

QUADRAM INSTITUTE BIOSCIENCE

Annual Report and Accounts

for the year ended 31 March 2021

Quadram Institute Bioscience is a company limited by guarantee and a registered charity: registered company number: 03009972; registered charity number: 1058499.

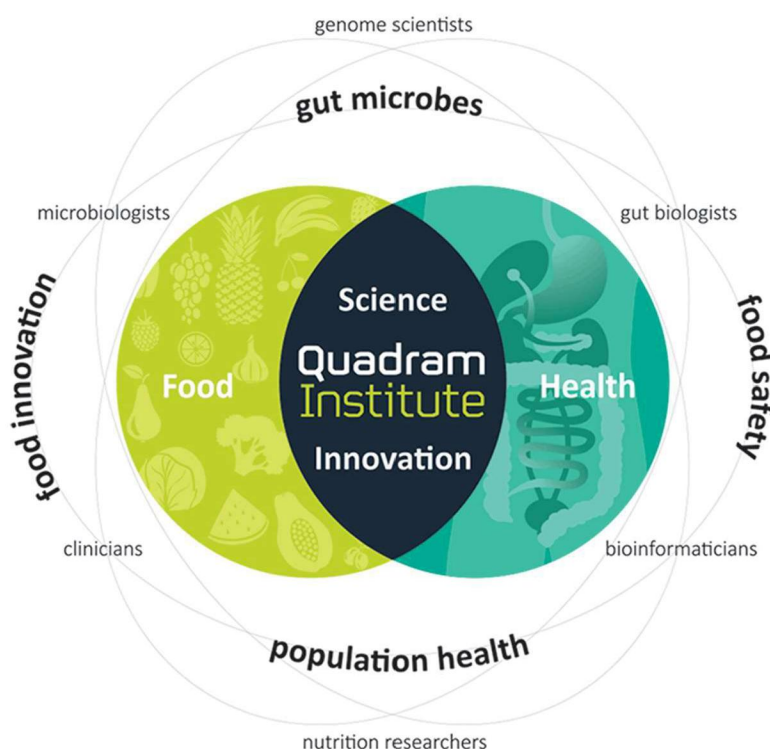
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THE QUADRAM INSTITUTE

Quadram Institute Bioscience (QIB) is one of four founding partners in the establishment of the Quadram Institute – a multi-million-pound food and health research centre that was completed in autumn 2018.

The Quadram Institute is at the forefront of the interface between food science, gut biology and health, developing solutions to worldwide challenges in food-related disease and human health. It brings together the Quadram Institute Bioscience research teams, the Norfolk and Norwich University Hospitals NHS Foundation Trust (NNUH) and the University of East Anglia (UEA), as well as NNUH's regional gastrointestinal endoscopy unit and a clinical research facility.



The centre has been funded by the partners and the Biotechnology and Biological Sciences Research Council (BBSRC), part of UK Research and Innovation. The Quadram Institute has capacity for 300 research staff with a further 100 staff supporting one of Europe's largest endoscopy facilities. It is engaged in fundamental and translational food and health research, alongside clinical studies, endoscopy and industry, working together to become a leading international hub for food and health research. It combines scientific excellence and clinical expertise, delivering patient care and accelerating innovation.

The Quadram Institute maximises the unique world-class bioscience cluster based at the Norwich Research Park, including excellent plant and microbial science at the John Innes Centre and The Sainsbury Laboratory and computational science and sequencing expertise at the Earlham Institute.

INTRODUCTION TO THE ANNUAL REPORT

The Quadram Institute Bioscience trustees (who are also directors in company law) are pleased to present their Annual Report together with the consolidated financial statements of the charity and its subsidiaries for the year ending 31 March 2021, which are also prepared to meet the requirements for a directors' report (incorporating a strategic report) and accounts for Companies Act purposes.

The Annual Report and Accounts have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP), Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), together with the reporting requirements of the Companies Act 2006 and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS102.

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT

QUADRAM INSTITUTE BIOSCIENCE

QIB is focussed on the relationship between food and health with an emphasis on the gut microbiota and the potentially pathogenic microorganisms that can be present in the food chain. QIB is delivering its vision of excellence, with an ambitious programme to increase the number of Research Leaders in the institute to 40 by 2024, attracting the best minds from around the world, funded by a combination of the Quadram Institute partners, other funding bodies and industry. QIB will leverage BBSRC strategic funding to attract investment from other research councils, funding organisations and industry to become a world leading institute for food and health research. Moreover, it is forging links with other world-class academics to

become a hub for national and international networks of related research organisations that promotes collaboration and training necessary to accelerate innovation and deliver solutions to UK and global food and health challenges.

Charitable objective

The Charity's object is the worldwide advancement of education in food sciences for the public benefit by:

- undertaking research and disseminating the useful results of such research; and
- training research scientists.

REVIEW OF THE YEAR

This year, as for so many others, has been extraordinary for QIB. The year began with the UK going into lockdown as a result of the COVID-19 pandemic, but QIB was quick to respond and adapt. QIB scientists played significant roles in a number of UK COVID-19 response research projects and a number of researchers were seconded to NHS laboratories to support testing. By early summer, QIB research was back in the laboratories allowing strong progress against scientific and impact milestones.

Key milestones achieved in the year include:

- Participation in the COVID-19 Genomics UK Consortium;
- Significant contribution to the Norwich Research Park COVID-19 response workstreams;
- Introduction and first three meetings of the QIB *Science and Impact Advisory Committee* undertaken;
- Graeme Brown was appointed as QIB's first Chief Business Officer. Graeme joined QIB having been the Director of Technology Transfer at Queen Mary University of London and Executive Director of its research commercialisation company. His experience includes setting up high-value

- research collaborations and partnerships with industry, licensing research innovations, creating new technology spinout companies and securing investment. The Chief Business Officer role encompasses responsibility for Business Development and Communications.
- Alison Mather was appointed as the new lead for the *Microbes in the Food Chain* Institute Strategic Programme.
- Matthew Gilmour has been appointed as research group leader for QIB's Listeria group. Previously the Scientific Director General of Canada's National Microbiology Laboratory, Matthew's research will establish the microbial traits of Listeria that contribute to its significant risk as a foodborne contaminant and human pathogen. He will also work alongside Alison Mather as co-lead of the Microbes in the Food Chain programme.
- Ashley Blackshaw has been appointed as research group leader within the Gut Microbes and Health programme. Ashley will be investigating microbe-gut-brain interactions and supporting neuroscience research.

Scientific achievements during the year include:

- QIB's Head of Informatics, Andrew Page, and group leader Justin O'Grady led the Norwich involvement in the COVID-19 Genomics UK Sequencing Consortium (COG-UK). COG-UK has involved the NHS, Public Health Agencies, Wellcome Sanger Institute, and numerous academic institutions. Throughout the pandemic it has delivered large scale, rapid sequencing of SARS-CoV-2 and shared intelligence with hospitals, regional NHS centres and the Government. Samples from patients with confirmed COVID-19 have been sent to sequencing centres, including QIB for Norwich. By looking at the whole virus genome in confirmed cases of COVID-19, scientists have been monitoring changes in the virus at a national scale to understand how the virus is spreading and whether different strains are emerging. Justin O'Grady is now a Deputy Director for COG-UK and QIB has been one of the most active partners, sequencing over 19,000 SARS-CoV-2 genomes since the start of the pandemic.
- COVID-19 is caused by the SARS-CoV-2 virus. QIB researcher Arjan Narbad and Ngozi Elumgo of the Norfolk and Norwich University Hospital have initiated the SARS-CoV-2 Prevalence and Persistence in Stool (CoPS) Study. Initial studies have shown that over 60% of COVID-19 positive subjects show gastrointestinal symptoms, such as diarrhoea, nausea and vomiting. SARS-CoV-2 has been identified in faecal samples of these patients. The CoPS study aims to understand the ability of SARS-CoV-2 to persist in the gastrointestinal tract both during and after patients have recovered from symptoms of COVID 19.
- Falk Hildebrand has won a €1.5 million grant from the European Research Council (ERC) to research the role elusive microbes may play in the gut microbiome and human health. The funding comes from the ERC's prestigious Starting Grants, designed to help early-career scientists and scholars build their own teams and lead pioneering research. The funding will enable Falk to study the function and genetic makeup of gut bacteria and the impact they have on human health. He also aims to establish these microbes randomly colonise the gut for short periods of time or are essential parts of us that permanently reside within our guts.
- A number of QIB researchers, led by Maria Traka, Deputy Head of the Food Databanks National Capability, have been contributors to a free, online course aimed at helping participants discover more about the microbiome and its links to health throughout life. 'The Human Microbiome' course runs over three weeks and explained how the composition of the microbiome changes during ageing, and also how diet can be used to modulate the microbiome to combat diseases. The course was funded by EITFood, delivered through the FutureLearn platform and was developed by academics and health professionals from the University of Turin, QIB, the University of Reading, the Spanish National Research Council (CSIC) and Microbion.
- Cathrina Edwards has developed a new ingredient, PulseON®, to replace refined carbohydrates in staple foods, which in a human trial lowered the blood glucose response to white bread by 40%. In a collaboration with King's College London, Cathrina showed that replacing wheat flour with a new ingredient derived from chickpeas improved the glycaemic response of people eating white bread. The ingredient uses specially developed milling and drying processes that preserves cellular structure, making its starch more resistant to digestion. Developing food products that contain more of this resistant starch would help to control blood glucose levels and reduce risk of type 2 diabetes.
- Quercetin, found in onions, apples, tea and other leafy vegetables, alters metabolic processes in vascular cells in a way that would protect against inflammation that, if left unchecked, may develop into atherosclerosis, a major contributor to cardiovascular disease. This research, led by QIB's Paul Kroon, may start to explain why diets rich in quercetin tend to reduce the risk of heart disease. The study provides powerful evidence for how quercetin in the diet, once taken up and modified by certain cells, can help fine tune central cellular processes in a way that reduces inflammation, and so would be expected to promote health.
- Outer Membrane Vesicles (OMVs) are nanoscale structures that are produced naturally by many bacteria. They are made of lipids and are formed by budding off from the outer membrane of bacteria. In collaboration with Imperial College London and London North West Healthcare NHS Trust, Simon Carding's group has demonstrated that OMVs produced by the gut bacteria *Bacteroides thetaiotaomicron* (Bt) have a key role in regulating the altered immune system in Inflammatory Bowel Disease (IBD). OMVs package up and disperse chemical messages to communicate with other bacteria and with human cells. Unlike the bacteria themselves, OMVs can cross the gut lining and access the blood circulatory system, including the cells of the

immune system. Taking advantage of this, the team has engineered OMVs to contain therapeutic and vaccine proteins demonstrating the potential for OMVs to be used for delivering novel treatments, based on their ability to cross into the body.

