

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

Annual Report and Financial Statements

Year Ended

31 March 2025

Company Number 03011737

Charity Number 1053902

THE BABRAHAM INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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THE BABRAHAM INSTITUTE**OFFICERS AND PROFESSIONAL ADVISERS**

TRUSTEES	Prof Dame Linda Partridge FRS (Chair) Mr Graham Allen 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	
MEMBERS	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
SECRETARY	Mr Simon Jones	
REGISTERED OFFICE	Babraham Institute Babraham Hall Babraham Cambridge CB22 3AT	
AUDITOR	Grant Thornton UK LLP 8 Finsbury Circus London EC2M 7EA	
BANKERS	Lloyds Bank Plc 4th Floor 25 Gresham Street London EC2V 7HN	
INTERNAL AUDITORS	RSM Risk Assurance Services LLP The Pinnacle 4 th Floor 100 Avebury Boulevard Milton Keynes Buckinghamshire MK9 1FH	
INVESTMENT BANK	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 2025

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 2025 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 2025. 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. The principal and registered offices for all companies within the group is : Babraham Hall, Babraham Research Campus, Babraham, Cambridgeshire, CB22 3AT.

PRINCIPAL ACTIVITY

The principal activity of the group and the charitable company, as set out in the Memorandum and Articles of Association, is undertaking fundamental research; the dissemination of the results of such research for public and economic 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-BBSRC.

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 manages consultancies of BI scientists and 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 2025

STRUCTURE, MANAGEMENT AND GOVERNANCE

BOARD OF TRUSTEES

Up to and including the year ended 31 March 2025, the Board of Trustees consisted of up to eleven 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 Dame Linda Partridge FRS
Mr Graham Allen
Dr James Briscoe FRS – resigned 12 March 2025
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 #

Denotes members of the Audit Committee as of 31 March 2025.

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 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.

THE BABRAHAM INSTITUTE

REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2025

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 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.

THE BABRAHAM INSTITUTE

REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2025

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

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. The Institute's Research Integrity Steering Group, established in 2020, oversees the policies, management systems and processes supporting research integrity at the Institute and aligns its research integrity practises with the principles and standards set out in the UK Research Integrity Office's Code of Practice for Research. We also follow UKRI's expectations of good research practices and conduct as set out in the UKRI Policy on the Governance of Good Research Practice.

This focused attention to research integrity matters will enable others to have confidence that our research is founded on rigour and excellence and is of the highest international quality. As part of the Institute's continuous reflection on ways of working and to provide assurance that we have robust responses to major strategic, financial and operational risks, we undertake a rotation of internal audits of key business areas.

A biennial research integrity (RI) assurance review assesses and ensures the Institute is achieving the standards set out in the Institute RI policy. It provides structure to RI processes and procedures and acts as a good self-check preparatory process for RI audits [by the Institute auditors (RSM)]. The review included two levels: corporate (overall Institute RI standards) compliance review and individual (sampled) research groups 'Good Research in Practice' (GRiP), looking at RI standards compliance 'in practice on the ground'. The 2023-2024 review report and action plan was approved by the Institute's Executive Committee (BEC) on 11th July 2024 and shared with the Audit Committee and Science and Impact Advisory Committee in the first instance, and will help provide assurance to staff, BEC, Trustees, and grant awarding bodies.

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 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 a 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. This collaborative working has been significantly enhanced by the creation of cross-institutional roles. Notably, members of the KEC team have engaged in cross-institutional roles, supported by a Royal Society Entrepreneur-in-Residence fellowship for 2024-2026.

Beyond the UKRI-BBSRC, the Institute is part of additional formal and informal networks. For grants running in 2024-2025 the Institute had collaborations with 66 organisations across 18 countries. 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.

THE BABRAHAM INSTITUTE

REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2025

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

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 61 research groups are now listed as members of the UK Proteostasis Network on the Network's website. A second Network meeting will be held in Dundee in June 2025 in partnership with the Autophagy UK network.

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 and was last updated in 2024.

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. Our researchers and staff place significant value on working with policymakers and policy organisations through discussion, evidence and debate. We also participate in broader discussions including animal welfare and the importance of the bioeconomy.

Dr Peter Rugg-Gunn, Group Leader and Head of Public Engagement at the Babraham Institute, was a member of the Working Group of experts that created the first ever UK guidelines for the generation and use of stem cell-based embryo models (SCBEM) in research (<https://www.babraham.ac.uk/news/2024/07/code-on-stem-cell-based-embryo-models-research>). The new SCBEM Code of Practice was published in July 2024, proposes clear guidance and oversight processes, to bring greater transparency and openness to the research and reassurance to the public.

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' (e4s) 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>).

BBSRC INSTITUTE ASSESSMENT EXERCISE

In 2023 the Babraham Institute undertook an Institute Assessment Exercise (IAE) for BBSRC. The IAE application set out what the Institute will deliver for the period 2024-2028 and the infrastructure needed to support that, to deliver our mission of securing health and maximising health span. The IAE application set out the workstreams 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 IAE concluded in December 2023 with BBSRC confirming £48M in strategic funding for the Institute's ISP programmes, CCG, and other initiatives. The funding for 2024-2028 supports the Institute to undertake three strategic programmes of work: Epigenetic control across the life course, Cellular responses to stress, and Immunity, resilience and repair. All three programmes have a strong focus on the mechanisms that drive ageing and will provide new insights into age-related disease that the Institute will progress with biotech, pharma and clinicians. 2025-2026 will see the IAE mid-term review take place, following which preparation for the Institute Assessment Exercise 2028 will commence.

THE BABRAHAM INSTITUTE

REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2025

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). Information on funding, research activities, scientific facilities and wider Institute programmes such as public engagement and commercialisation can be found in the Institute's biennial Overview reports. The 2023-2024 report is available online (www.babraham.ac.uk/our-research/annual-research-report).

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 below and a more detailed insight into the aims of each ISPG and research group can be found on the Institute's website.

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:

Strategic programme: Epigenetic control across the life course

Exploring the links between diet, metabolites and gene regulation to improve our understanding of mechanisms that maintain and support lifelong health.

- Aim 1: How changes in the balance of cellular metabolites affect epigenetic systems
- Aim 2: How epigenetic states are established and maintained
- Aim 3: How epigenetic states change over the life course

Research aims expanded at: (<https://www.babraham.ac.uk/our-research/epigenetics>)

Strategic programme: Immunity, resilience and repair

Advancing our understanding of the molecular and cellular basis of immunity to protect and improve health across the life course.

- Aim 1: Understanding the molecular and cellular basis of immunity
- Aim 2: Mechanisms of resilience and repair

Research aims expanded at: (<https://www.babraham.ac.uk/our-research/immunology>)

Strategic programme: Cellular responses to stress

Defining how cellular signalling pathways act together to coordinate cellular responses and how signalling mechanisms are affected by age.

- Aim 1: A new understanding of the cellular responses to stress and how this changes across the life course
- Aim 2: Identifying new strategies to sustain the health of ageing cells, tissues and organisms

Research aims expanded at: (<https://www.babraham.ac.uk/our-research/signalling>)

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.

THE BABRAHAM INSTITUTE

REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2025

INSTITUTE OBJECTIVES (CONTINUED)

SCIENTIFIC AIMS (CONTINUED)

Complementing ISPG funding there is a Campus Capability Grant (CCG) supporting the Institute and its core biological research facilities. This 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 Knowledge Exchange and Commercialisation (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.

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 May 2024, Professor Kai-Michael Toellner joined the Institute's Immunology programme as a senior group leader. Dr Len Stephens and Dr Phill Hawkins retired from the Signalling programme at the end of March 2025.

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. Grant success for 2024-2025 is detailed in later section: Achievements and Performance

The current balance of group leaders across research programmes (as of 1st April 2025) is shown below

Epigenetics research programme, hosting the strategic programme: Epigenetic control across the life course	Immunology research programme, hosting the strategic programme: Immunity, resilience and repair	Signalling research programme, hosting the strategic programme: Cellular responses to stress
3 tenured group leaders	2 tenured group leaders	5 tenured group leaders
4 tenure track group leaders	2 tenure track group leaders	4 tenure track group leaders
	2 associate group leaders	1 associate 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 BABRAHAM INSTITUTE

REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2025

INSTITUTE OBJECTIVES (CONTINUED)

SCIENTIFIC AIMS (CONTINUED)

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. The Institute continues to translate its research findings with 11 new consultancies, 24 new collaborations, 12 new patents and 10 innovation opportunities disclosed in 2024.

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.
- 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.

THE BABRAHAM INSTITUTE

REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2025

INSTITUTE REMIT (CONTINUED)

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), UKRI Strategy for 2022-2027: Transforming tomorrow together and the BBSRC Forward Look for UK Bioscience and which highlights 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.

