APHA was successful in securing funding for APHA-led research on tick and vector-borne diseases. Working with our academia partners, the projects will develop tools to monitor and control tick-borne diseases and investigate the transmission pathways of mosquito-borne viruses.

Our Stafford Customer Service Centre responded to around 5,000 telephone queries per month. The introduction of a new data system has improved call response times alongside providing forecast data on call volumes, handling times and staff levels for effective work planning.



DNA testing was introduced for plant health inspectors at Heathrow to help quickly identify quarantine organisms at the Border Control Post (BCP) and save time from sending the samples to a laboratory for testing. This fast turnaround reduces the time and costs of holding consignments at the BCP.



Completed successful ePhyto pilot with the Netherlands for the digital exchange of phytosanitary certificates between UK and international plant health protection organisations.



Contributed to the development of a new online dashboard of confirmed cases of avian influenza in wild birds alongside a map of information on the virus in wild birds and mammals.



Launched a new interactive map for farmers and the public to identify the location of the temporary bluetongue control zones.



Implemented a new internal ViewBovis app which will help us track the movement of disease. Polymerase chain reaction (PMR) testing rolled out for post-mortem samples from TB test positive cattle, direct contacts and compulsory or privately slaughtered inconclusive reactors. This new PCR test reduces the time to confirm results to livestock keepers from up to 22 weeks to just three weeks.



Generated around 700 H5N1 whole-genome sequences for the FluMap consortium of UK scientific organisations developing ways to mitigate the risks of the avian influenza virus.



# People

We value our people, providing them with the right tools, continuously improving through delivering change well

## CASE STUDY

### Inspiring a new generation of scientists, vets and plant health inspectors



APHA has a network of over 40 STEM Ambassadors who regularly engage with young people around the UK to promote studying science, and the variety of career opportunities at APHA.

This network includes some of our 30 new colleagues who joined our Plant Health & Seeds Inspector Apprenticeship Scheme. This is one of the ways we have recruited new talent, and our scheme provides career opportunities for people who may not have academic qualifications.

STEM Ambassadors have attended various open day events at local schools to give presentations, take part in Q&A sessions and help students develop their interview skills.

British Science Week was an opportunity for APHA Weybridge to host some open days with science students from local colleges. During 2023/24, student open days at Weybridge and attended around 12 external career events at colleges and public venues.

In August, APHA Weybridge welcomed 18 high-achieving international science students during their two-week STEM Summer Camp in the UK organised by the London International Youth Science Forum.



It's more than a cow.  
**It's one of the 9.6 million  
that you help protect  
through national disease  
control programs.**

**This is Greater Practice.  
Expand your veterinary horizons  
and join us. [aphavets.co.uk](http://aphavets.co.uk)**



This is alongside our recruitment campaign for veterinary and technical staff. A 'Vets in Government' event was held at Weybridge with speakers from government departments presenting talks on their veterinary careers on the Civil Service.

We also hosted the Veterinary Research Club Early Career Scientist Plowright Prize event. This prize recognises an individual who has made a key contribution to the control and management of infectious diseases in animals.

We have welcomed new colleagues across APHA to strengthen the delivery of our range of specialist and critical services. The launch of our new induction programme is part of our wider package of work underway to improve the experience for new starters and ensure everyone has the right tools to do their job and can access learning and development opportunities.



# Place

We act locally to deliver nationally, minimise our environmental impact and future proof our high tech infrastructure

## CASE STUDY

### Sharing our plans and vision of our Weybridge science hub



The Science Capability in Animal Health (SCAH) Programme continues to make progress at APHA's Weybridge site and remains on track to deliver the new laboratory facilities by 2033/34.

Substantial progress was made this financial year on the Master Outline Planning Application which was submitted to Runnymede Borough Council in February 2024 for resolution during the summer. This followed engagement with local residents, stakeholders and elected representatives to share our future vision for the site.

Construction work on the Weybridge site has continued with enabling works to prepare the site and clear the footprint for the future science facilities. These works are managed by Defra, with costs remaining within Defra until APHA has full economic benefit.

Our design of the science hub has moved through the various stages of the Royal Institute of British Architects (RIBA) which organises the process of briefing, designing, constructing and operating building projects. We now have a RIBA stage 2 concept design and have moved into RIBA stage 3, as we prepare for construction to start in 2027.


Ongoing work has been taking place with HM Treasury, Cabinet Office and others to resolve the scope and funding of the scheme during 2024/25 to allow the SCAH Programme to continue making progress to its current schedule. £208m was announced in the Government's Autumn Statement following the Spending Review 2025/26.

Alongside this, SCAH has focused on building organisational capability to manage a growing supply chain, including the appointment of technical and delivery partners to drive delivery.


Protecting and enhancing ecological features of the Weybridge site are important aspects of the programme. The planning application outlines our landscape and biodiversity proposals to deliver 25 per cent biodiversity net gain on the site and increase the potential for natural habitats.




# Performance measures

APHA outcomes	Performance measure	Q1	Q2	Q3	Q4	Target
 <b>PROTECT</b>						
Enhance food security	Contracted milestones delivered to plan for cross-government PATH-SAFE programme					
Improve biosecurity	Complete ABP routine inspections required under a risk-based approach	44%	46%	42%	44%	90% See note (b) below
Improve animal welfare	Visit all high priority welfare reports within one calendar day of notification	85%	92%	88%	84%	95% See note (c) below
	Complete cross compliance inspections to meet the Single Payment Scheme deadline					See note (d) below
Support eradication of bovine TB	Deliver TB vaccination programme to plan					See note (e) below
	Ensure animal disease tracing action is initiated within 10 working days from date of confirmation	99%	99%	98%	99%	90%
	Disease management removal of reactors/disease cases from breakdown herds within 10 working days of disclosure / identification	96%	98%	90%	85%	90%
	Number of persistent herds (England and Wales)	253	252	263	250	Total number
	Ensure the volume of gamma samples which are unable to be tested is <0.36%					<0.36% See note (f) below
Manage disease outbreaks	Avian influenza: report on cases visited within 24 hours					96%
	Avian influenza: movement licence to be issued within deadline timescales					100%
	Deliver a scanning surveillance programme to plan and within agreed tolerances					
	% of pest and disease outbreaks we respond to reported cases of notifiable disease within 24 hours					100%

APHA outcomes	Performance measure	Q1	Q2	Q3	Q4	Target
	Ensure there are contingency arrangements in place for an outbreak that have been formally assured and exercised					Qualitative
	Maintain our 49 national and 23 international reference centres for animal diseases					

APHA outcomes	Performance measure	Q1	Q2	Q3	Q4	Target
	<b>PROMOTE</b>					
Support trade (imports)	Import licences issued within agreed timeframes	86%	99%	99%	100%	96%
	Complete inspection of listed plant material imported into England/Wales consignments (Highest risk – woody plants)	27%	23%	29%	27%	99% See note (a) below
Support trade (exports)	% of certificates and licences progressed within required timescales and to agreed standards  This metric is a combination of 5 types of certificates: (1) EHC, (2) CITES, (3) bird, (4) plant	99.6%	97.4%	97.7%	97.7%	97%

APHA outcomes	Performance measure	Q1	Q2	Q3	Q4	Target
	<b>INNOVATE</b>					
Deliver excellent customer services	Achieve published turnaround times for laboratory services  This metric measures our laboratory turnaround times for both trade and non-trade tests		Trade 98% Non-trade 94.8%	Trade 99% Non-trade 97%	Trade 99% Non-trade 97%	Trade 99% Non-trade 95%

## NOTES (PERFORMANCE MEASURES)

- (a)** This metric measures the number of APHA inspections of listed plant products imported into England and Wales. The categorisation of high-risk planting material changed in April 2023 to only include plants which are “woody not for retail” when previously all plants were considered high risk. We continue to work with Defra policy on principles until the Border Target Operating Model is implemented on 30 April 2024, and we expect to see improved performance as next year progresses.
- (b)** In Q1 and Q2 we agreed to focus activity on outbreak response thereby reducing the priority of this work and focusing on high-risk activities. This work was lower priority in Q3 and Q4 due to capacity issues from delays in recruitment.
- (c)** This metric measures our percentage compliance for visiting all high priority welfare reports within one day of notification. We can track compliance at GB level and for England, Scotland and Wales. The National Delivery Network is reviewing the reasons for missing the target during the last six months, and next year the aim is to ensure any individual missed targets will be investigated promptly. The availability of documentation to support the inspection is being reviewed as a possible cause of delay rather than resource or a lack of prioritisation. Once these investigations have been completed, and the process is in place for earlier reviews of missed targets, we anticipate that we will meet our targets in 2024/25.
- (d)** This target is based around the calendar year and is cumulative. The 2023 target was 749 inspections (total for England, Scotland and Wales). We measure quarterly performance against the annual total, and we met the target at the end of 2023.
- (e)** Defra has signed off phase 3 of the work to ensure progress in 2024/25.
- (f)** The total samples submitted for the year to date have a 1.1% rejection rate. Rejects are samples that are not tested by the laboratory for one of the following reasons: blood collected in the wrong type of vacutainer, samples that have not been maintained at the appropriate temperature range ( $22\pm 5C$ ), unlabelled samples, broken or cracked tubes, blood that is extensively clotted or samples received after 16:00 on the day after sample collection. The failures in Q3 and Q4 relate to a one-off bulk consignment failure from a third party supplier and was outside APHA control.



# Our environmental performance and contribution to sustainability

The environmental data and associated financial costs presented in the following pages are consistent with the requirements of HM Treasury's Public Sector Annual Reports: Sustainability Reporting Guidance 2022/23.

## GREENING GOVERNMENT COMMITMENTS (GGCS) TARGETS AND PERFORMANCE

This section sets out APHA's performance against the sustainability objectives of its estate and operations.

We are provided with data from Defra group's Environmental Management Systems, which measure against some of the Greening Government Commitments (GGC) targets. These targets are for reductions in greenhouse gases (GHG) emissions to mitigate climate change, waste production, paper use, and water use.

Further information on the source of the data is available in the Defra Annual Report and Accounts 2023/24.

The majority of GGCs are managed centrally by Defra including the commitments for consumer single use plastics, finite resource consumption, nature recovery and biodiversity action planning. Defra also manages reducing the environmental impacts from information and communication technology (ICT) and digital, climate change adaptation, sustainable construction, rural proofing, air travel, and other natural resource consumption.



Consequently, all these GGCs are reported in the Defra Annual Report and Accounts. APHA does not hold any natural capital or landholdings.

The GGC targets, which are measured from a 2017/18 baseline to be met by the end of March 2025, include:

- Reduce GHG from the whole estate and business-related transport by 50%
- Reduce direct GHG from buildings by 15%
- Reduce the amount of waste to landfill to below 5%
- Increase the amount of recycled waste to above 70%
- Reduce total waste by 15%
- Reduce water consumption by 8%
- Reduce the GHG from domestic flights by 30%
- Reduce paper use by 50%
- Upgrade all fleet vehicles to ultra-low emissions (by end 2027)

Performance against these targets is defined using the following terms:

- Exceeded target: the target has been exceeded
- On target: performance is on track to meet the target
- Below target: improvement in performance but is not on track to meet the target
- Increase from baseline: no reduction made and performance in this area has worsened since the baseline year

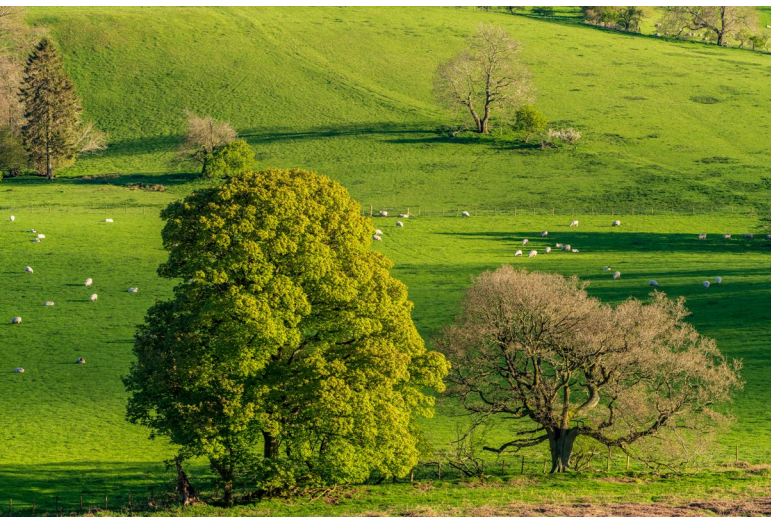


For 2023/24, APHA has increased from the baseline for direct GHG reduction, total waste reduction and water reduction. APHA is below the target for total GHG reduction. We have encouraged our staff to return to the office for 60% of their working hours and this has had a direct impact on meeting these targets. In addition, APHA has increased in size since 2017/18.

APHA is below where we would like to be for these targets and is taking actions to improve. Due to the size of the site, the investment at the Weybridge site will have a large impact on APHA's sustainability performance in the future and beyond 2025.

We are on target or exceeding the target for all other GGC performance measures.

<b>GGC performance</b>	<b>Target April 2025</b>	<b>2022/23 APHA achievement</b>	<b>2023/24 APHA achievement</b>	<b>2023/24 APHA performance</b>
Total GHG reduction 2023/24 versus baseline	50% reduction	22.01% reduction	14.46% reduction	Below target
Direct GHG reduction 2023/24 versus baseline	15% reduction	1.51% increase instead of reduction	9.96% increase instead of reduction	Increase from baseline
Landfill waste reduction 2023/24	Less than 5% sent to landfill	0.38%	0.16%	Exceeded target
Recycling waste 2023/24	More than 70% recycled	47.59%	60.02%	On target
Total waste reduction 2023/24 versus baseline	15% reduction	38.08% increase instead of reduction	72.79% increase instead of reduction	Increase from baseline
Water reduction 2023/24 versus baseline	8% reduction	74.62%	17.64% increase instead of reduction	Increase from baseline
Domestic flights emissions reduction 2023/24 versus baseline	30% reduction	No flights in 2022/2023	Flight emissions were not reported in previous years and therefore a comparison cannot be provided	
Paper use reduction 2023/24 versus baseline	50% reduction	81.07% reduction	61.34% reduction	Exceeded target



# Governance

The Task Force on Climate-related Financial Disclosures (TCFD) framework requires organisations to disclose four themes: governance, strategy, risk management and metrics and targets. The TCFD interprets and adapts the climate-related financial disclosures framework for the UK public sector. APHA has used that framework to assess how close we are to a TCFD-compliant disclosure.

APHA is part of the Defra group. The majority of TCFD disclosures are managed centrally by Defra, including the following:

- governance (all recommended disclosures)
- metrics and targets (disclosure B) which are reported in this sustainability report.

APHA plans to make disclosures for strategy, risk management and metrics and targets (disclosures A and C) in future reporting periods, in line with the central government implementation timetable.