- Research published by Nathalie Juge's group at QIB has shown that supplements of Human Milk Oligosaccharides (HMOs), the sugars found in breast milk, may help improve the gut health of adults. In collaboration with Glycom, a Danish-based biotechnology company, the researchers used highly advanced "gut-on-chip" technology, to show that the fermentation products of HMOs made the gut lining less "leaky." A leaky intestinal barrier has been linked to gut conditions such as coeliac disease, Crohn's disease, and irritable bowel syndrome as well as a range of conditions affecting the rest of the body. This study provides scientific evidence that HMOs may be used to develop strategies to counter these conditions and improve gut health in adults.
- Mark Webber has published research showing how the development of antibiotic resistance by bacteria can have 'side-effects' for them including affecting their ability to cause disease. Antibiotic resistance remains one of the greatest challenges to global health with very few new antibiotics and widespread resistance. It has been estimated that tens of millions of people will die annually due to antibiotic resistant infections not being treatable. Most bacteria in nature are found in communities known as 'biofilms'; in biofilms, bacteria are very hard to kill, but little is known about how they might adapt when exposed to antibiotics. Mark and colleagues showed that bacteria in a biofilm can develop antibiotic resistance very rapidly but that when this happened other properties of the bacteria were compromised including their ability to cause disease, or to form a biofilm in the first place. This research paves the way for more studies to understand how antibiotic resistance evolves in real world conditions and can help guide how best to use current antibiotics and inform development of new antibiotics.
- Rob Kingsley has implicated a toxin-carrying virus in the emergence of a new strain of Salmonella in pigs. Half of all Salmonella infections in the EU are linked to pigs, and a new strain called ST34 is dominant in these animals. Certain viruses, called bacteriophages, use bacteria to replicate and in doing so kill the bacterium. However, some are also able to hide inside the bacterial cell by merging with the bacteria's genetic material. Analysis of the ST34 genome sequence indicated that bacterial virus mTmV infected ST34. When Rob analysed the population structure of ST34 it was clear that Salmonella harbouring the mTmV virus in their genetic material became more numerous over time and that they had gained a competitive advantage over their brethren lacking the virus. It is hoped that understanding how and why new strains of Salmonella emerge in livestock will help develop improved strategies to reduce its incidence, making our food supply safer and healthier.
- Scientist, Mark Pallen at QIB, has developed an automated system for generating names for bacteria that are based on the traditional Linnaean system, providing a pool of over a million names— both for newly discovered bacteria and those we've yet to find. Despite there being millions of bacterial species, so far only around 20,000 have been given Latin names. Mark has created an automated approach to combine a small set of Latin and Greek roots to create over a million new names. The input files for this process have been carefully checked over by an expert in bacterial nomenclature, Aharon Oren, at the Hebrew University of Jerusalem in Israel, while a QIB bioinformatician, Andrea Telatin has written a computer program to automate the process.
- *Pseudomonas aeruginosa* bacteria, pose a serious worldwide health risk due to their abilities to resist antimicrobial drugs. Cynthia Whitchurch's team from QIB and the iThree institute at the University of Technology Sydney, showed that *P. aeruginosa* can actively acquire and incorporate DNA from the environment whilst in biofilms. This important new insight about how they acquire genes for resistance is critical to controlling and preventing the growing problem of antimicrobial resistance. One of the ways that bacteria can acquire DNA is natural transformation, when DNA is taken up from the environment. Very few bacterial species have been found to be competent for natural transformation; *P. aeruginosa* was not one of these. Cynthia's team demonstrated that *P. aeruginosa* could carry out natural transformation when in the conditions found in a biofilm. The team showed that *P. aeruginosa* in biofilms could take up resistance genes, enabling them to grow in the presence of an antibiotic.

Public engagement

The COVID-19 pandemic response had a dramatic impact on QIB's capacity to engage directly with the public. Despite the Quadram Institute building being closed to visitors and the cancellation of many public events, there were still significant opportunities to undertake public engagement via online platforms staged by local and national science outreach teams.

Despite the challenges, around 40% of QIB personnel, from all career stages, participated in a wide variety of public-facing events and activities. For schools, Lindsay Hall expanded her Guardians of the Gut activity and created a new teaching resource to explain the microbiome. Eight staff members took part

in the Women of the Future careers event that took place across the Norwich Research Park with talks and videos to inspire the next generation of scientists. Three researchers took part in the *I'm a scientist, stay at home* competition for schools and scientists. Opportunities to highlight QIB science for a more general audience were also found through participation in the *Pint of Science* and *Norwich Science Festival* programmes. In the absence of live events, greater use of blogs and social media has also been established.

As a partner in the COG-UK consortium, QIB was able to contribute to a number of COVID-19-related national news media articles, television and radio broadcasts in discussion of tracking the virus.

PLANS FOR 2021/22

Key priorities

- Delivery of academic excellence.
- Return to full scientific programme within COVID-19 safe-working guidelines.
- Development of Institute Strategic Programme Grant proposals for 2023-2028.
- Integration in QIB culture of Knowledge Exchange Strategy by Chief Business Officer.
- Further development of clinical and science interactions within Quadram Institute.

The COVID-19 pandemic led to changes in the clinical operations of the Quadram Institute, but it continued to provide an environment in which clinicians and

scientists were able to undertake core activities and maintain strong outputs.

The COVID-19 pandemic led to significant changes in the way QIB works and ensuring the safety of staff and students has been a priority. The COVID-19 safety measures led to some project delays that will be addressed in the coming year. QIB is, however, in a clear forward trajectory and its Science Strategy Board has strong plans for future programmes of strategic research that will place QIB as an international centre of excellence for gut health, nutrition and food safety.

GOING CONCERN

The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons:

The Trustees have prepared cash flow forecasts for the period to March 2025 which indicate that, taking account of reasonable possible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the Institute will have sufficient funds to meet its liabilities as they fall due for that period.

The Institute is reliant on its strategic programme funding from BBSRC, which was £11.5m in the year (2020: £9.7m). BBSRC has confirmed continued strategic funding of £8.2m for the year to March 2022 plus provisional funding for a further year to March 2023 subject to the next government spending review. The Institute expects its funding for the year to March 2023 to be confirmed in late 2021 based on feedback from BBSRC.

Like most research organisations, the Institute's activities have been impacted by COVID-19

measures. From late March 2020 until June 2020, the Institute's facilities were closed to all staff and students, except for essential work and activity supporting COVID-19-related testing and research. During this period, QIB staff and students have been able to operate effectively from home and, with facilities being re-opened progressively since then, the Institute has been able to successfully maintain its research programmes and projects with minimal financial impact. The Institute has considered the potential financial impact of continued restrictions for the next 12 months, including the potential for a further lockdown. Taking into account experience to date, business continuity arrangements and financial projections, the Institute considers the risk of a significant financial impact from COVID-19 to be low.

Consequently, the Trustees are confident that the Institute will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have been prepared the financial statements on a going concern basis.

FINANCIAL REVIEW

Key performance indicators

QIB's key financial performance indicators during the year were as follows:

<i>Consolidated</i>	2021	2020
	£m	£m
Income excluding capital grants	16.7	13.8
Unrestricted general & designated strategic reserves	10.5	11.0
Cash	19.5	16.6
Value of grant submissions	18.3	20.7
Value of grant awards	5.1	2.7

The main indicator of non-financial performance is Institute publications in relevant scientific journals, as described in 'scientific achievements' above.

Income

Total incoming resources for the year were £22.7m (2020: £15.1m), including £6.1m of capital funding (2020: £1.3m). Income excluding capital grants was £16.7m (2020: £13.8m).

QIB's principal sponsor is the BBSRC, which contributed 81% of total incoming resources (2020: 75%). Other major sources of funding were the European Union, UK government agencies and charities. An analysis of grant income by principal sponsor is included in the notes to the financial statements.

Expenditure

Total resources expended for the year amounted to £20.0m (2020: £16.4m). Staff costs accounted for £8.1m (41%) (2020: £7.6m; 46%) of expenditure.

Fundraising

QIB does not carry out any significant fundraising activities.

Subsidiaries

QIB's trading subsidiary – QIB Extra Limited - contributed an operating profit of £32,000 (2020: £97,000).

Net Movement in Reserves

QIB recorded a net decrease in unrestricted reserves of £2.6m (2020: decrease of £0.1m).

Restricted reserves increased by £5.4m (2020: decreased by £1.2m) due to additional restricted funding from BBSRC and capital funding received.

Cash

Group cash at March 2020 was £19.5m (2020: £16.6m).

QIB deposits its cash with UK registered financial institutions that meet its credit rating policy and are subject to agreed counter-party limits. Investment income from cash deposits in the year was £86,000 (2020: £165,000).

Reserves position

Total group reserves increased by £2.7m in the year to £38.1m (2020: decreased by £1.4m to £35.3m).

Restricted reserves increased by £5.4m to £9.6m (2020: decreased by £1.2m), of which £2.5m relates to capital grant funding from BBSRC that may only be utilised on completion of performance conditions.

