

# Trustees and Strategic Report



# Legal and administrative information

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## Trustees

S C Cowley (appointed 24 April 2024)

M C Newman

L F Gladden

R Brundle (appointed 24 April 2025)

E Taylor

V Srinivasan

H Kirner

J P Pikunic

I Sheldon

S M Spearing (resigned from board 8th July 2025)

R O'Reilly (appointed 24 April 2025)

V Gentili (24 April – 30 June 2025 before becoming board observer due to new role as Battery Innovation Programme Director)

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## Secretary

S M Robertson

(retired 16 September 2025)

C Callow

(appointed 17 September 2025)

## Charity number

1176500

Registered in England and Wales

## Company number

10959095

Registered in England and Wales

## Registered office

Quad One  
Becquerel Avenue Harwell Campus  
Didcot  
Oxfordshire OX11 0RA

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## Auditor

Crowe U.K. LLP

4th Floor  
St James House  
St James Square  
Cheltenham GL50 3PR

## Bankers

Barclays Bank

1 Churchill Place  
London E14 5HP

## Solicitors

DAC Beachcroft

25 Walbrook  
London EC4N 8AF

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## Key Management

### Chief Executive Officer

Pam Thomas

(resigned 30 April 2024)

Martin Freer

(appointed 2 September 2024)

### Chief Operating Officer

Susan Robertson

(resigned 2 May 2025)

Catherine Callow

(appointed 8 September 2025)

### Chief Scientist

Peter Bruce

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## Website

[www.faraday.ac.uk](http://www.faraday.ac.uk)

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The Trustees are pleased to present the annual report and financial statements for the Faraday Institution for the period ending 31 March 2025. The document has been prepared to meet the requirements for a strategic and a directors' report and accounts for Companies Act purposes as well as to meet the reporting requirements of the Charity Commission.

The financial statements have been prepared in line with the accounting policies set out in note 1 to the financial statements and comply with the Charities Act 2011, the Companies Act 2006, Articles of Association of the company, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS102) as amended for accounting periods commencing from 1 January 2019.

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## Objective and activities

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The Faraday Institution's Articles of Association sets out its objectives as follows:

*'The advancement of science and education and the advancement of environmental protection or improvement for the public benefit by engaging in, encouraging, supporting and exploiting, by whatever means, high-quality research, and related training and policy advice, in energy capture, conversion and storage, with a view to securing outcomes which will add to scientific knowledge, deliver environmental benefits in terms of decarbonisation and improved air quality and benefit the life, health and well-being of humankind.'*

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### **The Faraday Institution carries out these objects through:**

- Leading battery research through large-scale collaborative, university-led programmes
- Providing opportunities and training to develop early career scientists and engineers, PhD researchers and undergraduates to meet the future growing needs of UK battery research
- Producing independent economic analysis and reports on energy storage related topics important to policymakers, industry, and the UK public
- Conducting engagement activities designed to attract new participants to energy storage research and to educate general and specific audiences
- Developing commercial pathways for battery related innovations arising from the research programme.

The Trustees have considered the Charity Commission's guidance on public benefit when reviewing the organisation's aims and planning its future activities and believe that these activities fulfil this requirement.



Conference 2025

THE FARADAY INSTITUTION

OWMG THE UNIVERSITY OF WARWICK

Welcome  
Professor Martin Freer  
CEO, The Faraday Institution

THE FARADAY INSTITUTION

Faraday Institution  
Conference 2025  
#Faraday2025

OWMG THE UNIVERSITY OF WARWICK

Energising the UK Battery Ecosystem

CEO Professor Martin Freer opening the Faraday Institution Conference, September 2025

## Strategic report

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The Faraday Institution is the UK's independent institute for electrochemical energy storage research, skills development, market analysis, and early-stage commercialisation and is predominantly funded by the Battery Innovation Programme (formerly the Faraday Battery Challenge).

Bringing together expertise from universities and industry partners, the Faraday Institution conducts application-driven research on projects with commercial potential that will reduce battery cost, weight and volume and improve performance and reliability and develop whole life strategies including recycling and reuse.

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As a national programme and a delivery partner for the Battery Innovation Programme (BIP) the Faraday Institution is focused on accelerating breakthroughs in energy storage technologies to benefit the UK in the global race to electrification and will be a key vehicle through which the UK Battery Strategy and the Government's Advanced Manufacturing Sector Plan, published in June 2025, will be delivered.

The Faraday Institution funds and actively manages application-inspired research in electrochemical energy storage through large-scale university-based research projects. The most promising emerging research is being developed for real-world use through the pipeline of innovation and application.

The organisation also represents a collaborative, multidisciplinary research community, bringing scientists and engineers together across the UK on mission-driven battery research.

The Faraday Institution has key roles to play in other areas to ensure this electrification transition goes smoothly and maximises the impact for the UK. These include efforts to inform policy through the publication of commissioned studies, responses to government consultations and parliamentary inquiries, and briefings associated with Faraday Insights publications; and STEM outreach and educational programmes to bring up the next generation of energy storage researchers.

The Faraday Institution collaborates with various partners and organisations in its endeavours. Alongside fellow members of the Battery Innovation Programme - Innovate UK and the UK Battery Industrialisation Centre - it actively engages with commercial R&D projects related to battery scale up. Furthermore, it forges strategic partnerships and alliances

with research and technology organisations, national facilities, government departments, charitable institutions, industry leaders, and academic institutions.

Beyond these UK activities, the Faraday Institution participates in international collaborations and engagements and has received funding from the Foreign, Commonwealth and Development Office (FCDO) and from the Department of Science, Innovation and Technology (DSIT) for this purpose.

The FCDO funding covers two sets of activities. The first is to enable research into energy storage for emerging economies as well as participation in various international activities such as the Global Battery Alliance and the World Bank's Energy Storage Partnership. This funding was renewed in 2022 until December 2026. Under this renewed funding, the Faraday Institution has assumed leadership of the Ayrton Challenge on Energy Storage (ACES); one of the thematic challenge programmes of the Ayrton Fund, which is a £1 billion UK government development fund to accelerate the clean energy transition in developing countries by making clean energy options the most affordable, accessible and attractive. This supports Sustainable Development Goal (SDG) 7 (Affordable and Clean Energy) and SDG13 (Climate Action).

The second strand of FCDO funding awarded in 2023/24 and extended in February 2025 is to set up a programme of Visiting Research Fellows (VRFs) from South America to work alongside Faraday Institution researchers with the aim of enhancing partnerships between the UK and the lithium triangle countries of Argentina and Chile. The renewal of the grant enabled a further cohort of five researchers from Chile, Argentina and Brazil to undertake VRFs in the UK between around October 2025 and March 2026.

