

Annual Report + Accounts

2024–25

HC 1021

Advanced Research and Invention Agency Annual Report and Accounts 2024–25

for the year from 1 April 2024 to 31 March 2025

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

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Introduction

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Chair's letter



“It’s a privilege to introduce ARIA’s second Annual Report and Accounts.”

I’ve always said that ARIA is the closest thing to a startup in the public sector. When I think about how I’d usually evaluate a startup hitting its second birthday — especially one with ambitions as bold and horizons as long as ARIA’s — my mind turns to two questions. First, has the organisation managed to achieve a critical mass of exceptional talent? And, second, are we starting to see the green shoots of impact, however nascent?

When I look at ARIA today, the answer to both questions is a resounding yes.

It’s been an outstanding year for building ARIA’s team. We recruited a second cohort of Programme Directors, who I know will bring an extraordinary vitality and creativity to

Chair's letter continued

ARIA's next phase of work. Alongside them, we welcomed 18 new members to the ARIA team since our last report and I am constantly impressed by their ability, pace and dedication.

We were also fortunate to add three world-class Non-Executive Directors to our Board — Strive Masiyiwa, Nick McKeown, and Max Jaderberg — who bring exceptional experience of championing and commercialising innovation. I would also like to take this opportunity to thank Sir Patrick Vallance and Sir Dave McMillan, our two departing Non-Executive Directors, who stepped down this year after making foundational contributions to ARIA's early development.

The second critical measure of success for ARIA is impact. This year marked the transition from setup mode to delivery, demonstrated by the launch of our first seven programmes, which are now actively funding pioneering research across synthetic plants, precision neurotech, and beyond. These are deliberately high-risk pursuits, but their potential upside is enormous. If successful, they will not only generate scientific breakthroughs, but create entirely new markets and industries that transform the UK and the world.

Central to our impact strategy is our selection of Activation Partners — organisations working within our opportunity spaces to give them the best shot of maximum impact. We've always said that the path to scale for ARIA programmes lies not in public sector procurement, but scientific entrepreneurship.

Chair's letter continued

Our Activation Partners play an essential role in bringing this to life, by providing the expertise, networks, and entrepreneurial pathways to bring breakthroughs from the lab into real-world applications.

The inaugural ARIA Summit held in May 2025, brought this vision to life. It was a wonderful opportunity to showcase publicly the community, ambition and creativity that's at the heart of what we do.

ARIA is an enormous group effort. The Board and I want to thank Ilan and the team for everything they're doing to make it a success — and to acknowledge the support and contributions of the wider R&D ecosystem across the country. Together, we are laying the foundations for scientific and technological breakthroughs that can power new industries, strengthen the UK's future competitiveness, and deliver lasting public value.



Matt Clifford CBE
Chair

Chief Executive's Statement



“We founded ARIA on the belief that the UK has the talent, expertise, institutions, and networks to turn this mission into reality. Though we’re working on decadal timescales, early signs suggest that belief was well placed.”

ARIA enters its third year with the same ambition that we began with — to unlock scientific and technological breakthroughs that transform industries, lives, and communities across the UK and beyond.

Parliament created ARIA with a belief that the UK’s scientific talent, institutions, and entrepreneurial drive can translate that mission into reality. Seeing the incredible community that’s grown to support our mission this year, we can confidently say that belief holds true.

Chief Executive's Statement continued

A year ago, our Programme Directors (PDs) defined ARIA's first opportunity spaces — areas where scientific breakthroughs can catalyse a step change in economic growth and social prosperity. Today, we are funding nearly 200 R&D Creator teams to redefine what's possible in areas ranging from synthetic biology to AI, robotics, and climate. The consequences of success in any one of these spaces are profound.

Our scalable neurotech teams are developing new tools to treat neurological and psychiatric disorders that affect hundreds of millions of people worldwide, including the first clinical trial of the world's most cutting-edge braincomputer interfaces with NHS patients. Our programmable plants teams are applying cutting-edge synthetic biology to engineer new traits in plants, from drought resistance to novel material production — a generational opportunity to transform global agriculture from the ground up. And the list goes on.

All told, our initial programmes have made more than £400m in funding available to the UK's R&D ecosystem over the next three to five years. In line with our mandate, this funding is supporting researchers in entirely new ways that amplify the strengths of UKRI and our partners across the ecosystem. But to succeed, the researchers we fund will have to achieve more than scientific breakthroughs. They'll need those breakthroughs to spark valuable new capabilities, markets, and industries. To help with that, we launched Activation Partners — a coalition of nine

Chief Executive's Statement continued

pioneering organisations across science entrepreneurship, investment, and ecosystem building — to ensure that when ARIA research breakthroughs emerge, they turn into real impact. This initiative, and our broader focus on science entrepreneurship, are already bearing fruit. Our funding has already catalysed the creation of eight new UK startups and seven new UK subsidiaries of global firms.

Of course, when working at the edge of the possible, nothing is guaranteed from the start. Our job is to create the conditions where the boldest ideas can find their footing, then learn from the dead ends and move with conviction toward the paths that show promise. Fulfilling our mandate depends on high ambitions, and on a robust portfolio from which the world-changing outcomes can emerge. That in mind, we are thrilled to introduce ARIA's second cohort of Programme Directors — eight entrepreneurial researchers from diverse backgrounds who believe the UK is the best place in the world to realise their visions for the future. They are already activating key parts of the research community that ARIA has not yet engaged, and whose bold ambitions we will need to succeed.

Onwards.



Ilan Gur
CEO

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About ARIA

This is ARIA's second Annual Report and Accounts and covers the year to 31 March 2025.

ARIA was officially launched by the UK Government in January 2023 under the Advanced Research and Invention Agency Act 2022 (the ARIA Act 2022) as a new research and development (R&D) funding agency with an ambitious risk appetite. ARIA is an independent non-departmental public body sponsored by the Department for Science, Innovation and Technology, and with an initial allocation of approximately £800m.

Mission

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

☐ For further information regarding ARIA — please see our Corporate Plan.

Transformative new technologies are essential to accelerating economic growth. Bold, speculative R&D has been proven to be the most effective way to achieve this. DARPA, which inspired ARIA, is a prime example. The innovations it has catalysed — such as the internet, mRNA vaccines, personal computing, and GPS — have driven non-linear growth for the US economy and made a profound, positive impact on society.

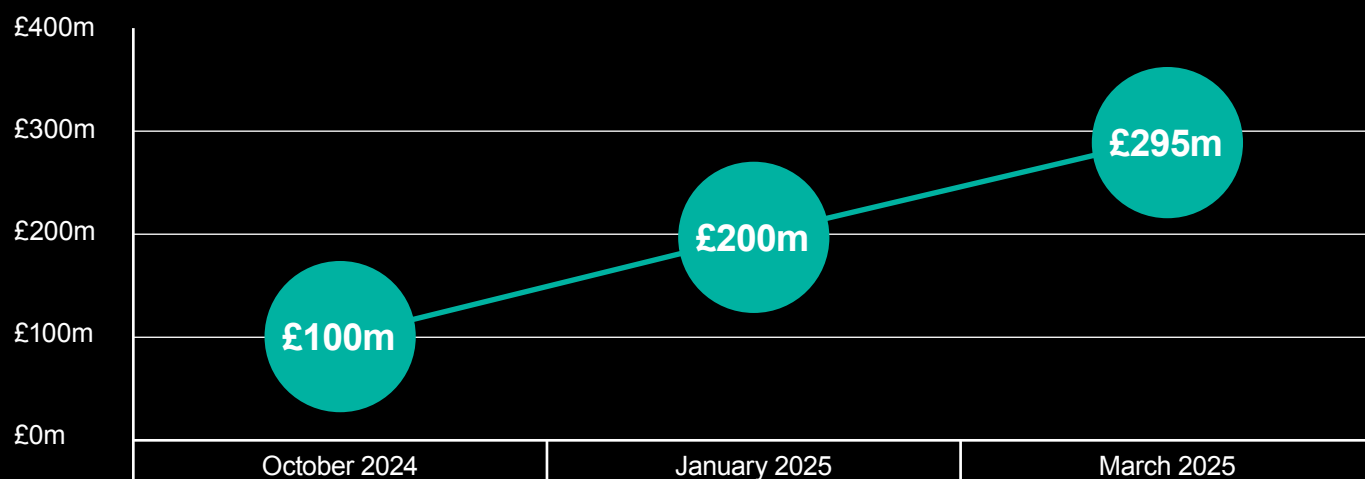
About ARIA continued

To achieve a comparable impact on the UK economy, ARIA is developing a robust portfolio of opportunity spaces. With the independence and flexibility to strategically manage a strong research portfolio — doubling down on the highest potential spaces and exiting the less promising ones — ARIA is helping reposition the UK as a global leader by enabling research breakthroughs that can power world-leading companies and frontier industries.

ARIA also funds Activation Partners, external organisations that are embedding science entrepreneurship across our work by supporting new ventures, empowering talent, and accelerating research-to-impact efforts. They are tasked with building and delivering a range of initiatives across the UK from building dedicated scientist training programmes to developing new prototype inventions emerging from ARIA's opportunity spaces. This partnership model enhances ARIA's ability to drive innovation and supports the broader UK R&D ecosystem.