Governance in APHA is set out in the statement on page 48 and our risk management approach is explained in the risk management section on page 51. The Audit and Risk Assurance Committee regularly review APHA's Principal Risk Register, and the Executive Board review the register monthly.

We currently have a risk on our Principal Risk Register regarding sustainability and climate change. We are aware of the impact climate change can have on our ability to respond, identify and mitigate threats on UK animal and plant health, human health, food security and the environment. For example, climate change can lead to new animal and plant diseases in the UK which we must respond to, and we plan to draft a sustainability strategy, which will mitigate these risks.

We are committed to developing our sustainability strategy and taking action to integrate climate as a management issue within our governance to improve our approach to climate change.

# Sustainability strategy

As part of Defra's Sustainability Leadership Group, APHA has helped to develop a Defra-wide strategy that sets out its approach to delivering ongoing commitments to minimising the impact on the environment from our operations.

The strategy lays out priority business outcomes guided by aims and objectives that are structured around four themes: responding and adapting to climate change; nature recovery and enhancement; resource and water conservation; and social impact and value.

We launched a new corporate strategy 'Sustainable Futures' in May 2023, which includes the commitment to minimise its environmental impact and make APHA's operations sustainable and net zero.

APHA will create a specific sustainability strategy aligned to the Defra Sustainability Strategy, which will initially largely focus on APHA's Science Capability in the Animal Health (SCAH) Programme that oversees major re-development of its science estate. In addition, it will include aims to reduce the carbon footprint of the car fleet and improve the infrastructure for electric vehicles on our sites.

## Weybridge sustainability strategy

The investment in the science capability at the Weybridge site is an opportunity to improve the environmental performance of these facilities which contribute most to APHA's carbon emissions.

The new Weybridge Sustainability Strategy (2023) aligns with the structure of the Defra Group Sustainability Strategy, with the same four sustainability themes to guide outcomes that maintain its aim to deliver resilience, regenerative development, and biodiversity net gain in line with the requirements of the Environment Act 2021.

The Plan outlines the key actions taken and future aims:

- Measuring our existing primary energy consumption, establishing an Energy Use Intensity (EUI) value site baseline and installing additional meters to measure consumption on a more granular (building) basis.

- Continuing with our supply authority negotiations to move to reduced carbon use with the electrification of the thermal energy infrastructure.
- Exploring the potential for renewable energy innovation and generation.
- Reviewing ancillary land for biodiversity improvements and an enhanced landscape.
- Adding additional capacity on our existing incinerator scheme to recover energy from our waste disposal process. This will enable us to explore and enhance our recycling waste strategy and develop a circular economy with other Arm's Length Bodies for disposal of their waste for energy from the waste process.

## Sustainable procurement and car fleet

APHA's Contract Management team continues to work with Defra Commercial to ensure that the service provision from new contracts and suppliers are in line with the Defra Sustainable Procurement Strategy.

The same applies to building projects by Defra group Estates on behalf of APHA and the shared estate, and the agency's continued commitments under the cross-government approach to a sustainable fleet. We are working towards the target of 100 per cent of the government car and van fleet to be fully zero emissions at the tailpipe by 31 December 2027.

APHA is committed to procuring sustainably, in line with Defra's Sustainable Procurement Policy Statement, and minimising its own environmental impact.

Suppliers are asked to consider social, economic, and environmental aspects of sustainability in all in scope procurements for APHA, and this is evaluated and forms part of the decision-making in tender awards. The aim is to buy more sustainable and efficient products and engage with suppliers to understand and reduce the environmental impacts of our supply chain.

# Sustainability data

Greenhouse gas emissions		2023/24	2022/23	2021/22	2017/18 baseline
Non-financial indicators (tonnes CO2)	Scope 1: Direct emissions	10,391	9,073	10,175	9,045
	Scope 2: Energy indirect emissions	4,729	4,011	4,279	7,969
	Scope 3: Official business travel emissions	993	1,607	1,434	1,823
	<b>Total emissions</b>	<b>16,113</b>	<b>14,690</b>	<b>15,888</b>	<b>18,837</b>
	Direct emissions from buildings	9,766	9,016	9,865	8,882
	Domestic flight emissions	14,656	Not reported in these years	Not reported in these years	Not reported in these years
	International flight emissions	175,613	Not reported in these years	Not reported in these years	Not reported in these years
Financial indicator	Expenditure on official business travel	1,107,084	753,907	138,518	Not reported in this year

## Note:

Official business travel includes air travel, rail travel, taxis, car mileage, short-term car rental and bus.

Waste management		2023/24	2022/23	2021/22	2017/18 baseline
Recovered or recycled (tonnes)	Recycled or reused	1,539.22	975.21	388.62	186.50
	Composted	0.00	5.02	7.26	4.99
	Incinerated with energy recovery	657.07	731.83	638.53	897.98
Total waste recovered or reused		2,196.30	1,712.07	1,034.41	1,089.46
Not recovered or recycled (tonnes)	Incinerated without energy recovery	363.92	329.42	398.35	379.67
	Landfilled	4.14	7.72	0.43	14.93
Total waste (tonnes)		2,564.36	2,049.16	1,433.80	1,484.07
Percentage (%) recovered or reused		85.65	83.55	72.14	73.41

<b>Energy and water</b>		<b>2023/24</b>	<b>2022/23</b>	<b>2021/22</b>	<b>2017/18 baseline</b>
Energy consumption (kWh)	Oil	1,290,520	668,256	600,532	985,541
	Non-renewable electricity	22,838,539	20,769,960	20,158,171	22,668,330
	Renewable electricity	42,665			
	Gas	47,863,030	48,450,493	53,020,508	46,749,868
	Biomass	0	0	0	774
Water consumption (m3)		150,407	32,446	101,022	127,850
Financial indicators (£)	Oil/carbon	299,987	73,835	107,252	Not reported in this year
	Electricity	5,268,706	4,209,871	3,542,851	Not reported in this year
	Gas	1,941,171	2,621,206	1,698,626	Not reported in this year
	Water	177,914	136,745	187,993	Not reported in this year
Total energy and water expenditure		7,687,778	7,041,658	5,536,722	Not reported in this year

**Note:**

APHA had an average monthly FTE of 3,045 for 2023/24.

<b>Paper use</b>	<b>2023/24</b>	<b>2022/23</b>	<b>2021/22</b>	<b>2017/18 baseline</b>
Paper use (A4 reams equivalent)	3,053	1,495	5,335	7,898
Reduction from baseline	61%	81%	32%	N/A

<b>Fleet data</b>	<b>Total vehicles</b>	<b>Pure EV</b>	<b>% EV</b>
Total	412	82	20%

**Notes:**

- Shared buildings within Defra group have been apportioned according to floor space occupancies.
- Emissions from Official Business Travel data does not include international travel in accordance with the GGC reporting requirements.
- Electricity consumption was not previously classified as non-renewable or renewable.
- Defra group does not have the data for APHA to report on the expenditure on the different forms of waste. This is expected to be reported from 2024/25.

# Financial review

APHA's total operating expenditure for the financial year ending 31 March 2024 was £405 million, £20 million higher than the £385 million in the previous year. The increase in expenditure was driven by additional statutory responsibilities leading to higher staff costs and by increased non-cash costs, partially offset by lower disease outbreak costs.

More detail on staff costs and other expenditure is provided in the Staff Report and Note 3 of the Financial Statements respectively.

APHA's total income was £83 million (2022/23: £81 million), over 50% of which came from the devolved administrations in Scotland and Wales. APHA is planning to increase fee and charge rates over the next two years to ensure that full cost recovery is achieved across all existing schemes.

The total operating expenditure of £405 million was funded by the operating income of £83 million (20%), leaving comprehensive net expenditure of £322 million to be funded by Defra.

The operational challenges during the year, such as the impact of disease outbreaks, have been managed through the re-allocation of resources and additional funding from Defra and the devolved administrations. We worked closely with Defra to ensure that we operated within budget and funding limits.

Our future financial priorities are based on continuing to improve financial capabilities, developing external income streams, and identifying efficiency and value for money initiatives to help to offset future inflationary and funding pressures.

We are required to treat supply funding from Defra as financial contributions because they are from our sponsoring body. Therefore, we credit these directly to the general reserve and do not include them in our net expenditure in the financial statements.



# Non-current assets

Non-current assets, which include both operational assets such as science equipment and corporate assets such as property and IT, have decreased by £18 million compared to last year. The net book value (NBV) of our non-current asset base is £314 million (2022/23: £332 million). Further details are shown in Notes 5 and 6.

The construction of property and IT assets are managed by Defra group Corporate Services on behalf of APHA. Assets are then transferred to APHA on completion. There have been significant transfers between APHA and Defra during 2023/24 as a result of a thorough review of the Assets Under Construction held by Defra, with further details of this included in the Governance Statement.

We are required to carry out an independent five-yearly revaluation of our land and buildings, with a desktop exercise in the intervening years. The desktop exercise in March 2024 resulted in increases and decreases in building values, with the overall result a net £4 million downwards revaluation. This review also considered the remaining economic life and change of use of the buildings as part of the redevelopment of the Weybridge estate. More detail is provided in Note 5.

# Going concern

The statement of financial position at 31 March 2024 shows taxpayers' equity of £315 million (31 March 2023: £347 million). In common with other government executive agencies, the future funding for our liabilities will come from Defra and other external income. The Government makes decisions about Defra's funding through HM Treasury's Spending Review process and a proportion of this funding is then allocated to APHA. This process sets funding for all government departments. APHA's functions are required by statute and therefore are expected to continue.

We have already received approval for our Defra funding for next year (up to March 2025), and Defra funding for the following year is currently being finalised as part of Defra business planning. Future years funding will be subject to the next Spending Review in 2025. APHA expects to be able to continue to provide our services within the constraints of the funding envelope provided and we have therefore prepared these financial statements on a going concern basis.

**APHA Chief Executive (Interim) and Accounting Officer**  
**23 January 2025**

# Accountability report



# Director's report

The chief executive, as the Accounting Officer, has personal responsibility and accountability to Parliament through ministers and the devolved administrations in Scotland and Wales. They are also responsible for the delivery of APHA services and resources, as well as appointing and line managing the directors who sit on the Executive Board.

The chief executive is supported and challenged by the APHA Steering Board and its committees and is managed by Defra's Director General (DG) for Food, Biosecurity and Trade who acts on the Ministers' behalf.

Full details on APHA's governance structure are available on GOV.UK and in the governance statement on page [XX](#).

## COMPLAINTS

During 2023/24, the APHA Executive Office responded to:

- 75 second stage (escalated) complaints (2022/23: 90). The majority of these were related to the quarantine of non-compliant imported pets, bovine TB testing, animal welfare and field inspections. In many cases, the complaints also raise concerns about government policy or regulations.
- Five requests from customers for an internal review of their complaint which were not upheld (2022/23: 2).
- One request for information from the Parliamentary and Health Services Ombudsman (2022/23: 3) for an investigation into a complaint which is ongoing.

Guidance on the APHA complaints process is available on [gov.uk/government/organisations/animal-and-plant-health-agency/about/complaint-procedure](https://www.gov.uk/government/organisations/animal-and-plant-health-agency/about/complaint-procedure).

## ACCESS TO INFORMATION

During 2023/24, APHA received:

- 399 Freedom of Information (FOI) requests (2022/23: 286)
- 35 Environmental Information Regulations (EIR) requests (2022/23: 23)
- 39 Subject Access Requests (2022/23: 30)

Trade was a common category for requests, particularly import and export figures relating to livestock and pet imports; along with requests for information relating to *Brucella canis*.

APHA received one appeal from the Information Commissioner's Office (ICO). This was reviewed at the first notification and the information requested was supplied. The ICO took no further action.

Guidance on how to make an FOI/EIR request, and APHA's responses, are available on [gov.uk/government/organisations/animal-and-plant-health-agency](https://www.gov.uk/government/organisations/animal-and-plant-health-agency).

## RAISING A CONCERN

During the year, intranet articles reminded APHA staff on how to raise a concern by following the process for whistleblowing and 'Raising a Concern'. The processes were also explained and discussed during fraud awareness training sessions.

These communications have encouraged an environment where staff feel confident in voicing their concerns. The number of concerns raised in 2023/24 reflects this with 11 cases escalated to the Raising a Concern Champions.

Of these 11 cases, eight are still ongoing and four were completed with no wrongdoing found. The closed cases led to some recommendations to improve processes, communications and internal efficiencies in APHA. Follow-up actions have ensured that the recommended improvements have been implemented.

## COUNTER FRAUD

APHA continues to operate in line with the Defra Counter-Fraud and Anti-Bribery and Corruption Policy and is working to improve our counter fraud maturity in line with the Government Functional Standard.

In 2023/24, APHA implemented a APHA Counter Fraud Strategy for 2023/26, an annual APHA Counter Fraud Action Plan and a campaign to raise counter fraud awareness for staff across the agency.

In addition, the Government Internal Audit Agency (GIAA) completed an audit of APHA's counter fraud maturity which assessed the agency against the Public Sector Fraud Authority (PSFA) newly introduced 'Counter Fraud Continuous Improvement Framework'. APHA was given a moderate assurance rating.

APHA shares intelligence and uses best practice to minimise fraud risk. This includes contributing to the Defra Counter Fraud Network, taking part in the National Fraud Initiative (NFI) with regular reviews by the APHA Audit and Risk Assurance Committee.

During 2023/24, there were 28 instances of detected fraud (value £46k) submitted in the Consolidated Data Request (CDR) returns to the PSFA. The increase in reporting is due to including, for the first time this year, staff overpayments that have been referred for debt recovery.

All cases of suspected fraud, bribery and corruption are thoroughly investigated and dealt with appropriately. APHA is committed to protecting public resources, revenue, property, information, and other assets from any attempt, either by members of the public, contractors, and sub-contractors or its own employees, to gain, by deceit, any financial or other benefits.

# Statement of Accounting Officer's responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed APHA to prepare for each financial year a statement of accounts in the form of 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 APHA and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual 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 judgements and estimates on a reasonable basis.
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed and disclose and explain any material departures in the financial statements.
- Prepare the financial statements on the 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 judgments required for determining that it is fair, balanced and understandable.

The Accounting Officer of Defra has designated the responsibility of APHA Accounting Officer to the chief executive of APHA.

This carries with it responsibility for the propriety and regularity of the public finances for which they are answerable, for keeping proper records and for safeguarding APHA's assets, as set out in 'Managing Public Money' published by HM Treasury.

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 APHA's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

# Governance statement

The chief executive of APHA is responsible for maintaining effective governance and a sound system of internal control to achieve the agency's aims and objectives.

This governance statement sets out the key challenges faced by APHA, the issues that have arisen, the risks that remain and the controls in place to manage these.

Assurance and audit findings in this statement confirm that arrangements are effective.

