

# Annual report and accounts 2024

Making life science life changing



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# Forewords

## Note from our Chair of the Board

2024 was a pivotal year for LifeArc, marked by significant strides towards tackling underserved conditions. We enhanced our role in bridging the gap between scientific innovation and patients, advancing discoveries that have the potential to transform lives. Additionally, we drove forward initiatives that address some of the most overlooked conditions, underscoring our commitment to making meaningful impact for patients.

LifeArc seeks to act as a catalyst for innovation. We have always focused on tackling complex and overlooked health challenges, bringing together expertise and resources to move science forward. This year, we made significant progress in areas such as motor neurone disease, dementias, and chronic respiratory infections. A key highlight was our launch of the Childhood Cancer Translational Challenge. These efforts exemplify our dedication to ensuring that promising research reaches people with underserved conditions.

We also invest in the infrastructure and networks that underpin progress. In rare diseases, we committed £40 million to establish four Translational Centres for Rare Disease with a range of partners across the country. These centres bring experts together to overcome the persistent challenges of fragmented expertise, dispersed patient populations and limited funding. Similarly, we co-founded the UK's first network of Cystic Fibrosis Lung Health Innovation Hubs with Cystic Fibrosis Trust, to accelerate the development of new diagnostic tools and therapeutic approaches to detect, treat and manage lung infections. And through our experienced Ventures team, we continued to invest in life changing science, bolstering early-stage companies with advice, scientific insight and funding.

Gene therapy is another area where we're championing innovation. The gene therapy innovation centres we are sponsoring in London, Bristol and Sheffield provide vital facilities for researchers working on gene therapies, often targeting rare diseases which can lack research attention due to small patient populations. LifeArc is continuing to focus on this critical area, opening new avenues for discovery and development to ensure that patients with rare diseases are not left behind.

Partnerships remain central to our work. We're participating in groundbreaking programmes such as Our Future Health, which aims to use population genomics to transform the understanding of disease and its treatment across diverse populations. Our collaboration with the UK Dementia Research Institute is focussed on advancing new diagnostic and therapeutic approaches for dementia. We also deepened our commitment to tackling antimicrobial resistance by making a major commitment to, and becoming a founding partner of, the Fleming Initiative. These partnerships highlight the way in which LifeArc seeks to address global health challenges in collaboration with diverse stakeholders including research institutions, policymakers and industry.

Our people have been at the heart of this progress. Dr Sam Barrell joined us as CEO in the autumn, bringing energy, vision and strong leadership which puts us in a powerful position going forward. We have also been joined by our first Chief Medical Officer, Dr Jonathan Morgan, who will play a crucial role in shaping our clinical research agenda. I'm delighted that we have appointed two additional scientific chairs to support our disease-specific areas. These distinguished leaders bring invaluable expertise and have expanded our global networks, accelerating progress and ensuring LifeArc remains at the forefront of

translational science.

Looking ahead, we're excited to build on this momentum and pursue bold, long-term initiatives. Our plans include further developing our programme to deliver tangible patient outcomes, continuing to expand our data science capability, and advancing the consolidation of our operations into a new facility.

I am incredibly proud of what we have achieved. With a sharper focus, strong partnerships and an exceptional team, we're positioned to make significant further progress in 2025. Together we're harnessing innovation to make a lasting difference to the lives of people with underserved conditions.

**Ian Gilham,**  
Chair of the LifeArc Board of Trustees

## Note from our Chief Executive Officer, CEO of LifeArc, and our Deputy CEO and Chief Financial Officer

2024 has been defined by transformation and exciting beginnings.

We continued to align every part of LifeArc to better deliver on our mission to progress innovations that could help those with rare and underserved conditions, where limited commercial incentives, complexity or high risk have hindered progress.

We collaboratively established a series of translational centres and hubs for both rare disease and lung health with charity, academic and patient partners from around the UK; co-started an international drug discovery consortium for childhood cancer; funded multiple new clinical trials; conducted our first motor neuron disease community workshops and surveys; and launched our antibody discovery capabilities.

Partnership was critical for each of those initiatives and in all that we do. Alongside advancing our data science capabilities to enhance our ability to conduct patient-focused research, we joined Our Future Health – the world's largest dataset of its kind for health research. We also deepened our efforts to tackle antimicrobial resistance through a partnership with the Fleming Initiative.

Central to this year's transformation were the strides made in planning for a building in London's King's Cross Knowledge Quarter. This new hub will foster collaboration and innovation, improving our ability to deliver cutting-edge translational science.

The people who work at LifeArc have been crucial in our ability to deliver so many important and potentially life-changing projects. We welcomed several new leaders, including a chief medical officer and chief people officer, as well as many new colleagues. Our heartfelt thanks go out to our teams in London, Stevenage and Edinburgh for their dedication to our mission.

LifeArc is poised for continued transformation in 2025. With our partners, we will continue to create positive impact for people with rare and underserved conditions and to tackle global health challenges such as resistant infections. We look forward to 2025 and beyond, as we strive to help those with unmet health needs and continue to make life science life changing.

**Dr Sam Barrell CBE**  
Chief Executive Officer

**Stéphane Maikovsky**  
Deputy Chief Executive Officer (CEO)  
Chief Financial Officer (CFO)

# Trustees' report



# Who we are and what we do

At LifeArc, our mission is to enable science to get health breakthroughs to people with underserved conditions faster.

Translating scientific discoveries into the next drug, diagnostic or device is a long, expensive and unpredictable process. We help to remove barriers to this translation by bridging the gaps between the lab and the patient.

## We do this by:

- funding innovative research and investing in science-based companies
- providing scientific support at our on-site labs
- offering translational advice to protect new research and bring it to market more quickly

As a self-funded charity, we can focus on medical challenges that may otherwise be overlooked due to their complexity, risk or commercial uncertainty. This means our priorities can be informed by the needs of people with underserved conditions.

## Our purpose, vision and mission

### Purpose

To bridge the gap between academic research and clinical development by catalysing scientific discoveries into the next generation of diagnostics, devices, treatments and cures.

### Vision

To enhance human health and wellbeing across the globe by removing the barriers that prevent discoveries becoming rapidly available to people with rare diseases and in global health.

### Mission

Our mission is to make an impact for people with underserved conditions, by convening the ecosystem to translate scientific discoveries into treatments, tests and other technologies, through innovative science, expert advice, contribution to public policy, and access to funding. This mission is informed and guided by experts, including patients, carers and their families.

# Strategy and achievements

Throughout 2024, we continued to help bridge the gap between the lab and the clinic to bring new advances to people with underserved conditions, fuelled by strategic partnerships and our expertise in translation.

We bring people together to form strong partnerships, combining expertise and resources. By working with experts – including patients, caregivers and families – we gain knowledge to help us focus on what matters most.

Major collaborations forged in 2024 include our partnership with Our Future Health (OFH), Britain's largest health research programme of its kind, and announcing our intention to invest in the Fleming initiative, as a founding partner. Both unite partner knowledge and resources to accelerate health improvements. Our partnership with OFH will advance research across our Translational Challenges such as motor neuron disease, respiratory health, and rare diseases, while the Fleming Initiative is a multidisciplinary approach to tackling antimicrobial resistance (AMR).

Patient and public engagement remained an important focus of our work, ensuring lived experiences are embedded into our research priorities. This included sharing our own public engagement framework and joining the Shared Commitment to Public Involvement, alongside 25 other leading health and research organisations.

In 2024, we launched our new brand and website, reflecting the evolution of our strategy and position within the translational science ecosystem. We were also delighted to convene more than 700 attendees for the inaugural LifeArc Translational Science Summit in April. The one-day event featured presentations and insights from leading scientists, experts, policy makers and innovators on how translational science can bridge the gap between basic research and clinical applications.



# Our Translational Challenges

Following 2023's strategy refresh, we continue to channel our research efforts through our Translational Challenges:

Priority areas with the potential to translate science into impact for people with underserved conditions such as motor neuron disease, chronic respiratory infection, childhood cancer, and in global health. We continue to refine our priorities in these spaces, to ensure we use our resources in a way that achieves the greatest patient impact.

## **Motor neuron disease (MND): a world where MND is preventable and treatable**

We use our expertise to progress discoveries that could enable earlier intervention, better treatment and improved quality of life for people living with MND. More broadly across neurodegeneration, we also invest in Alzheimer's disease and dementia research.

### **Highlights from 2024 include:**

- forming and growing partnerships with NEURii, US-based ALS Therapy Development Institute and King's College London, to support the development and validation of new biomarkers, risk prediction tools and therapeutic targets for MND
- launching our MND Insights Group to ensure our research efforts focus on the most pressing needs of people affected by MND
- committing up to £5 million into the repurposing of drugs for MND, to enable evidence-based decision making around which pre-existing drugs should enter clinical studies for MND

## **Chronic respiratory infection: improving lives of people with respiratory conditions**

We progress innovations and clinical solutions for the detection, treatment and management of cystic fibrosis (CF) and bronchiectasis, a condition of the airways – aiming to break the cycle of infection, inflammation and lung damage to support those affected to live longer, with an improved quality of life.

### **Highlights from 2024 include:**

- the UK's first network CF Innovation Hub Network, launched with Cystic Fibrosis Trust, to develop new diagnostics and therapeutics for lung infections
- announcing the first awardees of our £3 million Collaborative Discovery Programme, delivered in partnership with our CF AMR Syndicate, to advance antimicrobial drugs for people with CF
- working with people with underserved conditions and lived experience experts to develop a suite of target product profiles for incorporation into new diagnostic products for CF
- funding the AIRNET trial to test whether existing anti-inflammatory drugs could be repurposed to treat bronchiectasis, with initial results expected within 18 months of launch

## Childhood cancer: driving a paradigm shift in how we diagnose and treat childhood cancers

In 2024, we announced our new childhood cancer research strategy, driven by collaboration and partnership, which we hope will catalyse sustainable change for children with cancer.

### Highlights from 2024 include:

- launching C-Further, our £28 million international initiative with Cancer Research UK and Cancer Research Horizons, to remove barriers to progress and support the development of new, tailored drugs for children with cancer
- seeking the perspectives of people affected by childhood cancer and healthcare professionals working in childhood oncology to guide our new research strategy
- partnering with CureSearch to support a transatlantic team investigating a modified cold sore virus combined with a vaccine as a treatment for high-grade glioma in children
- joining the global Cancer Grand Challenges PROTECT team, alongside 9 of the world's leading cancer research centres, to develop new small molecule targeting (PROTAC) drugs that target the drivers of solid tumours in children

## Rare disease: a collaborative research ecosystem working to overcome barriers to progress

We're taking a holistic approach to rare conditions by tackling the systematic issues preventing discoveries in the lab from reaching the next phase of development, and ultimately the people who need them.

### Highlights from 2024 include:

- launching 4 new Translational Centres for Rare Disease, a combined investment of £40 million, with charity, university and patient partners across the country; these centres will become beacons of translational excellence in the rare disease ecosystem and drive ideas into innovations for people with rare diseases

- a first-of-its-kind plan to licence gene therapies that have not been progressed by pharma, providing more children with life-changing treatments for their rare diseases through our partnership with Great Ormond Street Hospital (GOSH) and GOSH Charity
- funding clinical trials to explore innovative treatments, including testing faecal microbiota transplantation in people with a rare liver disease and repurposing deferiprone for an incurable brain disorder that "traps" people in their bodies

## Global health: affordable, accessible solutions for infectious diseases

Resistant infections are some of the biggest challenges to human health. Antimicrobial resistance is one of the World Health Organization's top 10 public health threats. Our focus is on controlling and preventing resistant infection. We have tightened our global health focus which until recently also incorporated neglected tropical diseases.

### Highlights from 2024 include:

- forming partnerships to foster infectious disease research and drug discovery in sub-Saharan Africa, including an antibiotic stewardship programme (ASPIRE) with ReAct Africa and a joint £6 million investment in the Grand Challenges African Drug Discovery Accelerator with the Gates Foundation
- a second £5 million funding round of PACE (Pathways to Antimicrobial Clinical Efficacy), in partnership with Innovate UK and Medicines Discovery Catapult, supporting research teams to develop diagnostics that could reduce inappropriate antibiotic usage
- joining the Infection Innovation Consortium (iiCON) and investing £2.7 million into a new fund with the Liverpool School of Tropical Medicine to tackle infectious diseases
- improving our ability to understand and prevent the spread of dengue, with the support of 3 early-stage research projects across India and Australia

# LifeArc Ventures

In addition to our Translational Challenges, we invest in science-led companies that are developing promising health-related innovations.

LifeArc Ventures made substantial progress in 2024, with 3 new investments, several follow-on investments, and scientific advances by a number of our portfolio companies.

- **Fluid Biomed Inc.** is a clinical-stage medical device company based in Canada advancing the first hybrid polymer-metal stent to treat brain aneurysms. LifeArc Ventures invested in Fluid Biomed's US\$27 million Series A equity financing which closed in December.
- **AviadoBio** announced an exclusive option and license agreement with Astellas for its gene therapy AVB-101 targeting frontotemporal dementia and other indications. AviadoBio is eligible to receive up to \$2.18 billion in license fees and milestone payments, plus royalties, if Astellas exercises its option. A Phase 1/2 clinical trial of AVB-101 is underway in the U.S. and Europe.
- **Kavigale** (sipavibart; AZD3152), a monoclonal antibody discovered by **RQ Biotechnology** and licensed to AstraZeneca in 2022, received a positive opinion from the European Medicines Agency's Committee for Medicinal Products for Human Use (CHMP) for prevention of COVID-19 in immunocompromised individuals. The advance from discovery to a positive CHMP opinion in 3 years illustrates the speed with which long-acting monoclonal antibodies can be developed as a drug class to protect vulnerable populations against serious viral diseases. The decision further validates RQ Bio's antiviral drug discovery expertise and model for early partnership with the pharmaceutical industry.
- LifeArc Ventures further supported **Ikarovec's** successful seed funding round. Ikarovec is advancing the novel gene therapy programme IKC159V towards clinical trials in geographic atrophy (GA), a cause of sight loss in millions of people which is often a precursor to wet age-related macular degeneration.