Highlights

Research and development funding agreements signed



Key milestones in the year to 31 March 2025

MARCH 2024

First programme funding solicitation launched

MAY 2024

First seed projects begin

JULY 2024

First programme projects begin

Highlights continued



OCTOBER 2024

Nine Activation Partners announced to spur science entrepreneurship



JANUARY 2025

Second cohort of Programme Directors selected

The Board

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

Our Board comprises the Chair, the Government Chief Scientific Adviser, Non-Executive Board members, an Independent member of the Audit and Risk Assurance Committee, as well as four Executive Team members.

As of April 2025, we welcome three new Non-Executive Board members, Strive Masiyiwa, Nick McKeown, and Max Jaderberg.



Matt Clifford
Chair

Co-Founder, Entrepreneur First and Prime Minister's Adviser on AI Opportunities



Dame Angela McLean
Non-Executive Director

Government Chief Scientific Adviser
Commissioner and Head of the Government Science and Engineering Profession

The Board continued

**Stephen Cohen**

Non-Executive Director

UK Civil Service Commissioner and Chair of JPMorgan Japanese Investment Trust plc

**Sarah Hunter**

Non-Executive Director

Technology and public policy advisor

**Dame Kate Bingham**

Non-Executive Director

Venture Capitalist and former Chair of the Vaccine Taskforce

**Sue Hunt**

Independent member of the Audit and Risk Assurance Committee*

Chartered Accountant and Vice Chair of The Connected Places Catapult

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

The Board continued

Appointed 1 April 2025

**Strive Masiyiwa**

Non-Executive Director

Global telecoms and technology entrepreneur, investor and philanthropist

**Nick McKeown**

Non-Executive Director

Professor Emeritus, Stanford and Senior Fellow, Intel

**Max Jaderberg**

Non-Executive Director

Chief AI Officer, Isomorphic Labs (Alphabet)

The Board continued

Departures



Sir Patrick Vallance

Non-Executive Director

Former Government Chief Scientific Adviser

Patrick Vallance resigned from the Board on 16 July 2024 in order to take up the position of Minister of State for Science, Research and Innovation.



Sir David MacMillan

Non-Executive Director

Nobel laureate and organic chemist

David MacMillan resigned from the Board on 5 March 2025.

The Executive Team

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

The team totals 53 staff as at 31 March 2025 (see pages 82 and 83 of the Staff Report for further detail), as well as working closely with outsourced operating partners to enable rapid scaling. Further details can be found in the People and culture section and Staff Report.



Ilan Gur

Chief Executive and Accounting Officer

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

The Executive Team continued

**Antonia Jenkinson**

Chief Finance and Operating Officer

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

**Pippy James**

Chief Product Officer

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

**Dan Cole**

Chief of Staff

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

External advisors

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



Artur Ekert

Professional Fellow, Quantum Physics and Cryptography, University of Oxford



Sir Demis Hassabis

Founder and CEO, DeepMind



Katie Rae

CEO and Managing Partner, The Engine



Patrick Collison

Co-founder and CEO, Stripe

External advisors continued



Arun Majumdar

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



Hayaatun Sillem

CEO, Royal Academy of Engineering



Özlem Türeci

Co-founder and Chief Medical Officer, BioNTech

Performance analysis

This report outlines our performance against our priorities for the year to 31 March 2025. We have not reported on performance trends given the absence of historic comparative data.

Performance against 2024–25 strategic objectives

1. Launch first programmes across our opportunity spaces

In 2024–25, all seven of ARIA's inaugural research programmes went out to open tender, alongside multiple seed funding calls. While we initially targeted six programmes in delivery by December, we adapted timelines based on early lessons from our tendering process. By year-end, three programmes were underway, and we focused on securing funding commitments — ultimately exceeding our £208m target, with £219m under contract. We also launched core reporting systems across our programme, seed, and activation funding streams, and surpassed internal targets for both team satisfaction and Creator experience.

2. Integrate science entrepreneurship across everything we do

We met or exceeded all targets under this pillar, embedding science entrepreneurship into ARIA's core. By September, activation partners were fully contracted; 75% of our new Programme Directors brought substantial startup or industry experience (vs. a 50% target); and over 30% of shortlisted R&D applicants came from startups or industry.

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

We made strategic decisions to maximise near-term impact and focus Programme Director capacity. Postponing the inaugural ARIA Summit to May 2025 allowed us to prioritise finalising programme contracts and relaunching our website. The new platform now supports multiple funding streams and calls, expanding our reach and improving engagement across the Creator community.

ARIA supports the government's mission to fuel economic growth by driving innovation, investment, and technology adoption in the future economy. In its first two years, ARIA has approved seven programmes, amounting to £471m of which, £219m of funding agreements were awarded and contracted in the year. In addition, 27 seed agreements (£15m) and nine Activation Partners (£61m) were awarded and contracted. The second cohort of PDs will launch programmes from autumn 2025, with spending commencing in 2026.

Performance analysis continued

The achievements so far from ARIA's entrepreneurship-focused translation strategy provide strong early indicators of the potential impact of expanding its portfolio of opportunity spaces.

First, ARIA's R&D calls are attracting startups and industry, with over 40% of funding allocated to companies — including 15% that catalysed the formation of new UK-based organisations.

Secondly, ARIA is amplifying the strengths of the UK ecosystem, funding projects in almost every region, and working closely with the UK's science base. Examples include catalysing a new AI research startup in Glasgow; collaborating with UKRI's NERC and NPL; and, supporting a first-in-world NHS clinical trial.

Thirdly, our Activation Partners initiative has already compelled top-tier private sector engagement, prompting at least five US organisations, including two of the world's top deep tech VC funds, to bring their expertise in science entrepreneurship to the UK.

ARIA was established later than anticipated, which delayed the commencement of spending. As a result, the funding plan deviates from the original business case and will be reviewed in future spending reviews.

Performance analysis continued

Financial review

During ARIA’s second full year in operation, spend increased from £7.9m for the preceding 12 months to £30.7m. Of this, £16.5m related to research funding. The total value of research and development funding agreements signed as at 31 March 2025 was £295m.

ARIA’s financial target applies to Departmental Expenditure Limit (DEL) budget lines — capital (CDEL) and resource (RDEL). ARIA is required to advise DSIT of its total forecast expenditure for the year and, in line with the requirements from HM Treasury, to adhere as closely as possible to this financial target.

The table below details the DEL financial target and final outturn, along with the variance between the two.

	1 April 2024–31 March 2025		
	Financial target £000s	Outturn £000s	Variance £000s
CDEL	27,500	30,669	(3,169)
RDEL	85	56	29
Total	27,585	30,725	(3,140)

Research and development expenditure comprised £16.5m (54%) of total expenditure, a proportion that is expected to grow as ARIA’s portfolio of opportunity spaces scale. Staff costs of £6.4m and other operating expenditure of £7.7m comprised the remainder, alongside a minimal amount for depreciation and loss on disposal.

The summary risks are outlined in the Governance Statement.

Performance analysis continued

Where we operate

Our staff are predominantly based in a shared London office facility, with a smaller space in Cambridge.

ARIA's first cohort of PDs are from a range of research areas, geographies and sectors. The second cohort of PDs, technical leaders with hands-on experience in translating ideas into real-world impact, have been recruited after a global campaign and joined ARIA on 1 April 2025 to begin developing their programmes.

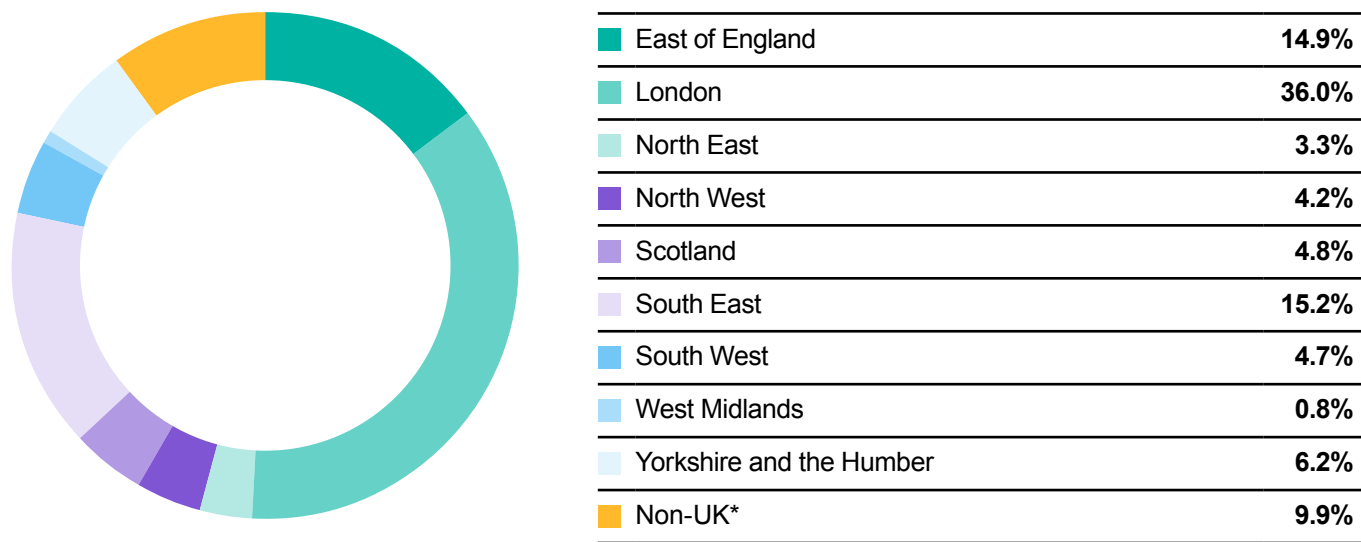
Where and who we funded by value

During the year, ARIA funded projects in almost every region, amplifying the strengths of the UK ecosystem by collaborating with, and funding, a range of research institutions, academia, and industry partners.