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Further funding was awarded to the Faraday Institution in 2022 by the Department of Business, Energy and Industrial Strategy (BEIS) (now DSIT) for a programme of collaborative research between the UK and USA, which ran until 31 March 2025. DSIT has provided extension funding through its Tactical Fund to support two US-UK workshops in basic energy sciences, focusing on fundamental battery research and the use of exascale computing and AI tools (joint with the Hartree Centre) for battery science.

In 2024, the Faraday Institution and the Japanese Science and Technology Agency launched a two-year UK Japan Energy Storage Research Fellowship programme that is designed to strengthen collaboration between the two countries in the field of next-generation battery technologies. The scheme is supported by DSIT's International Science Partnerships Fund (ISPF) and runs from April 2024 to March 2026. Details of these activities are set out in Part I of the annual report, which is published on our website [www.faraday.ac.uk](http://www.faraday.ac.uk).

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## Principal risks and mitigations

The Faraday Institution manages risk through a formal risk management process, which involves its executives, the Audit, Finance and Risk Committee and the Board of Trustees. The process includes regular reviews as well as an annual workshop with participation from stakeholders and Faraday Institution management. The risk register is updated regularly and reviewed with the Board and the Audit, Finance and Risk Committee.

### Key risks for the Faraday Institution

Key risks for the organisation have been identified as follows:

#### Future funding:

Future funding represents a significant risk for the Faraday Institution as it is funded entirely through fixed term grants. The main grant from the Battery Innovation Programme, which includes funding for the core activities and for the headquarters staff, is confirmed until 31 March 2027. While the Government announced an investment of £452 million to March 2030 for the Battery Innovation Programme as a whole, the Faraday Institution budgets and assurances around funding between April 2027 and March 2030 are not expected to be confirmed by Innovate UK until early 2026. As the work of the Faraday Institution is intended to be long term, uncertainty on longer term funding makes it difficult to plan and make commitments over the required timescales as well as leading to risk of researcher flight. This risk is mitigated through careful management of finances and commitments and appropriate communication across the research community that the Faraday Institution funds.

#### Lack of a mature battery industry and supply chain for battery materials in the UK:

This risk is addressed through its work in convening of key stakeholders and participants in the battery industry, engagement within the wider Battery Innovation Programme and through its informed insights and briefings.

#### Ability to deliver research programmes that successfully meet its aims:

The Faraday Institution applies a model of programme management that is designed to balance between not

over-burdening research projects, but which enables the research to be commercially relevant. This model involves active engagement with industry to identify key challenges, defines a process for the management of the research programmes, and benefits from the input of its Expert Panel of leading industry and academic experts who review the progress of the research programmes and advise the Trustees accordingly.

#### Recruitment and retention of researchers sufficient to meet the programme requirements:

With uncertainty over future funding and high demand for battery researchers both in the UK and overseas, there is a risk of losing researchers to other opportunities. In addition, delays in getting visas for researchers recruited from overseas has led to some delays in filling posts. The Faraday Institution seeks to mitigate this risk by ensuring good development opportunities and training programmes are in place for its researchers. Whilst the Faraday Institution seeks to retain and attract good candidates for its research programmes, movement of researchers from its programmes to further careers within the battery industry are considered by the Trustees as being a positive support for this growing industry in the UK and in line with its objectives.

#### Other risks:

The Faraday Institution manages its financial risk through a robust process of planning and budgetary control with oversight from the Audit, Finance and Risk Committee and the Board of Trustees who review the financial position of the organisation at each Board meeting. The Trustees ensure that commitments for future expenditure are made prudently with due consideration of the financial resources available.

The key processes and controls adopted by the organisation are designed to be fit for purpose and efficient whilst providing appropriate financial controls and sound management processes that are consistent with the principles of the Government's 'Managing Public Money' and value for money. The organisation reviews and monitors these and updates as appropriate.

# Achievements, performance and success criteria in 2024/2025

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The Faraday Institution has now completed its seventh year and continues to deliver on its mission to enable breakthroughs in energy storage for the UK.

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The research community now includes over 500 scientists and engineers across 25 UK universities, continuing the Faraday Institution's effort to convene a robust community in different energy storage related disciplines to solve key challenges.

At the core of the Faraday Institution's research programme are ten major collaborative research projects in lithium-ion and beyond lithium-ion technologies. Under the Faraday Institution's research model, these projects are reviewed and evolve to meet priorities and focus on promising areas. The current term of the remaining projects is to 31 March 2026 or 30 September 2026 (depending on the project) and a process is currently underway to review how the research programme will be shaped going forward, to build on the impacts delivered to date and to identify new priorities.

In addition to the major research programmes, the Faraday Institution has research projects on topics to benefit emerging economies that are funded by Foreign Commonwealth and Development Office through the Ayrton Fund. This programme also contributes to the NEXGENNA project on sodium-ion batteries.

During the 2023-24 financial year, the Faraday Institution was awarded further funding from DSIT through its International Science Partnerships Fund (ISPF) to fund research fellows to work on a collaborative programme with Japanese research organisations. This programme started in April 2024 and runs until March 2026.

The quality of the academic work of these projects is indicated by the substantial number of papers in leading publication. 1,206 publications were logged to September 2025, of which:

- 62% in the top 10% of journals
- 89.6% in the top quartile journals
- 47.1% in the top 10% most cited publications worldwide