# Our science capabilities

We've implemented and finalised several strategic changes to our capabilities this year, as we continue to develop plans for a new LifeArc building.

This included expanding our therapeutics platform to include antibody discovery, with the launch of our advanced B-SMArT™ (B cell Screening Method for Antibody Therapeutics) platform. We are now able to produce fully human antibodies for almost any viable target, ready for preclinical testing.

Alongside antibody discovery, we have generated nearly 100 monoclonal antibodies through our humanisation platform, including immuno-oncology drug Keytruda® (commercialised by Merck) which, in 2024, was approved for its 40th indication. An antibody we humanised with KisoJi Biotechnology Inc also reached a new milestone this year, entering a Phase 1/2a clinical trial. The antibody targets a molecule found in high levels on many hard-to-treat solid cancers, such as lung, ovarian and pancreatic cancers, and could offer a new treatment for people with underserved conditions who currently face poor prognoses.

We continued to establish solid foundations for growing our data sciences capabilities. LifeArc's data science team harnesses the power of data computation and informatics to deliver patient-focused solutions, complementing traditional therapeutic approaches. We now encompass clinical data science, artificial intelligence and machine learning, computational chemistry, bioinformatics, and data engineering to generate practical insights, tools, and knowledge that help answer critical healthcare questions. The data science team also supports drug discovery by optimising small molecule design. Since its inception in 2019, the team has grown from 6 members to 19 in 2024, with plans to recruit 6 more members in 2025.

A major 2024 milestone was joining Britain's largest health research programme, Our Future Health (OFH), as a charity partner. LifeArc aims to leverage the large-scale, longitudinal data to address underserved conditions. OFH will provide valuable data that can be used to identify new biomarkers for disease, as well as developing new tests and treatments.

# Plans for the future

Across 2025, our major priorities include continued channelling of research efforts through our existing disease areas and cementing our plans for the consolidation of our London and Stevenage sites into one new building in London's Knowledge Quarter, King's Cross.

Another key focus is our aim to support more innovations to reach and enter clinical trials, ensuring life-changing treatments reach people with underserved conditions faster.

## Our Translational Challenges

Looking ahead, we'll continue to refine our focus to ensure we prioritise innovations with the greatest potential to benefit people with underserved conditions. We have embraced a mindset of constant evaluation and adaptation, guided by patient involvement and advances in science, to ensure we can respond quickly to emerging trends and opportunities. We look forward to evolving our existing partnerships and forming new collaborations, fuelled by the progress we've made to date.

## A new home for our work

The translational research ecosystem is complex, comprising many partners and areas of expertise. Within the next 3 years, we plan to open a new facility in London, which aims to be a model of partnership that boosts translation science and improves the lives of people with underserved conditions.

We have now secured a home for this building, at the heart of London's knowledge quarter in King's Cross. We hope this central location will serve as a convening point for the translational community. Over the next year, we will work with employees, partners and people with underserved conditions to ensure the space meets our needs, with sustainability principles embedded into its design.

We hope that this central, go-to location will nurture a vibrant culture at LifeArc, centred around learning and development and collaboration.

## Financial sustainability

As a self-funded charity, we work hard to ensure we have the long-term financial sustainability to support our activities and commitments. Our income is derived from several sources, including our investment portfolio, LifeArc Ventures, and royalties from the projects we collaborate on. We expanded our services in 2024 to include antibody discovery, the revenue and royalties from which we hope will provide support for our activities well into the future.

Another fundamental source of our income is our investment portfolio. We invest in a diverse portfolio to spread our risk across many asset classes. These include global equities, fixed income investments, private markets, infrastructure, real estate and hedge funds. Over the long term, we seek to outpace UK annual wage inflation by 3.5%, with the returns on our investment used to fund future translational activity. We also expect our LifeArc Ventures companies to provide us with financial returns, in addition to delivering positive impact for people with underserved conditions.

Our wider commitments to sustainability include conducting our business responsibly through appropriate environmental, social and corporate governance, internal control and risk management, developing and retaining our talent and building our reputation across the ecosystem.

LifeArc's significant financial income in any given year is not directly linked to that year's expenditure. This is because our income primarily comes from royalties on medical interventions we helped develop in the past or from long-term investments. As a result, we adopt a long-term approach to managing income, expenditure, and reserves.

In 2024, we received substantial royalties and research contract income mainly from Keytruda, resulting in a surplus of £182.6 million. Since these royalties are time-limited and will not continue indefinitely, the surplus is invested to ensure the organisation's ongoing financial sustainability.

## Patient involvement

Working in partnership with patients and the public is essential for achieving our mission at LifeArc. Across 2024, we consulted with people affected by the conditions we're researching to understand their perspectives on the most underserved conditions, and areas of the patient pathway which need improvement.

We recently signed the Shared Commitment to Public Involvement, demonstrating our continued commitment to drive up standards of health research with improved quality of patient and public involvement.

We want to see more growth in this area and are developing tools, resources and guiding principles to help us and others across the scientific community actively involve public and patients in research. Across 2025, we'll continue to consult patient advisory groups to ensure the voices of those with lived experiences guide our work.

## Establishing enduring leadership at LifeArc

We are hugely grateful to the individuals who have led LifeArc through the changes of the recent years, as we have grown our ambitions and delivered a number of significant achievements.

Following a period of extensive recruitment, we are delighted to welcome new, permanent leaders to the LifeArc team, outlined in full on page 33. We look forward to working with our executive management team in delivering our vision to make life science truly life changing.

# People report



Our 'people first' strategy centres around 4 core priorities that enable our significant ambitions and support our people to thrive.

## Culture and employee experience

Our regular employee engagement surveys help us gain a deep understanding of the employee experience. In the latest survey, 84% of staff said they felt proud to work for LifeArc.

Equity, diversity and inclusion (ED&I) principles are fundamental to who we are as an organisation, to our overall performance, and to our ability to drive impact.

For example, our new carers policy provides a clear framework for supporting people with caring responsibilities and who may need flexible work arrangements. We also hosted a series of events throughout the year, including celebrating heritage and awareness months and National Inclusion Week in September, and providing training on unconscious bias.

This year, we were awarded the TIDE bronze award from our partners at the Employers Network for Equality and Inclusion, which provides us with additional guidance on focus areas for our continued progress in ED&I.

Our colleague support networks continued to thrive this year and, with the addition of one new network, we are proud to now support the LGBTQ+, Neurodiversity, Parents and Carers, and Menopause Networks. Across 2025, we will continue our journey towards an even more inclusive workplace.

## Performance and reward

Our philosophy at LifeArc is to foster high employee engagement and performance in an environment that supports people to build on their strengths while also acting on areas of opportunity.

We issued the first bonus payments through our updated annual incentive plan in April, rewarding colleagues for their contributions to both organisational and individual objectives. We use a technology platform that facilitates a consistent approach to performance management, providing data insights that enable us to make more informed and equitable decisions.

We're continuing to adapt our ways of working to help eliminate bias, including in recruitment and supporting progression. We're proud of the number of women we recruited across 2024 – including 8 into senior roles – but we know there's more to be done. More information is included in our gender pay gap report which we published this year, having measured and reported this data since 2021. You can find the **published report on our website**.



Learning and career

We invest in a range of learning opportunities and experiences to support our people’s development.

Across 2024, we delivered the first full round of our LifeArc Manager Accelerator (LMA) programme, equipping more than 90 people managers with the skills to lead and develop their teams effectively. Managers who took part reported a 49% increase in self-assessed skills and we are supporting them to embed their learnings into daily practice. We will launch a new LMA cohort in 2025, expanding its reach and influence.

The future of life sciences research depends on attracting diverse talent and we offer several programmes for people early in their career. We continued to make strides in this area for our industrial placement (IP) programme, welcoming 9 students in September to gain work experience with our science teams. We received 506 applications for the 2025/26 cohort. We are pleased to welcome 6 students in September 2025.



In 2024,

4 new

LifeArc fellows were supported



17 people

completed the LifeArc Knowledge Transfer Fellowship



We supported

8 new fellows

through the Crick Africa Network

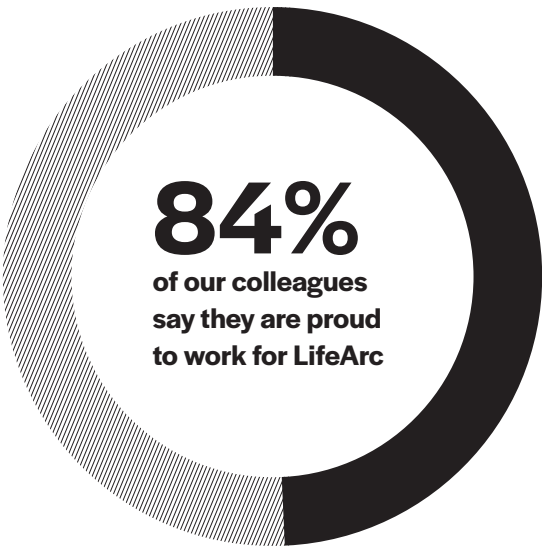


Nearly 100 alumni have now taken part in the LifeArc Knowledge Transfer Fellowship, which equips scientists with skills in business and law to transition into highly demanded knowledge transfer careers across academia, industry, government and venture funding. In March, we supported the second round of the Crick Africa Network, with 8 new fellows from The Gambia, Ghana, Uganda and South Africa beginning a 4-year training programme before establishing independent research groups and careers on the African continent.

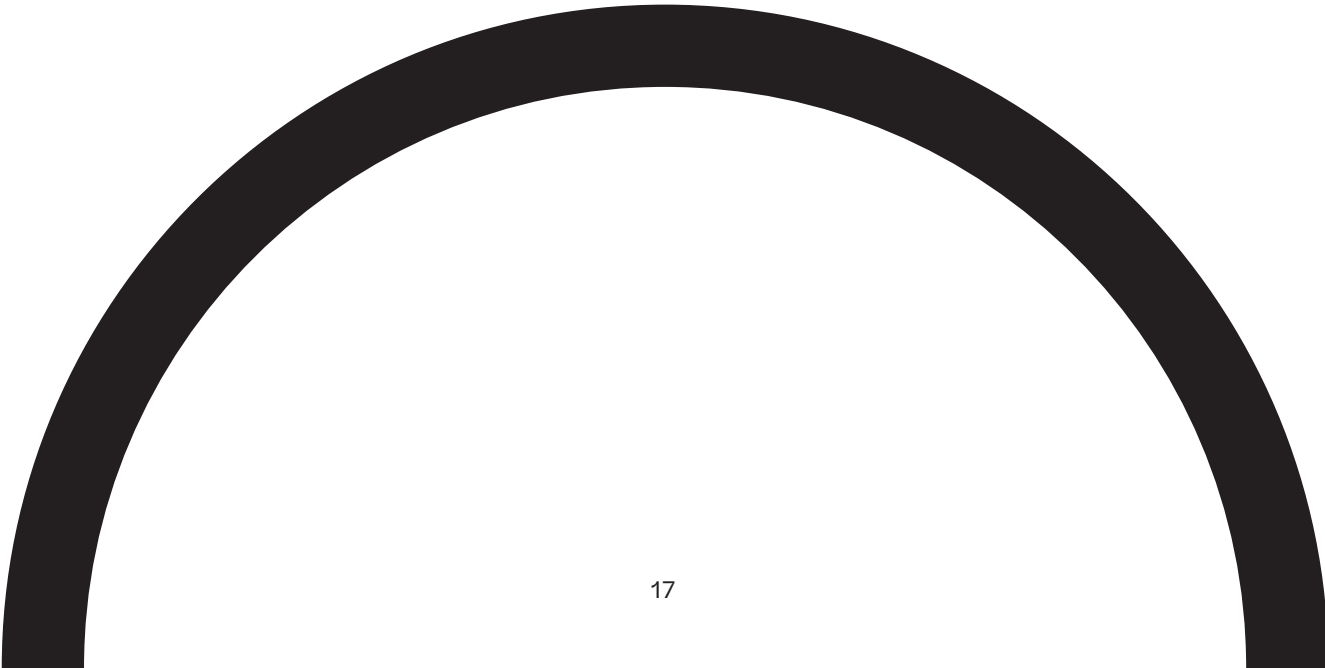
Talent

We continued to build on our successful hiring programme and have recruited a number of talented individuals to the LifeArc team across 2024. We’re particularly proud of our growth in the data sciences field, which can be challenging given the small, unique nature of this talent pool.

This year, we transitioned to an in-house recruitment model, which will support our sustainable growth and significantly reduced our hiring costs. We’re pleased to see our new brand growing in traction and awareness, reflected in the quality, breadth and depth of applications and expressions of interest we receive for new job opportunities.



This year, more than  
**80 people**  
joined the LifeArc team  
●●●●●●●●



# Strategic report



# Strategic report

LifeArc is a charity registered in England and Wales.  
It is also registered in Scotland.

