

Structural Genomics Consortium
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND
FINANCIAL STATEMENTS

for the year ended
30 June 2021

Company Registration No. 4714553
Charity Registration No. 1097737

Structural Genomics Consortium

DIRECTORS AND OFFICERS

CURRENT DIRECTORS

Dr Anke Mueller-Fahrnow (Chair)
Dr Ulrich Betz
Dr Christopher Bi
Dr Karen Dewar
Dr Alexander Hillisch
Dr Stephen Hitchcock
Dr James Kiefer
Dr Oliver Kramer
Dr Dafydd Owen
Dr Sujata Sharma

SECRETARY

Ms Susan McCormick

COMPANY NUMBER

4714553

REGISTERED CHARITY NUMBER

1097737

REGISTERED OFFICE

Gibbs Building
215 Euston Road
London NW1 2BE

PRINCIPAL OFFICE

MaRS Centre
South Tower, Suite 712
101 College Street
Toronto
Ontario
M5G 1L7
Canada

AUDITOR

Chiene + Tait LLP
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh, EH3 6NL

ACCOUNTANTS

RSM UK Tax and Accounting Limited
The Pinnacle
170 Midsummer Boulevard
Milton Keynes
MK9 1BP

Structural Genomics Consortium

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The Directors, who are also Trustees of the Charity for the purposes of Charity Law, submit their report and the audited financial statements of the Structural Genomics Consortium (SGC) for the year ended 30 June 2021.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Charities Act 2011, the Companies Act 2006, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019.

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details of the charitable company, including details of its Directors (who are also its Trustees) and its advisers are given on page 1.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document and Constitution

SGC is a company limited by guarantee (company number 4714553) and is a charity registered in the United Kingdom with the Charity Commission for England and Wales (charity number 1097737).

SGC was established under a Memorandum of Association dated 27 March 2003 (updated 7 March 2018) that established its objects and powers and is governed under its Articles of Association.

Directors / Trustees

The following Directors have held office since 1 July 2020:

Dr Anke Mueller-Fahrnow (Chair)
Dr John Bamforth (resigned 30 December 2020)
Dr Cindy Bell (resigned 31 March 2021)
Dr David Bennett (resigned 1 January 2021)
Dr Ulrich Betz
Dr Christopher Bi (appointed 8 June 2021)
Dr Adrian Carter (resigned 1 January 2021)
Dr Tom Collins (appointed 23 October 2020 and resigned 30 June 2021)
Dr Karen Dewar (appointed 1 April 2021)
Dr Michael Dunn (resigned 23 October 2020)
Dr Alexander Hillisch
Dr Stephen Hitchcock
Dr James Kiefer
Dr Oliver Kramer (appointed 1 January 2021)
Dr Dafydd Owen
Dr Saul Rosenberg (resigned 30 June 2021)
Dr Sujata Sharma (appointed 1 December 2020)

Key management personnel

In the opinion of the Directors the key management personnel of the charitable company comprise the Directors and the following members of the senior management team:

Chief Executive Officer: Dr Aled Edwards
Chief Financial Officer: Ms Susan McCormick
Director of Policy and Senior Counsel: Mr Maxwell Morgan

Structural Genomics Consortium

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

Methods for Recruiting and Appointing New Directors

New Directors to the SGC Board are appointed by its Funding Parties. Each Funding Party has rights to appoint a Director to the SGC Board pursuant to the Memorandum and Articles of Association as well as an agreement among the Funding Parties referred to as the SGC Governing Principles (dated 1 July 2015 and amended on 28 February 2018 and 3 June 2020). The Chairman is independent and is a unanimous appointment of the Members.

Curriculum Vitae of potential new Directors are circulated to the existing Directors to ensure they are satisfied with the qualifications and expertise of the new Director to be appointed.

Policies for the Induction and Training of Directors

The Director of Policy and Senior Counsel provides new Directors with information relevant to their duties as company Directors and charity Trustees of SGC including that provided by the Charity Commission. The Board of Directors of SGC, through its various committees, is responsible for corporate governance, which includes the identification of characteristics required in new Directors and the nomination of new Directors, as well as monitoring the performance of the Directors. Ongoing training is provided on an ad-hoc basis as required.

Corporate Governance Compliance

The UK's Charity Governance Code demands accountability and provides a crucial reference point for charities to follow in order to keep themselves well-managed. SGC strives to comply with the recommended practices in the Code. SGC attempts to comply with all of the Code's principles relevant to its operations to create a culture that helps achieve its charitable purposes. To help develop a culture of openness and ensure integrity within the organisation, SGC maintains a register of interests for Directors and senior staff.

Key management personnel remuneration

The Performance Review Committee is responsible for setting performance targets and evaluating such for the Chief Executive Officer. The committee's recommendations are then approved by the Board. The Chief Executive Officer is responsible for determining the remuneration of the Chief Financial Officer and the Director of Policy and Senior Counsel. The Chair is remunerated in accordance with an order of the Charities Commission. Details of such remuneration are detailed in note 4 of the financial statements.

Diversity

SGC-funded recipients recruit candidates from universities around the world to ensure the widest possible diversity in backgrounds.

Organisation, Structure and Decision Making

Authority for the operational management of SGC is delegated to the Chief Executive Officer. The strategic management of the Scientific Programme is delegated to the Scientific Committee; however, the Scientific Programme cannot be amended without the unanimous agreement of the Funding Parties.

All material decisions and changes to the Constitutional Documents and Funding Agreement require a unanimous decision of the Directors and Funding Parties.

Management of areas of corporate governance is delegated to the sub-committees of the Board. The following sub-committees have been established:

- **Audit Committee** – The Audit Committee monitors the integrity of the financial statements of the charitable company, reviewing significant financial reporting issues and judgements which they contain. The Committee also reviews summary financial statements, significant financial returns to regulators and any financial information contained in any other relevant documents. The Committee oversees the relationship with the external auditor.

