



Annual Report + Accounts 2025—26

Advanced Research and Invention Agency Annual Report and Accounts 2025—26

for the year from 1 April 2025 to 31 March 2026

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

Ordered by the House of Commons to be printed on 15 July 2026.



© Advanced Research and Invention Agency copyright 2026

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit www.nationalarchives.gov.uk/doc/open-government-licence/version/3.

Where we have identified any third-party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.gov.uk/official-documents.

Any enquiries regarding this publication should be sent to us at info@aria.org.uk.

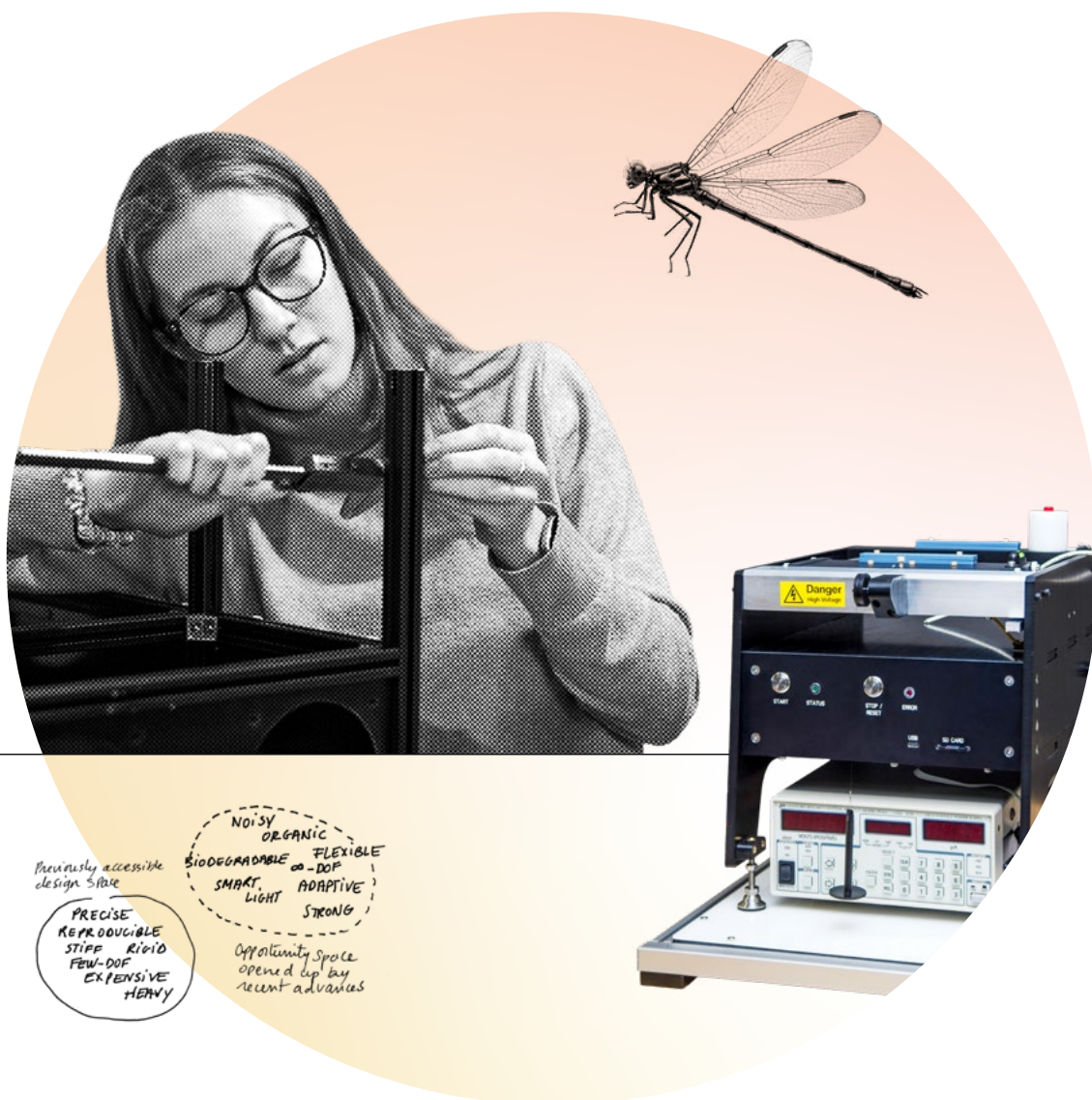
ISBN: 978-1-5286-6655-8

E03606571 07/26

Printed on paper containing 40% recycled fibre content minimum. Printed in the UK by HH Associates Ltd on behalf of the Controller of His Majesty's Stationery Office.

Contents

1	Introduction	4	3	Accountability Report	26
	Chair's letter	5		Corporate Governance Report	27
	Chief Executive's Statement	6		Risk management	35
				Assurance	39
2	Performance Report	7		Remuneration and Staff Report	41
	About ARIA	8		Parliamentary Accountability and Audit Report	47
	Highlights	8		The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament	48
	The Board	10			
	The Executive Team	11			
	External advisors	13	4	Financial Statements	52
	Performance analysis	14		Statement of Comprehensive Net Expenditure	53
	Our opportunity spaces	17		Statement of Financial Position	54
	Activation Partners	21		Statement of Cash Flows	55
	Our people and culture	23		Statement of Changes in Taxpayers' Equity	56
	Sustainability Report	24		Notes to the Financial Statements	57



1 Introduction

Chair's letter

5

Chief Executive's Statement6

Chair's letter



"Three years in, ARIA is picking up momentum."

ARIA exists to make breakthroughs that matter for the UK. We back ideas with extraordinary potential, especially in areas where risk and uncertainty is high. Three years in, we're out of our startup phase. We have a growing portfolio of programmes — matched by a growing optimism about what we, and the UK, can achieve.

The UK has deep scientific and technical strength, thanks to the country's world-class talent and institutions. ARIA's contribution is to use our unusual structure, freedoms and culture to help unlock the UK's full potential as a technology powerhouse.

Our first task was to build ARIA's foundations. Since our establishment three years ago, the agency has assembled an outstanding team, put the right governance in place, and built a culture where people can pursue bold ideas with discipline. I'm proud of the work the team has done to make this happen.

We're now in a new phase, where our focus is delivering programmes and scaling their impact in the world. We're learning all the time. We've doubled down where technical progress and community response suggest we're on to something big and we've pivoted where the evidence pointed us in a different direction. In areas such as artificial intelligence (AI), where technology progress is proving extraordinarily fast, we've made bold revisions so that our programmes keep pace with the frontier, while staying true to their original intent.

That ability to learn quickly and act decisively is vital to ARIA's success.

For ARIA, maturity does not mean caution. Our risk appetite remains high, as the ARIA Act mandates. We aim to match this with rigour and responsibility. Our Programme Directors need the freedom to scale success quickly — but also to stop

projects and redirect funding when things don't work out. For me, this is the essence of good stewardship of public money in a domain where risk and reward are both unusually high. One of the Board's most important jobs is to maintain and support that risk appetite, while scrutinising how and why we deploy the funds we do to the standard expected of a public body.

We are committed to scaling ARIA's impact.

The government's increased commitment to ARIA through the 2025 Spending Review reflects confidence in our work and the role we play within the UK ecosystem. As the organisation grows, it will be increasingly important that we both protect the agency's boldness and justify the trust that has been placed in us.

We're fortunate to be entering this new phase of ARIA's work with an exceptional new CEO, Kathleen Fisher, who joined us in February. This was a highly competitive selection process, with one of the strongest pools of candidates that I have ever seen: we had hundreds of highly qualified applicants from around the world. This reflects, I think, that ARIA is increasingly recognised internationally as a place where ambitious scientific leaders can do exceptional work.

Kathleen was the standout candidate. Her work as a Programme Manager at DARPA pushed the boundaries of the possible in cybersecurity and later, as an Office Director at DARPA, she led and scaled an ambitious portfolio of programmes with real-world impact. I'm particularly pleased that, at this moment in technological history, we have a CEO with such a bold and positive vision for what AI can do for ARIA, science and the world.

I would also like to thank Ilan Gur, ARIA's founding Chief Executive. Ilan took on ARIA when it was little more than an idea and laid the cultural and operational foundations that have brought the agency to this point of exceptional potential. The foundations he laid have allowed the organisation to make this first major transition smoothly and I'm particularly grateful for the support and encouragement he's provided to Kathleen as she picks up the baton.

Three years in, ARIA is picking up momentum.

Our responsibility is clear: to ensure that the scientific and technological breakthroughs we fund translate into outcomes of real consequence for the UK and its people.

I always like to say that ARIA is the most optimistic corner of the UK. When you hear what our teams and their partners are trying to accomplish — and the talent and dedication they bring to it — it is hard not to feel excited about what we, as a country, can achieve.

A stylized, handwritten signature in black ink, likely belonging to Matt Clifford.

Matt Clifford CBE
Chair

Chief Executive's Statement



"I admired ARIA's ambition long before joining as CEO."

The UK is closer than many realise to shaping the next wave of global scientific progress. The density of talent, the ability to bridge disciplines, and the willingness to try new ways of supporting ambitious science mean the opportunity is ours to seize.

I admired ARIA's ambition long before joining as CEO. Seeing that ambition in action, and the progress the organisation has already made, has only strengthened my belief in its potential.

Today, that ambition is no longer theoretical. Thanks to the work of the people who have built ARIA over the past three years — an exceptional team of Programme Directors, technical experts, operational staff and partners — we have committed over £500m across our programmes. Those programmes now support more than 200 research and development Creator teams from ambitious startups in Glasgow to advanced engineering partners in Sheffield and world-class university labs across the UK.

But ARIA's potential cannot be measured only in programmes launched or funds committed. It lies in how we pursue breakthroughs and the kind of progress that approach can catalyse across the ecosystem.

At its best, ARIA has the capacity to unlock three miracles.

The first is breakthrough science that resets what's possible, not incremental advances but genuine step-changes that redefine what we mean by safe AI or unlock therapies that were previously unimaginable. Many attempts will not succeed, but at the frontier, a well-understood failure is often the most direct path to progress.

The second miracle is societal impact: turning discoveries into new industries, capabilities, and better lives for people across the UK and beyond. Groundbreaking science is essential, but so is clarity about why it matters and who might carry it forward. Our Programme Directors actively steer their programmes, pushing teams to aim for outcomes that redefine what success looks like, not just improve it at the margins. From the outset, each programme is designed with translation in mind, getting breakthroughs to the point where industry, government, or investors can carry them forward with confidence.

The impact of this model is already taking shape.

In February, we doubled down on our Scaling Compute programme and announced £50m to build the Scaling Inference Lab, a national testbed where start-ups can showcase the next generation of AI hardware.

Partnerships are also helping teams move from the lab to capabilities faster. Amodo Design, one of our Activation Partners, applies world-class engineering to help ARIA programmes overcome hardware blockers that can stall frontier research. In one case, a team developing Arctic observation systems moved from concept to a field-ready modular battery prototype in just three months, a journey that under traditional funding routes could have taken up to four years. That tenfold compression of timelines changes what becomes possible.

The third miracle is harder to measure but just as real: a shift in mindset. Breakthrough science changes what we believe is possible. The creation of ARIA and our momentum to date is a statement that the UK will not be a passive observer but an active shaper of the future. In a period often described as pessimistic, ARIA is a deliberate commitment to hope, and to the belief that the best of what science can do for humanity is still ahead of us.