As an executive agency of Defra, APHA provides regular performance reports, risk assessments and other information to Defra, as required, throughout the year. APHA follows the HM Treasury Corporate Governance Code for Central Government.

In addition, the chief executive meets with the ministerial team on a quarterly basis to provide an update on the agency's delivery targets.

The Principal Accounting Officer and Permanent Secretary for Defra, Tamara Finkelstein, has designated the chief executive as Accounting Officer of APHA.

The Accounting Officer is accountable for the delivery and performance of APHA, delivering the priorities set by the Secretary of State for Defra and those of the Scottish and Welsh Governments.

Support and advice are provided on these issues by the APHA Steering Board, which also provides scrutiny, challenge, and support to the APHA Executive Board.

The comprehensiveness, reliability and integrity of the assurances provided are scrutinised by the Audit and Risk Assurance Committee (ARAC). During the year these assurances have been appropriate to meet the governance needs of the APHA Steering Board and Accounting Officer, and for supporting the decisions taken.



# Executive Board

This Board is chaired by the APHA chief executive. It meets monthly and its remit covers the day-to-day operations and management of APHA. It is the decision-making body for the agency.

# Steering Board

During the financial year 2023/24, the Steering Board was chaired by Chris Nicholson APHA Lead Non-Executive Director. This is an advisory board and comprises the executive and non-executive members of APHA. It met six times during the year and included a session specifically on the new APHA Strategy. Details of the membership of the Board are in the Remuneration Report.

The Steering Board has received assurance on the quality of data it receives, and the process of internal control from the Audit and Risk Committee and the Executive Board.

Full details of the Steering Board remit, governance structure, the remit of committees and attendance records are available on [gov.uk/government/organisations/animal-and-plant-health-agency/about/our-governance](https://gov.uk/government/organisations/animal-and-plant-health-agency/about/our-governance).

There was a governance review of APHA's boards and committees at the end of 2022/23 and most recommendations from this review were implemented during 2023/24.

These included changing the name of the Management Board to the Steering Board and the Directorate Leadership Team to the Executive Board. This was to reflect the challenge and advisory remit of the former and the decision-making power of the latter.

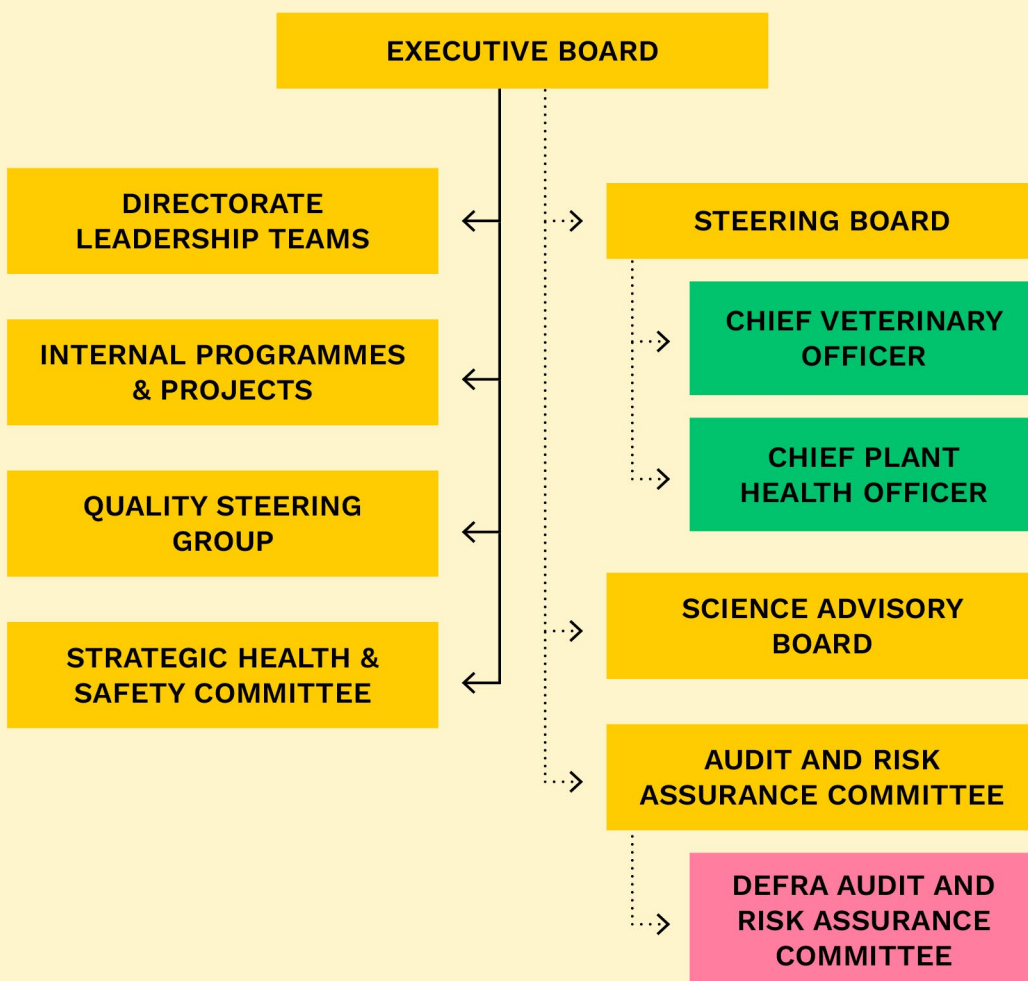
Further recommendations were also accepted to set up sub-committees to the Executive Board which would allow the Executive Board more time to invest in strategic planning for the future. The sub-committees will be set up during 2024/25.

# Other committees

The Audit and Risk Assurance Committee (ARAC) is chaired by Lizzie Peers APHA Non-Executive Director. The committee met 5 times during 2023/24. It supports the Steering Board and the Accounting Officer (AO) by reviewing, and providing independent assurances on:

- the effectiveness, reliability and integrity of the agency's governance arrangements,
- risk management and control environment,
- financial statements and the APHA Annual Report and Accounts, and
- internal and external audit services.

## APHA BOARD AND COMMITTEES



The Strategic Health and Safety Committee is chaired by the APHA chief executive. and its remit covers the implementation of the APHA Health and Safety Strategy, and monitoring the performance of facilities management, particularly for the science estate. Due to the governance review, the committee met once during 2023/24 but during this time health and safety management meetings continued and any major issues were escalated to directors and discussed at the relevant board meetings.

The Science Advisory Board (SAB) is chaired by Professor Laura Green, APHA Non-Executive Director. It met four times during 2023/24, and its remit covers the oversight and assurance of APHA's scientific work.

## Corporate services

APHA receives corporate services from Defra in several areas. As part of the Defra services delivery model, Heads of Function ensure compliance assessments are in place for the Functional Standards which are used to assess future development areas.

These assessments have shown that for services received, two thirds of Functional Standards are rated in the 'good' or 'better' rating category. Compliance with Functional standards that are led by APHA (counter fraud and internal audit) have been rated in the 'good' category. Improving compliance levels will remain the focus in 2024/25.

After the year-end, an issue was identified in Defra group Corporate Services related to the timeliness and accuracy of tangible and intangible assets under construction which should have been transferred between APHA and Defra. This resulted in adjustments to the APHA 2023/24 financial statements. There is an ongoing review to improve the processes and controls to ensure that this issue is not repeated in future years.

## Effectiveness of risk management

The role of APHA is to protect animal and plant health to benefit people, the economy and the environment. The agency has a corporate approach to risk management and works within the strategy and guidelines set for all parts of the Defra group.

Following the launch of the APHA strategy, ARAC helped facilitate an executive directors' workshop to develop a refreshed principal risk register aligned to the new strategy and to agree new ways of working in relation to risk management.

The revised principal risk register is used to drive discussions at each Executive Board meeting with regular deep dives on specific topics.

Other changes to risk management processes in the year included more regular review of business risk registers and an updated risk appetite statement and approach.

ARAC oversees and receives regular reports on the risk management policy and effectiveness of risk management arrangements. During 2023/24, the committee had updates or deep dives on the main areas of risk including:

- the remedial works remedial works and the Science Capability in Animal Health (SCAH) redevelopment programme at the Weybridge site.
- operational and cyber risks associated with the old legacy technology systems in use, seeking improvements in the definition and mitigation of individual system and application risks which apply to APHA.
- health and wellbeing culture, and APHA's people plan.
- compliance with statutory requirements.
- progress with the delivery of the recommendations from the governance review.

## Key risks identified and managed

The two main and highest scoring risks on the principal risk register which we focused on during the year, and were also escalated to Defra, were:

- **Outbreak response:** the ability to respond and protect the UK's animals and plants from concurrent and/or large outbreaks of disease(s).
- **Infrastructure failure:** critical infrastructure of APHA's science capability and facilities causing failure to maintain scientific excellence and deliver APHA's Science Strategy.

## The risk areas on the principal risk register by strategic pillar are shown in the following table.

Each risk is scored on inherent, residual and target risk, based on the likelihood and impact on a scale of 1 to 25. Inherent risk scores have been relatively stable during 2023/24, and scores at March 2024 are shown in brackets after each of the risks.

 <p>PEOPLE</p>	<ul style="list-style-type: none"> <li>• Capacity and capability, retention, recruitment and development (16)</li> <li>• Security (15)</li> <li>• Health, safety and wellbeing (12)</li> <li>• Change and transformation (12)</li> </ul>
 <p>PLACE</p>	<ul style="list-style-type: none"> <li>• Infrastructure failure (20)</li> <li>• Sustainability (6)</li> <li>• Climate change (12)</li> </ul>
 <p>PROTECT</p>	<ul style="list-style-type: none"> <li>• Outbreak response (20)</li> <li>• Statutory requirements (12)</li> <li>• Border operating model (15)</li> </ul>
 <p>INNOVATE</p>	<ul style="list-style-type: none"> <li>• Business planning and delivering our outcomes within our funding (16)</li> <li>• Failure to innovate (12)</li> <li>• Digital and data (12)</li> </ul>
 <p>PROMOTE</p>	<ul style="list-style-type: none"> <li>• Political and policy change (9)</li> <li>• External confidence in biosecurity (6)</li> </ul>

In all these areas of risk, mitigation plans are in place to manage the risks to an acceptable level and to escalate to Defra where it is considered appropriate to do so.

The consideration of risk appetite provides a framework which enables APHA to make informed management decisions. Our risk appetite was refreshed in January 2024 following the consideration of organisational risks, issues and consequences. Appetite levels can vary; in some areas our risk tolerance will be minimal and cautious while in other areas we are open and eager for risk, and willing to carry some risk in the pursuit of important objectives.

We will always aim to operate organisational activities at the levels defined. Where activities are projected to exceed the defined levels, this must be highlighted through appropriate governance mechanisms.

## Third party assurance and quality management systems



APHA aims to maintain a high standard of quality in all aspects of the delivery of its operational work. Where possible, we seek assurance of the quality of our work through independent third-party assessment from organisations such as the United Kingdom Accreditation Service (UKAS) and the Bureau Veritas Certification Body.

The laboratory services at APHA are UKAS accredited to BS EN ISO 17025:2017 (Lab No 1769) laboratory competency standard for an extensive range of tests.

Plant health imports and passporting, outbreak management, and bee health foulbrood inspections are accredited to BS EN ISO 17020:2012 inspection standard (Inspection No. 5640). Work is progressing to apply the ISO 17020 standard to animal health field delivery.

APHA offers the VETQAS® independent, ISO 17043 accredited, proficiency testing (PT) service provided by APHA's Quality Assurance Unit (QAU). This is the global market leader in the provision of PT schemes for veterinary laboratories.

APHA is certificated to BS EN ISO 9001:2015 by Bureau Veritas Certification Body for the provision of a range of specialist veterinary scientific services and products to the Government and other interested parties worldwide. We also comply with the Joint Code of Practice for Research projects.

Additionally, we hold a statement of compliance with Good Laboratory Practice in specific departments in support of the licensing of veterinary products. We also hold a certificate of compliance with Good Manufacturing Practice in specific departments as a supplier of contract quality control services, and Good Clinical Practice (veterinary) for clinical studies.

As part of a three-year plan, we are working to implement a quality management framework across the agency, to extend the scope of existing accreditations in plant, bee and animal health, and embed a new electronic quality management system.



## Safety, health and wellbeing

APHA met with the Health and Safety Executive (HSE) in May 2023 to review our inspection and performance scores for 2022/23.

This period covered SAPO (Specified Animal Pathogens Order) re-licensing and several intervention topics. APHA was found to be fully or broadly compliant in all areas inspected.

HSE noted some areas of strength in the agency including senior management ownership and commitment to health and safety, and positive engagement with HSE, Defra and the facilities management provider. They also recognised APHA's expertise and resources available on science, safety and engineering, and how the agency has maintained its safety performance despite a changing and challenging landscape.

Some areas for continual improvement included building resilience for disease outbreak response, the control of high hazard biological work around the Weybridge site during the redevelopment programme and ensuring the health and safety of the regional laboratory buildings.

The Safety, Health and Welfare (SHaW) team completed 37 avian influenza assurance visits to 16 sites and briefed over 600 staff. There were two stress/wellbeing reports directly related to avian influenza and 19 accidents/incidents. The team has also completed 15 bluetongue virus assurances, four Asian hornet assurances and four Colorado beetle outbreak assurances.

803 incidents were reported to SHaW during 2023/24; four were reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR). Across APHA, the top root causes were third parties including contractors and sub-contractors, animal behaviour, and poor risk perception.

There were 268 reports of stress due to various causes. There are various sources of support available including an Employee Assistance Programme and an internal network of wellbeing champions and mental health first aiders. There are regular internal campaigns to highlight the support available along with online seminars on a range of wellbeing topics including building resilience and managing stress.

The team has delivered various training courses including manual handling, dynamic risk assessment, working in containment laboratories, and health and safety for managers. They continue to work collaboratively with colleagues in Defra group Property and with the facilities management provider Mitie (up to end of March 2024) and now with the new provider ISS.



# Information security assurance



APHA holds a significant level of sensitive information equal to its range of statutory requirements and business delivery. There is an ongoing programme of work with Defra's Digital, Data, Technology and Security services to uplift our legacy technology estate to mitigate cyber security risks.

There are data collection policies and controls in place which ensure access to information is managed correctly in line with data protection legislation (Data Protection Act 2018 and UK General Data Protection Regulation), Environmental Information Regulations 2004 and Freedom of Information Act 2000.

There is a Senior Risk Owner who ensures the overall management of such information. There were no personal data breaches by APHA reported to the Information Commissioner's Office (ICO) during 2023/24.

## Head of Internal Audit Opinion

The APHA Head of Internal Audit, who is part of the Government Internal Audit Agency (GIAA) provides the APHA internal audit function. GIAA helps ensure that government and the wider public sector provide services effectively. It is an executive agency, sponsored by HM Treasury.