Structural Genomics Consortium

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

- Performance Review Committee – The Performance Review Committee reviews the performance of, and considers the framework for, the bonus payment to the Chief Executive Officer and considers any other items as set out in its terms of reference as approved by the Board from time to time.
- Business Committee – The Business Committee considers the business case for proposed collaborations with external parties (including individuals, academic institutions and commercial or not-for-profit enterprises) as identified by the Chief Executive Officer and Chief Scientific Officers, paying attention to issues relating to intellectual property and charitable constraints to ensure that any collaborations and contracts entered into by SGC are in keeping with the open access mandate.
- Scientific Committee – The Scientific Committee oversees the various SGC projects described in the Scientific Programme, advises on the feasibility, progress and development of the Scientific Programme and considers any other items as set out in its terms of reference as approved by the Board from time to time.

The composition of the sub-committees, which report to the full Board, is currently:

- Audit Committee (constituted as follows: Dr James Kiefer (Chair), Dr Oliver Kramer, Dr Kumar Saikatendu and Mr Scott Davies (Mr Scott Davies is not a Board member)).
- Performance Review Committee (constituted as follows: Dr Alexander Hillisch (Chair), Dr Dafydd Owen, Dr Ulrich Betz, Dr Karen Dewar).
- Business Committee (constituted as follows: Dr Dafydd Owen (Chair), Dr James Kiefer, Dr Sujata Sharma).
- Scientific Committee (chaired by Dr Kumar Saikatendu).

Relationships with Other Organisations

SGC co-operates with a number of organisations and charities in the pursuit of its charitable objectives. These include the various institutions at which SGC operations are located, functional collaborators and its funder organisations, such as the Montreal Neurological Institute at McGill University and the Ontario Institute for Cancer Research in Toronto.

OBJECTIVES AND ACTIVITIES

Objects

Enabling the future therapeutic relief of human suffering through genome-scale structural chemistry research.

The mission of SGC is to maximise the impact of SGC member funding to science and industry, by significantly increasing the availability and understanding of:

- Structures of therapeutically relevant proteins;
- Chemical probes
- Structural chemistries of gene families;
- Target-enabling packages;
- Structural informatics technologies; and
- Assay results from experiments using patient-derived cells;

in order to facilitate the future early stage drug-discovery process and provide information on structure-function relationships for basic research.

Structural Genomics Consortium

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

Aims

SGC aims to provide open access to research in structural genomics, structural chemistry and computational chemistry as it relates to the improvement of human health.

SGC has made a significant contribution to the knowledge base in structure determination of human proteins and continues to do so. SGC's activities are likely to have a high impact on future drug development for diseases. It is especially important to make such information available in the public domain.

A proportion of structures are directly relevant to medical problems and this will impact significantly on the pharmaceutical and biotechnology industries. SGC has already established itself as a major national and international collaboration.

This research is intended to enable the future therapeutic relief of human suffering through genome-scale structural chemistry research. The charitable company aims to provide open access to research in structural genomics, structural chemistry and computational chemistry as it relates to the improvement of human health.

PUBLIC BENEFIT STATEMENT

The Directors, as Trustees, confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning the future activities of the charitable company.

Review of Activities and Objectives for the year to 30 June 2021

SGC has made significant impacts on local environments, by increasing the knowledge base and scientific credentials of the host institutions and also providing employment and training opportunities for research scientists. It has also contributed more than 1,000 novel protein structures of therapeutic interest to human health, into the public database since July 2010.

The objectives of SGC for the year ended 30 June 2021 were to deposit 20 soluble protein structures, plus one integral membrane protein structure from the Target List, to produce or obtain 10 chemical probes, including 4 kinase chemical probes, and to publish papers of high impact. The Target List is constituted of a list of protein targets nominated by the Member funding organisations of SGC on the basis of being medically relevant to the prevention and treatment of human disease. SGC met its target for soluble structures for 2021, depositing 120 (27 novel) structures into the public domain. A collaborative network of over 200 external scientists was established, and more than 125 papers were published in 2020, many in top journals such as Nature, Chemical Biology, Cell Chemical Biology and Proceedings of the National Academy of Sciences. One membrane protein structure was solved.

See "Achievements and Performance in the year" in the Strategic Report on page 8.

Strategies for Achieving Objectives

The charitable company's strategies for achieving its stated objectives are:

- A robust scientific programme which is reviewed and monitored by an independent Scientific Committee;
- Quarterly review and monitoring of the budget by the Audit Committee and Board;
- Identification and management of scientific and governance risks;
- Day to day management of the scientific programme by the scientific management.

Structural Genomics Consortium

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

Grant Making Policies

After initial start-up in 2003, Phase I commenced operations in July 2004 with grants to the Universities of Toronto and Oxford, when the project moved forward with the hiring of a Chief Executive Officer and with investment from the Wellcome Trust Limited, as a Trustee of Wellcome Trust ("Wellcome"), the Canadian and Ontario governments and Glaxo Group Limited. In July 2005, a consortium of Swedish funders joined SGC and SGC awarded grants to the Karolinska Institutet. Phase I was completed by 30 June 2007, when SGC achieved all objectives set for it. Phase II has also been completed, having commenced 1 July 2007. SGC secured further funds for Phase III of operations, which commenced on 1 July 2011, and Phase IV, which commenced on 1 July 2015. SGC has secured funding for Phase V, which began 1 May 2020.

The Phase II funding agreement was with Wellcome, Glaxo Group Limited, Canadian Institutes of Health Research, Genome Canada, Swedish Agency for Innovation Systems, Swedish Foundation for Strategic Research, Novartis Forschungsstiftung and Merck & Co Inc. From 1 July 2011, the Phase III funding agreement was with Wellcome, Glaxo Group Limited, Canadian Institutes of Health Research, Genome Canada, Novartis Forschungsstiftung, Eli Lilly Canada Inc. and Pfizer Inc.

