

**The Babraham Institute  
(A Charitable Company Limited  
by Guarantee)**

Annual Report and Financial Statements

Year Ended

31 March 2024

**Company Number 03011737**

**Charity Number 1053902**

**THE BABRAHAM INSTITUTE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

---

**CONTENTS**

<b>PAGE:</b>	<b>ANNUAL REPORT</b>
2	Officers and professional advisers
3	Report of the trustees (incorporating the Strategic Report)
<b>PAGE:</b>	<b>AUDITOR’S REPORT</b>
26	Independent Auditor’s Report
<b>PAGE:</b>	<b>FINANCIAL STATEMENTS</b>
30	Consolidated statement of financial activities
31	Balance sheets
32	Consolidated statement of cash flows
33	Notes forming part of the financial statements

## THE BABRAHAM INSTITUTE

### OFFICERS AND PROFESSIONAL ADVISERS

---

<b>TRUSTEES</b>	Prof Dame Linda Partridge FRS (Chair) Mr Graham Allen Dr James Briscoe FRS Prof Gordon Brown FRS Prof Petra Hajkova Prof Paul Lehner FRS Mr Timothy Livett Mr John Macey Ms Alexandra Pygall Prof Helen Walden Dr John Wells	
<b>MEMBERS</b>	Chairman Babraham Institute Board Chairman Babraham Institute Audit Committee UKRI-BBSRC Corporate Member	- Prof Dame Linda Partridge FRS - Mr Timothy Livett - Prof Anne Ferguson-Smith FRS
<b>SECRETARY</b>	Mr Simon Jones	
<b>REGISTERED OFFICE</b>	Babraham Institute Babraham Hall Babraham Cambridge CB22 3AT	
<b>AUDITOR</b>	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG	
<b>BANKERS</b>	Lloyds Bank Plc 4th Floor 25 Gresham Street London EC2V 7HN	
<b>INTERNAL AUDITORS</b>	RSM Risk Assurance Services LLP The Pinnacle 170 Midsummer Boulevard Milton Keynes Buckinghamshire MK9 1BP	
<b>INVESTMENT BANK</b>	Royal Bank of Canada 100 Bishopgate London EC2N 4AA	

**REGISTERED COMPANY NUMBER :** 03011737

**CHARITY REGISTRATION NUMBER :** 1053902

## **THE BABRAHAM INSTITUTE**

### **REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024**

---

The Trustees are pleased to present their annual Trustees' Report together with the consolidated financial statements of the charity and its subsidiaries for the year ending 31 March 2024 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

#### **REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY**

##### **LEGAL STATUS**

The Trustees, who are the trustees of the charity and directors of the charitable company the "Babraham Institute" (BI) (registered charity in England and Wales number 1053902; a company limited by guarantee, registered in England and Wales number 03011737), present their report together with the audited financial statements for the year ended 31 March 2024. The charity is governed by a Memorandum and Articles of Association adopted 24 June 2011, and its Institute Grant Agreement with the Biotechnology and Biological Sciences Research Council (UKRI-BBSRC) by whom it is strategically funded. UKRI-BBSRC is part of UK Research and Innovation (UKRI), a body working in partnership with universities, research organisations, businesses, charities and government.

The charity has two trading subsidiaries: Babraham Research Campus Limited (BRCL) (Registered in England and Wales number 03241492) and Babraham Institute Enterprise Limited (BIE) (Registered in England and Wales number 06331858); referred to as the "Group" throughout.

##### **PRINCIPAL ACTIVITY**

The principal activity of the group and the charitable company, as set out in the Memorandum and Articles of Association, is education, through undertaking research; the dissemination of the results of such research for the public benefit and the training of research scientists. The charitable company aims to be the UK's premier research institute for work on lifelong health and healthy ageing through frontier research into molecular and cell biology and development. The chief funder of the Institute is UKRI. Operating across the whole of the UK with a combined budget of more than £9 billion, UKRI became operational on 1 April 2018 and has brought together the seven Research Councils (including UKRI-BBSRC), Innovate UK and a new organisation, Research England.

BRCL has management and development responsibilities for the Babraham Research Campus to ensure the Campus provides both the buildings and communal environment to benefit all the organisations on Campus. Its principal activities focus on supporting early stage companies and growing biomedical enterprises. This is delivered through the provision of specialised office and laboratory accommodation, access to scientific expertise and equipment (including to the Institute's eight science facilities and specialist equipment which is overseen by the Institute), and to support a research-centric community helping translate early stage science into products and services.

The primary role of BIE is to support the commercialisation of the Institute's science, and the company has responsibility for managing and commercialising the Institute's intellectual property portfolio through partnerships with industry, licencing activities, and the formation of spin-out companies. BIE also facilitates access to the Institute's cutting-edge scientific facilities for companies both on and off the Babraham Research Campus, thereby supporting the life science industry.

# THE BABRAHAM INSTITUTE

## REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

### STRUCTURE, MANAGEMENT AND GOVERNANCE

#### BOARD OF TRUSTEES

Up to and including the year ended 31 March 2024, the Board of Trustees consisted of up to sixteen individuals who acted as trustees and directors and are all guarantors of the charitable company, of an amount not exceeding £1, during the period of their appointment and for a year after resignation.

The following were members of the Board of Trustees during the year:

Prof Peter Rigby FRS	– resigned 1 September 2023
Mr Graham Allen	
Mr Geoff Braham	– resigned 27 November 2023
Dr James Briscoe FRS	
Prof Gordon Brown FRS	
Dr Lynne Gailey	– resigned 27 November 2023
Prof Petra Hajkova #	– appointed 1 October 2023
Prof Nic Jones	– resigned 1 September 2023
Prof Paul Lehner FRS	– appointed 1 October 2023
Mr Timothy Livett #	– appointed 27 November 2023
Mr John Macy	– appointed 27 November 2023
Prof Peter Parker FRS	– resigned 27 November 2023
Prof Dame Linda Partridge FRS	
Ms Alexandra Pygall #	
Prof Helen Walden	– appointed 1 October 2023
Dr John Wells #	– appointed 27 November 2023

# Denotes members of the Audit Committee as at 31 March 2024.

Membership of the charity consists of two Trustee Members (*ex officio* the Chair of the Board of Trustees and the Chair of the Audit Committee) and one Corporate Member, UK Research and Innovation (UKRI).

The Institute’s process for Trustee recruitment combines both targeted approaches through the use of an executive recruitment agency and open application. A shortlist is compiled after review of submitted applications and shortlisted candidates are interviewed by at least the Chairman and a selection of other Trustees. Following interviews, new Trustees are appointed by the interviewing Trustees with delegated authority from the Board. Trustees are appointed for a period of up to four years from the date of appointment (usually three) and are eligible for re-appointment at the end of their term. None of the Board of Trustees holds any interest in the shares of any of the subsidiary companies.

Trustees are provided with an induction pack containing key information about the Institute, participate in a face-to-face introduction to the main operational and scientific areas of the Institute, and are offered training in trusteeship by one of the recognised training providers in this area. Most Trustees also take the opportunity to visit the Institute and meet with its wider staff, outside of a formal Board of Trustees meeting.

Separate Audit Committees operate during the year for the Institute and BRCL. Additionally, a joint audit committee is convened annually to ensure proper scrutiny of Group finances and operations and as such incorporates some of the functions of a Finance and General Purposes Committee, although most of such functions are carried out by the Board itself.

The Board delegates the day to day running of the Institute to the senior management team led by Dr Simon Cook as Institute Director.

## **THE BABRAHAM INSTITUTE**

### **REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024**

---

#### **BOARD OF TRUSTEES (CONTINUED)**

The Company Secretary and Chief Operating Officer (COO) is Mr Simon Jones. The CEO of BRCL, one of the Institute's trading subsidiaries, Mr Derek Jones, is employed on a BRCL contract. BIE is managed by senior management of the institute.

#### **TRUSTEES' RESPONSIBILITIES STATEMENT**

The charity's Trustees (who are also directors of the Babraham Institute for the purposes of company law) are responsible for preparing an annual Trustees' Report and financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year.

Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP (FRS 102)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the Trustees are aware at the time of approving our annual Trustees' Report:

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

#### **COMPLIANCE WITH SECTION 172(1) OF THE COMPANIES ACT 2006**

Institute governance dictates that key strategic decisions are made at the Babraham Executive Committee (BEC; chaired by the Director), which responds to advice from the Board of Directors, Scientific Advisory Panel and other key stakeholders including UKRI-BBSRC and other funding agencies. BEC is comprised of senior managers from across all functional areas, bringing a broad perspective of opinions to Institute business.

## THE BABRAHAM INSTITUTE

### REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

---

#### COMPLIANCE WITH SECTION 172(1) OF THE COMPANIES ACT 2006 (CONTINUED)

The Institute is committed to making a positive impact not only on the protection of the environment but to enhance it, while ensuring our research is maintained at a world-class standard. The Institute has developed a bespoke action plan for sustainability, working with UK-SOS, BRCL and several campus companies. A Gold Award was received by the Institute from the SOS-UK Green Impact programme in October 2022. This award was extended to a Platinum Green Impact Award (<https://www.babraham.ac.uk/news/2023/10/institute-receives-platinum-green-impact-award>) in October 2023, reflecting continued work by the Institute's Green Labs initiative at the Institute and also with BRCL companies (15 campus companies participated in the cross-campus sustainability network as part of the SOS-UK Green Impact programme accreditation awarded in October 2023). Continuation of this work as part of the next cycle of the Green Impact programme will achieve further environmental action with expanded participation across BRCL. The vision is that the Campus is Carbon Neutral by 2040.

The Institute recognises that in order to maintain productive relationships with key stakeholders, the Institute must uphold high standards of business conduct. Operational teams hold and update relevant professional accreditations and undertake continuing personal development to ensure they are working in an effective manner. In 2020-21 a Research Integrity Steering Group was established to oversee the policies, management systems and processes supporting research integrity at the Institute. This will enable others to have confidence that our research is founded on rigour and excellence and is of the highest international quality.

The Institute has numerous mechanisms to foster relationships with key stakeholders. As the principal funder, relations with UKRI-BBSRC are maintained through many formal interactions. The Institute Director and Chair of the Board of Trustees hold regular partnership meetings with the Chief Executive of the UKRI-BBSRC. In addition, the Directors of all UKRI-BBSRC Institutes meet regularly with UKRI-BBSRC to discuss their strategic alliance. Furthermore, the Chief Operating Officer and senior members of the operations team hold frequent bilateral meetings with their counterparts at UKRI-BBSRC. Both BI and BBSRC are shareholders in the campus development company, BRCL.

As a majority shareholder the Institute maintains close and productive relationships with BRCL management and Board. One area to highlight is in regard to environmental sustainability, where representatives from complementary functional areas, including engineering and facilities management, work collectively to reduce the impact of the campus on the local and wider environment. In addition to this, the Institute and BRCL are working collaboratively on a series of knowledge exchange networking events, have coordinated on successful UKRI-BBSRC Collaborative Training Partnership (CTP) studentship programme and a UKRI-BBSRC Campus Impact Acceleration initiative, which has funded a range of Campus networking and collaborative opportunities. More details are given in the Knowledge Exchange and Commercialisation update.

Beyond the UKRI-BBSRC, the Institute is part of additional formal and informal networks. As part of the EU-LIFE alliance, a collection of independent European research institutes in the life sciences, the Institute plays a key role in building and promoting excellence in the life sciences. Institute scientists all belong to their collaborative research networks, bringing together ideas from across the globe. A notable demonstration is the inception of the UK Proteostasis Network in 2023 by two Institute leads, Dr Della David and Dr Oliver Florey, and two counterparts at the University of Cambridge, Dr Laura Itzhaki, Department of Pharmacology and Dr Ritwick Sawarkar, MRC Toxicology Unit. The Network brings together all career stages of researchers working in proteostasis-related areas, both from academic and commercial research. The Network held its inaugural conference meeting in May 2024, with over 170 attendees. Over 130 individuals across the UK have registered for updates and communications from the Network and 43 research groups are now listed as members of the UK Proteostasis Network (via the PI contact) on the Network's website. For grants running in 2023/24 the Institute had collaborations with 106 organisations across 20 countries.

The Institute continues to be committed to the principles of the Modern Slavery Act 2015 and the abolition of modern slavery and human trafficking. Procurement for goods and services is provided by a wide range of suppliers and the contractual terms and conditions that the Institute puts in place with third parties are regularly reviewed and have been updated to include provisions designed to ensure that any risks of modern slavery in the Institute's supply chain are appropriately and effectively addressed. The Institute's modern slavery statement is published on its website.

## THE BABRAHAM INSTITUTE

### REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

---

#### COMPLIANCE WITH SECTION 172(1) OF THE COMPANIES ACT 2006 (CONTINUED)

Institute science interfaces with many key areas of policy from public health to education, and from animal welfare to big data. Our life science research has significant potential to shape and inform policy on topics such as gene editing, stem cell research, human development and the effect of dietary restriction over the course of a person's life.

We also participate in broader discussions including animal welfare and the importance of the bioeconomy. A notable activity connecting future policy development and public dialogue was concluded in October 2023 with the publication of a report on a public dialogue exercise (<https://www.babraham.ac.uk/news/2023/10/public-support-extending-14-day-rule>) undertaken by the Human Developmental Biology Initiative (HDBI) and led by the Institute on public perceptions of early human embryo research. Our researchers and staff place significant value on working with policymakers and policy organisations through discussion, evidence and debate.

In 2019, the HR department commissioned a series of three employee engagement surveys (in collaboration with The Survey Initiative). The first was launched in 2020, the second in early 2022 and the final survey in early 2024. The surveys have helped to identify key issues and priorities for improvement, as well as highlighting areas of success, good practice and progress within the Institute.

In addition, the Institute completed an internal consultation project across all staff (voluntary participation) which ran from October 2023 to March 2024. This project included stakeholder interviews, focus groups, online engagement and workshops to identify the barriers and enablers hindering or supporting a positive research culture at the Institute and inform a roadmap to embed a Team Science approach across the Institute.

The Institute is committed to creating, maintaining and promoting equality, diversity and inclusivity (EDI) in all aspects of its policies, procedures and activities, and to the principles of the Equality Act 2010. Our 'equity4success' strategic initiative unites all EDI activities and regularly consults with individuals to monitor the implementation of this goal (<https://www.babraham.ac.uk/about-us/e4s>).

The Institute became a signatory to the Technician Commitment in 2019 to pledge action against the key challenges that affect our technical staff. Consultations with stakeholders identified the main objectives and a self-assessment providing contextual information about the Institute, progress to date and a detailed 24-month future action plan for embedding the Technician Commitment was developed ([www.babraham.ac.uk/people/technician-commitment](http://www.babraham.ac.uk/people/technician-commitment)). The action plan was scheduled to run from 2020; however, an extension was given due to delays from the Covid-19 pandemic (which affected Technical Specialists particularly) and then further extended to enable staff to focus on the Institute Assessment Exercise (see page 8). Following stakeholder consultation, a detailed action plan is under development for implementation from 2024, over a three-year timeframe (submitted end July 2024) with progress being overseen by a Technician Commitment Steering Group. 2023-24 saw the second Animal Technician Conference, proposed and shaped by two animal technicians, held at Babraham. Successes for members of the cohort in winning external awards include: Dr Rachael Walker, Head of the Institute's Flow Cytometry facility, received a Papin Prize in recognition of her contribution to knowledge exchange. Animal Technician Aimee Paterson was presented with the inaugural Sir Colin Blakemore Memorial Award in recognition of her passion and bravery in talking about her work in animal research.