The Head of Internal Audit gave an overall moderate assurance for APHA based on the evidence from the audits during the year and other related assurance pieces. This opinion is based on a scale of unsatisfactory, limited, moderate and substantial. Further information on the quality assurance of government models is available on GOV.UK.

A total of five audits that related to APHA were carried out in this reporting period:

- Four audits received ‘moderate’ assurance (data protection; outbreak readiness; counter fraud; disease control requirements of animal identification).
- One audit resulted in a ‘limited’ assurance (recruitment and retention). The six recommendations have been accepted and either have been, or will be, implemented during 2024/25.
- No audits resulted in an ‘unsatisfactory’ assurance.

## Conclusion

As Accounting Officer, I have considered the evidence provided regarding the production of the governance statement, the independent advice and assurance provided by the Audit and Risk Assurance Committee and GIAA, and taken note of observations made by the National Audit Office.

This evidence included assurance provided by the former Chief Executive, David Holdsworth, who was Accounting Officer during 2023/24.

I have concluded that APHA has appropriate risk management and control systems in place up to the point of signature.



# Remuneration Report

## THE STEERING BOARD

The Steering Board is responsible for supporting and constructively challenging our Executive Board in the development of strategies, plans, business cases and targets and for monitoring our business performance targets.

Name	Position
David Holdsworth	Chief Executive (to 30 June 2024)
Andrew Soldan	Veterinary Director (part-time from 1 January 2024)
Jenny Stewart	Director of Science and Transformation
Nicola Hirst	Service Delivery Director
Michelle Reynolds	Strategy, Planning and Innovation Director
Ian Brown	Scientific Services Director (retired 31 March 2024)
Yvonne Spencer	Director of Science Capability
Kevin Ingram	Defra Finance Director with responsibility for APHA
Vicki Brookes	Defra HR Director with responsibility for APHA
Chris Nicholson	Non-Executive Director and Chair of the Steering Board (to 30 April 2024)
Elizabeth Peers	Non-Executive Director, Steering Board Member and Audit and Risk Assurance Committee Chair
Laura Green	Non-Executive Director, Steering Board Member and Science Advisory Board Chair
Deep Sagar	Non-Executive Director, Steering Board Member and Audit and Risk Assurance Committee Member
Mike Venables	Non-Executive Director, Steering Board Member and Audit and Risk Assurance Committee Member

A representative from APHA's employee engagement group called Voice (Voice of Improvement, Culture and Engagement) also attends the Steering Board. While they are not a member of the Board, they play a key role in representing the view of APHA's employees at Steering Board level. The representative plays a full and active role in Steering Board meetings. They can raise concerns and ensure employees are informed of actions by Steering Board members.

## EXECUTIVE BOARD

The APHA Executive Board comprises the team of executive directors headed up by the chief executive. The Executive Board sets the strategy and direction for the agency and has overall authority to run APHA on a day-to-day basis. All members of the APHA Executive Board are members of the APHA Steering Board.

Name	Position
David Holdsworth	Chief Executive (to 30 June 2024)
Andrew Soldan	Veterinary Director (part-time from 1 January 2024)
Jenny Stewart	Director of Science and Transformation
Nicola Hirst	Service Delivery Director
Michelle Reynolds	Strategy, Planning and Innovation Director
Ian Brown	Scientific Services Director (retired 31 March 2024)
Yvonne Spencer	Director of Science Capability
Kevin Ingram	Defra Finance Director with responsibility for APHA
Vicki Brookes	Defra HR Director with responsibility for APHA

## REMUNERATION POLICY

Defra's Senior Civil Service Pay Committee, chaired by the Permanent Secretary, determines the remuneration and performance conditions of the members of the Executive Board and Steering Board. Consolidated pay awards and non-consolidated bonuses are assessed in accordance with normal Civil Service procedures and Defra's remuneration policy which is subject to the recommendations of the Senior Salaries Review Body.

In reaching its recommendations on remuneration, the Senior Salaries Review Body considers:

- The need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities.
- Regional/local variations in labour markets and their effects on the recruitment and retention of staff.
- Government policies for improving public services including the requirement on departments to meet the output targets for the delivery of departmental services.
- The funds available to departments as set out in the Government's departmental expenditure limits.
- The Government's inflation target.

The Senior Salaries Review Body takes into account the evidence it receives about wider economic considerations and the affordability of its recommendations.

Further information about its work is available at [gov.uk/government/organisations/office-of-manpower-economics](https://www.gov.uk/government/organisations/office-of-manpower-economics).

## SERVICE CONTRACTS

Civil Service appointments are made in accordance with the Civil Service Commissioner's Recruitment Code. This requires appointments to be made on merit on the basis of fair and open competition, except for circumstances when appointments may otherwise be made.

With the exception of the non-executive directors, the APHA Steering Board members at 31 March 2024 hold open-ended appointments. The employment of the chief executive and of the other executive APHA Steering Board members may be terminated in accordance with normal Civil Service procedures. Early termination, other than for misconduct, would result in compensation being payable as set out in the Civil Service Compensation Scheme.

The non-executive directors are typically appointed on three-year fixed term contracts which may be subject to early termination by either party. Any early termination by APHA would be without compensation to the non-executive director.

## SALARY

The term 'salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This annual report is based on accrued payments made by APHA and thus recorded in these accounts.

## BENEFITS IN KIND (AUDITED)

The monetary value of benefits in kind covers any benefits provided by APHA and treated by HM Revenue and Customs as a taxable emolument. The value of benefits in kind received by directors in 2023/24 is Nil (2022/23: £1,400).

## BONUSES (AUDITED)

Bonuses paid in 2023/24, as part of the performance management review, were assessed and awarded by the chief executive.

## REMUNERATION OF NON-EXECUTIVE DIRECTORS (AUDITED)

Name	Date of appointment	Period of appointment	Remuneration 2023/24 (£'000)	Remuneration 2022/23 (£'000)
Chris Nicholson	01/05/2018	3 years	10-15	15-20
Elizabeth Peers	13/02/2023	3 years	15-20	0-5
Mike Venables	01/04/2019	3 years	10-15	10-15
Deep Sagar	18/07/2022	3 years	5-10	5-10
Laura Green	01/12/2021	3 years	10-15	10-15
Alison White	01/02/2017	until 31/01/2023	N/A	15-20
Nigel Reader	01/04/2020	until 19/04/2022	N/A	0-5

### Notes:

- The contracts for Chris Nicholson and Mike Venables were extended for another three years.
- There were no non-executive directors during 2023/24 who were not in post as at 31 March 2024.

## Full year equivalent salary for non-executive directors who served part of the year 2022/23

Name	2022/23 (£'000)
Elizabeth Peers	15-20
Deep Sagar	10-15
Alison White	20-25
Nigel Reader	5-10

## REMUNERATION AND PENSION ENTITLEMENTS (AUDITED)

### The emoluments of the APHA Executive Board members in 2023/24

	2023/24					2022/23				
	Salary	Bonus paym'ts	Benefits in kind	Pensions Benefits	Total	Salary	Bonus paym'ts	Benefits in kind	Pensions Benefits	Total
	£'000	£'000	Nearest £100	£'000	£'000	£'000	£'000	Nearest £100	£'000	£'000
David Holdsworth	120-125	-	-	37	155-160	105-110	0-5	-	68	175-180
Andrew Soldan*	75-80 (85-90 FTE)	-	-	-6	70-75 (80-85 FTE)	80-85	-	-	-10	70-75
Kevin Ingram	85-90	0-5	-	35	125-130	80-85	-	-	30	110-115
Jenny Stewart	110-115	-	-	56	165-170	105-110	-	-	22	125-130
Yvonne Spencer	75-80	-	-	43	120-125	70-75	-	-	-27	45-50
Nicola Hirst	75-80	-	-	40	115-120	70-75	0-5	-	45	115-120
Ian Brown	80-85	-	-	19	100-105	30-35	0-5	-	-40	0
Vicki Brookes	80-85	-	-	33	115-120	N/A	N/A	N/A	N/A	N/A
Michelle Reynolds	75-80	-	-	32	110-115	70-75	0-5	-	9	80-85



**Notes:**

- \* Taking account of inflation, the CETV funded by the employer has decreased in real terms.
- David Holdsworth and Ian Brown received payments to buy out their contractual leave entitlement on their departures; these payments were £11.6k and £3.1k respectively.
- Andrew Soldan served part-time from 1 January 2024; three days a week.
- Ian Brown left APHA on 31 March 2024.
- Although they are paid by Defra, Kevin Ingram and Vicki Brookes are included because they are members of the Executive Board and Steering Board and are deemed to be in positions to influence APHA decisions.
- Vicki Brookes joined the Executive Board on 1 April 2023. Her salary is presented as her full salary, and not apportioned for any work she did for the Rural Payments Agency (RPA) and the Veterinary Medicines Directorate (VMD).
- There were no Executive Board members who served during 2023/24 who were not in post as at 31 March 2024.

**Full year equivalent salary for Executive Board members who served part-time or part-time during the year**

Name	2023/24	2022/23
Andrew Soldan	85-90	80-85
Ian Brown	80-85	75-80

## PENSION BENEFITS (AUDITED)

### Directors on the APHA Executive Board as at 31 March 2024

Name	Accrued pension at pension age as at 31 March 2024	Accrued lump sum at pension age as at 31 March 2024	Real increase in pension and related lump sum at pension age	CETV at 31 March 2024	CETV at 31 March 2023	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
David Holdsworth	30–35	80–85	0–2.5	605	534	16	–
Andrew Soldan	25–30	70–75	0–2.5	668	649	–15	–
Kevin Ingram	5–10	–	0–2.5	129	87	25	–
Jenny Stewart	45–50	–	2.5–5	833	721	39	–
Yvonne Spencer	35–40	100–105	0–2.5 plus a lump sum of 0–2.5	933	820	37	–
Nicola Hirst	30–35	15–20	0–2.5 plus a lump sum of 0–2.5	633	552	28	–
Ian Brown	50–55	135–140	0–2.5	1104	1039	17	–
Michelle Reynolds	40–45	–	0–2.5	710	625	21	–
Vicki Brookes	55–60	–	0–2.5	1117	1003	23	–

#### Notes:

- Although they are paid by Defra, Kevin Ingram and Vicki Brookes are included because they are members of the Executive Board and are deemed to be in positions to influence APHA decisions.
- 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.

## CASH EQUIVALENT TRANSFER VALUES

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension scheme arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008. They do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

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 14 June 2024. This guidance is used in the calculation of 2023/24 CETV figures.

The pension information for each executive member of the APHA Board shows the benefits each member has accrued as a consequence of their total membership in the Principal Civil Service Pension Schemes (PCSPS). This includes the value of benefits from other PCSPS employments, benefits transferred into the PCSPS from other pension schemes and additional pension benefit purchased by members at their own expense, as well as the benefit accrued from service in APHA.

The final salary pension of a person in employment is calculated by reference to their pay and length of service. The pension will increase from one year to the next by virtue of any pay rise during the year. Where there is no or a small pay rise, the increase in pension due to extra service may not be sufficient to offset the inflation increase. Therefore, in real terms, the pension value can reduce, hence the real increase in CETV will show negative values.

All funding, to finance the deferred remuneration that the accrued pension benefits represent, is paid to HM Treasury. Further information on these pension schemes is provided in the Staff Report.

## COMPENSATION FOR LOSS OF OFFICE (AUDITED)

No amounts have been paid during the year in respect of compensation or awards to former directors or senior managers.

## FAIR PAY DISCLOSURES (AUDITED)

Reporting bodies are required to disclose the percentage change from the previous financial year for both salary and performance pay in respect of the highest paid director in their organisation and the average percentage change in respect of the employees of the organisation taken as a whole.

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 (CETV) of pensions.

	2023/24	2022/23
Annualised band of highest paid director salary (£'000)	120-125	105-110
Annualised band of highest paid director remuneration (£'000)	120-125	110-115
Highest paid director remuneration (midpoint of pay band) (£)	122,500	112,500
The % change from previous financial year in respect of highest paid director	8.89%	9.76%

The percentage change in 2023/24 is a result of yearly pay review. The calculation is based on the annualised, full-time equivalent of staff in post as at the reporting date.

The banded remuneration of permanent employees in APHA ranged from £20,000-£25,000 to £120,000-£125,000 (2022/23: £15,000-£20,000 to £110,000-£115,000). In 2023/24, no permanent staff received full-time equivalent remuneration in excess of the highest paid director (2022/23: Nil).

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the 25th percentile, median and the 75th percentile remuneration of the organisation's workforce.

The ratios between the mid-point of the banded remuneration (excluding pension benefit) of the highest paid director and the 25th percentile, median and the 75th percentile for staff remuneration are as follows:

	25th percentile	Median	75th percentile
2023/24	4.8 : 1	4.1 : 1	3.1 : 1
2022/23	4.9 : 1	4.1 : 1	3.2 : 1

The lower quartile, median, and upper quartile for staff salaries and total pay and benefits are as following:

	25th percentile		Median		75th percentile	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
Salary (£)	23,811	22,150	28,200	26,853	39,439	34,564
Total pay and Benefits (£)	25,561	22,900	29,803	27,353	39,439	35,027

In 2023/24 all employees below SCS grade received a one-off cost of living bonus of £1,500 included in the Total Pay and Benefits calculations shown above.

The average percentage change in total pay and benefits from the previous financial year for employees, as a whole, has increased by 4.8% in 2023/24 to £34,052 (2022/23: £32,500).

# Staff Report

## STAFF COSTS (AUDITED)

	2023/24 £'000	2022/23 £'000
Wages and salaries	107,716	97,126
Social security costs	11,658	10,675
Pension costs	26,399	24,179
Agency staff costs	17,125	12,968
Less recoveries in respect of outward secondments	(268)	(287)
<b>Total staff costs</b>	<b>162,630</b>	<b>144,661</b>

The apprenticeship levy was introduced from 1 April 2017 and payment of the levy is considered a form of taxation. The levy is included in the social security costs contributions line in the table above.

Recoveries in respect of outward secondments relate to staff seconded to other Defra group organisations, the devolved administrations or other government bodies.

APHA has a consultancy spend of £4,175k for the year ended 31 March 2024 (2022/23: £1,069k). This is included in Operating Costs – Programme Service Delivery Costs shown in Note 3.

Under IAS 19 Employee Benefits, an accrual has been established for staff leave due, but not taken at 31 March 2024; this employee benefit is payable in 2024/25.

This accrual is included within the wages and salaries line. The level of accrual has increased slightly since 2022/23 because of the pay review and the increased number of staff.

Agency staff costs have been separately identified as they are not employed staff. The numbers have been included in the table of average number of full-time equivalent staff.

Staff cost capitalisation in 2023/24 attributed to agency staff £50k and permanent staff £17k (2022/23: £Nil). The capitalised cost is included in the capital additions to Intangible Assets shown in Note 6 – Intangible Assets.