As ARIA enters its fourth year, and my first as CEO, our focus is clear: protect that culture of intelligent risk; be rigorous about translation; and ensure ARIA is deeply connected to others equally committed to shifting the boundaries of what is possible.

Kathleen Fisher
CEO



2 Performance Report

About ARIA	8
Highlights	8
The Board	10
The Executive Team	11
External advisors	13
Performance analysis	14
Our opportunity spaces	17
Activation Partners	21
Our people and culture	23
Sustainability Report	24

About ARIA

This is ARIA's third Annual Report and Accounts and covers the year to 31 March 2026.

ARIA is a research funding and management agency set up to unlock scientific and technological breakthroughs that benefit everyone. ARIA was established as an independent non-departmental public body and is sponsored by the Department for Science, Innovation and Technology.

ARIA's model is Programme Director-led. We back exceptional scientists, engineers, and entrepreneurs with the resources and autonomy to design and run ambitious programmes. This year, we continued to expand ARIA's portfolio across a broader set of opportunity spaces, while strengthening the translation pathways that help bold ideas reach the real world.

Highlights

Key milestones in the year to 31 March 2026



MAY 2025

Inaugural ARIA Summit held
First Cohort 2 opportunity space launched
First seed projects completed

JULY 2025

Collaboration agreement with UK AI Safety Institute signed
Inaugural cohort of Encode: AI for Science Fellows announced

APRIL 2025

Second cohort of Programme Directors joined ARIA
Max Jaderberg, Strive Masiyiwa, and Nick McKeown joined ARIA Board as Non-Executive Directors

JUNE 2025

We welcomed ARIA's first ever Chief Technology Officer, Antony Rowstron
First expansion of an existing opportunity space with a Cohort 2 Programme Director



About ARIA continued

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.

In the year 2025-26, we moved firmly into delivery across our first set of programmes, building momentum whilst learning quickly and deepening our portfolio. In April 2025, our second cohort of Programme Directors came onboard and expanded our reach into new scientific and technological domains, shaping our second set of programmes.

We've actively reshaped our portfolio in response to early learnings across programmes. These changes included pivoting elements of our Safeguarded AI programme to strengthen the technical foundations and tooling needed for future approaches; doubling our investment in our Scaling Compute programme with the creation of the Scaling Inference Lab; and launching a second programme in our Scalable Neural Interfaces opportunity space.

Alongside this activity, we funded rapid experiments to understand the frontiers of AI in science through our AI Scientist call, designed to test the state of the art in AI systems that can plan and run real-world experiments. We funded 12 projects to explore a diverse set of technical approaches, from neurosymbolic models to vision-language systems for robotics.

We also continued to build routes to real-world impact through our Activation Partners, who are strengthening talent pipelines, venture formation, and new translation models across our opportunity spaces. In April 2026, we launched a second call for Activation Partners, with a focus on AI in science.

In February 2026, Kathleen Fisher was appointed CEO, succeeding our founding CEO as we continue to grow and scale our work.



OCTOBER 2025

Funding call for AI Scientists launched

FEBRUARY 2026

We welcomed our new CEO, Kathleen Fisher



SEPTEMBER 2025

Funding call for Innovator Circles launched

Matt Clifford CBE re-appointed as ARIA Chair



DECEMBER 2025

£475m funding committed in under two years

MARCH 2026

A total of eight new programmes approved by year-end, bringing our total number of programmes to 15

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.

Three Non-Executive Directors were appointed to the Board during the financial year: Max Jaderberg, Strive Masiyiwa, and Nick McKeown.

After the financial year-end, Strive Masiyiwa resigned from his position, effective 5 May 2026.



Matt Clifford CBE
Chair

Co-Founder,
Entrepreneur First
and Former 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



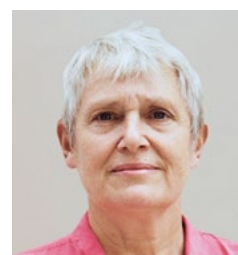
Stephen Cohen
Non-Executive Director

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



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)



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 Executive Team

The Executive Team leads on ARIA's strategy and operations, driving our efforts to turn bold ideas into real-world impact with a blend of startup, non-profit, corporate, and public sector expertise.

We transitioned leadership over the course of the year, with Kathleen Fisher appointed Chief Executive Officer, effective February 2026. She brings deep experience in building mission-driven research portfolios and mobilising the ecosystems needed to deliver them — including leading DARPA's Information Innovation Office, where she oversaw a large portfolio of programmes and programme managers.

Having played a central role in building ARIA since its inception as Chief Product Officer, Pippy James has stepped into the role of Deputy CEO, where she leads across ARIA's research and development (R&D) portfolio — working closely with Programme Directors to develop programmes, overseeing portfolio strategy including Activation Partners, and continuing to evolve the mechanisms that enable ARIA to operate effectively as it moves from set-up into delivery.

We have also strengthened ARIA's leadership in artificial intelligence through the transition of Ant Rowstron from Chief Technology Officer to Chief AI Scientist. This role focuses on how AI can accelerate scientific discovery, supporting programme teams to adopt AI tools and approaches that enable faster and more effective research. As AI becomes increasingly central to breakthrough science, this dedicated leadership is critical to ARIA's success.

As of April 2026, Clara Zabłudowsky has moved into the role of Chief Communications and Engagement Officer, underscoring the increasing importance of communications and engagement in supporting ARIA's next phase.

As ARIA transitions from set-up to delivery, we are evolving our leadership structure to reflect the scale and ambition of our growing portfolio. We are recruiting a Chief Financial Officer and Chief Operating Officer to ensure dedicated leadership for both financial stewardship and operational excellence.

We are also introducing new roles to support our strategic priorities. The Chief Translation Officer will focus on ensuring that ARIA-funded breakthroughs are translated into real-world impact, while the Chief Science and Technology Officer will help maintain technical excellence across an expanding and increasingly complex portfolio.

In addition, we continued to build the wider operating engine that enables ARIA to move at pace. We have strengthened our programme delivery, finance, legal, assurance, communications, and organisational development functions so that our programme teams can focus on backing transformative research, in line with ARIA's mission to unlock breakthroughs that benefit everyone.

ARIA's team totals 86 staff as of 31 March 2026 (see pages 44 and 45 of the Staff Report for further detail), and works closely with outsourced operating partners to enable rapid scaling. Further details can be found in the People and Culture section and Staff Report.

The Executive Team continued



Kathleen Fisher
Chief Executive and
Accounting Officer

Kathleen joined ARIA after leading DARPA's Information Innovation Office, where she oversaw programmes advancing information advantage. In an earlier DARPA tour, she created landmark programmes including HACMS (High-Assurance Cyber Military Systems) and PPAML (Probabilistic Programming for Advancing Machine Learning).

A computer scientist specialising in cybersecurity, formal methods and trustworthy systems, she holds a PhD from Stanford and is an AAAS (American Association for the Advancement of Science) and ACM (Association for Computing Machinery) Fellow.



Pippy James
Deputy CEO

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.



Ant Rowstron
Chief AI Scientist

Ant is a computer scientist, engineer and systems researcher who spent more than two decades at Microsoft, leading teams advancing robotics, AI hardware and distributed systems. His work has been recognised with the ACM EuroSys Lifetime Achievement Award and ACM SIGOPS Mark Weiser Award, and he is a Fellow of the Royal Academy of Engineering.



Dan Cole
Chief of Staff

Dan was previously COO at Accurx, the UK startup integrating NHS care around the patient. During his tenure, Accurx supported 400,000 NHS staff and the care of 50 million patients — including 30 million Covid-19 vaccinations — across 99% of GP practices and 50% of NHS hospitals. Prior to this, Dan worked at the strategy consultancy Bain & Company.



Mike Tsang
Interim Chief
Financial Officer

Mike has led finance functions in high-growth research and mission-driven organisations, and joined ARIA from the Francis Crick Institute, where he scaled the finance team through a period of rapid growth. He previously worked with international NGOs (non-governmental organisations) delivering large-scale health programmes, and began his career in financial services audit.

Board Executive team members as at the end of the year were Kathleen Fisher, Pippy James, Ant Rowstron and Mike Tsang.

External advisors

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



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



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



Sir Demis Hassabis
Founder and CEO,
DeepMind



Hayaatun Sillem
CEO, Royal Academy
of Engineering



Katie Rae
CEO and Managing Partner,
The Engine



Özlem Türeci
Co-founder and Former
Chief Medical Officer of BioNTech



Patrick Collison
Co-founder and CEO,
Stripe



Ilan Gur
Entrepreneur and former
ARIA CEO

Performance analysis

This report outlines our performance against our priorities for the year to 31 March 2026.

Performance against 2025—26 strategic objectives

1. Launch first solicitation for 7 new approved programmes, having met diversity metrics in discovery

ARIA launched first solicitations for 8 new approved programmes, exceeding the target of 7. This expanded ARIA's portfolio significantly, building further depth across existing and new opportunity spaces and creating stronger momentum behind its long-term mission. While the stretch goal on programmes launched was achieved, diversity metrics in discovery were not met in all programmes: six of eight programmes met the gender diversity metric, while three of eight met the geographical metric. Where diversity metrics were not fully met, this reflected marginal shortfalls; ARIA has since strengthened its discovery approach to improve performance in future programmes.

2. Establish our processes + baseline benchmarks for active management at the programme + project level

During the year, ARIA strengthened the systems and processes needed for more active management of a growing and increasingly ambitious portfolio. Annual programme evaluation was introduced to inform judgements on portfolio strength and future strategic investment, while project benchmarking was established to support closer oversight of progress, speed and corrective action. Performance against quarterly reporting was also strong, with 96% of reports responded to within 30 working days, helping embed a more consistent and responsive approach to programme and project management.

3. Deliver ARIA's operations successfully at scale

ARIA continued to deliver its operations strongly as the organisation expanded. Core operational performance remained robust, including prompt payment of Creator invoices, a clean external audit opinion and strong internal assurance results. ARIA also advanced key work on technology and systems, and onboarded the second cohort of Programme Directors, strengthening the organisation's capacity to support a larger and more ambitious portfolio.

Over the course of the year, ARIA awarded and contracted new agreements worth £221m (2024—25: £295m), helping translate strategic ambition into a growing portfolio of funded activity.

The year marked an important transition from initial launch into a phase of greater depth, maturity and confidence, with stronger active management, clearer performance benchmarks and a broader platform for long-term impact. At the same time, ARIA continued to learn and adapt — refining how it balances pace, diversity, operational efficiency and portfolio ambition — while laying the groundwork for an even more systematic approach to translation, adoption and impact in the years ahead.

Financial review

During ARIA's third full year in operation, expenditure increased from £30.7m in 2024—25 to a final outturn of £152.3m in 2025—26.

As a public body, ARIA operates within annual spending limits approved by Parliament through the government Estimates process. These limits are split between Capital Departmental Expenditure Limit (CDEL) and Resource Departmental Expenditure Limit (RDEL). For ARIA, CDEL covers ARIA's R&D activity and the operating costs needed to deliver it; RDEL is limited to non-cash items, principally depreciation and loss on disposal.

For 2025—26, ARIA's authorised spending limit was £183.9m, comprising:

- £183.7m CDEL; and
- £0.2m RDEL.

Performance analysis continued

ARIA's final in-year forecast for 2025-26 expenditure, prepared in January 2026, indicated expected expenditure of around £150m, with an anticipated variance of approximately +/- £15m reflecting delivery uncertainty inherent in ARIA's operating model. Final expenditure for the year was £152.3m.