ROADMAP FOR TEAM SCIENCE

A comprehensive Roadmap for Team Science was developed in 2024 with those many of the projects and actions outlined in it commencing over 2024-2025. The Roadmap for Team Science looks to embed team science at the Institute as well as focusing on the Institutes ways of working and how these can enable the Institute to achieve a stronger implementation of its strategy across the three ISPGs and the Institute as a whole.

The Roadmap was created based on agreed priorities, and themes, identified during a wide-ranging staff engagement project, undertaken in 2023-2024, the Institute Culture Consultation (ICC). This consultation involved stakeholder interviews, focus groups, online engagement and workshops seeking to identify the barriers and enablers hindering or supporting a positive research culture at the Institute, in alignment with the UKRI-BBSRC Institute Strategy. The ICC project and subsequent Roadmap for Team Science was shared as part of the BBSRC Connecting Research Culture Conference in March 2025, where the approach, outputs, and lessons learnt were shared with other BBSRC sister-institutes.

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 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: <https://www.babraham.ac.uk/our-research/research-integrity/annual-statement-on-research-integrity-2023>)

THE BABRAHAM INSTITUTE

REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2025

BABRAHAM GROUP BUSINESS OBJECTIVES (CONTINUED)

- 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

ENGAGEMENT WITH 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. The HR department commissioned a series of three employee engagement surveys (in collaboration with The Survey Initiative). The last of which was conducted in 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.

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.

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ENGAGEMENT WITH EMPLOYEES (CONTINUED)

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 12th and 13th September 2024 and two Institute-wide staff updates were presented on 24th April and 16th December, as well as an update event sharing the findings of the Institute Culture Consultation and launching the Institute's Roadmap for Team Science on 6th June 2024.

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 in October 2023 and re-awarded at the same platinum level in 2024 (<https://www.babraham.ac.uk/news/2024/12/platinum-green-impact-award-sustainability>) 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 in 2023 and 2024).

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 in line with the UKRI Environmental Sustainability Strategy.

The Institute plans to build on ongoing good practice to further progress equal opportunities. A highlight of the impacts delivered by the Institute's equity4success 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 across 2024-2025 in how to establish similar schemes and BI has given presentations on the programme.

In 2024, the Institute received a renewal of its Silver Athena Swan Award. Following a recent review, Athena SWAN status must now be renewed every five years. The 2024 award is the renewal of the Institute's Silver Athena SWAN award from 2015 and recognises that we have met the expanded criteria of the charter. The Babraham Institute's application built on the progress and achievements made since the Institute's original award in 2015. These include establishing a post-doctoral researcher mentoring scheme, appointing an Equality and Diversity Manager to oversee and coordinate the Institute's equality4success programme, and working to increase the visibility of women, especially at senior levels. The panel feedback highlighted the strong structures and support in place at the Institute to underpin and recognise gender equality work. Looking ahead to 2024-2029, the e4s programme will focus on four key priorities: career development, support for staff, workplace culture and addressing gender disparity in staff leaving academia. (<https://www.babraham.ac.uk/news/2024/12/institute-athena-swan-silver-award>)

The LGBTQ+ Network continued to meet across 2024-2025 to raise awareness and the profile of LGBTQ+ issues and staff in the workplace, help remove barriers to inclusion and ensure that there are visible role models at different levels of the organisation.

The Institute joined the Technician Commitment in 2019 to pledge action against the key challenges that affect our technical staff, 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. In July 2024, following stakeholder consultation, the Technician Commitment Steering Group submitted a detailed action plan for 2024-2027 (<https://www.babraham.ac.uk/sites/default/files/2024-08/Babraham-Institute-Technician-Commitment-Self-Assessment-and-Action-Plan-July-2024.pdf>). Ongoing projects in 2025 under the action plan include establishing transparent career progression pathways and support, improving robust data collection, technician commitment drop-in sessions and developing a series of internal technician commitment themed events.

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ENAGEMENT WITH EMPLOYEES (CONTINUED)

Progress is now being made towards meeting the objectives of the 2024-27 Action Plan, with the new 3-year plan led by Technician Commitment Steering Group Chair, Laura Durrant. (www.babraham.ac.uk/people/technician-commitment).

The third Animal Technician Conference was held at the Institute in October 2024, organised by members of the Institute's animal facility (Biological Support Unit). Successes for members of the cohort in winning external awards include: Two technical specialists shortlisted for the 2025 Papin Prize: Simon Andrews, Head of the Bioinformatics Team for his longstanding contributions to research and Rita Dapaah, Flow Cytometry Assistant, for her exceptional performance as an Early Career technical specialist. Dr Rachael Walker is shortlisted as a finalist for the 2025 Cambridge Independent Science and Technology Awards. Three technical specialists: Juliet Emery, Head of Science Technical Services; Laura Durrant, Genomics Specialist; and Megan Hamilton, Head of our Genomics facility, each completed the Herschel Programme for Women in Technical Leadership.

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. We continue to operate a Mental Health First Aider (MHFA) scheme (started 2020), training volunteers from across the Institute 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, 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 strive to update and improve our wellbeing offering to staff, running several wellbeing and mental health related webinars in 2024 as well as providing staff with monthly wellbeing themes and related resources. In 2024 we continued our annual calendar of wellbeing events with the addition of various talks and craft workshops run by staff. Access to onsite health 'MOTs' as well as cycle MOTs continued the successful collaborative relationship with the Green Labs strategic initiative.

Babraham Boost, the Institute's benefits platform, 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.

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. In line with government requirements, the Institute continues to publish its Gender Pay Gap figures annually: (<https://www.babraham.ac.uk/work-and-study/e4s/gender-pay-gap>).

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.

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REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2025

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

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 2024 (calendar year) the Institute’s scientists published a total of 79 (2022: 101, 2023: 96) full and refereed research and review articles in journals. Papers from the 2024-2025 year have already been cited 300 times.

A full bibliographic list of all scientific publications is available on our website (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 2024-2025, by funding source and the total awarded, are below:

	2024-2025		2023-2024		2022-2023		2021-2022	
	Number	£’000	Number	£’000	Number	£’000	Number	£’000
UKRI-BBSRC	3	1,363	7	1,349	3	1,218	3	1,154
UKRI-MRC	3	1,218	0	0	1	1,418	3	1,263
European Commission	1	192	3	2,124	4	3,383	2	243
Industry, levy boards	7	851	8	672	7	544	1	295
Trusts, foundations, charities, foreign governments	4	341	7	8,870	1	137	6	4,579
	18	3,965	25	13,015	16	6,700	15	7,534

The decrease in grants for 2024–25 stems from a shift in researcher activity during the previous year. In 2023, with researchers heavily focused on preparing for the Institute Assessment Exercise, this led to a reduced number of grant proposals being submitted. As is standard, grant income typically follows a one-year lag: proposals submitted in one financial year generate income in the next. Because fewer proposals were submitted in 2023, the impacts are seen in 2024–25 figures.

As in past years, identifying, applying for, and securing new external funding sources remains a high priority for the Institute. Notable successes this year highlight the Institute’s scientific strength and collaborative reach:

- LIPID MAPS Collaborative Grant (£1.3M, MRC):**
The Babraham Institute, in partnership with Cardiff University and the University of California San Diego, has secured a £1.3 million MRC grant to support the continued development of *LIPID MAPS*, the world’s largest curated lipid database. This resource plays a critical role in advancing our understanding of lipid biology and its involvement in diseases such as cardiovascular disease and dementia, underscoring the Institute’s contribution to international lipidomics research.
- Marie Skłodowska-Curie Postdoctoral Fellowship – Dr Teruhito Ishihara:**
Dr Teruhito Ishihara has been awarded a prestigious Marie Curie Fellowship to undertake research within the Epigenetics ISP, under the supervision of Professor Gavin Kelsey. His work will focus on epigenetic regulation and further reinforces the Institute’s commitment to fostering outstanding early career researchers.

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REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2025

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

New Grants (continued)

- Leverhulme Early Career Fellowship – Dr Irene Zorzan:**
Dr Irene Zorzan has been awarded a Leverhulme Early Career Fellowship, supporting her independent research and development as an emerging leader in her field.

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. The Institute is recognised nationally as a leader in scientific public engagement. Public Engagement is embedded within Institute research with a focus on two-way interactions between researchers and public groups to ensure that all parties benefit. The Institute’s Public Engagement Team supports a varied and dynamic programme to help researchers and staff engage with students, teachers, community groups, family and adult audiences. This support includes: delivering a core programme of engagement opportunities, providing training in public engagement, enabling researcher-led activities through provision of seed funding, providing specialist advice to maximise engagement and impact opportunities in external grant applications, and championing reward and recognition practices. The figures below highlight the Institute’s commitment to these activities.