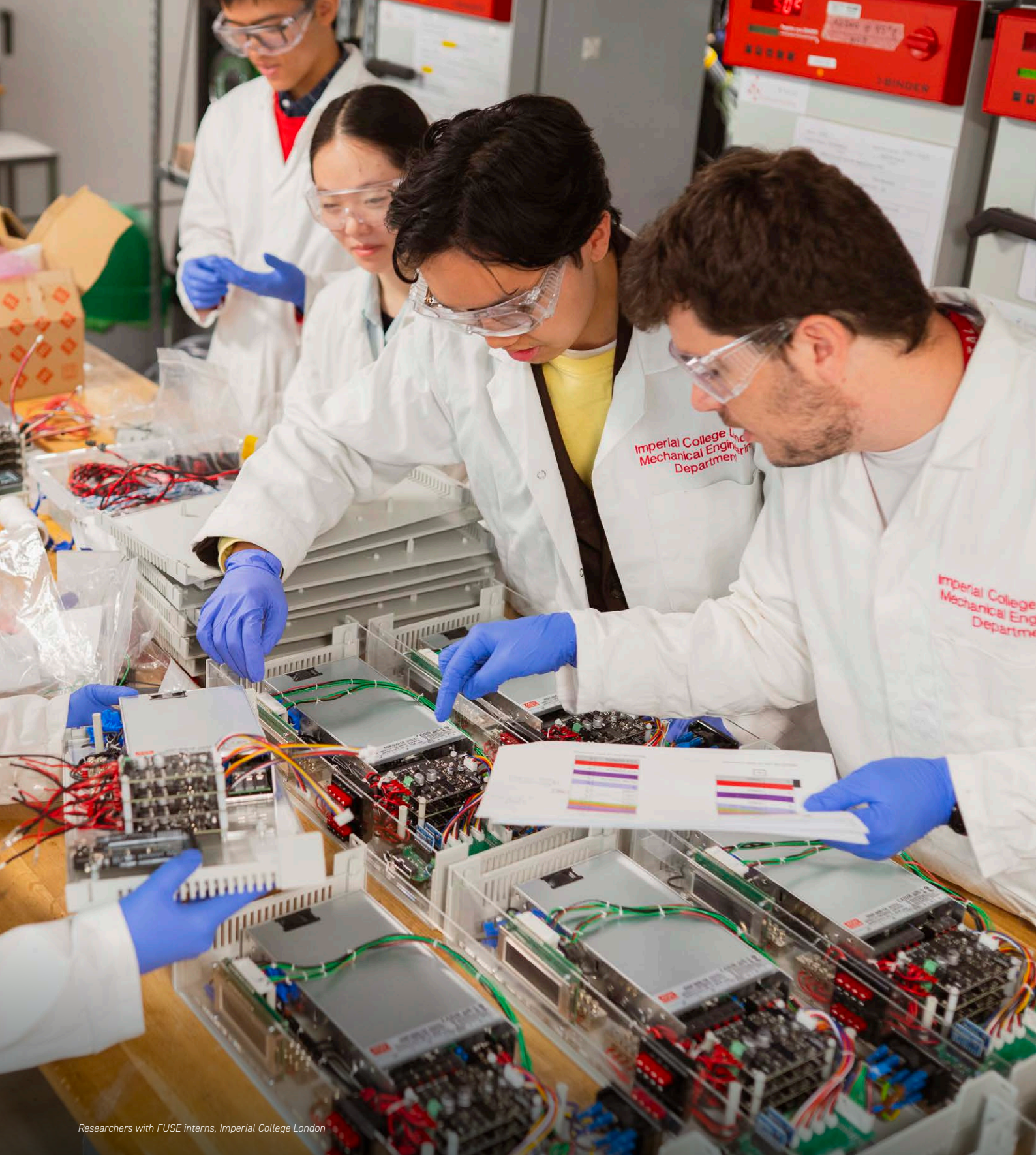
In line with the maturity of the research projects, the Faraday Institution commercialisation activities have continued to gain traction over the course of 2024/25. The number of its UK industrial partners has increased to 148. The commercialisation activities have also led to additional grants being awarded.

These included 22 awarded Industry Fellowships and 31 Industry Sprint projects to date, which are designed to target real-world solutions with industrial partners. In addition, 15 entrepreneurial fellowships, supporting start-ups have now been awarded. There has also been an increase in the level of intellectual property being developed with 56 inventions identified, 20 patents filed and 10 published.

The Faraday Institution accelerates research to commercial outcomes. The 26 start-ups supported to October 2025 (via entrepreneurial or industry fellowships, industry sprints or via main project involvement) now employ 430+ and have subsequently secured £225 million in funding rounds, follow-on grants and one exit.

The series of Faraday Insights has continued to provide meaningful evidence-based assessment of the market, economics, technology and capabilities for energy storage technologies and the transition to a fully electric UK for government, academic and industry stakeholders. To date, 22 have been published. Because of their high quality, these insights and reports are included in GO-Science's EmTech Resource Library, which is a library of hundreds of technology reports available for use by teams across government in order to facilitate knowledge sharing across departments and offices. An update to the report "UK Electric Vehicle and Battery Production Potential to 2040" was published in September 2024.

The terms of the Faraday Institution's funding did not allow for it to fund a new cohort of PhDs this financial year. To ensure that there continues to be a quality training programme for battery researchers, the Faraday Institution offers a PhD enrichment programme to eligible PhD students – with 13 researchers joining the cohort formed in October 2025. To date 116 PhD students have benefited from the Faraday Institution's PhD training programme with a further 72 PhD researchers currently affiliated to the Faraday Institution's major research projects. These affiliated PhD researchers are also able to benefit from a training budget provided by the Faraday Institution, as well as through participation in the Faraday Institution's Annual and Early Career Research Conferences and related networking and



Researchers with FUSE interns, Imperial College London

career development activities. 89% of its first two cohorts of PhD researchers secured their first positions in the battery sector – within industry, analyst or academic roles.

In addition, in the summer of 2025, the FUSE internship programme again enabled 47 undergraduate students to benefit from a battery science internship working alongside Faraday Institution researchers, bringing the total since 2018 to 360+.

A number of these former interns are now working as PhD researchers in Faraday Institution research projects.

The Faraday Institution held a successful conference in September 2024 at Newcastle University with nearly 550 attendees from across academia, industry and policy.

# Aims, objectives and success criteria for 2025/2026

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## Research programmes

We will continue to actively manage our research portfolio, to ensure its strength in high quality and highly cited publications continues and that we deliver significant impacts from each project.

In 2024/25, the organisation undertook a comprehensive review and reshaping of our major research projects to ensure the UK remains in a strong position to lead for the longer term. The reshaped programme commenced in 2024/25 with six reshaped projects that started in April 2025 and a further two that started in October 2025.

Two major projects, FutureCat and CATMAT, concluded at the end of their grant period in September 2025. Building on the success of FutureCat and CATMAT, two new projects will begin in October 2025:

- FAST: Advancing Battery Formation, Ageing, and Testing for Efficient Manufacturing and Sustainability, led by Professor Emma Kendrick, University of Birmingham
- 3D-CAT: Accelerated Development of Next Generation Lithium-rich 3D Cathode Materials, led by Dr Robert House, University of Oxford

As part of the Ayrton Challenge on Energy Storage (ACES); A total of six concept-to-demonstrator projects were awarded in May and August 2025, running through to September 2026.

## Commercialisation

We will continue to deliver impact by working closely with our research project investigators to protect emerging intellectual property through patents and commercialising technology through academic and industrial partnerships. We will continue to focus on those projects that have clear nearer-term market impacts (for example, battery modelling), and those where the UK is well-placed to take a leading position such as in sodium-ion, lithium-sulfur and solid-state batteries.

Our investment to bolster academic and industrial partnerships will continue in the form of Industrial Sprints, Industry Fellowships and Entrepreneurial Fellowships, with a goal to accelerate commercially relevant research to the marketplace.

Two Transformational Challenges will be added to our research portfolio. These target energy storage application challenges that have extraordinary impact potential where there are currently only conceptual solutions or ideas. The first Challenge (UltraStore) will develop ultra-low cost long duration energy storage solutions

for the grid. The second (HighPerCell) will focus on ultra-high performance batteries, particularly targeting aerospace. These challenges will commence with a co-creation and planning phase where the organisation will work with consultants to formulate and develop novel methods, approaches and radical ideas to shape larger, open project calls that will open in 2026.