During the first year of Phase III, Abbott Laboratories (now AbbVie Inc.) and Takeda Pharmaceutical Company Limited signed Deeds of Admission to join the Consortium In October 2012, Boehringer Ingelheim International GmbH and Janssen Pharmaceutica NV signed Deeds of Admission and joined SGC. In October 2013, Bayer Pharma AG signed a Deed of Admission and joined SGC. In January 2015, Merck, Sharp & Dohme Corp. signed a Deed of Admission and joined SGC. Merck KGaA joined SGC in June 2017, Genentech joined SGC in 2020 and Janssen Pharmaceutica NV and Bristol-Myers Squibb joined in 2021.

SGC awards grants to recipient institutions pursuant to detailed grant agreements and in accordance with the SGC's charitable purposes and Governing Principles. Grants are awarded to the University of Toronto, the University of North Carolina at Chapel Hill, Goethe University in Frankfurt am Main, Germany, Karolinska Institutet in Stockholm, Sweden and McGill University in Montreal, Canada according to pre-agreed grant agreements.

SGC does not give grants to unsolicited claimants.

Fundraising

SGC approaches only institutions and high-net-worth individuals for fundraising purposes. The high-net-worth individuals are those who have been referred to SGC as potentially being interested in funding SGC-supported research. It does not approach the public for donations nor does it engage commercial participators or professional fundraisers to carry out fundraising on its behalf.

Its fundraising conforms to recognised standards and there have never been any complaints made about its approach to fundraising due to unreasonably intrusive or persistent fundraising approaches, undue pressure to donate or for any other reason.

AUDITOR

A resolution to reappoint Chiene + Tait LLP as auditors will be put to the members at the forthcoming Annual General Meeting.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The Directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Directors has confirmed that they 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 it has been communicated to the auditor.

Structural Genomics Consortium

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

MATTERS OF STRATEGIC IMPORTANCE

The charitable company has chosen in accordance with section 414C (11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2008 to set out in the charitable company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. It has done so in respect of future developments and financial risk management.

The Directors' Report was approved by the Directors on 8 September 2021 and signed on their behalf by:

Anke Mueller-Fahnow

Dr Anke Mueller-Fahnow

Chair

Structural Genomics Consortium

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The Directors present the Strategic Report for the year ended 30 June 2021.

ACHIEVEMENTS AND PERFORMANCE IN THE YEAR

During the year, SGC:

- achieved its stated objectives in all areas;
- solved one human integral membrane protein structures and three follow-on integral membrane protein structures;
- secured additional funding for chemical biology activities in Toronto, Frankfurt, and Karolinska;
- met its objectives for soluble protein structure deposition;
- scientists published about 2.5 papers a week, of which 30% were in the elite journals;
- engaged in collaborations involving over 200 external scientists;
- has hosted/trained over 20 external scientists;
- has been involved in training over 30 students and fellows.

The impact of having exceeded the soluble protein milestones set out for the year ended 30 June 2021, is to have increased significantly the number of human protein structures in the public domain, hence providing researchers in the UK and internationally with a significant resource and information to work further towards developing various therapeutic benefits for human health. At 30 June 2021, SGC continues to account for about 10% of all the structural information for human proteins in the worldwide Protein Data Bank.

Since 2011, more than 30,000 samples of chemical probes have now been distributed to the community without restriction on use, either commercially or through SGC, and these have been referred to in over 5,000 publications.

Phase IV of SGC ended on 30 June 2020. SGC is continuing operations for Phase V, which runs from 1 May 2020 to 30 June 2025. The goals for Phase V are outlined in the section “Phase V and plans for the future” on page 10.

These achievements will enable the future therapeutic relief of human suffering by providing scientific information to scientists who study medically relevant proteins.

FINANCIAL REVIEW

During the year, there was income of £10,327,000 (2020: £4,911,000) and expenditure of £8,525,000 (2020: £6,524,000) resulting in net income of £1,802,000 (comprising £2,990,000 of net expenditure from restricted funds and net income from unrestricted funds of £4,792,000) (2020: net expenditure of £1,613,000).

During the year, SGC received new grants from Janssen Pharmaceutica NV and Bristol-Myers Squibb.

Risk assessment and management

Some of the principal risks and uncertainties that SGC faces include the inability to recruit or retain highly qualified personnel resulting in failure to meet targets and operational risks such as equipment failure. A warranty programme is taken out with major suppliers to mitigate this risk. Recipients of SGC grants are constantly seeking to recruit the best candidates for available positions. There is a risk due to a slowdown of activities due to COVID-19. SGC has decided, and its Members have agreed, to delay the milestones by six months. As of 1 July 2021, the laboratories are operating at 80% capacity.

The major factor likely to affect the financial performance or position of the charitable company going forward is any reduction in funding already committed to by donors to SGC.

As at 30 June 2021, SGC held £9,125,000 in reserves (2020: £7,323,000). SGC operates on a five-year funding cycle that began on 1 July 2020 and will end on 30 June 2025. Donors are generally requested to commit funds at the beginning of the cycle for the entire five-year period. Expenditures are then made to research institutions over that same period. As a result, reserves are generally highest at the beginning or early in the cycle and slowly decline until the end of the funding period. This pattern is expected to be followed again for the current Phase V.

Structural Genomics Consortium

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2021

With the funding secured on 1 May 2020 from the Innovative Medicines Initiative (IMI), re the EUbOPEN project, for the next five years of Phase V, SGC will continue as a going concern until at least 30 June 2025.

Policy on Reserves

“Free reserves” of the charitable company are represented by its unrestricted funds which amounted to £8,895,000 (2020: £5,645,000) as at 30 June 2021.