Key metrics for public engagement activities at the Babraham Institute

	2024/54	2023/24	2022/23	2021/22
Visitors to site	361	285	394	0 ²
Outreach Events ¹	33	26	33	28
Total Public Audience Engaged	2,537	1,326	3,201	3,894
Proportion of audience being from areas of high deprivation	74%	63%	52%	26%
Website visits	208,027	202,243	159,425	127,222

¹Visits to schools, science festival exhibits, public lectures, panel sessions, public dialogue workshops, hosting community tours on campus, including online / digital formats.

²No visitors to site occurred during the 2020-22 period due to the Covid-19 Pandemic.

Strategic Focus on Underserved Audiences

The Institute engages local, national and international audiences with a focus on developing long-term relationships with communities that are traditionally underserved by science engagement programmes. Work in the sector to assess ‘science capital’ – a measure of a person’s access to and engagement with science – has shown that 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 typically been underserved by engagement programmes due to the tendency of higher education institutions to focus on areas close to Cambridge and other urban centres. In 2019 The Institute started taking steps to build foundation processes and relationships with audience groups to begin tackling the issue. Over the last year, we have continued to build on this work and have published a new strategy: (<https://www.babraham.ac.uk/sites/default/files/2025-04/Public-Engagement-Strategy-2024-2028-%286%29.pdf>) to focus our programmes to enable more equitable engagement with our research. This strategy has been positively received by stakeholders including BBSRC.

This strategy focuses on equitable access, with 74% of the 2024-2025 audience from high deprivation areas: a 20-fold increase in five years.

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ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

PUBLIC ENGAGEMENT (CONTINUED)

Developing relationships with schools and community groups identified via the Government's indices of multiple deprivation have been key to this impact. This measurable progress has been very rewarding and motivating for Institute staff and continues to drive support for impactful engagement.

Widening Access through Partnerships

We have also strengthened links with education sector partners, such as the Youth STEMM award, to allow for more measurable and greater impact of our work. 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 of 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 and the Institute.

To date, 30 undergraduate students have participated in the Research Access Programme. Of these, 13 have gone on to apply for PhDs, with others pursuing Master's degrees or careers in related sectors. Many of the students have cited the Programme as a key enabler of their next steps, with one student from last year saying: *"Before coming to the Babraham Institute, I had very limited knowledge and connections. Just establishing myself as someone breaking into the professional world has been really useful. I've enjoyed every minute."* This programme is continually evaluated and improved to ensure students are receiving the best support and experience possible and alumni are supported to assess long-term outcomes.

School Audiences

This year's schools' programme saw strong outcomes, notably the return of the Sixth Form Conference. 90 students, teachers, and parents engaged in talks and a poster/art showcase, themed around proteostasis to align with Signalling ISP research. Student work was later exhibited at the Cambridge Festival, sparking further conversations with the public.

The 'BioInspire' programme continues to grow, building deeper links with key schools and offering regular opportunities for student engagement. We sponsor students for the Youth STEMM Award, now recognised in UCAS applications. An expanded online BioInspire cohort of 30 students across the UK now participates in monthly sessions with Institute staff. Sixteen researchers across roles have facilitated discussions to date. These sustained relationships support our wider schools' events such as Schools' Day, where this year 50% of student attendees came from areas of higher deprivation.

Community Audiences

Community engagement has included hybrid online/in-person events, including on sensitive topics such as animal research. This year, our Science Spotlight series and the launch of a new 360° BSU virtual tour enabled the public to explore working practices and animal welfare in research. A new exhibit further explains how and why mice are used in research, with positive feedback reflecting greater public confidence.

Both initiatives were supported by our internal PE Seed Fund, which backs staff-led projects. These activities align with our openness about animal research and have contributed to reducing misconceptions.

We also expanded our regional presence through events like the Royal Norfolk Show and Peterborough STEM Festival, targeting audiences in areas of deprivation. The "Big Autophagy Obstacle Course," another Seed Fund-supported project developed by two PhD students, creatively engaged the public with signalling research and reached nearly 500 people at the STEM Festival. The students were awarded the Institute's annual PE Prize for their efforts.

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ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

PUBLIC ENGAGEMENT (CONTINUED)

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. We are also strengthening links with other BBSRC funded institutes through developing new collaborative engagement resources to enable the public to explore how Institute work fits into the wider bioscience sector at joint events across the country. 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 Knowledge Exchange and Commercialisation (KEC) programme is designed to enhance the dissemination, impact, and—where appropriate—the commercial application of the knowledge developed and held within the Institute. This approach reflects the understanding that such knowledge results from public investment, and the Institute is committed to ensuring that this investment delivers meaningful societal and economic benefits.

Key activities include providing training in emerging scientific techniques to fellow researchers through continuing professional development (CPD), as well as active collaboration with the biotechnology and pharmaceutical industries and other research institutions. The Institute also contributes its expertise to inform science policy and strategy, both domestically and internationally, engaging with policymakers and industry leaders.

Where relevant, the Institute pursues opportunities to translate its research into practical applications through commercialisation, supported by the strategic oversight and partnership of its wholly-owned trading subsidiary, Babraham Institute Enterprise (BIE). The Institute also works with industry and stakeholders to understand their challenges and respond effectively.

On the commercialisation front, the Amniotic Epithelium project under the name of 'AmnioCam' (led by Dr Aljona Kolmogorova and Dr Peter Rugg-Gunn) was successful in securing a place on the BBSRC ICUR programme and subsequently, recommended for spin-out. AmnioCam has now been accepted as part of the 2025 cohort of the Accelerate@Babraham programme operated by the Babraham Research Campus. More particularly, the appointment of Dr Alonja Kolmogorova was supported by the BBSRC Intervention Fund and was introduced as part of a new 'Entrepreneurship Lead' scheme aimed at offering postdoctoral researchers a dedicated secondment with the KEC team to lead a BI project and gain hands-on commercial experience.

The Institute's patent portfolio has grown to a set of 16 patent families over the last year, these have strong potential clinical value in diverse clinical fields including regenerative medicine, drug discovery, sequencing, high-efficiency cell reprogramming, cancer therapeutics, traumatic brain injury, MS, cognitive decline, wound repair and ophthalmology. These filings are being actively developed to fund spin-out opportunities or high-value licensing opportunities.

A new proof-of-concept fund named the "Innovation Catalyst Fund" was created to support the development and translation of BI science. Four projects have successfully secured funding totalling £147,000. These projects will enable target validation in the field of heathspan and age-related metabolic disorders, multiomics sequencing technology business planning/strategy and vaccine development.

A new Business Development Manager role was created in the KEC team to expand the commercial activities of BI scientific facilities and enhance attractiveness of the Campus, with the newly appointed staff member starting on 1st May 2025. The post is jointly funded by the Campus (40%) and BIE (60%).

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ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Knowledge Exchange and Commercialisation (KEC) (Continued)

On the knowledge exchange front, a FTMA grant in collaboration with Newcastle University was secured early 2024 providing support for a range of research collaborations, training opportunities, and knowledge exchange placements for Institute researchers and technicians. Under this grant, 14 short projects have so far been funded, supporting knowledge exchange across core facility management, commercialisation, grant management and research integrity fields and have initiated five collaborative research projects. The FTMA has further supported nine seminars and visits between Newcastle and BI teams,

including NU and BI visits by Group Leads, Facility Heads, Translational teams, and BI researcher participation in the inaugural meeting of the Newcastle Ageing SIG. 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.

A UKRI-BBSRC Industrial Doctoral Landscape Award (IDLA) grant was submitted in February 2025, in collaboration with BRCL, University of Cambridge, Wellcome Sanger, MRC-LMB, EMBL-EBI, AstraZeneca, Alloy Therapeutics, Illumina Inc, and Cambridge cluster science parks. Bringing together these industrial and academic collaborators highlighted the role of the Babraham Institute as a key partner for the South Cambridge Life Science cluster.

The range of Institute initiated Campus events continued to develop in 2024-2025 on diverse translational, professional career and academic themes. BI is working closely with the Campus on the 3-year BBSRC Babraham Campus Impact Acceleration Account (CIAA) grant's delivery (April 2023–2026), to facilitate Campus interactions, networks, collaborations, services and training opportunities. KEC team members are part of the CIAA panel. Four CIAA Institute-Company collaborations were awarded over the reporting period and a cell sorting course funded. The CIAA grant has additionally funded the creation of an Entrepreneurship and Career network, a Mentorship network for Campus and Institute staff. Campus Network meetings (Flow, Bioinformatics, Imaging, Technicians) have been organised during the reporting period. Four CTP students participated in the 2024 Accelerate@Babraham programme and seven BI researchers participated in individual entrepreneurship sessions supported by the CIAA focused on pitching/communication and leadership. In addition to these events, the KEC team have produced nine events over the year that have showcased Babraham Institute research, innovation and leadership to a range of commercial and academic audiences. An additional six showcases to individual biotech and pharma companies were carried out.