## Funding

The Faraday Institution has assurance of funding through to the end of March 2027 from UKRI to sustain its core programmes. The Department of Business and Trade Investment Committee will meet in early 2026 to review the Battery Innovation Programme business case and the planned allocation of the £452 million pledged for the programme. Following this, a grant framework agreement and offer letters will be provided to Innovate UK and then the Faraday Institution, covering funding from 1 April 2026 to March 2030. This process aims to provide stability and mitigate the challenges of short-term funding cycles.

The organisation will also continue to look for complementary and relevant funding through other sources, in support of international battery collaboration and research.

## Skills training

A new cohort for the PhD Enrichment Programme will be recruited to start in October 2025, and the Faraday Institution will continue delivering its PhD Training Programme for current participants. With expected UK Government funding for the Battery Innovation Programme through to March 2030, the Faraday Institution will be able to directly fund new PhD studentships. An open call for UK PhD studentships will be launched in autumn 2025, aiming for successful candidates to begin in October 2026 following recruitment at partner universities. To maximise impact and increase the total number of PhDs supported, the organisation plans to offer a mix of fully funded and part-funded studentships, leveraging matched funding from research technology organisations, industry, and universities.

The summer internship programme for undergraduates will continue, providing research experience in energy storage topics at university partners. Early career researchers will benefit from ongoing support for professional development, including training budgets and a major Early Career Researcher Conference and Training Event scheduled for March 2026.

Following the success of the 600+ Faraday Institution conference hosted by the University of Warwick in September 2025, the University of Nottingham will host the 2026 conference.



*Professor Layla Mehdi, University of Liverpool, speaks to Nobel laureate Professor Sir Stan Whittingham during a lunch and networking sessions at the Faraday Institution Conference at the University of Warwick, September 2025*

## Engagement

We will continue to deliver a programme of engagement that influences policy, informs the public and academia and generates top tier media coverage in relation to battery science, gigafactory demand, battery production, supply chains and transport sector electrification, though publishing insights, reports briefings, consultations, and responses to enquiries. We will continue to position our CEO and the senior leadership team for maximum influence in these circles.

In 2025-26 we will serve as secretariat to the policy commission “Powering a Secure and Sustainable Economy with Gigafactory Investment”, launched in June 2025 and chaired by Lord Hutton. The commission will bring together senior cross-party political figures and industry leaders with deep expertise in government, policy, manufacturing, energy and national security and will consult multiple stakeholders. Its recommendations will be published early in 2026 and will cover how the UK can scale up its battery manufacturing capacity – a critical requirement to achieving net zero, generating economic growth and securing high-quality green jobs.

Internationally, we will work to solidify and formalise our ties with the US research community and the Hartree Centre to define further collaborative research projects. We will, in addition, look to expand our international collaboration efforts through programmes in other geographies, such as Japan, Germany, and South America. We will lead the Ayrton Challenge on Energy Storage for the FCDO, a programme to ensure the just and fair transition to fully electric in emerging economies.

## Equality, diversity and inclusion (EDI)

We will continue our focus on career development for under-represented groups within the community as well as promoting inclusivity across our activities and community. We will continue to consolidate our learnings and make available across our community resources to support them in EDI aspects. We will also continue to embed EDI principles within all our activities including engagement and our conferences. In addition, we will provide targeted training to support and reinforce EDI across our community.

## Financial review

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Income for the year was £33.3 million (2024: £29 million), primarily from grants. Of this, £28.8 million (2024: £25.2 million) was received from the government-funded Battery Innovation Programme (formally Faraday Battery Challenge).

Further funding was received from other funders as follows:

£1.2 million (2024: £0.7 million) is income recognised in the period from a £5 million grant awarded by the Foreign, Commonwealth and Development Office (FCDO) for the Ayrton Challenge on Energy Storage (ACES). This grant covers the period to 31 December 2026.

Also during the year, £1.7 million (2024: £2.1 million) of income was recognised from the grant awarded by the Department for Science, Innovation and Technology (DSIT) for a collaborative programme on energy storage topics between researchers in the UK and USA. The total of this grant was £4 million, and it ran until 31 March 2025.

£0.3 million (2024: £0.6 million) of income was recognised from a grant awarded by FCDO for a programme of visiting research fellows from Chile and Argentina who will work in the UK on Faraday Institution projects.

A total of £0.7 million (2024: £0) of income was recognised from DSIT for a new grant to fund a collaboration programme between researchers in the UK and Japan. The total funding for this grant is for £1.6 million and runs until 31 March 2026.

Investment income in the period was £0.24 million (2024: £0.26 million). In addition, £0.2 million (2024: £0.06 million) was generated through sponsorship and exhibitor fees at the annual conference.

Expenditure for the period comprises direct expenses totalling £3.0 million (2024: £2.8 million), grant awards of £29.0 million (2024: £29.2 million) and support costs of £1.0 million (2024: £0.9 million).

The main items of grant expenditure during the year related to the ten major, multi-year research programmes. The awards for these grants cover the period to 31 March 2025 (6 projects) or 30 September 2025 (4 projects). These grants have been extended to March 2026 (6 projects) and 30 September 2026 (2 projects)

In addition, new grants were awarded to fund the following other activities:

- Research project grants of £0.7 million as part of the DSIT Japan programme
- an enrichment training programme for PhD researchers
- 46 internships for undergraduate students
- Industrial and Entrepreneurial Fellowship grants totalling £0.9 million
- and 8 Industry Sprint projects totalling £1.9 million.

Payments for these grants are scheduled over the period of the award. In most cases payments are made quarterly in arrears on receipt of invoice of actual costs. According to the Faraday Institution's accounting policy, expenditure is recognised when committed.

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### **Going concern**

The Trustees have prepared the accounts on a going concern basis. In making this assumption, the Trustees have considered forecasts of income, expenditure and cash flow over future periods and believe that the organisation has sufficient funds to continue its activities for the foreseeable future. In particular, they have incorporated into the forecasts additional funding of £33 million, which was confirmed by UK Research and Innovation (UKRI) in July 2025. This funding is intended to support the organisation's activities until 31 March 2027.

### **Reserves policy**

The Faraday Institution is funded currently through grants from the Engineering and Physical Sciences Research Council (EPSRC), Innovate UK and through the Foreign, Commonwealth and Development Office (FCDO) and Department of Science Technology and Innovation (DSIT). The charity intends that all of this funding will be spent on awarding grants or other of its charitable activities in order to ensure it reaches the fullest amount of public benefit achievable with the funds available. The Trustees recognise however that it is necessary to have access to reserves to meet unexpected costs and variations in its expenditure.