The Board and its funders committed to a five-year funding period for Phase V, which began in 2020, and therefore aims to keep sufficient funds in reserve to cover its grant commitments for this period to break-even at the end of the period as achieved in previous phases.

Principal Funding Sources in Phases I to IV

During Phase I and the period ended 30 June 2007, principal funding sources to SGC included the Wellcome Trust (“Wellcome”), Glaxo Group Limited and Genome Canada. Grants from these organisations were paid to SGC, which in turn made grants to the University of Oxford, the University of Toronto and the Karolinska Institutet in order for these organisations to undertake research in the fields referred to above.

Additional funding was provided to the project via direct grants by Canadian Institutes of Health Research, Ontario Research Development and Challenge Fund, Canada Foundation for Innovation, and a consortium of Swedish funders. Grants were made from these organisations directly to the University of Toronto and the Karolinska Institutet.

In Phase II (the period from 1 July 2007 to 30 June 2011), pursuant to a revised funding agreement dated 31 May 2007, the following organisations provided grants to SGC: Wellcome, Glaxo Group Limited, Genome Canada, Novartis Forschungsstiftung and Merck & Co Inc. Grants were, in turn made by SGC to the University of Oxford, the University of Toronto and the Karolinska Institutet.

Additional funding was provided, via direct grants by the Canadian Institutes of Health Research, Ontario Ministry of Research, Innovation and Science, VINNOVA, Swedish Foundation for Strategic Research and the Knut Alice Wallenberg Foundation to the University of Toronto and the Karolinska Institutet.

Funding for Phase III was secured from both public and pharmaceutical partners that enabled SGC to continue operations from 1 July 2011 to 30 June 2015. A funding agreement was signed on 1 July 2011 by all funders of Phase III. These are Wellcome, Glaxo Group Limited, Genome Canada, Novartis Forschungsstiftung, Eli Lilly, Pfizer, and the Canadian Institutes of Health Research. AbbVie Inc., Bayer Pharma AG, Boehringer Ingelheim International GmbH, Janssen Pharmaceutica NV, Takeda Pharmaceuticals and Merck, Sharp & Dohme joined the Consortium during Phase III. In addition, the Ontario Ministry of Research, Innovation and Science provided a direct grant to the University of Toronto.

Phase IV funding was obtained from a combination of public and pharmaceutical partners through at least 30 June 2020. Deeds of Admission, pursuant to which Members provide funding commitments to SGC, were signed effective 1 July 2015 by Wellcome, Genome Canada, AbbVie Inc., Boehringer Ingelheim International GmbH, Merck, Sharp & Dohme and Takeda Pharmaceuticals. Merck KGaA signed a Deed of Admission in June 2017. Bayer Pharma AG, Janssen Pharmaceutica NV, Novartis Pharma AG, and Pfizer Inc. provided further funding for SGC Phase IV activities through the ULTRA-DD project supported by Innovative Medicines Initiative in Brussels.

Structural Genomics Consortium

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2021

PHASE V AND PLANS FOR THE FUTURE

SGC's objectives for Phase V include i) 100 soluble protein structures and 10 membrane protein structures, ii) produce 100 chemical probes, iii) chemogenomics libraries and iv) develop and implement 3 tissue platforms.

SGC and other partners won an award of €27,935,000 from the European Commission as part of the IMI for a project called EUBOPEN covering the five-year period ending 30 June 2025. The IMI is Europe's largest public-private partnership aiming to speed up the development of better and safer medicines for patients. The funds are to be allocated among many European universities (including Oxford University, Karolinska Institutet, Frankfurt, and Eidgenössische Technische Hochschule Zurich) and SGC. SGC Members Bayer Pharma AG, Pfizer Inc., Takeda Pharmaceutical Company Limited, and Boehringer Ingelheim International GmbH also provide funding for SGC activities through the EUBOPEN project,

The objective of the project is to validate new targets for drug discovery by (1) generating high quality research tools, with an emphasis on chemical probes; (2) generating the chemical probes in the most cost-effective manner, using structure-guided methods and harnessing the chemical libraries and medicinal chemistry skills of the pharmaceutical company participants; (3) testing the chemical probes in models of human disease based on continuous access to cells from patients with selected inflammatory diseases; and (4) making all reagents and knowledge available to the research community without restriction on use, to expand the impact well beyond the EUBOPEN partners. In addition to our focus on chemical probes, we will also generate a defined set of antibodies targeting extracellular and membrane bound proteins of relevance to disease.

SGC is also committed to enhance the utility of the structural information by engaging in a number of strategic collaborations with chemical screening efforts. The objective of these collaborations will be to place the information into the public domain, to provide academic and industrial scientists insight into the interaction between the human proteins and small molecules.

SGC also received funding via a Deed of Admission from Genentech in December 2019 (€5,500,000) to develop chemical probes for members of the human WDR protein family, principally during Phase V. Janssen Pharmaceutica NV and Bristol-Myers Squibb each also signed Deed of Admissions to provide €5,500,000 each to SGC for Phase V activities. Genome Canada have indicated their support for Phase V by signing a Deed of Admission directly with the University of Toronto to provide CAD 5,000,000 over 2 years (1 July 2020 to 30 June 2022).

SGC may elect to fund collaborations that advance its charitable mandate. These include collaborations with medicinal computational chemists.

CHDI Foundation has provided a third grant to SGC for further research at the University of Toronto.

The charitable company expects that its funding will not be adversely affected by the COVID-19 situation, as it has successfully secured funding for Phase V from the above-noted sources.

The senior executives, who are not required to do experiments, have been able to work from home and communicate by media. The experimental labs are now re-opening and are working at 50% capacity with stringent physical distancing measures in place. The labs will continue to re-open as allowable by each country.

Further information can be found in the accounting policy on going concern on page 19.