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. The KEC travel fund has supported eight RTPs, post-docs and PhD applicants in attending a range of conferences, raising visibility of BI science and providing cross-disciplinary and cross-sector networking opportunities. Two postdocs in Epigenetics were successful in securing places in the BBSRC ICURe Engage entrepreneurship programme. Five Babraham Institute EnterpriseTECH scholarships were awarded to BI PhD students, supporting their participation in the September 2024 cohort of the EnterpriseTech programme run by the University of Cambridge's Judge Business school.

The BIE Board has also been restructured with the appointment of senior executives Dr Iain Thomas, Dr Danielle Hoyle, Dr Laura Parton and Mr Matthew Wheeler as Non-executive Directors, bringing complementary skills in technology and preclinical/early clinical development, with backgrounds ranging from academic research, technology transfer/business development to biotech/pharma R&D. Dr Alan Watt was appointed chair of the BIE Board. In 2024-2025, Babraham Institute Enterprise Limited generated £1,244k (2023-2024: £2,036k) in revenues from the commercialisation of its assets and activities. Most of the revenues arise from commercialisation of the Institute's scientific facilities.

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REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2025

ENVIRONMENTAL SUSTAINABILITY AND STREAMLINE ENERGY AND CARBON REPORTING

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 has been secured this financial year.

2024/25 Streamlined Energy and Carbon Report (SECR) outcomes - Emissions Data

Greenhouse Gas Emissions		2024/25	2023/24	2022/23
Scope Emissions Indicators (tCO ₂ e)	Total Gross Emissions	5,522	6,019	5,597
	Total Net Emissions	5,522	6,019	5,597
	Gross Emissions Scope 1 (Fuel)	4,911	5,464	4,295
	Gross Emissions Scope 1 (Transport x 100)	328	285	312
	Total Scope 1 Emissions	5,239	5,749	4,606
	Gross Emissions Scope 2 (Electricity)	283	270	990
Related Energy Consumption (MWh)	Electricity: Non-Renewable	6,739,820	7,814,955	4,187,202
	Electricity: Renewable	1,381,623	1,315,586	5,121,870
	Transport	13,415	11,573	12,422
	Gas	26,901,633	29,932,343	23,527,186

Methodology

- The report covers the emissions for which the Institute has financial control, this was the boundary defined by the organisation.
- Utility data was collected for the past three financial years; 2022/23, 2023/24 and 2024/25 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.

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ENVIRONMENTAL SUSTAINABILITY AND STREAMLINE ENERGY AND CARBON REPORTING (CONTINUED)

- An Intensity Ratio of tCO₂e/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.

2024/25 and future years - Net Zero Carbon

As part of the Babraham Research Campus future 'Vision for Growth' strategy the 2040 Net Zero Carbon (NZC) target has been embedded into the joint stakeholder's commitment. The joint stakeholders UKRI-BBSRC, Babraham Institute (BI) and Babraham Research Campus Ltd (BRCL) have agreed via the vehicle of the Joint Stakeholders Programme Board to form a coordinated approach to the operational areas of the campus that come within the orbit of those stakeholders.

To this end UKRI-BBSRC, BRCL and BI have made significant investment in defining the approach to attaining operational NZC by 2040. This has come in the form of feasibility studies on the preferred approaches to Scope 1 and 2 emissions, renewables feasibility studies, but most significantly the initial commitments drawn into the Local Plan Call for Sites submission and the current ongoing outline planning application drawn-up Campus Master Plan.

The application documents contain the blueprint for both energy and operational sustainability for future growth and the overall operation of the campus. The financial commitment to these studies amounts to around £1.6m to date.

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.

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.

These objectives are, as stated above contained within the outline planning application that will lead on the future energy and operational sustainability for not only the Babraham Institute but the Babraham Campus.

GROUP ESTATE ACTIVITIES

The Babraham Research Campus (for which BRCL has the on-going development and management responsibility) maintains 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.

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

THE BABRAHAM INSTITUTE

REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2025

INSTITUTE FUTURE DEVELOPMENTS (CONTINUED)

conception onwards. With the core themes of resilience and proteostasis our goal of understanding mechanisms that promote health across the life course will benefit from the coalescence of expertise across our research programmes and facilities.

With the efforts of our Knowledge Exchange and Commercialisation team we have built a strong pipeline of entrepreneurship and commercial awareness and expect to see steady growth in activities related to research translation. In addition, the appointment of a Business Development Manager will expand commercial awareness of the Institute's facilities and inform future technology developments to meet the needs of academic and commercial researchers.

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. We welcomed a new senior group leader to the Immunology programme in September 2025.

Having created the UK Proteostasis Network we look forward to being an active supporter of the Network as it grows to connect proteostasis researchers across specialisms and kingdoms of life.

GROUP FUTURE DEVELOPMENTS

The venture between BRCL and Biomed Realty Inc (BMR), a US corporation which was announced in 2022, took delivery of a new 40,000 ft² 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 to both to the building, and the individual companies located in the property.

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.

This year has seen the completion of a comprehensive review and update of Institute Business Continuity Plans (BCPs) – both the overarching Institute plan and departmental plans - and their supporting documentation following 2024's BCP table-top exercise involving all lead members of the Crisis Management Team.

THE BABRAHAM INSTITUTE

REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2025

RISK MANAGEMENT (CONTINUED)

Risk Area	Description of Risk	Risk Management
Business Sustainability	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"> • 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. • Participating in a UKRI-BBSRC-wide Institute Financial sustainability agenda and Peer review process. • Review to ensure progress against ISPG, CCG and KEC objectives. • Capital Equipment Policy and Procedures in place to prioritise business cases for each UKRI-BBSRC capital equipment funding call. • Review and approve quality/science alignment of grants, and advising the grant applicant on how to strengthen proposals.
Reputational Maintenance	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"> • Effective Public Engagement strategy in place to raise Institute's profile. Events / conferences for the scientific community to raise the Institute's profile. • Scientific collaborations to raise the Institute's profile. • Showcasing the Institute through external communication mechanisms, including the website, social media, the science annual report and press engagement. • Biennial Research Integrity Assurance Review (including Lab notebook OneNote procedures). • Promotion of a good Research Integrity Culture through policies.
IT System Failure	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"> • Continual review of IT procedures, assessment of new risks as they develop and regular system upgrades to ensure systems are fit for purpose. • 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. • Multi-layered backup strategy in place. • 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. • Secure authentication strategy in place for all system and account access.
Business Continuity	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"> • 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. • A reciprocal agreement is in place to use facilities at the CRUK Cambridge Institute as an emergency centre. • Business Continuity Plan and Crisis Management Team is in place to provide a framework and table top exercises annually. • Commercial insurance in place to cover financial loss through business disruption.

THE BABRAHAM INSTITUTE

REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2025

RISK MANAGEMENT (CONTINUED)

Risk Area	Description of Risk	Risk Management
HR Management	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"> • Attractiveness of the Babraham Research Campus and good infrastructure such as provision, housing, parking, etc. • Competitive pay scheme and benefits including research support package. Benchmarking of pay and benefits with other organisations to ensure parity. • 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.

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 decreased from £159m to £156m, 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 a decrease in total funds from £144m to £140m. Restricted revenue funds decreased by £5,230k, Restricted Capital funds increased by £144k and Unrestricted Revenue funds increased by £946k totalling a decrease of £4,140k across all funds.

The Institute's surplus on unrestricted funds for the year of £946k compared to a deficit of £1,855k last year, with 2024/25 including a transfer of £4.5m from Restricted Revenue funds.

The operating deficit before investment gains, depreciation and transfers is £4,172k and £2,743k respectively for 2025 and 2024 – per the table below ;

	2025 £'000	2024 £'000
Operating Deficit before Investment gains/losses, depreciation and transfers	(4,172)	(2,743)
Depreciation	(7,732)	(6,842)
Loss on disposal of fixed assets	(252)	-
Transfers from capital and revaluation reserves	8,067	7,038
Transfers from restricted revenue reserves	4,598	-
Fair Value adjustment to investment properties	-	(1,200)
Investment Income (dividends and interest)	91	75
Investment gains - realised and unrealised	346	1,817
Surplus/(Deficit) for year – unrestricted funds	946	(1,855)

THE BABRAHAM INSTITUTE

REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2025

FINANCIAL REVIEW CONTINUED

The movement on operating results from £2,743k deficit to £4,172k deficit mainly relates to increases in salary costs in the year (£618k) and a fall in rental and facility income (£935k). Other income and costs remain comparable to the previous year.

Annual revaluations within the Institute (£3,059k) 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 £5,151k of capital funding was received (2024: 4,534k).

The Institute continues to maximise its returns on funds by holding investments managed by Royal Bank of Canada (RBC). This allowed the Institute to benefit from investment income of £91k in the year (2024: £75k), together with unrealised gains of £346k (2024 : £1,871k) on investments held.