As an organisation designed to actively manage a high-risk R&D portfolio, ARIA does not seek to maximise expenditure against its authorised spending limit. Funding is adjusted throughout the year in response to technical progress and emerging evidence, including scaling, adapting or stopping programmes as appropriate. This flexibility is an important mechanism for securing value for money by focusing resources on the most promising opportunities.

At 31 March 2026, ARIA had active research and development funding agreements totalling £514.1m (2024/25: £295.0m), providing an indication of the scale of its active multi-year R&D portfolio alongside in-year expenditure. The table below sets out ARIA's authorised spending limit, expected expenditure during the year, and final expenditure.

1 April 2025—31 March 2026

	Authorised spending limit £000s	Expected expenditure £000s	Final expenditure £000s	Variance vs published estimate £000s	Variance vs forecast £000s
CDEL	183,741	150,000	152,139	31,602	(2,139)
RDEL	210	210	121	89	89
Total	183,951	150,210	152,260	31,691	(2,050)

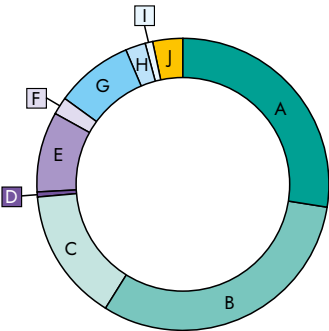
Research and development expenditure totalled £128.5m (84%) of overall expenditure. By comparison, in 2024—25, research and development expenditure was £16.5m (54%). We expect this to increase even further as our opportunity spaces scale and more programmes move into full delivery. Staff costs of £10.4m (2024—25: £6.4m) and other operating expenditure of £13.3m (2024—25: £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

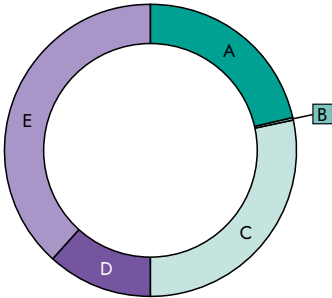
Our staff are predominantly based in a shared London office facility, with a smaller space in Cambridge.

Where and who we funded by value



A	East of England	27.6%	F	Scotland	1.9%
B	London	31.5%	G	South East	8.5%
C	Non-UK*	14.6%	H	South West	2.2%
D	North East	0.7%	I	West Midlands	1.0%
E	North West	8.9%	J	Yorkshire and the Humber	3.1%

* Non-UK countries comprise of Australia, France, Germany, India, Indonesia, Ireland, Italy, Japan, Mali, Netherlands, Pakistan, Phillippines, Spain, Switzerland, Uruguay, USA.



A	Company*	21.4%
B	Individual	0.3%
C	Not for profit	28.5%
D	Public sector organisation	11.5%
E	University	38.3%

* Of the funding awarded to companies, 85.0% was to SMEs.

This graph represents ARIA's total research and development funding awarded by value, from 1 April 2025 to 31 March 2026.

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 (Department for Science, Innovation and Technology). Approval of Grant in Aid for 2026—27 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

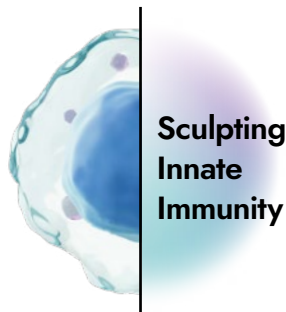
During 2025–26, we published a new set of opportunity spaces defined by our second cohort of Programme Directors. Opportunity spaces are critically important but underexplored areas of research that we believe are ripe for breakthroughs. They each serve as a bedrock for multi-year programmes led by our Programme Directors, as well as additional flares of seed funding to support researchers pursuing bold ideas. Our new opportunity spaces are listed below, as well as existing spaces in which an additional programme has been built, deepening the portfolio where early signals suggested exceptional promise. For further information, or to see a full list of our opportunity spaces, please visit our website.

New opportunity spaces

 Manufacturing Abundance	Ages of human history are defined by materials that transformed societies and breakthroughs in our mastery over matter, yet we still cannot reliably assemble molecules into bespoke, scalable solutions without high costs to energy, waste, and planetary health. Manufacturing Abundance explores how assembling molecules into bespoke materials could enable us to programmably assemble matter like software, creating more resilient societies and unlocking sustainable abundance. Programme Director Ivan Jayapurna leads the Universal Fabricators programme, with the goal of creating scalable processes that use proteins to template the assembly of inorganic and composite materials, with structures that currently cannot be mass manufactured.	 Ivan Jayapurna
 Bioenergetic Engineering	Genetic engineering now lets us control life's information, but the engineering of life's energy remains underdeveloped, limiting what biology can do for health, resilience, and productivity. Bioenergetic Engineering explores how we can build enabling tools to understand and reprogramme energy flows inside cells. Programme Director Ryan Olf leads the Precision Mitochondria programme, which aims to create a foundational toolkit for engineering the mitochondrial genome in vivo, turning the mitochondrion into a programmable system, and empowering scientists to rigorously and robustly investigate the link between mitochondrial health and disease.	 Ryan Olf

Our opportunity spaces continued

New opportunity spaces continued



Sculpting Innate Immunity

As the body's first line of defence, the innate immune system has enormous therapeutic potential, sensing and initiating responses to infection, injury, metabolic stress, and chronic inflammation. Sculpting Innate Immunity explores if precision modulation of innate immunity could unlock transformative solutions for society's major health challenges, from rapidly mutating pathogens to chronic disease.

Programme Director **Brian Wang** leads the **Sustained Viral Resilience** programme, which seeks to create a new class of medicines that provide durable, broad-spectrum protection against respiratory viruses by engineering the innate immune system.



Brian Wang



Engineering Ecosystem Resilience

Living organisms underpin our food, climate stability, and materials, but ecological collapse threatens the foundations of civilisation. Engineering Ecosystem Resilience explores whether we can become more precise and purposeful in how we monitor and intervene in ecosystems, pairing high-resolution management with targeted, resilience-boosting interventions to reverse biodiversity decline and enable both humanity and nature to thrive.

Programme Director **Yannick Wurm** leads the **Accelerated Adaptation** programme, which seeks to explore potential pathways to accelerate the adaptation of wild species in order to prevent biodiversity loss and secure the natural infrastructure that underpins our global economy and wellbeing, all while rigorously assessing the ethical and governance implications around these pathways.



Yannick Wurm



Trust Everything, Everywhere

Trust 'building blocks', like encryption, enable digital industries to flourish securely, but they don't extend into the physical world, especially as technology blurs the lines between digital and physical. Trust Everything, Everywhere explores how we can build new trust infrastructure that can extend formal security reasoning into the physical world, enabling safe, verifiable interactions among people, devices, and agents.

Programme Director **Alex Obadia** leads the **Scaling Trust** programme, which seeks to make it possible for AI agents to securely coordinate, negotiate, and verify with one another on our behalf.



Alex Obadia

Our opportunity spaces continued

New opportunity spaces continued



Extending Our Perception

The world is rich with information hidden from human senses and not captured by our algorithms, meaning we're often unable to 'see' the most informative variables in complex systems. The next era of AI will require Hypersensory Intelligence: AI and novel sensors engineered together to perceive reality in fundamentally new ways, catalysing breakthroughs across disciplines. Extending Our Perception explores how we can develop Hypersensory Intelligence so that perception itself becomes a new engineered capability.

Programme Director **Claire Donoghue** is developing a first programme within this space; the direction is to pair new sensing modalities with model architectures that can directly interpret high-dimensional real-world signals, enabling fundamentally new ways to observe, understand, and act in domains where conventional sensors and datasets fall short.



Claire Donoghue



Collective Flourishing

Societies have more data, connectivity, and technologies than ever before, but our tools for navigating the future haven't kept pace with its growing complexity. Collective Flourishing explores how we can build new technical capabilities — a deliberative scaffolding — to augment our collective ability to envision, deliberate, and act on complex, large-scale challenges.

Programme Director **Nicole Wheeler** is developing the first programme in this space, focusing on technical approaches that combine modelling and foresight with interfaces and processes that augment collective reasoning so institutions and communities can better envision, deliberate, and coordinate action on complex challenges. *Work on this programme is currently paused while the Programme Director is on extended leave.*



Nicole Wheeler

Our opportunity spaces continued

Deeper opportunity spaces



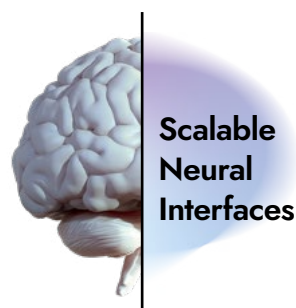
Scoping Our Planet

Our understanding of the Earth system is limited by serious measurement and modelling gaps that lead to unacceptable uncertainties in weather and climate predictions. Scoping Our Planet seeks to unite frontier platforms, sensors, and AI models to revolutionise our understanding of our Earth system, maximise planetary resilience, and revolutionise global business.

Programme Director **Rico Chandra** joined the opportunity space and is leading the **Enduring Atmospheric Platforms** programme, which aims to develop low-cost, persistent, and autonomous atmospheric platforms.



Rico Chandra



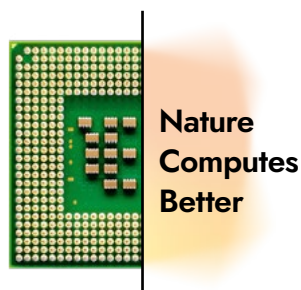
Scalable Neural Interfaces

Neurological and neuropsychiatric disorders have overwhelming societal and economic impacts, and many of today's most effective neurotechnologies require invasive procedures. Scalable Neural Interfaces explores how we can advance highly targeted, minimally invasive neurotechnologies to better understand and repair the brain.

Programme Director **Jacques Carolan** is leading a second programme in this space, **Massively Scalable Neurotechnologies**, which seeks radically new ways to deliver responsive neurotechnologies to the brain without transcranial surgery, including approaches that leverage the body's natural pathways to reach the central nervous system.



Jacques Carolan



Nature Computes Better

The scaling demands of modern AI are pushing today's compute paradigms towards physical and economic limits, but we can redefine the way computers process information by exploiting principles found ubiquitously in nature. Nature Computes Better explores how the natural world presents us with an opportunity to use these principles to build dramatically more efficient computers.

Building on the early technical direction, partnerships, and learning generated from the **Scaling Compute** programme, Programme Director **Suraj Bramhavar** is leading a follow-on initiative, the **Scaling Inference Lab**. Delivered by CommonAI CIC, the Lab will create real and deployable rack-level AI systems, designed to increase the ability of startups to insert new technologies with the goal of rapidly reducing the cost of large AI systems, prioritising accelerated iteration, open collaboration, and long-term sustainability.



Suraj Bramhavar

AI Scientist

Alongside our opportunity spaces and Activation Partners, we're investing in new ways to increase the rate at which science itself can progress. During 2025–26, we launched AI Scientist as an exploratory workstream to test how autonomous AI systems could run the full research loop in the real world: forming hypotheses, planning and running experiments in automated labs, interpreting results, and deciding what to do next with minimal ongoing direction. We are funding 12 exploratory, nine-month sprint projects spanning the UK, US, and Europe, exploring approaches to cancer vaccines and Alzheimer's therapeutics, new materials, and mechanisms that affect battery longevity. Designed as a probe at the boundary of what is possible, the funding is structured to surface failure modes as well as breakthroughs, including whether or not systems can recover when experiments fail, reason across disciplines, and choose which avenues are worthy of pursuit.