Our Board of Trustees are responsible for ensuring the charity complies with the law and our governing documents and that we achieve our purpose of bridging the gap between academic research and clinical development, to get new innovations to people with underserved conditions faster.

## Charitable objectives

LifeArc's Articles of Association set out our charitable objectives:

- to promote public benefit by improving human health and medical research, assisting the progress of scientific discoveries and new technologies into therapeutic treatments, drugs, diagnostics, other technologies or information resources
- to work with industry, charities, universities, the health service and other bodies, as well as conducting our own research and development, to accelerate the progress of discoveries and technologies so they:
  - are capable of being made available to healthcare and the public for application for the improvement of health
  - are transferred or licensed to a third party to progress development of discoveries towards such goals

## Public benefit

The trustees have paid due regard to the public benefit guidance published by the Charity Commission and the Charity Commission's general guidance when reviewing their aims and objectives and in planning future activities. In particular, the trustees have considered how planned activities will contribute to the organisation's aims and objectives.

## **Promoting LifeArc's success**

The trustees have a duty to promote LifeArc's success by advancing its charitable objectives to promote medical research for the benefit of the public. In doing so they are required by section 172(1) of the Companies Act 2006 to take into account a number of factors. These include:

### **The likely consequences of any decision in the long term**

The Board is responsible for setting and keeping under review LifeArc's strategic direction. All major decisions likely to affect the long-term future of the organisation are discussed at board meetings or meetings of the relevant committee.

### **The interests of the company's employees**

The Board recognises that having a talented and diverse workforce, in whom we invest, is key to our ability to deliver on our strategic ambitions. Further details on what we are doing in this area can be found in the people report on page 14.

### **The need to foster the organisation's business relationships with suppliers, customers and others**

Our relationships with our suppliers and collaborators are critical to our success. Our business practices promote fairness, openness and integrity, and this is reflected in the way we do business with others. We work closely with our suppliers to ensure that we receive high standards of supplies and services. We work closely with a range of academic, charitable and commercial organisations, as well as patient groups, in pursuit of our strategic goals.

### **The impact of the company's operations on the community and the environment**

The carbon report on page 27 outlines LifeArc's greenhouse gas emissions and activities designed to reduce our environmental impact.

### **The desirability of the company maintaining a reputation for high standards of business conduct**

We are proud to maintain a high standard of business conduct and our trustees are alerted to any matters that might cause a reputational risk to the organisation. Upon accepting appointment, all trustees agree to our Code of Conduct for Trustees.

### **The need to act fairly between members of the company**

As a company limited by guarantee, LifeArc does not have any shareholders. Serving trustees are LifeArc's only members.

# Risk report

The Board sets LifeArc’s strategic objectives, annually reviews risk appetite, and sets the risk management policy. Throughout 2024, the Board has considered risk in terms of the wider landscape in which we operate, ensuring significant risks and threats are identified and monitored and are considered in the delivery of our mission and vision. Throughout 2024 the risk management framework has continued to support delivery of our mission and objectives; this has ensured readiness to take the right opportunities.

The Board delegates the arrangements for risk and the effectiveness of internal control systems to the Audit and Risk Management Committee (ARMC), with the day-to-day management of risk delegated to the chief executive officer which is discharged across the executive team and the extended leadership team. A head of risk and assurance facilitates and maintains the risk management process across the organisation, ensuring risks are effectively identified, reviewed and assessed.

The following table summarises the principal risks being proactively managed and mitigated across LifeArc.

Nature of risk	Risk explanation	Management and mitigation of risk
Strategic risk	<b>Long-term financial sustainability and liquidity</b> If we fail to generate sufficient long-term income or react appropriately to changes in our income and expenditure profile, this may result in insufficient liquidity to meet cash flow requirements.	<ul style="list-style-type: none"><li>• Annual long-term planning cycle and long-term financial sustainability strategy agreed with Board, including liquidity guardrails.</li><li>• Professional investment and Ventures teams with set strategies, expected returns and robust governance structures in place to take timely action.</li><li>• Conservative position taken regarding the inclusion of uncertain income streams in forecasts.</li><li>• Monthly tracking of financial performance commitments and reserves by the Finance Committee.</li><li>• Investment and Ventures Committees’ oversight of investment strategy and returns.</li></ul>
Strategic risk	<b>Reputation and brand</b> If communications are not effectively monitored and controlled to have the desired impact, it could lead to reputation damage and loss of influence.	<ul style="list-style-type: none"><li>• Clear communication of LifeArc's revised focus.</li><li>• Stakeholder engagement plan in place for relevant stakeholders.</li><li>• Engagement with colleagues to support them with clear messaging and materials to communicate our strategic shift.</li><li>• Crisis communications plan that enables rapid and effective response to reputational crisis.</li><li>• Clear approval process including executive level approval for high profile communications.</li><li>• Media training for senior managers to ensure appropriate actions.</li></ul>

Nature of risk	Risk explanation	Management and mitigation of risk
<b>Strategic risk</b>	<b>Centre for Translation (CfT)</b> The significant project of selecting and moving to a new building risks time and budget overrun and may disrupt mission delivery and strategic objectives.	<ul style="list-style-type: none"> <li>• A range of external specialist commercial teams have been deployed to help with building selection, design, fit-out, and negotiations to achieve best value and support long-term success.</li> <li>• Early engagement, communication and socialisation of CfT among employees and managers.</li> <li>• Comprehensive and evidence-based business case confirmed by the Board.</li> <li>• Robust project governance and management controls applied.</li> </ul>
<b>Strategic risk</b>	<b>Data governance</b> Greater use of data and data science including AI may result in failure to maintain data privacy or prevent data leakage/misuse.	<ul style="list-style-type: none"> <li>• A 'data privacy improvement plan' has been applied along with a policy on use of a segregated AI platform across the organisation.</li> <li>• Implementation of a 'data council' to steward LifeArc's work on data issues.</li> <li>• Independent external audits used to assess discipline and new policies and to reinforce the control framework.</li> </ul>
<b>Operational risk</b>	<b>IT, cyber security, and resilience</b> The continually evolving IT and cyber security landscape exposes us to the risk of information/data security breach or information/data loss.	<ul style="list-style-type: none"> <li>• Robust data recovery systems are in place and reviewed for resilience, alongside periodically reviewed business continuity plans and independent penetration testing.</li> <li>• IT system users undertake mandatory cyber security awareness training.</li> <li>• Regular security testing with remediation actions applied. Additionally, ISO:27001 and cyber essentials plus accreditations are retained.</li> </ul>
<b>Operational risk</b>	<b>Compliance</b> As the organisation continues to grow and transform at pace, there is a need to ensure compliance with regulations and legislation.	<ul style="list-style-type: none"> <li>• Appetite for legal and regulatory risk is reviewed and set by the Board on an annual basis.</li> <li>• Where there may be scope for non-compliance, new checks and balances have been applied and additional resource procured to improve systems and automation.</li> <li>• Culture is monitored via engagement surveys</li> <li>• An overarching 'policy framework' has been reviewed with improved training and awareness.</li> </ul>

Nature of risk	Risk explanation	Management and mitigation of risk
Operational risk	<b>Funding, grants, and awards</b> Increasing the volume and type of grants and funding we provide may increase the risks of ineffective governance, fraud, and error.	<ul style="list-style-type: none"><li>• Active engagement with charities and fundees.</li><li>• Establishment of a patient engagement role.</li><li>• Organisational structure and process being developed and specialist skills obtained to better resource portfolio delivery.</li><li>• External ‘expert panels’ review funding decisions to ensure appropriate scrutiny and governance.</li></ul>

Other risks identified and considered by the ARMC and Board included: protection of royalty rights, inflation, business continuity management, change and organisational bandwidth, health and safety, supply chain resilience, utilisation of our platform technologies, and management of our strategic partnerships. These continue to receive a strong focus from functional leads and the head of risk and assurance.

Emerging risks to the delivery of LifeArc’s objectives are periodically considered by the ARMC and Board. Some examples of the topics considered recently are: the geopolitical landscape; regulatory requirements in relation to clinical trials; and capital in venture markets.

We integrate risk management with our approach to LifeArc’s insurance strategy, seeking to transfer risk where appropriate. Additionally, we integrate the work and operation of the internal audit function in providing assurance and actions in response to identified risk.

The trustees have considered the major risks to which the organisation is exposed and satisfied themselves that they are appropriately managed.



# Financial review

	2024 (£ million)	2023 (£ million)
Total income	205.0	169.6
Total expenditure	(95.9)	(73.5)
Net gains on investments and FX hedges	112.4	103.0
<b>Net movement in funds</b>	<b>221.5</b>	<b>199.1</b>
<b>Funds balance carried forward</b>	<b>1,607.0</b>	<b>1,385.5</b>

## Income

Total incoming resources of **£205.0 million** (2023: £169.6 million) were made up of **£184.3 million** (2023: £143.1 million) income from charitable activities and **£20.5 million** (2023: £26.5 million) investment income. Income from charitable activities includes £182.6 million (2023: £141.3 million) of contract and royalty income, and **£1.2 million** (2023: £1.3 million) received for intellectual property management and technology transfer services.

LifeArc’s most significant charitable income came from pharmaceutical product royalties. This income is not connected to the current year’s expenditure and will fluctuate significantly from year to year.

## Expenditure

Total resources expended during the year was **£95.9 million**, an increase of £22.4 million (31%) on 2023’s £73.5 million. Resources expended included costs related to scientific activities performed on site, grants awarded, overhead costs, investment activity, and other costs throughout the year that are not directly attributable to charitable activities.

## Net gains on investment and FX hedges

Net gains for the year of **£112.4 million** was made up of net gains from the Investment portfolio of **£116.1 million**, offset by net losses on FX hedges **£3.2 million**, and a net reduction of **£0.5 million** from LifeArc Ventures direct and indirect investments as a limited partner. This is made up of net losses from the revaluation of multiple investments.

## LifeArc Ventures investments during 2024

In addition to expenditure, LifeArc made investments into early-stage life science companies totalling **£32.8 million** (2023: £32.7 million). This includes both direct investments into private companies and indirect limited partnership fund investments.

## Grants and funding

LifeArc provides funding through grants and other funding arrangements to partner organisations to support our mission to translate scientific discoveries into treatments and therapies. We award grants in line with our strategy and our charitable objectives. Approval for funding calls follows our scheme of delegation and the award of individual projects is typically vetted by an expert panel with input from our internal opportunity assessment group. We oversee the award process and the monitoring of projects through our partnerships team with support from our project management office. Grants awarded in the period are detailed on page 56.

# Investment portfolio review

**LifeArc manages its investments in line with its investment and ESG policies which set the framework for the assets and funds we invest in and our long-term return target of 3.5% plus UK average wage inflation.**

The investment portfolio and policies are overseen and reviewed by the Investment Committee, with strategic changes requiring board approval.

2024 was another positive year for asset returns, as economic growth surprised on the upside and central banks eventually started to cut interest rates. The US S&P 500 Index posted another year of returns in excess of 20%, making it the first time since the late-1990s that it achieved back-to-back annual returns above 20%. Once again, these strong gains were led by, and further entrenched a narrow leadership within the index amongst the Magnificent 7 stocks, which were up 67%. Nvidia, Microsoft, Apple, Alphabet (Google), Amazon, Meta, and Tesla now account for over a third (33.5%) of the S&P 500. By contrast the S&P 500 Equal Weight Index was up 12% in the year.

Despite the generally upbeat performance, it was not all plain sailing in 2024. As inflationary pressures did not subside as much as expected, interest rate cuts took longer than many predicted, meaning that sovereign bonds struggled. Indeed, the 10-year Treasury yield rose for a 4th consecutive year, which is the first time that it has happened since the 1980s. Geopolitical matters also caused volatility.

In 2024, LifeArc's long-term investment portfolio rose £122 million to close the year at a value of £1.255 billion, an increase of 10.7%. In relative terms, the portfolio performed reasonably well. Again, this is partly due to having the majority of the portfolio invested in public market equities, which was the strongest performing asset class. That said, it was another challenging year for active public equity fund managers, who in the main, struggled to keep up with the broader market and passive index funds. Of the five active global equity funds in the portfolio only one outperformed the market over the year, and that was the RBC Global Equity Fund. Nevertheless, the portfolio did benefit from a sizable weight to passive global equities with c.£400m in two Northern Trust funds. The allocation to passive equities versus active public equities in the portfolio was 46%:54%.

In terms of portfolio activity over the year, we continued to build exposure to global bonds from a low base, patiently and opportunistically adding to existing fund positions. In the hedge fund sleeve, which consists of 10 funds with varying styles and approaches, we increased our allocation to 6%. The overall risk/reward returns of the hedge fund sleeve surpassed our expectations over 2024. After a relatively quiet year in 2023 for commitment of capital into private markets, we made commitments to 12 funds, bringing a total of 33 to date. At the end of the year, we had 3.3% of the overall portfolio deployed by our funds across private equity, venture capital, infrastructure, private credit and real estate.

## Reserves policy

### **All of LifeArc's reserves are held in pursuance of our charitable objectives.**

Our policy, reviewed by the trustees annually, is to hold reserves which, along with anticipated future income, will enable the organisation to fund our operations and be sustainable in the long term to drive patient impact. The timescales associated with the translation of medical research are long term with the development of interventions such as therapeutics often taking more than 10 years, so it is critical that we are able to sustain ourselves in the long term to support projects to completion with our partners. Reserves are not restricted, are expendable and will be spent in the future in pursuit of our charitable objectives. LifeArc will not make commitments in excess of our liquid reserves and we are compliant with the position at 31 December 2024.