Structural Genomics Consortium

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2021

GOING CONCERN

These financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assume that SGC will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of operations. Funding for Phase V, beginning 1 May 2020 has been secured from both public and private sources and covers expected obligations in the period to 30 June 2025, therefore the Directors are satisfied the financial statements can be prepared on a going concern basis.

The Strategic Report was approved by the Directors on 8 September 2021 and signed on their behalf by:

Anke Mueller-Fahrnow

Dr Anke Mueller-Fahrnow
Chair

Structural Genomics Consortium

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The Directors (who are also Trustees of Structural Genomics Consortium for the purposes of charity law) are responsible for preparing the Directors' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRUCTURAL GENOMICS CONSORTIUM

Opinion

We have audited the financial statements of Structural Genomics Consortium (the 'charitable company') for the year ended 30 June 2021 which comprise the Statement of Financial Activities (including an Income and Expenditure Account), Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the directors' 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRUCTURAL GENOMICS CONSORTIUM (continued)

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 Annual Report, which includes the directors' report and the strategic 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 our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 directors

As explained more fully in the directors' responsibilities statement, the directors (who are also the trustees of the charitable company for the purposes of charity 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 directors 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 directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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

We gained an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates and considered the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud. This included, but was not limited to, the Charities Act 2011 and the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRUCTURAL GENOMICS CONSORTIUM (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

We focused on laws and regulations that could give rise to a material misstatement in the charity's financial statements. Our tests included, but were not limited to:

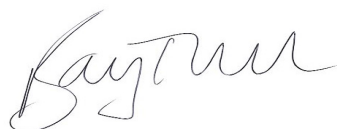
- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of the directors and key management personnel;
- review of minutes of board meetings throughout the period;
- review of legal correspondence or invoices, and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Because of 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 for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



BARRY TRUSWELL, CA (Senior Statutory Auditor)
For and on behalf of Chiene + Tait LLP
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

14 September 2021

Structural Genomics Consortium
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
for the year ended 30 June 2021

	Notes	Restricted Funds 2021 £'000	Unrestricted Funds 2021 £'000	Total Funds 2021 £'000	Restricted Funds 2020 £'000	Unrestricted Funds 2020 £'000	Total Funds 2020 £'000
INCOME FROM:							
Charitable activities	2	674	9,653	10,327	1,195	3,715	4,910
Investments	1	-	-	-	-	1	1
TOTAL INCOME		674	9,653	10,327	1,195	3,716	4,911
EXPENDITURE ON:							
Charitable activities	3	3,664	4,861	8,525	2,140	4,384	6,524
TOTAL EXPENDITURE		3,664	4,861	8,525	2,140	4,384	6,524
NET INCOME/(EXPENDITURE)	5	(2,990)	4,792	1,802	(945)	(668)	(1,613)
TRANSFERS BETWEEN FUNDS	11	1,542	(1,542)	-	-	-	-
NET INCOME/(EXPENDITURE) AND MOVEMENT IN FUNDS		(1,448)	3,250	1,802	(945)	(668)	(1,613)
TOTAL FUNDS BROUGHT FORWARD AT 1 JULY		1,678	5,645	7,323	2,623	6,313	8,936
TOTAL FUNDS CARRIED FORWARD AT 30 JUNE	11	230	8,895	9,125	1,678	5,645	7,323

Structural Genomics Consortium

BALANCE SHEET

30 June 2021

Company Registration No. 4714553

	<i>Notes</i>	2021 £'000	2020 £'000
CURRENT ASSETS			
Debtors due within one year	6	4,630	4,410
Debtors due after more than one year	6	5,326	684
Cash at bank and in hand		4,941	6,681
		<u>14,897</u>	<u>11,775</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	7	(2,349)	(2,761)
NET CURRENT ASSETS		<u>12,548</u>	<u>9,014</u>
CREDITORS: amounts falling due after more than one year	8	(3,423)	(1,691)
NET ASSETS		<u>9,125</u>	<u>7,323</u>
CAPITAL AND RESERVES			
Restricted funds	11	230	1,678
Unrestricted funds	11	8,895	5,645
TOTAL FUNDS		<u>9,125</u>	<u>7,323</u>

The financial statements on pages 16 to 29 constitute the annual financial statements required by the Companies Act 2006 and are for circulation to the Members. They were approved by the Board and authorised for issue on 8 September 2021 and are signed on its behalf by:

Anke Mueller-Fahrnow

Dr Anke Mueller-Fahrnow
Chair

The notes on pages 19 to 29 form part of these financial statements.

Structural Genomics Consortium

STATEMENT OF CASH FLOWS

for the year ended 30 June 2021

	<i>Notes</i>	2021 £'000	2020 £'000
OPERATING ACTIVITIES			
Cash (used in)/generated from operations	9	(1,513)	3,162
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES		<u>(1,513)</u>	<u>3,162</u>
INVESTING ACTIVITIES			
Interest received		-	1
NET CASH FROM INVESTING ACTIVITIES		<u>-</u>	<u>1</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(1,513)	3,163
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		6,681	3,271
Effect of foreign exchange rate changes		(227)	247
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>4,941</u>	<u>6,681</u>

Structural Genomics Consortium

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

Structural Genomics Consortium is a private company limited by guarantee, incorporated in England and Wales. The registered address of the charitable company is detailed on page 1. The charitable company does not have a principal place of business as all personnel work from home. The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006. The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019.