Activation Partners

Translation of scientific discoveries remains a persistent challenge in unlocking impact from the UK's R&D system. ARIA's programmes are designed not only to pursue breakthroughs, but to design for scale from inception, so that successful research can translate into transformative economic and social value.

To support this translation into real-world impact, ARIA works with a founding cohort of nine Activation Partners — a mix of ecosystem builders, investors, accelerators and operators — who bring specialist expertise, networks and practical routes to market across ARIA's opportunity spaces.

Activation Partners are recruited through an open, global and competitive process. All contracted activity is conducted in the UK, and partners not already incorporated in the UK are required to establish UK operations. ARIA's funding supports specific translational and ecosystem-building activities — such as fellowships, venture creation programmes, talent networks and innovation infrastructure — and does not provide investment capital to partner venture funds or cover the incorporation costs of non-UK based entities to become established in the UK.

During 2025–26, ARIA's Activation Partners proved themselves to be force-multipliers for our opportunity spaces — building the translational infrastructure, talent pipelines, and connective tissue that helps breakthrough R&D turn into real-world impact. Partners have expanded the range of ideas explored (by removing engineering bottlenecks and embedding AI talent in labs), activated new communities of scientists and founders across the UK, sourced new talent for our opportunity spaces, and increased the volume of venture formation and new institutional models. Collectively, this work is strengthening the ecosystem that bridges 'high-risk idea' to 'scalable organisation', while also creating durable networks and programmes that can outlast ARIA's direct support.



Amodo Design has removed a persistent bottleneck for ARIA-funded R&D teams by providing rapid, high-quality engineering and prototyping support that would otherwise be inaccessible. They are currently supporting more than 55 ARIA-funded teams across all our opportunity spaces from domains including robotics, sensors, data pipelines, and clinical test equipment, helping accelerate their research timelines by up to 12 months and, in some cases, making otherwise unviable projects technically possible.



Venture Café is building the physical and social infrastructure that breaks down silos — creating low-barrier, high-frequency spaces for researchers, founders, investors, industry and government to collide. In under a year, Venture Café has launched UK sites in London, Manchester and Edinburgh; across 30 gatherings they've convened a community of 5,000+ unique attendees, with plans scaling toward 100 gatherings and 15,000+ attendees in the coming year.



Fifty Years' 5050 UK programme is giving scientists and engineers hands on, pre-incorporation support to move faster and aim higher as founders in ARIA's opportunity spaces. Since launch, 86 scientists and engineers have been supported, resulting in 26 new companies across ARIA's opportunity spaces that have raised over £7.5m in pre-seed funding.

Activation Partners continued



Cambridge University Health Partners (Cambridge NeuroWorks)

has created a nimble 'innovation testbed' designed to break down silos between engineering, neuroscience, and the clinic, giving researchers the permission and support to pursue high-risk, non-linear paths. The programme has attracted close to 400 applications from diverse, global talent well beyond Cambridge. Fellows are moving quickly: all first-cohort fellows have reached human studies, supported by embedded clinical, regulatory and translational expertise, and fellows have collectively secured over £2.4m in follow-on funding. Early fellows are now progressing into further programmes, academic roles and ventures – establishing a pipeline of neurotechnology founders and researchers that didn't exist before.



Convergent Research has established their FRO model in ARIA's opportunity spaces. Convergent are the pioneers of the FRO model: startup-like, public goods R&D organisations built for speed and engineering intensity. Their open call attracted 90+ high-quality proposals for new UK FROs in just weeks, and the first residency cycle helped teams translate ambitious roadmaps into fundable organisational plans, leveraging Convergent's expertise from building 9 FROs. From this pipeline, two teams have been selected for anchor funding from ARIA. These teams will be supported by Convergent to set up FROs to address technical bottlenecks in two of ARIA's opportunity spaces: Scalable Neural Interfaces and Engineering Ecosystem Resilience.



Nucleate UK is accelerating science entrepreneurship by scaling a grassroots model that activates talent and community across the UK. In a year, they expanded into six new cities, engaged 4,300+ researchers, and saw a 1,050% surge in applications to the Eco track of Nucleate's Activator programme – already helping to surface and support sustainability-focused ventures such as Bind-Bridge (which has already successfully secured funding to push their R&D further). Nucleate is also supporting ARIA-funded research teams to spin out their technologies through masterclasses, their Activator programme and access to specialised resources and networks for biotech company building.



Pillar VC's ENcode: AI for Science Fellowship is embedding top-tier AI researchers into leading UK labs to accelerate frontier science and catalyse new ventures in ARIA's opportunity spaces. The founding cohort drew 600+ applications and, after four months, the first 18 fellows had released three open-source tools, initiated 20+ industry partnerships, and seeded two proto-companies. The recruitment call for the second Encode cohort, launched in February 2026, saw applications double.



Renaissance Philanthropy's work is grounded in the conviction that UK's scientific ambition can be unlocked by connecting fragmented networks and creating clearer pathways from bold ideas to breakthrough solutions. Over the last year, they have launched the UK Horizons programme, engaging 1,000+ scientists through community building events and new funding mechanisms, and supporting new approaches to taking ideas out of the lab.



DeepMind's (non-funded) partnership is helping accelerate ARIA-funded researchers with AI tools as well as seed global ecosystems and shared 'mental models' around AI-for-science futures linked to ARIA's opportunity spaces. Through DeepMind's Science 2030 role-playing strategy workshops, leaders from government, technology and science communities explore plausible breakthrough scenarios and the trade-offs they create – building readiness and alignment for responsible, high-impact translation.

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 86 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 30—34 bracket (27%).
- At least 11% are LGBTQIA+ (20% of employees have not disclosed).
- At least 8% have a disability (20% of our team have not disclosed).
- At least 9% are neurodiverse (21% of our team have not disclosed).
- Of our team, 32% are based outside of London (17% of our team have not disclosed).

53%

female

44%

male

3%

non-binary
or transgender

22

different
nationalities

40

different
ethnicities

9

different religions
and belief systems

Sustainability Report

Scope 3 business travel emissions

	Measurement	1 April 2025 — 31 March 2026	1 April 2024 — 31 March 2025
Business travel*	Total miles (per FTE)	1,222,317 (14,998)	643,224 (12,778)
	Tonnes CO ₂ e (per FTE)	171.4 tonnes (2.1)	154.4 tonnes (3.1)
	Expenditure (per FTE)	£454,168 (£5,573)	£265,902 (£5,286)
	Miles — air travel (per FTE)	1,039,191 (12,751)	536,806 (10,672)
	Tonnes CO ₂ e — air travel (per FTE)	150.9 tonnes (1.9)	141.6 tonnes (2.8)
	Expenditure — air travel (per FTE)	£256,250 (£3,144)	£141,006 (£2,803)

* 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.

ARIA is committed to integrating sustainability into how we operate and how we steward public money. As a young organisation with a small physical footprint, our primary environmental impacts arise from the offices we occupy and business travel needed to deliver our mission. We continue to align our approach with the Greening Government Commitments (GGCs) and the government's wider net zero objectives, while developing the data and governance foundations needed for stronger reporting over time.

This Sustainability Report has been prepared in line with HM Treasury's Sustainability Reporting Guidance for 2025–26, using a proportionate, 'comply or explain' approach. Where specific GGC (Greening Government Commitments) data points are not applicable to ARIA's operating model, or not available due to data limitations in shared premises and supplier reporting, ARIA has recorded a not applicable position and continues to strengthen its data collection and governance to improve reporting completeness over time.

Governance and approach

Sustainability considerations are embedded into organisational policies and decision making, including travel and expenses and procurement processes. During 2025–26, we continued to mature our internal capability to understand and manage environmental impacts, focusing on:

- improving the quality and availability of operational environmental data;
- reducing avoidable travel through hybrid working and strong digital collaboration tools; and
- strengthening sustainable procurement and social value implementation.

Where we are unable to report certain metrics in full due to limitations in available data (for example, where utilities are not separately metered), we explain the reasons and the steps we are taking to improve data access.

Greenhouse gas emissions

ARIA's operational emissions are largely driven by purchased electricity/heat associated with office occupation (Scope 2) and official business travel (Scope 3).

In 2025–26, ARIA continued to occupy managed, shared office facilities but during the year obtained attributable building consumption information for the period from September 2025 to March 2026. This showed electricity consumption of 14,114 kWh, equivalent to 2,923 kgCO₂e; on a simple annualised basis, this equates to approximately 24,195 kWh and 5,012 kgCO₂e for the full year.

Water consumption for the same period was 401m³ and, on the same basis, approximately 687m³ for the full year. While complete, consistently metered consumption data was not yet available for the full year, the availability of this information represents a step forward in strengthening ARIA's environmental reporting over time.

Improvement actions: We will continue to engage with office providers to access more complete data on building consumption and emissions information so that ARIA can progressively strengthen its Scope 2 reporting over time.

Carbon offsets

ARIA does not use carbon offsets to manage or present its emissions performance. If offsets are used in future, we will disclose volumes, types, assurance/integrity information, and expenditure in line with HM Treasury guidance.

Sustainability Report continued

Energy and waste consumption

All ARIA energy and water consumption arises from office occupation. During 2025–26, ARIA occupied space in managed, shared facilities where our footprint is not separately metered. As a result, we are currently unable to report complete full-year separately metered figures. We treat this as a data availability constraint rather than an exemption, and will continue to work with providers to improve the information available for future reporting.

ARIA's direct waste footprint is limited by our small estate and the use of managed office services. We continue to avoid consumer single-use plastics in day-to-day operations, using reusable or biodegradable alternatives where catering or office supplies are required. We also encourage good practice on recycling in line with the building arrangements of our office providers.

Business travel

ARIA's hybrid working model reduces commuting and supports more flexible ways of working, helping to limit travel-related emissions without compromising collaboration. That said, ARIA's mission requires engagement with partners, researchers and communities across the UK and internationally.

During 2025–26, we continued to apply a 'need to travel' principle, supported by our travel and expenses policies:

- travel should have a clear delivery purpose;
- virtual participation should be used where it achieves the same outcome; and
- where travel is necessary, staff should choose the most sustainable option that is practical and safe (for example, rail over air where feasible).

We report travel emissions and intensity per FTE (Full-time Equivalent) on the previous page, and use consistent methodologies year on year where data quality permits.

IT policy

ARIA aligns its approach with the GGC commitments on ICT, and with the government direction for greener digital operations. As an organisation without legacy technology, ARIA has maintained a cloud-first model, relying on outsourced providers for infrastructure and core tools. This supports efficient use of resources, enables hybrid working, and reduces the need for travel for routine collaboration.

Sustainable procurement

We continue to embed sustainability and social value into procurement activity in line with government expectations and the GGC framework. During 2025–26, we progressed implementation of a Social Value Policy and continued to strengthen processes that encourage suppliers to demonstrate responsible environmental practices, proportionate to contract size and risk. This includes considering sustainability where relevant in specifications, evaluation criteria and supplier management.