Unrestricted reserves decreased by £2.6m in the year to £28.5m (2020: £31.2m). Unrestricted reserves include the following:

- A building reserve of £3.1m has been designated to cover the outstanding loan advances to QI Partners (£2.8m) and planned expenditure in connection with the QI building (£0.3m);
- A strategic reserve of £6.5m has been designated to cover planned strategic programme investment to support the development of the Quadram Institute. This reserve is anticipated to be mainly used between 2021 and 2023; and
- A general reserve of £4.0m (2020: £4.1m).

Reserves policy

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

- Future operational and capital expenditure requirements in the Business Plan to March 2025;
- Potential financial risks identified in the Business Plan and Risk Register;
- Potential funding required for strategic investments not included in the Business Plan;
- Working capital / liquidity requirements.

As noted above, £3.1m has been designated in connection with QIB's loan commitments and planned expenditure in respect of the Quadram Institute building. A further £6.5m has been designated in connection with planned investment in science programmes.

The general reserve of £4.0m (2020: £4.1m) is above the minimum general reserves target of £3.0m set by the Trustees.

RISK ASSESSMENT AND MANAGEMENT

The Board of Trustees is responsible for ensuring there are effective and adequate risk management and internal control systems in place, and confirm that the major risks to which the Institute is exposed have been reviewed and procedures established to manage those risks. The Audit and Risk Committee agrees an annual risk-based internal audit plan which covers major risks identified by management and Trustees. It receives reports from internal auditors on the effectiveness of internal controls, progress against the internal audit plan and progress on recommendations made in reports. The Board reviews a full risk report annually, including a 'heat map' tracking major risks.

The principal risks and uncertainties facing the Institute are considered to be:

Risk area	Description of Risk	Management of Risk
Future BBSRC research funding	<ul style="list-style-type: none"> ➤ BBSRC strategic funding for institutes is reduced due to budgetary pressures. ➤ BBSRC strategic funding is reduced due to scientific performance. 	<ul style="list-style-type: none"> ➤ Regular monitoring of scientific performance against strategic programme objectives. ➤ Regular communication with BBSRC to report performance and ensure strategic alignment of research programmes.
Research income and sponsor diversification	<ul style="list-style-type: none"> ➤ QIB is unable to generate sufficient grant and commercial research income to support the costs of its research activities and infrastructure 	<ul style="list-style-type: none"> ➤ Investment in new research leader positions in progress. ➤ Communication Strategy being developed to increase sponsor awareness of the Quadram Institute.
Staff retention and recruitment	<ul style="list-style-type: none"> ➤ QIB is unable to retain or attract suitably skilled staff to enable it to deliver its science strategy. ➤ In addition to scientific impact, this risk area could also have an impact on the level of funding the Institute is able to attract. 	<ul style="list-style-type: none"> ➤ Strategy and action plans in place, aligned to development of Quadram Institute. ➤ Career development programmes in place to support high potential staff. ➤ Performance Management processes in place.
Quadram Institute	<ul style="list-style-type: none"> ➤ Strategy for the Quadram Institute is not agreed between the partners. ➤ The Quadram Institute is not able to attract suitably skilled staff to enable it to deliver its strategy. ➤ Benefits from the project are not delivered. 	<ul style="list-style-type: none"> ➤ Governance arrangements in place. ➤ Strategy agreed and communicated. ➤ Recruitment plans in progress. ➤ Project plan in place, with identified work streams, terms of reference and appropriate partner representation. ➤ Project assurance framework in place.
QI Building	<ul style="list-style-type: none"> ➤ QI facilities management arrangements are poor value for money. ➤ Inadequate investment leads to facilities that are not fit for purpose. ➤ QI building is not used by partners in line with QI mission. 	<ul style="list-style-type: none"> ➤ Building Services Committee established to monitor facilities management arrangements and tenant coordination. ➤ Building operating costs regularly reviewed and remedial actions agreed. ➤ Lifecycle maintenance plan agreed by the partners.
Technology investment	<ul style="list-style-type: none"> ➤ QIB is unable to keep pace with developments in technology underpinning its science. ➤ Funding is inadequate to sustain and improve technology facilities necessary to deliver scientific objectives. 	<ul style="list-style-type: none"> ➤ Technology strategy has been updated alongside strategy for the Quadram Institute. ➤ Capital funding awarded for the period to March 2023 as part of institute strategic grant award.
Compliance with sponsor funding requirements	<ul style="list-style-type: none"> ➤ QIB fails to comply with sponsor grant requirements resulting in a material financial impact. 	<ul style="list-style-type: none"> ➤ QIB is subject to regular reviews of its grant compliance processes from sponsors and the internal auditors.
Impact of leaving EU	<ul style="list-style-type: none"> ➤ QIB is not able to access EU programme funding or participate in EU research collaborations. ➤ QIB is not able to recruit or retain researchers from EU member countries. 	<ul style="list-style-type: none"> ➤ Regular dialogue with staff, BBSRC, EU partners and other key stakeholders on risks and emerging issues with respect to potential changes in arrangements.
COVID-19	<ul style="list-style-type: none"> ➤ Loss of research activity due to staff becoming ill, or not being able to attend work due to the COVID-19. ➤ Loss of income or additional costs incurred as a result of the impact of Covid-19 on activity. ➤ Failure of supply chain. 	<ul style="list-style-type: none"> ➤ Building has been reopened subject to strict H&S/risk management protocols. ➤ Business Continuity Group established to implement policies and oversee arrangements. ➤ UKRI funding received to mitigate impact on grants and studentships.

TRUSTEES' REPORT

GOVERNANCE AND MANAGEMENT

Organisation and governance

Quadram Institute Bioscience (referred to as "QIB", the "Institute", the "Charity" or the "Company") is a company limited by guarantee (registered number 03009972) and a registered charity (number 1058499). During the year, QIB was governed by its Memorandum and Articles of Association adopted on 31 July 2018.

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006 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).

Board of Trustees

The Board of Trustees comprises an independent Chair, up to seven independent members and up to nine UEA-appointed members. The Trustees who served during the year and up to the date of signing these financial statements were:

Trustees	Sub-committees	Changes during the period
<i>At date of Report:</i>		
Dr C Caulcott (Chair)	Remuneration & Nomination Committee	-
Dr E Blair	Audit & Risk Committee; Remuneration & Nomination Committee	Appointed 14 May 2020
Prof F Lettice	Science Innovation & Advisory Committee (Chair)	-
Prof P Morgan	Remuneration & Nomination Committee (Chair)	-
Mr G Potter	Audit & Risk Committee	Appointed 14 May 2020
Dr E Robertson	Science Innovation & Advisory Committee	Appointed 14 May 2020
Mrs J Waterfield	Audit & Risk Committee (Chair)	-
<i>Served during the year:</i>		
Dr T Brears (Chair)	Remuneration & Nomination Committee	Resigned 14 May 2020
Prof S Walker	Audit & Risk Committee; Remuneration & Nomination Committee	Resigned 17 June 2020

The Board has established sub-committees to assist in exercising their company and charity stewardship responsibilities. The Audit and Risk Committee oversees internal controls, risk management and audit. The Remuneration and Nominations Committee considers remuneration, nominations, talent and succession.

The Science Innovation and Advisory Committee assists the development and maintenance of QIB's science in relation to direction, balance, strategy and quality.

Members

The Members are all guarantors of QIB, a company limited by guarantee and a registered charity, of an amount not exceeding £1. The Members of QIB during the year were:

- UK Research and Innovation - Biotechnology and Biological Sciences Research Council ("BBSRC");
- the University of East Anglia ("UEA"); and
- the Norfolk and Norwich University Hospitals NHS Foundation Trust ("NNUH").

UEA is entitled to appoint a majority of the members of the Board of Trustees and accordingly is deemed to be the company's parent undertaking and controlling party. BBSRC, UEA and NNUH each have the right to nominate an "observer" to attend Board meetings. Observers are not entitled to vote and do not hold any authorities.

Recruitment, induction and training of Trustees

The Remuneration and Nominations Committee leads the process for Board appointments and makes recommendations to the Board for the appointment of the Chair and Board Trustees. The appointment to Chair is made in agreement with the Members. The Committee makes recommendations to the Board on the Board's composition ensuring that the Board has an appropriate balance of skills, capabilities, expertise, experience and diversity to allow it to meet its strategic and organisational objectives.

The Institute advertises nationally for prospective Trustees to ensure appropriate expertise on the Board

is maintained. The Institute will also approach individuals thought to have the right skills.

New Board Trustees are invited to spend time with members of the executive team. This is a chance to learn about the Institute and get more involved with the institute's work. In addition to the five formal meetings, all Trustees receive regular presentations from QIB's scientists and briefings on key issues.

Trustee remuneration

QIB remunerates Trustees where the Board considers payment is necessary to attract Trustees with specialist skills and experience. The power to remunerate Trustees is included in QIB's Articles of Association and has been approved by the Charities Commission.

During the year, Dr Celica Caulcott received £10,000 remuneration in connection with her role as Chair of QIB Board of Directors (2020: none).

One member of the Board of Trustees was reimbursed for travel expenses incurred during the year (2020: four). The total amount reimbursed was £1,514 (2020: £690).

Key Management Personnel

The Trustees delegate management of the day-to-day activities of the charitable company to the Institute Director and Executive Board, who are considered to be the key management personnel for the institute. The Executive Board (EB) works to support the Institute Director in developing scientific, financial, business and administrative policy and strategy. EB will monitor policy implementation and ensure that such policy is embedded in the day-to-day working of the Institute. EB is supported by the executive Science Strategy Board and the Management Forum.

EB membership during the year was as follows:

- Institute Director (EB Chair)
- Director of Operations
- Chief Business Officer
- Finance Director
- Leader Gut Health & Food Safety ISP
- Leader Microbes in the Food Chain ISP
- Leader Food and Health ISP
- Head of HR

Employees

QIB staff that joined before 1 October 2011 were employed by BBSRC up to 1 October 2017, when they transferred employment to the Institute under TUPE.

Transferred employees retain their membership of the Research Councils Pension Scheme (RCPS), where applicable, with QIB becoming an admitted employer in the scheme. The RCPS is a defined benefit scheme funded from annual grant-in-aid on a pay-as-you-go basis. The RCPS Pension Scheme is a multi-employer scheme and QIB is unable to identify its share of the underlying assets and liabilities. QIB therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Liabilities for the payment of future benefits are the responsibility of the RCPS and accordingly are not included in these Financial Statements.