The mental health and wellbeing of our staff is paramount and the Institute has a number of ways to support staff. The Employee Assistance Programme (EAP) is a 24-hour helpline for Institute staff, including financial, legal, relationship and emotional support as well as telephone counselling. In 2020 we established the Mental Health First Aider (MHFA) scheme, recruiting volunteers from across the Institute to be trained up as Mental Health First Aiders to act as a first point of contact for staff who are experiencing a mental health issue or emotional distress and to help signpost staff to the appropriate support. Additionally (in 2020) we introduced the Access to Work Mental Health Support service delivered by Remploy which provides support to individuals who are experiencing difficulties at work due to depression, anxiety, stress and/or other mental health conditions. We continually strive to update and improve our wellbeing offering to staff and have run a number of wellbeing and mental health related webinars in 2023 as well as providing staff with monthly wellbeing themes and related resources. In addition, in 2023 we continued our annual calendar of wellbeing events including collaborative activities with the Green Labs strategic initiative, for example cycle to work initiatives, with the second phase of Babraham Boost, Cycle2Work Scheme being launched in August 2023.



## THE BABRAHAM INSTITUTE

### REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

---

#### COMPLIANCE WITH SECTION 172(1) OF THE COMPANIES ACT 2006 (CONTINUED)

This followed the launch of the first phase of Babraham Boost, the Institute's benefits platform which provides discount shopping vouchers for staff, thus assisting with financial wellbeing particularly during the cost of living crisis. The platform also contains a wealth of wellbeing information and support and is intended to be the centralised repository for all of the Institute's staff benefits provision, thus providing easy and quick access to the benefits available.

#### INSTITUTE ASSESSMENT EXERCISE

In 2023 Babraham Institute undertook an Institute Assessment Exercise (IAE). The IAE application sets out what the Institute will aim to deliver for the period 2024-2028 and the infrastructure needed to support that, to deliver our mission of securing health and maximising health span. It presents how our work is relevant to the global challenge of an ageing population and specifically, BBSRC's Strategic Priority of bioscience for an integrated understanding of health and wider government priorities for health. The main components of the IAE documentation are:

- Director's Statement: Comprising the Executive Summary, vision, strategic direction, social and economic impact delivery, and key outcomes from the previous funding cycle (2017-2023) plus financial overview.
- Institute Research Culture Statement: Setting out the Institute's aims, objectives and future actions for becoming a beacon of best practice for improving research culture.
- Institute Development Grant (IDG): Comprises plans for utilising the IDG as a flexible and agile funding stream to implement the aims and recommendations of BBSRC's Institute Strategy, the Knowledge Exchange and Commercialisation strategy and Open Access implementation.
- Proposals outlining our three Institute Strategic Programme Grants (ISPG):
  - Mechanisms underlying Epigenetic Resilience in Development and Ageing (Epigenetics ISP)
  - Immunity, Resilience and Repair (Immunology ISP)
  - Mechanisms governing homeostatic responses to stress across the life course (Signalling ISP)
- Core Capability Grant (CCG): Presenting the Institute's core capability to deliver the strategic plan of work set out in the IAE submission.

The Institute welcomed the inclusion of defining how we support and maintain a positive research culture and the move to team CVs, presenting the combined expertise across research and science-support roles that ensures the successful delivery of our science.

The IAE concluded in December 2023 with BBSRC confirming full funding for the Institute's ISP programmes, CCG, and other initiatives. The BBSRC assessment panel commended the Institute on its inclusive research culture confirming The Babraham Institute has been awarded £48m from BBSRC, part of UK Research and Innovation, to support its core research across epigenetics, immunology and cell signalling over the next four years. The focus of the Institute's fundamental research is to understand biology in relation to maintaining health, especially with regards to protecting and maximising good health in the later years of life.

## OBJECTIVES AND ACTIVITIES

#### INSTITUTE OBJECTIVES

In the furtherance of the charitable objectives listed in the Memorandum and Articles of Association, the charitable company is guided by a comprehensive portfolio of integrated policies. Further details of the charitable company's mission can be found online ([www.babraham.ac.uk/about-us](http://www.babraham.ac.uk/about-us)). Information on funding, research activities, scientific facilities and wider Institute programmes such as public engagement, commercialisation and equality and diversity can be found in the Institute's 2021/22 review. This was reshaped in 2021 to adapt our former annual research reports into an update on the Institute's wider activities, importantly recognising the teams and people behind the Institute's success ([www.babraham.ac.uk/our-research/annual-research-report](http://www.babraham.ac.uk/our-research/annual-research-report)).

## THE BABRAHAM INSTITUTE

### REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

---

#### INSTITUTE OBJECTIVES (CONTINUED)

##### SCIENTIFIC AIMS

The Institute's research operates across three science programmes (Institute Strategic Programmes, ISPs) focusing on epigenetics, signalling and immunology and is supported by UKRI-BBSRC strategic funding (renewed through an Institute Assessment Exercise in 2023 for the period 2024-2028). The programmes work towards our overarching goal of understanding the fundamental biological mechanisms and changes underlying development and healthy ageing. Key strategic objectives include:

- Understanding the molecular and cellular basis of immunity; the interaction between the immune system and other tissues in mechanisms of resilience and repair; the role of signalling pathways in the immune system as well as the effects of ageing on the immune response and vaccination response.
- Investigating the role of signalling pathways to coordinate cellular responses in response to stress or damage, with a major focus on proteostasis, in order to apply this knowledge in the development of new strategies to maintain health.
- Examining the mechanisms that establish epigenetic states and of epigenetic inheritance, stem cell differentiation and the impact of subtle epigenetic differences on cell diversity.
- Studying the impacts of diet and other lifestyle and environmental factors on epigenetics, signalling, metabolism, health and ageing.
- Leveraging the capital investment in Institute infrastructure and equipment, in particular the state-of-the-art scientific facilities and biological support unit, to attract investment from both the public and private sectors.

Each ISP contains a number of research Group Leaders who adopt complementary approaches to address a common set of biological questions. Group leaders are either appointed as tenure-track or tenured group leaders. In 2023 Dr Hayley Sharpe successfully completed her tenure review (<https://www.babraham.ac.uk/news/2023/11/dr-hayley-sharpe-becomes-tenured-group-leader>) and became a tenured group leader. The Institute also benefits from close collaboration with six Honorary Group Leaders, appointed for an initial period of five years, to provide multi-disciplinary dimensions to our research areas.

The Institute's current Honorary Group Leaders are:

- Dr Martin Howard (appointed 2020): senior group leader at the John Innes Centre. Hosted by the Epigenetics programme.
- Professor Valerie O'Donnell (appointed 2021): Professor of Biochemistry at Cardiff University. Hosted by the Signalling programme.
- Professor Kathy Niakan (appointed in 2021 Mary Marshall and Arthur Walton Professor of Reproductive Physiology and Director of the Centre for Trophoblast Research, University of Cambridge. Hosted by the Epigenetics programme.
- Professor Wolf Reik FRS (appointed 2022): Director, Altos Labs Cambridge Institute of Science, former group leader and Director at the Babraham Institute. Hosted by the Epigenetics programme.
- Professor Adrian Liston (appointed 2023): Professor of Pathology at the University of Cambridge, former group leader at the Babraham Institute. Hosted by the Immunology programme.
- Dr Yiliang Ding (appointed 2023): group leader at the John Innes Centre. Hosted by the Immunology programme.

The Institute's three ISPs receive funding from the UKRI-BBSRC in the form of Institute Strategic Programme Grants (ISPG) awarded to each programme. Each ISPG contains a list of objectives for the term of the grant, together with time plans and resource requirements; the grants are allocated for these specific, approved projects and funding may not be diverted to diverse activities. The ISPGs are summarised in the list of objectives above and a more detailed insight into the aims of each ISPG and research group can be found in the Institute's website.

Complementing ISPG funding there is a Campus Capability Grant (CCG) supporting the Institute and its core biological research facilities. The UKRI-BBSRC also provides a Knowledge Exchange and Commercialisation (KEC) grant which is used to enable the Institute to effectively disseminate knowledge and, where appropriate, facilitate partnerships or spin-out companies to maximise the impact of Institute research to translate research into action for social and economic benefit. A key part of the KEC strategy is to partner with industry, particularly biotech and pharma companies, to translate our research and support the bioeconomy. The grant also enables the Institute to employ a team of skilled KEC specialists to support and facilitate this work.

## THE BABRAHAM INSTITUTE

### REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

---

#### INSTITUTE OBJECTIVES (CONTINUED)

The Institute's research groups are structured so they can share resources, techniques and skills. Each Group Leader runs their own group and is expected to create, lead, maintain and develop an internationally competitive programme of innovative research.

Each ISP Lead is responsible for leading and co-ordinating a cohesive programme of research that contributes to the Institute's mission of understanding and helping to improve lifelong health. This involves coordinating and uniting the goals of several groups and ensuring appropriate annual reporting to the UKRI-BBSRC.

Each Group Leader is expected to raise additional funds for their research over and above the UKRI-BBSRC core ISPG funding, not only to support the critical mass of researchers needed, but also to form strong strategic partnerships with other funders (often from the medical charity sector or the biotech/pharma industry) that are interested in the translation of Babraham Institute science into technologies and discoveries with high impact for the benefit of lifelong health and wellbeing.

During 2023 a number of Group Leaders were successful in securing new funding from a range of grant funders. These included, Dr Hayley Sharpe (Signalling research programme) who was awarded an ERC Consolidatory Grant (<https://www.babraham.ac.uk/news/2023/11/hayley-sharpe-receives-erc-consolidator-grant>), Dr Martin Turner (Head of the Immunology research programme) who received a Wellcome Discovery Award, and Dr Michelle Linterman (Immunology) who as part of the new Ageing Cluster of the MRC National Mouse Genetics Network, joined the GSK Immunology Network as an academic partner in the UKRI-funded IMMPROVE (Immune Memory and Mechanisms of Protection from Vaccines) project.

The overall science direction of the Institute is determined by the Babraham Executive Committee (BEC; the senior executive committee responsible for the running of the Institute); additionally, the Science Policy Committee (SPoC; a subcommittee of BEC with additional membership from amongst the senior science staff and Grants Office) provides scientific leadership and vision and also monitors and assesses the science across all groups.

The impact of this research, for the public benefit, is a deeper understanding of the mechanisms of health and disease throughout life. The insights gained from the Institute's fundamental research aims to underpin translational research and the creation of new therapies and treatments to protect health and reduce age-related decline. Our research may also lead to changes to public advice on healthy living, wellbeing and ageing and influence public health policies.

Through understanding normal physiology in both humans and animals, the Institute's scientists are able to apply this knowledge to disease conditions, often partnering with medical research charities and organisations devoted to alleviating the effects of those particular diseases. As a fundamental research organisation, it is acknowledged that the Institute's research can be far removed from these final outcomes and there is an expectation that the translation of Institute research may take some years to come to fruition, yet over the course of its history the Institute has demonstrated its ability to deliver high-impact research advances (e.g., work on fundamental cell biology and inositol lipid signalling spanning work underpinned by discoveries made in the 1960s to current day).

Additional demonstrations include the involvement of Institute immunologists in the development of some of the world's first therapeutically useful monoclonal antibodies, leading to several monoclonal antibody drugs such as Herceptin (for metastatic breast cancer), infliximab (for Crohn's disease) and Vectibix (Panitumumab), licensed for the treatment of colorectal cancer, which was developed directly from research performed at the Institute more than a decade earlier.

#### INSTITUTE MISSION STATEMENT

- To be a world-leading life science and innovation research institution producing internationally recognised and respected science with a view to creating significant social and economic impacts through understanding and improving lifelong health.
- To maximise awareness, relevance and impact of our work through a diverse and creative programme of knowledge exchange, commercialisation, public engagement and communication. Particularly by building a reputation for collaboration, transparency and high-quality science and business acumen.

## **THE BABRAHAM INSTITUTE**

### **REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024**

---

#### **INSTITUTE OBJECTIVES (CONTINUED)**

- To provide a unique and highly successful environment, establishing Babraham Research Campus as the leading campus for bioscience start-up and developing biomedical companies and for supporting the development and growth of those organisations.

#### **INSTITUTE REMIT**

- The Babraham Institute is an independent charitable life sciences Institute, strategically funded by the UKRI-BBSRC, carrying out world-leading innovative research and advanced training with relevance to the biological, biotechnological, biomedical, pharmaceutical and health research and user communities.
- The Institute's research focuses on determining the mechanisms whereby cell signalling and gene regulation control normal cellular processes and functions underpinning ageing, development and the maintenance of health and wellbeing.
- The advances made due to the Institute's research are publicly available and the Institute actively seeks partnership and knowledge exchange with relevant companies and with clinical and other researchers to ensure effective application of its research.
- To be an active participant of the Babraham Research Campus by supporting early-stage bioscience enterprise through collaboration and providing access to state-of-the-art equipment.

As part of the UK Science Base, the Institute contributes to the economic growth, quality of life and public engagement objectives of government. Our contribution is key in driving BBSRC's strategic research priorities around an integrated understanding of health, developing and applying transformative technologies and advancing our understanding of the rules of life. Our research aligns with the aspirations and vision of the BBSRC Strategic Delivery Plan (2022-2025) 1 and BBSRC Forward Look for UK Bioscience 2 which highlight ageing as a strategic challenge. Similarly, our research also closely aligns with the healthcare challenge of ageing and the ambition to understand the pathways associated with multi-system ageing in order to develop new diagnostics and therapies as outlined in the UK Government's Life Science Vision, in addition to our work being of relevance to some of the Vision's other challenge areas.

#### **INSTITUTE CULTURE CONSULTATION**

In 2023/24 Babraham Institute undertook an Institute Culture Consultation. This project aimed to review, redefine and update the Institute's Strategy. The goal, in alignment with the UKRI-BBSRC Institute Strategy, was to embed team science at the Institute. Working with Organisation Effectiveness Cambridge (OECam) a range of focus groups, workshops and online engagement sessions were undertaken to gather staff feedback from across the institute, engaging 40% of staff. The exercise was wide ranging, looking at the Institute structures and ways of working and how they enable the Institute to achieve a stronger implementation of its strategy across the three ISPGs and the Institute as a whole.

#### **BABRAHAM GROUP BUSINESS OBJECTIVES**

##### **Delivery of World Class science, within the Institute's remit**

- International leadership
- Synergistic and nationally strategic research
- Collaborative partnerships
- Socio-economic impact
- Graduate and postdoctoral training programme

##### **Excellent fit-for-purpose infrastructure for science**

- Technical
- Corporate
- Educational

## THE BABRAHAM INSTITUTE

### REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

---

#### BABRAHAM GROUP BUSINESS OBJECTIVES (CONTINUED)

##### The highest standards of Corporate Social Responsibility

- Values and impact of our research. The Institute holds and abides by the following values:
  - Benefit - *We make a difference*. As a world-leading centre of excellence in life sciences research we work to make discoveries for societal benefit that make a real difference in science, health and policy within the UK and globally
  - Innovation - *We extend the boundaries of knowledge*. We work at the forefront of creative discovery science, nurturing our people through development and training, and provide the environment for innovation to thrive
  - Integrity - *We are open, honest, and inclusive*. We work together to uphold the standards expected of us, operating with honesty and responsibility, creating an inclusive and motivating environment, and communicating openly and transparently
- Maintaining the highest standards of research integrity (for details see our Research Integrity Statement)
- Community partnerships
- Minimising the environmental impact of the Campus in line with net zero targets
- Public Engagement Programme to engage and inspire
- Openness and transparency in all aspects of the Institute's work
- Commitment to strengthening a positive research culture and to supporting the career development and wellbeing of our staff
- Widening access to opportunities to explore research and obtain practical experience of research
- Commitment to Equality, Diversity, and Inclusion (EDI)

##### An internationally recognised contribution to the UK's economic competitiveness

- Inward investment to the Babraham Research Campus
- Commercialisation and wealth creation
- Partnerships and knowledge flow

##### Robust sustainability

- Financial planning and estate strategy

##### Efficient and effective management

- Operations and People

##### A high standard of Corporate Governance

- Risk control and contingency planning
- Regulatory compliance
- Boards and subcommittees; executive decision-making structure and authorities

##### Within BRCL specifically, the key business objectives are:

- The delivery of research and innovation undertaken by the companies and academic researchers on the Campus
- The development of people and talent both in the academic and commercial settings
- The growth of Campus capabilities in order to support translation and company creation, and help to accelerate company growth and scale-up
- The nurturing of the ecosystem by being a vibrant, dynamic, and well-connected research and innovation location and playing an active part in that community
- Campus investment and ensuring sustainability
- The creation of new partnerships, and to sustain those we have created, with organisations both on and off the site and which have added value and contributed to the vibrancy of the Campus

## THE BABRAHAM INSTITUTE

### REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

---

#### EMPLOYEES

During the year the Babraham Group has continued to provide employees with relevant information and to seek their views on matters of common concern through groups, committees, staff updates, engagement surveys, through line managers and through an Institute Culture Consultation project. Priority is given to ensuring that employees are aware of all significant matters affecting the group's position and any significant organisational changes.