In the year 2023/24 the main provider of the grant funding from the Faraday Battery Challenge to the Faraday Institution changed from being EPSRC to Innovate UK. A consequence of this change in funding is that payments for the grant are now received in arrears rather than in advance and in recognition of the need for the Faraday Institution to have sufficient cash flow and reserves to manage its activities, Innovate UK awarded £7.2 million of this new grant in advance. This amount has been accounted for as deferred income.

Based on the risk profile of the charity, and its ability to manage and forecast cash flow, the Trustees believe this sum provides sufficient reserves to manage the risk. This reserves target is likely to change year-on-year with the payment profiles and will therefore be reassessed on a regular basis.

### **Fundraising**

The majority of funding for the Faraday Institution is derived from grants. The organisation does not carry out any fundraising activities with the general public and no donations are sought from the public, therefore it is not registered with the Fundraising Regulator. The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

### **Investment policy**

Investment policy only relates to the short-term management of liquid funds as the organisation does not have long-term funds for investment. All funds are managed on a prudent basis, and policies ensure that funds are only held with counterparties with a high level of credit worthiness, that sufficient liquidity is maintained at all times and that risk is spread across more than one institution.

### **Grant awarding policy**

The processes for award of grants are defined beforehand by the Trustees or in the case of smaller awards by management of the Faraday Institution and are based on principles of fairness, transparency and good use of public money whilst being proportionate to the level of awards being considered. In most cases, this will involve independent, expert review of grant applications. Details of the process followed to award grants for large projects are available in the Faraday Institution Management Plan on the organisation's website.

# Structure, governance and management

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## Structure, governance and management

The Faraday Institution is a company limited by guarantee, a registered charity and is governed by its Articles of Association. The Trustees, who are also directors and members of the Faraday Institution for the purpose of company law, and who served up to the date of signature of the financial statements, are listed in the legal and administrative information provided at the start of this report.

Trustees are responsible for setting strategy for the Faraday Institution and ensuring that its long-term aims are met. They decide its priorities and direction, monitor risk and develop policies.

Trustees are appointed by the Board of Trustees with an initial term of three years. Trustees may then stand for reappointment with a maximum term of 10 years. On appointment, Trustees are provided with briefing on the duties of Trustees and on the mission and operations of the Faraday Institution to equip them to fulfil their duties as directors. Trustees' meetings are held no less than three times per year. A process for recruitment of future Trustees has been set and is overseen by the People Committee who are responsible for conducting the recruitment process and making recommendations to the Board. Evaluation of Board processes and performance is conducted in order to provide feedback to the Chair and Trustees and enable continuous improvement.

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The following committees report to the Board of Trustees:

### Audit, Finance and Risk Committee

This committee reviews and reports back to the Trustees on issues relating to audit, financial management and oversight, and risk.

### People Committee

This committee reviews and advises the Trustees on issues relating to nominations, remuneration, equality and diversity, recruitment and overall HR policies for the Faraday Institution.

### Business Impact Committee

This committee looks at industry's requirements of the Faraday Institution; for example, scientific research areas, understanding strategic challenges for the battery technology industry and developing and delivering active two-way links with industry.

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### **Key management**

The key management of the Faraday Institution, who are appointed by the Trustees, are the Chief Executive, the Chief Operating Officer (this role now incorporates the role of Chief Financial Officer as defined within the Articles of Association) and the Chief Scientist. Day-to-day management of the organisation is delegated to the Chief Executive Officer, who has executive responsibility for decisions under the direction of the Trustees. The Chief Operating Officer is responsible to the Trustees for managing the financial risks of the organisation, for financial planning and for financial reporting to the Chief Executive Officer and the Trustees. The Chief Executive Officer and the Chief Scientist, working together, are responsible for leading the organisation's research programme, drawing upon the advice of the Expert Panel as a whole.

### **Remuneration**

Remuneration for key management is determined at the time of appointment based on market assessment and external advice (for example from search companies). The remuneration package is designed to reflect the fact that the organisation is a charity and publicly funded whilst still being sufficient to attract suitably qualified candidates. Pay is reviewed annually. Pay increases for the CEO are determined by the Chair of the Board of Trustees following a review of the CEO's performance.

Pay increases for other staff are determined by the CEO based on individual performance reviews and determined within an overall limit determined by the Board of Trustees. In determining this for 2024/25, the Board considered general pay review published information as well as pay increases for similar organisations.

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### **Changes to the Board of Trustees**

During and post year end there were a number of changes to Trustees. After a selection process, three new Trustees were appointed in April 2025 and we were pleased to welcome Rachel O'Reilly, Professor of Chemistry and Pro-vice Chancellor for Research at the University of Birmingham; and Robin Brundle, Co-founder and Director of Recyclus Group, to the Board.

The third Trustee appointed was Dr Valentina Gentilli, who after 2 months on the board moved to an observer position as she accepted a new role as Director of the Battery Innovation Programme.

In addition, following a selection process for a new prospective Chair of the Board, Sir Steven Cowley was appointed to the Board in April 2024 and was subsequently appointed as Chair of the Board on 16 July 2024. We are very grateful to Peter Littlewood, who stepped down from this position at this date and from the board in December 2024, when the term of his trustee appointment ended.

## Statement of Trustees' responsibilities

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The Trustees, who are also the directors of the Faraday Institution for the purpose of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities statement of recommended practice;

- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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### Disclosure of information to auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Crowe U.K. LLP was appointed as auditors on 10th July 2019. Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor. The trustees' report, incorporating a strategic report, was approved by the Board of Trustees, as the company directors, on 9 December 2025 and signed on its behalf by;



S C Cowley  
Trustee

Dated: 9 December 2025

# Independent auditor's report to the members of the Faraday Institution

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## Opinion

We have audited the financial statements of the Faraday Institution for the year ended 31 March 2025 which comprise the Statement of Financial Activities, Statement of Financial Position and Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

## Other information

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report there on our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

Our 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 an auditor's report that includes our 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were Taxation legislation and Employment legislation.

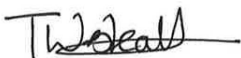
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit, Finance and Risk Committee about their own identification and assessment of the risks of irregularities, performing audit procedures over income, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tara Westcott  
Senior Statutory Auditor  
For and on behalf of Crowe U.K. LLP  
Statutory Auditor  
Cheltenham