## PENSION CONTRIBUTIONS (AUDITED)

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but APHA is unable to identify its share of the underlying liabilities. The Government Actuary's Department assesses the scheme liabilities, assumptions and financial position each year.

Details are in the resource accounts of the Cabinet Office – Civil Superannuation at [civilservicepensionscheme.org.uk/](https://civilservicepensionscheme.org.uk/).

In 2023/24, employer's contributions of £25,996k were payable to the PCSPS (2022/23: £23,934k) at one of four rates in the range 26.6% to 30.3% (2022/23: 26.6% to 30.3%) of pensionable pay based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2023/24.

A new pension scheme, alpha, was introduced from 1 April 2015. The majority of Principal Civil Service Scheme members (includes classic, classic plus, premium and nuvos) have moved to alpha. Most new members will also join alpha.

Employees can opt to open a partnership pension or a stakeholder pension with an employer contribution. Employer's contributions of £232k (2022/23: £237k) were paid to appointed stakeholder pension providers. Employer contributions are age related and range from 8% to 14.75% of pensionable pay.

APHA also matches employee contributions up to 3% of pensionable pay. In addition, employer contributions of £Nil (2022/23: £Nil) were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirements of employees. Contributions due to the partnership pension providers at the 31 March 2024 were £8k (2022/23: £7k).

One member of staff (2022/23: 3) retired early on ill-health grounds. The total additional accrued pension liabilities in the year amounted to £11k (2022/23: £28k).

## ANALYSIS OF THE AVERAGE NUMBER OF PERSONS EMPLOYED (AUDITED)

Average number of full-time equivalent staff	2023/24 FTE	2022/23 FTE
Administrative and managerial staff (all disciplines) including agency staff	1,760	1,672
Science staff	482	489
Inspectorate staff	344	364
Veterinary staff	314	303
Technical staff	214	217
	<b>3,114</b>	<b>3,045</b>

Average number of full-time equivalent staff (Audited)	2023/24 FTE	2022/23 FTE
Permanently employed staff	2,661	2,585
Agency staff	170	204
Fixed term contracts and inward secondment	181	161
Temporary employed staff	102	95
	<b>3,114</b>	<b>3,045</b>

## NUMBER OF SENIOR CIVIL SERVANTS OR EQUIVALENT BY PAY BAND AT 31 MARCH 2024 (AUDITED)

Senior staff by pay band	31 March 2024	31 March 2023
Pay band 3	0	0
Pay band 2	2	2
Pay band 1	5	5

The remuneration and emoluments of the Executive Board are set out in the Remuneration Report on pages 60 to 76.



## REPORTING OF CIVIL SERVICE AND OTHER COMPENSATION SCHEMES – EXIT PACKAGES (AUDITED)

During the year no employees left APHA under early release schemes, (2022/23: Nil).

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year that the exit package is agreed.

Where the employer has agreed early retirements, the additional costs are met by the employer and not by the Civil Service Pension Scheme. Any ill-health retirement costs are met by the pension scheme and are not included in the table. There were no compulsory redundancies during 2023/24 (2022/23: Nil).

## STAFF TURNOVER

The staff turnover percentage for APHA is 7.81%. The reasons for leaving are shown in the table below.

Reason for leaving	Number of staff
Retirement	47
Death in service	1
Resignation	173
End of casual, period, conditional or provisional appointment or end of contract by mutual consent	48
Dismissal	5
Other reason for leaving (includes discharged probation and other)	5

## EQUAL OPPORTUNITIES AND CORPORATE SOCIAL RESPONSIBILITY

APHA aims to be a diverse and inclusive employer that can attract and retain talented people from the widest range of backgrounds and offer all our staff equality of opportunity to progress and achieve their potential on merit.

Under the Equality Act 2010, we have a duty to promote equality of opportunity in the delivery of our services and employment (on the grounds of disability, gender, race, age, gender-reassignment, marriage and civil partnerships, pregnancy and maternity, religion or belief and sexual orientation).

APHA participates in a recruitment system that guarantees an interview to any candidate who has declared a disability and meets the minimum essential criteria for the post. In addition, we have a mandatory e-learning course on unconscious bias for all employees who recruit, interview and manage the performance of others. The aim of the training is to raise awareness and support all our employees in becoming diversity confident.

We actively consider temporary and permanent reasonable adjustments to enable every employee to be fully effective in their employment, training, career development and promotion. Disability leave is also available which provides paid time off work for the purposes of assessment, treatment and rehabilitation for disabled employees.

Sickness absence is closely monitored and policies are in place to reduce absence and to support people so that they can remain at work, including return-to-work interviews and occupational health advice.

Wellbeing support and advisory services are available through our contracted Employee Assistance Programme, or our internal Wellbeing Advisor. Training offering guidance on personal resilience and managing stress is available, and we have mental health first aiders supported by Wellbeing Champions.

We participate in the annual Civil Service People Survey which gathers feedback on employees' views and experience of working in the Civil Service. In 2023, APHA had a high response rate of 74% with an overall engagement score of 57% (2022: 55%). The feedback from the survey will be built into our activities to implement our strategy and business plan.

Further information on People Survey results is available in table 3 of the benchmark scores document on GOV.UK at: [gov.uk/government/publications/civil-service-people-survey-2023-results](https://www.gov.uk/government/publications/civil-service-people-survey-2023-results).

<b>Gender split 31st March 2024</b>	<b>Female</b>	<b>Male</b>
Directors	4	3
Senior Managers	135	123
Other Staff	1,742	1,121

<b>Gender split 31st March 2023</b>	<b>Female</b>	<b>Male</b>
Directors	4	3
Senior Managers	114	116
Other Staff	1,731	1,129

<b>Sickness absence data</b>	<b>2023/24</b>	<b>2022/23</b>
No of sick days	14,868	13,361
No of staff	2,922	2,850
<b>Average days lost per employee</b>	<b>5.09</b>	<b>4.69</b>

The tables above exclude temporary APHA staff and temporary agency staff.

## TRADE UNION FACILITY TIME

In accordance with the requirements of the Trade Union (Facility Time Publication requirements) Regulations 2017 the following is a summary of the number of trade union (TU) officials in APHA and facility time used by this group during 2023/24.

- 15 (14.3 FTE) employees were TU representatives (2022/23: 12 (11.2 FTE)). Of these, 15 employees (2022/23: 12) spent up to 50% of their working hours on facility time.
- The total cost of the facility time was £46,410 (2022/23: £43,713 ) which is 0.03 percent (2022/23: 0.03%) of the total pay bill. The total pay bill cost was £144,722k (2022/23: £129,287k).

## REVIEW OF TAX ARRANGEMENTS OF PUBLIC SECTOR APPOINTEES

As part of the Review of Tax Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23 May 2012, departments and their arms' length bodies must publish information on highly paid and senior off-payroll engagements. The following data is required to be reported.

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

<b>Number of existing engagements as of 31 March 2024 of which:</b>	<b>92</b>
Number that have existed for less than one year at the time of reporting	66
Number that have existed for between one and two years at the time of reporting	20
Number that have existed for between two and three years at the time of reporting	6
Number that have existed for between three and four years at the time of reporting	–
Number that have existed for between four or more years at the time of reporting	–

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

<b>Number of off-payroll workers engaged during the year ended 31 March 2024 of which:</b>	<b>94</b>
Not subject to off-payroll legislation	94
Subject to off-payroll legislation and determined as in-scope of IR35	–
Subject to off-payroll legislation and determined as out-of-scope of IR35	–
<b>Number of engagements reassessed for compliance or assurance purposes during the year of which:</b>	<b>–</b>
Number of engagements that saw a change to IR35 status following review	–
Number of engagements where the status was disputed under provisions in the off-payroll legislation	–
Number of engagements that saw a change to IR35 status following review	–
<b>Number of engagements reassessed for compliance or assurance purposes during the year of which:</b>	<b>–</b>
Number of engagements that saw a change to IR35 status following review	–

**For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024**

Number of off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during the financial year	–
Total number of individuals on and off-payroll 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.	17



# Parliamentary Accountability Report

## REGULARITY OF EXPENDITURE (AUDITED)

The Accounting Officer and the Steering Board are able to identify any material irregular or improper use of funds by the APHA or material non-compliance in the use of funds.

There have been no material instances of irregularity, impropriety or funding non-compliance discovered during the financial year. Instances of fraud are reported in the Governance Statement.

## FEES AND CHARGES (AUDITED)

APHA's fees and charges are approved by Ministers and then set in statute. Our objective for charging is to ensure that we recover our estimated actual costs for delivering the service. Eligible recoverable costs are guided by HM Treasury's Managing Public Money handbook.

The plants, variety and seeds (PVS) fees have been uplifted from January 2023 and the following Statutory Instruments (SI) were introduced in 2023/24:

- SI 2023/1391 The Plant Health etc (Miscellaneous Fees) (Amendment) (England) Regulations 2023 came into force on 30 December 2023.
- SI 2023/714 The Animal By-Products, Pet Passports and Animal Health (Fees) (England) (Amendments) Regulations 2023 came into force on 1 July 2023.

The devolved administrations brought in legislation at the same time to introduce the new fees for the schemes that impact them.

Existing PVS fees are at Full Cost Recovery, while most of the majority of the animal health and plant health fees have under-recovered. Therefore, we are progressing with our uplift of existing fees relating to these services. We are also looking at options to extend animal health charging into other statutory areas, subject to consultation.

The table below sets out the amount of income we have received across the different services which APHA provides.

<b>Legislation</b>	<b>Total income received £'000</b>	<b>Total expenditure £'000</b>
The Plant Health etc. (Fees) (England) Regulations 2019	8,195	11,179
Animal Health Regulations 2013 (2018 Amendments)	1,908	4,351
National Listing (NL)/Plant Breeders Rights (PBR)	2,302	2,265
The Seed Marketing Regulations 2011 (England & Wales)	1,850	1,891
The Disease of Animals (Approved Disinfectants) 2011 (2022 Amendments)	321	301
The Animal By-Products and Pet Passport Regulations 2018	551	711
The Ivory Prohibitions (Exemptions) Regulations 2022	177	552
Other animal health legislation	102	138
<b>Total</b>	<b>15,406</b>	<b>21,388</b>

## REMOTE CONTINGENT LIABILITIES (AUDITED)

APHA does not have any remote Contingent Liabilities as at 31 March 2024; this was the same as at 31 March 2023.

## LOSSES AND SPECIAL PAYMENTS (AUDITED)

There were no losses or special payments which exceeded £300k in 2023/24 (2022/23: Nil).

There were no reportable gifts in 2023/24 (2022/23: Nil).

**APHA Chief Executive (Interim) and Accounting Officer  
23 January 2025**

# 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 Animal and Plant Health Agency for the year ended 31 March 2024 under the Government Resources and Accounts Act 2000.

The financial statements comprise the Animal and Plant Health Agency's:

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the 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 Animal and Plant Health Agency's affairs as at 31 March 2024 and its Total Net 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 Animal and Plant Health Agency in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

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

## Conclusions relating to going concern

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

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

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

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

## Other information

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

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

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

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

I have nothing to report in this regard.

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

## Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the 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 Animal and Plant Health Agency from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view 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 Animal and Plant Health Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Animal and Plant Health Agency will not continue to be provided in the future.

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

My responsibility is to audit, certify and report on the financial statements in accordance with the 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 Animal and Plant Health Agency's accounting policies, key performance indicators and performance incentives.

- inquired of management, the Animal and Plant Health Agency's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Animal and Plant Health Agency's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Animal and Plant Health Agency's controls relating to the Animal and Plant Health Agency's compliance with the Government Resources and Accounts Act 2000 and Managing Public Money;
- inquired of management, the Animal and Plant Health Agency's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Animal and Plant Health Agency 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 Animal and Plant Health Agency's framework of authority and other legal and regulatory frameworks in which the Animal and Plant Health Agency operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Animal and Plant Health Agency. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, employment law, pension 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 and Risk 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: [frc.org.uk/auditorsresponsibilities](https://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

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

24 January 2025

# Financial Statements

## STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2024

	Note	2023/24 £'000	2022/23 £'000
Revenue from contracts with customers	4	(82,572)	(81,033)
Other operating income	4	–	(123)
<b>Total operating income</b>		<b>(82,572)</b>	<b>(81,156)</b>
Staff costs	3	162,630	144,661
<b>Total staff costs</b>		<b>162,630</b>	<b>144,661</b>
Other operating costs			
Official veterinarian costs	3	47,023	48,630
Operating costs	3	76,740	105,273
Non-cash costs	3	118,485	86,478
<b>Total non staff costs</b>		<b>242,248</b>	<b>240,381</b>
<b>Total operating expenditure</b>		<b>404,878</b>	<b>385,042</b>
<b>Total net expenditure</b>		<b>322,306</b>	<b>303,886</b>
<b>Other comprehensive expenditure</b>			
Net loss / (gain) on revaluation of property, plant and equipment	5	(9,466)	(21,675)
Net loss / (gain) on revaluation of intangibles	6	(163)	(929)
<b>Total comprehensive net expenditure for the year ended 31 March 2023</b>		<b>312,677</b>	<b>281,282</b>

All expenditure is derived from continuing operations.

The notes on pages 90-118 form part of these financial statements.

# STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Note	31 March 2024 £'000	31 March 2023 £'000
<b>Non current assets</b>			
Property, plant and equipment	5.1	282,038	286,045*
Right of Use assets	5.1	3,108	949
Intangible assets	6	28,944	45,251
<b>Total non current assets</b>		<b>314,090</b>	<b>332,245</b>
<b>Current assets</b>			
Inventories	8	5,198	5,081
Trade receivables and other current assets	9	37,668	28,110
Cash and cash equivalents	10	13,505	25,485
<b>Total current assets</b>		<b>56,371</b>	<b>58,676</b>
<b>Total assets</b>		<b>370,461</b>	<b>390,921*</b>
<b>Current liabilities</b>			
Trade payables and other liabilities	11	(52,449)	(42,801)
Lease liabilities		(1,141)	(322)
<b>Total current liabilities</b>		<b>(53,590)</b>	<b>(43,123)</b>
<b>Total assets less current liabilities</b>		<b>316,871</b>	<b>347,798*</b>
<b>Non current liabilities</b>			
Lease liabilities	5.2	(2,363)	(809)
<b>Total non current liabilities</b>		<b>(2,363)</b>	<b>(809)</b>
<b>Assets less liabilities</b>		<b>314,508</b>	<b>346,989*</b>
<b>Taxpayers' equity</b>			
General fund	16	188,525	215,728
Revaluation reserve		125,983	131,261
<b>Total taxpayers' equity</b>		<b>314,508</b>	<b>346,989*</b>

**Note:**

\* Balance restated due to Prior Period Adjustment, see Note 16.

The notes on pages 90-118 form part of these financial statements.