Information continues to be published regularly in the Institute-wide monthly newsletter and this is now an established part of the Institute's internal communication mechanisms. The newsletter has been successful in engaging the Institute community with recognition initiatives (such as Staff Recognition Awards and the Institute's Annual Prizes), personnel changes, and news and updates from teams across the Institute.

These scheduled communications are supplemented with tailored communications emailed directly to staff on issues of particular note, such as changes to Institute management and important health and safety notices. Although ad hoc, these emailed communications ensure that all staff receive information that is relevant to the situation, the mechanisms for communication and support are made clear and misinformation is avoided.

The Institute's intranet provides a 'one-stop-shop' for a wealth of information on teams, initiatives and processes across the Institute, most recently becoming the home for a consolidated learning and development programme overseen by the Institute's HR team. To support full awareness and transparency, the Institute's Institute Assessment Exercise documentation (barring sensitive information) was published on the Institute's intranet.

LabTalks, the Institute's internal annual symposium, was held on 15<sup>th</sup> September 2023 and two Institute-wide staff updates were presented on 13<sup>th</sup> June and 13<sup>th</sup> December, as well as a launch event for the Institute Culture Consultation on 31<sup>st</sup> October.

The Institute holds a Silver Athena SWAN award and is one of 164 Member organisations that currently hold Athena SWAN awards in the UK. The Athena SWAN Charter was launched in 2005 to recognise commitment to advancing women's careers in science, technology, engineering, mathematics and medicine (STEMM) employment in higher education. The awards recognise good practice in recruiting, retaining and promoting women in STEMM. The Charter believes that an organisation must have institutional support and underpinning institutional good practice, policies and procedures in place in order to achieve and sustain an award.

The group is aware of its statutory duty to support the employment of disabled persons where possible, both in recruitment and by retention of employees who become disabled whilst in the employment of the charity, as well as generally through training and career development. The charity is an equal opportunities employer and supports diversity in the workplace. The Institute follows the principles of the government's Disability Confident Scheme.

The Institute plans to build on ongoing good practice to further progress equal opportunities. A highlight of the impacts delivered by the Institute's equality4success initiative is the successful establishment of a Roving Researcher position, which provides support to researchers on long-term leave in order to maintain the momentum of research projects. After being established in 2020, the position has supported 11 researchers. There has been a high degree of interest from other organisations in how to establish similar schemes and we have given presentations on the programme. The Roving Researcher position and similar initiatives was covered in a Nature careers feature in February 2024 (<https://www.nature.com/articles/d41586-024-00354-8>), which highlighted the impact the support has on researchers who take leave and the uniqueness of the dynamic Roving Researcher role.

Following a recent review, Athena SWAN status must now be renewed every five years. In addition, the Institute successfully applied for an extension to allow for delays EDI work has faced due to the pandemic and changes to our directorship over the past few years. The Institute has submitted its application in 2024.

As mentioned earlier in the Trustees Report, the Institute joined the Technician Commitment in 2019, leading to the creation of a steering group to represent the variety of technical specialist roles found across the Institute. Key areas of focus and objectives have been mapped to the Technician Commitment themes of Visibility, Recognition, Career Development and Sustainability.

## THE BABRAHAM INSTITUTE

### REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

#### EMPLOYEES (CONTINUED)

Progress is being made towards meeting the objectives of the 2021-24 Action Plan, with a new 3-year plan being developed in 2024.

Remuneration of key management personnel is set annually by the Senior Remuneration Committee which comprises the Institute Chair and Deputy Chair along with at least one other trustee. The Committee is chaired by the trustee appointed to oversee HR matters on behalf of the Board.

#### SUMMARY PUBLIC BENEFIT STATEMENT

The charitable purpose of the Institute is to advance education, specifically to increase public learning and knowledge in the field of biological and biomedical sciences and also to provide training leading to a higher degree (PhD) in research techniques and provide a significant contribution to collective knowledge and impact in specific areas of study and expertise. The Trustees are mindful of their collective responsibility to ensure that the charity complies with public benefit guidance issued by the Charities Commission.

#### ACHIEVEMENTS AND PERFORMANCE

Key performance indicators focussing on non-financial performance during the reporting year are detailed below. The choice of performance indicators is based on readily available information which provides a useful comparison of achievements this financial year to last year.

##### Number of publications

The Institute's research continues to have biological / biomedical relevance and impact. Potentially a very wide cross-section of the public will benefit from our understanding of the ageing process and as a result of the translation of our findings into new medicines or treatments. Given the broad scope of our work, its relevance to everyone through their lifecourse, and our commitment to maximising research impacts through knowledge sharing with politicians, industry, policy organisations, charities, health and care services, we believe the Institute is making vital contributions to the future wellbeing and economy of the UK and beyond. In 2023 (calendar year) the Institute's scientists published a total 96 (2021: 97; 2022: 101) full and refereed research and review articles in journals. Though only published last year these papers have already been cited almost 1,000 times.

A full bibliographic list of all scientific publications is available on our website ([www.babraham.ac.uk/publications](http://www.babraham.ac.uk/publications)) and under each group's webpage. As with all scientific research organisations, these publications are the main immediate tangible output of the Institute's activities.

##### New Grants

The Institute, during the year, continued to seek additional external funding from various sources both within the United Kingdom, European Union and further afield. The number of new grants with a start date in 2023/24, by funding source and the total awarded, are below:

	2023/24		2022/23		2021/22		2020/21	
	Number	£'000	Number	£'000	Number	£'000	Number	£'000
UKRI-BBSRC	7	1,349	3	1,218	3	1,154	0	0
UKRI-MRC	0	0	1	1,418	3	1,263	2	973
European Commission	3	2,124	4	3,383	2	243	5	2,743
Industry, levy boards	8	672	7	544	1	295	1	420
Trusts, foundations, charities, foreign governments	7	8,870	1	137	6	4,579	5	2,370
	<b>25</b>	<b>13,015</b>	<b>16</b>	<b>6,700</b>	<b>15</b>	<b>7,534</b>	<b>13</b>	<b>6,506</b>

## THE BABRAHAM INSTITUTE

### REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

#### ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

As in past years, identifying, applying and securing new external funding sources remains a high priority of the Institute. Notable successes this year, and indicators of the quality of the Institute's research, are the award of prestigious Wellcome Discovery grants to Dr Peter Rugg-Gunn, Dr Della David and Dr Martin Turner. (<https://www.babraham.ac.uk/news/2023/02/dr-della-david-and-dr-peter-rugg-gunn-receive-wellcome-discovery-awards>) and (<https://www.babraham.ac.uk/news/2023/11/martin-turner-receives-wellcome-discovery-award>) and Hayley Sharpe's UKRI-BBSRC and ERC Consolidator Award.

#### Public Engagement

##### Overview

The Institute's vision is of an open, transparent and accountable organisation that is leading in its contribution of science to culture, society, economic development and growth. Public engagement at the Institute is embedded within its research and supports interactions between researchers and a variety of public groups. The Institute has a core Public Engagement Team that supports a varied and dynamic programme to help researchers engage with students, teachers, community groups, family and adult audiences. This support includes: operating a core programme of engagement opportunities, providing training in public engagement, administering internal public engagement seed funding, and providing expertise to shape external grants applications. The Institute's engagement programme has continued to enable societal impact of the Institute's research. The figures below highlight the Institute's commitment to these activities.

	2023/24	2022/23	2021/22	2020/21
Visitors to site	285	394	0 <sup>^</sup>	0 <sup>^</sup>
Outreach Events*	26	33	28	12
Total Public Audience Engaged	1,326	3,201	3,894	2,142
Proportion of audience being from areas of high deprivation	63.4%	52%	25.7%	24.9%
Website visits	202,243	159,425	127,222	154,650

\*Visits to schools, science festival exhibits, public lectures, panel sessions, public dialogue workshops, hosting community tours on campus, including online / digital formats.

<sup>^</sup>No visitors to site occurred during the 2020-22 period due to the Covid-19 Pandemic.

#### Strategic Focus on Underserved Audiences

The Institute's public engagement programme continues to engage at local, national and international level with a focus on developing relationships with communities traditionally underserved by engagement programmes. Work in the sector to assess 'science capital' - a measure of a person's access to and engagement with science, has shown people living in areas of higher deprivation have lower levels of science capital. This imbalance is highly pronounced in Cambridgeshire and East Anglia where there are postcode areas with the lowest and highest levels of deprivation. Many of these deprived areas are in rural locations which have traditionally been underserved by engagement programmes due to the tendency to focus around Cambridge and other urban centres.

The Institute's public engagement work aims to contribute to improving equitable access to science. To achieve this, the team have continued to develop relationships with several key partners. These include direct links with schools and community groups in areas of high deprivation (identified based on the UK government's indices of multiple deprivation metrics). Through actively reaching out to these audiences and removing geographical and financial barriers, we enable these groups to engage with our research. This has led to 63.4% of our audience, in the 2023/24 year, being from these areas of high deprivation, up from 52% in 2022/23 and continuing to show the impact of the strategic change over the last few years, which began in earnest in 2019 when the proportion was just 4%.



## THE BABRAHAM INSTITUTE

### REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

---

#### ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

##### Public Engagement (continued)

##### Partnerships

We have also continued to build links with education sector partners such as the Youth STEMM award and T-level training providers to allow for more measurable impact of our work, whilst supporting non-traditional routes into science careers. Our move to operate student placements through the In2STEM (further education student focused) and In2Research (undergraduate student focused) programmes have enabled more equitable access to research experience at the Institute and we have seen great successes in these programmes with clear impacts on participants next step career destinations. Both these programmes are operated by the In2Science charity. Their work to build long-term partnerships with students from low-income backgrounds provides a route to directly engage and recruit students to the programmes.

To date, there have been 28 students take part in the Research Access Programme with 9 of them having gone on to apply for PhDs. Others have gone on to pursue other next steps such as: master's degrees, patent law, and scientific editing. Many have cited the programme as a key enabler of their next steps, with one student from last year saying: "I feel like I have learnt more in these 8 weeks than in four years of university, I feel like much more of a scientist." This programme is continually evaluated to ensure students are receiving the best support and experience possible.

##### School Audiences

The schools' programme has been highly successful over the last year, with a particular highlight being the marking of the 30<sup>th</sup> year of Schools' Day. This year we had over 200 students from 35 schools across the UK visiting the Institute to take part in hands-on practical projects. Almost all Institute research groups took part in hosting groups and we facilitated campus company involvement with Cancer Research Horizons and Sanofi also hosting students. The event received very positive feedback from students and teachers and also received good media coverage in the Cambridge Independent newspaper and on ITV Anglian News, highlighting the type of projects undertaken and the impact of the event on participants and our researchers. This year around 40% of students in attendance were from schools in traditionally underserved areas, up from 25% in 2023 and 8% in 2020.

Beyond this, relationships have been developed with more schools in these priority areas through our 'BioInspire' programme. This programme offers regular opportunities for staff to engage students and build deeper relationships with a small number of schools in our priority areas. We also sponsor these students to undertake the Youth STEMM Award which gives formal recognition of their extra curriculum engagement and enables our work to have a tangible positive impact on their post-education choices (for example the award is now recognised on UCAS applications). This year we expanded the 'BioInspire' programme to also include an online virtual cohort to enable students further from the Institute to engage.

##### Community Audiences

There has also been success in the community engagement programmes with a hybrid programme of in-person and online events. Events such as the Cambridge Festival have showcased Institute research whilst events focused in our local area have strengthened understanding and support for the Institute and campus. The team have also continued to engage on often controversial work such as that of the Biological Support Unit, through events such as our Science Spotlight events which provide the opportunity for audiences to virtually tour the facility and see behind the otherwise closed doors. This work continues to dispel misconceptions around Institute work and contribute to our commitment to openness in animal research.

Our public engagement work has also contributed to important national conversations and influenced science policy. Over the past 18 months the Institute led a public dialogue project to better understand public views on research involving the use of human embryos and the regulations governing this work. This project, funded through a Wellcome Enrichment Grant to the Human Developmental Biology Initiative and receiving matched funding through the UKRI Sciencewise programme, brought together the general public, people with experience of health-related impacts of the research, policy makers (such as the Human Fertilisation and Embryology Authority - HFEA), scientists, and bioethicists.

## **THE BABRAHAM INSTITUTE**

### **REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024**

---

#### **ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

##### **Public Engagement (continued)**

A series of discursive workshops facilitated discussions to help the public participants provide informed views on a range of topics such as their thoughts on the current 14-day limit on culturing embryos for research (the so called “14-day rule”). The information generated from this work has been taken forward to help inform the HFEA’s ongoing work to review the HFE Act (with the project additionally being highlighted in a recent POSTnote on the topic), shape future research direction, and initiate further public engagement around the topic. The HDBI public dialogue also generated media attention. A Science Media Centre briefing session was held around the results of the project resulting in a number of outlets featuring the project. These included the BBC who reported on the project via their News website and on the Radio 4 Today Programme, as well as other outlets such as the Lancet who published an editorial on the project.

The work has contributed to follow-on projects to further engage the public such as one led by Cambridge Reproduction, to bring public voices into the development of a code of practice to govern the use of stem cell derived embryo models, which currently fall into a grey area of the existing regulations. This project, and the development of Code of Practice, is supported by Institute researchers who are providing their scientific expertise and public engagement experience.

##### **The Year Ahead**

Throughout the year public engagement work has been well received by audiences, researcher contributors, funders and peers alike. Looking ahead, the public engagement team aims to continue to develop relationships with traditionally underserved audiences and provide opportunities for high quality, two-way engagement between staff and members of the public. This will enable the Institute to continue its leadership role in providing open, equitable and impactful engagement for public audiences with scientific research.

##### **Knowledge Exchange and Commercialisation (KEC)**

The Institute’s KEC programme aims to maximise the dissemination, impact and, where appropriate, the exploitation of knowledge generated by and held within the Institute. Implicit in this is the recognition that this knowledge is the product of public investment and that the Institute has a duty to maximise outcomes from this investment for societal and economic benefit.

Activities include the training of fellow scientists in new emerging techniques, through continued professional development (CPD), engagement with the Biotech / Pharma sector and other research organisations. In addition, the Institute aims to use its expertise to inform policy, direction and understanding of science by policy makers and industrialists at home and abroad. KEC is viewed as a two-way dialogue in which the Institute engages with industry and stakeholders to listen to their concerns and try to respond to their needs. Where appropriate the Institute seeks to maximise the impact of its research through commercialisation – this is managed by the Institute’s wholly-owned trading arm BIE.

On the commercialisation front, two commercial ventures were included in the 2023 Accelerate@Babraham programme operated by the Babraham Research Campus; Aila Biotech, spun out from the Liston lab’s research at the Institute in 2022, and CytoCalx, developed by the Head of the Institute’s Flow Cytometry Facility.