### **As well as the total balance sheet value of £1,606.9m, the Board considers 2 definitions when measuring reserves:**

- Total cash and invested reserves, which was £1,542.3 million as of 31 December 2024 (2023: £1,270.9 million).
- Liquid and readily available cash and investments excluding any planned allocation to illiquid private investments, which was £1,077.6 million as of 31 December 2024 (2023: £899.7 million).

## Financial sustainability

LifeArc considers impact and financial sustainability to be compatible and critically co-dependent elements of our strategy.

Our long-term financial plan is evaluated at least once a year by the Board and has 4 key elements: income generated through invested reserves managed by our investment office, returns from venture investments through our ventures team, revenue from operations (e.g. royalties and milestones) and expenditure.

The Board ensures that, given current reserves and certain assumptions about future investment returns and income, the organisation's long-term plan is robust and positions LifeArc to maximise impact while maintaining financial sustainability.

A goal of the trustees' financial planning is that we will have sufficient flexibility such that in periods of high financial stress we will avoid crystallising losses through the forced sale of assets by aiming for 50% of our investments across the balance sheet to remain in liquid assets. This is to ensure we are positioned to fulfil our commitments and obligations.

# Carbon report

We are committed to reducing our energy use and greenhouse gas emissions. Here we summarise LifeArc's consumption and emissions for 2024, and how we are approaching our responsibility to reduce our environmental impact.

## Reporting period

We are reporting on energy usage and emissions from 1 January to 31 December 2024

## Methodology

We have followed the GHG Reporting Protocol – Corporate Standard for company reporting to identify and report relevant energy and greenhouse gas (GHG) emissions over which we have operational control. This includes owned assets where LifeArc is directly responsible for electricity and/or gas supplies across its three sites (Stevenage, London and Edinburgh). We have also considered the seven main GHGs covered by the Kyoto protocol, converting to tonnes of CO<sub>2</sub> equivalents (CO<sub>2</sub>e).

Business travel in employee-owned vehicles relates to mileage expense claims from LifeArc staff during 2024.

**Greenhouse gas emissions and energy use from LifeArc's activities during 2024 and previous year**

	2023	2024	Vs (%)
<b>Energy consumption used to calculate emissions (kWh)</b>	<b>2,084,863</b>	<b>1,861,609</b>	<b>-11%</b>
Energy consumption breakdown (kWh):			
• Gas (Scope 1)	0	0	
• Electricity (Scope 2)	2,054,807	1,835,136	-11%
• Transport fuel* (Scope 3)	30,056	26,473	-12%
<b>Scope 1:</b> Direct emissions from owned or controlled sources (such as fuel combustion or company vehicles) in metric tonnes CO <sub>2</sub> e			
<b>Total</b>	<b>0</b>	<b>0</b>	
<b>Scope 2:</b> Indirect emissions from the generation of purchased electricity, in metric tonnes CO <sub>2</sub> e** (Location based)			
<b>Total</b>	<b>421</b>	<b>376</b>	<b>-11%</b>
<b>Scope 3:</b> Business travel in employee-owned vehicles, in metric tonnes CO <sub>2</sub> e**			
<b>Total</b>	<b>7</b>	<b>7</b>	<b>0%</b>
<b>Total gross emissions in metric tonnes CO<sub>2</sub>e</b>	<b>428</b>	<b>383</b>	<b>-11%</b>
Intensity ratio: Tonnes CO <sub>2</sub> e per FTE	1.5	1.1	-27%
Intensity ratio: Purchased electricity tonnes CO <sub>2</sub> e per 1000 sq m floor area	0.1	0.1	

\*Relates to LifeArc employee mileage claims for personal vehicle travel.

\*\*Using HMRC UK Government GHG Conversion factors for company reporting.

### Increasing our energy efficiency

In 2024, heating and cooling of our offices and laboratories continued to be the largest source of carbon emissions for our on-site activities. We have worked with our building managers to further understand our electricity consumption in more detail and have started exploring further efficiency gains concerning heating and cooling systems. Our electricity consumption in 2024 has decreased by 11%, bringing with it a decrease of 45 tonnes of carbon dioxide equivalents (tCO<sub>2</sub>e).

During 2024 a significant reduction in energy consumption was achieved at our Stevenage site by adjusting the heating, ventilation, and air conditioning (HVAC) system. Reductions were made during standard working hours and at the weekends. In addition, we have lowered the ambient temperatures in under-used areas of the building, including stairwells and the ground floor's underfloor heating system.

In our laboratories, teams have taken steps to enhance energy efficiency through better management of cold storage and temperature control systems. Regular cleanouts of refrigerators prevent overloading, while ultra-low temperature freezers have been adjusted from -80°C to -70°C, reducing energy consumption without compromising sample integrity.

### Future priorities for sustainability

Looking ahead, LifeArc stays committed to expanding these initiatives, continuing to empower employees, and strengthening our sustainability framework. Through continuous action and collaboration, we are setting a standard for responsible operations in the life sciences sector while ensuring a positive and lasting impact on both people and the planet.

We will continue to develop our environmental, social and governance (ESG) roadmap to outline our commitments and plans for continued measurement improvement and progress towards our ESG aspirations.

...contributing to an  
**11%**  
emissions reduction

In 2024, we had  
**11% lower  
electricity  
usage**  
than the previous year...

# **Structure, governance and management**



# Structure, governance and management

LifeArc is a company limited by guarantee and a registered charity, established in 2000. The organisation's governing document is its Articles of Association which sets out its charitable objectives (see page 19).

## Summary of governance structure

Responsibility for the day-to-day running of LifeArc is delegated by the Board to the executive management team. The team, under the leadership of the Chief Executive Officer (CEO), proposes to the Board where the organisation should invest its time, money and expertise. The executive management team also prepares recommendations for any strategic changes to the organisation's activities prior to submission to the Board or committees of the Board. The team is also responsible for developing the financial and operational plans for board approval, and for monitoring financial performance.

The Board is responsible for setting strategy and ensuring that the necessary financial, human and physical assets to meet the organisation's strategic aims are in place. The Board monitors organisational performance and oversees risk management, as well as planning for board and executive management succession, overseeing any changes to the articles of association and upholding our culture and values.

The Board delegates oversight and assurance for key business functions to five board committees: the Audit and Risk Management Committee, Investment

Committee, Nominations Committee, Remuneration Committee and the Board Financial Approvals Committee.

This year, strategic advisory boards were set up within each of the Translational Challenges, which will be critical to our success. Some truly outstanding individuals joined these boards as chairs and members, bringing extensive experience and insight and further raising LifeArc's profile and credibility.

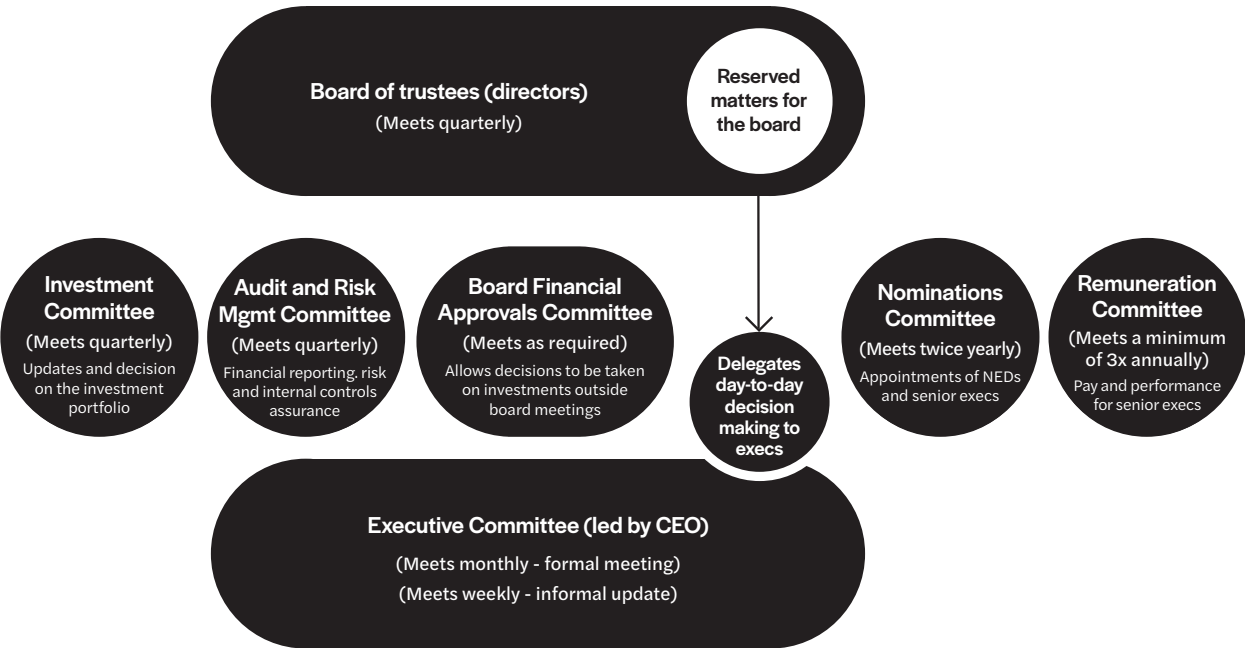
The past year has seen several changes to the executive management team. Following an extensive recruitment process, the Board is delighted to welcome Dr Sam Barrell, CBE, as CEO. Sam brings over 25 years of experience in the life science and healthcare sectors, and a wealth of knowledge of the activities in commercial and health spaces. Her leadership will drive the organisation forward and help accelerate the translation of research into innovations for people who need them.

The Board is also grateful to Stéphane Maikovsky, who served as Interim CEO from October 2023 alongside his role as Chief Financial Officer (CFO) and led LifeArc through a period of significant growth and achievement. Stéphane will continue to share his expertise and leadership with the organisation in his new capacity as Deputy CEO, in addition to his responsibilities as CFO.



## Structure of LifeArc’s board of trustees and board committees

Executive committees (with a focus on science, finance, health and safety and early ventures) are not included in this report.



### Decision making

There is a clear organisational and control structure and scheme of delegation, which sets out those matters which are reserved for the Board, and those which are delegated to committees of the Board, or to the CEO or other executive(s). Matters reserved for the Board include changes to the strategy or budget, approval of significant projects and policies, decisions about property, and the organisation’s risk appetite. The Board approves the annual budget and strategic goals, and monitors financial performance and progress towards the strategic goals at each board meeting.

### Charity Governance Code

LifeArc complies with the Charity Governance Code for Larger Charities (‘the Code’), which sets out 7 principles of good governance practice for charities in England and Wales, and the Charity Commission’s guidance. The General Counsel and Company Secretary monitors compliance with the Code and advises the Board on any action required.

## LifeArc executive management team

The executive management team is responsible for the day-to-day running of the charity under the authority of the Board.

Over the past 12 months, the team's skills have been honed with the recruitment of new leaders who have the skills and experience needed to deliver LifeArc's ambitions. As outlined above, Dr Sam Barrell, CBE, joined as CEO in October, and Stéphane Maikovsky stepped into the new position of Deputy CEO, alongside his responsibilities as CFO. Fiona Roberts joined the team as Chief People Officer in December, having previously held senior HR and people leadership positions across various sectors throughout her career. Jan Lasik joined as General Counsel & Company Secretary in summer 2025, facilitating ongoing good governance of the organisation. Claire Pimm also joined as Chief Communications Officer, following on from Jane Hughes as interim Chief Communications Officer, after Anna Tomlinson's departure in November.

Jonathan Morgan joined the team in the new role of Chief Medical Officer in January 2025, to serve as LifeArc's senior medical expert, shaping the clinical research agenda and ensuring the highest standards of medical and ethical integrity. Clare Terlouw has also stepped up to join the executive management team, having been Head of LifeArc Ventures since 2020, and continues to deliver the strategy for investments in the translation of life science innovation. This role is separate from that of the Chief Investment Officer, held by Graham Duce, who is responsible for investing the proceeds of monetisation to generate financial returns with which to fund further activities.

The Board is delighted to welcome the new leaders to the team, all of whom bring a wealth of experience to drive LifeArc forward, to meet its ambitious objectives and bring real impact to the people who need it most.

### **Dr Sam Barrell CBE**

Chief Executive Officer (as of October 2024)

### **Stéphane Maikovsky**

Deputy Chief Executive Officer (CEO)  
Chief Financial Officer (CFO)

<b>Rachael Davidson</b> Interim General Counsel and Company Secretary (until June 2025)	<b>Graham Duce</b> Chief Investment Officer	<b>Jane Hughes</b> Interim Chief Communications Officer (December 2024 to June 2025)
<b>Jan Lasik</b> General Counsel and Company Secretary (as of June 2025)	<b>Dr Jonathan Morgan</b> Chief Medical Officer (as of January 2025)	<b>Claire Pimm</b> Chief Communications Officer (as of June 2025)
<b>Dr Dave Powell</b> Chief Scientific Officer	<b>Fiona Roberts</b> Chief People Officer (as of December 2024)	<b>Dr Karen Skinner</b> Chief Project and Portfolio Officer
<b>Dr Jason Slingsby</b> Chief Business Officer (until April 2025)	<b>Clare Terlouw</b> Head of LifeArc Ventures	

# LifeArc Board of Trustees

The Board is composed of 11 trustees, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), who are paid employees of LifeArc.