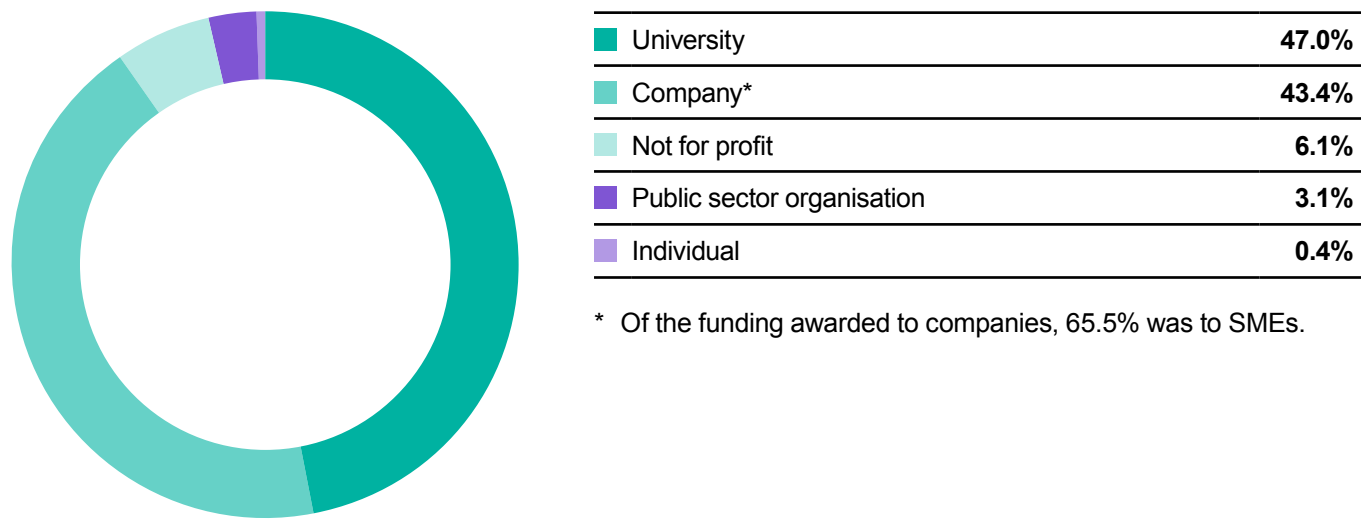
Performance analysis continued

Where and who we funded by value continued

The summary risks are outlined in the Governance Statement.



* Non-UK countries comprises of the US, Australia, Belgium, Canada, Denmark, Estonia, Greenland, Italy, and the Netherlands.



* Of the funding awarded to companies, 65.5% was to SMEs.

Performance analysis continued

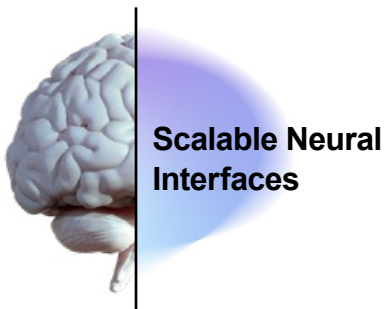
Going concern

In line with HM Treasury's Financial Reporting Guidance, the information presented in these Financial Statements is based on the assumption that ARIA will continue to operate in the future, with no changes to our role or through legislation currently expected.

In common with other non-departmental public bodies across government, ARIA's future funding is to be met by Grant in Aid from its sponsoring department, DSIT. Approval of Grant in Aid for 2025/26 has already been allocated. Based on this information, it has therefore been considered appropriate to adopt a going concern basis for the preparation of these Financial Statements.

Our opportunity spaces

ARIA's first set of PDs, with their associated programmes, are listed below within the relevant opportunity spaces.



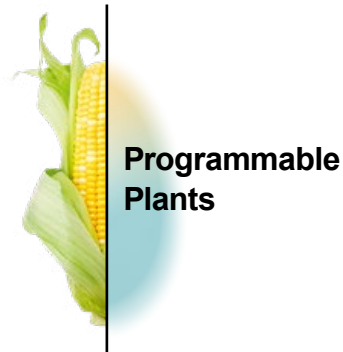
Neurological and neuropsychiatric disorders have overwhelming societal and economic impacts. We need to build highly targeted, minimally invasive technologies that enable us to interface, at scale, with the human brain.



Jacques Carolan

Programme Director **Jacques Carolan** leads the **Precision Neurotechnologies** programme, which aims to achieve breakthroughs in treating brain disorders where deep brain stimulation has shown promise. Projects funded so far include supporting a first-in-world NHS clinical trial.

Our opportunity spaces continued



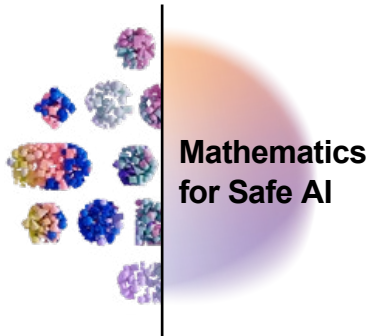
Plants enable human life and offer solutions to key challenges like food insecurity, climate change, and environmental degradation. Programmable plants can secure our future, ensuring food and a sustainable biosphere for future generations.



Angie Burnett

Programme Director **Angie Burnett** leads the **Synthetic Plants** programme, which aims to develop synthetic chromosomes and chloroplasts that are viable in a living plant. This will move beyond what can be accomplished with gene editing, and imbue plants with new functionalities, from reducing agricultural water use to protecting crop yields in uncertain conditions.

Our opportunity spaces continued

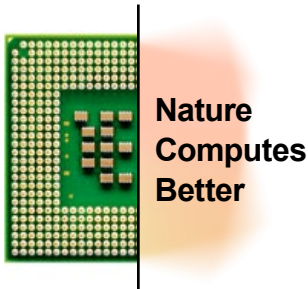


**David 'davidad'
Dalrymple**

We don't yet have known technical solutions to ensure that powerful AI systems interact as intended with real-world systems and populations. A combination of scientific world models and mathematical proofs may be the answer to ensuring AI provides transformational benefit without harm.

Programme Director **Davidad Dalrymple** leads the **Safeguarded AI** programme, which combines scientific world models and mathematical proofs to construct a 'gatekeeper' AI system tasked with understanding, and reducing, the risks of other AI agents. This would lay the foundations for AI automation over the next 10–30 years resulting in the potential for enormous GDP growth.

Our opportunity spaces continued



Suraj Bramhavar

We can redefine the way computers process information by exploiting principles found ubiquitously in nature. In doing so, we can better understand how the natural world around us performs computation and build dramatically more efficient computers.

Programme Director **Suraj Bramhavar** leads the **Scaling Compute** programme, which aims to redefine the way computer hardware processes information. One of its key objectives is to seed the creation of a new branch of the semiconductor industry, with key players anchored in the UK.

Our opportunity spaces continued



**Gemma Bale
and Sarah
Bohndiek**

Current earth system measurements have serious gaps that lead to uncertainties in weather forecasting and climate predictions. By harnessing the power of optics we can fill these gaps, equipping society to respond confidently to the climate crisis.

Programme Directors **Gemma Bale** and **Sarah Bohndiek** co-lead the **Forecasting Tipping Points** programme to develop a proof of concept for an early warning system to detect climate tipping points. Such a system could provide significant benefits by guiding infrastructure investments or enabling interventions to protect at-risk regions.

Our opportunity spaces continued



Smarter Robot Bodies



Jenny Read

Throughout history, humans have used tools and machines to reduce the burden of physical labour. We are entering a new era with robots smart enough to act independently in complex and dynamic environments. But to reap the benefits of smarter machines, we need smarter bodies.

Within this space, **Jenny Read** leads the **Robot Dexterity** programme. By advancing robot dexterity, this programme seeks to position the UK as a leader in robot technology and manufacturing. Enhanced robot dexterity would also unlock new potential across existing industries, including the medical, nuclear, and space sectors.

Our opportunity spaces continued



Mark Symes

If an abrupt alteration in a climate system were to unfold, we would have no tools to mitigate the effects. This research will drive understanding of how we might intervene to responsibly manage the climate and weather.

Programme Director **Mark Symes** leads the **Exploring Climate Cooling** programme, which investigates whether approaches designed to delay or avert climate tipping points could be feasible, scalable, and safe. Importantly, the global cost of tipping points, if incurred, may run into the tens of trillions of dollars.

Activation Partners

Commercialisation is a critical challenge in unlocking the impact of the UK's R&D system. Our programmes are designed to not only have the potential for breakthroughs, but are set up to translate those into transformative economics and social value for the UK.