The Institute’s patent portfolio has grown to a set of fifteen patent families over the last year, these have strong potential clinical value in diverse clinical fields including personalised medicine, drug discovery, high-efficiency cell reprogramming, cancer therapeutics, traumatic brain injury, MS, cognitive decline, wound repair and ophthalmology, cardiovascular and chronic kidney disease. These filings are being actively developed to fund spin-out opportunities or high-value licensing opportunities.

On the knowledge exchange front, a UKRI-BBSRC grant of £180K was undertaken in 2023, providing support for a range of research collaborations, training opportunities, and knowledge exchange placements for Institute researchers and technicians, while in 2024, a £300K grant was secured that will be undertaken in collaboration with Newcastle University to enable similar knowledge exchange opportunities.

## THE BABRAHAM INSTITUTE

### REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

---

#### ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

##### Knowledge Exchange and Commercialisation (KEC) (Continued)

Such supported collaborations and placements with industrial and institutional hosts have enabled exposure of technicians and research staff to a range of new commercial and academic environments and significantly enabled translational activities and market awareness across the three ISPs.

In 2021 the Institute and Campus successfully secured funding for fifteen PhD studentships from UKRI-BBSRC as part of a Collaborative Training Partnership (CTP), to date 9 student projects have started in collaboration with 8 Babraham Research Campus companies. In 2024 the UKRI-BBSRC extended this programme, offering a further 7 studentships and agreeing to widen the eligible set of companies to include those situated on the Granta Park. By October 2025 the CTP student cohort will be 22.

The range of Institute initiated Campus events continued to develop in 2023-24 on diverse translational, professional career and academic themes. These activities have been significantly enhanced by the UKRI-BBSRC Campus Impact Acceleration Account (CIAA) awarded to BRCL in July 2022 and March 2023, which is being delivered in partnership with the Institute. CIAA funding has supported six Institute-Campus company collaborations over the reporting period, as well as fully funding the creation and delivery of a Flow Cytometry course, and 4 Institute Campus networks. Overall the KEC team have produced 11 events over the year that have showcased Babraham Institute research, innovation and leadership to a range of commercial and academic audiences.

Separate to the CIAA activities, diverse translational training opportunities continue to be provided by KEC to Institute staff and students through scholarships awarded to students and staff to enable participation in the Judge Business School's EnterpriseTECH, Newton Venture Program and the BioSpark entrepreneurship programmes.

In 2023/24, Babraham Institute Enterprise Limited generated £2,036k (2022/23: £2,320k) in revenues from the commercialisation of its assets and activities. Most of the revenues arise from collaborations with industry and commercialisation of the Institute's scientific facilities.

#### SUSTAINABILITY

The Institute's Environmental Sustainability Vision is a commitment to making a positive impact on not only the protection of the environment but to enhance it while ensuring our research is maintained at a world class standard. The Institute's Chief Operating Officer has responsibility for environmental management.

The Institute continues to invest in energy saving opportunities exploiting funding opportunities from UKRI-BBSRC and UKRI to not only improve and reduce the carbon footprint of the Institute and its science but to maximise efficiency in its use of energy. Latest updates include:

- The Institute continues to operate a Tri-generation CHP unit to meet the sites heat and cooling loads. The unit remains registered with the Department for Science, Innovation and Technology (DSIT) CHP Quality Assurance (CHPQA) Programme and good quality certification has been achieved.
- Low energy LED and LED Smart lighting is now installed in all Babraham Institute buildings with only the ground floor lighting of the Biological Support Unit to be changed, funding for this project will hopefully be secured this financial year.

## THE BABRAHAM INSTITUTE

### REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

#### SUSTAINABILITY (CONTINUED)

#### 2023/24 Streamlined Energy and Carbon Report (SECR) outcomes - Emissions Data

Greenhouse Gas Emissions		2023/24	2022/23	2021/22
Scope Emissions Indicators (tCO <sub>2</sub> e)	Total Gross Emissions	6,019	5,597	6,317
	Total Net Emissions	6,019	5,597	6,317
	Gross Emissions Scope 1 (Fuel)	5,464	4,295	5,771
	Gross Emissions Scope 1 (Transport x 100)	285	312	224
	Total Scope 1 Emissions	5,749	4,606	5,996
	Gross Emissions Scope 2 (Electricity)	270	990	320
Related Energy Consumption (MWh)	Electricity: Non-Renewable	7,814,955	4,187,202	7,785,672
	Electricity: Renewable	1,315,586	5,121,870	1,509,387
	Transport	11,573	12,422	8,942
	Gas	29,932,343	23,527,186	31,509,854

During 2022/23 the Tri-generation CHP unit underwent a major planned service. This resulted in lower gas, but higher electricity consumption in the year compared to both past and current years.

#### Methodology

- The report covers the emissions for which the Institute has financial control and this was the boundary defined by the organisation.
- Utility data was collected for the past three financial years; 2021/22, 2022/23 and 2023/24 for the period 1st April to 31st March consistently.
- Measurement of Scope 1 and Scope 2 emissions were based on billing data via invoices provided by the utility supplier and recorded mileage for transport emissions.
- Reporting was based on the analysis of the data, to highlight any trends, progress towards reduction and recognised improvements.
- An Intensity Ratio of tCO<sub>2</sub>e/Full Time Equivalent was selected by the Institute to present the data on a clear and transparent like-for-like basis.
- The methodology used to compile the data was that used in the fulfilment of the regulatory requirements for the Energy Savings Opportunity Scheme (ESOS).
- There are no process emissions within the organisation and emissions from air conditioning, refrigeration units in offices buildings are excluded due to cost of data collection. These are estimated to account for less than 0.2% of the total Scope 1 emissions.
- Emissions factors used are those from the UK Government GHG Conversion Factors for Company Reporting Standard Set 2018.

## THE BABRAHAM INSTITUTE

### REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

---

#### SUSTAINABILITY (CONTINUED)

##### Proposed Targets for 2024/25 - Net Zero Carbon

The Institute together with BRCL have engaged with consultants to create a report on the mechanical and electrical infrastructure serving the Babraham Research Campus. This report has now been completed and approved and will form the basis of the Institute's net zero strategy including a timeline for specific projects.

A Strategic Asset Management plan (SAMP) has been produced and this document provides the strategic vision for the Institute and identifies opportunities to further align its operational assets with current and future business needs. The SAMP has identified the need for a Space Management Plan, recognising the importance of the organisation's working environment. The next generation report will help the Institute define its needs over the next 15 years - recognising key constraints such as budget, pathway to net zero and the wider campus and key stakeholders. This will ensure net zero funding is used for the long-term benefit of both the Institute and the wider campus.

Funding for this plan has been approved with completion expected towards the end of 2024.

The Institute continues with its ongoing water saving measures with surveys and inspections of sections of water supply pipework. The subsequent survey report has highlighted internal cracking to several sections of the pipework that will require remedial action in the short to medium term. New Isolation valves have been installed in several areas which will help in identifying the location of any future leaks in the below ground water main.

The route to Net Zero commissioned last year focusses on Scope 1 and Scope 2 Energy Strategy Report for the Babraham Institute and BRCL. The Institute continues to invest in energy reduction schemes with its smart lighting project. Other investments include B607 Energy Centre district heating pumps, replaced with inverter driven direct drive pumps - further reducing electricity consumption.

In summary, the overriding objective for the Institute and BRCL is to undertake the effectively phased replacement of all existing fossil fuel energy systems with low to zero carbon systems by 2040 at the latest.

Initial actions taken from the report are;

- Undertake a thermal imaging survey on buildings identified through the Space Management Plan.
- Fabric survey of all Institute buildings identified in the Space Management Plan, investigating potential energy savings through improved insulation (wall and floor) and improved glazing.
- Undertake a site-wide survey to investigate suitability of roof mounted solar arrays on Institute buildings where the local planning authority allow.

#### GROUP ESTATE ACTIVITIES

The Babraham Research Campus for which Babraham Research Campus Limited (BRCL) has the on-going development and management responsibility, maintains as a significant location for life-science companies to establish and grow in the Cambridge life science cluster.

There are over 60 organisations operating within the Babraham Research Campus. Tenants are located in a number of purpose-built buildings with both laboratory and office space. In total, occupied space is in excess of 25,000 square meters.

The campus maintains its distinct features: the co-location of world-leading academic research and commercial life-science activity, campus facilities that reflect the space needs of early-stage and scale-up companies, access to on-site science capability, and a community focussed upon human healthcare on a single site. We believe the campus is well placed for future growth and development.

## THE BABRAHAM INSTITUTE

### REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

---

#### INSTITUTE FUTURE DEVELOPMENTS

The Institute will continue to be engaged in the field of basic bioscience with a strong emphasis on research into healthy ageing. The Institute's science programmes will determine the significance of biological changes for the ageing process from conception onwards.

The priority is to ensure that all our UKRI-BBSRC funded research is internationally competitive with the best academic groups in our area of endeavour. We continue to prioritise the need to control costs in all categories including pay expenditure, but note the need to invest strategically to reach new collaborators and expand the reach of the Institute wherever possible.

Attracting the most gifted staff remains a strategic priority for the Institute, complemented by a 'grow your own' approach where we invest in and support existing members of our community to develop in their roles. We have successfully participated in a range of apprenticeship schemes, particularly across technical specialist roles. These strategies support the continued programme of succession planning, which remains an important issue. This will continue to be achieved through new recruitment to priority areas as well as through advancing the progression of early career scientists and other staff and ensuring that they are fully equipped to take leading roles in the future development of the organisation.

#### GROUP FUTURE DEVELOPMENTS

During this reporting period, the joint venture between BRCL and Biomed Realty Inc (BMR), a US corporation which was announced in 2022, took delivery of a new 40,000 ft<sup>2</sup> laboratory and office building in February 2024. This building was designed to accommodate companies already on the campus, wishing to grow on site. The property is currently 75% let and BRCL are supplying the facilities management services both to the joint-venture, and the individual companies located in the property.

The campus maintains its distinct features: the co-location of world-leading academic research and commercial life-science activity, campus facilities that reflect the space needs of early-stage and scale-up companies, access to on-site science capability and a community focussed upon human healthcare on a single site.

With regard to the future developments and in support of the agreed strategy between the campus partners (UKRI-BBSRC, the Babraham Institute and BRCL) a pre-planning application programme was initiated, funded by the freeholder UKRI-BBSRC - to allow the submission in 2025 of an outline planning application ensuring the campus is well placed for future growth.

#### RISK MANAGEMENT

The Institute Board of Trustees is responsible for ensuring there are effective and adequate risk management and internal control systems in place to manage the major risks to which the charity is exposed. The Audit Committee agrees an annual risk-based internal audit plan which covers major risks identified by management and the Board of Trustees. It receives reports from RSM internal auditors on the effectiveness of internal controls, progress against the internal audit plan and progress on recommendations made in reports. The Board of Trustees reviews a full risk report annually tracking major risks. The Science and Impact Advisory Committee (SIAC) also assess the science quality and vision covered in various sections of the risk register. The table below summarises how the Institute manages its key risks.

Following an extensive review of the Corporate Risk Register in 2023/24, including a consolidation of 32 corporate risks to 12, focus this year has been on moving departmental risk registers to 4Risk software and on management of these registers. In addition, this year has seen a comprehensive review and update of Institute Business Continuity Plans (BCPs) – both the overarching Institute plan and departmental plans - and their supporting documentation. A BCP table-top exercise involving all lead members of the Crisis Management Team was run in June 2024.

## THE BABRAHAM INSTITUTE

### REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

#### RISK MANAGEMENT (CONTINUED)

Risk Area	Description of Risk	Risk Management
<b>Business Sustainability</b>	The Institute having to manage the loss or reduction of UKRI-BBSRC funding. The inability for the institute to remain financially viable, managing energy price increases, insufficient capital budget and failures to secure enough competitive grant income. A lack of technological investment at the institute to enable research.	<ul style="list-style-type: none"> <li>• Annual budget setting and monitoring to ensure effective use of resources. Defined policy and procedure to spend Institute reserves and effective investment of reserves under the Treasury Management Policy.</li> <li>• Participating in a UKRI-BBSRC-wide Institute Financial sustainability agenda and Peer review process.</li> <li>• Review to ensure progress against ISPG, CCG and KEC objectives.</li> <li>• Capital Equipment Policy and Procedures in place to prioritise business cases for each UKRI-BBSRC capital equipment funding call.</li> <li>• Review and approve quality/science alignment of grants, and advising the grant applicant on how to strengthen proposals.</li> </ul>
<b>Reputational Maintenance</b>	The Institute having to manage reputational damage caused by poor contribution to bioscience, scientific misconduct or an honest failure to replicate results, staff breaching the code of conduct and the threats posed by animal rights activism. A lack of technological investment at the institute which degrades reputation.	<ul style="list-style-type: none"> <li>• Effective Public Engagement strategy in place to raise Institute's profile. Events / conferences for the scientific community to raise the Institute's profile.</li> <li>• Scientific collaborations to raise the Institute's profile.</li> <li>• Showcasing the Institute through external communication mechanisms, including the website, social media, the science annual report and press engagement.</li> <li>• Biennial Research Integrity Assurance Review (including Lab notebook OneNote procedures).</li> <li>• Promotion of a good Research Integrity Culture through policies.</li> <li>• Strategic Security Consultant ensures the Institute's interests are protected and that BRCL delivers security to the correct specification, reducing the risk of breach/failure.</li> </ul>
<b>IT System Failure</b>	The Institute being subject to a cyber-attack, threats due to unresolved system vulnerabilities, the lack of training of knowledge of staff or negligence. The risk of a major incident on site such as a power outage, fire, flood etc effecting on site data centres.	<ul style="list-style-type: none"> <li>• Continual review of IT procedures, assessment of new risks as they develop and regular system upgrades to ensure systems are fit for purpose.</li> <li>• Maintain Network Security. Urgent recommendations (e.g., critical vulnerabilities) are implemented in response to notifications from Janet CSIRT service (the network provider for UK Education, Research and other public sector entities) and other notification services. Cyber Essentials Certification in place.</li> <li>• Multi-layered backup strategy in place.</li> <li>• IT staff are trained in IT security and have regular CPD in this area to ensure knowledge is up to date. Regular training and communication to staff on new and existing threats to build knowledge and awareness.</li> <li>• Secure authentication strategy in place for all system and account access.</li> </ul>
<b>Business Continuity</b>	The Institute is unable to continue day to day operation due to severe business disruption to science and research.	<ul style="list-style-type: none"> <li>• Equipment and logistical steps in place along with ensuring policies and SOPs are fit for purpose and reflect current best practice. Supply chain resilience is built in as far as possible.</li> <li>• A reciprocal agreement is in place to use facilities at the CRUK Cambridge Institute as an emergency centre.</li> <li>• Business Continuity Plan and Crisis Management Team is in place to provide a framework and table top exercises annually.</li> <li>• Commercial insurance in place to cover financial loss through business disruption.</li> </ul>

## THE BABRAHAM INSTITUTE

### REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

#### RISK MANAGEMENT (CONTINUED)

Risk Area	Description of Risk	Risk Management
<b>HR Management</b>	The Institute is unable to recruit and retain staff due to staff burnout, inadequate team resources and poor planning.	<ul style="list-style-type: none"> <li>• Attractiveness of the Babraham Research Campus and good infrastructure such as provision, housing, parking, etc.</li> <li>• Competitive pay scheme and benefits including research support package. Benchmarking of pay and benefits with other organisations to ensure parity.</li> <li>• Provision and maintenance of excellent science facilities and equipment and support for immigration licenses and visas and an employee assistance programme to support staff wellbeing.</li> </ul>

Within BRCL, the Directors carry out regular reviews of the risks to which the company may be exposed both at regular Board Meetings and through the company's Audit Committee. Where necessary the company can call upon the Group's internal auditors RSM to act as an independent internal audit service. The principal strategic risks considered by the BRCL board include:

- Global Economics and Political Changes
- Increase in local market competition
- Investment into the life-science sector
- Rent Negotiations with UKRI-BBSRC

#### FINANCIAL REVIEW

During the year, the total group reserves increased from £156m to £159m, with details of the movement in group funds shown in the Statement of Financial Activities on page 31.