The trustees fulfil the legally defined roles of members and directors of the charitable company. They have broad and varied backgrounds, bringing not only the requisite governance experience, but also the diverse range of skills which the organisation requires, including biomedical science, investment fund management, finance, risk management, and law.

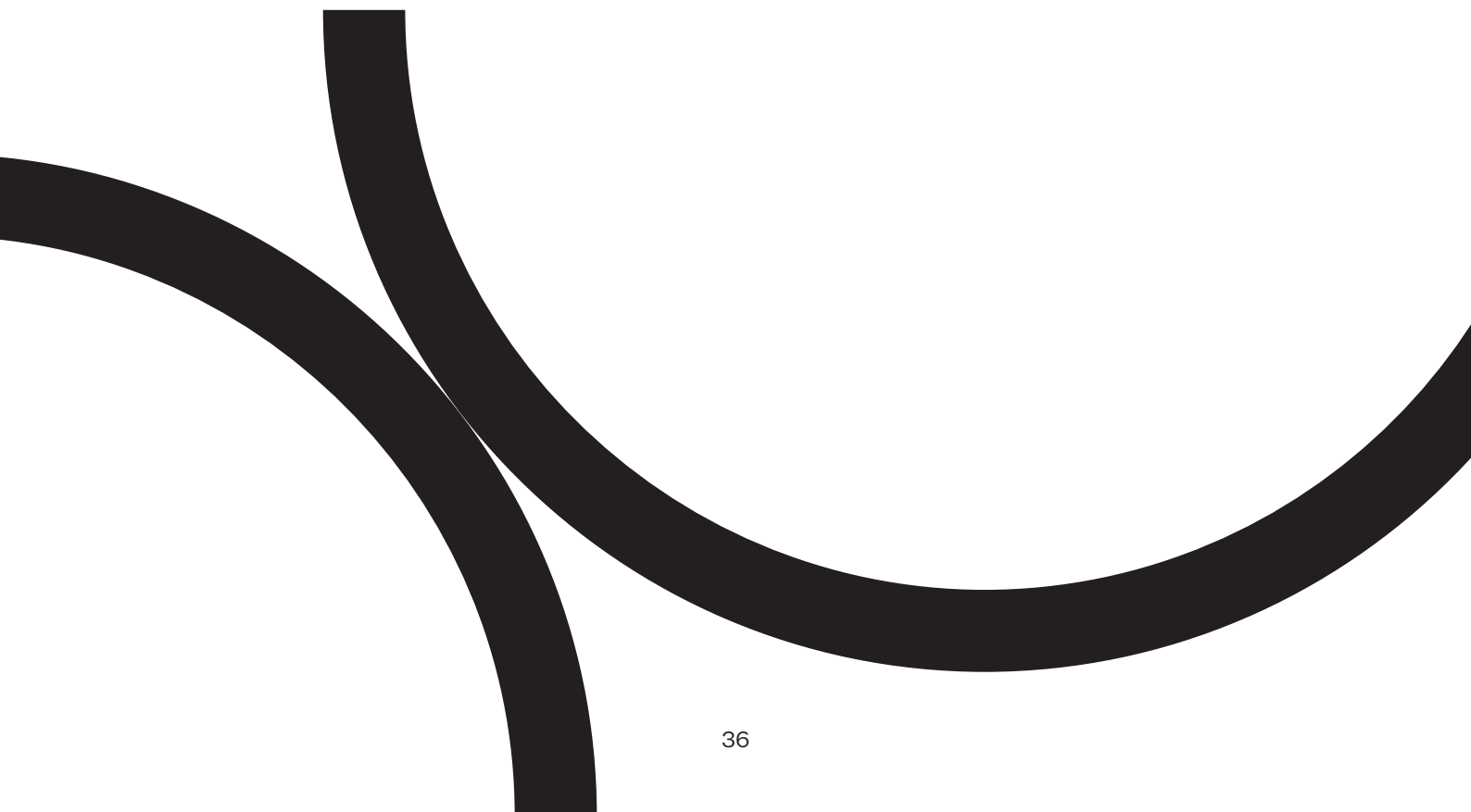
The independent trustees are not remunerated for their role at LifeArc. Trustees and members of the leadership team benefit from indemnity insurance as allowed by section 234 of the Companies Act 2006. Trustees are reimbursed for any direct expenses they incur in carrying out their duties.

The Board typically meets each year for 4 formal board meetings and one strategy day. Additionally, the Board meets as needed for shorter topic-specific meetings. During 2024, the Board met an additional 2 times as the full board and once as non-executive trustees to appoint the incoming chief executive officer.

<b>Dr Ian Gilham</b> Chair of the Board Chair of the Nominations and Board Financial Approval Committees	<b>Dr Sam Barrell CBE</b> Chief Executive Officer (as of October 2024)	<b>Stéphane Maikovsky</b> Deputy Chief Executive Officer (CEO) Chief Financial Officer (CFO)
<b>Lynne Robb</b> Vice Chair of the Board Chair of the Audit and Risk Management Committee	<b>Dr Terri Cooper</b> Member of the Investment Committee and the Nominations Committee	<b>Daniel Morgan</b> Member of the Audit and Risk Management Committee and the Board Financial Approvals Committee

<b>Dr Rima Makarem</b> Member of the Audit and Risk Management Committee (as of October 2024) Member of the Nominations Committee and the Remuneration Committee (until October 2024)	<b>Dr Sameer Mistry</b> Member of the Nominations Committee and the Remuneration Committee (as of October 2024) Member of the Audit and Risk Management Committee and the Investment Committee (until October 2024)	<b>Ian Nicholson</b> Chair of the Remuneration Committee Member of the Investment Committee and the Board Financial Approvals Committee
<b>Jo Pisani</b> Member of the Remuneration Committee	<b>Susan Wallcraft</b> Member of the Audit and Risk Management Committee and Remuneration Committee	<b>David Zahn</b> Chair of the Investment Committee

**Dr Rima Makarem resigned from the Board and all Board committees in February 2025.**  
The Board thanks Rima for her time and commitment to the organisation during her period as a Trustee.



## Recruitment and election of LifeArc trustees

Non-executive trustees are recommended by the Nominations Committee and appointed by the Board through an open recruitment process. As recommended under the Charity Governance Code, trustees are appointed for a renewable term of 3 years and are eligible to stand for re-election for a maximum of 3 consecutive terms.

As outlined previously, Dr Sam Barrell, CBE, joined the Board in November 2024 in her position as Chief Executive Officer of LifeArc. She observed an initial board meeting in October 2024. While there were no changes to the non-executive trustees in 2024, Rima Makarem resigned from the Board in February 2025.

## Induction and training of LifeArc trustees

Trustees meet regularly with members of the executive management team to discuss all areas of the business. New trustees receive a tailored induction to ensure that they understand our objectives and operations as well as their duties and statutory obligations. Trustees are given relevant Charity Commission guidance, and further training and development opportunities for the Board as a whole, or for individual trustees, are delivered as needed. Ahead of joining LifeArc, new CEO Dr Sam Barrell received an extensive 6-month induction, including regular briefings on Board matters from the Chair, the Interim CEO and other executive team members.

## Trustees as members

As a company limited by guarantee, LifeArc is required by law to have members who act as nominal guarantors should the company ever be wound up. LifeArc has adopted the foundation model of governance which restricts membership to serving trustees only.

## Board effectiveness

In October 2024, Trustees undertook a board effectiveness self-assessment, building on the external review conducted in 2023. Highly rated areas of the review included clarity of the Board's role, the Board's composition and skillset, and the operation and oversight of the investment portfolio and Board committees. The Board agreed actions to optimise other areas of performance, including allocating sufficient time for strategic discussion during meetings, continuing to use terms of references and processes to support decision making, and adjusting board agendas to support additional time to enable the Board's continued professional development.

## Committees of the Board

A summary of the responsibilities of each committee can be found below. Membership of the committees as of December 2024 is shown on page 39. All trustees serve on one or more committees. Membership of each committee and its terms of reference are approved by the Board. Committees can co-opt external individuals to provide additional expertise. The committee Chair provides an update of the committee's activities at the following board meeting, and all committee meeting agendas, papers and minutes are shared with the Board.

### Audit and Risk Management Committee

The Audit and Risk Management Committee advises the Board on the adequacy and effectiveness of LifeArc's arrangements for the financial reporting process, the integrity of LifeArc's financial statements, the external and internal audit process, the system of internal controls and the identification and management of risks, and the organisation's processes for monitoring compliance with legislative and regulatory requirements. It oversees the selection and appointment of the external auditor, setting their remuneration and maintaining oversight of their work.

### Investment Committee

The Investment Committee provides appropriate and effective oversight of LifeArc's investment portfolio. Working within the Investment Policy, which is approved by the Board, the committee is responsible for determining asset allocation, approval of fund managers, hedging arrangements, appointment of investment consultants, custodian and other consultants and their terms of engagement and overseeing the application of the Environmental, Social and Governance Policy.

### Nominations Committee

The Nominations Committee reviews the structure, size and composition of the Board and recommends any changes to the membership of the Board and its committees. It is responsible for succession planning for trustees and the executive team, identifying and nominating new trustees to fill vacancies and making recommendations to the Board on the re-appointment of non-executive trustees. It reviews the membership of the Board committees and oversees LifeArc's equity, diversity and inclusion approach.

### Remuneration Committee

The Remuneration Committee determines and agrees LifeArc's reward philosophy and associated strategy, and on an annual basis approves the budget and approach for reward in respect of pay awards and performance-related bonus awards. The committee uses benchmark data provided by Willis Towers Watson and sets remuneration levels for members of the executive management team with the aim of attracting, retaining and motivating senior leaders who can help deliver the organisation's ambitious strategy and goals. Bonus payments are linked to performance as assessed by the CEO for the executive team and the chair in the case of the CEO. All bonus payments for the executive team are approved by the committee, as well as reviewing the organisation's overall recommendations for the general employee pool.

### Board Financial Approvals Committee

The Board Financial Approvals Committee supports effective governance of investment decisions which are outside of the remit of the Early Ventures Investments Committee and the Investment Committee, to ensure that life sciences investments further LifeArc's strategy, and social investments meet LifeArc's stated charitable purpose. It provides access to the Board to facilitate swift decision-making outside of the programme of scheduled meetings and without the need to call a board meeting at short notice.

## Composition of the Board and committees, as of 31 December 2024

Below shows the composition of the Board, their membership to each board committee and the number of meetings they attended in 2024.

Trustee Number of attendances	Date of appointment	End date	Committees Number of times meeting in 2024					
			Board	Audit and risk management	Investment	Nominations	Remuneration	Board financial approvals
			8	5	4	2	4	0
Dr Ian Gilham Chair	Oct 2021		◆◆◆◆			◆◆		—
Lynne Robb Vice Chair	Jun 2020		●○●○ ●●●○	◆◆◆◆◆				—
Dr Sam Barrell CBE, CEO of LifeArc	Nov 2024		----- -----●					—
Stéphane Maikovsky Deputy CEO and CFO of LifeArc	Jun 2022		—●●● —●●●					—
Dr Terri Cooper	Jun 2023		●●●● ○●●●		●●●●	●—		—
Dr Rima Makarem	Jun 2023	Feb 2025	○●●○ ●●○○	-----●		—●	●●●—	—
Dr Sameer Mistry	Jun 2023		○●●○ ●●○○	○●●○—	●●●—		----●	—
Daniel Morgan	Nov 2017		○●●○ ●●●●	●●●●●				—
Ian Nicholson	Oct 2021		●●●● ●○○●		●●●●		◆◆◆◆	—
Jo Pisani	Dec 2020		○●●○ ●●●○		—		●●●●	—
Susan Wallcraft	Oct 2021		●●●● ●●●●	●●●●●	—		○●●●	—
David Zahn	Aug 2019		●●○○ ●●●●		◆◆◆◆			—

Key    ◆ Chair    ● Attended    ○ Not attended    — Not applicable



## Conflicts of interest

LifeArc’s policy on conflicts of interest applies to the Board and employees alike. A register of trustees’ interests is reviewed at each board meeting and all employees complete a conflicts disclosure form annually. Randomised checks are conducted to support our compliance processes. Completed forms are reviewed by the Company Secretary to identify and manage any actual or potential conflict.

The Audit Committee reviews the Policy related to gifts, hospitality and interests and the registers are available as required to meet any regulatory review.

## Statement of board responsibilities

The Board of Trustees 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 Practice). Company law requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of LifeArc at the balance sheet date and of its incoming resources and application of those resources, including its income and expenditure for the financial year.

### In preparing these financial statements, the Board is required to:

- select suitable accounting policies and apply them consistently
- observe the methods and principles in the Charities’ Statement of Recommended Practice (SORP)
- 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
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that LifeArc will continue to be in operation in the next accounting period

The Board is responsible for maintaining proper accounting records that are sufficient to show and to explain LifeArc’s transactions and to disclose, with reasonable accuracy, at any time, the financial position of LifeArc and to ensure that the financial statements comply with the Companies Act 2006.

The Board is also responsible for safeguarding the assets of LifeArc and for taking reasonable steps for the prevention and detection of fraud or other irregularities.

LifeArc’s financial statements are published on its website in accordance with legislation in the United Kingdom, governing the preparation and dissemination of financial statements. The maintenance and integrity of LifeArc’s website is the responsibility of the Board and this responsibility extends to the ongoing integrity of the financial statements published on the website.

### Preparation of financial statements

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements, and comply with LifeArc’s Articles of Association, applicable law, the Statement of Recommended Practice ‘Accounting and Reporting by Charities’ and Financial Reporting Standard FRS 102.