The charitable company constitutes a public benefit entity as defined by FRS 102.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

GOING CONCERN

The Directors confirm that at the time of approving the financial statements, there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. In arriving at this conclusion, the Directors have taken account of current and anticipated financial performance in the current economic conditions, and the charitable company's reserves position. Since the significance of the economic impacts of the COVID-19 outbreak have become apparent, the Directors have reviewed in detail the charitable company's position and the appropriate basis on which to prepare the financial statements. The Directors anticipate that there will be delays in the science in keeping with the fraction of scientists that work in the laboratories. The Directors have considered budgets and forecasts to satisfy themselves that the charitable company remains a going concern. The full impact of the COVID-19 outbreak cannot presently be estimated with any certainty, but the stress testing of the charitable company's financial position has satisfied the Directors that it has adequate reserves and mitigation strategies available to deal with the impact of the outbreak as it unfolds. Whilst the Directors recognise that 2021/22 will be a challenging year and that it will be necessary to draw on some of the charitable company's reserves, some of which have been specifically established to provide financial resilience, they have concluded that it remains appropriate to prepare the financial statements of the charitable company on the going concern basis.

FUNCTIONAL CURRENCY

The financial statements are presented in GBP which is also the functional currency of the charitable company.

FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

INCOME

All income is included in the Statement of Financial Activities when the charitable company is legally entitled to the income and the amount is probable and can be quantified with reasonable accuracy.

EXPENDITURE

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates. Grants payable (including multi-year grants) are included in the Statement of Financial Activities when they have been approved for payment and the recipient has been informed of this decision and any conditions have been met. If there are no conditions attached, the expenditure is incurred in full when the grant is approved for payment.

Charitable expenditure comprises those costs incurred by the charitable company in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. As there is only one charitable activity, all support costs and governance costs have been allocated against this activity.

Structural Genomics Consortium

ACCOUNTING POLICIES

UNRESTRICTED FUNDS

Unrestricted funds are donations and other income receivable or generated for the objects of the charitable company without further specified purpose and are available as general funds.

RESTRICTED FUNDS

Restricted funds are used for special purposes as laid down by the donor. Expenditure which meets these criteria is charged against the fund.

FINANCIAL INSTRUMENTS

The charitable company has elected to apply the provisions of Section 11 “Basic Financial Instruments” of FRS 102, in full, to all of its financial instruments.

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities.

Financial assets

Basic financial assets, which include accrued income are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost.

Financial liabilities

Basic financial liabilities, which include grants payable and accruals, are initially measured at transaction price and subsequently measured at amortised cost.

CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less.

CORPORATION TAX

The charitable company is exempt from tax on income and gains falling within section 466 - 493 of the Corporation Tax Act 2010 to the extent that these are applied to its charitable objects.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are those used in estimating the total amount of expenditure to be incurred on each project. These estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Structural Genomics Consortium

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

1	INCOME FROM INVESTMENTS				
		Restricted	Unrestricted	Total Funds	Total Funds
		Funds	Funds	2021	2020
		2021	2021	2021	2020
		£'000	£'000	£'000	£'000
	Bank interest	-	-	-	1
2	INCOME FROM CHARITABLE ACTIVITIES				
		Restricted	Unrestricted	Total Funds	Total Funds
		Funds	Funds	2021	2020
		2021	2021	2021	2020
		£'000	£'000	£'000	£'000
	Bill and Melinda Gates Foundation	-	-	-	1,244
	Myeloma	73	-	73	100
	CHDI Foundation	570	-	570	-
	Genentech Inc	-	-	-	4,695
	Janssen Pharmaceutica NV	-	4,922	4,922	-
	Bristol-Myers Squibb	-	4,731	4,731	-
	YCharOS Inc.	25	-	25	-
	EUBOPEN	-	-	-	242
	Reduction in previous grants receivable:				
	Boehringer Ingelheim*	-	-	-	(980)
	Innovative Medicines Initiative (IMI)	6	-	6	(391)
		674	9,653	10,327	4,910

* During the prior period, the remaining funding income due from Boehringer Ingelheim was cancelled and is now part of the EUBOPEN agreement.

Structural Genomics Consortium

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

3 EXPENDITURE ON CHARITABLE ACTIVITIES

	Restricted Funds 2021 £'000	Unrestricted Funds 2021 £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
Grants*	3,419	3,466	6,885	5,440
Support costs**	202	681	883	1,174
Governance costs***	-	125	125	137
Exchange losses/(gains)	43	589	632	(227)
	<u>3,664</u>	<u>4,861</u>	<u>8,525</u>	<u>6,524</u>
2020:	<u>2,140</u>	<u>4,384</u>	<u>6,524</u>	

GRANTS *

	Restricted Funds 2021 £'000	Unrestricted Funds 2021 £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
University of Oxford	1,920	-	1,920	365
University of Toronto	709	2,304	3,013	3,335
Karolinska Institutet	237	-	237	502
University of Dundee	350	-	350	348
Eidgenossische Technische Hochschule Zurich	87	-	87	116
McGill University	25	26	51	290
University of Frankfurt	-	275	275	266
University of Washington	78	-	78	42
Funcamp	-	-	-	176
University of North Carolina	-	861	861	-
Hitgen	13	-	13	-
	<u>3,419</u>	<u>3,466</u>	<u>6,885</u>	<u>5,440</u>
2020:	<u>1,677</u>	<u>3,763</u>	<u>5,440</u>	

All grants made during the year were to institutions.

Structural Genomics Consortium

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

3 EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

SUPPORT COSTS **

	Restricted Funds 2021 £'000	Unrestricted Funds 2021 £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
Consulting	207	252	459	668
Secondment fees and bonuses	-	307	307	302
Travel & subsistence	(5)	3	(2)	87
Office expenses	-	2	2	3
Bank charges	-	4	4	4
Insurance	-	6	6	5
Legal and professional fees	-	87	87	82
Accountancy fees	-	20	20	23
	<u>202</u>	<u>681</u>	<u>883</u>	<u>1,174</u>
2020:	<u>463</u>	<u>711</u>	<u>1,174</u>	

GOVERNANCE COSTS ***

	Restricted Funds 2021 £'000	Unrestricted Funds 2021 £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
Legal and professional fees	-	84	84	98
Accountancy fees	-	20	20	14
Auditor's remuneration – statutory audit	-	11	11	12
Remuneration of Chair of Board	-	10	10	13
	<u>-</u>	<u>125</u>	<u>125</u>	<u>137</u>
2020:	<u>-</u>	<u>137</u>	<u>137</u>	

SGC only has one charitable activity and all support costs and governance costs have been allocated against this activity.