**APHA Chief Executive (Interim) and Accounting Officer**  
23 January 2025

# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 £'000	2022/23 £'000
<b>Cash flows from operating activities</b>		
<b>Net operating income / (expenditure)</b>	<b>(322,306)</b>	<b>(303,886)</b>
Adjustments for non-cash transactions	118,485	86,478
(Increase) / decrease in trade and other receivables	(9,558)	(7,171)
(Increase) / decrease in inventories	(117)	282
<b>Increase / (decrease) in trade payables</b>	<b>9,056</b>	<b>3,830</b>
<b>Net cash outflow from operating activities</b>	<b>(204,440)</b>	<b>(220,467)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,575)	(3,289)
Purchase of intangible assets	(5,911)	(657)
Proceeds from the disposal of non current assets	10	52
<b>Net cash outflow from investing activities</b>	<b>(8,476)</b>	<b>(3,894)</b>
<b>Cash flows from financing activities</b>		
Net cash requirement received from Defra	201,500	248,860
Capital element of payment in respect of finance leases	(564)	(128)
<b>Net cash outflow from financing activities</b>	<b>200,936</b>	<b>248,732</b>
<b>Change in cash and cash equivalents</b>		
Cash and cash equivalents at 1 April	25,485	1,114
(Decrease) / Increase in cash	(11,980)	24,371
<b>Cash and cash equivalents at 31 March</b>	<b>13,505</b>	<b>25,485</b>

The notes on pages 90-118 form part of these financial statements.



## STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Note	General Fund £'000	Revaluation reserve £'000	Total Reserves £'000
<b>Balance at 1 April 2022</b>		<b>163,235</b>	<b>114,568</b>	<b>277,803</b>
Transfers between reserves		5,911	(5,911)	–
Non-cash charges – notional charges	3	70,618	–	70,618
Non-cash adjustments		30,990*	–	27,998
Net expenditure for the year		(303,886)	–	(303,886)
Net gain/(loss) on revaluation of property, plant and equipment	5	–	21,675	21,675
Net gain/(loss) on revaluation of intangible assets	6	–	929	929
Parliamentary funding received from Defra		248,860	–	248,860
<b>Balance at 31 March 2023 (restated)</b>		<b>215,728*</b>	<b>131,261</b>	<b>346,989*</b>
Transfers between reserves		14,907	(14,907)	–
Non-cash charges – notional charges	3	79,299	–	79,299
Non-cash adjustments		(603)	–	(603)
Net expenditure for the year		(322,306)	–	(322,306)
Net gain/(loss) on revaluation of property, plant and equipment	5	–	9,466	9,466
Net gain/(loss) on revaluation of intangible assets	6	–	163	163
Parliamentary funding received from Defra		201,500	–	201,500
<b>Balance at 31 March 2024</b>		<b>188,525</b>	<b>125,983</b>	<b>314,508</b>

### Note:

\*Balance restated due to Prior Period Adjustment, see Note 16.

The notes on pages 90-118 form part of these financial statements.

# Notes to the Financial Statements

## 1. STATEMENT OF ACCOUNTING POLICIES

### 1.1. Basis of Preparation

The financial statements have been prepared in accordance with the 2023/24 Government Financial Reporting Manual (FReM) issued by HM Treasury.

The accounting policies in the FReM adapt and interpret International Financial Reporting Standards (IFRS) for the public sector and comply with the guidelines issued by the International Financial Reporting Interpretations Committee.

Where the FReM permits a choice of accounting policy, these accounts follow the treatment which is most appropriate to give a true and fair view for APHA. The policies adopted by APHA are described in this statement. These policies have been applied consistently in dealing with items that are considered material in relation to the accounts.

### 1.2. Accounting Convention

These accounts have been prepared on an accruals basis, under the historical cost convention, modified to account for the revaluation of property, plant and equipment and intangible assets. The accruals basis of accounting means reporting income and expenditure when it is incurred rather than when it is received or paid.

In common with other government executive agencies, the future funding for APHA liabilities will come from Defra and other external income. Defra confirms funding on an annual basis and there is no reason to believe that future approvals will not be made.

APHA expects to be able to continue to provide services within the constraints of the funding envelope provided and have therefore prepared these financial statements on a going concern basis.

### **1.3. Significant Judgements and Estimation Uncertainty**

The following areas represent significant judgements that APHA has made in applying the accounting policies:

#### **Non-Current Assets**

APHA land and buildings are part of large science estate, primarily based at the Weybridge site. Buildings are valued on the Depreciated Replacement Cost (DRC) basis.

Estimates inherent in the DRC valuations:

- Cost estimates for modern equivalent assets of the APHA buildings, remaining lives for the buildings, the appropriate indices to deploy to provide annual changes to costs and the location weighting. The key judgements are that, following review of information from external valuers, the cost estimates used are appropriate for the building type and the remaining lives align with the business's expectation (See Note 1.8.2).

Estimation and assumptions inherent when considering impairment:

- The agency is developing plans for the Weybridge site redevelopment. These may impact on the remaining lives of some of the buildings and also the maintenance priorities. The key judgement is therefore around which buildings may be impacted by the Weybridge / SCAH plans and the point in time when they may cease service; and any related impairment required.

At the time of signing the APHA Annual Report and Accounts 2023/24, the full business case and preferred option had not been finalised and therefore the impairments have been limited to buildings which are already known to being withdrawn from use (See Notes 3, 5 and 6).

Intangible assets are mainly sourced from Defra. APHA applies judgement at the point ownership of Assets under Construction (AuC) pass from Defra to the agency, (the home of the judgement), and are recognised under IAS. APHA then assesses and judges the most appropriate measurement and remaining useful lives of intangible assets aligned with business expectations.

## 1.4. Income Recognition

Operating income disclosed in the accounts relates directly to the operating activities of APHA. Under the previous accounting policies, income was recognised on an accruals basis using work undertaken during the year to ascertain the stage of completion for service contracts. Under IFRS 15 income is recognised when the performance obligations in the contract are satisfied.

APHA recognises revenue from contracts with customers in accordance with the five-stage model set out in IFRS 15 Revenue from Contracts with Customers.

These steps are:

- **Step 1.** Identify contract(s) with a customer: a contract is defined as an agreement between 2 or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- **Step 2.** Identify performance obligations in the contract: a performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- **Step 3.** Determine the transaction price: the transaction price is the amount of consideration to which APHA expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- **Step 4.** Allocate the transaction price to the performance obligations in the contract: for a contract that has more than one performance obligation, APHA allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which APHA expects to be entitled in exchange for satisfying each performance obligation.
- **Step 5.** Recognise revenue when (or as) a performance obligation is satisfied.

Details of APHA's main performance obligations, how and when they are satisfied, and the determination of transaction prices is detailed in Note 4.

Where income is received for a specific activity which is to be delivered in a subsequent financial year, or for income in the current year but the performance obligation in the contract is not satisfied, then that income is deferred and recognised as a contract liability in the accounts.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met and is measured as the sums due under the sale contract.

## **1.5. Financing from Defra**

APHA receives funding that is classified as 'resource' or 'revenue' (to fund operating expenditure) or 'capital' (to fund expenditure on items providing longer term benefit). This funding is treated as financing received from its controlling party, which is Defra. The receipts are recorded as a financing transaction and are credited directly to the general reserve in the statement of financial position and not through the statement of comprehensive net expenditure.

## **1.6. Expenditure on Goods and Services**

Expenditure on goods and services is recognised when, and to the extent that, they have been received. It is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

## **1.7. Expenditure on Employee Benefits**

### **1.7.1. Short-term Employee Benefits**

Expenditure on goods and services is recognised when, and to the extent that, they have been received. It is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

### **1.7.2. Pension Costs**

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). The scheme is an unfunded, defined benefit scheme. It is not possible for APHA to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme. Employer's pension cost contributions are charged to operating expenditure on an accruals basis.

APHA recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for the payment of future benefits is a charge on the PCSPS.

In respect of the defined contribution schemes, APHA recognises the contributions payable for the year.

Additional pension liabilities arising from early retirements are not funded by the scheme and APHA meets the additional cost. Although the Early Departure Provision for additional pension costs is a liability of APHA, it is actually paid by Defra.

Pension arrangements are described in the Staff Report.

## 1.8. Non-Current Assets

### 1.8.1. Recognition

Property, Plant and Equipment is capitalised in the month expenditure is incurred when:

- it is held for use in delivering services or for administrative purposes.
- it is expected to be used for more than one financial year end.
- the cost of the item can be measured reliably.
- it individually has a cost of at least £10,000.
- it collectively has a cost of at least £10,000 where the assets are functionally interdependent, the individual items have broadly simultaneous disposal dates and are under single managerial control.

APHA occupies both specialist laboratory and general administrative accommodation. Although ownership of both types of property lies with Defra, as APHA derives direct economic benefit from the specialist accommodation which allows for the charging of tests and research, these properties are included in the SoFP of APHA. The split of this disclosure is made on a site by site basis and includes sites where APHA has enhanced a property originally held by Defra under the terms of an operating lease in order to bring that property to a condition fit for purpose for APHA's operations.

General administrative accommodation does not provide APHA with any economic benefit and these are treated and disclosed as Operating Leases.

Capital expenditure by Defra on the Weybridge site is transferred from Defra via the general fund and recognised on APHA's fixed asset register when the asset is available for use.

Title to the freehold land and buildings shown in the accounts is held as follows:

- I. All freehold land and buildings comprising the farms attached to the main laboratory site at Weybridge are held in the name of the Secretary of State for Environment, Food and Rural Affairs;
- II. All freehold land and buildings at the main laboratory site at Weybridge and at any of the Regional Laboratories are Civil Estate property.

## **1.8.2. Measurement**

### **1.8.2.1. Valuation of Property, Plant and Equipment**

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Freehold land and buildings are stated at fair value and are professionally revalued at least every five years at Depreciated Replacement Cost (DRC), in accordance with guidance issued by the Royal Institution of Chartered Surveyors (RICS), in so far as these terms are consistent with the agreed requirements of the Financial Reporting Manual and HM Treasury. The last revaluation having taken place on 31 March 2020 by Montagu Evans, which covered all freehold land and buildings. The next quinquennial revaluation is due on 31 March 2025.

Property values are revised annually by means of a desktop review undertaken by Defra's appointed valuer, Montagu Evans, where every valuation is reviewed having regard to local and national indices and local knowledge. This professional independent valuation adheres to the principles outlined in the RICS Red Book.

Every five years, when the land and buildings are professionally revalued, the accumulated depreciation is reset to zero, whereas the revaluation in the intervening years is adjusted through both cost and depreciation.

The value of non-property tangible assets is revised annually to current replacement cost, which equates to fair value, by using appropriate indices provided by the Office for National Statistics.

APHA transfer revaluation reserves to meet the costs of excess depreciation charges in the general fund, to the extent an individual asset has accumulated a revaluation reserve.

Backlog depreciation will arise on indexed assets as the difference between original depreciation and revised depreciation following indexation. This is recognised through the SoCNE as a debit against the revaluation reserve.

Assets in the course of construction are not revalued until the asset concerned is brought into service.

### **1.8.2.2. Valuation of Intangible Assets**

Software licences are valued at historic cost. They are capitalised where the licence period is for more than 2 years, and the cost is greater than £10,000. Software licences are amortised over the term of the licence or their useful economic life, if shorter.

Internally generated software and software licences are regularly revalued by using appropriate indices provided by the Office for National Statistics.

APHA employs Defra Digital, Data, Technology & Security (DDTS) to develop key platforms and where the costs give rise to assets, which meet the IAS 38 recognition criteria, these amounts are capitalised. Where costs do not meet this, they are expensed in year.

Intangible Assets in the Course of Construction are not depreciated or revalued until the asset concerned is brought into service.

### **1.8.2.3. Subsequent Expenditure**

Subsequent expenditure on both Tangible and Intangible Assets is capitalised if the criteria for initial capitalisation are met; if it is probable that economic benefits will flow to APHA and that the cost of the expenditure can be reliably measured.

### **1.8.2.4. Research and Development**

APHA's expenditure on research activities is written off to the SoCNE as it is incurred in view of the uncertainty surrounding the economic benefit resulting from it. APHA carries out research into animal related diseases on behalf of Defra. Capitalisation of development costs is contingent on fulfilling the criteria in IAS 38 (Intangible Assets).

### **1.8.3. Depreciation and Amortisation**

Land and properties under construction are not depreciated. Tangible Assets in the course of construction are not depreciated until the asset is available for use. Otherwise, depreciation and amortisation are charged on a straight-line basis to write off the costs or valuation of tangible and intangible non-current assets, less any residual value, over their estimated lives.

The estimated useful economic life of an asset is the period over which APHA expects to obtain economic benefits or service potential from the asset. This is specific to APHA and may be shorter than the physical life of the asset itself. The estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis.



### Useful economic lives applied for depreciation charges

Buildings	5 – 60 years
Office equipment and furniture	5 – 15 years
IT assets	2 – 20 years
Plant and motor vehicles	5 – 30 years
Scientific equipment	5 – 10 years

A full month's depreciation is charged to the SoCNE in the month of acquisition and assets are not depreciated in the month of disposal.

### Useful economic lives applied for depreciation charges

Software licences	2 – 15 years
Internally generated software	2 – 15 years

Amortisation of Intangible Assets commences when the developed asset is fully brought into use and is based on a systematic allocation over the period during which APHA is expected to benefit from the use of the intangible asset.

APHA does not hold any intangible assets with an indefinite useful life.

#### 1.8.4. Impairment

APHA reviews its assets annually to identify those where the recoverable amount of assets falls below their carrying amount. The treatment of any impairment losses is dependent on whether they are result of:

- Consumption of economic benefit or reduction in service potential; if this is the case the loss is taken to the SoCNE.
- A change in market value; in this case the fall in value will first be offset against the accumulated balance in the revaluation reserve (if any) and, once that element of the reserve is exhausted, the remainder of the fall in value will be taken to the SoCNE.

### **1.9. Leases and APHA as a Lessee**

The agency implemented IFRS 16 with effect from 1 April 2022, using the adaptations and interpretations set out by HM Treasury in the FReM.

The definition of a lease has been updated under IFRS 16 with more emphasis on being able to control the use of an asset identified in a contract. For lessees, there is no longer a distinction between operating and finance leases, instead leases in scope of IFRS16 are reflected on the SoFP as Right of Use (ROU) assets and corresponding lease liabilities.

Liabilities are measured at the present value of unavoidable future lease payments. ROU assets are calculated as the lease liability but may require further adjustment for initial direct costs, prepayments or incentives, and costs related to restoration at the end of a lease.

### **1.10. Inventory**

Inventory, which consists of veterinary and scientific consumables and stocks of both raw and finished reagents, is stated at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method. This is considered to be a reasonable approximation to fair value due to the high turnover of stock.