### Disclosure of information to auditors

The trustees who held office at the date of approval of this trustees’ report confirm that, so far as each of them is aware:

- there is no relevant audit information of which LifeArc’s auditor is unaware
- each trustee has taken all of the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information, and to establish that LifeArc’s auditor is aware of that information.

### Auditor

Moore Kingston Smith LLP was appointed as an independent external auditor in September 2024. The Audit Risk and Management Committee reviewed the proposed delivery of the audit and noted that the auditors meet the requirements to exercise suitable objectivity in relation to the carrying out the audit.

### Approval

The Trustees’ Report incorporating the Strategic Report was approved by the Board of trustees of LifeArc on:

Date: 

0	2	-	0	7	-	2	5
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Signature: 

Signed on its behalf by: Dr Ian Gilham, Chair

# 2024 **accounts**



# Independent auditor's report to the trustees and members of LifeArc

We have audited the financial statements of LifeArc (the 'charitable company') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the 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 FRS 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 December 2024 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

## 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained in the annual report. 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 course of 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 there is 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 the audit:**

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

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

In the 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 trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 or the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

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

## Responsibilities of trustees

As explained more fully in the Statement of board responsibilities, 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

We have been appointed as auditor under Section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures

in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charitable company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit report.

We 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 that we identify during our audit.

## Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

### Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

### 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 and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditor's report addressed to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Moore Kingston Smith LLP" with a stylized "2" at the end.

**Luke Holt** (Senior Statutory Auditor)

For and on behalf of  
Moore Kingston Smith LLP,  
Statutory Auditor,  
9 Appold Street,  
London, EC2A 2AP

Date: 25 July 2025

Moore Kingston Smith LLP  
is eligible to act as auditor in  
terms of Section 1212 of the  
Companies Act 2006.

# Financial statements

## Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2024

	Notes	Unrestricted funds £000s	Restricted £000s	Total funds 2024 £000s	Total funds 2023 £000s
<b>Income and endowments from</b>					
Charitable activities	1	183,842	422	184,264	143,054
Investments	2	20,479	–	20,479	26,459
Other income	3	300	–	300	66
<b>Total income and endowments</b>	<b>–</b>	<b>204,621</b>	<b>422</b>	<b>205,043</b>	<b>169,579</b>
<b>Expenditure on</b>					
Raising funds	4	2,210	–	2,210	1,943
Charitable activities	5	93,223	422	93,645	71,496
Provisions	19	79	–	79	50
<b>Total expenditure</b>	<b>–</b>	<b>95,512</b>	<b>422</b>	<b>95,934</b>	<b>73,489</b>
Net gains on investments	14/15	115,560	–	115,560	87,187
Net gains on FX hedges	–	(3,187)	–	(3,187)	15,842
<b>Net income</b>	<b>–</b>	<b>221,482</b>	<b>–</b>	<b>221,482</b>	<b>199,119</b>
<b>Net movement in funds</b>	<b>21</b>	<b>221,482</b>	<b>–</b>	<b>221,482</b>	<b>199,119</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	21	1,385,478	–	1,385,478	1,186,359
<b>Total funds carried forward</b>	<b>21</b>	<b>1,606,960</b>	<b>–</b>	<b>1,606,960</b>	<b>1,385,478</b>

All income and expenditure derives from continuing activities.

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

Full comparative figures are presented in note 31.

The accounting policies and notes on pages 50 to 71 form part of the financial statements.



# Balance sheet

For the year ended 31 December 2024

Company number: 2698321

	Notes	2024 £000s	2023 £000s
<b>Fixed assets</b>			
Tangible fixed assets	12	7,867	10,174
Intangible assets	13	7,147	8,980
Investments	14	1,354,155	1,196,056
		<b>1,369,169</b>	<b>1,215,210</b>
<b>Current assets</b>			
Investments	15	179,662	68,010
Debtors	16	78,126	117,356
Cash	-	8,462	6,815
<b>Total current assets</b>		<b>266,250</b>	<b>192,181</b>
Creditors: amounts falling (due within one year)	17	(27,584)	(21,117)
<b>Net current assets</b>	-	<b>238,666</b>	<b>171,064</b>
<b>Total assets (less current liabilities)</b>	-	<b>1,607,835</b>	<b>1,386,274</b>
Provision for liabilities	19	(875)	(796)
<b>Net assets</b>	-	<b>1,606,960</b>	<b>1,385,478</b>
<b>Charity funds</b>			
Unrestricted funds	21	1,606,960	1,385,478
<b>Total charity funds</b>		<b>1,606,960</b>	<b>1,385,478</b>

The accounting policies and notes on pages 50 to 71 form part of the financial statements.

The financial statements were approved and authorised for issue by the Board on 2 July 2025.

Signed on behalf of the LifeArc Board of Trustees.



Dr Ian Gilham - Chairman

# Statement of cash flows

For the year ended 31 December 2024

	Notes	2024 £000s	2023 £000s
Cash flow from operating activities	23	141,456	(13,564)
<b>Cash flow from investing activities</b>			
Payments to acquire tangible fixed assets	-	(838)	(4,449)
Payments to acquire intangible assets	-	-	5
Payments to acquire investments	-	(261,794)	(293,484)
Receipts from sale of investments	-	217,263	208,140
Dividends, interest and rents received from investments	-	20,479	26,459
(Increase) / decrease in current asset investments	-	(111,652)	42,004
(Increase) / decrease in cash held for investment	-	(167)	28,230
Reclassification from current asset investment to fixed asset investment	-	(3,100)	-
Net cash flow provided by investing activities	-	(139,809)	6,907
Change in cash and cash equivalents in the year	-	1,647	(6,657)
Cash and cash equivalents at 1 January	-	6,815	13,472
Cash and cash equivalents at 31 December		8,462	6,815
<b>Cash and cash equivalents consist of:</b>			
Cash at bank and in hand	-	8,462	6,815
Short-term deposits	-	-	-
Cash and cash equivalents at 31 December		8,462	6,815

The accounting policies and notes on pages 50 to 71 form part of the financial statements.

# Accounting policies

For the year ended 31 December 2024

## General information and basis of preparation

LifeArc is a charitable company limited by guarantee in the United Kingdom. In the event of the organisation being wound up, the liability in respect of the guarantee is limited to £1 per member of the organisation.

The address of the registered office is given on the back cover of these financial statements. The nature of LifeArc's operations and principal activities are enabling science to create health breakthroughs – including drugs, diagnostics and devices – for people with underserved conditions, working with partners from industry, academia, charities and patient organisations. We do this by funding innovative research and investing in science-based companies, providing scientific support and offering translational advice.

LifeArc constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the financial reporting standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK generally accepted practice as it applies from 1 January 2019.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling, which is the functional currency of the organisation, and rounded to the nearest £000.

The subsidiary undertaking LifeArc Innovations Limited has been excluded from consolidation on the basis of it not being material, in line with FRS 102 paragraph 9.9A. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

## Going concern

The Board considers that the use of the going concern basis is appropriate because there are no material uncertainties relating to events or conditions that may cast significant doubt about LifeArc's ability to continue as a going concern, and there is reasonable expectation that the organisation has adequate reserves to continue in operational existence for the foreseeable future, and at least 12 months from the date of approval of these accounts

## Incoming resources

Income is recognised when LifeArc is entitled to the income, the value can be reasonably measured and it is probable that the income will be received. Incoming resources from charitable activities comprise the following:

- research contract and development income recognised according to the terms of the contract upon completion of agreed milestones, and royalty income recognised on an accruals basis
- IP management and technology transfer services fees receivable from the Medical Research Council (MRC) and UK Dementia Research Institute (UK DRI), which are invoiced in line with the service level agreement
- grant income recognised when LifeArc has the right to receive the money. Grants received which are restricted by the donor for performance in future accounting periods are deferred

Incoming resources from investments comprise the following:

- investment income together with recoverable tax, recognised on a receivable basis

## Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources:

- costs of raising funds are the costs of managing investments for both income generation and capital maintenance and include investment manager fees and investment consultancy fees relating to the costs of the external management of investments of LifeArc
- charitable activities comprise expenditure on the direct charitable activities of LifeArc

## Fund accounting

The unrestricted fund is a general unrestricted fund which is available for use at the discretion of the Board in furtherance of the general objectives of LifeArc and which has not been designated for other purposes.

The restricted funds represent grants received in the year which are subject to specific restrictions imposed by the donor.

## Support cost allocation

Support costs are those that assist the work of LifeArc but do not directly represent charitable activities and constitute corporate resource and governance costs. They are incurred directly in support of expenditure on the activities of the organisation and have been allocated to activities on an employee headcount basis.

## Accounting for tangible fixed assets

Fixed assets or groups of fixed assets with a cost in excess of £5,000 are capitalised at cost and depreciated according to the disclosed policy.

## Depreciation for tangible fixed assets

Depreciation is provided on a straight-line basis so as to write off the cost or valuation of tangible fixed assets less estimated residual value over their estimated useful economic lives, which are as follows:

Plant and machinery	10 years
Laboratory equipment	5 to 10 years
Furniture, fixtures and fittings and office equipment	5 years
Computers	3 to 5 years
Leasehold improvements	Over the period of the lease or useful economic life, whichever is the shorter
IT infrastructure	10 years

## Accounting for intangible fixed assets

Intangible assets are capitalised at cost and amortised according to the policy below.

### Amortisation for intangible fixed assets

Amortisation is provided on a reducing-balance basis or straight-line basis with the most appropriate basis for each asset chosen so as to write off the cost of intangible fixed assets less estimated residual value over their estimated useful economic lives, which are as follows:

- licences – over the period of the licence or useful economic life, whichever is the shorter
- antibody platforms – 20% reducing balance basis

### Fixed asset investments

Investments are recorded at cost and are stated at fair value at the balance sheet date. The unrealised gains and losses arising as a result are included in the Statement of Financial Activities (SOFA) together with any realised gains and losses on any investments disposed of in the year.

Financial assets, including investments in equity instruments which are not subsidiaries, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried, where possible, at fair value and the changes in value are recognised in the SOFA. Assets are considered for indications of impairment, with any impairment then recognised in the SOFA.

### Associates accounting

Where we have a shareholding greater than 20%, but less than 50%, these companies are considered associates. All of our associate companies are part of the venture portfolio and are held within a basket of investments. Investments in associates within our venture portfolio are initially recognised at cost and subsequently measured at fair value, with changes in fair value recognised in the SOFA.

Where these assets are private holdings, fair value requires significant judgement. Increases in valuation require robust evidence such as a funding round with an upwards valuation involving new investors. Impairment assessments are conducted at each reporting date, and any disposal gains or losses are recognized in the SOFA. The carrying value of associates in our venture portfolio is £10.01 million.

### Impairment reviews

A review of the impairment of fixed asset investments is carried out if events or changes in circumstances indicate that the carrying amount will not be recoverable.

### Current asset investments

Investments are stated at market value at the balance sheet date. The unrealised gains and losses arising as a result are included in the SOFA together with any realised gains and losses on any disposals in the year.

### Operating leases

Rentals paid under operating leases are charged to the SOFA on a straight-line basis over the terms of the lease. Where there is a rent-free period the total cost of the lease is recognised over the term on a straight-line basis.

### Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date.

Transactions which have been concluded prior to the balance sheet date are translated into sterling at the monthly rate of exchange ruling at the date of the transaction. Exchange gains and losses arising in the normal course of operations are included in the SOFA.

## Financial instruments and hedging activities

LifeArc uses forward foreign currency contracts to manage its exposure to fluctuations in foreign exchange rates. These instruments are initially recognised at fair value on the trade date and are subsequently remeasured at their fair value at the end of the reporting date.

All hedging instruments will be recognised on the balance sheet at fair value, and all changes in value of the hedging instrument will be recognised in the SOFA.

## Employee benefits

When employees have rendered service to the organisation, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

## Pension costs

LifeArc operates a defined contribution pension scheme which is open to all employees. The funds of the scheme are administered by a third party and are separate from LifeArc. The pension charge represents contributions payable by LifeArc for the year. LifeArc's liability is limited to the amount of the contributions.

## Termination benefits

Redundancy and termination costs are recognised when there is a legal or constructive obligation which can be measured reliably, and it is probable that a payment will be made.

## Taxation

LifeArc is a registered charity and is generally exempt from corporation tax but not from value added tax (VAT). Irrecoverable VAT is included with the cost of those items to which it relates.

## Provisions

A provision is made for a liability in the financial statements where LifeArc has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the liability and a reliable estimate can be made of the obligation.

## Grant accounting

Grants are awarded with substantive review conditions and expenditure is recognised in the SOFA as those conditions are met. A grant commitment will be recorded in note 20 when a constructive obligation exists to make a grant split between those payable within one year and beyond one year. Grant commitments that are estimated as payable after more than one year are not discounted.

## Cash and cash equivalents policy

Cash and cash equivalents are basic financial assets and 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.

## 01. Income from charitable activities

	2024 (£000s)	2023 (£000s)
Research contracts and royalty income	182,647	141,321
IP management and technology transfer services	1,195	1,255
Grants	422	478
<b>Total</b>	<b>184,264</b>	<b>143,054</b>

LifeArc made the strategic decision not to submit a tender proposal to extend our contract with the MRC in 2025 for IP management and technology transfer services.