QIB has recruited all new staff from October 2011 on its own terms and conditions, covering basic pay and allowances, contractual payments, tax, NI, and liabilities for pension contributions and redundancy. Such staff are eligible to join a defined contribution scheme.

QIB employs a number of group leaders jointly with UEA. Staff are employed under QIB terms & conditions, but are eligible to join The University Superannuation Scheme (USS). QIB is obliged to pay the prevailing employer contribution rate for staff in the USS, however it has no liability for scheme funding deficits.

Communication

QIB provides all staff with relevant information and seeks their views on matters of common concern through their representatives and through line managers. Priority is given to ensuring that employees are aware of all significant matters affecting QIB's position and any significant organisational changes

Equality and Diversity

It is the Institute's policy to provide equal opportunities to job applicants and employees of any race, nationality, ethnic origin, marital status, religion or belief, gender, disability, sexual orientation, age or employment status. The Institute does not condone or tolerate any form of discrimination in its recruitment or employment practices. All employees and applicants are treated on merit, fairly, with respect and dignity, recognised as individuals and valued for the contribution they make, provided fair and equal access to training, development, reward and progression opportunities and are accountable for the impact of their own behaviour and actions. All the Institute's policies follow these principles.

RELATED PARTIES

Subsidiaries

QIB's subsidiaries in the year were as follows:

- QIB Extra Limited (contract research);
- IFR Enterprises Limited (dormant);
- IFR NRP Capital Limited (dormant).

NBI Partnership

QIB has a 25% interest in NBI Partnership Limited ("NBIP"). NBIP supplies support and administrative services to QIB and the other Norwich Institutes (John Innes Centre, Earlham Institute and The Sainsbury Laboratory) on a not-for-profit basis. NBIP fully recharges its costs to the four research organisations and accordingly it generates no profit or loss.

QI Partners

QIB is a member of QI Partners along with BBSRC, UEA and NNUH. QI Partners has been established for the purposes of constructing and managing the Quadram Institute building and providing such facilities for charitable use. QIB does not have any significant influence on QI Partners' financial and operating policies.

On 29 March 2019, QIB entered into a lease agreement for accommodation in the Quadram Institute building from QI Partners.

QIB has agreed to provide QI Partners with a loan facility of £5.4m, which is repayable between November 2018 and August 2022. As at 31 March 2021, £2.8m of the facility was drawn down by QI Partners (2020: £3.8m). The loan has been provided on an arm's length basis and interest is payable on the loan at a rate of 3.0% pa.

University of East Anglia (UEA)

University of East Anglia is a member of the charitable company. UEA is entitled to appoint a majority of the members of the Board of Trustees and accordingly is deemed to be the company's parent undertaking and controlling party. The majority of QIB PhD students are registered with the UEA.

Norfolk and Norwich University Hospitals NHS Foundation Trust (NNUH)

NNUH is a member of the charitable company. NNUH is entitled to appoint an observer to attend, speak and provide information to meetings of the Board of Trustees, however such observers have no right to vote at any such meeting.

Anglia Innovation Partnership LLP (AIP LLP)

QIB is a member of Anglia Innovation Partnership LLP through its 100% subsidiary, IFR NRP Capital Limited. The objective of AIP LLP is to develop and sustain the Norwich Research Park as an international centre for

food, health, plant, microbial and environmental research, innovation and enterprise. QIB is entitled to receive a share of certain profits generated by AIP LLP, however it has no liability for losses or in the event of insolvency. AIP LLP has not yet generated any profits.

BBSRC

BBSRC is a member of the charitable company. BBSRC is entitled to appoint an observer to attend, speak and provide information to meetings of the Board of Trustees, however such observers have no right to vote at any such meeting.

QIB is strategically funded, along with seven other institutes, by BBSRC. BBSRC supports QIB via strategic programme funding programmes, competitively won project grants and capital funding for infrastructure and technology investments. The principal terms and conditions under which BBSRC provides its funding are set out in the Institute Grant Agreement. Key conditions include:

- BBSRC and the Institute shall meet at least annually to review and discuss the implementation and progress of the Institute's business, including strategic and financial plans.
- The Institute shall submit a draft Business Plan, covering a period of at least five years, for discussion.
- The Institute will demonstrate appropriate plans for the maintenance, renewal and development of the estate through a rolling 10-year Institute Estates Strategy covering capital projects, long term and routine maintenance.

BBSRC is part of UK Research and Innovation (UKRI), an organisation that brings together the UK's seven research councils, Innovate UK and Research England.

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES OF QUADRAM INSTITUTE BIOSCIENCE IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The trustees are responsible for preparing the Trustees' Annual Report and the 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 they have are required to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), 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 group and charitable company and of the group's excess of income over expenditure for that period. In preparing each of the group and charitable company financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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
- assess the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

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 charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect 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 UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Public benefit

The Trustees are satisfied they have complied with their duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission. Based on this guidance, and as described in this Trustees' report, the Trustees believe the activities of Quadram Institute Bioscience to be charitable in nature.

Insurance Disclosure

The Institute maintains liability insurance for its trustees, with an annual aggregate cover limit for all claims against them in that capacity. The trustees have also been granted a qualifying third party provision under section 233 of Companies Act 2006. Neither the Institute's indemnity nor insurance provides cover in the event that a trustee is proved to have acted fraudulently or dishonestly.

Disclosure of information to auditor

The trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the trustees have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent auditors

Larking Gowen LLP have been appointed as auditors and a resolution has been passed by the Board, concerning their appointment as auditors.

On behalf of the Board of Trustees



Dr C Caulcott, Trustee Chair
8th December 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUADRAM INSTITUTE BIOSCIENCE

Opinion

We have audited the financial statements of Quadram Institute Bioscience (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charitable Company Balances Sheets, Consolidated Statement of Cash Flows and Notes to the Accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2021, 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

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 or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the trustees 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept 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 directors' 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 12, the trustees (who are also the directors of the parent 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 groups and 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Due to the field in which the group operates, we identified the areas most likely to have a direct material impact on the financial statements as compliance with UK tax legislation, UK accounting standards, UK charity law and the Companies Act 2006. In addition, we considered the provisions of other laws and regulations which whilst not having a direct impact on the financial statements, are fundamental to the group's ability to operate including health and safety; employment law, and compliance with various other regulations relevant to the conduct of the group's operations.

Our approach to identifying and assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, included the following:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations, accidents in the workplace, potential litigation or claims and fraud;
- Reviewing legal and professional fees to confirm matters where the group engaged lawyers during the year;
- Reviewing financial statement disclosures and tax matters, and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Reviewing board minutes and any relevant correspondence with external authorities;
- Challenging assumptions and judgements made by management in their significant accounting estimates, particularly in relation to the recognition of grant income; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of any significant transactions outside the normal course of business.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. 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.

Larking Gowen LLP

Anders Rasmussen FCA (Senior Statutory Auditor)
for and on behalf of

Larking Gowen LLP

Chartered Accountants & Statutory Auditors
Norwich

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2021

(Incorporating an income and expenditure account)

		Unrestricted funds	Restricted general funds	Restricted capital funds	Total 2021	Total 2020
	Note	£000	£000	£000	£000	£000
Incoming resources						
<i>Income from Charitable activities</i>						
Grant income		-	14,820	-	14,820	12,143
Capital and maintenance grants		-	3,243	2,826	6,069	1,302
Other charitable income		775	230	-	1,005	503
<i>Income from other trading activities</i>						
Trading income		642	-	-	642	798
<i>Investment income</i>						
		195	-	-	195	312
Total income	2	1,612	18,293	2,826	22,731	15,058
Expenditure						
Charitable activities		(662)	(17,557)	(981)	(19,200)	(15,547)
Raising funds		(184)	-	-	(184)	(172)
Trading expenditure		(614)	-	-	(614)	(711)
Total expenditure	3	(1,460)	(17,557)	(981)	(19,998)	(16,430)
Net income/(expenditure)		152	736	1,845	2,733	(1,372)
<i>Transfers</i>						
Capital transfers	18	(603)	-	603	-	-
Other transfers	18	(2,178)	2,178	-	-	-
Net movement in funds for the year		(2,629)	2,914	2,448	2,733	(1,372)
Funds brought forward	18	31,150	-	4,191	35,341	36,713
Funds carried forward	18	28,521	2,914	6,639	38,074	35,341

The Consolidated Statement of Financial Activities ("SoFA") includes all gains and losses recognised in the year. All incoming resources and expenditure relates to continuing activities.

The accompanying notes form part of these financial statements.

CONSOLIDATED AND CHARITABLE COMPANY BALANCE SHEETS

AS AT 31 MARCH 2021

	Note	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
<i>Fixed assets</i>					
Tangible assets	9	19,078	18,364	19,078	18,363
Intangible assets	10	-	12	-	12
Total fixed assets		19,078	18,376	19,078	18,375
<i>Current assets</i>					
Debtors	12	9,632	6,508	9,584	6,519
Cash at bank and in hand	13	19,457	16,595	19,183	16,385
		29,089	23,103	28,767	22,904
<i>Current liabilities</i>					
Creditors: amounts falling due within one year	14	(10,093)	(6,102)	(9,796)	(5,989)
Total net current assets		18,996	17,001	18,971	16,915
Total assets less current liabilities		38,074	35,377	38,049	35,290
Provisions for liabilities and charges	16	-	(36)	-	(36)
Total net assets	17	38,074	35,341	38,049	35,254

Funds of the charity

Unrestricted funds

Fixed assets reserve	18	14,972	15,746	14,972	15,739
Designated strategic reserves	18	6,486	6,921	6,486	6,921
Designated building reserves	18	3,050	4,375	3,050	4,375
General reserve	18	4,013	4,108	3,988	4,022
Total unrestricted funds		28,521	31,150	28,496	31,057

Restricted funds

Fixed assets reserve	18	4,106	2,630	4,106	2,636
Restricted general	18	2,914	-	2,914	-
Capital reserve	18	2,533	1,561	2,533	1,561
Total restricted funds		9,553	4,191	9,553	4,197

Total charity funds	18	38,074	35,341	38,049	35,254
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A separate income and expenditure account has not been presented for QIB as this is exempted by Section 408 of the Companies Act 2006. The profit after tax of QIB was £2,795,000 (2020: loss of £1,297,000).