The individual results within the group are detailed below.

#### BABRAHAM INSTITUTE

Overall results for the Babraham Institute show an increase in total funds from £143m to £144m. Restricted revenue funds increased by £289k, Restricted Capital funds increased by £2,394k and Unrestricted Revenue funds decreased by £1,855k totalling an increase of £828k across all funds.

The Institute's deficit on unrestricted funds for the year of £1,855k compared to a deficit of £1,891k last year. The operating deficit before investment gains/losses, depreciation and transfers is £2,743k and £3,927k respectively for 2024 and 2023.

	2024 £'000	2023 £'000
Deficit before Investment gains/losses, depreciation and transfers – unrestricted funds	(2,743)	(3,927)
Depreciation	(6,842)	(6,255)
Transfers from capital and revaluation reserves	7,038	8,776
Fair Value adjustment to investment properties	(1,200)	(400)
Investment Income (dividends and interest)	75	255
Investment gains/(losses) - realised and unrealised	1,817	(340)
<b>Deficit for year – unrestricted funds</b>	<b>(1,855)</b>	<b>(1,891)</b>

Revenue income increased from £26.2m to £28.1m in the year (£1.9m). Funding from UKRI-BBSRC increased by £1.7m with funding across all other areas remaining comparable to the previous year.

Costs, excluding depreciation charges were £30.5m for 2024/25 and £30.4m for 2023/24. Whilst salary costs increased by £503k in the year, lower energy (£254k), recruitment (£75k) and library costs (£113k) offset the increase in staff costs.



## THE BABRAHAM INSTITUTE

### REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

---

#### FINANCIAL REVIEW (CONTINUED)

Annual revaluations within the Institute (£4,898k) to land and buildings have further increased capital reserves in the year (note 9). Capital funds within the Institute continue to be released from capital reserves against depreciation charges in the year. During the year £4,534k of capital funding was received (2023 : £3,233k).

The Institute continues to maximise its returns on funds by holding investments managed by Royal Bank of Canada. This allowed the Institute to benefit from investment income of £75k in the year (2023 : £255k), together with unrealised gains of £1.8m (2023 loss £340k) on investments held.

The Institute has continued to actively monitor its cost base and strive for efficiency savings where possible to ensure the Institute continues to maximise its operations based on the funding received. Looking to the future the Institute continues to remain on a tight financial budget and a longer-term focus will need to be placed upon continuing to seek and secure fresh income streams.

#### BABRAHAM RESEARCH CAMPUS LIMITED (BRCL)

The profit for the year after taxation amounted to £1,541k (2023: £1,958k). Both income and costs have increased compared to last year, driven by higher rent and facilities management revenue. The rise in costs is attributed to expanded facilities management activities and increased investment in BRCL science and entrepreneurship initiatives, including mentoring schemes, the accelerate@babraham programme, and broader cluster engagement. Additionally, a present value adjustment of £393k was applied to the shareholder loan to the joint venture with Biomed, detailed in note 16.

No Gift Aid (2023: £220k) was paid to The Babraham Institute relating to the year 2023/24.

#### BABRAHAM INSTITUTE ENTERPRISE LIMITED (BIE)

Babraham Institute Enterprise Limited made a profit after tax of £618k (2023: profit £191k). Excluding investment impairments/impairment reversals, operating results are £209k profit for 2023/24 and £322k profit for 2022/23. Turnover including licencing income for the year of £2,036k compared to £2,320k for the previous year, a decrease of £284k. This decrease in activity also led to lower costs of £171k in the year, and these movements account for the change in operating results.

Gift aid of £534k (2023: £nil) was paid in the year to Babraham Institute; £334k relating to profits from 2022/23 and £200k from 2023/24.

#### RESERVES POLICY

The Group's reserves are held to support financial solvency, manage uncertainty and fund future activities. The level of reserves required by the Group is therefore determined by reference to:

- Future operational and capital expenditure requirements
- Potential financial risks identified in the Risk Register
- Funding required for strategic investments not included in the operating budget
- Working capital / liquidity requirements

The Trustees have reviewed the reserves of the Group. The review encompasses the nature of the income and expenditure streams, the need to match variable income with fixed commitments, and the nature of the reserves. The Trustees concluded that to facilitate long-term planning they aim to achieve unrestricted reserves of £19m, covering 3 months working capital and any other financial obligations should the business cease to operate.

The Trustees are satisfied that there are sufficient unrestricted reserves (£20.3m) to provide the necessary funds to mitigate financial risks associated with operational and capital expenditure identified in the Risk Register.

## THE BABRAHAM INSTITUTE

### REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

---

#### PRINCIPAL FUNDING SOURCES AND REVIEW OF EXPENDITURE

The Babraham Institute is one of eight Institutes receiving strategic funding from the UKRI-BBSRC. Funding is derived from our principal sponsor, the UKRI-BBSRC, together with external grants or fellowships competitively gained from other research councils, charities and industry.

Expenditure incurred as analysed in the Statement of Financial Activities relates to Charitable Activities, including support costs. Commercial trading activities are shown separately.

Staff costs form the largest single component of group expenditure £19.1m (2023: £18.1m), followed by consumables (laboratory and general) £4.1m (2023: £4.7m), repairs and maintenance costs £4.3m (2023: £3.6m) and rent, rates and insurance £2.5m (2023: £2.3m).

Total expenditure for the year of £49.9m compares to £46.4m in 2022-23 an increase of £3.5m. Increases in salary costs (£1.1m), repairs and maintenance (£0.7m), fuel charges (£0.4m), depreciation charges (£0.6m) and taxation (£0.5m) account for the majority of the increase in expenditure in this reporting year.

#### GOING CONCERN

The Babraham Institute is dependent on various funding sources including UKRI-BBSRC to meet its liabilities as they fall due within future years. As part of the quinquennial Institute Assessment Exercise (IAE), completed in the year, funding has now been confirmed for 2024/25 and provisional funding allocations set for the next three years to 2027/28. As part of financial forecasting, various scenarios have been explored for 2024/25 and 2025/26 on future income streams and costs. Forecasts will include elements of estimations, however the level of uncertainty in our plans is not considered material.

UKRI-BBSRC continues to invest significant capital funds (£4.5m in 2023/24) and indicates that the Institute remains a key strategic organisation within the wider UKRI-BBSRC research community. The Institute will be reviewing its operating and group governance model in 2024/25 in consultation with UKRI-BBSRC, in order to focus on its long-term financial sustainability.

The following developments should be taken into consideration as part of the review:

- the Institute has now received indicative funding for the next four years from UKRI-BBSRC to 2027/28
- the Institute does not envisage any issues with funding in this four-year period
- UKRI-BBSRC funding assurance reviews regarding financial management are positive
- the successful outcome regarding science direction and funding from the Institute Assessment Exercise (IAE)
- group governance and operating models will be reviewed in the near future regarding improved financial sustainability

Therefore, the Trustees believe that a combination of confirmed grant funding and commercial income, existing cash reserves held by the Institute and its subsidiaries, and the planned review into future governance conducted by UKRI-BBSRC and BI, together provide assurance that the group can continue to fulfil its mission and objectives.

Accordingly, after making appropriate enquiries and reviewing various scenarios including reductions in rental income, gift aid and science service facility income, the Trustees consider the Group and Parent Charity have adequate resources to continue in operational existence for the foreseeable future being a minimum of twelve months from when these financial statements are approved. For this reason, the financial statements have been prepared on a going concern basis.

**The Trustees' Report incorporating the Strategic Report was approved on behalf of the Board**

*Tim Livett*

**Mr T Livett**

**Chairman of the Audit Committee, Trustee and Member**

Date: 16/10/2024

## THE BABRAHAM INSTITUTE

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BABRAHAM INSTITUTE

---

#### OPINION

We have audited the financial statements of Babraham Institute (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024, which comprise the Consolidated Statement of Financial Activities, the Group and Institute Balance Sheets, the Consolidated Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2024 and of the group's incoming resources and application of resources including, the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice: Accounting and Reporting by Charities, 2019 Edition; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### BASIS FOR OPINION

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. 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 group and parent 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

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

In our evaluation of the trustees' conclusions, we considered the inherent risks associated with the group's and parent charitable company's business model including effects arising from macro-economic uncertainties such as cost of living crisis, Brexit and Covid 19, we assessed and challenged the reasonableness of estimates made by the trustees and the related disclosures and analysed how those risks might affect the group's and parent charitable company's financial resources or ability to continue operations over the going concern period.

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 group's and parent charity'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 directors with respect to going concern are described in the relevant sections of this report.

## THE BABRAHAM INSTITUTE

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BABRAHAM INSTITUTE (CONTINUED)

---

#### OTHER INFORMATION

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

#### OPINION 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 Directors' Report, prepared for the purposes of company law, included in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included in the Report of the Trustees have been prepared in accordance with applicable legal requirements.

#### MATTER ON WHICH WE ARE REQUIRED TO REPORT UNDER THE COMPANIES ACT 2006

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the Report of the Trustees.

#### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

#### RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, 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 group and the parent 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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

## THE BABRAHAM INSTITUTE

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BABRAHAM INSTITUTE (CONTINUED)

---

#### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are most applicable to the Group and the parent charitable company. We identified the following laws and regulations as the most likely to have a material effect on the amounts or disclosures in the financial statements if non-compliance were to occur; Charities SORP (FRS 102), Companies Act 2006, Data Protection Act 2018, Health and Safety regulations, Tax legislation, Anti-Bribery legislation and Employment law;
- We understood how the Group and parent charitable company is complying with those legal and regulatory frameworks by making enquiries of management, those responsible for legal and compliance procedures and the Audit Committee. We corroborated our enquiries through review of board minutes, papers provided to the Audit Committee and any correspondence received from regulatory bodies;
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
  - journal entries that increased revenue;
  - potential management bias in determining accounting estimates; especially in relation to valuation of leasehold land and buildings and investment properties; and
  - transactions with related parties.
- Our audit procedures involved:
  - evaluation of the design and implementation of controls that management has in place to prevent and detect fraud;
  - journal entry testing, incorporating data analytics, with a focus on journals meeting our defined risk criteria based on our understanding of the Group;
  - using a valuation specialist to challenge assumptions and judgements made by management in the significant accounting estimate relating to the valuation of leasehold land and buildings and investment properties;
  - testing the completeness of the Group's related party transactions through information obtained at the parent charitable company and its subsidiaries and testing that these transactions had a valid business purpose; and
  - assessing the completeness of disclosures in the Trustees' Report and compliance with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;

## THE BABRAHAM INSTITUTE

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BABRAHAM INSTITUTE (CONTINUED)

---

#### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

- The engagement partner's assessment of the appropriateness of the engagement team's collective competence and capabilities to identify or recognise non-compliance with laws and regulations included consideration of the engagement teams':
  - understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation;
  - knowledge of the industry in which the Group and parent charitable company operates; and
  - understanding of the legal and regulatory requirements specific to the Group and parent charitable company.
- Relevant laws and regulations were communicated to all engagement team members. We remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

#### USE OF OUR REPORT

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



#### James Bird FCA

Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London  
Date: 16/10/2024

## THE BABRAHAM INSTITUTE

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - INCORPORATING THE CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2024

	Note	Restricted revenue funds £'000	Restricted capital funds £'000	Un- restricted funds £'000	2024 Total funds £'000	2023 Total funds £'000
<b>Income from:</b>						
Charitable activities		19,255	4,534	5,048	28,837	25,934
Trading activities		-	-	17,441	17,441	14,913
Investment income		-	-	344	344	317
<b>Total income</b>	2	<b>19,255</b>	<b>4,534</b>	<b>22,833</b>	<b>46,622</b>	<b>41,164</b>
<b>Expenditure on:</b>						
Charitable activities		(19,255)	-	(16,295)	(35,550)	(34,805)
Raising funds		-	-	(13,405)	(13,405)	(11,084)
Taxation	7	-	-	(628)	(628)	(526)
<b>Total expenditure</b>	3	<b>(19,255)</b>	<b>-</b>	<b>(30,328)</b>	<b>(49,583)</b>	<b>(46,415)</b>
Profit/(losses) on investments	10,11,12	-	-	158	158	(785)
<b>Net income/(expenditure)</b>		<b>-</b>	<b>4,534</b>	<b>(7,337)</b>	<b>(2,803)</b>	<b>(6,036)</b>
<b>Net income/(expenditure) for the year is attributable to:</b>						
The parent undertaking		-	4,522	(7,710)	(3,188)	(6,471)
Minority interest		-	12	373	385	435
		<b>-</b>	<b>4,534</b>	<b>(7,337)</b>	<b>(2,803)</b>	<b>(6,036)</b>
<b>Transfers</b>						
Release of capital funds/transfers	17	289	(7,038)	6,749	-	-
<b>Other recognised gains and losses</b>						
Gain on revaluations of tangible fixed assets	9,11	-	4,898	361	5,259	10,318
<b>Other recognised gains for the year is attributable to:</b>						
The parent undertaking			4,898	361	5,259	10,318
Minority interest			-	-	-	-
			<b>4,898</b>	<b>361</b>	<b>5,259</b>	<b>10,318</b>
Movement in funds attributable minority interests	11	-	(12)	(373)	(385)	(435)
<b>Net movement in funds</b>		<b>289</b>	<b>2,382</b>	<b>(600)</b>	<b>2,071</b>	<b>3,847</b>
Balances brought forward	17	5,759	121,543	20,878	148,180	144,333
<b>Balances carried forward at 31 March 2024</b>	17	<b>6,048</b>	<b>123,925</b>	<b>20,278</b>	<b>150,251</b>	<b>148,180</b>

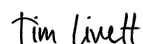
All amounts relate to continuing activities. All recognised gains and losses are included in the consolidated statement of financial activities. The notes on pages 33 to 57 form part of these financial statements.

**THE BABRAHAM INSTITUTE****REGISTERED NUMBER: 03011737****BALANCE SHEETS AT 31 MARCH 2024**

	Note	Group 2024 £'000	2023 £'000	Institute 2024 £'000	2023 £'000
<b>Fixed assets</b>					
Intangible assets	8	353	254	-	-
Tangible assets	9	111,410	108,987	110,540	108,087
Investment properties	10	1,800	3,000	1,800	3,000
Investments	11,12	25,001	24,635	29,131	29,060
		<b>138,564</b>	<b>136,876</b>	<b>141,471</b>	<b>140,147</b>
<b>Current assets</b>					
Stocks	13	371	337	136	146
Debtors	14	7,395	9,514	5,111	4,781
Cash at bank and in hand		23,412	22,673	5,242	6,711
		<b>31,178</b>	<b>32,524</b>	<b>10,489</b>	<b>11,638</b>
<b>Creditors: amounts falling due within one year</b>	15	<b>(13,534)</b>	<b>(13,309)</b>	<b>(7,768)</b>	<b>(8,421)</b>
<b>Net current assets</b>		<b>17,644</b>	<b>19,215</b>	<b>2,721</b>	<b>3,217</b>
<b>Total assets less current liabilities</b>		<b>156,208</b>	<b>156,091</b>	<b>144,192</b>	<b>143,364</b>
<b>Debtors: amounts falling due after more than one year</b>	16	<b>2,522</b>	<b>183</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>		<b>158,730</b>	<b>156,274</b>	<b>144,192</b>	<b>143,364</b>
<b>Funds</b>					
Restricted capital fund		46,729	47,600	46,695	47,554
Revaluation Reserve		77,196	73,943	77,196	73,943
	17	<b>123,925</b>	<b>121,543</b>	<b>123,891</b>	<b>121,497</b>
Unrestricted funds	17	20,278	20,878	14,253	16,108
Restricted revenue fund	17	6,048	5,759	6,048	5,759
		<b>150,251</b>	<b>148,180</b>	<b>144,192</b>	<b>143,364</b>
Minority Interests	11	8,479	8,094	-	-
		<b>158,730</b>	<b>156,274</b>	<b>144,192</b>	<b>143,364</b>

The Institute includes in its financial statements leasehold land and buildings owned by third parties, these are detailed further in notes 9 and 10.