For inventory where there is no or minimal expectation of consumption or sale in the ordinary course of business, the value is impaired to reduce it to Net Realisable Value by means of a stock obsolescence provision.

### **1.11. Cash and Cash Equivalents**

Cash and cash equivalents comprise of cash held with UK banks at the reporting date. Bank accounts are held within the Government Banking System.

### **1.12. Value Added Tax (VAT)**

APHA is covered by Defra's VAT registration. A significant proportion of the activities of APHA are outside the scope of VAT and in general output tax does not apply and 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. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

### **1.13. Provisions, Contingent Liabilities and Assets**

In accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets, APHA provides for its obligations arising from past events where a reliable estimate of the obligation can be made and it is probable that the obligation will require settlement.

In addition to contingent liabilities disclosed in accordance with IAS 37, APHA discloses, for Parliamentary reporting and accountability purposes, certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote.

A contingent asset is disclosed where an inflow of economic benefits is probable.

### **1.14. Financial Instruments**

APHA holds a range of financial instruments (trade payables and trade receivables), aggregated into classes based on their nature. The majority of these relate to contracts for non-financial items in line with the APHA's expected purchase and usage requirements and APHA is not exposed to significant credit, liquidity or market risk. As a result of the low risk there is no requirement to disclose, in terms of IFRS 7, Financial Instruments: Disclosures.

A general impairment provision based on expected credit losses has been created, using a standard 1% of anticipated external UK sales values for 2024/25; and a standard 2% of anticipated export sales values for 2024/25 (the latter to recognise the additional challenges of collecting foreign debt where there is no legal redress). The impact of credit loss provision is not considered material.

### **1.15. Notional Corporate Services Charges**

APHA holds a range of financial instruments (trade Defra provides a number of services centrally and the cost of these is shown as notional charges. The value of notional charges is determined by Defra. There is a rigorous process to check, challenge and approve these charges. Further details are provided in Note 3.

### **1.16. Foreign Currency Translation**

Assets and liabilities in foreign currencies are translated into sterling using the rate of exchange at 31 March 2024, or where appropriate, the rate of exchange fixed under the terms of the relevant transaction. Transactions in foreign currencies are translated into sterling using the rate at the date of the transaction. Differences on translation are written off to the SoCNE.

### 1.17. 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 International Financial Reporting Standards (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 APHA are outlined below. APHA has not adopted any new IFRSs early.

- IFRS 17: Insurance Contracts. This standard will apply to all types of insurance and reinsurance contracts and proposes an approach to measuring insurance contract liabilities that is based on the expected present value of future cash flows. It is being applied by HM Treasury in the FReM from 1 April 2025. The agency is not adopting the standard early and therefore, the Annual Report and Accounts will be prepared in accordance with IFRS 4 until 1 April 2025.

## 2. OPERATING SEGMENTS

### 2.1. Expenditure and income 2023/24

Region/Sector	Total expenditure £'000	Total income £'000	Net expenditure £'000
Service Delivery Directorate	169,416	(56,175)	113,241
Science Directorate	77,203	(26,397)	50,806
Veterinary Directorate	4,144	–	4,144
Strategy, Planning & Innovation Directorate	30,575	–	30,575
Corporate centre, notional charges, depreciation and amortisation	123,540	–	123,540
	<b>404,878</b>	<b>(82,572)</b>	<b>322,306</b>

The table summarises the management accounts prepared by APHA during the course of 2023/24 and is split in terms of operations.

The Strategy, Planning & Innovation Directorate was created during the financial year to lead on critical core services, transformation, data and digital. Where costs were incurred in the previous year, these would have been mainly in the Service Delivery Directorate.

- (a) Gross Assets:** An allocation of gross assets is not provided to the Chief Operating Decision Maker (Steering Board) on a regular basis and accordingly no analysis is provided here.
- (b) Interest:** APHA had no interest revenue or expense.
- (c) Liabilities:** The Steering Board does not require an analysis of liabilities by segment for the purposes of allocating resource or assessing performance. Accordingly no analysis is included in these accounts.

## 2.2. Expenditure and income 2022/23 prior year

Region/Sector	Total expenditure £'000	Total income £'000	Net expenditure £'000
Service Delivery Directorate	222,414	(56,177)	166,237
Scientific Services Directorate	66,330	(24,856)	41,474
Veterinary Directorate	6,948	–	6,948
Corporate centre, notional charges, depreciation and amortisation	95,693	–	95,693
	<b>391,385</b>	<b>(81,033)</b>	<b>310,352</b>
Apprenticeship levy training / (grant income)	123	(123)	–
Revaluation deficits / (surpluses) not covered by previous revaluation surpluses and increases in provisions	(6,463)	–	(6,463)
<b>Totals</b>	<b>385,045</b>	<b>(81,156)</b>	<b>303,889</b>

### 3. OPERATING COSTS

	2023/24 £'000	2022/23 £'000
<b>Staff costs</b>		
Wages and salaries	107,716	97,126
Social security costs	11,658	10,675
Pension costs	26,399	24,179
Agency staff costs	17,125	12,968
Less recoveries in respect of outward secondments	(268)	(287)
<b>Total staff costs</b>	<b>162,630</b>	<b>144,661</b>
<b>Official veterinarian costs</b>		
Official veterinarian costs	47,023	48,630
<b>Total official veterinarian costs</b>	<b>47,023</b>	<b>48,630</b>
<b>Operating costs</b>		
Outsource lab and technical services	22,767	54,417
Veterinary and laboratory costs	18,411	19,848
Programme service delivery costs	12,386	8,495
Estates and accommodation costs	1,030	6,223
Travel and subsistence	7,196	6,388
IT costs	11,276	6,722
Training and apprenticeship levy training	1,637	1,344
Service level agreements	2,037	1,836
Rentals under operating leases	–	–
<b>Total other operating costs</b>	<b>76,740</b>	<b>105,273</b>
<b>Non-cash costs</b>		
Defra notional charges	79,299	70,618
Depreciation and amortisation	26,791	21,200
Revaluation deficits / (surpluses) & impairments	12,404	(5,298)
(Profit) / loss on disposal of fixed assets	(9)	(42)
<b>Total non-cash costs</b>	<b>118,485</b>	<b>86,478</b>
<b>Total non staff costs</b>	<b>242,248</b>	<b>240,381</b>

For more detailed disclosures regarding staff costs, see the staff report on page 70.

Operating costs have decreased in 2023/24, reflecting the reduced impact of exotic disease outbreak costs, partially offset by increased staff and non-cash costs.

The reduction in outsource laboratory and technical services is due to lower disease outbreak costs compared to the previous year.

### Official Veterinarian Costs

Official Veterinarians (OVs) are qualified veterinarians in private practice who undertake work on behalf of APHA.

### Exotic Disease Outbreak Costs

Avian influenza outbreaks affected 38 premises (2022/23: 224 sites) in England, Wales and Scotland. The number of infected premises and costs are lower than the peak in 2022/23 but remain significantly high against pre-2020/21 averages. Other exotic diseases and pests dealt with by APHA in 2023/24 included bluetongue virus, Colorado beetle and Asian hornet.

### Notional Charges

APHA does not directly meet the costs of certain services, shown in the table below, that are provided centrally by Defra. Annual notional non-cash charges for these services are instead issued to each Defra group body for inclusion in their statutory accounts to ensure a true and fair view of costs is represented, with a matching credit recorded in the general fund. The value of notional charges is rigorously checked and reviewed prior to approval by APHA.

The Defra overhead notional recharge comprise:

	2023/24 £'000	2022/23 £'000
Estates costs	44,896	39,210
Information technology services, staff and project costs	24,533	22,172
Shared services including payroll and financial	2,778	2,777
Finance service costs	2,407	2,166
Human resources services and staff costs	1,689	1,388
Commercial costs	630	1,028
Communications costs	839	905
Corporate strategy	831	411
Legal services costs	395	324
External audit fee	160	145
Defra investigation services costs	141	92
<b>Total</b>	<b>79,299</b>	<b>70,618</b>

Within the estates costs, the full cost of occupation is reflected in relation to buildings that are either owned or leased by Defra or specialised properties held on APHA's SoFP. The costs are proportionate to occupation and include rates, utilities, management overheads, facilities management and associated capital charges. For Defra leasehold properties, this also includes rental costs. There are no rental costs for Defra freehold properties.

The external audit fee is the Comptroller and Auditor General fee of £160k for the audit of the 2023/24 financial statements (2022/23: £145k). No remuneration was paid to the auditors for non-audit work.

## 4. INCOME

### 4.1. Revenue from contracts with customers 2023/24

Analysis by customer	Service Delivery and EU Exit £'000	Scientific Services £'000	Total £'000
Defra & Defra Agencies	446	10,225	10,671
Devolved administrations	39,740	3,250	42,990
Other government departments	568	2,508	3,076
Other non-commercial	422	341	763
Fees and charges	14,995	411	15,406
UK commercial & external	4	7,605	7,609
EU (over accrual from prior year)	–	(319)	(319)
Overseas commercial	–	2,376	2,376
<b>Total</b>	<b>56,175</b>	<b>26,397</b>	<b>82,572</b>



## 4.2. Revenue from contracts with customers 2022/23 prior year

Analysis by customer	Service Delivery	Scientific Services	Total
Defra & Defra Agencies	940	7,566	8,506
Devolved administrations	40,253	3,113	43,366
Other government departments	392	2,193	2,585
Other non-commercial	199	459	658
Fees and charges	14,367	346	14,713
UK commercial & external	26	7,749	7,775
EU	–	1,001	1,001
Overseas commercial	–	2,429	2,429
<b>Total</b>	<b>56,177</b>	<b>24,856</b>	<b>81,033</b>

### Note:

Income from the Devolved Administrations: Welsh Government £26,312k (2022/23: £25,717k) and Scottish Government £16,677k (2022/23: £17,649k)

### Other operating income

Analysis by customer	2023/24 £'000	2022/23 £'000
Grant income – apprenticeship levy	–	123
<b>Total</b>	<b>–</b>	<b>123</b>

APHA's major income streams, and an assessment of the related performance obligations, are detailed below:

### Devolved Administrations

APHA has an annual contract with an agreed budget with both the Welsh and Scottish Governments. The monthly report which details activities undertaken is agreed with both of these and an invoice is raised in arrears. This means that the performance obligation is satisfied over time.

### **Other Non-Commercial**

Other non-commercial income is mainly comprised of reactor removal framework income. This is where a third party agent provides haulage and slaughter services including the sale of carcasses on APHA's behalf. Income is accounted for in the month the carcass sale occurs.

### **Fees and Charges**

For services, licences and fees levied by public bodies, control over the service and benefit of that service is gained at the point the licence is granted or services performed.

### **Project Income**

Project income is recognised over time as APHA's work creates or enhances an asset controlled by the customer or the customer simultaneously receives and consumes the benefits provided by APHA.

APHA receives funding from Defra to cover its operating requirements by cash transfers which pass through the Statement of Changes in Taxpayers' Equity rather than being accounted for as income through the Statement of Comprehensive Net Expenditure. Accounting policy note 1.4 explains the rationale for the accounting treatment of this funding.

Transactions which are denominated in a foreign currency are translated into sterling at the Bank of England spot rate. The spot exchange rate is the exchange rate at the date of the transaction. Any gains or losses on exchange are taken to the Statement of Comprehensive Net Expenditure in the year in which they are incurred. Foreign exchange is not material for APHA, so has not been disclosed separately in the accounts.

## 5. PROPERTY, PLANT AND EQUIPMENT

2023/24	Land £'000	Buildings £'000	Scientific Equipment £'000	Office Equipment and Furniture £'000	Plant £'000	Right of Use £'000	Total £'000
<b>Cost or valuation</b>							
1 April 2023	28,305	285,507	13,588	200	9,435*	1,259	<b>338,294*</b>
Additions	–	–	2,197	–	182	2,938	<b>5,317</b>
Reclassifications	–	–	–	–	–	–	<b>–</b>
Transfers	–	8,433	1,367	–	3,969	–	<b>13,769</b>
Disposals	–	(107)	(97)	–	–	–	<b>(204)</b>
Impairment	(75)	(12,330)	–	–	–	–	<b>(12,405)</b>
Revaluation	(206)	8,853	1,066	2	139	–	<b>9,854</b>
<b>31 March 2024</b>	<b>28,024</b>	<b>290,356</b>	<b>18,121</b>	<b>202</b>	<b>13,725</b>	<b>4,197</b>	<b>354,625</b>
<b>Depreciation</b>							
1 April 2023	–	(41,266)	(6,402)	(171)	(3,151)	(310)	<b>(51,300)</b>
Charged	–	(14,763)	(1,475)	(3)	(974)	(779)	<b>(17,994)</b>
Transfers	–	–	–	–	–	–	<b>–</b>
Disposals	–	107	96	–	–	–	<b>203</b>
Impairment	–	–	–	–	–	–	<b>–</b>
Revaluation	–	–	(348)	(1)	(39)	–	<b>(388)</b>
<b>31 March 2024</b>	<b>–</b>	<b>(55,922)</b>	<b>(8,129)</b>	<b>(175)</b>	<b>(4,164)</b>	<b>(1,089)</b>	<b>(69,479)</b>
<b>Net Book Value</b>							
<b>31 March 2023</b>	<b>28,305</b>	<b>244,241*</b>	<b>7,186</b>	<b>29</b>	<b>6,284*</b>	<b>949</b>	<b>286,994*</b>
<b>31 March 2024</b>	<b>28,024</b>	<b>234,434</b>	<b>9,992</b>	<b>27</b>	<b>9,561</b>	<b>3,108</b>	<b>285,146</b>
Owned	28,024	234,434	9,992	27	9,561	–	<b>282,038</b>
Leased (ROU)	–	–	–	–	–	3,108	<b>3,108</b>
<b>Asset Financing</b>	<b>28,024</b>	<b>234,434</b>	<b>9,992</b>	<b>27</b>	<b>9,561</b>	<b>3,108</b>	<b>285,146</b>

### Notes:

\* Balance restated due to Prior Period Adjustment, see Note 17.

- Right-of-use assets (ROU) represents the leased cars recognised in accordance with IFRS16.