To meet this challenge, we've created nine activation partnerships to support our teams to move beyond the lab and into the world by designing for scale from inception. Some of our partners are already established players in the UK, while others are setting up operations here for the first time. Together, they will help embed science entrepreneurship across our work, creating new scientific talent pipelines, nucleating new communities, fostering novel IP, and facilitating more investments within the UK R&D ecosystem.

The networks that Activation Partners help build and grow are already creating impact across the UK. Our partners 50 Years, CIC Venture Cafe, and Pillar VC are establishing UK entities for the first time, bringing global expertise and investment into the heart of the UK's R&D ecosystem. We're also working to co-create, launch, and scale new innovations; ARIA's partnership with Cambridge University Health Partners (CUHP) is bringing together scientists, clinicians, and entrepreneurs to translate speculative scientific breakthroughs in neurotechnology into practical applications.

Activation Partners continued



Amodo Design is a Sheffield-based engineering team working alongside ARIA to develop new scientific equipment for research and prototype inventions from our opportunity spaces, speeding up the journey from discovery to product, enhancing early-stage traction.



CAMBRIDGE UNIVERSITY
Health Partners

Cambridge University Health Partners is bringing together leaders from science, health, and business organisations. Together, this consortium — Cambridge NeuroWorks — will support ARIA's Scalable Neural Interfaces opportunity space. Working with ARIA, CUHP will launch programmes designed to accelerate innovation in neurotechnology by enabling scientists, clinicians, and entrepreneurs to collaborate and translate speculative science into practical applications at scale, while fostering a vibrant UK-wide neurotech community.

Activation Partners continued



Convergent Research is identifying and developing proposals for 1–2 Focused Research Organisations (FROs) in ARIA's opportunity spaces. FROs are a new scientific institutional model designed to make fast progress by using team science and systems engineering to tackle research bottlenecks.



Venture Café Global Institute is bringing their global innovation community to the UK in partnership with ARIA. Our UK hubs will energise and connect the nation's technology ecosystem, bringing together innovators, entrepreneurs, and small businesses through free, high-impact weekly gatherings and programming. Venture Café London will be joined by two additional UK cities creating a powerful network that opens new opportunities for collaboration between the UK's top tech talent and the wider world. Venture Café's mission is to connect talent within ARIA's current and emerging opportunity spaces to the broader UK and global innovation ecosystem, advancing progress and ensuring scalable impact. Their community space is free and open to all innovators to help make things happen.

Activation Partners continued

Nucleate

Nucleate UK is partnering with ARIA to accelerate the development of new technologies and communities in the eco and biotech fields by supporting ARIA Creators. Nucleate will identify and support top UK scientific talent through targeted programmes like the Activator — Nucleate’s flagship accelerator helping academics navigate de-risking, the spinout process, and fundraising. Through this partnership, Nucleate will build a national biotech network and help transform early-stage ideas into deep tech companies — guiding teams to deliver real-world impact.

pillar

Pillar VC is launching the Encode fellowship in partnership with ARIA. Encode is a year-long fellowship for top AI researchers tackling high-impact scientific challenges in ARIA’s opportunity spaces. Fellows are embedded in leading UK labs to apply AI to areas like climate modeling, neuromorphic computing, and robotics. Fellows receive a competitive salary, compute, partnerships, and datasets, and join a vibrant community of scientists, founders, and engineers. Encode Fellows advance frontier research and help launch deep tech ventures and research organisations.

Activation Partners continued



Google DeepMind is working with us in a non-funded partnership to identify projects designed to accelerate the impact of ARIA-backed research. This will include leveraging its team of multidisciplinary researchers to provide access, insights, and connectivity to researchers, and drive applications within our opportunity spaces.



Renaissance Philanthropy is building the UK Horizons Programme to act as a force multiplier for ARIA's opportunity spaces. The programme seeks to supercharge the UK's R&D ecosystem by building networks of innovators and increasing their ambition, expanding the diversity of science translation mechanisms, strengthening the UK's philanthropic ecosystem, and building research translation strategies to increase the scale and impact of ARIA's opportunity spaces.



Fifty Years is delivering its company creation programme 5050 in the UK to equip scientists and engineers with the necessary skills to start and build world-changing companies in, and around, ARIA's opportunity space.

Our people and culture

ARIA recognises that a team with a wide breadth of diversity and experience is essential for a working environment that enhances creativity, knowledge sharing, and thoughtful decision making.

We are dedicated to creating a safe and inclusive workspace based on fairness and respect. One that encourages talented people of any background to produce their best work of the highest quality.

Our diversity

All data is self reported. This team data includes our 61 staff members (employees, secondees and contractors), and our outsourced operating partners who work alongside us embedded within our team.

- Our team spans five decades, with the biggest representation of the team in the 25–29 bracket (29%).
- At least 12% are LGBTQIA+ (15% of employees have not disclosed).
- We have nine different religions and belief systems represented.
- At least 8% have a disability (15% of our team have not disclosed).
- At least 11% are neurodiverse (18% of our team have not disclosed).
- Of our team, 49% are based outside of London.

Our people and culture continued

56%

female

40%

male

4%

non-binary
or transgender

8+

different races

30

different ethnicities

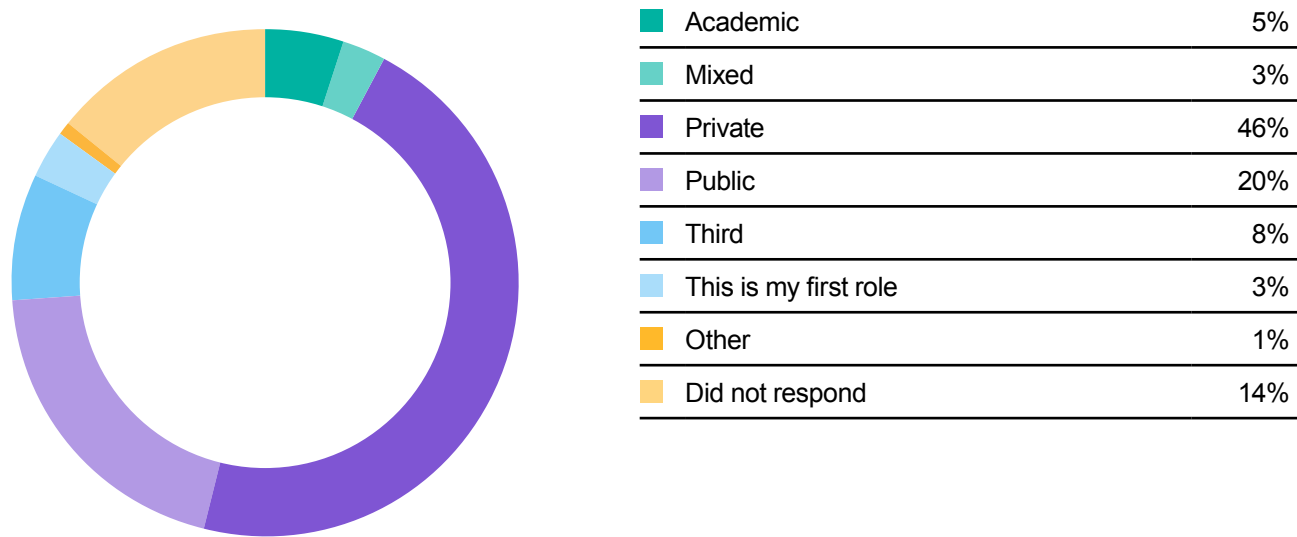
15

different
nationalities

9

different religions
and belief systems

Primary career backgrounds prior to ARIA



Sustainability Report

Scope 3 Business Travel Emissions

Measurement	1 April 2024 to 31 March 2025	25 Jan 2023 to 31 Mar 2024
Business travel* Total miles (per FTE)	643,224 (12,778)	214,300 (5,986)
Tonnes CO ₂ e (per FTE)	154.4 tonnes (3.1)	36.2 tonnes (1.0)
Expenditure (per FTE)	£265,902 (£5,286)	£51,050 (£1,426)
Miles — air travel (per FTE)	536,806 (10,672)	147,600 (4,123)
Tonnes CO ₂ e — air travel (per FTE)	141.6 tonnes (2.8)	32.8 tonnes (0.9)
Expenditure — air travel (per FTE)	£141,006 (£2,803)	£22,981 (£642)

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

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

During the year, organisational policies were developed with sustainable considerations, for example within our expenses and travel policy, which aim to keep ARIA's impact on the environment to a minimum. We will further develop the approach we take to environmental and climate impact, and sustainability, in 2025/26.

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

Sustainability Report continued

Energy and waste consumption

All our energy, waste and water consumption arises from our office occupation. During the year, we occupied managed office facilities provided by Fora (where our use represents less than 15% of the building), hot-desking spaces within the Alan Turing Institute's occupation of the British Library (under 1% of the building), and a small office in Cambridge. The environmental impacts of our Fora and British Library occupations are disclosed in Fora's and the Alan Turing Institute's annual reports and accounts, respectively. In each case, our footprint is not separately metered and meaningful consumption data are therefore unavailable; consequently, Scope 1 and 2 emissions data do not feature in our report.

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

Business travel

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

Sustainability Report continued

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

Our business travel measurements during the year, both total and per full-time equivalent staff (FTE), are detailed in the table on the previous page.

IT policy

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

Sustainability Report continued

Sustainable procurement

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

Biodiversity

ARIA has no landholdings and no independent estate. All of our office occupation in 2024/25 was within multi-occupied estates offices. We do not have a biodiversity action plan given this context.