The Institute has appointed RBC to be its investment manager to implement the specific treasury management actions that will be required to apply the overall Treasury Management Policy.

The Treasury Management Policy within the Institute is reviewed annually, with the aim of the policy being to ensure ;

- that adequate short term liquid funds are always available to the Institute in order to meet all cash requirements as they fall due.
- that flexible, competitively priced funding is available to the Institute at all times should unexpected cash needs arise so as to avoid breaking any long-term investments.
- the most competitive return on surplus cash resources within an agreed risk profile.
- all financial risks are identified and managed, including interest rate, credit and exchange rate risks arising from operating activities.

Regarding environmental, social, and governance (ESG) factors, the investment policy adopts investment strategies which seek to minimise and ideally eliminate irresponsible corporate behaviour and also reflects on the key challenges of climate change. The Institutes appointed investment managers that will be accountable to the Institute in terms of financial performance and adherence to commitments made on issues of social responsibility and sustainability.

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 £465k (2024: £1,541k). The reduction in profitability compared with the prior year primarily reflects the costs incurred on refurbishment projects undertaken across certain buildings during the year, together with voids in rental space, which has impacted rental and service charge income and landlord void rates costs.

Gift aid of £383k (2024 : nil) was paid to the Babraham Institute.

BABRAHAM INSTITUTE ENTERPRISE LIMITED (BIE)

Babraham Institute Enterprise Limited made a profit after tax of £270k (2024: profit £618k). Operating results (before depreciation, amortisation and investments gains) are £222k profit for 2024/25 and £209k profit for 2023/24. Turnover (including licencing income) for the year of £1,247k compared to £2,036k for the previous year, a decrease of £789k, due to a reduction in income from science facility use to commercial customers. This decrease in activity also led to lower costs of £711k in the year, and these movements account for the change in operating results.

Gift aid of £200k (2024: £534k) was paid in the year to Babraham Institute, the higher gift aid value in 2024 being gift aid for 2022/23 and 2023/24 paid in one year.

THE BABRAHAM INSTITUTE

REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2025

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 free reserves of £19m, covering 3 months working capital and any other financial obligations should the business cease to operate. At 31 March 2025, total reserves (excluding Minority Interests) were £146M (2024: 158M) – analysed below ;

	2025	2024
	£’000	£’000
Unrestricted Revenue Reserves	21,515	20,278
Restricted Revenue Reserves	818	6,048
Restricted Capital Reserves	45,873	46,729
Revaluation Reserve	78,188	77,196

The Trustees are satisfied that there are sufficient free reserves (£19.8m) to provide the necessary funds to mitigate financial risks associated with operational and capital expenditure identified in the Risk Register. Free reserves (as compared to unrestricted reserves of £21.5m) excludes less liquid assets (fixed assets, stock etc) which cannot be readily converted to cash.

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 remain the largest single component of group expenditure £19.9m (2024: £19.1m), followed by repairs and maintenance costs £6.8m (2024: £4.3m), energy costs £5.5m (2024 : £4.9m), consumables (laboratory and general) £4.1m (2024: £4.1m) and rent, rates and insurance £2.8m (2024: £2.5m).

Total expenditure for the year of £55.1m compares to £49.5m in 2023-24 an increase of £5.6m. Increases in repairs and maintenance (£2.6m), depreciation charges (£1.0m), salary costs (£0.8m), fuel charges (£0.6m) and loss on disposal of fixed assets (£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. The current funding model is not sufficient to meet costs, and the institute is expecting net cash outflows for the going concern period. To this extent, a release of BBSRC restricted revenue funds (£500k) will also form part of future years funding. As part of the quinquennial Institute Assessment Exercise (IAE), completed in 2023/24, funding has now been confirmed for 2024/25 and 2025/26 and provisional funding allocations set for the next two years to 2027/28 at £11.5m per annum. As part of financial forecasting, a base case scenario in regard to both income and expenditure which continued to show a steady decline in cash/investments, has been forecast up to 12 months from signing to 31 December 2026.

THE BABRAHAM INSTITUTE**REPORT OF THE TRUSTEES (INC THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2025**

GOING CONCERN (CONTINUED)

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 (£5.1m in 2024/25) and indicates that the Institute remains a key strategic organisation within the wider UKRI-BBSRC research community. The Institute continues to review its operating costs, with a restructuring process underway which will lead to a reduction in operating costs in 2025/26. This focus on long-term financial sustainability remains, with additional planned future cost savings in 2026/27.

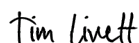
Given that ;

- the Institute has now received indicative funding for the next three years from UKRI-BBSRC to 2027/28
- the Institute does not envisage any issues with UKRI-BBSRC Strategic funding in this four-year period (2024/25 to 2027/28)
- UKRI-BBSRC have provided additional support by way of an energy grant for 2025/26 of £900k
- UKRI-BBSRC funding assurance reviews regarding financial management are positive
- the Institute will continue to review its cost base with a view to restructure and reduce operating costs, with Trustees identifying actions to mitigate existing and future cost pressures which risk going concern

Therefore, the Trustees believe that a combination of confirmed grant funding and commercial income, existing available free cash and investment reserves held by the Institute and its subsidiaries, provide assurance that the group can continue to fulfil its mission and objectives.

Accordingly, after making appropriate enquiries and reviewing the going concern scenario, 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



Mr T Livett

Chairman of the Audit Committee, Trustee and Member

Date: 18/12/2025

THE BABRAHAM INSTITUTE

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

OPINION

We have audited the financial statements of The Babraham Institute (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended **31 March 2025**, which comprise **the Consolidated Statement of Financial Activities – incorporating the Income and Expenditure Account, Balance Sheets, 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 2025** and of the group's incoming resources and application of resources including, **its** income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice 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 increased inflation in recent years, real term reduction in funding levels from Government agencies for life science research, and difficulties in attracting and retaining campus tenants**, 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 other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 **Annual Report** 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 **Annual Report** has 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 **Annual Report**.

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; FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, Charities SORP, Companies Act 2006, and applicable Tax legislation;
- 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 Annual 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. 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.

**Stephen Dean**

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London

Date: 18/12/2025

THE BABRAHAM INSTITUTE

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - INCORPORATING THE CONSOLIDATED
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2025**

	Note	Restricted revenue funds £'000	Restricted capital funds £'000	Un- restricted funds £'000	2025 Total funds £'000	2024 Total funds £'000
Income from:						
Charitable activities		19,378	5,151	4,329	28,858	28,837
Trading activities		-	-	17,886	17,886	17,441
Investment income		-	-	756	756	344
Total income	2	19,378	5,151	22,971	47,500	46,622
Expenditure on:						
Charitable activities		(19,378)	-	(18,347)	(37,725)	(35,550)
Raising funds		-	-	(17,275)	(17,275)	(13,405)
Taxation	7	-	-	(113)	(113)	(628)
Total expenditure	3	(19,378)	-	(35,735)	(55,113)	(49,583)
Profit on investments	11,12,16	-	-	717	717	158
Net income/(expenditure)		-	5,151	(12,047)	(6,896)	(2,803)
Net income/(expenditure) for the year is attributable to:						
The parent undertaking		-	5,151	(12,060)	(6,909)	(3,188)
Minority interest		-	-	13	13	385
		-	5,151	(12,047)	(6,896)	(2,803)
Transfers						
Release of capital funds/transfers	17	(5,230)	(8,067)	13,297	-	-
Other recognised gains and losses						
Gain on revaluations of tangible fixed assets	9	-	3,060	-	3,060	5,259
Other recognised gains for the year is attributable to:						
The parent undertaking		-	3,060	-	-	5,259
Minority interest		-	-	-	-	-
		-	3,060	-	3,060	5,259
Movement in funds attributable minority interests	11	-	(8)	(13)	(21)	(385)
Net movement in funds		(5,230)	136	1,237	(3,857)	2,071
Balances brought forward	17	6,048	123,925	20,278	150,251	148,180
Balances carried forward at 31 March 2025	17	818	124,061	21,515	146,394	150,251

All amounts relate to continuing activities. All recognised gains and losses are included in the consolidated statement of financial activities. The notes on pages 35 to 59 form part of these financial statements.