Biodiversity

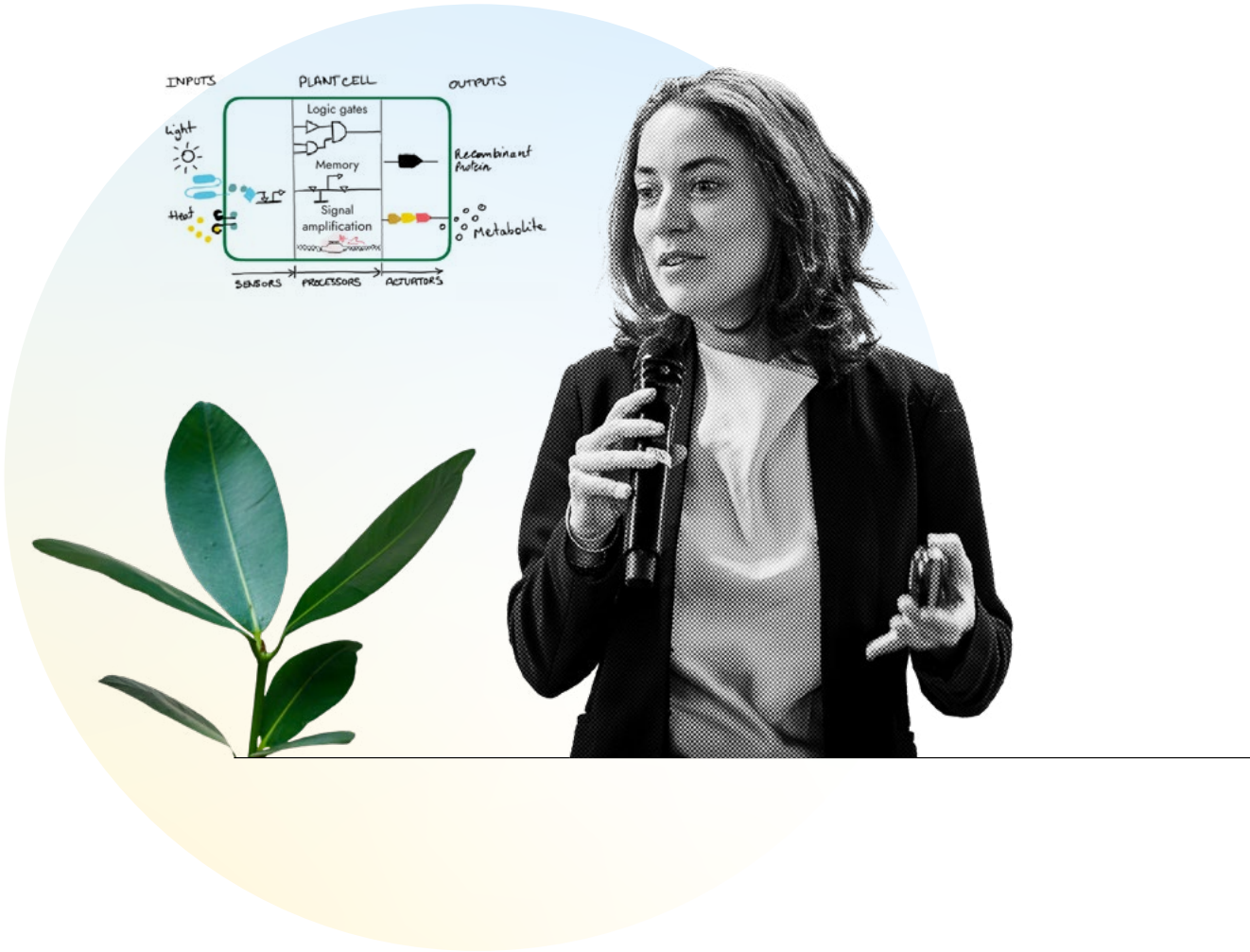
Pursuant to section 102 of the Environment Act 2021, ARIA has considered what action it can properly take, consistent with the proper exercise of its functions, to further the conservation and enhancement of biodiversity. In respect of ARIA's operations and physical footprint, ARIA has no landholdings and no independent estate. Our office space is within multi-occupied buildings where biodiversity management sits with landlords and site operators. In this context, we do not maintain a standalone biodiversity action plan, but we keep this under review and will reflect any future changes in estate arrangements or material impacts in subsequent reporting, consistent with the GGC framework's emphasis on nature recovery. In respect of its R&D, ARIA's Engineering Ecosystem Resilience opportunity space aims to explore whether high-resolution measurement with targeted, resilience-boosting interventions could reverse biodiversity decline and prevent ecological collapse.



Kathleen Fisher

Chief Executive and Accounting Officer

Date: 8 July 2026



3 Accountability Report

Corporate Governance Report	27
Risk management	35
Assurance	39
Remuneration and Staff Report	41
Parliamentary Accountability and Audit Report	47
The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament	48

Corporate Governance Report

Directors' Report

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

- the Directors' Report;
- the Statement of Accounting Officer's Responsibilities; and
- the Governance Statement.

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

The following items, required as part of the Directors' Report are included in the Governance Statement on page 29:

- 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 2026 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 are fair, balanced and understandable, and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that they are fair, balanced and understandable.

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

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

Preparation and audit of the accounts

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

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

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



Kathleen Fisher

Chief Executive and Accounting Officer

Date: 8 July 2026

Corporate Governance Report continued

Governance Statement

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

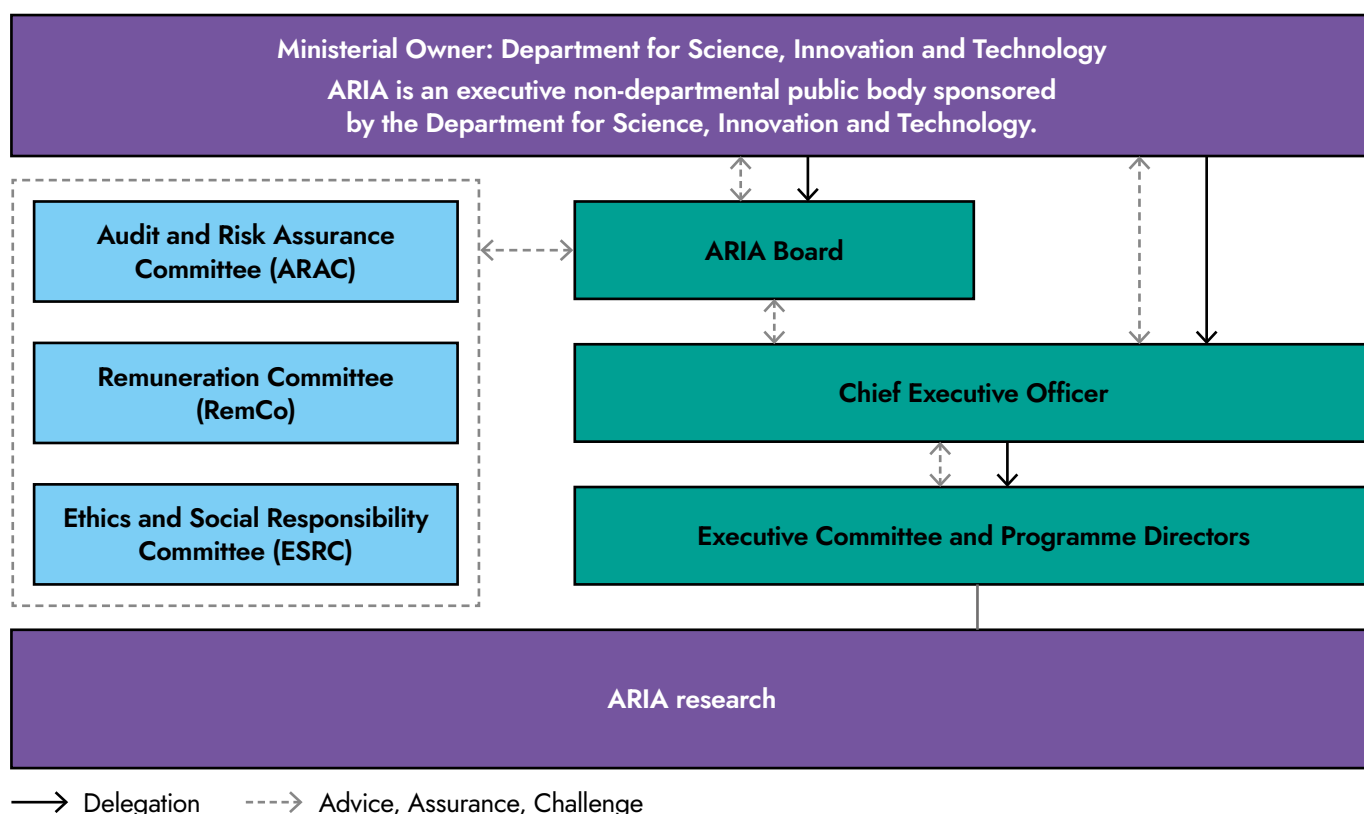
There was a change of Accounting Officer during the year. Kathleen Fisher took up post on 2 February 2026 and was designated Accounting Officer following Ilan Gur's tenure to 1 February 2026.

This Governance Statement explains how the Accounting Officer discharged these responsibilities, and the governance and assurance arrangements that supported them during the year. Throughout the year, the Accounting Officer(s) ensured that proportionate controls were in place and operating effectively, and that these were applied through an appropriate framework of governance, risk management and internal control.

Governance structure

ARIA is accountable to Parliament, through its parent department, DSIT, for the funds it expends. ARIA's working relationship with DSIT, and the respective lines of accountability, are set out in its Framework Agreement and the Delegation and Allocation Letter issued to the Chief Executive as Accounting Officer. These documents are kept under review and updated as required. The ARIA Framework Document was reviewed and published in February 2023. ARIA also maintains active engagement with DSIT to support transparency and effective oversight.

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:

- agree ARIA's annual strategic and operational plan;
- support and provide constructive challenge to the Chief Executive in delivering ARIA's objectives, in line with the ARIA Act 2022;
- ensure effective stewardship of ARIA's funding and resources;
- agree ARIA's risk appetite, and oversee the management and optimisation of risk — enabling ambitious research, development and exploitation with a high tolerance to failure — while maintaining effective governance, risk management and internal controls;
- advise the Secretary of State for DSIT on any significant issues that could affect ARIA's ability to deliver its objectives; and
- represent ARIA and promote its activities, helping to strengthen connections across the UK and internationally.

The Board comprises the Chair, the Government Chief Scientific Adviser, five other Non-Executive Board members and the Chief Executive — appointed by the Secretary of State for DSIT — as well as four other Executive Team members, including a Chief Financial 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 2026 — 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	Term-end dates
Matt Clifford	Chair	N/A	Full year	14 August 2030
Kathleen Fisher	Chief Executive	N/A	02 February 2026 onwards	01 February 2031
Ilan Gur	Chief Executive (1 April 2025 – 1 February 2026) Transition Adviser (2 February 2026 – 28 February 2026)	N/A	01 April 2025– 01 February 2026	28 February 2026
Dame Kate Bingham	Non-Executive Director	RemCo (Chair)	Full year	24 January 2030
Stephen Cohen	Non-Executive Director	ARAC (Chair)	Full year	24 January 2029
Sarah Hunter	Non-Executive Director	ESRC (Chair), RemCo	Full year	24 January 2028
Dame Angela McLean	Non-Executive Director	N/A	Full year	N/A
Max Jaderberg	Non-Executive Director	RemCo	Full year	01 April 2030
Nick McKeown	Non-Executive Director	N/A	Full year	01 April 2030
Strive Masiyiwa	Non-Executive Director	ARAC	Full year	01 April 2030
Antonia Jenkinson	Chief Finance and Operating Officer	N/A	01 April 2025– 09 March 2026	N/A
Pippy James	Chief Product Officer (1 April 2025–15 March 2026) Deputy CEO (16 March 2026 onwards)	N/A	Full year	N/A
Ant Rowstron	Chief Technology Officer (10 June 2025–15 March 2026) Chief AI Scientist (16 March 2026 onwards)	N/A	10 June 2025 onwards	N/A
Dan Cole	Chief of Staff	N/A	Served on Board until 9 June 2025	N/A
Mike Tsang	Interim Chief Financial Officer	N/A	10 March 2026 onwards	N/A
Independent member	Role	Sub-Committee	Dates served	Term-end dates
Sue Hunt	Sub-Committee Independent Member	ARAC	Full year	Next review August 2026

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 (objectives and key results);
- R&D Programme updates, new initiatives, the commercial and funding operating model, and budgets;
- AI for Research Agenda;
- ethical and social responsibility considerations;
- people updates, recruitment and EDI (Equality, Diversity and Inclusion) strategy;
- spending review, financial performance, internal and external audit results, and risk management;
- cyber governance, information security and cyber protection, policy reviews; and
- the Board, and its Committees', Terms of Reference, and effectiveness.