The financial statements on pages 15 to 32 were approved by the Board of Trustees on 8th December 2021 and were signed on its behalf by:



Dr C Caulcott, Trustee Chair

The accompanying notes form part of these financial statements.

Company registration number: 03009972

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Total 2021 £000	Total 2020 £000
Cash flow from operating activities		
Operating surplus/(deficit)	2,733	(1,372)
Interest receivable	(195)	(312)
Depreciation and amortisation	981	804
Capital grants received	(6,069)	(1,302)
Loss on disposal of tangible assets	2	4
Decrease in stocks	-	32
Increase in debtors	(4,099)	(561)
Increase in creditors	3,991	1,846
Decrease in provisions	(36)	(215)
Net cash provided by/(used in) operating activities	(2,692)	(1,076)
Cash flow from investing activities		
Interest received	195	312
Repayment of loan	975	1,300
Purchase of tangible assets	(1,693)	(3,242)
Disposal Proceeds	8	-
Capital grants received	6,069	1,302
Net cash provided by/(used in) investing activities	5,554	(328)
Change in cash and cash equivalents in the reporting period	2,862	(1,404)
Cash and cash equivalents at the beginning of the reporting period	13	16,595
Cash and cash equivalents at the end of the reporting period	13	19,457

The movement in net debt for the current and prior year is identical to the movements in cash flow set out above.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

a. Basis of preparation

The group financial statements have been prepared under the historical cost convention and applicable accounting standards. They have also 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 (Charities SORP (FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The principal accounting policies adopted in these financial statements, which have been consistently applied, are:

b. Basis of consolidation

The consolidated financial statements incorporate the financial statements of Quadram Institute Bioscience ("QIB") and all its subsidiary undertakings in accordance with Financial Reporting Standard ("FRS") 102 "Accounting for Subsidiary Undertakings".

The financial statements of all group undertakings and associates are made up to 31 March 2021.

QIB is one of four members of QI Partners ("QIP"). QIP is accounted for as an investment rather than an associate and has not been consolidated in the QIB financial statements on the basis that QIB does not have significant influence over QIP financial and operating policies.

QIB is one of four members of NBIP Partnership Limited ("NBIP"). The group accounts for NBIP as an associate, although in practice the company makes no profit or loss and has net assets of NIL, therefore has no impact on the Group financial statements.

c. Going concern

The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons:

The Trustees have prepared cash flow forecasts for the period to March 2025 which indicate, taking account of reasonable possible downsides and that the anticipated impact of COVID-19 on the operations and its financial resources, the Institute will have sufficient funds to meet its liabilities as they fall due for that period.

The Institute is reliant on its strategic programme funding from BBSRC, which was £11.5m in the year (2020: £9.7m). BBSRC has confirmed continued strategic funding of £8.2m for the year to March 2022 plus provisional funding for a further year to March 2023 subject to the next government spending review. The Institute expects its funding for the year to March 2023 to be confirmed in late 2021 based on feedback from BBSRC.

Like most research organisations, the Institute's activities have been impacted by COVID-19 measures. From late March 2020 until June 2020, the Institute's facilities were closed to all staff and students, except for essential work and activity supporting COVID-19-related testing and research. During this period, QIB staff and students have been able to operate effectively from home and, with facilities being re-opened progressively since then, the Institute has been able to successfully maintain its research programmes

and projects with minimal financial impact. The Institute has considered the potential financial impact of continued restrictions for the next 12 months, including the potential for a further lockdown. Taking into account experience to date, business continuity arrangements and financial projections, the Institute considers the risk of a significant financial impact from COVID-19 to be low.

Consequently, the Trustees are confident that the Institute will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have been prepared the financial statements on a going concern basis.

d. Judgements in applying accounting policies and key sources of estimation

Preparation of the financial statements require management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

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

e. Income

Charitable grant income represents grants received and receivable in the year from outside granting bodies and other miscellaneous income. Grants that provide core funding are recognised in the year in which entitlement passes. Grant funding received to undertake research is recognised in the year in which the obligation is fulfilled. Grant funding is released to match expenditure incurred during the year together with any related contributions towards overhead costs.

Trading income relates to the non-charitable services undertaken by QIB Extra Limited ("QIBX") and is recognised in accordance with the terms of the contracts entered into, reflecting the point at which the obligations of the company have been satisfied.

Investment income relates to interest receivable from treasury deposits and related party loans. The interest is recognised in the year in which it is earned.

Capital grants are recognised in the Consolidated Statement of Financial Activities ("SoFA") when entitlement passes, which is typically on receipt. Where capital funding includes terms and conditions that must be met before there is unconditional entitlement, the grant income is recognised as those conditions are met, which usually results in capital funding being recognised to match the capital costs incurred.

Where income has been received in advance of conditions being met, the income is deferred until those conditions have been fully satisfied.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

f. Expenditure

Expenditure on charitable activities represents the full cost of the research performed. It includes the cost of direct staff, consumable stocks and indirect costs apportioned on the basis of use.

Costs of generating funds represent the cost of obtaining funds for research, preparing grant applications and raising the profile of QIB. Costs incurred in preparing grant applications, which primarily comprise staff costs, have been approximated based upon a sample review of time taken to prepare the detailed applications.

Governance costs represent the necessary cost of compliance with statutory and constitutional requirements and any other costs which are not direct charitable expenditure.

Support costs have been wholly allocated to charitable activity expenditure based upon activity as indicated in note 4 to the financial statements.

g. Restricted funds

Where research at QIB is funded by grants with conditions attached to them, these are shown as restricted. Capital grants received and receivable together with other restricted funds received and receivable and used to purchase tangible assets are included within restricted funds.

A restricted fixed assets reserve has been established representing the net book value of fixed assets purchased from capital grants. The reserve is shown as restricted due to continuing conditions in connection with the capital grants and assets purchased.

Restricted reserves include a designated capital reserve of £2.5m (2020: £1.5m) in connection with funding received from BBSRC, which may only be utilised in line with grant conditions.

h. Unrestricted funds

These include the strategic programme grants from the Biotechnology and Biological Sciences Research Council ("BBSRC") and any other grants which do not have specific conditions attached to them.

A fixed assets reserve has been established within unrestricted reserves representing the net book value of fixed assets funded from unrestricted reserves.

Unrestricted reserves that have been designated by the Board for specific purposes are shown in separate designated reserves. As at March 2021, £9.5m (2020: £11.3m) of unrestricted reserves have been designated in relation to planned capital and science investment associated with the development of the Quadram Institute.

i. Capital Transfers

A transfer from unrestricted to restricted reserves equal to the depreciation charge for assets purchased from unrestricted reserves is made as a capital transfer.

A transfer from restricted to unrestricted reserves is made following the completion of performance conditions in connection with restricted capital grant activity.

j. Other Transfers

A transfer from restricted to unrestricted reserves is made following the completion of performance conditions in connection with restricted non-capital grant activity.

k. Tangible fixed assets and depreciation

Tangible assets are shown at cost or valuation less accumulated depreciation. The cost of tangible assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated to write off the cost or valuation less the estimated residual value of tangible assets by equal instalments over their estimated useful economic lives as follows:

Leasehold land and buildings	over lease term or useful life, if shorter;
Plant and machinery	5 years
Scientific apparatus and equipment	5 to 10 years
Motor vehicles	4 years
Other apparatus and equipment	3 to 5 years

The leasehold improvements have been depreciated over the shorter of their estimated economic life and the remainder of the lease period.

Tangible assets under construction are not depreciated until the asset is in full use.

l. Intangible fixed assets and amortisation

Computer Software development costs are recognised as intangible fixed assets at cost less amortisation and any provision for impairment. Intangible assets are amortised over the estimated life of the asset acquired less any residual value.

Amortisation is calculated to write off the cost or valuation less the estimated residual value of intangible assets by equal instalments over their estimated useful economic lives as follows:

Computer Software	3 to 5 years
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Intangible assets under construction are not amortised until the asset is in full use.

m. Cash balances held as grant co-ordinator

Cash balances held on behalf of the European Union in the charitable company's capacity as grant co-ordinator are included within cash on the charitable company's balance sheet, and details are disclosed in note 22 to the financial statements.

n. Debtors

Debtors are non-interest bearing (excluding loan balances) and are stated at their nominal value, as reduced by appropriate allowances for estimated irrecoverable amounts.

Included in debtors is a loan (£2.8m) provided to QI Partners, which is repayable between November 2018 and August 2022. The loan has been provided on an arm's length basis and interest is payable on the loan at a rate of 3.0% pa.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

o. Trade creditors

Trade creditors are non-interest bearing and are stated at their nominal value.

p. Provisions

A provision is recognised in the financial statements where there is a legal or constructive obligation to transfer economic benefit to a third party.

q. Staff and Pensions

All staff employed by QIB (formerly Institute of Food Research) on 30 September 2011 became BBSRC employees on 1 March 2012 and were deployed back to the Institute under conditions set out in the Deployment Agreement (the "Deployed Employees"). The Deployed Employees remained with the Institute on an exclusive and full-time basis and day-to-day direction and line management of the Deployed Employees was delegated to QIB, subject to the terms of the BBSRC Employment Contract. QIB retained responsibility for paying employment costs in relation to the Deployed Employees, including basic pay and allowances, contractual payments, tax, NI and pension contributions.

On 1 October 2017, Deployed Employees transferred employment to the Institute under TUPE.