These financial statements were approved by the Board of Trustees and authorised for issue on 16/10/2024


**Mr T Livett****Chairman of the Audit Committee, Trustee and Member**

The notes on pages 33 to 57 form part of these financial statements.



## THE BABRAHAM INSTITUTE

## CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2024

		2024		2023	
	Note	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Net Income/Expenditure		(2,803)		(6,036)	
<u>Adjusted for</u>					
Depreciation charges	9	7,177		6,542	
Amortisation of intangible assets	8	29		16	
Profit on disposal of fixed assets		(10)		(76)	
Impairment of investments	11	1,659		445	
Capital grants received	2	(4,534)		(3,234)	
Tax charge	7	(628)		(526)	
Interest received	2	(344)		(317)	
Increase in stocks	13	(34)		(55)	
Increase in debtors	14	(499)		(1,564)	
Increase in creditors	15	15		858	
Tax paid		725		793	
<i>Net cash provided/(used) by operating activities</i>			753		(3,154)
<b>Cash flows from investing activities</b>					
Interest Received	2	344		317	
Payments to acquire intangible fixed assets	8	(128)		(162)	
Payments to acquire tangible fixed assets	9	(4,712)		(4,802)	
Payments to acquire investments (net of fees)	12	(11,515)		(29,436)	
Receipts from sale of tangible fixed assets		20		109	
Receipts from sale of investments		9,768		28,813	
Cash funds withdrawn from investments held		1,675		6,077	
Capital grants received	2	4,534		3,234	
<i>Net cash (used)/ provided by investing activities</i>			(14)		4,150
<b>Change in cash and cash equivalents in the reporting period</b>			739		996
<b>Cash and cash equivalents at the beginning of the reporting period</b>			22,673		21,677
<b>Cash and cash equivalents at the end of the reporting period</b>			23,412		22,673

The net debt reconciliation is shown in Note 21.

The notes on pages 33 to 57 form part of these financial statements.

## THE BABRAHAM INSTITUTE

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

---

#### 1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

##### 1.1 Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The particular accounting policies adopted in the preparation of the financial statements are set out below and have been applied consistently with the previous year.

##### 1.2 Going Concern

The Babraham Institute is dependent on various funding sources including UKRI-BBSRC to meet its liabilities as they fall due within future years. As part of the quinquennial Institute Assessment Exercise (IAE), completed in the year, funding has now been confirmed for 2024/25 and provisional funding allocations set for the next three years to 2027/28. As part of financial forecasting, various scenarios have been explored for 2024/25 and 2025/26 on future income streams and costs. Forecasts will include elements of estimations, however the level of uncertainty in our plans is not considered material.

UKRI-BBSRC continues to invest significant capital funds (£4.5m in 2023/24) and indicates that the Institute remains a key strategic organisation within the wider UKRI-BBSRC research community. The Institute will be reviewing its operating and group governance model in 2024/25 in consultation with UKRI-BBSRC, in order to focus on its long-term financial sustainability.

The following developments should be taken into consideration as part of the review:

- the Institute has now received indicative funding for the next four years from UKRI-BBSRC to 2027/28
- the Institute does not envisage any issues with funding in this four-year period
- UKRI-BBSRC funding assurance reviews regarding financial management are positive
- the successful outcome regarding science direction and funding from the Institute Assessment Exercise (IAE)
- group governance and operating models will be reviewed in the near future regarding improved financial sustainability

Therefore, the Trustees believe that a combination of confirmed grant funding and commercial income, existing cash reserves held by the Institute and its subsidiaries, and the planned review into future governance conducted by UKRI-BBSRC and BI, together provide assurance that the group can continue to fulfil its mission and objectives.

Accordingly, after making appropriate enquiries and reviewing various scenarios including reductions in rental income, gift aid and science service facility income, the Trustees consider the Group and Parent Charity have adequate resources to continue in operational existence for the foreseeable future being a minimum of twelve months from when these financial statements are approved. For this reason, the financial statements have been prepared on a going concern basis.

## THE BABRAHAM INSTITUTE

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

---

#### 1 ACCOUNTING POLICIES (CONTINUED)

##### 1.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of subsidiary companies - Babraham Research Campus Limited and Babraham Institute Enterprise Limited.

The results of the subsidiaries are incorporated on a line by line basis as required under the SORP.

Babraham Institute Enterprise Limited has a 40% holding in Bioscience Partnership Limited. The results of Bioscience Partnership Limited have not been included for consolidation purposes on the grounds that it is immaterial in the context of group operations.

A separate income and expenditure account dealing with the results of the charitable company has not been presented as permitted under section 408 of the Companies Act 2006. The charitable company, The Babraham Institute, is referred to as the Institute throughout the financial statements.

##### 1.4 Incoming resources

Income comprises unencumbered grants received from research councils; grant income from collaborative, commissioned and competitively awarded research projects; income from miscellaneous charitable activities; commercial and residential rents from the letting of Group controlled property; and interest earned on the investment of surplus funds.

Income is recognised when the Institute becomes legally entitled to the income and the amount can be quantified with reasonable accuracy. All core UKRI-BBSRC grants are recognised as revenue in the year they are receivable. Grant income including research grants received in advance of conditions being met is deferred until those conditions are fully satisfied.

Capital grants are recognised in the consolidated statement of financial activities when entitlement passes, and once the criteria of certainty and measurement are met.

Other charitable income represents non-grant revenue from providing scientific research services to other academic institutions and other services. Revenue is recognised in the year in which the obligation is fulfilled.

Trading income, which includes rent and letting income and other income relates to non-charitable services undertaken and is recognised in accordance with the terms of the contracts entered into, reflecting the point at which the obligations have been satisfied.

##### 1.5 Fund accounting

###### *Unrestricted funds*

Unrestricted funds represent income which is expendable at the discretion of the Board in the furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investments.

###### *Restricted funds*

Income received by way of grants, sponsorship, donation or legacy which is directed by the provider as to be applied for specific purposes is accounted for within restricted income. Awards applied within the terms dictated by the awarding authority on the acquisition or improvement of tangible fixed assets are also accounted for within restricted income funds in full. The balance of the restricted fixed asset fund is reduced by the depreciation or amortisation charges over the expected useful life of the asset. This treatment has been applied to reflect the assets being on land owned by a third party, therefore at the end of the lease they will revert to that third party (see further explanation below regarding the ownership of land and buildings).

## THE BABRAHAM INSTITUTE

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

---

#### 1 ACCOUNTING POLICIES (CONTINUED)

##### 1.6 Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Resources expended are classified according to the nature of the cost as follows;

Charitable activities – comprises those costs incurred by the charity in the delivery of its activities and services. It includes both costs that can be directly allocated to such activities and those costs of an indirect nature necessary to support the charities activities.

Trading activities - represents the costs associated with trading and raising income including the Institute's rental activities and tenant services and investments. Commercial trading operations relate to income and expenditure incurred by the trading subsidiaries.

Governance costs – include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.

Support costs - include all other costs that whilst not relating directly to the charity's activities are needed to support the work undertaken in the charity's pursuit of its objectives. These have been allocated to the charity's activities on a basis consistent with the use of the resource, e.g. floor area, staff numbers.

##### 1.7 Tangible fixed assets

The Institute includes in its financial statements leasehold land and buildings owned by third parties, which it occupies and enjoys through peppercorn leases, at their full value. The Trustees consider that in substance, the risks and rewards of ownership of the assets have passed to the Institute, and as such follow a policy of recognising the assets on the balance sheet to reflect the continuing occupancy of these assets for the foreseeable future. The Institute's lease with its landlord (UKRI) was renewed on 31 July 2019 for a further 25 years, again at peppercorn rent.

In 2020-21 BRCL renewed its lease with its Landlord (UKRI) and rent is now payable on leasehold land and buildings owned by third parties. This lease is recognised as an operating lease and hence BRCL no longer recognises any land and buildings on its balance sheet.

Scientific buildings are those leased and used by the group for the purpose of scientific research, to further the charity's objectives. These properties are held at fair value. Other buildings represent those buildings used for ancillary purposes. These properties are held at cost less impairment

##### 1.8 Fixed asset revaluation

Leasehold land and buildings are included at open market value where this can be established or depreciated replacement cost in the case of specialised scientific buildings. Professional valuations are reviewed periodically in the interim periods. The resulting valuations are depreciated in accordance with the depreciation policy.

##### 1.9 Depreciation

Depreciation is provided by the group to write off the cost or valuation, less estimated residual values, of all fixed assets other than assets in course of construction, evenly over their expected useful lives. It is calculated at the following rates:

- Computer equipment\* - 3 years straight line
- Non-computer equipment\*- 3-5 years straight line
- Energy Generating Plant\*- 10 years straight line
- Leasehold land and buildings- over the shorter of the period of the lease, plus any notified intended extension thereto and the estimated useful remaining life.

\*Computer equipment, Non-computer equipment and Energy Generating plant are included in Fixtures and Equipment in Note 9.

## THE BABRAHAM INSTITUTE

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

---

#### 1 ACCOUNTING POLICIES (CONTINUED)

##### 1.10 Impairment of fixed assets

The need for any fixed asset impairment write-down is assessed by comparison of the carrying value of the asset against the higher of net realisable value and value in use.

##### 1.11 Investment property

Investment Properties represent long leasehold properties let to tenants on a commercial basis. These properties are held at open market value with any changes in value held in a revaluation reserve unless the value of the reserve is insufficient to cover a deficit when an impairment loss is put through the SOFA.

The Institute includes in its financial statements leasehold investment properties owned by third parties, that it occupies and enjoys through peppercorn leases at their full market value. The Trustees consider that in substance, the risks and rewards of ownership of the assets have passed to the Institute, and as such follow a policy of recognising the assets on the balance sheet to reflect the continuing occupancy of these assets for the foreseeable future. The Institutes' lease with its landlord (UKRI) was renewed on 31 July 2019 for a further 25 years, again at peppercorn rent.

Within BRCL, a single new lease was entered into in December 2020, with new terms and provisions, including the requirement to pay rent to UKRI-BBSRC. The lease is structured in a way to represent the role BRCL has in the delivery of the Campus vision on behalf of UKRI-BBSRC and to protect the significant capital investment UKRI-BBSRC has made into the Campus. The nature of the rent provisions and short surrender rights means this lease is accounted for as an operating lease. It includes assets used for leasing out to life science start up and scale up businesses, plus service and self-occupied buildings and does not recognise any valuation on the balance sheet.

##### 1.12 Intellectual property

The cost of acquired intellectual property is capitalised and written off over its useful economic life. Intellectual property assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

##### 1.13 Research and development costs

Research and development costs are written off to the consolidated statement of financial activities account as they are incurred.

##### 1.14 Grants

UKRI-BBSRC capital grants are included within restricted capital funds and released over the estimated useful economic lives of the assets funded by the grant.

##### 1.15 Stocks

Stocks are valued at the lower of cost and net realisable value.

##### 1.16 Foreign currencies

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the statement of financial activities.

## THE BABRAHAM INSTITUTE

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

---

#### 1 ACCOUNTING POLICIES (CONTINUED)

##### 1.17 Pension costs

The Institute participates in the Research Council's pension scheme for employees previously employed under UKRI-BBSRC contracts. All Institute staff are now employed under local contracts, however staff previously contributing to the Research Council's pension scheme retained the right to continue contributing to this scheme.

This is an unfunded multi-employer defined benefit scheme. Since any assets and liabilities of the scheme cannot be split between participating employers, the Institute's pension costs are accounted as for a defined contribution scheme, with costs charged to the income and expenditure account as incurred.

Contributions by all other Institute staff and those by the subsidiary undertakings (BRCL and BIE) are made to a defined contribution pension scheme and charged to the income and expenditure account as incurred.

##### 1.18 Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the income and expenditure account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the income and expenditure account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the statement of financial activities on a straight-line basis over the term of the lease.

##### 1.19 Taxation

The Institute is a registered charity within the meaning of the UK Taxes Acts and is, therefore, eligible to claim exemptions to income tax and capital gains tax.

The trading subsidiary companies are liable for assessment to taxation.

##### 1.20 Fixed Assets Investments (excluding properties)

Investments in subsidiaries and associates are stated at cost. To the extent that the carrying value exceeds the recoverable amount, an impairment loss is recognised.

Other fixed asset investments are either held at fair value or cost less impairment. Net gains and losses arising on revaluations and disposals during the year are included in the statement of financial activities.

##### 1.20 Fixed Assets Investments (excluding properties)

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's funds. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of the net movement in funds since the date of the combination. Losses applicable to the minority in excess of the minority's share of net movement in funds are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

## THE BABRAHAM INSTITUTE

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

---

#### 1 ACCOUNTING POLICIES (CONTINUED)

##### 1.21 Investments

Investments are shown at fair value with historical cost separately disclosed. Net gains and losses arising on revaluations and disposals during the year are included in the statement of financial activities.

##### 1.22 Financial Instruments

The Group only has financial assets and financial liabilities which qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

##### 1.23 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition or the balance sheet date and that are readily convertible to known amounts of cash with insignificant risk of change of value.

##### 1.24 Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

##### 1.25 Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates.

The items in the financial statements where these estimates have been made include:

- Depreciation, which has been charged in line with the accounting policy above. The amount of depreciation charged and net book value of the assets is included in Note 9.

The items in the financial statements where these judgements have been made include:

- Land and buildings and Investment Property are held at fair value in line with the accounting policy 1.7 and 1.11 above. The carrying value, and valuation movements, are included in Notes 9 and 10.
- Fixed asset investments are held at fair value in line with the accounting policy 1.20 above. The carrying value, and valuation movements, are included in Note 11.
- Investments are held at fair value in line with the accounting policy 1.21 above. The carrying value, and valuation movements, are included in Note 12.
- The recognition of land and buildings on the balance sheet is included in line with the accounting policy 1.7 and 1.11 above. The carrying value, and valuation movements, are included in Note 9 and 10.

## THE BABRAHAM INSTITUTE

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

#### 2 ANALYSIS OF INCOMING RESOURCES

	Restricted revenue funds £'000	Restricted capital funds £'000	Unrestricted funds £'000	2024 Total £'000	2023 Total £'000
<b>Trading activities:</b>					
Grant Income	-	-	1,028	1,028	458
Goods and services	-	-	5,448	5,448	5,058
Rent	-	-	10,965	10,965	9,397
	-	-	17,441	17,441	14,913
<b>Investment income:</b>					
Bank interest and dividends receivable	-	-	318	318	302
Royalty/licence income	-	-	26	26	15
	-	-	344	344	317
<b>Charitable activities:</b>					
Grants and Donations UKRI-BBSRC					
- Competitive strategic grant	11,601	4,534	-	16,135	9,633
- Minor works	813	-	-	813	695
- Other grants	1,368	-	-	1,368	4,957
			-		
Competitive project grants	1,168	-	-	1,168	1,088
Medical Research Council	1,052	-	-	1,052	1,042
University Links	168	-	-	168	172
European Union	1,040	-	-	1,040	914
Industry, levy boards	180	-	-	180	33
Trusts, foundations, charities	1,865	-	-	1,865	2,507
Goods and services	-	-	3,145	3,145	3,062
Rent	-	-	1,903	1,903	1,831
	19,255	4,534	5,048	28,837	25,934
<b>Total income</b>	<b>19,255</b>	<b>4,534</b>	<b>22,833</b>	<b>46,622</b>	<b>41,164</b>
<b>Total Income 2023</b>	<b>17,807</b>	<b>3,234</b>	<b>20,123</b>	<b>41,164</b>	

Charitable activities relate on the whole to scientific research. Goods and services income and rental income relate to the sale of services, both scientific and non-scientific services to external companies and individuals.