Corporate Governance Report continued

Governance Statement continued

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.

Board effectiveness

In line with Cabinet Office guidance on Board effectiveness reviews for arm's-length bodies (ALB), which recommends external facilitation once an ALB has been operational for three years, ARIA's Board effectiveness review for this year is being externally facilitated, and its findings — together with any resulting actions — will be reported in ARIA's 2026–27 Annual Report. In the interim, the Board has continued to progress the improvement area identified in last year's review, elevating the detail presented on value-generating milestones across each programme and Activation Partner to enable 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.

Kathleen Fisher took up post on 2 February 2026 as Accounting Officer, following Ilan Gur's tenure to 1 February 2026. In preparing this statement, she obtained assurance through handover, review of Board and ARAC reporting, internal audit findings, risk reporting and key financial controls. On this basis, she is satisfied that proportionate governance, risk management and internal control arrangements were in place during the year and up to the date of signing.

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.

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.

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 twice during the year, and its responsibilities include reviewing and sharing recommendations on the ethical and social responsibility aspects of ARIA's programmes and other funded activities.

The ESR (Ethics and Social Responsibility) Advisors appointed in the previous year have continued to be a valuable source of expertise and support, while also providing an additional mechanism for surfacing key issues. In addition to advising Programme Directors and contributing insight to the ESRC, they have strengthened ARIA's capability and training in ESR matters, and supported the project selection process across several programmes and seed calls.

Corporate Governance Report continued

Governance Statement continued

Board and Committee attendance for the year to 31 March 2026:

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	2
Non-Executive Directors				
Matt Clifford Chair	4	N/A	2 By invitation only	N/A
Dame Angela McLean Government Chief Scientific Adviser	2	N/A	N/A	N/A
Dame Kate Bingham, Chair of RemCo	4	N/A	3	N/A
Max Jaderberg	4	N/A	1	N/A
Nick McKeown	3	N/A	N/A	2
Stephen Cohen, Chair of ARAC	4	3	N/A	N/A
Sarah Hunter, Chair of ESRC	4	N/A	3	2
Strive Masiyiwa	2	2	N/A	N/A
ARAC Independent Member				
Sue Hunt	N/A	2	N/A	N/A
Executive Directors				
Kathleen Fisher, Chief Executive (from 2 February 2026)	1	1	1	—
Ilan Gur, Chief Executive (until 1 February 2026)	3	1	2	1
Antonia Jenkinson, Chief Finance and Operating Officer (until 9 March 2026)	3	2	2	2

Corporate Governance Report continued

Governance Statement continued

Board/Committee member	Board	Audit and Risk Assurance Committee	Remuneration Committee	Ethics and Social Responsibility Committee
Pippy James, Chief Product Officer (01 April 2025–15 March 2026) Deputy CEO (16 March 2026 onwards)	4	N/A	1	1
Ant Rowstron, Chief Technology Officer (from 10 June 2025 until 15 March 2026) Chief AI Scientist (from 16 March 2026)	4	N/A	N/A	2
Mike Tsang, Interim Chief Financial Officer (from 10 March 2026)	1	1	N/A	N/A
Observer				
Alex Jones Director General for Science, Innovation and Growth	3	N/A	N/A	N/A

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 at 31 March 2026
Kathleen Fisher	Chief Executive Officer
Pippy James	Deputy CEO
Ant Rowstron	Chief AI Scientist
Dan Cole	Chief of Staff
Mike Tsang	Interim Chief Financial Officer

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 and management 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.

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.

As ARIA matures as an organisation, it continues to strengthen its governance and oversight arrangements to support its high scientific risk appetite, while maintaining operational resilience.

Risk management continued

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	Expected programme and project results
ARIA is set up to take an experimental approach, it will place a high value on iterative learning. This means that we may accept certain operational risks where they directly enable faster learning (and potentially failing) or protect scientific ambition, while maintaining appropriate governance and control arrangements.	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	Commercial	Communications	Reputational risk
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.	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.	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.	ARIA will deliberately seek to protect its reputation and brand as a trusted public body with all relevant stakeholders, recognising that ARIA's reputation and brand should reflect the higher risk appetite described in other parts of this framework.

Low risk



Health and Safety	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	- 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	→
Programme selection and challenge	Trust with Stakeholders Focus Operational Excellence	- Recruited a Chief Technology Officer to provide strategic technical oversight and enhance the assessment and selection of high-potential programmes - Refined and reviewed minimum standards for programme approval at Exec level	High	NEW
Portfolio management too passive	Trust with Stakeholders Focus Team and Culture	- Embedded Annual Programme Reviews to assess continued relevance and focus on the most pressing scientific and technical questions - Strong communication and collaboration with other UK Government initiatives and international funders to ensure programme alignment	Medium	NEW
Top three operational risks				
Cyber attack/malicious action from internal or external party	Safety and Security Operational Excellence	- Cyber Essentials Plus accreditations renewed and accelerated security improvements roadmap created - 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	- Information security and data incident process, plans and training in place - System-based safety measures in place	Low	→
Key personnel changes and business continuity	Operational Excellence Focus	- Developed and maintained standardised 'blueprints' (charters, process maps, and role descriptions) for all critical teams and processes to ensure knowledge is codified and transferable - Established framework agreements with preferred suppliers of temporary staff to enable rapid resource cover for unexpected absences or departures of key personnel	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 high standards in counter fraud, anti-bribery and anti-corruption arrangements, ensuring public funds are protected, while supporting an innovative, transformative research environment. ARIA maintains policies and processes to prevent, detect and respond to suspected fraud and wrongdoing, and continues to promote appropriate awareness and compliance across the organisation.

There were no confirmed instances of fraud, bribery or corruption reported during the reporting period. One suspected incident was identified and investigated and was found to be an error rather than fraud. ARIA also maintains a gifts and hospitality register to record all gifts or hospitality received or given. No gifts were received or given during the year ended 31 March 2026 that required disclosure under HM Treasury guidance.

Internal audit

Forvis Mazars provides ARIA’s internal audit services. The internal audit plan for 2025–26 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 2026, four 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
Recruitment Applicant Diversity	Moderate	2 low priority 1 medium priority
Data Governance	Substantial	4 low priority
Core Programme Monitoring Controls	Substantial	1 low priority
Partnerships & Ecosystem Relationship Management	Substantial	1 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.

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 2026, three internal audit actions were completed, with five 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 2024–25 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 and
- Government Functional Standard GovS 015: Grants.

In particular, ARIA adheres fully to the requirements of GovS 013: Counter Fraud.

Assurance continued

Health and Safety

ARIA's Health and Safety policy 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. Mandatory Health and Safety awareness training is required for all staff and contractors, alongside practical support for safe hybrid working, including Display Screen Equipment (DSE) training and workstation assessments, and a core Stress and Resilience module.

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. ARIA's Working Location Policy provides an allowance for home office equipment to ARIA users and facilitates Health and Safety best practice. We expanded the number of trained first aiders to reflect hybrid working patterns, and 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 premises in the event of a fire, after which For's general evacuation process becomes active. We have introduced a PEEP (Personal Emergency Evacuation Plan) form for anyone visiting the ARIA office that may have accessibility needs. Health and Safety risk assessments have been completed for both of ARIA's office facilities and a defibrillator has been installed. 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

A thorough review of information security and data protection policies and procedures was undertaken during the year. Information Security 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. An Information Security Meeting is held regularly to review information security KPIs (key performance indicators) and controls. Continuous evaluation and improvement of these internal controls are undertaken to maintain the confidentiality, integrity, and availability of ARIA's data.

ARIA continues to enforce a robust security posture across its devices and systems. Devices are managed centrally with remote provision and wiping available when required. Devices nearing end of life were retired and will be securely wiped, with new devices provisioned to users as is best security practice. Requests for new technology are passed through a rigorous internal assessment process to ensure vendors' data and cyber security controls are in line with ARIA's security requirements.

During the year, ARIA passed its Data Governance Audit, which included a review of information security policies, processes, and controls, and achieved recertification in Cyber Essentials Plus. The rigorous certification process involved a thorough review and 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.

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.

ARIA's Data Handling Policy, Information Asset Register (IAR) and Register of Processing Activities (RoPA) were reviewed and updated within the year, and audited as part of the Data Governance Audit. This audit reviewed the controls and processes in place to ensure these registers are maintained effectively.

Personal data-related incidents

There were no personal data-related incidents during the year ended 31 March 2026 that required reporting to the Information Commissioner's Office.

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

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

Service contracts

As per the ARIA Act 2022, the first Chief Executive was appointed by the Secretary of State for DSIT. Thereafter, the appointments of the Chief Executive and the Board Executive Directors are 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.

Kathleen Fisher, in her role as Chief Executive, is on a five-year fixed-term contract that will be reviewed when it approaches expiry in 2030–31. The other Executive Directors are on open-ended appointments.

The notice period for all Executive Directors is three months. The tenure of each Executive Director is stated in the Governance Statement on page 31.

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.

Actual values — for the year ended 31 March 2026

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
Kathleen Fisher, Chief Executive (from 2 February 2026)	60–65	5–10	3	70–75
Ilan Gur*, Chief Executive (until 1 February 2026)	320–325	45–50	16	380–385
Antonia Jenkinson*, Chief Finance and Operating Officer (until 9 March 2026)	175–180	15–20	9	200–205
Pippy James*, Chief Product Officer (1 April 2025–15 March 2026) Deputy CEO (from 16 March 2026)	205–210	20–25	10	235–240
Ant Rowstron, Chief Technology Officer (from 10 June 2025 until 15 March 2026) Chief AI Scientist (from 16 March 2026)	205–210	15–20	10	235–240
Dan Cole, Chief of Staff	130–135	15–20	6	155–160
Mike Tsang, Interim Chief Financial Officer (from 10 March 2026)	5–10	0–5	—	5–10

*Pro-rated for time in position.

Remuneration and Staff Report continued

Annualised equivalents — for the 12 months to 31 March 2026

Name	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
Kathleen Fisher, Chief Executive (from 2 February 2026)	380–385	40–45	19	440–445
Ilan Gur, Chief Executive (until 1 February 2026)	380–385	40–45	19	440–445
Antonia Jenkinson, Chief Finance and Operating Officer (until 9 March 2026)	180–185	20–25	9	215–220
Pippy James, Chief Product Officer (until 15 March 2026) Deputy CEO (from 16 March 2026)	295–300	30–35	15	345–350
Ant Rowstron, Chief Technology Officer (until 15 March 2026) Chief AI Scientist (from 16 March 2026)	255–260	25–30	13	300–305
Dan Cole, Chief of Staff	145–150	15–20	7	170–175
Mike Tsang, Interim Chief Financial Officer (from 10 March 2026)	145–150	15–20	8	170–175

Ilan Gur ceased to be Chief Executive, Accounting Officer and Board member on 1 February 2026 and was remunerated as Transition Adviser from 2 February to 28 February 2026. Antonia Jenkinson stepped down as Chief Finance and Operating Officer and Board member on 9 March 2026 and remained remunerated while completing her notice period until 12 April 2026.