Dated: 09 December 2025



*Dr Matthew Irvine with FUSE intern Sarah Aden*

# Financial Report

## Statement of financial activities

including income and expenditure account for the year ended 31 March 2025

	Notes	Unrestricted funds £	Restricted funds £	Total 2025 £	Unrestricted funds £	Restricted funds £	Total 2024 £
<b>Income from:</b>							
Charitable activities funded by BIP	3	<b>27,827,694</b>	<b>922,719</b>	<b>28,750,413</b>	23,735,734	1,426,609	25,162,343
Charitable activities from DSIT & FCDO		-	<b>4,072,837</b>	<b>4,072,837</b>	-	3,479,902	3,479,902
Other trading activities		<b>215,664</b>	-	<b>215,664</b>	58,664	-	58,664
Investments	4	<b>244,922</b>	-	<b>244,922</b>	262,348	-	262,348
Total Income		<b>28,288,280</b>	<b>4,995,556</b>	<b>33,283,836</b>	24,056,746	4,906,511	28,963,257
<b>Expenditure on:</b>							
Charitable activities funded by BIP		<b>27,885,955</b>	<b>1,119,646</b>	<b>29,005,601</b>	27,869,642	1,578,256	29,447,898
Charitable activities from DSIT & FCDO		-	<b>3,916,032</b>	<b>3,916,032</b>	-	3,425,577	3,425,577
Total Expenditure	5	<b>27,885,955</b>	<b>5,035,678</b>	<b>32,921,633</b>	27,869,642	5,003,833	32,873,475
Net income for the year/ Net movement in funds		<b>402,325</b>	<b>(40,122)</b>	<b>362,203</b>	(3,812,896)	(97,322)	(3,910,218)
Funds balance at 31 March 2024		<b>160,111</b>	<b>362,961</b>	<b>523,072</b>	3,973,007	460,283	4,433,290
Fund balances at 31 March 2025		<b>562,436</b>	<b>322,839</b>	<b>885,275</b>	160,111	362,961	523,072

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 25 to 38 form part of these financial statements.

# Statement of financial position

for the year ended 31 March 2025

		2025	2024
	Notes	£	£
<b>Fixed assets</b>			
Tangible assets	11	115,308	140,820
<b>Current assets</b>			
Debtors	14	9,880,037	16,455,333
Cash at bank and in hand	13	12,742,258	7,512,328
		<u>22,622,295</u>	<u>23,967,661</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>21,852,328</u>	<u>23,585,408</u>
Net current assets		<u>769,967</u>	<u>382,253</u>
<b>Total assets less current liabilities</b>		<u>885,275</u>	<u>523,073</u>
<b>Creditors: Amounts falling after more than one year</b>		<u>-</u>	<u>-</u>
		<u>885,275</u>	<u>523,073</u>
<b>Funds</b>			
Restricted funds	16	322,839	362,961
Unrestricted funds		562,436	160,111
	17	<u>885,275</u>	<u>523,072</u>

The financial statements were approved by the Trustees on and signed on its behalf by



S C Cowley

Trustee

Company Registration No. 10959095

Dated: 9 December 2025

# Statement of cash flows

for the year ended 31 March 2025

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		2025	2024
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from/(absorbed by) operations	20	4,991,390	(15,430,000)
<b>Investing activities</b>			
Purchase of tangible fixed assets		(6,382)	(5,975)
Interest received		244,922	262,348
<b>Net cash used in investing activities</b>		<b>238,540</b>	256,373
<b>Net increase in cash and cash equivalents</b>		<b>5,229,930</b>	(15,173,627)
Cash and cash equivalents at beginning of period		7,512,328	22,685,955
<b>Cash and cash equivalents at end of period</b>		<b>12,742,258</b>	7,512,328

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# Notes to the financial statements

for the year ended 31 March 2025

## 1 Accounting policies

### Charity information

The Faraday Institution is a private company limited by guarantee incorporated in England and Wales (company number 10959095). The registered office is Suite 4, 2nd floor, Quad One, Becquerel Avenue, Harwell Campus, Didcot, Oxfordshire, OX11 0RA. The Faraday Institution is also a charity registered in England and Wales; charity number 1176500.

### 1.1 Accounting convention

The financial statements have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements are presented in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

### 1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. As per our reserves note, UKRI has confirmed that they will provide future funding to 31 March 2027.

The Trustees believe that funding will continue beyond 31 March 2027 and therefore has adopted the going concern basis of accounting in preparing the financial statements.

### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the Charity's objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

### 1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Grant funding is included within "Charitable activities". Grant funding may include terms and conditions that must be met before the Charity can receive the grant and may have flexible arrangements that mean that the amount to be received by the Charity cannot be fully determined at the date of award.

In such cases, the income will be recognised at the sooner of receipt of funds or when the event triggering unconditional entitlement occurs and the Charity can reliably measure the income. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

# Notes to the financial statements

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## 1.5 Expenditure

All expenditure is recognised inclusive of irrecoverable VAT on an accruals basis once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be reliably measured. Expenditure is categorised under the following headings:

Expenditure on charitable activities includes the costs of activities undertaken to further the purpose of the Faraday Institution.

Grants payable are recognised when the Charity has a constructive obligation according to the terms of the grant award (this may be before the payment is due).

Support costs are those costs incurred during activities that assist the work of the Charity but are not directly associated with the purpose of the Faraday Institution. Support costs include all or a proportion of back office costs, finance, personnel, payroll and governance costs which support the Faraday Institution's programmes and activities. These are split based on the estimated time spent by staff on the programmes and activities.

## 1.6 Tangible fixed assets

Tangible fixed assets costing more than £500 or which form part of a group of assets which collectively cost more than £500 are capitalised at initial cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is applied from the start of the month following the date at which assets are brought into use and is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives as follows:

Leasehold improvements	Over the life of the lease of ten years
Computers	3 years straight line
Office furniture	3 years straight line
Pool car	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in net income/(expenditure) for the year.

## 1.7 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

## 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

## 1.9 Financial instruments

### Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

### Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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### **1.10 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

### **1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### **1.12 Leases**

Operating lease: rentals are charged and credited to the statement of financial activities.

## **2 Critical accounting estimates and judgements**

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In the application of the Charity's accounting policies, the Trustees are required to make judgements, 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 period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### **Critical judgements**

#### **Performance related grants**

Income on performance related grants is recognised on a receivable basis, to the extent that income has been received, or is receivable due to the grants expected becoming unconditional and their receipt probable in the foreseeable future.

Grants that are expected but not yet receivable on the basis that certain performance related criteria must be achieved have been excluded from these financial statements. The expected income on which conditions are attached has been disclosed in note 3 to state a true and fair view of the expected income over a period of 4 and half years. Such grants include conditions that may not be certain of being met due to requirements for meeting criteria beyond the control of the charity thereby creating the possibility of the reduction or withdrawal of the expected fund. Accruals for grant expenditure are made based on forecasts of spend for the next quarter.

# Notes to the financial statements

## 3 Charitable activities – Income

	2025	2024
	£	£
Performance related grants - EU STEPS	-	67,856
Performance related grants - DSIT Japan	<b>775,302</b>	-
Performance related grants - FCDO ACES	<b>1,218,424</b>	£719,139
Performance related grants - FCDO VRF	<b>348,000</b>	£600,000
Performance related grants - DSIT	<b>1,731,112</b>	£2,092,906
Performance related grants - EPSRC	<b>922,719</b>	£2,982,825
Performance related grants - Innovate UK	<b>27,827,694</b>	£22,179,518
	<b>32,823,249</b>	28,642,245

All income from charitable activities this financial year has come from grants awarded by either Innovate UK or the Engineering and Physical Sciences Research Council (EPSRC) as part of the Battery Innovation Programme (BIP), from the Foreign, Commonwealth and Development Office, (FCDO), or from the Department for Science, Innovation and Technology (DSIT).