THE BABRAHAM INSTITUTE

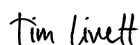
REGISTERED NUMBER: 03011737

BALANCE SHEETS AT 31 MARCH 2025

	Note	Group 2025 £'000	2024 £'000	Institute 2025 £'000	2024 £'000
Fixed assets					
Intangible assets	8	379	353	-	-
Tangible assets	9	113,674	111,410	112,662	110,540
Investment properties	10	-	1,800	-	1,800
Investments	11,12	22,338	25,001	26,374	29,131
		136,391	138,564	139,036	141,471
Current assets					
Stocks	13	352	371	130	136
Debtors	14	6,830	7,395	4,053	5,111
Cash at bank and in hand	21	20,215	23,412	2,254	5,242
		27,397	31,178	6,437	10,489
Creditors: amounts falling due within one year	15	(11,582)	(13,534)	(5,421)	(7,768)
Net current assets		15,815	17,644	1,016	2,721
Total assets less current liabilities		152,206	156,208	140,052	144,192
Debtors: amounts falling due after more than one year	16	2,688	2,522	-	-
Net assets		154,894	158,730	140,052	144,192
Funds					
Restricted capital fund		45,873	46,729	45,847	46,695
Revaluation Reserve		78,188	77,196	78,188	77,196
	17	124,061	123,925	124,035	123,891
Unrestricted funds	17	21,515	20,278	15,199	14,253
Restricted revenue fund	17	818	6,048	818	6,048
		146,394	150,251	140,052	144,192
Minority Interests	11	8,500	8,479	-	-
		154,894	158,730	140,052	144,192

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 18/12/2025



Mr T Livett

Chairman of the Audit Committee, Trustee and Member

The notes on pages 35 to 59 form part of these financial statements.

THE BABRAHAM INSTITUTE

CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £'000	2024 £'000
Cash flows from operating activities			
Net Income/Expenditure		(6,896)	(2,803)
<u>Adjusted for</u>			
Depreciation charges	9	8,154	7,177
Amortisation of intangible assets	8	40	29
Profit on disposal of fixed assets		525	(10)
(Reversal)/Impairment of investments	11	(32)	1,659
Capital grants received	2	(5,151)	(4,534)
Tax charge	7	113	(628)
Interest received	2	(756)	(344)
Decrease/(Increase) in stocks	13	19	(34)
Decrease/(Increase) in debtors	14	1,232	(499)
(Decrease)/Increase in creditors	15	(1,724)	15
Tax (paid)/recovered		(1,004)	725
<i>Net cash (used)/provided by operating activities</i>		(5,480)	753
Cash flows from investing activities			
Interest and investment income received	2	756	344
Payments to acquire intangible fixed assets	8	(88)	(128)
Payments to acquire tangible fixed assets	9	(5,843)	(4,712)
Payments to acquire investments (net of fees)	12	(12,971)	(11,515)
Receipts from sale of tangible fixed assets		34	20
Receipts from sale of investments		12,186	9,768
Cash funds withdrawn from investments held	12	3,058	1,675
Capital grants received	2	5,151	4,534
<i>Net cash provided/(used) by investing activities</i>		2,283	(14)
Change in cash and cash equivalents in the reporting period		(3,197)	739
Cash and cash equivalents at the beginning of the reporting period		23,412	22,673
Cash and cash equivalents at the end of the reporting period		20,215	23,412

The net debt reconciliation is shown in Note 21.

The notes on pages 35 to 59 form part of these financial statements.

THE BABRAHAM INSTITUTE

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (CONTINUED)

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. The current funding model is not sufficient to meet costs, and the institute is expecting net cash outflows for the going concern period. To this extent, a release of BBSRC restricted revenue funds (£500k) will also form part of future years funding. As part of the quinquennial Institute Assessment Exercise (IAE), completed in 2023/24, funding has now been confirmed for 2024/25 and 2025/26 and provisional funding allocations set for the next two years to 2027/28 at £11.5m per annum. As part of financial forecasting, a base case scenario in regard to both income and expenditure which continued to show a steady decline in cash/investments, has been forecast up to 12 months from signing to 31 December 2026. 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 (£5.1m in 2024/25) and indicates that the Institute remains a key strategic organisation within the wider UKRI-BBSRC research community. The Institute continues to review its operating costs, with a restructuring process underway which will lead to a reduction in operating costs in 2025/26. This focus on long-term financial sustainability remains, with additional planned future cost savings in 2026/27.

Given that ;

- the Institute has now received indicative funding for the next three years from UKRI-BBSRC to 2027/28
- the Institute does not envisage any issues with UKRI-BBSRC Strategic funding in this four-year period (2024/25 to 2027/28)
- UKRI-BBSRC have provided additional support by way of an energy grant for 2025/26 of £900k
- UKRI-BBSRC funding assurance reviews regarding financial management are positive
- the Institute will continue to review its cost base with a view to restructure and reduce operating costs, with Trustees identifying actions to mitigate existing and future cost pressures which risk going concern

Therefore, the Trustees believe that a combination of confirmed grant funding and commercial income, existing available free cash and investment reserves held by the Institute and its subsidiaries, provide assurance that the group can continue to fulfil its mission and objectives.

Accordingly, after making appropriate enquiries and reviewing the going concern scenario, 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 2025 (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 2025 (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 2025 (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 2025 (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 Redundancy costs

A liability is recognised for redundancy where the charity is demonstrably committed to terminating the employment of an employee. Redundancy payments are charged to the Statement of Financial Activities as incurred or at an estimated value at the reporting date.

Redundancy payments for employees who remain on UKRI- BBSRC contracts are outlined in the Civil Service Compensation Scheme Terms and approved by Joint Superannuation Services (JSS) who administer the scheme on behalf of the charity.

All other Institute staff (non UKRI-BBSRC) and those employed by the subsidiary undertakings (BRCL and BIE) are calculated in accordance with statutory provisions.

1.19 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.

1.20 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.

1.21 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.

THE BABRAHAM INSTITUTE

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

1.21 Fixed Assets Investments (excluding properties) continued

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.

1.22 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.

1.23 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.

1.24 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.

1.25 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.

1.26 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 as determined by a professional valuer 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 with regard to year end reports from Royal Bank of Canada - in line with the accounting policy 1.21 above. The carrying value, and valuation movements, are included in Note 11.
- Investments are held at fair value in line with the accounting policy 1.22 above. The carrying value, and valuation movements are based on stockbroker reports and/or other publicly available information, 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 and in accordance with continuing long-term occupancy. The carrying value, and valuation movements, are included in Note 9 and 10 as determined by a professional valuer.

THE BABRAHAM INSTITUTE

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
(CONTINUED)

2 ANALYSIS OF INCOMING RESOURCES

	Restricted revenue funds £'000	Restricted capital funds £'000	Unrestricted funds £'000	2025 Total £'000	2024 Total £'000
Trading activities:					
Grant Income	-	-	1,550	1,550	1,028
Goods and services	-	-	5,491	5,491	5,448
Rent	-	-	10,845	10,845	10,965
	-	-	17,886	17,886	17,441
Investment income:					
Bank interest and dividends receivable	-	-	732	732	318
Royalty/licence income	-	-	24	24	26
	-	-	756	756	344
Charitable activities:					
Grants and Donations UKRI-BBSRC					
- Competitive strategic grant	11,601	5,151	-	16,752	16,135
- Minor works	833	-	-	833	813
- Other grants	476	-	-	476	1,368
Competitive project grants	1,984	-	-	1,984	1,168
Medical Research Council	750	-	-	750	1,052
University Links	103	-	-	103	168
European Union	1,071	-	-	1,071	1,040
Industry, levy boards	715	-	-	715	180
Trusts, foundations, charities	1,845	-	-	1,845	1,865
Goods and services	-	-	2,757	2,757	3,145
Rent	-	-	1,572	1,572	1,903
	19,378	5,151	4,329	28,858	28,837
Total income	19,378	5,151	22,971	47,500	46,622
Total Income 2024	19,255	4,534	22,833	46,622	

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:

	2025 £'000	2024 £'000
UK	46,315	45,301
Europe	1,126	1,213
Rest of World	59	108
	47,500	46,622

THE BABRAHAM INSTITUTE

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (CONTINUED)

3 ANALYSIS OF CHARITABLE RESOURCES EXPENDED

	Allocation basis	Scientific Research £'000	Governance £'000	Total 2025 £'000	Total 2024 £'000
Staff costs	Direct	7,465	147	7,612	7,017
Laboratory supplies	Direct	1,891	-	1,891	2,040
Travel and subsistence	Direct	300	8	308	172
Equipment and hire charges	Direct	45	-	45	39
Computing costs	Direct	-	-	-	3
Library	Direct	20	-	20	62
Legal & professional charges	Direct	31	198	229	216
Recruitment	Direct	9	-	9	12
Training	Direct	3	-	3	3
Other costs	Direct	389	-	389	231
Scientific services support costs	Use of resource	27,219	-	27,219	25,755
Total Charitable costs		37,372	353	37,725	35,550
Total Charitable costs 2024		35,199	351		
Commercial trading operation costs				17,275	13,405
Taxation (note 7)				113	628
Total Group costs				55,113	49,583

Restricted expenditure included in the above is £19,378k (2024: £19,255k). All other expenditure is unrestricted.