Deployed Employees retain their membership of the Research Councils Pension Scheme (RCPS), where applicable, with QIB becoming an admitted employer in the scheme. The RCPS is a defined benefit scheme funded from annual grant-in-aid on a pay-as-you-go basis. The RCPS Pension Scheme is a multi-employer scheme and QIB is unable to identify its share of the underlying assets and liabilities. QIB therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Liabilities for the payment of future benefits are the responsibility of the RCPS and accordingly are not included in these Financial Statements.

QIB staff that joined after 30 September 2011 are eligible to join a defined contribution scheme.

The Company employs some staff jointly with the University of East Anglia. Staff are employed under QIB terms & conditions, but are eligible to join The University Superannuation Scheme (USS). QIB is obliged to pay the prevailing employer contribution rate for staff in the USS, however it has no liability for scheme funding deficits. Accordingly, these arrangements have been accounted for as defined contribution scheme.

r. Termination benefits

Redundancy payments are recognised as a liability and an expense only when the event is demonstrably committed to by either: a. termination of the employment of an employee or group of employees before the normal retirement date, or b. provision of termination benefits as a result of an offer made in order to encourage voluntary redundancy.

s. Operating Leases

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

t. Foreign currency transactions

The functional and reporting currency of the charity is pounds sterling.

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at year end exchange rates.

All gains and losses are taken to the Statement of Financial Activities in the year to which they relate.

u. Financial instruments

Financial assets and financial liabilities are recognised upon becoming a party to the contractual provisions of the instrument.

The group only enters into basic financial instrument transactions that result in financial assets and liabilities like trade and other accounts receivable and payable.

NOTES TO THE ACCOUNTS

2. ANALYSIS OF INCOMING RESOURCES

	Research activities £000	Other activities £000	Total 2021 £000	Research activities £000	Other activities £000	Total 2020 £000
Grant income						
BBSRC	12,402	-	12,402	10,017	-	10,017
Other government departments	1,011	-	1,011	471	-	471
European Union	488	-	488	403	-	403
Other grants	919	-	919	1,252	-	1,252
Total grant income	14,820	-	14,820	12,143	0	12,143
Capital and maintenance grants						
BBSRC						
Capital expenditure	6,069	-	6,069	1,302	-	1,302
Total capital grants	6,069	-	6,069	1,302	-	1,302
Other charitable income						
Miscellaneous income	-	1,005	1,005	-	503	503
Total other charitable income	-	1,005	1,005	-	503	503
Trading income						
QIB Extra	-	642	642	-	798	798
Total trading income	-	642	642	-	798	798
Investment income						
Interest receivable on cash deposits	-	86	86	-	165	165
Other interest receivable	-	109	109	-	147	147
Total investment income	-	195	195	-	312	312
Total incoming resources	20,889	1,842	22,731	13,445	1,613	15,058

QIB's activities consist principally of scientific research in the United Kingdom.

- Grant income of £14,820k (2020: £12,143k) is all restricted general funds.
- Capital grants of £6,069k (2020: £1,302k), £3,243k (2020: £82k) is restricted general funds and £2,826k (2020: £1,210k) is restricted capital funds
- Other charitable income of £1,005k (2020: £503k), £775k (2020: £313k) is unrestricted funds and £230k (2020: £190k) is restricted general funds
- In both periods all trading and investment income is unrestricted.

NOTES TO THE ACCOUNTS

3. ANALYSIS OF EXPENDITURE

	Research activities	Student activities	Other activities	Total 2021	Research activities	Student activities	Other activities	Total 2020
Note	£000	£000	£000	£000	£000	£000	£000	£000
Direct charitable expenditure								
Staff costs	7,146	-	-	7,146	6,592	-	-	6,592
Direct costs	5,130	546	-	5,676	2,651	490	-	3,141
Depreciation	981	-	-	981	804	-	-	804
Buildings maintenance	348	-	-	348	190	-	-	190
Governance costs	-	-	36	36	-	-	44	44
Support costs	4,759	254	-	5,013	4,534	242	-	4,776
Expenditure on charitable activities	18,364	800	36	19,200	14,771	732	44	15,547
Raising funds	-	-	184	184	-	-	172	172
Trading expenditure	-	-	614	614	-	-	711	711
Total expenditure	18,364	800	834	19,998	14,771	732	927	16,430

Included within expenditure on charitable activities is restricted general expenditure of £17,557k (2020: £12,482k), and restricted capital expenditure (depreciation) of £981k (2020: £804k). All other expenditure is unrestricted.

Staff costs are allocated based on time spent by staff. Depreciation is allocated based on the usage of assets. Other costs are allocated on the basis of their nature.

Analysis of governance costs	Total 2021 £000	Total 2020 £000
Staff costs	16	18
Other costs	20	26
Total governance costs	36	44

4. ALLOCATION OF SUPPORT COSTS

	Research activities	Student activities	Total 2021	Research activities	Student activities	Total 2020	Basis of Allocation
	£000	£000	£000	£000	£000	£000	
Lab management	141	8	149	142	8	150	Headcount
Institute management	589	33	622	590	33	623	Headcount
Scientific services	251	14	265	404	23	427	Headcount
Facilities management and utilities*	1,780	100	1,880	1,710	97	1,807	Headcount
Finance and Purchasing*	639	36	675	440	25	465	Headcount
Computing and Library*	498	28	526	427	24	451	Headcount
Human Resources*	159	9	168	152	9	161	Headcount
Public engagement	346	19	365	305	17	322	Headcount
Health and Safety*	109	6	115	99	6	105	Headcount
Other support services*	247	1	248	265	-	265	Headcount
Total support costs	4,759	254	5,013	4,534	242	4,776	

*Includes services supplied by NBI Partnership Limited (see note 21).

NOTES TO THE ACCOUNTS

5. TAXATION

QIB is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The trading activities of the subsidiary companies are subject to corporation tax; however profits in the year are gifted to the charitable company resulting in a £nil (2020: £nil) tax charge payable.

There is no provision for deferred tax on fair value adjustments because any chargeable gains are applied to charitable objectives so no tax liability arises.

6. OPERATING SURPLUS/(DEFICIT)

Operating surplus/(deficit) is stated after charging/(crediting):

	Total 2021 £000	Total 2020 £000
Audit services:		
Fees payable for the audit of the charitable company and consolidated financial statements	22	22
Fees payable for the audit of the charitable company's subsidiaries pursuant to legislation	2	2
Depreciation	981	804
Hire of plant and equipment	18	48
Loss on disposal of tangible assets	2	4
Loss/(Gain) on foreign exchange translations	59	(21)

7. REMUNERATION OF THE BOARD OF TRUSTEES

QIB has been given approval by the Charities Commission to remunerate Trustees where the Board considers that payment is necessary to attract Trustees with specialist skills and experience. The power to remunerate Trustees is included in the QIB's Articles of Association.

One member of the Board of Trustees received remuneration from the group during the year for duties as a trustee (2020: none). Total trustee remuneration in the year was £10,000 (2020: £nil).

One member of the Board of Trustees was reimbursed for expenses incurred during the year (2020: four). The total amount reimbursed was £1,514 (2020: £690).

NOTES TO THE ACCOUNTS

8. EMPLOYEE INFORMATION

The average monthly number of persons employed by or deployed to the group during the year, analysed by category, was as follows:

Group	2021 Number	2020 Number
Scientific	162	138
Office management and services	20	29
Total	182	167

The aggregate payroll costs of these persons were:

	2021 £000	2020 £000
	Note	
Wages and salaries	6,480	5,982
Redundancy payments	56	126
Social security costs	683	620
Other pension costs	20 889	843
Total	8,108	7,571

As required by the Statement of Recommended Practice applicable to charities, an analysis has been provided below of the number of staff who fall within staff cost bands (excluding pension cost) from £60,000 upwards:

Group and charitable company	2021 Number	2020 Number
£60,000 - £69,999	7	9
£70,000 - £79,999	7	7
£80,000 - £89,999	4	1
£90,000 - £99,999	1	1
£100,000 - £109,999	1	1
£110,000 - £119,999	1	2
£120,000 - £129,999	1	1
£130,000 - £139,999	1	-
Total	23	22

The number of staff with emoluments greater than £60,000 who are also members of the Research Councils' Pension Schemes was seven (2020: five). Seven staff with emoluments greater than £60,000 are members of a Defined Contribution Pension Scheme (2020: six).

All staff employed by QIB on 30 September 2011 became BBSRC employees on 1 March 2012 and were deployed back to the Institute under conditions set out in the Deployment Agreement (the "Deployed Employees"). On 1 October 2017, Deployed Employees transferred employment to the Institute under TUPE. Transferring employees retain their membership of the Research Councils Pension Scheme, where applicable, with QIB becoming an admitted employer in the scheme.

QIB staff that joined after 30 September 2011 are employed under QIB terms & conditions.

The key management personnel of the parent charity, Quadram Institute Bioscience, comprise of the trustees and the members of the Executive Board. The total employee benefits of the key management personnel of the charity were £734,001 (2020: £565,488).

The key management personnel of the group comprise those of the charity and the key management personnel of the wholly owned subsidiary, QIB Extra Ltd. The key management personnel of QIB Extra Ltd are the Director of Operations and the Head of QIB Extra Operations. The costs of the key management personnel to QIB Extra was £44,985 (2020: £45,737).

The employee benefits of the key management personnel for the group was £778,986 (2020: £611,225).