Incoming resources can be geographically analysed as:

	2024 £'000	2023 £'000
UK	45,301	39,843
Europe	1,213	1,003
Rest of World	108	318
	<b>46,622</b>	<b>41,164</b>



## THE BABRAHAM INSTITUTE

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

#### 3 ANALYSIS OF CHARITABLE RESOURCES EXPENDED

	Allocation basis	Scientific Research	Governance	Total 2024	Total 2023
		£'000	£'000	£'000	£'000
Staff costs	Direct	6,877	140	7,017	6,962
Laboratory supplies	Direct	2,040	-	2,040	2,327
Travel and subsistence	Direct	161	11	172	183
Equipment and hire charges	Direct	39	-	39	100
Repairs and minor works	Direct	-	-	-	3
Computing costs	Direct	3	-	3	3
Library	Direct	62	-	62	102
Legal & professional charges	Direct	16	200	216	209
Recruitment	Direct	12	-	12	23
Training	Direct	3	-	3	-
Other costs	Direct	231	-	231	308
Scientific services support costs	Use of resource	25,755	-	25,755	24,585
<b>Total Charitable costs</b>		<b>35,199</b>	<b>351</b>	<b>35,550</b>	<b>34,805</b>
Total Charitable costs 2023		34,487	318		
Commercial trading operation costs				13,405	11,084
Taxation (note 7)				628	526
<b>Total Group costs</b>				<b>49,583</b>	<b>46,415</b>

Restricted expenditure included in the above is £19,255k (2023: £17,807k). All other expenditure is unrestricted.

**THE BABRAHAM INSTITUTE****NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024  
(CONTINUED)****3 ANALYSIS OF CHARITABLE RESOURCES EXPENDED (CONTINUED)****Analysis of scientific services support costs for charitable purposes**

	<b>Administration</b>	<b>Estates</b>	<b>Technical</b>	<b>Total</b>	<b>Total 2023</b>
	<b>£'000</b>	<b>£'000</b>	<b>Services</b>	<b>2024</b>	
			<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Staff costs	3,556	1,177	4,149	<b>8,882</b>	8,337
Travel and subsistence	84	1	92	<b>177</b>	177
Repairs and minor works	-	637	1,092	<b>1,729</b>	1,670
Rent and rates	742	102	-	<b>844</b>	686
Fuel and water charges	86	1,898	-	<b>1,984</b>	2,239
Equipment and hire charges	71	15	205	<b>291</b>	296
Depreciation	6,842	-	-	<b>6,842</b>	6,255
Minor works	-	810	8	<b>818</b>	667
Waste disposal	2	5	-	<b>7</b>	7
Computing costs	55	18	443	<b>516</b>	479
Legal and professional charges	73	191	48	<b>312</b>	288
Recruitment	9	5	2	<b>16</b>	81
Training	101	-	18	<b>119</b>	103
Library	7	-	240	<b>247</b>	321
Food purchases	56	-	-	<b>56</b>	54
Bad debts	3	-	-	<b>3</b>	-
Loss on disposal of fixed assets	-	-	-	<b>-</b>	(38)
Other costs	1,177	463	1,272	<b>2,912</b>	2,963
	<b>12,864</b>	<b>5,322</b>	<b>7,569</b>	<b>25,755</b>	<b>24,585</b>
Total Support Costs 2023	<b>11,593</b>	<b>5,321</b>	<b>7,671</b>		<b>24,585</b>

Support costs are allocated to the charity's activities on a method consistent with the use of the resource.

**Governance Expenditure**

Governance costs during the year can be analysed as

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Staff costs	<b>140</b>	135
Travel and subsistence	<b>11</b>	10
Legal and professional charges	<b>200</b>	173
	<b>351</b>	<b>318</b>

## THE BABRAHAM INSTITUTE

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

#### 4 INCOMING RESOURCES AND RESOURCES EXPENDED

	Group		Institute	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Incoming resources and resources expended are stated after charging:				
Amounts payable to auditors in respect of audit services to the Institute	75	73	75	73
Amounts payable to auditors in respect of audit services to subsidiary undertakings	43	35	-	-
Amounts payable to auditors in respect of non-audit services*	10	14	5	4
Net loss/(gain) on foreign currency translations	(40)	(25)	(40)	(25)
Depreciation	7,177	6,542	6,842	6,255
Amortisation of intangible fixed assets	29	16	-	-
Profit on disposal - fixed assets	(10)	(76)	-	(38)
Operating lease payments in respect of:				
- land and buildings	1,913	1,841	713	641
- other leases	12	6	12	6

\* Non-audit services relate to the provision of corporate tax compliance services and VAT advisory services.

#### 5 EMPLOYEES

Staff costs for all employees were as follows:

	Group		Institute	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Wages and salaries	15,708	14,828	13,073	12,633
Social security costs	1,485	1,429	1,205	1,182
Other pension costs	1,987	1,862	1,631	1,591
	19,180	18,119	15,909	15,406

The average number of employees during the year was as follows:

	2024	2023
	No	No
Charitable activities	102	107
Support activities	196	207
Commercial operations	58	53
	356	367

Redundancy costs (included in wages and salary costs) during the year totalled £240k (2023: £171k). Redundancy costs relate to staff on external grants, where the grant finishes and staff are not transferred to other Institute employment. Also in both 2022-23 and 2023-24, redundancy also includes costs relating to 2 (2023 : 3) staff posts who, after a Board led review of Institute financial sustainability were consulted and took redundancy pay. Redundancy payments are based on contractual obligations and agreed schemes.

## THE BABRAHAM INSTITUTE

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

#### 5 EMPLOYEES (CONTINUED)

The number of staff earning greater than £60,000 was:

	Group		Institute	
	2024	2023	2024	2023
	No	No	No	No
£ 60,000 - £ 69,999	17	12	15	10
£ 70,000 - £ 79,999	11	13	10	12
£ 80,000 - £ 89,999	4	-	3	-
£ 90,000 - £ 99,999	2	1	1	1
£100,000 - £109,999	2	-	1	-
£110,000 - £119,999	1	4	1	3
£120,000 - £129,999	2	2	1	2
£130,000 - £139,999	2	-	2	-
£140,000 - £149,999	-	-	-	-
£150,000 - £159,999	-	1	-	1
£160,000 - £169,999	1	-	1	-
£170,000 - £179,999	1	-	-	-
£180,000 - £189,999	-	-	-	-
£190,000 - £199,999	-	1	-	-
	<b>43</b>	<b>34</b>	<b>35</b>	<b>29</b>

Within the Institute, the number of staff earning over £60,000 for whom retirement benefits are accruing under defined contribution schemes amount to 21 (2023: 18) and the amounts paid in the year were £181,382 (2023: £150,484).

The number of staff earning over £60,000 for whom retirement benefits are accruing under the RCUK pension scheme amount to 14 (2023: 11) and the amounts paid in the year were £317,718 (2023: £255,782).

#### 6 REMUNERATION AND BENEFITS – TRUSTEES AND KEY MANAGEMENT PERSONNEL

None of the members of the Board of Trustees received any remuneration from the Institute during the year. Aggregate expenses incurred by 14 (2023: ten) Trustees in respect of travelling costs totalled £10,674 (2023: £10,499).

Key management personnel includes staff within the highest two pay bands within the Institute. This comprises the Institute Director, Chief Operating Officer, heads of each of the science programmes, plus one other senior group leader - who form part of Babraham Executive Committee (BEC).

The aggregate remuneration for key management personnel during the year was £1,033k (2023: £1,129k). There were no other transactions with key management personnel during the year (2023: none).

## THE BABRAHAM INSTITUTE

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

#### 7 TAXATION

	Group		Institute	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
<b>Corporation tax</b>				
Current tax on profits for the year – BRCL	738	387	-	-
Adjustment in relation to the prior year – BRCL	-	110	-	-
Tax Relief in respect of gift aid – BRCL	-	(42)	-	-
Current tax on profits for the year - BIE	4	-	-	-
<b>Total Current Tax</b>	<b>742</b>	<b>455</b>	<b>-</b>	<b>-</b>
<b>Deferred tax</b>				
Origination/reversal of timing differences – BRCL	(28)	(16)	-	-
Origination/reversal of timing differences – BIE	(86)	87	-	-
<b>Total taxation on profits for the year</b>	<b>628</b>	<b>526</b>	<b>-</b>	<b>-</b>

The Babraham Institute is a registered charity and is exempt from tax on income and capital gains falling within section 505 of the Income and Corporation Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives. No tax charges have arisen in the Charitable Company.

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK of 19% (2023: 19%). The tax differences shown below refer to the trading subsidiaries, Babraham Research Campus Limited and Babraham Institute Enterprise Limited :

	Group	
	2024	2023
	£'000	£'000
Surplus on ordinary activities before tax as shown in the accounts of the trading subsidiary - BRCL	2,643	2,398
Surplus on ordinary activities before tax as shown in the accounts of the trading subsidiary - BIE	536	277
Surplus on ordinary activities multiplied by the standard rate of corporation tax at 25% (2023: 19%).	795	509
<i>Effects of:</i>		
Expenses not deductible for tax purposes	49	25
Income not taxable for tax purpose (investment gains)	(82)	-
Adjustments to tax charge in respect of prior periods	-	110
Deferred Tax not recognised / Remeasurement of deferred tax	-	25
Other differences leading to an increase/(decrease) in tax charge	-	(101)
Tax relief on gift aid payment	(134)	(42)
<b>Total taxation on profits for the year</b>	<b>628</b>	<b>526</b>

THE BABRAHAM INSTITUTE

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024  
(CONTINUED)

8 INTANGIBLE ASSETS

Group	Intellectual Property £'000
<i>Cost</i>	
At 1 April 2023	319
Additions	128
<b>At 31 March 2024</b>	<b>447</b>
<i>Amortisation</i>	
At 1 April 2023	65
Provided for the year	29
<b>At 31 March 2024</b>	<b>94</b>
<i>Net book value</i>	
<b>31 March 2024</b>	<b>353</b>
31 March 2023	254

Intangible assets relate to intellectual property purchased by the subsidiary company Babraham Institute Enterprise Limited.

## THE BABRAHAM INSTITUTE

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

#### 9 TANGIBLE ASSETS

Group	Short leasehold land and buildings £'000	Fixtures and Equipment £'000	Total £'000
<i>Cost or valuation</i>			
At 1 April 2023	96,128	37,163	133,291
Additions	-	4,712	4,712
Revaluation	1,586	-	1,586
Disposals	-	(1,012)	(1,012)
<b>At 31 March 2024</b>	<b>97,714</b>	<b>40,863</b>	<b>138,577</b>
<i>Depreciation</i>			
At 1 April 2023	-	24,304	24,304
Provided for the year	3,312	3,865	7,177
Disposals	-	(1,002)	(1,002)
Revaluations	(3,312)	-	(3,312)
<b>At 31 March 2024</b>	<b>-</b>	<b>27,167</b>	<b>27,167</b>
<i>Net book value</i>			
<b>At 31 March 2024</b>	<b>97,714</b>	<b>13,696</b>	<b>111,410</b>
At 31 March 2023	96,128	12,859	108,987

The Group includes in its financial statements leasehold land and buildings owned by third parties, which it occupies and enjoys through peppercorn leases, at their full value of £98m. The trustees consider that in substance, the risks and rewards of ownership of the assets have passed to the Group, and as such follow a policy of recognising the assets on the balance sheet to reflect the continuing occupancy of these assets for the foreseeable future. The only circumstance under which the Group could be asked to vacate the site is due to a failure to deliver the required programme, which in the trustees' view is highly unlikely. The Institutes' lease with its landlord (UKRI) was renewed on 31 July 2019 for a further 25 years, again at peppercorn rent.

Short leasehold land and buildings include scientific buildings which are leased and used by the Institute for the purpose of scientific research, to further the charity's objectives. These properties are held at fair value of £97.7m.

Babraham Institute land and buildings were valued as at 31 March 2024 by Powis Hughes Limited, acting as external valuer on the basis of Existing Use Value on the special assumption that the lease from the UKRI-BBSRC is ignored and the Properties are assumed to be held freehold by the Institute.

The valuation has been carried out in accordance with the RICS Valuation – Global Standards 2017 (which incorporates the International Valuation Standards 2017) and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland on the basis of Existing Use Value - using a Depreciated Replacement Cost Approach for the specialised buildings and either a Market or Income Approach for all other buildings and land. This valuation resulted in an increase in valuation of £4,898k at the year end.

**THE BABRAHAM INSTITUTE****NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024  
(CONTINUED)****9 TANGIBLE ASSETS (CONTINUED)**

Properties held for the purpose of rental income are included in Investment property (Note 10).

<b>Institute</b>	<b>Short leasehold land and buildings £'000</b>	<b>Fixtures and equipment £'000</b>	<b>Total £'000</b>
<i>Cost or valuation</i>			
At 1 April 2023	96,128	32,484	128,612
Additions	-	4,397	4,397
Revaluations	1,586	-	1,586
Disposals	-	(451)	(451)
<b>At 31 March 2024</b>	<b>97,714</b>	<b>36,430</b>	<b>134,144</b>
<i>Depreciation</i>			
At 1 April 2023	-	20,525	20,525
Provided for the year	3,312	3,530	6,842
Disposals	-	(451)	(451)
Revaluations	(3,312)	-	(3,312)
<b>At 31 March 2024</b>	<b>-</b>	<b>23,604</b>	<b>23,604</b>
<i>Net book value</i>			
<b>At 31 March 2024</b>	<b>97,714</b>	<b>12,826</b>	<b>110,540</b>
At 31 March 2023	96,128	11,959	108,087

The Institute includes in its financial statements leasehold land and buildings owned by third parties, which it occupies and enjoys through peppercorn leases, at their full value. The trustees consider that in substance, the risks and rewards of ownership of the assets have passed to the Institute, and as such follow a policy of recognising the assets on the balance sheet to reflect the continuing occupancy of these assets for the foreseeable future.

The only circumstance under which the Institute could be asked to vacate the site is due to a failure to deliver the required programme, which in the trustees' view is highly unlikely. The Institutes' lease with its landlord (UKRI) was renewed on 31 July 2019 for a further 25 years, again at peppercorn rent.

See note above (tangible fixed asset group) regarding the professional valuation for Babraham Institute land and buildings.



## THE BABRAHAM INSTITUTE

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

#### 9 TANGIBLE ASSETS (CONTINUED)

Short leasehold land and buildings include scientific buildings which are leased and used by the Institute for the purpose of scientific research, to further the charity's objectives. These properties are held at fair value of £97.7m.

Properties held for the purpose of rental income are included in Investment property (Note 10).

The historical net book value of land and buildings is as follows:

	Group		Institute	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Historical net book value at 31 March 2024	<b>19,593</b>	21,259	<b>19,593</b>	21,259

#### 10 INVESTMENT PROPERTY

Group	Long term leasehold investment properties £'000
<i>Valuation</i>	
At 1 April 2023	<b>3,000</b>
Revaluation	(1,200)
At 31 March 2024	<b>1,800</b>
<b>Historical net book value</b> at 31 March 2024	-

The valuation of investment land and buildings leased by the Babraham Institute from the UKRI-BBSRC was carried out as at 31 March 2024 by Powis Hughes Limited, chartered surveyors and is based on the special assumption that the terms of lease to the Institute have been ignored and land and buildings are considered to be held as freehold. This valuation resulted in a decrease in valuation of £1,200k at the year end to £1.8m

Institute	Investment property £'000
<i>Valuation</i>	
At 1 April 2023	<b>3,000</b>
Revaluation	(1,200)
At 31 March 2024	<b>1,800</b>
<b>Historical net book value</b> at 31 March 2024	-

The Institute includes in its financial statements Investment Properties owned by third parties, which it occupies and enjoys through peppercorn leases, at their full value. The trustees consider that in substance, the risks and rewards of ownership of the assets have passed to the Group, and as such follow a policy of recognising the assets on the balance sheet to reflect the continuing occupancy of these assets for the foreseeable future. The Institutes' lease with its landlord (UKRI) was renewed on 31 July 2019 for a further 25 years, again at peppercorn rent.