Ilan Gur

Chief Executive and Accounting Officer

Date: 9 July 2025

3 Accountability Report

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Corporate Governance Report

Directors' Report

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

1. the Directors' Report;
2. the Statement of Accounting Officer's Responsibilities; and
3. the Governance Statement.

ARIA is an independent non-departmental public body of DSIT.

The following items, required as part of the Director's Report are included in the Governance Statement on pages 53 to 62:

- composition of the ARIA Board;
- disclosure of other interests of the ARIA Board; and
- disclosure of personal data-related incidents.

Corporate Governance Report continued

Statement of Accounting Officer's Responsibilities

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

The Secretary of State for DSIT has directed ARIA to prepare a statement of accounts for the financial year to 31 March 2025 in the form, and on the basis set out in the, Accounts Direction.

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

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

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

Corporate Governance Report continued

Statement of Accounting Officer's Responsibilities


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

Preparation and audit of the accounts

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

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

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



Ilan Gur

Chief Executive and Accounting Officer

Date: 9 July 2025

Corporate Governance Report continued

Governance Statement

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

This Governance Statement describes how these duties have been carried out by the Accounting Officer and the supporting structure in place in the year. The Accounting Officer ensured that proportionate controls were in place at all times, and that these were applied in a system of effective governance.

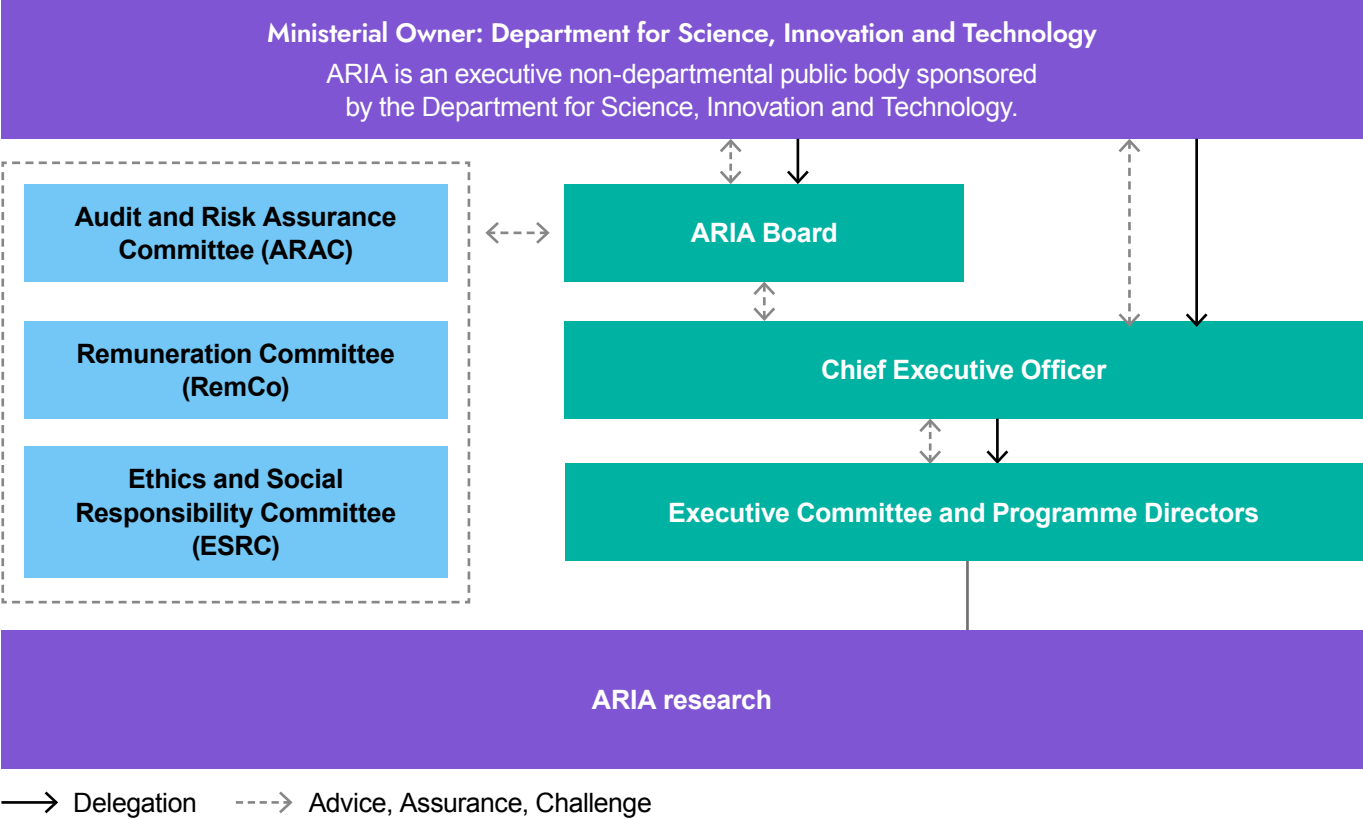
Governance structure

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

Corporate Governance Report continued

Governance Statement

ARIA Governance structure



Corporate Governance Report continued

Governance Statement continued

The Board

The Board is the main body for oversight within ARIA.

The key objectives of the Board are as follows:

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

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

Corporate Governance Report continued

Governance Statement continued

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

Appointee	Role	Sub-committee	Dates served
Matt Clifford	Chair	N/A	Full year
Ilan Gur	Chief Executive	N/A	Full year
Dame Kate Bingham	Non-Executive Director	RemCo (Chair)	Full year
Stephen Cohen	Non-Executive Director	ARAC (Chair)	Full year
Sarah Hunter	Non-Executive Director	ESRC (Chair) RemCo	Full year
Sir David MacMillan	Non-Executive Director	ESRC	Full year
Sir Patrick Vallance*	Non-Executive Director	ARAC ESRC	01 April 2024– 5 July 2024
Dame Angela McLean	Non-Executive Director	N/A	Full year
Antonia Jenkinson	Chief Finance & Operating Officer	N/A	Full year
Pippy James	Chief Product Officer	N/A	Full year
Dan Cole	Interim Chief of Staff	N/A	Full year
Independent member		Sub-committee	Dates served
Sue Hunt	Sub-committee Independent Member	ARAC	Full year

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

Corporate Governance Report continued

Governance Statement continued

During the year, the Board held four regular Board meetings. The key areas of focus for the Board during the year included:

- development of ARIA strategy and its performance against strategic OKRs;
- R&D Programme updates, new initiatives, the commercial and funding operating model, and budgets;
- ethical and social responsibility considerations;
- people updates, Director recruitment and EDI strategy;
- financial performance, internal and external audit results, and risk management;
- information security and cyber protection; and
- the Board, and its committees', Terms of Reference, and effectiveness.

Conflicts of interest

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

Corporate Governance Report continued

Governance Statement continued

Board effectiveness

ARIA's second effectiveness review of the Board was completed in March 2025, following the first review in 2024. The results were that the Board and its Committees effectively: perform high-quality reviews of ARIA's strategy and its implementation; monitor the agency's optimisation of risk in line with the ARIA Act, while maintaining effective governance, risk management and internal controls; ensure effective stewardship of ARIA's funding; and, provide the appropriate balance of challenge and support to the Executive Team. The sole improvement identified was to elevate the detail presented to the Board on value-generating milestones for each programme and Activation Partner, enabling better portfolio-level risk optimisation.

Audit and Risk Assurance Committee

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

The ARAC met three times during the year to review ARIA's performance, the framework for assessing and managing controls, fraud and risk, and the appointment of internal and external auditors.

Corporate Governance Report continued

Governance Statement continued

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

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

Remuneration Committee

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

The RemCo also approves the performance-related pay scheme and other remuneration and people-related policies and issues. The RemCo met three times during the year.

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

Corporate Governance Report continued

Governance Statement continued

Ethics and Social Responsibility Committee

The Ethics and Social Responsibility Committee (ESRC) supports the Board and the Chief Executive by providing additional oversight on issues related to ethics and social responsibility. The ESRC met once during the year, and its responsibilities include reviewing and sharing recommendations on the ethical and social responsibility aspects of ARIA's programmes and other funding.

This year, we have also brought on our first set of ESR Advisors, external experts who can be drawn on to advise our programme directors and our strategic approach to ESR more broadly, including being invited to contribute to the ESR Committee, providing an additional mechanism for accessing expert advice and surfacing key issues.

Corporate Governance Report continued

Governance Statement continued

Board and Committee attendance for the year to 31 March 2025:

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

* Interim member of ARAC who joined partway through the year, and attended all meetings held during their tenure.

Corporate Governance Report continued

Governance Statement continued

Executive Team

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

Executive Team member	Position
Ilan Gur	Chief Executive
Antonia Jackson	Chief Financial & Operating Officer
Pippy James	Chief Product Officer
Dan Cole	Chief of Staff

Risk management

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

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

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

Risk strategy

ARIA has been established to be a ‘high risk, high reward’ research funding agency. This risk appetite relates to its strategic delivery and scientific programmes (and underlying projects); there is a lower risk tolerance to operational and reputational matters, and a low risk tolerance to legal compliance, safety, environmental harm and any form of financial misconduct (see overleaf for details). ARIA will assess and closely monitor technical and programmatic risks post Programme Approval, while ensuring risk-related opportunities are fully explored.