Actual and annualised equivalent values — for the 12 months to 31 March 2025

Name	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	40–45	19	455–460
Antonia Jenkinson, Chief Finance and 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.

Salary

Salary includes gross salary and travel allowances.

Performance-related pay — audited information

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.

Remuneration and Staff Report continued

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 2026–27.

Pension benefits — audited information

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

Benefits in kind — audited information

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

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 in the table below.

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 banding	Total remuneration	Ratio to highest-paid Director's remuneration	Salary component
Year ended 31 March 2026	Highest-paid Director	£425,000—£430,000		£380,000—£385,000
	75th centile employee	£140,000	3.1:1	£140,000
	Median employee	£92,925	4.6:1	£92,925
	25th centile employee	£72,313	5.9:1	£70,468
	Remuneration range	£25,000—£30,000 to £425,000—£430,000		£20,000—£25,000 to £380,000—£385,000
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
Percentage change	Highest-paid Director	(1.2)%		0.0%
	75th centile employee	0.0%		10.2%
	Median employee	3.3%		3.3%
	25th centile employee	3.2%		11.9%

In 2025–26, no employees received remuneration in excess of the highest-paid Director.

Annualised salaries and allowances had an average of £104,137 in 2025–2026, which is a 9.7% increase (2024–2025: £94,893). Annualised performance-related pay had an average of £4,938, which is a 31.9% decrease (2024–2025: £7,252).

Remuneration and Staff Report continued

Compared with 2024—25, the increase in annualised salaries and allowances principally reflects a more established workforce profile in 2025—26, with a greater weighting toward more senior R&D-facing roles. The decrease in average performance-related pay reflects a change in staff mix, with fewer individuals eligible for PRP.

Pension benefits — audited information

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 2026, employer contributions of £320k (2024—2025: £203k) 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 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 2026.

	Year ended 31 March 2026 in bands of £5,000	Full-year equivalent to 31 March 2025 in bands of £5,000
Matthew Clifford	25—30	25—30
Stephen Cohen	15—20	15—20
Sarah Hunter	15—20	15—20
Max Jaderberg	10—15	—
Nick McKeown	10—15	—
Strive Masiyiwa	10—15	—
Sue Hunt	5—10	5—10
Dame Angela McLean	—	—
Dame Kate Bingham	—	—

Staff report

Staff numbers — audited information

The FTE number of persons at 31 March 2026 was as follows:

Category of staff	As at 31 March 2026	As at 31 March 2025
Permanent	38.5	32.9
Fixed-term	29.8	12.8
Secondees	3.3	3.8
Temporary/Contractors	9.9	0.8
Total staff	81.5	50.3

Remuneration and Staff Report continued

The average number of FTE staff during the year to 31 March 2026 was as follows:

Staff	1 April 2025 to 31 March 2026	1 April 2024 to 31 March 2025
Permanent	36.9	28.6
Fixed-term	25.8	9.5
Secondees	3.7	3.5
Temporary/Contractors	5.0	1.1
Total	71.4	42.7

The number of staff-in-post (headcount) by gender as at 31 March 2026 was as follows:

Staff	As at 31 March 2026					As at 31 March 2025				
	Male	Female	Non- binary	Prefer not to disclose	Total	Male	Female	Non- binary	Prefer not to disclose	Total
Executive team members	2	3	—	—	5	2	2	—	—	4
Directors	3	—	—	—	3	2	3	—	—	5
Other	38	38	1	1	78	16	26	2	—	44
Total staff	43	41	1	1	86	20	31	2	—	53
Non-Executive Directors of the Board and Independent Members of its Committees	4	5	—	—	9	2	4	—	—	6

Staff, as set out above, includes employees (permanent and fixed-term), secondees and temporary staff/contractors. This is not subject to audit.

Early departure costs — audited information

There were no early departures in 2025–26 (2024–25: None).

Staff costs — audited information

Staff costs consists of the following:

	1 April 2025 to 31 March 2026			1 April 2024 to 31 March 2025		
	Permanently employed staff £000	Others £000	Total £000	Permanently employed staff £000	Others £000	Total £000
Wages and salaries	3,773	5,081	8,854	3,128	2,443	5,572
Social security costs	572	481	1,053	403	169	573
Pension costs	167	153	320	140	63	203
Total	4,512	5,715	10,227	3,672	2,676	6,347
Non-Executive Director and Independent Member fees	—	127	127	—	88	88
Total staff costs	4,512	5,715	10,354	3,672	2,676	6,435

Remuneration and Staff Report continued

'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 2025—26, staff turnover (including the conclusion of fixed-term contracts and secondments) was 17.3% (2024—25: 7.5%).

Exit packages — audited information

There were no exit packages agreed or paid during the year ended 31 March 2026 (2024—2025: none).

Payments to past directors — audited information

There were no payments made to past directors during the year ended 31 March 2026 (2024—2025: none).

Compensation for loss of office/early retirement — audited information

There was no compensation for loss of office or early retirement during the year ended 31 March 2026 (2024—25: none).

Sickness absence data

The total FTE days lost through staff sickness absence in the year was 87.5 (2024—25: 74.5). The average working days lost per employee during the year due to short-term sickness (five days or less) was 1.3 FTE (2024—25: 1.7 FTE). There were six instances of long-term sickness which lasted on average 29.2 days (2024—25: none).

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 2026	As at 31 March 2025
Highly paid off-payroll worker engagements earning £245 per day or greater		
Number of existing engagements as at 31 March	10	1
Of which, number that have existed:		
Less than one year	9	1
Between one and two years	1	—
All highly paid off-payroll workers engaged at any point during the year, earning £245 per day or greater at ARIA		
	Year ended 31 March 2026	Year ended 31 March 2025
Number of all off-payroll workers engaged during the reporting period ended 31 March	14	4
Of which, not subject to off-payroll legislation	—	—
Of which, subject to off-payroll legislation and determined as in-scope of IR35	7	1
Of which, subject to off-payroll legislation and determined as out-of-scope of IR35	7	3
Number of engagements reassessed for compliance or assurance purposes during the reporting period	—	—
Of which, number of engagements that saw a change to IR35 status following review	—	—

During the reporting period, no board members or senior officials with significant financial responsibility were engaged via off-payroll arrangements.

Parliamentary Accountability and Audit Report

Expenditure on consultancy — audited information

Expenditure on consultancy in the year ended 31 March 2026 was £20.7k (2024—25: £30.6k). This expenditure primarily relates to translation strategies and security advice.

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

With respect to losses, ARIA recorded fruitless payments totalling £20,492. There were no 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 2026, there is nil to report.

Audit fees — audited information

The accounts of ARIA are audited by the Comptroller and Auditor General under the ARIA Act 2022. The audit fee charged was £70,000. 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.



Kathleen Fisher

Chief Executive and Accounting Officer

Date: 8 July 2026

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 2026 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 2026;
- 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 2026 and its 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.

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.

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.

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.

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

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

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

I have nothing to report in this regard.

Opinion on other matters

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

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Advanced Research and Invention Agency Act 2022; and
- the information given in the Performance Report and the Accountability Report 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 Report and the Accountability Report.

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

- adequate accounting records have not been kept by the Advanced Research and Invention Agency or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or

- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

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

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

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

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 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;
- inquired of management, 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, 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;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

I obtained an understanding of the Advanced Research and Invention Agency's framework of authority and other legal and regulatory frameworks in which the Advanced Research and Invention Agency operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Advanced Research and Invention Agency. The key laws and regulations I considered in this context included the Advanced Research and Invention Agency Act 2022, Managing Public Money, and relevant employment law, pensions legislation 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, the Audit and Risk Assurance Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

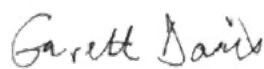
Other auditor's responsibilities

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

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

Report

I have no observations to make on these Financial Statements.



Gareth Davies

Comptroller and Auditor General

Date: 8 July 2026

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



4 Financial Statements

Statement of Comprehensive Net Expenditure	53
Statement of Financial Position	54
Statement of Cash Flows	55
Statement of Changes of Taxpayers' Equity	56
Notes to the Financial Statements	57

Statement of Comprehensive Net Expenditure

for the year ended 31 March 2026

	Note	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Staff costs	2	10,354	6,435
Other operating expenditure	3	13,308	7,716
Research and development expenditure	4	128,471	16,517
Depreciation and loss on disposal	5	121	57
Net operating expenditure		152,254	30,725
Finance income		—	—
Finance expense		6	—
Comprehensive net expenditure for the year		152,260	30,725

The notes on pages 57 to 63 form part of these Financial Statements.

Statement of Financial Position

as at 31 March 2026

	Note	31 March 2026 £000	31 March 2025 £000
Non-current assets			
Property, plant and equipment	5	302	186
Total non-current assets		302	186
Current assets			
Trade and other receivables	6	9,034	1,919
Cash and cash equivalents	7	13,059	10,363
Total current assets		22,093	12,282
Total assets		22,395	12,468
Current liabilities			
Trade and other payables	8	(35,549)	(10,894)
Total current liabilities		(35,549)	(10,894)
Total assets less current liabilities		(13,154)	1,574
Taxpayers' equity and other reserves			
General fund		(13,154)	1,574
Total equity		(13,154)	1,574

The notes on pages 57 to 63 form part of these Financial Statements.



Kathleen Fisher

Chief Executive and Accounting Officer

Date: 8 July 2026

Statement of Cash Flows

for the year ended 31 March 2026

		Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
	Note		
Cash flows from operating activities			
Total comprehensive net expenditure		(152,260)	(30,725)
Adjustments for non-cash items:			
(Increase)/Decrease in trade and other receivables	6	(7,115)	(1,750)
Increase/(Decrease) in trade and other payables	8	24,656	9,701
Depreciation	5	121	56
Loss on disposal of non-current assets	5	—	2
Net cash inflow/(outflow) from operating activities		(134,598)	(22,716)
Cash flows from investing activities			
Purchase of fixed assets	5	(238)	(147)
Net cash inflow/(outflow) from investing activities		(238)	(147)
Cash flows from financing activities			
Grant in Aid received from sponsoring department		137,532	31,500
Net cash inflow/(outflow) from financing activities		137,532	31,500
Net increase/(decrease) in cash and cash equivalents		2,696	8,637
Cash and cash equivalents at the beginning of the year		10,363	1,726
Cash and cash equivalents at the end of the year	7	13,059	10,363

The notes on pages 57 to 63 form part of these Financial Statements.

Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2026

	General reserve £000	Total reserves £000
Balance at 1 April 2025	1,574	1,574
Grant in Aid from DSIT	137,532	137,532
Net expenditure for the period	(152,260)	(152,260)
Balance at 31 March 2026	(13,154)	(13,154)
Balance at 31 March 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

The notes on pages 57 to 63 form part of these Financial Statements.

Notes to the Financial Statements

1. Statement of Accounting Policies

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

1.1 Basis of accounting

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

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

1.2 Grant in Aid

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

1.3 Plant and equipment

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

1.4 Depreciation

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

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

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

1.5 Leased assets

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

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

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.