4 EMPLOYEES AND KEY MANAGEMENT PERSONNEL

No staff were directly employed during the year (2020: none).

The Chief Executive, Dr Aled Edwards, is seconded from the University of Toronto to the charitable company to manage the SGC project. During the year ended 30 June 2021, secondment fees of £136,896 (2020: £140,835) and bonus and benefits of £80,903 (2020: £81,423) were payable in relation to Dr Aled Edwards.

The key management personnel of the charitable company comprise the Directors, as described on page 2, the Chief Executive, the Chief Financial Officer and the Director of Policy & Senior Counsel. The total benefits of the key management personnel of the charitable company were £429,376 (2020: £464,339).

Structural Genomics Consortium

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

4 EMPLOYEES AND KEY MANAGEMENT PERSONNEL (continued)

Remuneration was payable to the Chair of the Board during the year, in relation to her responsibilities as Chair, amounting to £10,000 (2020: £13,280). There were no pension contributions or other benefits accruing to the Chair. None of the other Directors were remunerated in the year (2020: £nil). Due to the specialty of the field in which the charitable company functions, the international nature of the project and the need to engage eminent scientists and industrialists in the field, it was necessary to engage a Chair who has the requisite reputation and expertise to garner the respect of the stakeholder communities and therefore, it was appropriate to remunerate the Chair. The remuneration is payable in accordance with an order of the Charity Commission.

The Chair of the Board was reimbursed expenses for travel and subsistence amounting to £nil during the year (2020: £8,014). No other Directors received any reimbursement (2020: none).

No Directors had any personal interest in any contract or transaction entered into by the charitable company during the year (2020: none).

5	NET INCOME/(EXPENDITURE)	2021 £'000	2020 £'000
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Net income/(expenditure) is stated after charging/(crediting) the following:

Auditor's remuneration – statutory audit	11	10
Exchange losses/(gains)	632	(227)

6	DEBTORS	2021 £'000	2020 £'000
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Amounts falling due within one year:

Prepayments and accrued income	4,630	4,410
--------------------------------	-------	-------

Amounts falling due after more than one year:

Prepayments and accrued income	5,326	684
	9,956	5,094

Due to the additional funding agreements signed in the current year, accrued income falling due after more than one year is material in the context of total net current assets and therefore has been shown separately on the face of the Balance Sheet and in the note. The comparative amount has also been reclassified.

Structural Genomics Consortium

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

7	CREDITORS: amounts falling due within one year	2021 £'000	2020 £'000
	Grants payable	2,143	1,884
	Grant receivable clawback	-	589
	Accruals	206	288
		<u>2,349</u>	<u>2,761</u>

8	CREDITORS: Amounts falling due after more than one year	2021 £'000	2020 £'000
	Grants payable	3,423	1,691
		<u>3,423</u>	<u>1,691</u>

All grants payable will be paid from unrestricted funds.

9 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO CASH (USED IN)/GENERATED FROM OPERATIONS

	2021 £'000	2020 £'000
Net income/(expenditure)	1,802	(1,613)
Adjustments for:		
Unrealised foreign exchange losses/(gains)	227	(247)
Interest received	-	(1)
Operating cash flows before movement in working capital	<u>2,029</u>	<u>(1,861)</u>
(Increase)/decrease in debtors	(4,862)	5,103
Increase/(decrease) in creditors	1,320	(80)
Cash (used in)/generated from operations	<u>(1,513)</u>	<u>3,162</u>

10 RECONCILIATION OF CHANGES IN NET DEBT

	1 July 2020 £'000	Cash flows £'000	Foreign exchange movement £'000	30 June 2021 £'000
Cash and cash equivalents	6,681	(1,513)	(227)	4,941
Total net debt	<u>6,681</u>	<u>(1,513)</u>	<u>(227)</u>	<u>4,941</u>

Structural Genomics Consortium

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

11 SUMMARY OF FUNDS

	Brought forward 1 July 2020 £'000	Income £'000	Expenditure £'000	Transfer between funds £'000	Carried forward 30 June 2021 £'000
Unrestricted funds	5,645	9,653	(4,861)	(1,542)	8,895
Restricted funds					
Bill and Melinda Gates Foundation	178	-	(853)	675	-
Myeloma	-	73	(73)	-	-
IMI	1,258	6	(2,158)	894	-
EUBOPEN	242	-	(12)	-	230
CHDI Foundation	-	570	(570)	-	-
YCharOS Inc.	-	25	(25)	-	-
Nurix Therapeutics	-	-	27	(27)	-
Total restricted funds	1,678	674	(3,664)	1,542	230
Total funds	7,323	10,327	(8,525)	-	9,125

SUMMARY OF FUNDS – previous year

	Brought forward 1 July 2019 £'000	Income £'000	Expenditure £'000	Transfer between funds £'000	Carried forward 30 June 2020 £'000
Unrestricted funds	6,313	3,716	(4,384)	-	5,645
Restricted funds					
Bill and Melinda Gates Foundation	-	1,244	(1,066)	-	178
Myeloma	-	100	(100)	-	-
IMI	2,623	(391)	(974)	-	1,258
EUBOPEN	-	242	-	-	242
Total restricted funds	2,623	1,195	(2,140)	-	1,678
Total funds	8,936	4,911	(6,524)	-	7,323

The Bill and Melinda Gates Foundation has awarded a grant to support the Structure Guided Drug Discovery Coalition (SDDC), made up of leading structural genomics centres, academic and industrial medicinal chemists and infectious disease experts who have agreed to pool resources to support the drug discovery programmes of the Product Development Partnerships (PDP), namely the Medicines for Malaria Ventures (MMV) and the Global Alliance for TB Drug Development (GATB), pharmaceutical companies and other BMGF funded programmes. The grant may only be used for this project, any grant funds unexpended or uncommitted at the end of the grant period must be promptly returned to the Foundation. In May 2017, the Bill and Melinda Gates Foundation awarded an additional US\$2,497,903 to SGC. The original grant period ran until 31 July 2019.