Risk management continued

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

Risk appetite

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

High risk

Strategic delivery

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

Expected programme and project results

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

Medium risk

Budgeting

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

Commercial

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

Communications

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

Reputational risk

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

Risk management continued

Low risk				
Health and Safety	Security	Financial	Compliance with legislation	Protection of the environment
The Health and Safety of all people (employees, contractors, visitors or members of the public) is paramount, and ARIA will mitigate these risks in line with all applicable legislation, taking into account shared best practice with similar research organisations.	ARIA will be an outward-facing Intellectual Property (IP) generating public sector research organisation that works in an international arena and is subject to security threats. ARIA will manage cyber, personnel and building security by continually monitoring these respective policies, processes, training and systems.	ARIA will operate robust financial control systems to protect against fraud and other financial losses. ARIA will endeavour to minimise risks of fraud associated with financial transactions.	ARIA will operate strictly in accordance with all laws at all times. Any non-compliances identified will be addressed as soon as is reasonably practicable.	ARIA will not take significant risks with regards to damage to the environment.

Risk management continued

Accountability and responsibility framework for risk management

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

Key strategic and operational risks

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

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

Risk management continued

ARIA's current top strategic and operational risks are:

Risk description	Risk areas (primary and secondary)	Mitigations enacted	Risk appetite	Latest risk movement
Top three strategic risks				
Failure to maintain risk optimised culture	Team and Culture Focus Operational Excellence	<ul style="list-style-type: none"> Ensure that the culture and awareness of ARIA's unique risk appetite pervades the organisation at all times Feedback mechanisms for anyone in the organisation to challenge why we do what we do 	High	↑
Failure to attract diverse talent	Trust with stakeholders Focus Team and culture	<ul style="list-style-type: none"> Diversity considerations built into all aspects of programme lifecycle and wider engagement Key diversity metric added as a Strategic Operational Key Result 	Medium	→
Maintaining budget flexibilities due to uncertain nature of research	Operational Excellence Trust with stakeholders Team and culture Focus	<ul style="list-style-type: none"> Working closely with government sponsors to maintain flexibilities set out in ARIA's delegation letter 	Low	→
Top three operational risks				
Cyber attack/ malicious action from internal or external party	Safety and Security Operational Excellence	<ul style="list-style-type: none"> Cyber Essentials Plus accreditations renewed and NCSS Cyber Assessment Framework completed Security measures embedded across all of ARIA's policies, processes and training 	Low	→
Serious internal data incident/mistake	Safety and Security Trust with Stakeholders Operational Excellence	<ul style="list-style-type: none"> Information security and data incident process, plans and training in place System-based safety measures in place 	Low	→
Difficulties in recruiting talent within Programmes	Operational Excellence	<ul style="list-style-type: none"> Support creators in attracting top talent by enabling the initiation of recruitment at early stages 	Medium	New

↑ Upwards → Steady/stable New New risk

Assurance

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

Counter fraud, anti-bribery and anti-corruption

ARIA is committed to maintaining the highest standards in counter fraud, anti-bribery and anti-corruption measures, ensuring that public funds are protected, while fostering an innovative and high risk, high reward research environment. Over the past year, ARIA has taken significant strides in strengthening its counter fraud framework, further embedding robust policies and aligning with best practice.

ARIA's recent counter fraud internal audit reflected positively on our approach, acknowledging the strong foundations we have put in place to prevent, detect, and respond to fraud risks. The audit identified just one medium-priority action and five low-priority actions, demonstrating that ARIA's counter fraud framework is fundamentally sound and well aligned with best practices.

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

Assurance continued

Internal audit

Forvis Mazars provides ARIA's internal audit services. The internal audit plan for 2024/25 comprised a risk-based programme of work across a range of key control areas. The ARAC receives reports from the internal audit provider on the progress of its audits, final internal audit reports, including ARIA's management response to the findings (where appropriate) and the progress made in addressing any issues identified during the audits.

During the year to 31 March 2025, five internal audit reports were issued. The ratings of each of these reports, and the action points along with their priority levels, are detailed below.

Control area	Assurance given	No. of audit actions
Key IT Controls	Substantial	2 low priority
Programme Approval Process	Substantial	1 low priority
Risk Optimisation	Substantial	1 low priority
Counter Fraud	Moderate	5 low priority, 1 medium priority
Core Systems	Substantial	2 low priority

Substantial Assurance: The framework of governance, risk management and control is adequate and effective.

Moderate Assurance: Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

Assurance continued

Limited Assurance: There are significant weaknesses in the framework of governance, risk management and control such that it could be, or could become, inadequate and ineffective.

Unsatisfactory Assurance: There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.

As at 31 March 2025, five internal audit actions were completed, with seven not yet due for completion. No actions were past due. The overall opinion on the design of the framework of governance, risk management, and control was Substantial in its overall adequacy and effectiveness.

All actions relating to internal audits conducted in 2023/24 were completed, with no actions past due.

Government Functional Standards

ARIA is required to have regard to the Government Functional Standards (GovS) as appropriate. The three noted in ARIA's Framework Agreement are:

- Government Functional Standard GovS 007: Security
- Government Functional Standard GovS 013: Counter Fraud
- Government Functional Standard GovS 015: Grants

In particular, ARIA is implementing the requirements of GovS 013: Counter Fraud.

Assurance continued

Health and Safety

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

ARIA conducts regular six-weekly Health and Safety review meetings, which monitors the level of incidents during the year, examines training statistics and DSE referrals, and updates the Health and Safety risk log with any related mitigations. An update to ARIA's Working Location Policy was made during the year, providing an allowance for home office equipment to ARIA users and facilitating Health and Safety best practice. Several ARIA staff members have received first aid training and are acting as designated first aiders for the office. We have also expanded our contingent of mental health first aiders. Fire Marshals have been established to ensure that all ARIA staff, operating partners, contractors and visitors are safely evacuated from the office

Assurance continued

premises in the event of a fire, after which Fora's general evacuation process becomes active. Health and Safety risk assessments have been completed for both of ARIA's office facilities. Regular Health and Safety inspections are conducted in order to proactively identify and resolve any risks. There were no reportable injuries during the year.

Information security

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

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

Assurance continued

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

During the year, ARIA passed its IT Security Controls Audit and achieved recertification in Cyber Essentials Plus. The rigorous certification process involved a thorough audit of our technical controls, ensuring we meet the recognised standard in the following key areas: access control, firewalls and routers, malware protection, secure configuration, and software updates. The auditors inspected a range of devices and simulated various attack scenarios to test ARIA's cyber security resilience. This further demonstrates ARIA's commitment to robust cybersecurity practices.

Assurance continued

Data protection

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

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

Whistleblowing

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

Remuneration and Staff Report

Remuneration policy

ARIA maintains fairness and transparency in all aspects of remuneration, with appointments made on merit on the basis of fair and open competition. All recruitment policies and processes are overseen and approved by the RemCo.

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

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

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

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

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

Remuneration and Staff Report continued

Service contracts

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

The Chief Executive is on a four-year fixed-term contract that will be reviewed when it approaches expiry in 2026/27. The other Executive Directors are on open-ended appointments.

The notice period for the Chief Executive, Chief Financial and Operating Officer, and Chief Product Officer is three months and one month for other Executive Directors. Each Executive Director remained in post for the entirety of the year to 31 March 2025.

Remuneration — audited information

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

Remuneration and Staff Report continued

Annual values — for the year ended 31 March 2025

Name	Salary & allowances in bands of £5,000	Performance-related pay in bands of £5,000	Pension benefits to nearest £1,000	Total remuneration in bands of £5,000
Ilan Gur* Chief Executive	385—390	40—45	19	455—460
Antonia Jenkinson Chief Finance & Operating Officer	180—185	20—25	9	215—220
Pippy James Chief Product Officer	190—195	20—25	9	225—230
Dan Cole Chief of Staff	140—145	15—20	7	165—170

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

Annual values — for the 12 months to 31 March 2024

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

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

Remuneration and Staff Report continued

Salary

Salary includes gross salary and travel allowances.

Performance-related pay

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

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

PRPs reflect performance levels attained as assessed during the appraisal process. Payments are non-consolidated and non-pensionable. Amounts shown are estimated and accrued, and will be paid in 2025/26.

Pension benefits

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

Benefits in kind

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

Remuneration and Staff Report continued

Expenses

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

Fair pay disclosure — audited information

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

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

There are no non-salary components in the total remuneration figures disclosed in the following table for the median, 25th percentile and 75th percentile.

Remuneration and Staff Report continued

	Remuneration banding	Total remuneration	Ratio to highest-paid Director's remuneration	Salary component
Year ended 31 March 2025	Highest-paid Director	£430,000 — £435,000		£380,000 — £385,000
	75th centile employee	£140,000	3.1:1	£127,050
	Median employee	£90,000	4.8:1	£90,000
	25th centile employee	£70,088	6.2:1	£63,000
	Remuneration range	£50,000 — £55,000 to £430,000 — £435,000		£50,000 — £55,000 to £380,000 — £385,000
Year ended 31 March 2024	Highest-paid Director	£435,000 — £440,000		£380,000 — £385,000
	75th centile employee	£138,875	3.2:1	£123,750
	Median employee	£103,750	4.2:1	£94,500
	25th centile employee	£73,500	6.0:1	£66,000
	Remuneration range	£57,000 — £57,500 to £435,000 — £440,000		£45,000 — £50,000 to £380,000 — £385,000
Percentage change	Highest-paid Director	(1.1%)		0.0%
	75th centile employee	0.8%		2.7%
	Median employee	(13.3%)		(4.8%)
	25th centile employee	(4.6%)		(4.5%)

In 2024/25, no employees received remuneration in excess of the highest-paid Director.