NOTES TO THE ACCOUNTS

9. TANGIBLE ASSETS

Group	Leasehold land and buildings £000	Apparatus and equipment £000	Assets under construction £000	Total £000
Cost/Valuation				
At 1 April 2020	14,609	11,591	727	26,927
Transfer	-	649	(649)	-
Additions	-	225	1,468	1,693
Disposals	-	(525)	(10)	(535)
At 31 March 2021	14,609	11,940	1,536	28,085
Accumulated Depreciation				
At 1 April 2020	240	8,323	-	8,563
Charge for the year	245	724	-	969
Disposals	-	(525)	-	(525)
At 31 March 2021	485	8,522	-	9,007
Net book value at 31 March 2021	14,124	3,418	1,536	19,078
Net book value at 31 March 2020	14,369	3,268	727	18,364
Charitable company	Leasehold land and buildings £000	Apparatus and equipment £000	Assets under construction £000	Total £000
Cost/Valuation				
At 1 April 2020	14,609	11,494	727	26,830
Transfer	-	649	(649)	-
Additions	-	225	1,468	1,693
Disposals	-	(525)	(10)	(535)
At 31 March 2021	14,609	11,843	1,536	27,988
Accumulated Depreciation				
At 1 April 2020	240	8,227	-	8,467
Charge for the year	245	723	-	968
Disposals	-	(525)	-	(525)
At 31 March 2021	485	8,425	-	8,910
Net book value at 31 March 2021	14,124	3,418	1,536	19,078
Net book value at 31 March 2020	14,369	3,267	727	18,363

All of the tangible assets of the charitable company are used for charitable purposes.

Assets under construction represent capital items which are not yet in full economic use.

NOTES TO THE ACCOUNTS

10. INTANGIBLE ASSETS

Group and charitable company	Software development £000	Total £000
Cost/Valuation		
At 1 April 2020	147	147
Additions	-	-
Disposals	-	-
At 31 March 2021	147	147
Accumulated Depreciation		
At 1 April 2020	135	135
Charge for the year	12	12
Disposals	-	-
At 31 March 2021	147	147
Net book value at 31 March 2021	-	-
Net book value at 31 March 2020	12	12

The intangible asset relates to internally generated research software.

11. INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

Subsidiaries

The following are the operating subsidiary undertakings in which the charitable company has an interest:

Subsidiary Undertaking	Registration number	Country of registration	Principal activity	Class and percentage of shares held
QIB Extra Limited	06500711	England	Contract research	100% ordinary shares
IFR Enterprises Limited	03398534	England	Dormant	100% ordinary shares
IFR NRP Capital Limited	08132483	England	Dormant	100% ordinary shares

The charitable company owns 100% of the ordinary share capital of IFR Enterprises Limited (cost: £3), QIB Extra Limited (cost: £100) and IFR NRP Capital Limited (cost: £1), all of which are incorporated in England. The subsidiaries are used for trading activities.

The companies' results for the year were as follows:

	IFR Enterprises Limited £000	QIB Extra Limited £000	IFR NRP Capital Limited £000	Total 2021 £000	Total 2020 £000
Profit and loss account					
Turnover	-	646	-	646	808
Cost of sales	-	(346)	-	(346)	(477)
Gross profit	-	300	-	300	331
Administrative expenses	-	(268)	-	(268)	(234)
Operating profit retained in subsidiary	-	32	-	32	97

In addition to the above, £93,852 (2020: £172,059) in Gift Aid was paid to the charitable company in the year.

The charitable company has committed to provide financial support to QIB Extra Limited ("QIBX"), and not demand repayment of amounts due to it, in order to enable QIBX to meet its liabilities as they fall due – but only to the extent that money is not otherwise available to the company to meet such liabilities – for a period of at least 12 months from the signing of the financial statements of QIBX for the year ended 31 March 2021.

IFR NRP Capital Limited is a member of Anglia Innovation Partnership LLP, which is responsible for the management and development of the Norwich Research Park (NRP) estate and for the furtherance of the NRP Enterprise Vision. IFR NRP Capital Limited did not trade during the year.

NOTES TO THE ACCOUNTS

12. DEBTORS

		Group 2021	Group 2020	Company 2021	Company 2020
	Note	£000	£000	£000	£000
<i>Grants receivable:</i>					
from government bodies		3,477	548	3,477	548
from other sources		1,521	963	1,521	963
Trade debtors		322	84	211	11
Amounts owed by subsidiary undertakings		-	-	75	89
Amounts owed by other related parties	21	3,524	4,347	3,524	4,346
Other debtors		83	178	83	178
Prepayments and accrued income		705	388	693	384
Total amounts falling due within one year		9,632	6,508	9,584	6,519

Included in the above amounts is £2,800k (2020: £3,775k) unsecured loan to QI Partners, of which £1,250k is repayable in over one year. Interest is payable on the loan at a rate of 3.0% per annum.

13. CASH AT BANK AND IN HAND

	Group 2021	Group 2020	Company 2021	Company 2020
	£000	£000	£000	£000
Cash at bank	19,454	16,593	19,180	16,383
Cash in hand	3	2	3	2
Total	19,457	16,595	19,183	16,385

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021	Group 2020	Company 2021	Company 2020
	£000	£000	£000	£000
<i>Grants received in advance:</i>				
from government bodies	951	793	951	793
from other sources	2,332	1,485	2,179	1,473
Amounts owed to subsidiary undertakings	-	-	-	-
Amounts owed to other related parties	21	3,467	3,467	853
Trade creditors	425	498	419	486
Other creditors	1,415	1,106	1,415	1,100
Accruals and deferred income	1,342	1,206	1,204	1,123
Taxation and social security	161	161	161	161
Total amounts falling due within one year	10,093	6,102	9,796	5,989

NOTES TO THE ACCOUNTS

15. RECONCILIATION OF MOVEMENT IN GRANTS RECEIVABLE

Group	Note	Total 2021 £000	Total 2020 £000
Grants receivable	12	4,998	1,511
Grants received in advance	14	(3,283)	(2,278)
Net grants received in advance		1,715	(767)
Net grants received in advance at beginning of year		(767)	(872)
Grant monies received during the year		(13,343)	(12,541)
Grant money released to SOFA during the year		15,825	12,646
Net grants received in advance at end of year		1,715	(767)

16. PROVISIONS FOR LIABILITIES AND CHARGES

Group and charitable company	Dilapidations provision £000	Total 2021 £000	Total 2020 £000
Provision at beginning of year	36	36	251
Charge in the year	(36)	(36)	(34)
Utilised	-	-	(181)
Provision at end of year	-	-	36

The dilapidations provision relates to expected remedial costs to be incurred by QIB when it relocated to the Quadram Institute in 2019.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Fixed assets £000	Net current assets £000	Creditors over one year and provisions £000	Total 2021 £000
<i>Unrestricted:</i>				
Fixed assets reserve	14,972	-	-	14,972
Designated strategic reserve	-	6,486	-	6,486
Designated building reserve	-	3,050	-	3,050
General	-	4,013	-	4,013
<i>Restricted:</i>				
Fixed assets reserve	4,106	-	-	4,106
Capital reserve	-	2,533	-	2,533
General	-	2,914	-	2,914
Net assets	19,078	18,996	-	38,074
Charitable company				
<i>Unrestricted:</i>				
Fixed assets reserve	14,972	-	-	14,972
Designated strategic reserves	-	6,486	-	6,486
Designated building reserves	-	3,050	-	3,050
General	-	3,988	-	3,988
<i>Restricted:</i>				
Fixed assets reserve	4,106	-	-	4,106
Capital reserve	-	2,533	-	2,533
General	-	2,914	-	2,914
Net assets	19,078	18,971	-	38,049

NOTES TO THE ACCOUNTS

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

	Fixed assets £000	Net current assets £000	Creditors over one year and provisions £000	Total 2020 £000
Group				
<i>Unrestricted:</i>				
Fixed assets reserve	15,746	-	-	15,746
Designated strategic reserve	-	6,921	-	6,921
Designated building reserve	-	4,375	-	4,375
General	-	4,144	(36)	4,108
<i>Restricted:</i>				
Fixed assets reserve	2,630	-	-	2,630
Capital reserve	-	1,561	-	1,561
Net assets	18,376	17,001	(36)	35,341
Charitable company				
<i>Unrestricted:</i>				
Fixed assets reserve	15,739	-	-	15,739
Designated strategic reserves	-	6,921	-	6,921
Designated building reserves	-	4,375	-	4,375
General	-	4,058	(36)	4,022
<i>Restricted:</i>				
Fixed assets reserve	2,636	-	-	2,636
Capital reserve	-	1,561	-	1,561
Net assets	18,375	16,915	(36)	35,254

The unrestricted fixed assets reserve relates to the net book value of fixed assets purchased from unrestricted funds. The restricted fixed assets reserve relates to the net book value of fixed assets purchased from capital grants.

The unrestricted designated strategic reserve relates to funds designated by the Board for use in relation to planned science investment associated with the Quadram Institute. The designated building reserve represents the loan advances to QI Partners (£2.8m) and planned building expenditure (£0.3m).

The restricted capital reserve is not an endowment fund, but represents capital funding received, from BBSRC, that may only be utilised on fulfilment of certain grant conditions.

The unrestricted general reserve is held to manage income fluctuations, cover unexpected liabilities including restructuring costs.