Structural Genomics Consortium

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

11 SUMMARY OF FUNDS (continued)

In March 2019 and July 2020, the Bill and Melinda Gates Foundation awarded an additional US\$3,065,080 and US\$1,082,540, respectively, as a new grant to SGC for Structure-guided Early Lead Discovery for Global Health which ran until 1 June 2021. The unexpended funds of US\$14,589 which remained at the end of the grant period were transferred, with the original donor's permission, to Dundee University DDU which was granted a 3-year award from BMGF, beginning 1 June 2021, to continue SDDC Early Lead discovery for malaria and TB.

Two disease research foundations are funding SGC – CHDI and Myeloma UK. Both foundations support basic, applied and clinical research aimed at discovering and developing drugs or treatments that delay, slow, reverse or cure their focus diseases (respectively Huntington's disease, multiple myeloma and brain tumours). The foundations desire to fund certain research to be conducted at SGC and to ensure that the results of such research are made readily and publicly available in a timely fashion to accelerate scientific discovery and facilitate the development of products that diagnose, treat and prevent their diseases of interest. All funds paid by the foundations to SGC will be used solely for the conduct of the research project activities under the grant.

SGC won an award of €21,200,000 from the European Commission as part of the Innovative Medicines Initiative (IMI) for a project called ULTRA-DD (Unrestricted Leveraging of Targets for Research Advancement and Drug Discovery) covering the five-year period ended 29 February 2020. The IMI is Europe's largest public-private partnership aiming to speed up the development of better and 11 safer medicines for patients. The funds have been allocated among three European universities (Oxford University, Karolinska Institutet and Eidgenössische Technische Hochschule Zurich) and SGC.

SGC and other partners won an award of €27,935,000 from the European Commission as part of the IMI for a project called EUbOPEN covering the five-year period ending 30 June 2025. The IMI is Europe's largest public-private partnership aiming to speed up the development of better and safer medicines for patients. The funds are to be allocated among many European universities (including Oxford University, Karolinska Institutet, Frankfurt, and Eidgenössische Technische Hochschule Zurich) and SGC.

The objective of both projects is to validate new targets for drug discovery by (1) generating high quality research tools, with an emphasis on chemical probes; (2) generating the chemical probes in the most cost-effective manner, using structure-guided methods and harnessing the chemical libraries and medicinal chemistry skills of the pharmaceutical company participants (3) testing the chemical probes in models of human disease based on continuous access to cells from patients with selected inflammatory diseases; and (4) making all reagents and knowledge available to the research community without restriction on use, to expand the impact well beyond the ULTRA-DD and EUbOPEN partners.

Nurix Therapeutics provided funds for SGC to produce ten novel E3 ligases proteins per year for two years. In this collaboration, SGC provides samples and protocols to Nurix Therapeutics. All the proteins produced and associated protocols are open access and SGC is free to use them for projects with any other collaborators.

A fund transfer has been made from unrestricted funds to restricted funds to reimburse the Bill and Melinda Gates Foundation, IMI and Nurix Therapeutics funds due to timing of receipts and expenditures and foreign exchange differences.

Structural Genomics Consortium

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Current assets £'000	Creditors – amounts falling due within one year £'000	Creditors – amounts falling due after more than one year 2021 £'000	Total 2021 £'000
Unrestricted funds	14,175	(2,103)	(3,177)	8,895
Restricted funds				
CHDI Foundation	492	(246)	(246)	-
EUBOPEN	230	-	-	230
Total restricted funds	722	(246)	(246)	230
Total funds	14,897	(2,349)	(3,423)	9,125

ANALYSIS OF NET ASSETS BETWEEN FUNDS (previous year)

	Current assets £'000	Creditors – amounts falling due within one year £'000	Creditors – amounts falling due after more than one year 2020 £'000	Total 2020 £'000
Unrestricted funds	9,270	(1,934)	(1,691)	5,645
Restricted funds				
Bill and Melinda Gates Foundation	296	(118)	-	178
CHDI Foundation	42	(42)	-	-
IMI	1,847	(589)	-	1,258
EUBOPEN	242	-	-	242
Nurix Therapeutics	78	(78)	-	-
Total restricted funds	2,505	(827)	-	1,678
Total funds	11,775	(2,761)	(1,691)	7,323

13 LIABILITY OF MEMBERS

The charitable company is limited by guarantee and does not have share capital. In the event of the charitable company being wound up, the maximum amount that each member is liable to contribute is £1. There were 10 members at the balance sheet date (2020: 12).

Structural Genomics Consortium

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

14 RELATED PARTIES

The Funding Parties for the Phase V funding agreement can appoint and remove Directors (Trustees under charity law) to the Board in accordance with clause 5 of the funding agreement, but none exert control.

The following are the transactions with and balances outstanding at 30 June 2021 from the Funding Parties that have appointed Directors to the Board.

Name	Cash received in 2021 £'000	Balance due from funder at 30 June 2021 £'000
Abbvie Inc.	350	-
Merck KGaA	-	1,586
Janssen Pharmaceutica NV	1,713	3,001
Bristol-Myers Squibb	-	4,715

Name	Cash received in 2020 £'000	Balance due from funder at 30 June 2020 £'000
Boehringer Ingelheim	953	-
Abbvie Inc.	722	356
Takeda Pharmaceuticals	873	-
Merck KGaA	913	1,688
Genentech Inc	4,620	-