Annualised salaries and allowances had an average of £94,893 in 2024/25, which is a 5.4% decrease (2023/24: £100,266). Annualised performance-related pay had an average of £7,252, which is a 22.4% decrease (2023/24: £9,345).

These decreases reflect the recruitment of junior personnel to support the agency's scaling efforts during the year.

Remuneration and Staff Report continued

Pension benefits

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

For the year ending 31 March 2025, employer contributions of £203k (year ending 31 March 2024: £98k; period ending 31 March 2024: £104k) were paid.

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

Life assurance

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

Remuneration and Staff Report continued

Remuneration of the Board and independent member — audited information

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

Below are the annual fees paid to the Non-Executive Board members and the independent member in the year to 31 March 2025.

	Year ended 31 March 2025 in bands of £5,000	Full-year equivalent to 31 March 2024 in bands of £5,000
Matthew Clifford	25—30	25—30
Stephen Cohen	15—20	15—20
Sarah Hunter	15—20	10—15
Sir David MacMillan	5—10	10—15
Sue Hunt	5—10	5—10
Sir Patrick Vallance	0—5	10—15
Dame Angela McLean	—	—
Dame Kate Bingham	—	—

Staff report

Staff numbers — audited information

The FTE number of persons at 31 March 2025 was as follows:

Category of staff	As at 31 March 2025	As at 31 March 2024
Permanent	32.9	25.0
Fixed-term	12.8	5.6
Seconded	3.8	3.2
Temporary/Contractors	0.8	2.0
Total staff	50.3	35.8

Remuneration and Staff Report continued

The average number of FTE staff during the year to 31 March 2025 was as follows:

Staff	1 April 2024 to 31 March 2025	1 April 2023 to 31 March 2024
Permanent	28.6	11.2
Fixed-term	9.5	5.5
Secondees	3.5	5.0
Temporary/Contractors	1.1	3.6
Total	42.7	25.3

The number of staff-in-post (headcount) by gender as at 31 March 2025 was as follows:

Staff	As at 31 March 2025				As at 31 March 2024			
	Male	Female	Non- binary	Total	Male	Female	Non- binary	Total
Executive members of the Board	2	2	—	4	2	2	—	4
Directors (excluding executive members of the Board)	2	3	—	5	2	2	—	4
Other	16	26	2	44	10	17	2	29
Total staff	20	31	2	53	14	21	2	37
Non-Executive Directors of the Board and its Committees	2	4	—	6	4	4	—	8

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

Early departure costs — audited information

There were no early departures in 2024/25.

Remuneration and Staff Report continued

Staff costs — audited information

Staff costs consists of the following:

	1 April 2024 to 31 March 2025			1 April 2023 to 31 March 2024		
	Permanently employed staff £000	Others £000	Total £000	Permanently employed staff £000	Others £000	Total £000
Wages and salaries	3,128	2,443	5,572	1,249	1,887	3,136
Social security costs	403	169	573	156	168	324
Pension costs	140	63	203	52	118	170
Total	3,672	2,676	6,347	1,457	2,173	3,630
Non-Executive Director fees	—	—	88	—	—	93
Total staff costs	3,672	2,676	6,435	1,457	2,173	3,723

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

Staff turnover

During 2024/25, staff turnover (including the conclusion of fixed-term contracts and secondments) was 7.5% (2023/24: 0%).

Sickness absence data

The total FTE days lost through staff sickness absence in the year was 74.5 (2023/24: 15.5). The average working days lost per employee during the year was 1.7 FTE (2023/24: 0.53 FTE); these were all short-term sickness absences of five days or less.

Remuneration and Staff Report continued

Off-payroll engagements

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

	As at 31 March 2025	As at 31 March 2024
Highly paid off-payroll worker engagements earning £245 per day or greater		
Number of existing engagements as at 31 March 2025	1	1
Of which, number that have existed:		
Less than one year	1	1
Between one and two years	—	—

	Year ended 31 March 2025	Reporting period ended 31 March 2024
All highly paid off-payroll workers engaged at any point during the year, earning £245 per day or greater at ARIA		
No. of all off-payroll workers engaged during the reporting period ended 31 March 2025	4	7
Of which, not subject to off-payroll legislation	—	—
Of which, subject to off-payroll legislation and determined as in-scope of IR35	1	1
Of which, subject to off-payroll legislation and determined as out-of-scope of IR35	3	6
No. of engagements reassessed for compliance or assurance purposes during the reporting period	—	—
Of which, no. of engagements that saw a change to IR35 status following review	—	—

Parliamentary Accountability and Audit Report

Expenditure on consultancy

Expenditure on consultancy in the year ended 31 March 2025 was £30.6k (2023–24: £684k). This expenditure primarily relates to advice on metrics.

Regularity of expenditure — audited information

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

Losses and special payments — audited information

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

Remote contingent liabilities — audited information

In addition to contingent liabilities reported within the meaning of IAS 37, Provisions, Contingent Liabilities and Contingent Assets, ARIA discloses, for parliamentary reporting and accountability purposes, liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of a contingent liability. As at 31 March 2025, there are nil to report.

Parliamentary Accountability and Audit Report continued

Audit fees — audited information

The accounts of ARIA are audited by the Comptroller and Auditor General under the ARIA Act 2022. The audit fee charged was £63,000. The auditors did not provide any non-audit services.

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



Ilan Gur

Chief Executive and Accounting Officer

Date: 9 July 2025

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

Opinion on Financial Statements

I certify that I have audited the Financial Statements of the Advanced Research and Invention Agency for the year ended 31 March 2025 under the Advanced Research and Invention Agency Act 2022.

The Financial Statements comprise the Advanced Research and Invention Agency's:

- Statement of Financial Position as at 31 March 2025;
- 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-adapted accounting standards.

In my opinion, the Financial Statements:

- give a true and fair view of the state of the Advanced Research and Invention Agency's affairs as at 31 March 2025 and comprehensive net expenditure for the year then ended; and
- have been properly prepared in accordance with the Advanced Research and Invention Agency Act 2022 and Secretary of State directions issued thereunder.

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

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 (2024). 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 2024. I am independent of the Advanced Research and Invention Agency in accordance with the ethical requirements that are relevant to my audit of the Financial Statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

Conclusions relating to going concern

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Advanced Research and Invention Agency's ability to continue as a going concern for a period of at least 12 months from when the Financial Statements are authorised for issue.

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

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

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

Other information

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

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

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

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

I have nothing to report in this regard.

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

Opinion on other matters

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

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Advanced Research and Invention Agency Act 2022; and
- the information given in the Performance 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 Advanced Research and Invention Agency and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

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

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

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

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

Responsibilities of the Accounting Officer for the Financial Statements

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

- maintaining proper accounting records;
- providing the The Certificate and Report of the Comptroller and Auditor General (C&AG) with access to all information of which management is aware that is relevant to the preparation of the Financial Statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Advanced Research and Invention Agency from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of Financial Statements to be free from material misstatement, whether due to fraud or error;
- preparing Financial Statements which give a true and fair view in accordance with Secretary of State directions issued under the Advanced Research and Invention Agency Act 2022;

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

- preparing the Annual Report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the Advanced Research and Invention Agency Act 2022; and
- assessing the Advanced Research and Invention Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Advanced Research and Invention Agency will not continue to be provided in the future.

Auditor's responsibilities for the audit of the Financial Statements

My responsibility is to audit, certify and report on the Financial Statements in accordance with the Advanced Research and Invention Agency Act 2022.

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

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

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 Advanced Research and Invention Agency's accounting policies;

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

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

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

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

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

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

Audit response to identified risk

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

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

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

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

A further description of my responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

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

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

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

Report

I have no observations to make on these
Financial Statements.

Gareth Davies

Comptroller and Auditor General

Date: 9 July 2025

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

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Financial Statements

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Statement of Comprehensive Net Expenditure

for the year ended 31 March 2025

		Year ended 31 March 2025 £000	Reporting period ended 31 March 2024 £000
	Note		
Staff costs	2	6,435	4,138
Other operating expenditure	3	7,716	4,408
Research and development expenditure	4	16,517	—
Depreciation and loss on disposal	5	57	30
Net operating expenditure		30,725	8,576
Finance income		—	—
Finance expense		—	—
Comprehensive net expenditure for the year		30,725	8,576

The notes on pages 107 to 122 form part of these Financial Statements.

Statement of Financial Position

as at 31 March 2025

	Note	31 March 2025 £000	31 March 2024 £000
Non-current assets			
Property, plant and equipment	5	186	96
Total non-current assets		186	96
Current assets			
Trade and other receivables	6	1,919	169
Cash and cash equivalents	7	10,363	1,726
Total current assets		12,282	1,895
Total assets		12,468	1,991
Current liabilities			
Trade and other payables	8	(10,894)	(1,192)
Total current liabilities		(10,894)	(1,192)
Total assets less current liabilities		1,574	799
Taxpayers' equity and other reserves			
General fund		(1,574)	(799)
Total equity		(1,574)	(799)

The notes on pages 107 to 122 form part of these Financial Statements.