## 02. Income from investments

	2024 (£000s)	2023 (£000s)
Dividends – equities	6,811	7,250
Interest – fixed interest securities	1,710	2,053
Interest – deposits	249	311
Income from alternative investments	11,709	16,845
<b>Total</b>	<b>20,479</b>	<b>26,459</b>

## 03. Other income

	2024 £000s	2023 £000s
Miscellaneous	300	66
<b>Total</b>	<b>300</b>	<b>66</b>

## 04. Raising funds

	2024 £000s	2023 £000s
Investment office costs	752	634
Investment manager and consultancy fees	1,458	1,309
<b>Total</b>	<b>2,210</b>	<b>1,943</b>

## 05. Analysis of expenditure on charitable activities

		2024			2023
	Activities undertaken directly £000s	Grant funding of activities £000s	Support costs £000s	Total £000s	Total £000s
Respiratory health	3,388	2,849	4,010	10,247	6,650
Neurodegeneration healthcare	3,569	5,375	5,763	14,707	6,965
Global health infection	3,143	5,019	5,238	13,400	9,956
Rare disease	423	9,143	6,160	15,726	9,306
Childhood cancer	1,551	1,064	1,649	4,264	856
Cross Translational Challenges	627	-	238	865	582
LifeArc Ventures	2,573	-	1,696	4,269	3,587
Scientific platforms and other partnerships	13,831	5,094	10,994	29,919	26,545
Other	75	29	144	248	7,049
<b>Total</b>	<b>29,180</b>	<b>28,573</b>	<b>35,892</b>	<b>93,645</b>	<b>71,496</b>



## Grants

Institution	2024 £000s	2023 £000s
Our Future Health	4,984	-
UK DRI Ltd	3,869	412
(UCL) University College London	2,480	1,578
Francis Crick Institute	2,062	725
Medical Research Council	1,593	2,219
University of Edinburgh	1,590	483
Medicines Discovery Catapult Ltd	807	-
University of Texas Southwestern Medical Center	754	-
University of Glasgow	722	465
CureSearch for Children's Cancer	661	-
University of Cape Town	601	-
Action Medical Research	596	421
University of Cambridge	588	308
Great Ormond Street Hospital	572	338
University of Dundee	285	285
Kings College London	528	455
University of Newcastle	491	63
University of Liverpool	475	-
Action on Antibiotic Resistance Africa	456	-
Ockham Biotech Limited	431	-
Yemaachi Biotech Limited	403	-
BioVersys AG	399	-
University of Birmingham	332	85
University of Sheffield	297	452
University of Oxford	250	361
Bicycle Tx Limited	203	-
Department of Health and Social Care	190	760
Drugs and Diagnostics for Tropical Diseases	182	20
Oxford Drug Design	169	-
University of Manchester	163	-
Translab Private Limited	136	-
ALS Therapy Development Institute	117	-
Cambridge Science Centre	110	100

Institution (cont.)	2024 £000s	2023 £000s
University of Oxford DTC	107	-
Imperial College London	102	-
University of Buea	91	82
Beacon for Rare Diseases Limited	85	-
Indian Institute of Technology Roorkee	84	-
Monash University	82	-
Antabio	80	-
NESTA	80	-
Rostra Therapeutics	76	-
Foundation for Innovative New Diagnostics	63	-
AUTM Foundation	55	57
Royal Holloway University of London	53	43
Aarhus University	46	-
Cystic Fibrosis Trust	42	-
Queen Mary University of London	38	220
TRH Consulting	37	-
Liverpool School of Tropical Medicine	34	100
The Institute of Cancer Research Royal Cancer Hospital	23	23
University of Oxford Pandemic Sciences Institute	8	-
University of Ghana*	(108)	503
Gene People	-	30
University of H3D Foundation	-	98
University of Chile	-	100
Chelsea and Westminster Hospital NHS	-	137
University of Sussex	-	149
University of AIBST: Pan Africa DMPK Center of Excellence	-	166
University of Aberdeen	-	214
DEBRA Austria	-	250
University of Stellenbosch	-	444
KQ Labs	-	876
<b>Total</b>	<b>28,573</b>	<b>13,023</b>

\*Over accrual £108k in 2023, reversed in 2024.

## 06. Allocation of support costs

	Governance £000s	Corporate resources £000s	2024 £000s	2023 £000s
Respiratory health	154	3,856	4,010	2,569
Neurodegeneration healthcare	222	5,541	5,763	2,705
Global health infection	201	5,037	5,238	3,860
Rare disease	236	5,924	6,160	3,436
Childhood cancer	63	1,586	1,649	309
Cross Translational Challenges	9	229	238	225
LifeArc Ventures	66	1,630	1,696	1,397
Scientific platforms and other partnerships	405	10,589	10,994	10,136
Other	2	142	144	2,858
<b>Total</b>	<b>1,358</b>	<b>34,534</b>	<b>35,892</b>	<b>27,495</b>

Governance costs are detailed further in note 7.

## 07. Governance costs

	2024 £000s	2023 £000s
Staff costs	739	517
<b>Direct costs</b>		
Other legal and professional charges	32	178
Audit fees	43	40
Other fees	193	181
Bank charges	8	8
Insurance	239	210
Other governance costs	104	143
<b>Total</b>	<b>1,358</b>	<b>1,277</b>

## 08. Net income for the year

	2024 £000s	2023 £000s
Net income is stated after charging/(crediting):		
Depreciation of tangible fixed assets	3,105	3,018
Amortisation of intangible fixed assets	1,833	2,263
Operating leases – property	1,483	1,367
Auditor’s remuneration	43	40
Fees payable to internal auditor	193	181
Net (gains)/losses on foreign exchange	(149)	262

## 09. Auditor’s remuneration

	2024 £000s	2023 £000s
Fees payable to the charity’s auditor for the audit of the charity’s annual accounts	43	40
Fees payable to the charity’s auditor for other services:		
Other services	-	9
<b>Total</b>	<b>43</b>	<b>49</b>

## 10. Board and key management personnel remuneration and expenses

Remuneration and benefits were paid to Sam Barrell (CEO) and Stéphane Maikovsky (CFO and Deputy CEO, formerly interim CEO) for their roles as employees of the organisation, not for their positions as trustees.

Stéphane Maikovsky was appointed as a trustee of LifeArc on 17 June 2022. Remuneration and benefits were due for his role as an employee of the organisation, not for his position as trustee. The aggregate amounts paid during the year to Stéphane Maikovsky includes basic pay £296,725 (2023 – £245,875), 5% flex allowance of £14,836 (2023 – £12,294), bonus of £136,296 (2023 – £124,810), pension contributions £35,607 (2023 – £29,505), and other benefits £6,269 (2023 – £5,030). This includes basic pay of £38,556 (2023 £12,437), 5% flex allowance of £1,928 (2023 £622), and pension contributions of £4,627 (2023 £1,492) in respect of acting up as the CEO of LifeArc from 1 October 2023 to 30 September 2024. Bonus was awarded in relation to his role as both CFO and interim CEO during the year.

Sam Barrell was appointed as a trustee of LifeArc on 28 November 2024. Remuneration and benefits were due for her role as an employee of the organisation, not for her position as trustee. The aggregate amounts paid during the year to Sam Barrell includes basic pay £34,185, 5% flex allowance of £1,709, bonus of £18,580, pension contributions £3,418, and other benefits £451.

In respect of services provided to LifeArc for the LifeArc Ventures Fund, Ian Nicholson invoiced LifeArc £9,000 (2023 £6,500) for consultancy through Casewell Consulting Limited.

All other trustees neither received nor waived any remuneration during the year (2023 – £nil).

The total amount of employee benefits received by key management personnel during the year (made up of basic pay, bonus, pension allowance, employer's pension contribution, employer's NI, PILON, severance payments and other benefits) was £3,873,000 (2023 – £3,517,000). The Board considers its key management personnel to comprise the Chief Executive Officer and executive management team.

The following expenses were reimbursed or paid directly on trustees' behalf during the year for their services as trustees:

	2024 number of trustees	2023 number of trustees	2024 £000s	2023 £000s
Travel and subsistence	8	11	11	13
<b>Total</b>	<b>8</b>	<b>11</b>	<b>11</b>	<b>13</b>

Included above is £6,453 (2023 – £7,961) which has been paid directly to third parties.

## 11. Staff costs and employee benefits

The average number of employees, analysed by function, was:

	2024	2023
Executive	9	8
Translational science and Translational Challenge leadership	173	144
Partnerships	42	37
LifeArc Ventures	8	6
Enabling functions*	94	77
Investment office	3	3
Agency/contract staff	16	15
<b>Total</b>	<b>345</b>	<b>290</b>

\*Enabling functions includes Corporate Affairs, Finance, Facilities, Human Resources, IT, Legal and Project Management.

The total staff costs and employee benefits were as follows:

	2024 £000s	2023 £000s
Wages and salaries	28,136	22,291
Social security	3,209	2,560
Defined contribution pension costs	2,219	1,682
Agency/contract staff	1,986	2,174
Redundancy payments	362	398
<b>Total</b>	<b>35,912</b>	<b>29,105</b>

**The number of employees who received total employee benefits (made up of basic pay, flex allowance, bonus, and other allowances) of more than £60,000 is as follows:**

	2024	2023
£60,001 – £70,000	39	29
£70,001 – £80,000	20	26
£80,001 – £90,000	23	15
£90,001 – £100,000	17	18
£100,001 – £110,000	18	11
£110,001 – £120,000	20	10
£120,001 – £130,000	6	1
£130,001 – £140,000	5	3
£140,001 – £150,000	6	1
£150,001 – £160,000	-	3
£160,001 – £170,000	5	3
£170,001 – £180,000	1	-
£180,001 – £190,000	2	1
£190,001 – £200,000	2	-
£200,001 – £210,000	3	1
£210,001 – £220,000	2	-
£220,001 – £230,000	1	4
£230,001 – £240,000	-	1
£240,001 – £250,000	1	2
£250,001 – £260,000	-	1
£260,001 – £270,000	1	-
£270,001 – £280,000	3	-
£280,001 – £290,000	-	1
£310,001 – £320,000	1	-
£320,001 – £330,000	-	1
£340,001 – £350,000	1	-
£350,001 – £360,000	-	1
£370,001 – £380,000	1	-
£380,001 – £390,000	1	1
£440,001 – £450,000	1	-
£480,001 – £490,000	-	1
<b>Total</b>	<b>180</b>	<b>135</b>

PILON totalling £151,600 (2023 – £282,275) was included in calculating the number of employees who received total employee benefits of more than £60,000.

The pension contributions to the defined contribution scheme payable on behalf of 180 (December 2023 – 135) members of staff amounted to £1,645,576 (2023 – £1,142,691).

The redundancy and termination payments in the year totalled £362,122 (2023 – £398,382) from 17 employees (2023 – 8 employees), of which £262,622 (2023 – £335,382) had been paid during the year with £99,500 (2023 – £63,000) accrued at the year end.

## 12. Tangible fixed assets

	Assets under construction £000s	Leasehold improvements £000s	Laboratory equipment and plant £000s	Fixtures, fittings and computers £000s	Total £000s
<b>Cost</b>					
At 1 January 2024	751	9,910	14,428	4,213	29,302
Additions	279	130	212	217	838
Disposals	-	-	(1,081)	(1,247)	(2,328)
Reclassification	(823)	-	681	142	-
<b>At 31 December 2024</b>	<b>207</b>	<b>10,040</b>	<b>14,240</b>	<b>3,325</b>	<b>27,812</b>
<b>Accumulated depreciation</b>					
At 1 January 2024	-	6,277	9,628	3,223	19,128
Charge for year	-	928	1,702	475	3,105
Disposals	-	-	(1,041)	(1,247)	(2,288)
<b>At 31 December 2024</b>	<b>-</b>	<b>7,205</b>	<b>10,289</b>	<b>2,451</b>	<b>19,945</b>
<b>Net book value</b>					
<b>At 31 December 2024</b>	<b>207</b>	<b>2,835</b>	<b>3,951</b>	<b>874</b>	<b>7,867</b>
At 31 December 2023	751	3,633	4,800	990	10,174

LifeArc had capital commitments of £nil at 31 December 2024 (December 2023 – £nil).



### 13. Intangible assets

	Synergy antibody platform £000s	Software and licences £000s	Total £000s
<b>Cost</b>			
At 1 January 2024	16,149	561	16,710
Additions	-	-	-
<b>At 31 December 2024</b>	<b>16,149</b>	<b>561</b>	<b>16,710</b>
<b>Accumulated amortisation</b>			
At 1 January 2024	7,546	184	7,730
Charge for year	1,721	112	1,833
<b>At 31 December 2024</b>	<b>9,267</b>	<b>296</b>	<b>9,563</b>
<b>Net book value</b>			
<b>At 31 December 2024</b>	<b>6,882</b>	<b>265</b>	<b>7,147</b>
At 31 December 2023	8,603	377	8,980

### 14. Fixed asset investments

	Note	2024 £000s	2023 £000s
Investments at cost		27	38
Unlisted investments in LifeArc Ventures Fund held at fair value	14a	94,935	64,471
Listed investments	14b	1,033,736	978,645
Alternative investment incl. private equity	14b	221,804	149,416
Cash held for investment purposes		3,653	3,486
<b>Total</b>		<b>1,354,155</b>	<b>1,196,056</b>

Included within investments at cost is £10,000 in relation to 100% of the shares in LifeArc Innovations Limited.