Notes to the Financial Statements continued

1.11 Cash and cash equivalents

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

The carrying amount of these assets approximates their fair value.

1.12 Trade and other payables

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

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

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

1.13 Provisions

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

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

1.14 Foreign exchange

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

1.15 Segmental analysis

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

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

1.16 Corporation tax

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

1.17 Critical accounting estimates and judgements

The Chief Executive, in her 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. Accrued R&D expenditure is based on verified claims and invoices where available, quarterly reports, and a model based on historical project progression data to predict delivery.

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's financial instruments comprise cash and cash equivalents, trade and other receivables (except for prepayments), and trade and other payables (except for social security and other taxation). ARIA has no borrowings and is funded primarily through Grant-in-Aid from DSIT to meet its cash requirements; accordingly, ARIA is not exposed to significant liquidity risk. ARIA's exposure to credit risk is limited, as the majority of balances comprise cash held with UK banking institutions and receivables from central government bodies. All material assets and liabilities are denominated in sterling, and ARIA does not enter into foreign currency transactions of a significance that would give rise to material currency risk. ARIA is not exposed to significant market risk and does not hold or use derivative financial instruments.

Notes to the Financial Statements continued

1.19 Standards issued but not yet effective

ARIA has considered new IFRS Accounting Standards, amendments and interpretations that have been issued but are not yet effective, and has not early adopted any in these Financial Statements.

IFRS 18 Presentation and Disclosure in Financial Statements and IFRS 19 Subsidiaries without Public Accountability:

Disclosures are effective for annual reporting periods beginning on or after 1 January 2027, subject to any future interpretation or adaptation in the FReM. IFRS 18 may affect presentation and disclosure in future periods but is not expected to affect the recognition or measurement of ARIA's assets, liabilities, income or expenditure. IFRS 19 is not expected to apply to ARIA. No other issued but not yet effective standards are expected to have a material impact on ARIA's Financial Statements.

Research funding

2. Staff costs

	Permanently employed staff £000	Other £000	Year ended 31 March 2026 £000	Permanently employed staff £000	Other £000	Year ended 31 March 2025 £000
Wages and salaries	3,773	5,081	8,854	3,128	2,443	5,572
Social security costs	572	481	1,053	403	169	573
Other pension costs	167	153	320	140	63	203
Total	4,512	5,715	10,227	3,672	2,676	6,347
Non-Executive Director fees	—	—	127	—	—	88
Total staff costs	4,512	5,715	10,354	3,672	2,676	6,435

3. Other operating expenditure

	Year to 31 March 2026 £000	Year to 31 March 2025 £000
HR, training and recruitment costs	818	427
Legal and professional costs	716	409
IT costs	1,494	974
Rent and building costs	3,104	1,277
Engagement and communications costs*	2,936	1,686
Programme management costs**	2,333	1,465
Travel and subsistence costs	710	459
Programme development costs	1,030	872
External audit fees	70	63
Internal audit fees	64	84
Other	33	—
Total spend	13,308	7,716

* Engagement and communication costs include outsourced strategic communications advice and support, as well as costs incurred in hosting events and programmatic 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 2026 £000	Year to 31 March 2025 £000
Bioenergetic Engineering	11	—
Collective Flourishing	12	—
Engineering Ecosystem Resilience	392	—
Extending Our Perception	13	—
Future Proofing Our Climate and Weather	8,742	—
Manufacturing Abundance	23	—
Mathematics for Safe AI	14,554	2,323
Nature Computes Better	23,128	6,496
Programmable Plants	12,462	—
Scalable Neural Interfaces	15,143	1,698
Scoping our Planet	17,533	1,211
Sculpting Innate Immunity	22	—
Smarter Robot Bodies	16,894	1,476
Trust Everything, Everywhere	322	—
Total opportunity spaces Expenditure	109,251	13,204
Activation Partners	17,669	3,286
AI Scientist	1,521	—
Other	30	27
Total Research and Development Expenditure	128,471	16,517

R&D expenditure comprises expenditure incurred by ARIA in pursuing its statutory purpose to conduct and commission research and development, including activity that supports the translation and application of R&D outputs and the ecosystem needed to enable that translation. It includes: (i) funding provided to third parties through ARIA awards (including grants and contracts); and (ii) other costs incurred by ARIA that are directly attributable to the delivery of ARIA-funded R&D activity, including programme and workshop costs and other partner activities that enable the creation, translation and application of R&D outputs. R&D expenditure excludes general corporate running costs.

Notes to the Financial Statements continued

5. Property, plant and equipment

	Fixtures and fittings £000	Computer equipment £000	Total £000
As at 31 March 2026			
Cost			
At 1 April 2025	60	208	268
Additions	50	188	238
At 31 March 2026	110	396	506
Depreciation			
At 1 April 2025	(9)	(74)	(83)
Charged in year	(30)	(91)	(121)
At 31 March 2026	(39)	(165)	(204)
Carrying amount at 31 March 2026	71	231	302
	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

6. Trade and other receivables

	31 March 2026 £000	31 March 2025 £000
Prepayments	8,212	1,097
Deposits	822	822
Total receivables	9,034	1,919

Prepayments predominantly consist of R&D prepayments, prepaid license to occupy and software licenses. R&D prepayments arise in a small number of exceptional cases where funding is provided in advance under specific mechanisms. These arrangements are subject to appropriate approvals and are recognised as prepayments before being expensed as the related activity is delivered.

Notes to the Financial Statements continued

7. Cash and cash equivalents

	31 March 2026 £000
Balance at 31 March 2025	10,363
Net change in cash and cash equivalent balances	2,696
Balance at 31 March 2026	13,059
The following balances were held at 31 March:	
Government banking service	13,059
Total cash and cash equivalents	13,059
	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

8. Trade and other payables

	31 March 2026 £000	31 March 2025 £000
Trade payables	5,450	613
Accruals	1,072	1,157
R&D accruals	28,679	8,924
Social security and other taxation	349	170
Other payables	(1)	30
Total trade and other payables	35,549	10,894

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 R&D accrual is based on participants' verified expenditure claims, ensuring only eligible and incurred costs are recognised, and where this is not available, an informed estimate is made. Payments are made in arrears, contingent on recipient performance and only on verified expenditure claims. As at 31 March 2026, the R&D accrual was £28.7m (31 March 2025: £8.9m). 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 2026.

Research and development commitments

ARIA has multi-year contractual obligations for research and development expenditure. As at 31 March 2026, ARIA has research and development funding agreements totalling £514.1m. 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 2026 £000	31 March 2025 £000
By time		
Not later than one year	202,878	111,263
Later than one year, but not later than five years	167,529	166,884
Later than five years	—	—
Total research and development commitments	370,407	278,148

Other financial commitments

ARIA has one non-cancellable contract for a license to occupy, which is not a lease or PFI contract or other service concession arrangements. The total payments to which ARIA is committed are as follows.

	31 March 2026 £000	31 March 2025 £000
Non-cancellable contracts		
Not later than one year	2,559	2,349
Later than one year, but not later than five years	—	2,516
Later than five years	—	—
Total	2,559	4,865

10. Contingent assets and liabilities

ARIA has no contingent assets or liabilities.

11. Related party transactions

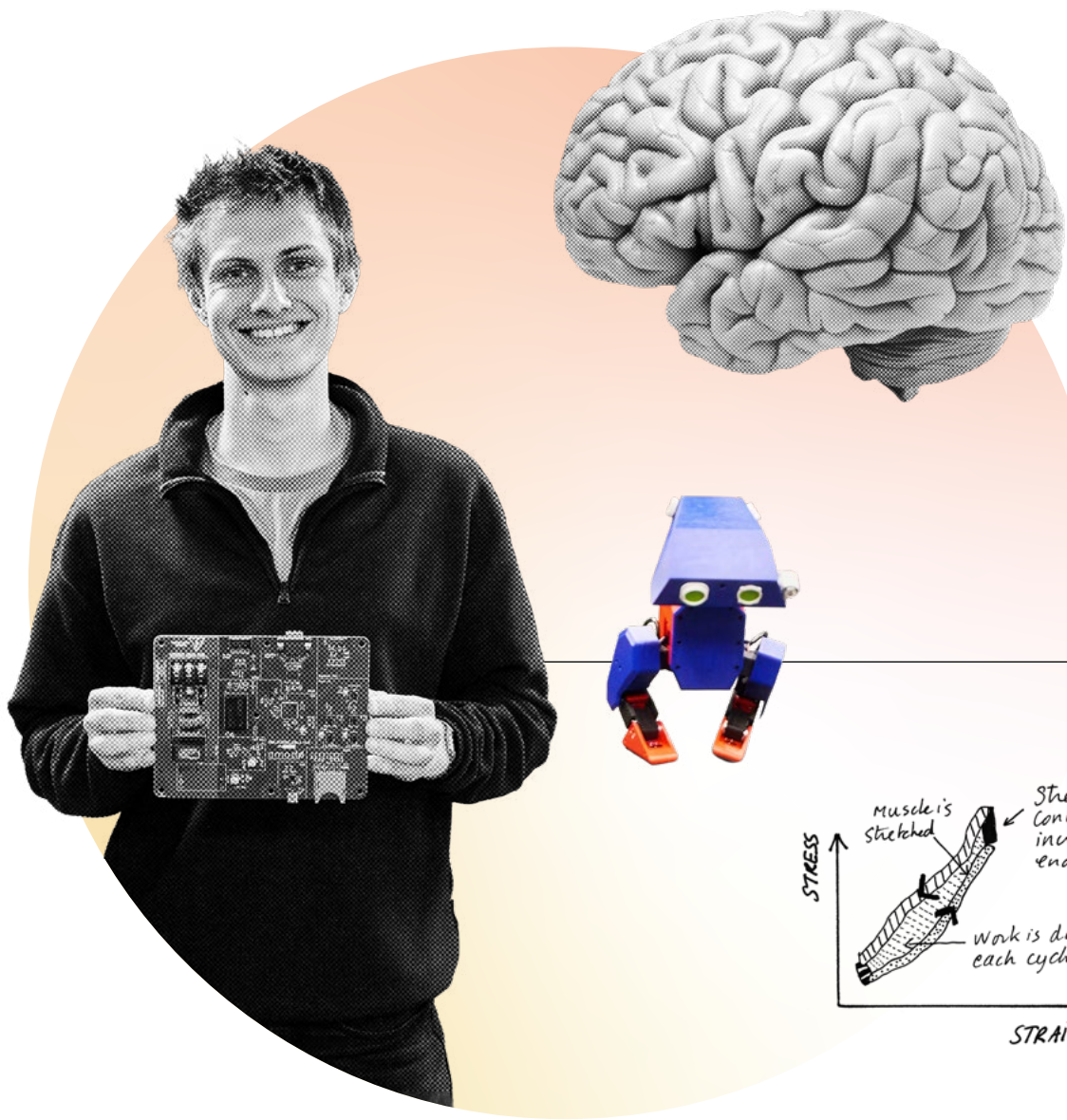
ARIA is an Arm's Length non-departmental public body sponsored by DSIT, which is regarded as a related party.

During the year, ARIA had a few material transactions with DSIT within the DSIT group, including UKRI. These transactions relate to the awards of grants to the Natural Environment Research Council and National Physical Laboratory. In accordance with the FReM IAS 24 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.



Advanced
Research
+ Invention
Agency

ARIA

ISBN: 978-1-5286-6655-8

E03606571