This funding from the Battery Innovation Programme (formerly the Faraday Battery Challenge) was intended initially to support the setup costs of the Faraday Institution and to support an application inspired fundamental research programme to develop expertise in battery science and technology research.

These funds include separate streams intended for training activities and in the initial phase, for equipment associated with the Faraday Institution's projects. The equipment and training elements of this award have separate conditions attached and have been identified as restricted funds.

The terms of the grant awards from the Battery Innovation Programme include provision that the Challenge Director may flex the funding split between research, innovation and scale up based on market conditions and to ensure the optimal balance over time. Since the Faraday Institution represents

the research element of the Battery Innovation Programme, this means that the possibility of flexing of this funding leads to uncertainty over the amount of funds that may be available to the Faraday Institution over the period of the grant award. Grant payments made through EPSRC are scheduled to be made quarterly to the Faraday Institution according to a profile pre-agreed by EPSRC. Grants made through Innovate UK are paid quarterly in arrears. Given the uncertainty around future funding, in line with the charity's accounting policy on revenue recognition, income from grants has been recognised when it is considered to be unconditional. This is on receipt of the quarterly payment or in the case of the Innovate UK portion of the grant, at the quarter end.

The FCDO ACES grant is for a total of £5 million over the period commencing 1 April 2023 to 31 December 2026. Payments on this grant are quarterly based on a forecast spend adjusting for actual expenditure in the previous quarter. In line with the charity's accounting policy, income is recognised when it becomes unconditional.

The DSIT grant is for a total of £4 million over the period to 31 March 2025. Payments on this grant are made quarterly in arrears.

## 4 Investment income and Other income

	2025	2024
	£	£
Interest receivable	244,922	262,348
Other Trading income - sponsorship from annual conference	215,664	58,664
Total	<u>460,586</u>	<u>321,012</u>

## 5 Charitable activities - expenditure

2025	Grants	Direct costs	Support costs	Total
	£	£	£	£
			(note 7)	
Research projects	27,711,970	1,777,132	638,038	30,127,140
Training	1,245,257	215,008	91,365	1,551,630
Engagement and reports	-	898,391	239,823	1,138,214
Governance	8	-	104,649	-
Total	<u>28,957,227</u>	<u>2,995,180</u>	<u>969,226</u>	<u>32,921,633</u>

2024	Grants	Direct costs	Support costs	Total
	£	£	£	£
			(note 7)	
Research projects	27,570,516	1,663,902	567,074	29,801,492
Training	1,624,774	183,406	85,239	1,893,419
Engagement and reports	-	803,814	224,033	1,027,847
Governance	8	-	150,717	-
Total	<u>29,195,290</u>	<u>2,801,839</u>	<u>876,346</u>	<u>32,873,475</u>

# Notes to the financial statements

## 6 Grants payable

	2025	2024
	£	£
<b>Grants to lead institutions</b>		
University of Cambridge	2,969,789	2,401,012
Imperial College London	2,605,797	2,697,750
University of Birmingham	2,845,104	2,956,102
University of Oxford	8,501,606	8,303,268
University of St Andrews	2,668,960	2,726,830
University of Sheffield	2,027,995	3,169,270
University College London	4,859,555	3,706,762
University of Warwick	834,799	1,392,388
University of Coventry	247,140	-
University of Strathclyde	154,103	-
University of Nottingham	164,843	-
University of Bath	75,537	-
University of Liverpool	29,831	-
University of Swansea	-	190,554
University of Southampton	87,000	167,948
Entrepreneur Fellows	135,252	591,312
Smaller grants	749,916	892,094
	<b>28,957,227</b>	<b>29,195,290</b>

During the period, the charity's 10 major grants continued the research programme into battery related topics. Six of these started in April 2023 and four in October 2023. These grants were each for a period of 2 years and extended for one further year taking them to March 2026 and Sept 2026 respectively. These large grants are all collaborative research programmes involving a number of universities based on a hub and spoke model with one university taking the lead for each project. These grants are awarded subject to a number of terms and conditions and with the ability of the Faraday Institution to withdraw, reduce or reallocate on reasonable notice to better maximise the impact of the Faraday Institution research portfolio or in response to any variation in

the funding to the charity. For this reason, the grant awards are only recognised when they are considered to be unconditional. The balance of grant remaining is expected to be paid quarterly in arrears. Expenditure is recognised in the quarter in which expenditure commences.

Within the period, the charity also awarded two Entrepreneurial Fellowship grants (2024: Six). These last for up to one year and are all fully committed.

The PhD training grants are made to various institutions to fund PhD positions for four years. As the four-year term is beyond the current funding available to the charity, EPSRC has underwritten amounts that would fall due beyond the 31 March 2025.

## 7 Support costs

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	2025	2024
	£	£
Salaries and other staff costs	254,211	278,683
Recruitment	64,180	84,072
Legal and professional	7,880	11,905
Office costs	564,455	481,571
Travel	78,500	20,115
Total	<u>969,226</u>	<u>876,346</u>

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# Notes to the financial statements

## 8 Governance

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	2025	2024
	£	£
Trustee costs	2,239	23,078
Audit	19,904	44,074
Other accounting costs	82,506	83,565
	<u>104,649</u>	<u>150,717</u>

Governance costs includes payments to the auditors of £17,490 (2024: £16,500) excluding VAT. Audit fees include both statutory audit costs and the cost of audits to meet funder requirements. Other accounting costs include costs of the Faraday Institution's audit of its research grants conducted on its behalf by KPMG.

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## 9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Company during the period for their work as Trustees. Four Trustees were reimbursed for travel expenses during the period. The reimbursements totalled £8,312 (2024: Four Trustees £6,072).