Ilan Gur

Chief Executive and Accounting Officer

Date: 9 July 2025

Statement of Cash Flows

for the year ended 31 March 2025

		Year ended 31 March 2025 £000	Reporting period ended 31 March 2024 £000
	Note		
Cash flows from operating activities			
Total comprehensive net expenditure		(30,725)	(8,576)
Adjustments for non-cash items:			
(Increase)/Decrease in trade and other receivables	6	(1,750)	(169)
Increase/(Decrease) in trade and other payables	8	9,701	1,192
Depreciation	5	56	29
Loss on disposal of non-current assets	5	2	1
Net cash inflow/(outflow) from operating activities		(22,716)	(7,523)
Cash flows from investing activities			
Purchase of fixed assets	5	(147)	(126)
Net cash inflow/(outflow) from investing activities		(147)	(126)
Cash flows from financing activities			
Grant in Aid received from sponsoring department		31,500	9,375
Net cash inflow/(outflow) from financing activities		31,500	9,375
Net (decrease)/increase in cash and cash equivalents		8,637	1,726
Cash and cash equivalents at the beginning of the year		1,726	—
Cash and cash equivalents at the end of the year	7	10,363	1,726

The notes on pages 107 to 122 form part of these Financial Statements.

Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2025

	General reserve £000	Total reserves £000
Balance at 1 April 2024	(799)	(799)
Grant in Aid from DSIT	(31,500)	(31,500)
Net expenditure for the period	30,725	30,725
Balance at 31 March 2025	(1,574)	(1,574)
Balance at 23 January 2023	—	—
Grant in Aid from DSIT	(9,375)	(9,375)
Net expenditure for the period	8,576	8,576
Balance at 31 March 2024	(799)	(799)

The notes on pages 107 to 122 form part of these Financial Statements.

Notes to the Financial Statements

1. Statement of Accounting Policies

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

1.1 Basis of accounting

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

The Financial Statements are prepared in sterling and rounded to the nearest £000.

1.2 Grant in Aid

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

Notes to the Financial Statements

continued

1.3 Plant and equipment

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

1.4 Depreciation

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

Asset class	Useful life
Computer equipment	3 years
Fixtures and fittings	3 years
AV/IT equipment	3 years

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

1.5 Leased assets

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

Notes to the Financial Statements

continued

1.5 Leased assets continued

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

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

1.6 Grants payable

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

1.7 IFRS 17 Insurance contracts

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

Notes to the Financial Statements

continued

1.8 Value-added tax

ARIA is not registered for value-added tax (VAT) as it does not provide taxable supplies. All expenses are therefore presented inclusive of VAT.

1.9 Currency

The functional and presentational currency of ARIA is sterling.

1.10 Pensions

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

1.11 Cash and cash equivalents

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

The carrying amount of these assets approximates their fair value.

Notes to the Financial Statements

continued

1.12 Trade and other payables

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

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

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

1.13 Provisions

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

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

Notes to the Financial Statements

continued

1.14 Foreign exchange

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

1.15 Segmental analysis

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

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

1.16 Corporation tax

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

Notes to the Financial Statements

continued

1.17 Critical accounting estimates and judgements

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

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

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

Notes to the Financial Statements continued

1.18 Financial instruments

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

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

1.19 Accounting periods and presentation of Financial Statements

ARIA was established through the ARIA Act 2022. On the basis of Schedule 1, section 18 of the Act, the first accounting period was from the date on which ARIA was established (25 January 2023) and ending with the second 31 March following that date (31 March 2024). This extended accounting period of 15 months has been presented as prior-year comparatives against the figures for the 2024/25 financial year. The inclusion of the initial three months in the comparatives does not materially affect the interpretation of the Financial Statements, as limited costs were incurred during this period.

Notes to the Financial Statements

continued

Research funding

2. Staff costs

	Permanently employed staff £000	Other £000	Year ended 31 March 2025 £000	Permanently employed staff £000	Other £000	Reporting period ended 31 March 2024 £000
Wages and salaries	3,128	2,443	5,572	1,290	2,192	3,482
Social security costs	403	169	573	160	191	351
Other pension costs	140	63	203	53	144	197
Total	3,672	2,676	6,347	1,503	2,527	4,030
Non-Executive Director fees	—	—	88	—	—	108
Total staff costs	3,672	2,676	6,435	1,503	2,527	4,138

3. Other operating costs

	Year to 31 March 2025 £000	Reporting period ended 31 March 2024 £000
HR, training and recruitment costs	427	637
Legal and professional costs	409	450
IT costs	974	791
Rent and building costs	1,277	580
Engagement and communications costs*	1,686	988
Programme management costs**	1,465	603
Travel and subsistence costs	459	139
Programme development costs	872	120
External audit fees	63	60
Internal audit fees	84	40
Total spend	7,716	4,408

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

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

Notes to the Financial Statements

continued

4. Research and Development Expenditure

	Year to 31 March 2025 £000	Reporting period ended 31 March 2024 £000
Future Proofing Our Climate and Weather	—	—
Mathematics for Safe AI	2,323	—
Nature Computes Better	6,496	—
Programmable Plants	—	—
Scalable Neural Interfaces	1,698	—
Scoping our Planet	1,211	—
Smarter Robot Bodies	1,476	—
Total Opportunity Spaces Expenditure	13,204	—
Activation Partners	3,286	—
Other	27	—
Total Research and Development Expenditure	16,517	—

5. Property, plant and equipment

	Fixtures and fittings £000	Computer equipment £000	Total £000
As at 31 March 2025			
Cost			
At 1 April 2024	1	123	124
Additions	59	87	147
Disposals	—	(2)	(2)
At 31 March 2025	60	208	269
Depreciation			
At 1 April 2024	—	(28)	(28)
Charged in year	(9)	(47)	(56)
Disposals	—	1	1
At 31 March 2025	(9)	(74)	(83)
Carrying amount at 31 March 2025	51	134	186

Notes to the Financial Statements

continued

5. Property, plant and equipment continued

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

6. Trade and other receivables

	31 March 2025 £000	31 March 2024 £000
Prepayments	1,097	165
Deposits	822	4
Total receivables	1,919	169

Prepayments predominantly consist of prepaid license to occupy, event costs, and software licenses.

Notes to the Financial Statements

continued

7. Cash and cash equivalents

	31 March 2025 £000
Balance at 31 March 2024	1,726
Net change in cash and cash equivalent balances	8,637
Balance at 31 March 2025	10,363
The following balances were held at 31 March:	
Government banking service	10,363
Total cash and cash equivalents	10,363

	31 March 2024 £000
Balance at 23 January 2023	—
Net change in cash and cash equivalent balances	1,726
Balance at 31 March 2024	1,726
The following balances were held at 31 March:	
Government banking service	1,726
Total cash and cash equivalents	1,726

Notes to the Financial Statements

continued

8. Trade and other payables

	31 March 2025 £000	31 March 2024 £000
Trade payables	613	71
Accruals	1,157	957
Grant accruals	8,924	—
Social security and other taxation	170	155
Other payables	30	9
Total trade and other payables	10,894	1,192

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

The grant accrual is based on participants' verified expenditure claims, ensuring only eligible and incurred costs are recognised. Payments are made in arrears, contingent on grantee performance. As at 31 March 2025, the grant accrual was £8.9m (31 March 2024: £nil). ARIA considers the carrying amount of trade and other payables approximates to their fair value.

Notes to the Financial Statements

continued

9. Commitments

Capital commitments

ARIA has no contractual capital commitments as at 31 March 2025.

Research and development commitments

ARIA has multi-year contractual obligations for research and development expenditure. As of 31 March 2025, ARIA has signed research and development funding agreements totalling £295m. These agreements contain a 60-day break clause, allowing ARIA to terminate future payments with notice. The below table excludes any research and development expenditure to date.

While these agreements are not considered to be ‘non-cancellable’ as per the criteria of FReM 7.6.16, these commitments have been disclosed to provide a more complete view of ARIA’s financial position given the material sums involved.

	31 March 2025 £000	31 March 2024 £000
By time		
Not later than one year	111,263	—
Later than one year, but not later than five years	166,884	—
Later than five years	—	—
Total research and development commitments	278,148	—

Notes to the Financial Statements continued

9. Commitments continued

Other financial commitments

ARIA has entered into non-cancellable contracts, which are not leases or PFI contracts or other service concession arrangements, for a license to occupy, and event space hire. The total payments to which ARIA is committed are as follows.

	31 March 2025 £000	31 March 2024 £000
Non-cancellable contracts		
Not later than one year	2,349	—
Later than one year, but not later than five years	2,516	—
Later than five years	—	—
Total	4,865	—

10. Contingent assets and liabilities

ARIA has no contingent assets or liabilities.

Notes to the Financial Statements

continued

11. Related party transactions

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

During the year, ARIA had a few material transactions with DSIT within the DSIT group, including Innovate UK. These transactions primarily relate to information technology services and personnel on secondment. In accordance with the FReM IAS24 Related Party Disclosures interpretation, details of these transactions are not disclosed.

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

12. Events after the reporting period

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

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Advanced
Research
+ Invention
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ARIA