THE BABRAHAM INSTITUTE

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (CONTINUED)

3 ANALYSIS OF CHARITABLE RESOURCES EXPENDED (CONTINUED)

Analysis of scientific services support costs for charitable purposes

	Administration £'000	Estates £'000	Technical Services £'000	Total 2025 £'000	Total 2024 £'000
Staff costs	3,593	1,208	4,115	8,916	8,882
Travel and subsistence	99	1	61	161	177
Repairs and minor works	30	1,613	853	2,496	1,729
Rent and rates	792	139	-	931	844
Fuel and water charges	185	1,964	-	2,149	1,984
Equipment and hire charges	119	21	47	187	291
Depreciation	7,732	-	-	7,732	6,842
Minor works	-	4	15	19	818
Waste disposal	-	4	-	4	7
Computing costs	165	17	387	569	516
Legal and professional charges	117	93	41	251	312
Recruitment	10	-	-	10	16
Training	155	-	8	163	119
Library	37	-	228	265	247
Food purchases	49	-	-	49	56
Bad debts	-	-	-	-	3
Loss on disposal of fixed assets	252	-	-	252	-
Other costs	946	876	1,243	3,065	2,912
	14,281	5,940	6,998	27,219	25,755
Total Support Costs 2024	12,864	5,322	7,569		25,755

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

	2025 £'000	2024 £'000
Staff costs	147	140
Travel and subsistence	8	11
Legal and professional charges	198	200
	353	351

THE BABRAHAM INSTITUTE**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
(CONTINUED)****4 INCOMING RESOURCES AND RESOURCES EXPENDED**

	Group		Institute	
	2025	2024	2025	2024
	£'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	77	75	77	75
Amounts payable to auditors in respect of audit services to subsidiary undertakings	43	43	-	-
Amounts payable to auditors in respect of non-audit services*	16	10	6	5
Net loss/(gain) on foreign currency translations	6	(40)	6	(40)
Depreciation	8,154	7,177	7,732	6,842
Amortisation of intangible fixed assets	40	29	-	-
Profit/(loss) on disposal - fixed assets	525	(10)	252	-
Operating lease payments in respect of:				
- land and buildings	1,980	1,913	780	713
- other leases	20	12	20	12

* 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	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Wages and salaries	16,304	15,708	13,559	13,073
Social security costs	1,560	1,485	1,269	1,205
Other pension costs	2,083	1,987	1,700	1,631
	19,947	19,180	16,528	15,909

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

	2025	2024
	No	No
Charitable activities	106	102
Support activities	196	196
Commercial operations	59	58
	361	356

Redundancy costs (included in wages and salary costs) during the year totalled £61k (2024: £240k). Redundancy costs relate to staff on external grants, where the grant finishes and staff are not transferred to other Institute employment. 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 2025
(CONTINUED)

5 EMPLOYEES (CONTINUED)

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

	Group		Institute	
	2025	2024	2025	2024
	No	No	No	No
£ 60,000 - £ 69,999	19	17	19	15
£ 70,000 - £ 79,999	10	11	9	10
£ 80,000 - £ 89,999	9	4	9	3
£ 90,000 - £ 99,999	1	2	-	1
£100,000 - £109,999	1	2	1	1
£110,000 - £119,999	-	1	-	1
£120,000 - £129,999	2	2	1	1
£130,000 - £139,999	3	2	3	2
£150,000 - £159,999	1	-	-	-
£160,000 - £169,999	1	1	1	1
£170,000 - £179,999	1	1	-	-
	48	43	43	35

Within the Institute, the number of staff earning over £60,000 for whom retirement benefits are accruing under defined contribution schemes amount to 31 (2024: 21) and the amounts paid in the year were £268,261 (2024: £181,382).

The number of staff earning over £60,000 for whom retirement benefits are accruing under the RCUK pension scheme amount to 12 (2024: 14) and the amounts paid in the year were £298,771 (2024: £317,718).

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 11 (2024: 14) Trustees in respect of travelling costs totalled £8,100 (2024: £10,674).

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 £1,087k (2024: £1,033k). There were no other transactions with key management personnel during the year (2024: none).

THE BABRAHAM INSTITUTE

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (CONTINUED)

7 TAXATION

	Group		Institute	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Corporation tax				
Current tax on profits for the year – BRCL	209	738	-	-
Tax Relief in respect of gift aid – BRCL	(96)	-	-	-
Current tax on profits for the year - BIE	-	4	-	-
Total Current Tax	113	742	-	-
Deferred tax				
Origination/reversal of timing differences – BRCL	-	(28)	-	-
Origination/reversal of timing differences – BIE	-	(86)	-	-
Total taxation on profits for the year	113	628	-	-

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 (2024: lower) than the standard rate of corporation tax in the UK of 25% (2024: 25%). The tax differences shown below refer to the trading subsidiaries, Babraham Research Campus Limited and Babraham Institute Enterprise Limited :

	Group	
	2025	2024
	£'000	£'000
Surplus on ordinary activities before tax as shown in the accounts of the trading subsidiary - BRCL	769	2,643
Surplus on ordinary activities before tax as shown in the accounts of the trading subsidiary - BIE	469	536
Surplus on ordinary activities multiplied by the standard rate of corporation tax at 25% (2024: 25%).	309	795
<i>Effects of:</i>		
Expenses not deductible for tax purposes	(21)	49
Income not taxable for tax purpose (investment gains)	-	(82)
Exempt ABGH distributions	(26)	-
Other permanent differences	37	-
Amounts relating to other comprehensive income or otherwise transferred	(50)	-
Other differences leading to an increase/(decrease) in tax charge	(40)	-
Tax relief on gift aid payment	(96)	(134)
Total taxation on profits for the year	113	628

THE BABRAHAM INSTITUTE**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
(CONTINUED)**

8 INTANGIBLE ASSETS

Group	Intellectual Property £'000
<i>Cost</i>	
At 1 April 2024	447
Additions	88
Disposals	(25)
At 31 March 2025	510
<i>Amortisation</i>	
At 1 April 2024	94
Provided for the year	40
On Disposals	(3)
At 31 March 2025	131
<i>Net book value</i>	
31 March 2025	379
31 March 2024	353

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 2025 (CONTINUED)

9 TANGIBLE ASSETS

Group	Short leasehold land and buildings £'000	Fixtures and Equipment £'000	Total £'000
<i>Cost or valuation</i>			
At 31 March 2024	97,714	40,863	138,577
Additions	-	5,843	5,843
Revaluation	(513)	-	(513)
Disposals	-	(2,270)	(2,270)
Transfer from Investment Properties	1,800	-	1,800
At 31 March 2025	99,001	44,436	143,437
<i>Depreciation</i>			
At 31 March 2024	-	27,167	27,167
Provided for the year	3,573	4,581	8,154
Disposals	-	(1,985)	(1,985)
Revaluations	(3,573)	-	(3,573)
At 31 March 2025	-	29,763	29,763
<i>Net book value</i>			
At 31 March 2025	99,001	14,673	113,674
At 31 March 2024	97,714	13,696	111,410

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 £99m. 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 £99.0m.

Babraham Institute land and buildings were valued as at 31 March 2025 by Radice Surveyors, 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 £3,060k at the year end.

THE BABRAHAM INSTITUTE**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
(CONTINUED)****9 TANGIBLE ASSETS (CONTINUED)**

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

Institute	Short leasehold land and buildings £'000	Fixtures and equipment £'000	Total £'000
<i>Cost or valuation</i>			
At 31 March 2024	97,714	36,430	134,144
Additions	-	5,279	5,279
Revaluations	(513)	-	(513)
Disposals	-	(2,226)	(2,226)
Transfer from Investment Properties	1,800	-	1,800
At 31 March 2025	99,001	39,483	138,484
<i>Depreciation</i>			
At 31 March 2024	-	23,604	23,604
Provided for the year	3,573	4,159	7,732
Disposals	-	(1,941)	(1,941)
Revaluations	(3,573)	-	(3,573)
At 31 March 2025	-	25,822	25,822
<i>Net book value</i>			
At 31 March 2025	99,001	13,661	112,662
At 31 March 2024	97,714	12,826	110,540

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 2025 (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 £99.0m.

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	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Historical net book value at 31 March 2025	18,086	19,593	18,086	19,593

10 INVESTMENT PROPERTY

Group	Long term leasehold investment properties £'000
<i>Valuation</i>	
At 1 April 2024	1,800
Revaluation	-
Transfer to land and buildings	(1,800)
At 31 March 2025	-
Historical net book value at 31 March 2025	-

Investment properties within Babraham Institute became vacant during 2024-25 and use of the buildings reverted back to the Institute. As such, the value of investment properties has been transferred to general land and buildings prior to any revaluation. Any change in valuation at year end has now been recognised through revaluation reserves.