## 14a. Unlisted investments held at fair value

	2024 £000s	2023 £000s
<b>LifeArc Ventures and LifeArc as a limited partner</b>		
Fair value at 1 January	64,471	44,675
Investments in the year	32,969	32,721
Disposals in the year	(4,023)	(1,012)
Realised (losses) / gain during the year	(850)	100
Unrealised gain during the year	969	12,271
Interest accrued	1,625	298
Foreign exchange loss	(226)	(40)
<b>Fair value at 31 December</b>	<b>94,935</b>	<b>64,471</b>

At the year-end, LifeArc was committed to investing £71.7 million (2023 £72.7 million) through LifeArc Ventures and as a limited partner, and £104.8 million (2023 £76.8 million) from other unrestricted funds.

## 14b. Listed investments held at fair value

	2024 £000s	2023 £000s
Market value at 1 January	1,128,061	977,243
Acquisitions	228,825	260,733
Sale proceeds	(213,240)	(207,084)
Unrealised gain	127,082	94,832
Realised (loss) / gain	(17,885)	2,215
Reclassification	3,100	-
Foreign exchange (loss) / gain	(403)	122
<b>Market value at 31 December</b>	<b>1,255,540</b>	<b>1,128,061</b>
Historical cost at 31 December	1,089,542	1,090,212

## Portfolio analysis

		2024 £000s	2023 £000s
Equities	within the UK	74,477	113,225
	overseas	802,438	700,129
Fixed interest securities	within the UK	22,528	-
	overseas	134,293	165,291
Alternative investment incl. private equity		221,804	149,416
		1,255,540	1,128,061
Cash		3,653	3,486
<b>Total</b>		<b>1,259,193</b>	<b>1,131,547</b>

## 15. Current asset investments

	2024 £000s	2023 £000s
At 1 January	68,010	110,016
Net (withdrawals)	(332)	(3,209)
Acquisitions	220,048	84,421
Sale proceeds	(111,200)	(125,358)
Realised gains	2,316	3,656
Unrealised gains / (losses)	3,900	(1,346)
Reclassification to fixed asset investments	(3,100)	-
Interest received	18	24
Foreign exchange gain /(loss)	-	(194)
<b>As at 31 December</b>	<b>179,662</b>	<b>68,010</b>
Historical cost at 31 December	174,675	71,466

## Portfolio analysis

	2024 £000s	2023 £000s
Equities overseas	-	3,100
Fixed interest securities overseas	179,655	64,590
<b>Total</b>	<b>179,655</b>	<b>67,690</b>
Cash	7	320
<b>Total</b>	<b>179,662</b>	<b>68,010</b>

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

## 16. Debtors

	2024 £000s	2023 £000s
Trade debtors	830	41
Prepayments and accrued income	76,524	103,176
Tax debtor – VAT	508	976
Other debtors	264	115
Hedge / derivative asset	-	13,048
<b>Total</b>	<b>78,126</b>	<b>117,356</b>

**17. Creditors: amounts falling due within one year**

	2024 £000s	2023 £000s
Trade creditors	738	3,174
Grant creditors	1,059	1,238
Accruals and deferred income	11,779	12,185
Other creditors	2,780	3,558
Hedge / derivative liability	9,973	-
PAYE and NI creditor	1,255	962
<b>Total</b>	<b>27,584</b>	<b>21,117</b>

Deferred income £88k (2023 - £88k) relates to income received in advance, relating to the following year. The full amount was deferred in the current year, with the full amount brought forward being released in the year.

**18. Leases**

	2024 £000s	2023 £000s
<b>Operating lease – leasee</b>		
Total future minimum lease payments under non-cancellable operating leases are as follows:		
Not later than 1 year	1,465	1,441
Later than 1 and not later than 5 year	630	2,068
Later than 5 years	-	-
<b>Total</b>	<b>2,095</b>	<b>3,509</b>

**19. Provisions for liabilities and charges**

	Provision for dilapidations £000s
At 31 December 2023	796
Additions during the year	79
Amounts charges against the provision	-
Unused amounts reversed	-
<b>At 31 December 2024</b>	<b>875</b>

The provision relates to dilapidations for the Edinburgh site, the Lynton House site, and the Stevenage site.

## 20. Grant commitments

	Expected to be paid within 1 year £000	Expected to be paid after 1 year £000	Total £000s
Rare diseases and Philanthropic Fund	18,669	33,326	51,995
Neurodegeneration healthcare	6,636	20,413	27,049
Global health	12,730	46,334	59,064
Respiratory health	8,155	11,420	19,575
Childhood cancer	242	13,258	13,500
Our Future Health	2,500	2,500	5,000
<b>Total</b>	<b>48,932</b>	<b>127,251</b>	<b>176,183</b>

## 21. Fund reconciliation

	Balance at 1 Jan 2024 £000s	Income £000s	Expenditure £000s	Transfers £000s	Gains £000s	Balance 31 Dec 2024 £000s
Unrestricted	1,385,478	204,621	(95,512)	-	112,373	1,606,960
Restricted	-	422	(422)	-	-	-
<b>Total</b>	<b>1,385,478</b>	<b>205,043</b>	<b>(95,934)</b>	<b>-</b>	<b>112,373</b>	<b>1,606,960</b>

### Fund descriptions

#### 01. Unrestricted funds

The unrestricted fund is a general unrestricted fund which is available for use at the discretion of the Board in furtherance of the general objectives of LifeArc and which has not been designated for other purposes.

#### 02. Restricted funds

The restricted funds are grants received in the year which are subject to specific restrictions imposed by the donor. Grant income includes £422,000 (December 2023 – £478,000) from GSK Services and the Royal Commission for the Exhibition of 1851.

## 22. Analysis of net assets between funds

	Unrestricted funds £000s	Total 2024 £000s
Fixed assets	1,369,169	1,369,169
Cash and current investments	188,124	188,124
Other current assets/liabilities	50,542	50,542
Provisions	(875)	(875)
<b>Total</b>	<b>1,606,960</b>	<b>1,606,960</b>

	Unrestricted funds £000s	Total 2023 £000s
Fixed assets	1,215,210	1,215,210
Cash and current investments	74,825	74,825
Other current assets/liabilities	96,239	96,239
Provisions	(796)	(796)
<b>Total</b>	<b>1,385,478</b>	<b>1,385,478</b>

## 23. Reconciliation of net income to net cash flow from operating activities

	2024 £000s	2023 £000s
Net income for year	221,482	199,119
Dividends, interest and rents from investments	(20,479)	(26,459)
Accrued income on LifeArc Ventures investments	(1,625)	(298)
Revaluation loss/(gain) on investments	629	(81)
Depreciation and impairment of tangible fixed assets	3,105	3,018
Amortisation of intangible fixed assets	1,833	2,263
(Gains)/losses on investments	(109,305)	(84,875)
Loss on disposal of fixed assets	40	-
Decrease/(increase) in debtors	49,003	(112,068)
(Decrease)/increase in creditors	(3,227)	5,817
<b>Total</b>	<b>141,456</b>	<b>(13,564)</b>

## 24. Pensions and other post-retirement benefits

### Defined contribution pension plans

LifeArc operates a defined contribution pension plan for its employees. The amount of contributions recognised as an expense during the year was £2,219,335 (12 months to December 2023 – £1,682,000).

## 25. Related party transactions

The non-executive trustees of the Board received no remuneration from LifeArc for their services as trustees during the year.

Reimbursements for travel expenses with an aggregate value of £4,752 (2023 – £5,081) were made to 4 non-executive trustees (2023 – 5 non-executive trustees).

These transactions were carried out on normal commercial terms.

Trustee indemnity insurance was purchased in the year at a cost of £13,100 including insurance premium tax (2023 – £14,500).

Information about related party transactions and outstanding balances is outlined below:

	Income £000s	Expenditure £000s	Debtor £000s	Creditor £000s	Provision for bad debt £000s
<b>Medicine Discovery Catapult Services Ltd<sup>1</sup></b>					
At end date 31 December 2024	-	184	-	37	-
At end date 31 December 2023	-	211	-	-	-
<b>Medicine Discovery Catapult Ltd<sup>2</sup></b>					
At end date 31 December 2024	-	806	-	-	-
At end date 31 December 2023	-	-	-	-	-
<b>Dementia Research Institute<sup>3</sup></b>					
At end date 31 December 2024	-	3,813	-	-	-
At end date 31 December 2023	55	412	-	-	-
<b>RQ Biotechnology Limited<sup>4</sup></b>					
At end date 31 December 2024	522	-	263	-	100
At end date 31 December 2023	1,985	-	-	-	-
<b>Casewell Consulting<sup>5</sup></b>					
At end date 31 December 2024	-	9	-	-	-
At end date 31 December 2023	-	7	-	-	-
<b>Beacon For Rare Diseases<sup>6</sup></b>					
At end date 31 December 2024	-	77	-	-	-
At end date 31 December 2023	-	10	-	-	-

<sup>1</sup> Lynne Robb (LifeArc Trustee) is on the Board of Trustees. During the year LifeArc had expenditure of £184k on outsource fees (2023 – £211k).

<sup>2</sup> Lynne Robb and Sue Wallcraft (LifeArc Trustees) are on the Board of Trustees. During the year LifeArc had funded awards of £806k (2023 – £Nil).

<sup>3</sup> Jo Pisani (LifeArc Trustee) is on the Board of Trustees. During the year LifeArc funded awards of £3,813k (2023 – £412k) and had SLA income of £Nil (2023 – £55k).

<sup>4</sup> Clare Terlouw (Head of LifeArc Ventures) is on the Board. During the year LifeArc received £Nil dividend investment income (2023 – £1,970k), and £522k income (2023 – £15k). RQ Biotechnology Limited is an associate investment.

<sup>5</sup> Ian Nicholson (LifeArc Trustee) is an owner of Casewell Consulting. During the year LifeArc had expenditure of £9k on consultancy fees (2023 – £6.5k).

<sup>6</sup> Jo Pisani (LifeArc Trustee) is on the Board of Trustees. During the year LifeArc had expenditure of £77k on sponsorship (2023 – £10,000).

## 26. Post balance sheet events

Since 31 December 2024, the value of LifeArc's investment portfolio (excluding early ventures) has decreased by £4.2 million as at 31 May 2025 as a result of £85.9 million losses offset by £5.2 million income, and £76.5 million of net additions.

LifeArc have signed an agreement to lease 105 Judd Street for 15 years with a 10-year break clause.

## 27. Limited liability

LifeArc is a company limited by guarantee (company number 02698321) and thus has no share capital. In the event of LifeArc being wound up, every member of LifeArc undertakes to contribute no more than £1 to the assets of LifeArc while they are a member, or within one year after they cease to be a member, for the debts and liabilities of LifeArc contracted before they cease to be a member. The number of members at 31 December 2024 was 12 (2023 – 11).

## 28. Charitable status

LifeArc is a charity registered with the Charity Commissioners for England and Wales, number 1015243 and a charity registered in Scotland (number SC037861) with the Office of the Scottish Charity Regulator.

## 29. Trading subsidiary

LifeArc holds 100% of the shares in LifeArc Innovations Limited. Consolidated accounts have not been prepared as its inclusion is not material for the purpose of giving a true and fair view.

## 30. Ultimate controlling party

LifeArc is controlled by its members.

## 31. Comparative statement of financial activities

	Notes	Unrestricted funds £000s	Restricted £000s	Total funds 2023 £000s	Total funds 2022 £000s
<b>Income and endowments from</b>					
Charitable activities	1	142,576	478	143,054	3,321
Investments	2	26,459	–	26,459	19,536
Other income	3	66	–	66	22
<b>Total income and endowments</b>	<b>–</b>	<b>169,101</b>	<b>478</b>	<b>169,579</b>	<b>22,879</b>
<b>Expenditure on</b>					
Raising funds	4	1,943	–	1,943	1,526
Charitable activities	5	71,018	478	71,496	58,765
Provisions	19	50	–	50	11
<b>Total expenditure</b>	<b>–</b>	<b>73,011</b>	<b>478</b>	<b>73,489</b>	<b>60,302</b>
Net gains /(losses) on investments	14/15	87,187	–	87,187	(90,991)
Net gains on FX hedges	–	15,842	–	15,842	851
<b>Net income /(expenditure)</b>	<b>–</b>	<b>199,119</b>	<b>–</b>	<b>199,119</b>	<b>(127,563)</b>
<b>Net movement in funds</b>	<b>21</b>	<b>199,119</b>	<b>–</b>	<b>199,119</b>	<b>(127,563)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	21	1,186,359	–	1,186,359	1,313,922
<b>Total funds carried forward</b>	<b>21</b>	<b>1,385,478</b>	<b>–</b>	<b>1,385,478</b>	<b>1,186,359</b>



# Advisors

Statutory auditors	Moore Kingston Smith LLP	9 Appold Street, London, EC2A 2AP
Bankers	Lloyds Bank Plc	3rd floor, 25 Gresham Street, London EC2V 7 HN
Charity law advisors	Bates Wells	10 Queen Street Place, London EC4R 1BE
Internal auditor	Grant Thornton UK LLP	30 Finsbury Square, London EC2A 1AG
Investment advisors	Cambridge Associates Ltd	80 Victoria Street, Cardinal Place, London SW1E 5JL
Investment custodian	Northern Trust	50 Bank Street, Canary Wharf, London E14 5NT



## Company and charity numbers

Company Limited by Guarantee Incorporated in England and Wales No. 2698321
Charity registered with the Charity Commission for England and Wales No. 1015243
Charity registered in Scotland with the Office of the Scottish Charity Regulator No. SC037861

## Registered address and principal place of business

Lynton House, 7 - 12 Tavistock Square, London WC1H 9LT
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