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## 10 Employees

	2025	2024
<b>Number of employees</b>		
The average monthly number of employees during the period was:	<u>27</u>	<u>25</u>

	2025	2024
<b>Employment costs</b>	£	£
Interim staff salaries	223,426	78,763
Wages and salaries	1,559,063	1,599,298
Social security costs	182,558	192,549
Other pension costs	242,573	208,952
	<u>2,207,620</u>	<u>2,079,562</u>

	2025	2024
<b>The number of employees whose annual remuneration was £60,000 or more were:</b>	Number	Number
£60,001 to £70,000	-	3
£70,001 to £80,000	3	-
£80,001 to £90,000	1	-
£90,001 to £100,000	1	-
£100,001 to £110,000	-	3
£110,001 to £120,000	1	-
£120,001 to £130,000	-	1
£130,001 to £140,000	1	-
£140,001 to £150,000	1	-
£150,001 to £160,000	-	1
£160,001 to £170,000	-	-
£170,001 to £180,000	1	-
£180,001 to £190,000	-	1
£190,001 to £200,000	1	-

	2025	2024
<b>Remuneration of key management personnel</b>	£	£
The remuneration of key management personnel is as follows.		
Aggregate compensation	<u>287,549</u>	<u>346,569</u>

# Notes to the financial statements

## 11 Tangible fixed assets

	Leasehold improvements £	Computers £	Office furniture £	Pool car £	Total £
<b>Cost</b>					
Balance at 1 April 2024	218,941	71,458	87,842	34,552	412,793
Additions	-	6,382	-	-	6,382
<b>Balance at 31 March 2025</b>	<b>218,941</b>	<b>77,840</b>	<b>87,842</b>	<b>34,552</b>	<b>419,175</b>
<b>Accumulated Depreciation</b>					
Balance at 1 April 2024	(105,687)	(61,731)	(82,932)	(21,623)	(271,973)
Charge for the year	(21,750)	(8,153)	(502)	(1,489)	(31,894)
<b>Balance at 31 March 2025</b>	<b>(127,437)</b>	<b>(69,884)</b>	<b>(83,434)</b>	<b>(23,112)</b>	<b>(303,867)</b>
<b>Net book value at 31 March 2025</b>	<b>91,504</b>	<b>7,956</b>	<b>4,408</b>	<b>11,440</b>	<b>115,308</b>
<b>Net book value at 31 March 2024</b>	<b>113,254</b>	<b>13,765</b>	<b>6,247</b>	<b>14,419</b>	<b>169,435</b>

## 12 Financial instruments

	2025 £	2024 £
Financial assets measured at amortised cost (a)	<b>22,445,575</b>	23,750,579
Financial liabilities measured at amortised cost (b)	<b>21,803,773</b>	23,533,689

(a) Financial assets measured at amortised cost include cash, other debtors and accrued income

(b) Financial liabilities measured at amortised cost include other creditors, all accruals and finance leases

### 13 Cash and cash equivalents

	2025	2024
	£	£
Cash	5,481,194	6,285,246
Short-term bank deposits	7,261,064	1,227,082
Total	<u>12,742,258</u>	<u>7,512,328</u>

### 14 Debtors

	2025	2024
Amounts falling due within one year	£	£
Other debtors	506,673	831,880
Prepayments and accrued income	9,373,364	15,623,453
Total	<u>9,880,037</u>	<u>16,455,333</u>

### 15 Creditors

	2025	2024
Amounts falling due within one year	£	£
Taxation and social security	77,381	54,343
Other creditors	59,579	17,671
Trade creditors – grants	341,678	4,483,053
Deferred Income	7,200,000	7,200,000
General accruals	82,849	118,228
Accruals for grants payable	14,090,841	11,712,113
Total	<u>21,852,328</u>	<u>23,585,408</u>

Deferred income of £7.2 million is as an advance payment paid as part of the Innovate UK grant to ensure the charity has sufficient funds to meet its commitments and is a prepayment of the last quarter payment due for the quarter ending 31 March 2025.

# Notes to the financial statements

## 16 Restricted funds

	UKRI equipment grant	UKRI training grant	FCDO grant	FCDO VRF	DSIT grant	DSIT Japan grant	Total
<b>Opening balance 1st April 2024</b>	<b>72,918</b>	<b>235,718</b>	<b>(291,105)</b>	-	<b>345,430</b>	-	<b>362,961</b>
Incoming resources	-	<b>922,719</b>	<b>1,218,424</b>	<b>348,000</b>	<b>1,731,112</b>	<b>775,302</b>	<b>4,995,557</b>
Resources expended	-	<b>(1,119,646)</b>	<b>(1,045,924)</b>	<b>(350,793)</b>	<b>(1,724,636)</b>	<b>(794,680)</b>	<b>(5,035,679)</b>
Balance at 31 March 2025	<b>72,918</b>	<b>38,791</b>	<b>(118,605)</b>	<b>(2,793)</b>	<b>351,906</b>	<b>(19,378)</b>	<b>322,839</b>
<b>Opening balance 1st April 2023</b>	72,918	387,365	-	-	-	-	460,283
Incoming resources	-	1,426,609	719,139	600,000	2,092,906	67,857	4,906,511
Resources expended	-	(1,578,256)	(1,010,244)	(600,000)	(1,747,476)	(67,857)	(5,003,833)
Balance at 31 March 2024	72,918	235,718	(291,105)	-	345,430	-	362,961

The UKRI equipment grant was received to fund equipment on the research grants, and will be reviewed in the FY 25/26. The UKRI training grant is used to fund PhD grants at research organisations and is paid in advance. The fund will be utilised in FY25/26. The FCDO ACES grant is paid in advance and corrected in the next quarter based on actual spend, the negative fund will be rectified in the FY25/26 Q1 claim. The fund runs until December 2026 and will be fully utilised. The FCDO VRF grant funds UK research organisations to host visiting researchers from Latin America and will be renewed in FY25/26 where the small negative fund will be reconciled with the funder and paid to the Faraday Institution in the next tranche of funding.

The DSIT grant is paid one quarter in advance and funds work to enable a US/UK research collaboration. This fund was fully reconciled in FY25/26.

## 17 Analysis of net assets between funds

	Unrestricted £	Restricted £	Total £
<b>Fund balances at 31 March 2025 are represented by:</b>			
Tangible assets	115,308	-	115,308
Current assets/(liabilities)	447,127	322,839	769,966
Carried over	562,436	322,839	885,275
<b>Fund balances at 31 March 2024 are represented by:</b>			
Tangible assets	140,820	-	140,820
Net current assets	19,291	362,961	382,252
	160,111	362,961	523,072

## 18 Operating lease commitments

At the reporting date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025 £	2024 £
Within one year	224,521	206,692
Between two and five years	444,379	603,439
	668,900	810,131

The operating lease in respect of the rental of Quad 1, Harwell is a 10-year lease ending January 2028.

The rentals increase each year using the RPI index.

## 19 Related party transactions

Nothing to be reported for the year ended March 2025.

# Notes to the financial statements

## 20 Reconciliation of cash flow from operating activities

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	2025	2024
	£	£
Surplus/(Deficit) for the period	362,202	(3,910,218)
<b>Adjustments for:</b>		
Depreciation of fixed assets	31,894	34,590
Investment income recognised in statement of financial activities	(244,922)	(262,348)
<b>Movements in working capital:</b>		
Decrease/(Increase) in debtors	6,575,296	(15,729,340)
(Decrease)/Increase in creditors	(1,733,080)	4,437,316
<b>Cash generated from/(absorbed by) operations</b>	<b>4,991,390</b>	<b>(15,430,000)</b>

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