Prior Year 2022/23	Land £'000	Buildings £'000	Scientific Equipment £'000	Office Equipment and Furniture £'000	Plant £'000	Right of Use £'000	Total £'000
<b>Cost or valuation</b>							
1 April 2022	27,624	244,047	10,581	198	3,626	–	<b>286,076</b>
Opening balance adjustments	–	–	–	–	–	549	<b>549</b>
Additions	–	–	2,521	–	768	710	<b>3,999</b>
Reclassifications	–	–	(46)	–	47	–	<b>1</b>
Transfers	–	16,389*	59	–	4,845*	–	<b>21,293*</b>
Disposals	–	(356)	(644)	–	(12)	–	<b>(1,012)</b>
Impairment	–	5,298	–	–	–	–	<b>5,298</b>
Revaluation	681	20,129	1,117	2	161	–	<b>22,090</b>
<b>31 March 2023</b>	<b>28,305</b>	<b>285,507*</b>	<b>13,588</b>	<b>200</b>	<b>9,435*</b>	<b>1,259</b>	<b>338,294*</b>
<b>Depreciation</b>							
1 April 2022	–	(28,566)	(5,871)	(167)	(3,014)	–	<b>(37,618)</b>
Charged	–	(13,048)	(796)	(3)	(112)	(310)	<b>(14,269)</b>
Transfers	–	–	–	–	–	–	<b>–</b>
Disposals	–	348	642	–	12	–	<b>1,002</b>
Impairment	–	–	–	–	–	–	<b>–</b>
Revaluation	–	–	(377)	(1)	(37)	–	<b>(415)</b>
<b>31 March 2023</b>	<b>–</b>	<b>(41,266)</b>	<b>(6,402)</b>	<b>(171)</b>	<b>(3,151)</b>	<b>(310)</b>	<b>(51,300)</b>
<b>Net Book Value</b>							
<b>31 March 2022</b>	<b>27,624</b>	<b>215,481</b>	<b>4,710</b>	<b>31</b>	<b>612</b>	<b>–</b>	<b>248,458</b>
<b>31 March 2023</b>	<b>28,305</b>	<b>244,241*</b>	<b>7,186</b>	<b>29</b>	<b>6,284*</b>	<b>949</b>	<b>286,994*</b>
Owned	28,305	244,241*	7,186	29	6,284*	–	<b>286,045*</b>
Leased (ROU)	–	–	–	–	–	949	<b>949</b>
Asset Financing	28,305	244,241*	7,186	29	6,284*	949	<b>286,994*</b>

**Note:**

\* Balance restored due to Prior Period Adjustment, see Note 16.

## 5.1. Land and Buildings

The opening balance has been re-instated due to a Prior Period Adjustment.

Defra transferred £17,534k of assets to APHA in 2023/24 but these actually came into use in 2022/23. This error has resulted in a Prior Period Adjustment because the value involved is material, thus changing the balance at 1 April 2023.

Montagu Evans undertook a desktop valuation of land and buildings during the year ended 31 March 2024, resulting in these assets having a net book value of £262,458k (land £28,024k plus buildings £234,434k), a net decrease from 2022/23 of £10,088k.

The net movement included £8,647k increase in Revaluations, an impairment charge of £12,405k to SoCNE, £8,433k of capital expenditure transferred from Defra, and depreciation charged at £14,763k.

This desktop revaluation was carried out using the depreciated replacement cost (DRC) method for the specialist science estate, taking into account the expected construction costs to rebuild equivalent assets. This review also considers the remaining economic life of the buildings, and any impairments, based on input from local management. Applying a 1% increase in the annual indices applied to revalue the buildings would result in approximately a further £2,500k to their value.

The £12,405k impairment relates to: £2,432k downward valuation of new modular buildings at Weybridge, £1,567k downward valuation of a building at Carmarthen, and £9,950k relating to Defra transfers being valued below the carrying value. These movements were offset by £1,544k reversal of historic impairments. This expenditure has been charged to operating costs.

Of the £8,853k revaluation cost of Buildings, £8,199k relates to increases in the lives of three buildings at Weybridge, above the external valuers opinion, where management judgement is that the valuer's opinion did not reflect a fair value for their continued use.

The £8,433k of transfers from Defra consisted of capital expenditure transferred from Defra Estates for completed building work on APHA properties and the Weybridge site. All of APHA's assets are owned and none is held under a finance lease.

The capital investment in Weybridge (SCAH Programme) is led by Defra with assets under construction reported in their financial statements until assets are completed and handed over to APHA, at which point APHA will enjoy the risks and rewards of their operation.

## 5.2. Right-of-use Assets

From 1 April 2022 APHA recognises the value of right of use assets in accordance with IFRS16. The liabilities of rental repayment and interest payable are recognised in SoFP.

As of 31 March 2024 the net book value of all the leased cars is £3,108k (2022/23: £949k). Total liabilities included in the SoFP is £3,504k (current liability £1,141k and non current liability £2,363k).

In consultation with Defra it has been decided that the value of the leased cars covered by IFRS16 are immaterial, therefore no further detailed disclosure is required.

## 6. INTANGIBLE ASSETS

2023/24	Software Licences £'000	IT Software £'000	Assets in the Course of Construction £'000	Total £'000
<b>Cost or valuation</b>				
At 1 April 2023	1,309	142,017	657	143,983
Additions	–	–	6,699	6,699
Transfers	–	(23,224)	–	(23,224)
Revaluation	5	620	–	625
<b>At 31 March 2024</b>	<b>1,314</b>	<b>119,413</b>	<b>7,356</b>	<b>128,083</b>
<b>Amortisation</b>				
At 1 April 2023	(596)	(98,136)	–	(98,732)
Charged	(238)	(8,559)	–	(8,797)
Transfers	–	8,852	–	8,852
Revaluation	(3)	(459)	–	(462)
<b>At 31 March 2024</b>	<b>(837)</b>	<b>(98,302)</b>	<b>–</b>	<b>(99,139)</b>
<b>Net Book Value</b>				
31 March 2023	713	43,881	657	45,251
<b>31 March 2024</b>	<b>477</b>	<b>21,111</b>	<b>7,356</b>	<b>28,944</b>

Defra transferred IT assets under construction in 2023/24 of £6,700k (2022/23: £657k). This represents IT developments in response to outbreaks, changes in legislation and upgrading legacy systems. The largest transfer of £1,600k relates to a people resource tracker.

The cost of transfers (£23,224k) relates to the transfer to Defra of the £26,525k Import of Products, Animals, Food and Feed System (IPAFFS), offset by the transfer to APHA of £3,301k relating to the enhancements to the Export Health Certificate Online (EHCO).

The transfer of £8,852k in amortisations also relates to IPAFFS.

There are five material individual intangible assets:

1. The Business Reform Programme (BRP), which delivered the IT system known as Sam for operational use. This software is what drives most of the work of the Service Delivery Directorate and it was developed for the former agency, Animal Health. BRP has a Net Book Value of £3,277k, and is part of a group of interdependent assets whose useful economic lives are 2 years as at 31 March 2024.
2. The re-platform of Sam, in preparation for the next phase of the programme which will demonstrate enhanced user functionality, has a NBV of £5,145k with a remaining 2-year useful economic life.
3. The CITES online portal allows users to register items exempt from the prohibition on dealing in ivory for a fee and generates either a registration or exemption certificate dependent on the exemption. The portal has a NBV of £988k with a remaining 13-year useful economic life.
4. Export Health Certificates Online (EHCO) is a web-based service enabling exporters to apply for certificates online for all UK animal exports, and is replacing a manual PDF process called Exports Management Service. EHCO is running in parallel to EMS until all UK registered users have transitioned from EMS to EHCO. EHCO has a Net Book Value of £8,651k with a useful economic life of 6 years as at 31 March 2024.
5. The Import of Products, Animals, Food and Feed System (IPAFFS) is an import control system developed to maintain the flow of imports and robust biosecurity control. IPAFFS has a Net Book Value of £17,673k with a useful economic life of seven years as at 31 March 2024.

Prior Year 2022/23	Software Licences £'000	IT Software £'000	Assets in the Course of Construction £'000	Total £'000	
<b>Cost or valuation</b>					
At 1 April 2022	–	1,285	129,466	–	<b>130,751</b>
Additions	–	–	–	657	<b>657</b>
Transfers	–	9,698	–	–	<b>9,698</b>
Revaluation	24	2,853	–	–	<b>2,877</b>
<b>At 31 March 2023</b>	<b>1,309</b>	<b>142,017</b>	<b>657</b>	<b>143,983</b>	
<b>Amortisation</b>					
At 1 April 2022	(355)	(89,498)	–	–	<b>(89,853)</b>
Charged	(233)	(6,698)	–	–	<b>(6,931)</b>
Revaluation	(8)	(1,940)	–	–	<b>(1,948)</b>
<b>At 31 March 2023</b>	<b>(596)</b>	<b>(98,136)</b>	<b>–</b>	<b>(98,732)</b>	
<b>Net Book Value</b>					
31 March 2022	930	39,968	–	–	<b>40,898</b>
<b>31 March 2023</b>	<b>713</b>	<b>43,881</b>	<b>657</b>	<b>45,251</b>	

## 7. FINANCIAL INSTRUMENTS

As the cash requirements of APHA are met through the estimate process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with APHA's expected purchase and usage requirements, and APHA is not exposed to credit, liquidity or significant market risk. Accordingly no disclosure is required. Accordingly no disclosure is required.

### Liquidity risk

APHA net revenue resource requirements and capital expenditure are financed by resources voted annually by Parliament or through fees charged to bodies funded by Parliament. APHA is therefore not exposed to material liquidity risks.



### Credit risk

The majority of APHA income comes for the Devolved Administrations of Scotland and Wales, and Defra. None of these sources are a material credit risk.

### Foreign currency risk

Any foreign currency exposure risk is limited to purchases from foreign suppliers. These are not considered to be material.

Financial assets: these comprise 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 the consideration received, less directly attributable transaction costs. They are subsequently measured at amortised cost.

## 8. INVENTORIES

	31 March 2024	31 March 2023
	£'000	£'000
Finished goods	6,916	6,826
Raw materials and consumables	2,178	2,130
Impairment provision	(3,895)	(3,875)
<b>Total</b>	<b>5,198</b>	<b>5,081</b>

## 9. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	31 March 2024 £'000	31 March 2023 £'000
Trade receivables	23,680	11,026
Deposits and advances	365	584
Other receivables	298	1,665
Prepayments and accrued income	13,325	14,835
<b>Total</b>	<b>37,668</b>	<b>28,110</b>

The increase in Trade Receivables is due to the timing of invoicing public sector customers.

## 10. CASH AND CASH EQUIVALENTS

Government Banking Services	31 March 2024 £'000	31 March 2023 £'000
Opening balance	25,485	1,114
Net cash inflow/(outflow)	(11,980)	24,371
<b>Closing balance</b>	<b>13,505</b>	<b>25,485</b>

The Government Banking Service has procured banking services from the Natwest Group (formally Royal Bank of Scotland Group). As funds held in these accounts will be transferred to the Exchequer on a daily basis these accounts are not classified as commercial bank accounts.

## 11. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

Amounts falling due within one year	31 March 2024 £'000	31 March 2023 £'000
VAT payables, other taxation and social security	(7,015)	(1,128)
Trade payables	(11,708)	(9,933)
Other payables	(2,816)	(2,806)
Accrued expenditure	(28,781)	(26,410)
Contract liabilities	(2,129)	(2,524)
<b>Total trade payables and other current liabilities</b>	<b>(52,449)</b>	<b>(42,801)</b>
Lease liabilities	(1,141)	(322)
<b>Total curent liabilities</b>	<b>(53,590)</b>	<b>(43,123)</b>

Amounts falling after more than one year		
Lease liabilities	(2,363)	(809)
<b>Trade Payables and Other Liabilities</b>	<b>(55,953)</b>	<b>(43,932)</b>

Lease liabilities are car lease repayments payable as of 31 March 2024 in relation to the right of use assets under IFRS 16. None of the liabilities is over five years as vehicle leases are generally for four years.

## 12. CAPITAL COMMITMENTS

At 31 March 2024, APHA had capital commitments of £832k (March 2023: £682k) relating to equipment for the Weybridge and regional sites, not otherwise included in these accounts.

## 13. OTHER FINANCIAL COMMITMENTS

APHA's new facilities management contract with ISS has estimated commitments of £11,894k in less than one year and £51,251k in one to five years. As the contract has a 5-year break clause; no financial commitment occurs after five years of the contract. All values are net of VAT.

Contracts held by Defra, which benefit APHA, are included in the annual notional recharge of costs, but do not represent APHA financial commitments.

## 14. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 March 2024 (31 March 2023: £Nil).

## 15. RELATED PARTY TRANSACTIONS

APHA is an executive agency of Defra and is also a supplier of services to Defra. During the period ended 31 March 2024, Defra provided APHA with remuneration for services and provided a number of services to APHA.

In addition, APHA had a number of operational transactions with the department's other executive agencies, the Veterinary Medicines Directorate and with the department's non departmental public bodies of the Environment Agency, and the Agriculture and Horticulture Development Board.

APHA had a number of operational transactions with other government bodies, notably the Scottish Government, the Welsh Government, the Department of Agriculture, Environment and Rural Affairs in Northern Ireland, and the Food Standards Agency (FSA).

None of the members of the APHA Steering Board, other key managerial staff or other related parties undertook any material transactions with APHA during the period.

Ian Brown and Yvonne Spencer are married and both served as members of the Steering Board and the Executive Board. Ian Brown retired from APHA on 31 March 2024.

Any compensation paid to key managerial staff would be a related party transaction. Should compensation payments be made to any Director this would be disclosed in the Remuneration Report.

APHA keeps a fully updated Register of Interests. All interests declared are monitored by management and processes put in place to mitigate any risks.

## 16. PRIOR PERIOD ADJUSTMENT

During 2023/24, APHA recognised a transfer of assets from Defra amounting to £14,542k (buildings £11,064k and plant £3,478k). However, following a management review, these assets were determined to have been brought into beneficial use by APHA and were under APHA's control during the previous financial year.

The value of these assets have, as a result of the requirements of IAS 8, been treated as a prior period adjustment, resulting in restatement to the balances held at 31 March 2023. This restatement does not impact any balances as at 1 April 2022 and did not have a material impact on depreciation charges during 2022/23 or 2023/24.

As a consequence the value of assets held at 31 March 2023 has changed as follows:

Asset Type	31 March 2023 (original)	31 March 2023 £'000	31 March 2023 (restated) £'000
Building additions	3,700	12,689	16,389
Plant additions	–	4,845	4,845
Change to the overall value of Net Book Value PPE after adjustments	268,511	17,534	286,045

Consequential amendments have been made to increase the value of the General Fund Reserve to an equivalent value, to reflect the assets which were transferred by Defra in 2022/23. The impact of this was to increase the value of the non-cash adjustments within the General Fund Reserve by £17,534k, resulting in an overall increase in the restated General Fund Balance at 31 March 2023.

## 17. EVENTS AFTER THE REPORTING PERIOD

APHA's financial statements are laid before the House of Commons by the Secretary of State for Defra. IAS 10, Events after the Reporting Period, requires the Accounting Officer to disclose the date on which the accounts are authorised for issue.

The authorised date for issue is the date of the Comptroller and Auditor General's Audit Certificate.

David Holdsworth stepped down from his position as APHA Chief Executive and Accounting Officer on 30 June 2024, and he was replaced on an interim basis by Jenny Stewart.



E03162272  
ISBN: 978-1-5286-5065-6