Investment properties were revalued at 31 March 2024 by Powis Hughes Limited, chartered surveyors.

## THE BABRAHAM INSTITUTE

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

#### 11 FIXED ASSET INVESTMENTS

Trade investments represent listed and unlisted investments held by the trading subsidiary companies. Trade investments held by subsidiary companies are in both the UK and Europe.

Group	Trade Investments £'000
<b>Market Value</b>	
At 31 March 2023	2,251
Revaluation/Fair value adjustment	361
Impairment	(66)
<b>At 31 March 2024</b>	<b>2,546</b>

Further listed investments are held within Babraham Institute (the parent company) of £22,455k (see note 12). Overall, group investments total **£25,001k**.

Within the Institute, Group undertakings represent the Institute's shareholding of Babraham Institute Enterprise Limited and Babraham Research Campus Limited.

Institute	Group Undertakings £'000
<b>Cost</b>	
At 31 March 2023	6,676
<b>At 31 March 2024</b>	<b>6,676</b>

Further listed investments within Babraham Institute total £22,455k (see note 12). Institute investments (non-group) are **£29,131k**.

The results and assets of its subsidiaries shown for the period ended 31 March 2024 were:

	Babraham Research Campus Limited £'000	Babraham Institute Enterprise Limited £'000	Total £'000
Turnover	17,108	2,036	19,144
Profit/(loss) for the period after taxation	1,541	84	1,625
Non current assets	1,927	1,838	3,765
Current Assets	21,397	1,088	22,485
Current Liabilities	(7,073)	(550)	(7,623)
Net current assets	14,324	538	14,862
Non-current assets	2,522	-	2,522
Net assets	18,773	2,376	21,149

## THE BABRAHAM INSTITUTE

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

#### 11 FIXED ASSET INVESTMENTS (CONTINUED)

The Institute owns 75% of Babraham Research Campus Limited (Registered in England and Wales number 03241492 address Babraham Hall, Babraham, Cambridge, Cambridgeshire, CB22 3AT) and the UKRI-BBSRC owns the remaining 25%.

The Institute continues to own 100% of Babraham Institute Enterprise Limited (Registered in England and Wales number 06331858 address Babraham Hall, Babraham, Cambridge, Cambridgeshire, CB22 3AT); both companies are incorporated in England.

The Group's share of the net assets in the subsidiary undertakings shown above are consolidated in the financial statements.

Other shareholdings held by Babraham Institute Enterprise Limited are detailed below:

- 400 "C" ordinary £1 shares representing 40% of the issued share capital of Bioscience Partnership Limited. The company continues not to trade and therefore there is no movement during the year.

The results of Bioscience Partnership Limited are not consolidated on the grounds that they are immaterial in the context of group operations.

Minority interests represent 25% of BRCL held by UKRI-BBSRC.

Minority interest	2024 £'000	2023 £'000
At 1 April 2023	8,094	7,659
Share of result	385	435
<b>At 31 March 2024</b>	<b>8,479</b>	8,094

#### 12 FIXED ASSET INVESTMENTS

Listed Securities – Group and Institute	Medium Term	Long Term	2024 Total	2023 Total
<b>Market Value</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 April 2023	2,187	20,197	22,384	34,017
Additions	642	10,984	11,626	7,939
Disposals	(642)	(10,984)	(11,626)	(7,880)
Transfers/Withdrawals	-	(1,675)	(1,675)	(6,940)
Investment Income	4	36	40	314
Management Charges	(13)	(98)	(111)	(157)
Realised and unrealised gains and losses	110	1,707	1,817	1,389
<b>At 31 March 2024</b>	<b>2,288</b>	<b>20,167</b>	<b>22,455</b>	28,682
Historic cost of initial investment	2,108	18,230	20,338	23,973

Listed Securities represent investments held in medium term equity funds and longer-term fixed income instruments. The focus is on capital preservation and to avoid losses over the investment horizon, generating a return in excess of inflation over the long term whilst generating an income to support the ongoing activities of the Institute.

## THE BABRAHAM INSTITUTE

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

#### 12 FIXED ASSET INVESTMENTS (CONTINUED)

The investment portfolio includes investments which individually represent five percent or more of the total investments held. This is detailed below.

	Value £'000	Proportion of portfolio
Brown Advisory Funds US	2,613	11.6%
AAF Boston Common ABN Amro	1,795	8.0%
Ishares IV Plc MSCI USA	1,775	7.9%
Bluebay Funds Impact	1,671	7.4%
Wellington Management Fund (Ireland) Plc	1,560	6.9%
Brown Advisory Funds BA Global	1,470	6.5%
Impax Funds (Ireland) Environmental Leaders	1,373	6.1%

#### 13 STOCKS

	Group		Institute	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Raw materials, consumables and other stocks	<b>371</b>	337	<b>136</b>	146

#### 14 DEBTORS

	Group		Institute	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade debtors	<b>3,822</b>	3,259	<b>1,578</b>	826
Amounts owed by group undertakings	-	-	<b>1,061</b>	1,143
Grants receivable	<b>1,092</b>	1,430	<b>1,092</b>	1,430
Other debtors	<b>268</b>	2,870	<b>266</b>	360
Prepayments and accrued income	<b>2,213</b>	1,955	<b>1,114</b>	1,022
	<b>7,395</b>	9,514	<b>5,111</b>	4,781
<i>Amounts owed by subsidiary undertakings</i>				
Trade debtors	-	-	<b>684</b>	796
Other debtors	-	-	<b>377</b>	347
	-	-	<b>1,061</b>	1,143

## THE BABRAHAM INSTITUTE

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

#### 15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Institute	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Trade creditors	3,805	3,168	3,064	2,628
Amounts owed to group undertakings	-	-	743	382
Other creditors	3,722	3,343	697	643
Corporation tax	228	18	-	-
Other tax and social security	961	902	542	531
Grants in advance	3,363	3,659	1,898	2,432
EU co-ordinated programme partners	12	747	12	747
Accruals	1,443	1,472	812	1,058
	<b>13,534</b>	<b>13,309</b>	<b>7,768</b>	<b>8,421</b>
<i>Amounts owed to group undertakings</i>				
Babraham Research Campus Limited	-	-	703	348
Babraham Institute Enterprise Limited	-	-	40	34
	-	-	<b>743</b>	<b>382</b>

Reconciliation of movement in grants receivable and in advance:

	2024	2023
	£'000	£'000
Grants receivable/in advance at 1 April 2023	(3,659)	(2,090)
Additional grants – note 2	19,255	17,807
Released during year	(18,959)	(19,376)
<b>Grants receivable/in advance at 31 March 2024</b>	<b>(3,363)</b>	<b>(3,659)</b>

## THE BABRAHAM INSTITUTE

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

#### 16 DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Debtors falling due after more than one year of £2,522k (2023 : £183k) comprise deferred tax £297k and Other Debtors of £2,225k, analysed as follows ;

##### Deferred Tax

	Group		Institute	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
At 1 April 2023	183	253	-	-
Credited/(charged) to the statement of financial activities	114	(70)	-	-
<b>At 31 March 2024</b>	<b>297</b>	<b>183</b>	<b>-</b>	<b>-</b>

The provision for deferred tax is made up as follows:

	Group		Institute	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Short term timing differences - BIE	-	(83)	-	-
Fixed asset timing differences – BRCL	297	266	-	-
	<b>297</b>	<b>183</b>	<b>-</b>	<b>-</b>

##### Other Debtors

	Group		Institute	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Other Debtors	2,225	-	-	-
<b>At 31 March 2024</b>	<b>2,225</b>	<b>-</b>	<b>-</b>	<b>-</b>

A shareholder loan provided by BRCL to the joint venture with Biomed has been adjusted by £393k in present value due to the expected future repayment date of April 2028. Previously, the loan was recognised as repayable on demand, with no present value adjustment applied.

## THE BABRAHAM INSTITUTE

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

#### 17 FUNDS

The incoming funds for the Institute include restricted funds comprising the following unexpended balances of donations and grants to be applied for specific purposes.

	Restricted revenue funds £'000	Restricted capital funds and Revaluation reserve £'000	Unrestricted funds £'000	Minority Interests £'000	Total £'000
<b>Group</b>					
At 1 April 2023	5,759	121,543	20,878	8,094	156,274
Incoming resources	19,255	4,534	22,833	-	46,622
Expenditure, losses and taxation	(19,255)	-	(30,328)	-	(49,583)
Gain on investments	-	-	158	-	158
Transfers of funds	289	(7,038)	6,749	-	-
Gain on revaluations	-	4,898	361	-	5,259
Funds attributable to minority interests	-	(12)	(373)	385	-
<b>At 31 March 2024</b>	<b>6,048</b>	<b>123,925</b>	<b>20,278</b>	<b>8,479</b>	<b>158,730</b>
<b>Institute</b>					
At 1 April 2023	5,759	121,497	16,108	-	143,364
Incoming resources	19,743	4,534	8,365	-	32,642
Expenditure and losses	(19,743)	-	(17,586)	-	(37,329)
Transfers of funds	289	(7,038)	6,749	-	-
Revaluation Movement	-	4,898	-	-	4,898
Investment Losses	-	-	617	-	617
<b>At 31 March 2024</b>	<b>6,048</b>	<b>123,891</b>	<b>14,253</b>	<b>-</b>	<b>144,192</b>

The restricted revenue funds of £6,048k consist of:

- funds specifically held by the Institute for future minor building repairs of £118k
- UKRI-BBSRC Strategic grant funding and Knowledge Exchange funding of £665k
- UKRI-BBSRC Energy grant funding of £667k
- UKRI-BBSRC Sustainability funds of £4,598k

The restricted capital funds comprise:

- the assets gifted/let to the Institute from/by the UKRI-BBSRC and the revaluation of those assets, the revaluation of the subsidiary undertaking's leasehold land and related infrastructure and capital grants receivable. The expenditure movement is the depreciation on these assets.
- rebuild maintenance grants received from UKRI-BBSRC of total value of £5,068k (2023 £5,068k) are held within restricted capital funds.

As the grant requires these assets to be used for the purpose for which the grant was provided, they remain within restricted capital funds.

Details relating to the minority interest are included in note 11.

## THE BABRAHAM INSTITUTE

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

#### 17 FUNDS (CONTINUED)

The transfers of capital funds relate to the release of previously received capital income (held within Capital Reserves) against depreciated charges.

##### *Analysis of net assets between funds*

Fund balances at 31 March 2024 are represented by:

	Restricted revenue funds £'000	Restricted capital funds and Revaluation reserve funds £'000	Unrestricted funds £'000	2024 Total £'000	2023 Total £'000
<b>Group</b>					
Intangible fixed assets	-	-	353	<b>353</b>	254
Tangible fixed assets	-	110,543	867	<b>111,410</b>	108,987
Investment properties	-	1,800	-	<b>1,800</b>	3,000
Investments	6,561	11,582	6,858	<b>25,001</b>	24,635
Current and long-term assets	1,092	-	32,608	<b>33,700</b>	32,707
Total liabilities	(1,605)	-	(11,929)	<b>(13,534)</b>	(13,309)
 Total funds	 6,048	 123,925	 28,757	 <b>158,730</b>	 156,274
 Minority Interests	 -	 -	 (8,479)	 <b>(8,479)</b>	 (8,094)
 Total net assets	 <b>6,048</b>	 <b>123,925</b>	 <b>20,278</b>	 <b>150,251</b>	 148,180
 <b>Institute</b>					
Tangible fixed assets	-	110,540	-	<b>110,540</b>	108,087
Investment properties	-	1,800	-	<b>1,800</b>	3,000
Investments	6,561	11,551	11,019	<b>29,131</b>	29,060
Current assets	1,092	-	9,397	<b>10,489</b>	11,638
Total liabilities	(1,605)	-	(6,163)	<b>(7,768)</b>	(8,421)
 Total net assets	 <b>6,048</b>	 <b>123,891</b>	 <b>14,253</b>	 <b>144,192</b>	 143,364



## THE BABRAHAM INSTITUTE

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

#### 18 CAPITAL COMMITMENTS

Capital commitments at the end of the financial year for which no provision has been made:

	Group		Institute	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Contracted	<b>174</b>	1,132	<b>54</b>	1,132

The Institute and BRCL has entered into a number of operating leases for buildings, plant and machinery. The group's future minimum operating lease payments are as follows :

	BRCL		Institute	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Within one year	<b>1,200</b>	1,200	<b>12</b>	7
Within two to five years	<b>4,800</b>	4,800	<b>454</b>	428
	<b>6,000</b>	6,000	<b>466</b>	435

#### 19 PENSIONS

The Institute participates in the Research Council's pension scheme for employees previously employed under UKRI-BBSRC contracts. All Institute staff are now employed under local contracts, however staff previously contributing to the Research Council's pension scheme retained the right to continue contributing to this scheme. This is an unfunded multi-employer defined benefit scheme. Since any assets and liabilities of the scheme cannot be split between participating employers, the Institute's pension costs are accounted as for a defined contribution scheme, with costs charged to the income and expenditure account as incurred.

Contributions by all other Institute staff are made to a defined contribution pension scheme and charged to the income and expenditure account as incurred.

A defined contribution pension scheme is operated on behalf of the employees of the subsidiary undertakings. The assets are held separately from those of the Institute in an independently administered fund.

The pension charge represents contributions payable and amounted to:

	2024	2023
	£'000	£'000
Babraham Institute	<b>1,631</b>	1,591
Babraham Institute Enterprise Limited	<b>7</b>	13
Babraham Research Campus Limited	<b>349</b>	258
	<b>1,987</b>	1,862

The amount of pension contributions included within creditors at the year end was £262,768 (2023: £215,254).

**THE BABRAHAM INSTITUTE****NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024  
(CONTINUED)****20 FINANCIAL INSTRUMENTS**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Financial assets measured at amortised cost	<b>29,715</b>	30,757
Financial liabilities measured at amortised cost	<b>(9,931)</b>	(8,885)

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, other tax and social security creditors, bank loans and accruals.

**21 ANALYSIS OF CHANGES IN NET DEBT**

	<b>At 1 April 2023 £'000</b>	<b>Cash flows £'000</b>	<b>At 31 March 2024 £'000</b>
Cash and cash equivalents			
Cash	<b>22,673</b>	739	<b>23,412</b>

**22 RELATED PARTY TRANSACTIONS**

The Babraham Institute owns 75% of Babraham Research Campus Limited with UKRI-BBSRC owning the remaining 25% and owns 100% of Babraham Institute Enterprise Limited.

The value of transactions with Babraham Research Campus Limited and Babraham Institute Enterprise Limited for the reporting year and balances outstanding at the year-end are as follows:

	<b>Babraham Research Campus Ltd</b>		<b>Babraham Institute Enterprise Ltd</b>	
	<b>2024 £'000</b>	<b>2023 £'000</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
Income	<b>1,513</b>	1,344	<b>1,691</b>	1,749
Expenditure	<b>(1,883)</b>	(1,654)	<b>(114)</b>	(259)
Debtors at 31 March 2024				
Due within one year	<b>703</b>	636	<b>40</b>	507
Creditors at 31 March 2024	<b>(584)</b>	(348)	<b>(477)</b>	(34)

There are no debts at year end which are repayable on demand or incur interest charges.