Institute	Investment property £'000
<i>Valuation</i>	
At 1 April 2024	1,800
Revaluation	-
Transfer to land and buildings	(1,800)
At 31 March 2025	-
Historical net book value at 31 March 2025	-

THE BABRAHAM INSTITUTE

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (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
Market Value	
At 31 March 2024	2,546
Disposals	(250)
Gains on investments	312
Impairment reversal	32
At 31 March 2025	2,640

Further listed investments are held within Babraham Institute (the parent company) of £19,698k (see note 12). Overall, group investments total **£22,338k**.

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

Institute	Group Undertakings £'000
Cost	
At 31 March 2024	6,676
At 31 March 2025	6,676

Further listed investments within Babraham Institute total £19,698k (see note 12). Institute investments (non-group) are **£26,374k**.

The results and assets of its subsidiaries shown for the period ended 31 March 2025 were:

	Babraham Research Campus Limited £'000	Babraham Institute Enterprise Limited £'000	Total £'000
Turnover	18,441	1,138	19,579
Profit for the period after taxation	465	469	934
Non current assets	1,862	2,175	4,037
Current Assets	21,450	832	22,282
Current Liabilities	(7,145)	(362)	(7,507)
Net current assets	14,305	470	14,775
Non-current assets	2,688	-	2,688
Net assets	18,855	2,645	21,500

THE BABRAHAM INSTITUTE

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (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	2025 £'000	2024 £'000
At 1 April 2024	8,479	8,094
Share of profit	21	385
At 31 March 2025	8,500	8,479

12 FIXED ASSET INVESTMENTS

Listed Securities – Group and Institute	Medium Term	Long Term	2025 Total	2024 Total
Market Value	£'000	£'000	£'000	£'000
At 1 April 2024	2,288	20,167	22,455	22,384
Additions	1,076	11,997	13,073	11,626
Disposals	(1,076)	(11,997)	(13,073)	(11,626)
Transfers/Withdrawals	(9)	(3,049)	(3,058)	(1,675)
Investment Income	8	49	57	40
Management Charges	(11)	(91)	(102)	(111)
Realised and unrealised gains	87	259	346	1,817
At 31 March 2025	2,363	17,335	19,698	22,455
Historic cost of initial investment	2,174	16,408	18,582	20,338

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 2025 (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
Bluebay Funds Impact Aligned Bond	1,534	7.8%
Wellington Management Fund (Ireland) Plc	1,387	6.7%
Brown Advisory Funds Plc BA Global	1,326	7.0%
Brown Advisory Funds PLC US	1,035	5.3%

13 STOCKS

	Group		Institute	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Raw materials, consumables and other stocks	352	371	130	136

14 DEBTORS

	Group		Institute	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trade debtors	2,541	3,822	534	1,578
Amounts owed by group undertakings	-	-	841	1,061
Grants receivable	1,573	1,092	1,573	1,092
Corporation Tax	667	-	-	-
Other debtors	154	268	152	266
Prepayments and accrued income	1,895	2,213	953	1,114
	6,830	7,395	4,053	5,111
<i>Amounts owed by subsidiary undertakings</i>				
Babraham Research Campus Limited	-	-	534	587
Babraham Institute Enterprise Limited	-	-	307	474
	-	-	841	1,061

THE BABRAHAM INSTITUTE

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
(CONTINUED)

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Institute	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Trade creditors	2,837	3,805	1,279	3,064
Amounts owed to group undertakings	-	-	471	743
Other creditors	3,592	3,722	743	697
Corporation tax	-	228	-	-
Other tax and social security	747	961	524	542
Grants in advance	3,004	3,363	1,747	1,898
EU co-ordinated programme partners	13	12	13	12
Accruals and other deferred income	1,389	1,443	644	812
	11,582	13,534	5,421	7,768
<i>Amounts owed to group undertakings</i>				
Babraham Research Campus Limited	-	-	452	703
Babraham Institute Enterprise Limited	-	-	19	40
	-	-	471	743

Reconciliation of movement in grants receivable and in advance:

	2025	2024
	£'000	£'000
Grants receivable/(in advance) at 1 April 2024	(3,363)	(3,659)
Additional grants – note 2	19,378	19,255
Released during year	(19,019)	(18,959)
Grants receivable/(in advance) at 31 March 2025	(3,004)	(3,363)

THE BABRAHAM INSTITUTE**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
(CONTINUED)****16 DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

Debtors falling due after more than one year of £2,688k (2024 : £2,522k) comprise deferred tax £297k and Other Debtors of £2,391k, analysed as follows ;

Deferred Tax

	Group		Institute	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
At 1 April 2024	297	183	-	-
Credited/(charged) to the statement of financial activities	-	114	-	-
At 31 March 2025	297	297	-	-

The provision for deferred tax is made up as follows:

	Group		Institute	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Fixed asset timing differences – BRCL	297	297	-	-
	297	297	-	-

Other Debtors

	Group		Institute	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Other Debtors	2,391	2,225	-	-
At 31 March 2025	2,391	2,225	-	-

During the year, the shareholder loan provided to the joint venture with Biomed was adjusted by £166,000. This adjustment comprises of £107,000 in respect of accrued interest on the loan and £59,000 to reflect the present value of the loan, taking into account the expected future repayment date of April 2028.

THE BABRAHAM INSTITUTE

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (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
Group					
At 31 March 2024	6,048	123,925	20,278	8,479	158,730
Incoming resources	19,378	5,151	22,971	-	47,500
Expenditure, losses and taxation	(19,378)	-	(35,735)	-	(55,113)
Gain on investments	-	-	717	-	717
Transfers of funds	(5,230)	(8,067)	13,297	-	-
Gain on revaluations	-	3,060	-	-	3,060
Funds attributable to minority interests	-	(8)	(13)	21	-
At 31 March 2025	818	124,061	21,515	8,500	154,894
Institute					
At 31 March 2024	6,048	123,891	14,253	-	144,192
Incoming resources	19,565	5,151	7,184	-	31,900
Expenditure and losses	(19,565)	-	(19,881)	-	(39,446)
Transfers of funds	(5,230)	(8,067)	13,297	-	-
Revaluation Movement	-	3,060	-	-	3,060
Investment Losses	-	-	346	-	346
At 31 March 2025	818	124,035	15,199	-	140,052

The restricted revenue funds of £818k 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 £700k

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 (2024: £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 2025 (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 2025 are represented by:

	Restricted revenue funds £'000	Restricted capital funds and Revaluation reserve funds £'000	Unrestricted funds £'000	2025 Total £'000	2024 Total £'000
Group					
Intangible fixed assets	-	-	379	379	353
Tangible fixed assets	-	112,654	1,020	113,674	111,410
Investment properties	-	-	-	-	1,800
Investments	774	11,407	10,157	22,338	25,001
Current and long-term assets	1,823	-	28,262	30,085	33,700
Total liabilities	(1,779)	-	(9,803)	(11,582)	(13,534)
Total funds	818	124,061	30,015	154,894	158,730
Minority Interests	-	-	(8,500)	(8,500)	(8,479)
Total net assets	818	124,061	21,515	146,394	150,251
Institute					
Tangible fixed assets	-	112,662	-	112,662	110,540
Investment properties	-	-	-	-	1,800
Investments	774	11,373	14,227	26,374	29,131
Current assets	1,823	-	4,614	6,437	10,489
Total liabilities	(1,779)	-	(3,642)	(5,421)	(7,768)
Total net assets	818	124,035	15,199	140,052	144,192

THE BABRAHAM INSTITUTE

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (CONTINUED)

18 OPERATING LEASES AND CAPITAL COMMITMENTS

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 :

	Group		Institute	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Within one year	1,220	1,212	20	12
Within two to five years	4,046	5,254	446	454
	5,266	6,466	466	466

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

	Group		Institute	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Contracted	1,573	174	6	54

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:

	2025	2024
	£'000	£'000
Babraham Institute	1,700	1,631
Babraham Institute Enterprise Limited	-	7
Babraham Research Campus Limited	383	349
	2,083	1,987

The amount of pension contributions included within creditors at the year end was £281,910 (2024: £262,768).

THE BABRAHAM INSTITUTE**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
(CONTINUED)****20 FINANCIAL INSTRUMENTS**

	2025	2024
	£'000	£'000
Financial assets measured at amortised cost	24,805	29,715
Financial liabilities measured at amortised cost	(8,565)	(9,931)

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

	At 1 April 2024 £'000	Cash flows £'000	At 31 March 2025 £'000
Cash and cash equivalents			
Cash	23,412	(3,197)	20,215

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:

	Babraham Research Campus Ltd		Babraham Institute Enterprise Ltd	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Income	1,373	1,513	1,002	1,691
Expenditure	(1,931)	(1,883)	(46)	(114)
Debtors at 31 March 2025				
Due within one year	452	703	19	40
Creditors at 31 March 2025	(534)	(584)	(307)	(477)

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