18. ANALYSIS OF FUNDS MOVEMENTS

	Unrestricted fixed assets £000	Unrestricted designated strategic £000	Unrestricted designated building £000	Unrestricted general £000	Restricted fixed assets £000	Restricted general £000	Restricted capital £000	Total 2021 £000
Group								
At 1 April 2020	15,746	6,921	4,375	4,108	2,630	-	1,561	35,341
Surplus for the year	-	-	-	152	1,845	736	-	2,733
Designated reserve transfers	-	(807)	(1,325)	2,132	-	-	-	-
Depreciation transfer	(824)	-	-	-	824	-	-	-
Capital transfers	50	-	-	171	(1,193)	-	972	-
Other transfers	-	372	-	(2,550)	-	2,178	-	-
At 31 March 2021	14,972	6,486	3,050	4,013	4,106	2,914	2,533	38,074
Charitable company								
At 1 April 2020	15,739	6,921	4,375	4,022	2,636	-	1,561	35,254
Surplus for the year	-	-	-	214	1,845	736	-	2,795
Designated reserve transfers	-	(807)	(1,325)	2,132	-	-	-	-
Depreciation transfer	(818)	-	-	-	818	-	-	-
Capital transfers	51	-	-	170	(1,193)	-	972	-
Other transfers	-	372	-	(2,550)	-	2,178	-	-
At 31 March 2021	14,972	6,486	3,050	3,988	4,106	2,914	2,533	38,049

NOTES TO THE ACCOUNTS

18. ANALYSIS OF FUNDS MOVEMENTS (CONTINUED)

	Unrestricted fixed assets £000	Unrestricted designated strategic £000	Unrestricted designated building £000	Unrestricted general £000	Restricted fixed assets £000	Restricted capital £000	Total 2020 £000
Group							
At 1 April 2019	14,196	6,781	6,025	4,281	1,746	3,684	36,713
Deficit for the year	-	(1,239)	-	(539)	406	-	(1,372)
Designated reserve transfers	-	1,300	(1,300)	-	-	-	-
Depreciation transfer	(689)	-	-	-	689	-	-
Capital transfers	2,239	350	(350)	95	(211)	(2,123)	-
Other transfers	-	(271)	-	271	-	-	-
At 31 March 2020	15,746	6,921	4,375	4,108	2,630	1,561	35,341

Charitable company

	Unrestricted fixed assets £000	Unrestricted designated strategic £000	Unrestricted designated building £000	Unrestricted general £000	Restricted fixed assets £000	Restricted capital £000	Total 2020 £000
At 1 April 2019	14,189	6,781	6,025	4,120	1,752	3,684	36,551
Deficit for the year	-	(1,239)	-	(464)	406	-	(1,297)
Designated reserve transfers	-	1,300	(1,300)	-	-	-	-
Depreciation transfer	(689)	-	-	-	689	-	-
Capital transfers	2,239	350	(350)	95	(211)	(2,123)	-
Other transfers	-	(271)	-	271	-	-	-
At 31 March 2020	15,739	6,921	4,375	4,022	2,636	1,561	35,254

The designated reserve transfers relates to costs incurred in the year that have been set against the designated strategic reserves, or changes to designations approved by the trustees.

The depreciation transfer is the reallocation of the depreciation charge for assets purchased from unrestricted reserves

Capital transfers include a transfer from restricted to unrestricted reserves following the completion of performance conditions in connection with restricted capital grant activity, and the reallocation of funds to reflect the capital funding restrictions.

Other transfers include a transfer from restricted to unrestricted funds following the completion of performance conditions in connection with restricted non-capital grant activity, and the reallocation of funds to reflect funding restrictions.

19. COMMITMENTS

Group and charitable company	Total 2021 £000	Total 2020 £000
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Capital commitments at the end of the financial year for which no provision has been made:

Contracted	391	66
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Amounts due under other operating leases for plant and machinery:

Within one year	1	-
Between one and two years	1	-
Between two and five years	3	-
	5	-

NOTES TO THE ACCOUNTS

20. PENSION SCHEMES

All staff employed by QIB on 30 September 2011 became BBSRC employees on 1 March 2012 and were deployed back to the Institute under conditions set out in the Deployment Agreement (the "Deployed Employees"). On 1 October 2017, Deployed Employees transferred employment to the Institute under TUPE.

Deployed Employees retain their membership of the Research Councils Pension Scheme (RCPS), where applicable, with QIB becoming an admitted employer in the scheme. The RCPS is a defined benefit scheme funded from annual grant-in-aid on a pay-as-you-go basis. The RCPS Pension Scheme is a multi-employer scheme and QIB is unable to identify its share of the underlying assets and liabilities. QIB therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Liabilities for the payment of future benefits are the responsibility of the RCPS and accordingly are not included in these Financial Statements. The employer contribution rate during the year was 26% (2020: 26%).

QIB employees that joined after 30 September 2011 are eligible to join a defined contribution scheme.

The Company employs some staff jointly with the University of East Anglia. Staff are employed under QIB terms & conditions but are eligible to join The University Superannuation Scheme (USS). QIB is obliged to pay the prevailing employer contribution rate for staff in the USS, however it has no liability for scheme funding deficits. Accordingly, these arrangements have been accounted for as defined contribution scheme.

The total pension charge for the year was £889,644 (2020: £843,702), with outstanding contributions at the year-end of £47,236 (2020: £66,651).

21. RELATED PARTY TRANSACTIONS

Biotechnology and Biological Science Research Council (Member)

The charitable company is strategically funded by BBSRC along with seven other Institutes. QIB charged BBSRC £nil (2020: £324,351) for staff redundancy costs incurred during the year.

Grants received from BBSRC are detailed in note 2.

As at 31 March 2021, BBSRC owed £78,905 (2020: £455,513) to QIB, and QIB owed BBSRC £37,498 (2020: £29,998).

BBSRC is part of UK Research and Innovation (UKRI), an organisation that brings together the UK's seven research councils, Innovate UK and Research England.

University of East Anglia (Member)

University of East Anglia ("UEA") is a member of the charitable company. UEA is entitled to appoint a majority of the members of the Board of Trustees and accordingly is deemed to be the company's parent undertaking and controlling party.

UEA invoiced QIB £4,559,763 (2020: £1,058,413) for salaries and other charges and QIB invoiced UEA £753,880 (2020: £264,286) for services.

As at 31 March 2021, the UEA owed QIB £580,375 (2020: £435,874) and QIB owed UEA £2,989,655 (2020: £318,736).

Norfolk and Norwich University Hospitals NHS Foundation Trust (Member)

Norfolk and Norwich University Hospitals NHS Foundation Trust (NNUH) is a member of the charitable company.

During the year NNUH invoiced QIB £428,734 for services and capital costs (2020: £687,321) and QIB invoiced £42,287 (2020: £30,470) for grant related costs. As at 31 March 2021, NNUH owed QIB £10,689 (2020: £10,457) and QIB owed NNUH £146,028 (2020: £357,505).

NBI Partnership Limited (Associate)

The charitable company is one of four members and guarantors of NBI Partnership Limited ("NBIP"), a company limited by guarantee. QIB has provided short-term loans to NBIP to enable NBIP to manage its cash requirements. At 31 March 2021, QIB had a loan balance with NBIP of £105,000 (2020: £92,000).

During the year, QIB received services totalling £1,395,255 (2020: £1,400,196), received interest from NBIP of £2,100 (2020: £1,840) and invoiced NBIP £2,160 (2020: £nil) for other services. As at 31 March 2021, QIB owed NBIP £177,468 (2020: £123,141) and NBIP owed QIB £2,100 (2020: £1,840).

NOTES TO THE ACCOUNTS

21. RELATED PARTY TRANSACTIONS (CONTINUED)

QI Partners (Associate)

The charitable company is one of four members and guarantors of QI Partners, a charitable company limited by guarantee.

QIB has agreed to provide QI Partners with a loan facility of £5,400,000, which is repayable between November 2018 and August 2022. As at 31 March 2021, £2,800,000 of the facility has been drawn down by QI Partners (2020: £3,775,000). Interest is payable on the loan at a rate of 3.0% pa.

During the year, QIB invoiced QI Partners £nil (2020: £47,733) for the transfer of the benefits in, and the recharge of the costs of the supplies received by QIB in respect of the Quadram Institute building. QIB also invoiced QI Partners £106,741 (2020: £145,249) for interest on its loan. As at 31 March 2021, QI Partners owed QIB £25,045 (2020: £31,617).

QI Partners has invoiced QIB for service charges totalling £1,826,465 (2020: £1,305,553) in relation to the building running costs. As at 31 March 2021, QIB owed QI Partners £92,197 (2020: £nil).

QIB does not have any significant influence on QI Partners' financial and operating policies.

Anglia Innovation Partnership LLP

QIB is a member of Anglia Innovation Partnership LLP ("AIP LLP") through its 100% subsidiary, IFR NRP Capital Limited. AIP LLP is responsible for the management and development of the Norwich Research Park (NRP) estate and for the furtherance of the NRP Enterprise Vision. During the year, QIB was charged £32,117 (2020: £23,783) for estate costs and services and QIB charged AIP £nil for utility costs (2020: £29,225). As at 31 March 2021, QIB owed AIP LLP £23,783 (2020: £23,783).

QIB Extra Ltd

QIB Extra Ltd is the wholly owned trading subsidiary of QIB. QIB Extra undertakes contract research for the food industry.

During the year, QIB invoiced QIBX for services and other costs totalling £394,796 (2020: £569,158). QIBX invoiced QIB for services totalling £3,759 (2020: £7,392). In addition, QIBX made a gift aid payment to QIB of £93,852 (2020: £172,059). As at 31 March 2021, QIBX owed QIB £75,099 (2020: £89,251).

22. CASH HELD AS EUROPEAN GRANT CO-ORDINATOR

The charitable company holds cash on behalf of the European Union in its capacity as project co-ordinator on a number of projects. It acts as an intermediary only and does not control the risks and rewards associated with the cash balances. Cash balances of £1,178,812 (2020: £854,522) in relation to this are included within the balance sheet.

23. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The trustees consider that the ultimate parent undertaking and controlling party is the University of East Anglia, by virtue of its right under the Articles of Association to appoint a majority of the company's directors.

QIB is the parent undertaking of the smallest group of undertakings to consolidate these financial statements, and the University of East Anglia is the parent undertaking of the largest group of undertakings to consolidate these financial statements.

REFERENCE AND ADMINISTRATIVE DETAILS

Directors and Trustees

Dr C Caulcott	Chair – Board
Dr E Blair	
Prof F Lettice	Chair – Science Innovation and Advisory Committee
Prof P Morgan	Chair – Remuneration and Nomination Committee
Mr G Potter	
Dr E Robertson	
Mrs J Waterfield	Chair – Audit and Risk Committee

Director of the Institute Professor I Charles

Company Secretary Mr D Foreman

Key Management Personnel

Prof I Charles
Dr G Brown
Prof S Carding
Mr D Foreman
Ms A O'Halleron
Dr A Mather
Prof M Warren
Dr R Wilson

Registered charity number 1058499

Registered company number 03009972

Registered office and principal office of the charity

Norwich Research Park
Norwich
NR4 7UQ

Independent auditors

Larking Gowen LLP
Chartered Accountants and Statutory Auditors
King Street House
15 Upper King Street
Norwich
NR3 1RB

Bankers

Barclays Bank Plc
54 Lombard Street
London
EC3V 9EX