

Structural Genomics Consortium
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND
FINANCIAL STATEMENTS

for the year ended
30 June 2022

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 James Kiefer
Dr Oliver Kramer
Dr Dafydd Owen
Dr Kumar Saikatendu
Dr Sujata Sharma

SECRETARY

Ms Susan McCormick

COMPANY NUMBER

4714553

REGISTERED CHARITY NUMBER

1097737

REGISTERED OFFICE

Gibbs Building
215 Euston Road
London NW1 2BE

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 2022

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 2022.

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. The charity has no permanent office, and key staff work remotely from home. The charity can be contacted in writing via the MaRS Centre, South Tower, Suite 704, 101 College Street, Toronto ON M5G 1L7 Canada.

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 2021:

Dr Anke Mueller-Fahrnow (Chair)
Dr Ulrich Betz
Dr Christopher Bi
Dr Karen Dewar
Dr Alexander Hillisch
Dr Stephen Hitchcock (resigned 18 February 2022)
Dr James Kiefer
Dr Oliver Kramer
Dr Dafydd Owen
Dr Kumar Saikatendu (appointed 18 February 2022)
Dr Sujata Sharma

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

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

Methods for Recruiting and Appointing New Directors

New Directors to the SGC Board are appointed by its Member Funding Parties. Each Member 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 a 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 3 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 Board of Directors.

All material decisions and changes to the Constitutional Documents and Governing Principles Funding Agreement require a unanimous decision of the Directors and Member 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 2022

- 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).
- Performance Review Committee (constituted as follows: Dr Alexander Hillisch (Chair), Dr Dafydd Owen, Dr Ulrich Betz and Dr Kumar Saikatendu).
- Business Committee (constituted as follows: Dr Dafydd Owen (Chair), Dr James Kiefer, Dr Sujata Sharma and Christopher Bi).
- Scientific Committee (chaired by Dr Kumar Saikatendu).

Relationships with Other Organisations

SGC partners 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 – the Universities of North Carolina and Toronto, Goethe University Frankfurt, Karolinska Institutet, University College London and the Montreal Neurological Institute at McGill University.

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 2022

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. SGC has also established itself as a leader in generating chemical probes for the community.

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 2022

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 2022 were to generate 10 chemical probes to new human proteins, and support this effort with structural biology. A collaborative network of over 200 external scientists was established, and more than 125 papers were published in 2021, many in top journals such as Nature, Chemical Biology, Cell Chemical Biology and Proceedings of the National Academy of Sciences. In the past year, over 2,000 samples of SGC chemical probes were distributed to the community.

See "Achievements and Performance in the year" in the Strategic Report on page 7.

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 2022

Grant Making Policies

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, McGill University in Montreal, Canada and University College London according to pre-agreed grant agreements.

SGC does not give grants to unsolicited claimants.

Fundraising

SGC approaches only institutions (government, private and foundations) 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.

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 7 September 2022 and signed on their behalf by:

Anke Mueller-Fahrnow

Dr Anke Mueller-Fahrnow

Chair

Structural Genomics Consortium

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2022

The Directors present the Strategic Report for the year ended 30 June 2022.

ACHIEVEMENTS AND PERFORMANCE IN THE YEAR

During the year, SGC:

- achieved its stated objectives in all areas;
- secured additional funding for chemical biology activities in Toronto, Frankfurt, and Karolinska;
- 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.
- secured significant funding to develop and support its technology

The impact of its structural biology program 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 2022, 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 35,000 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 7,000 publications. In the past year, the number of chemical probes donated to the SGC from industry passed the 100 probe milestone.

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 9.

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 £4,754,000 (2021: £10,327,000) and expenditure of £3,585,000 (2021: £8,525,000) resulting in net income of £1,169,000 (comprising £2,531,000 of net income from restricted funds and net expenditure from unrestricted funds of £1,362,000) (2021: net expenditure of £1,802,000 comprising £1,448,000 of net expenditure from restricted funds (after transfers) and £3,250,000 of net income from unrestricted funds (also after transfers)).

During the year, SGC received new grants from the Bill & Melinda Gates Foundation, CHDI and the Michael J Fox Foundation.

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 was a risk due to a slowdown of activities due to the COVID-19 pandemic. SGC has decided, and its Members have agreed, to delay the milestones by six months. As of 1 July 2022, the laboratories are operating at 100% capacity and it is not anticipated that there will be any further delays., I ,

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.

Structural Genomics Consortium

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2022

As at 30 June 2022, SGC held £10,294,000 in reserves (2021: £9,125,000). 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. 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 £7,533,000 (2021: £8,895,000) as at 30 June 2022.

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

After the initial start-up in 2003, Phase I commenced operations in July 2004 and the period ended 30 June 2007. Principal funding sources to SGC during Phase I 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 Forschungsförderung 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 Forschungsförderung, 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 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 2022

PHASE V AND PLANS FOR THE FUTURE

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

EUBOPEN

SGC and its partnered universities won an award of €31,000,000 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 initiative 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 initiative (€5,500,000 each).

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.

ADDITIONAL FUNDING FROM MEMBERS

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 signed a Deed of Admission for Phase V to provide CAD 5,000,000 to support SGC research at the University of Toronto over 2 years (1 July 2020 to 30 June 2022).

COLLABORATIONS

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.

CACHE

The SGC just launched an AI benchmarking competition called CACHE, which aims to improve the process of computational hit discovery. This project is underway, with support from the Michael J. Fox Foundation (www.cache-challenge.org).

CHARITY COLLABORATIONS AND FUNDING

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 Bill & Melinda Gates Foundation has provided an additional grant to SGC to support early drug discovery research relating to non-hormonal contraceptive targets.

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.

Further information can be found in the accounting policy on going concern on page 18.

Structural Genomics Consortium

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2022

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, for a period of at least 12 months from the date of signing these financial statements and will be able to realise its assets and discharge its liabilities in the normal course of operations. Funding for Phase V, beginning 1 July 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 7 September 2022 and signed on their behalf by:

Anke Mueller-Farnow

Dr Anke Mueller-Farnow
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 2022 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 2022, 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

9 September 2022

Structural Genomics Consortium

STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

for the year ended 30 June 2022

	Notes	Restricted Funds 2022 £'000	Unrestricted Funds 2022 £'000	Total Funds 2022 £'000	Restricted Funds 2021 £'000	Unrestricted Funds 2021 £'000	Total Funds 2021 £'000
INCOME FROM:							
Charitable activities	1	4,732	22	4,754	674	9,653	10,327
TOTAL INCOME		<u>4,732</u>	<u>22</u>	<u>4,754</u>	<u>674</u>	<u>9,653</u>	<u>10,327</u>
EXPENDITURE ON:							
Charitable activities	2	2,201	1,384	3,585	3,664	4,861	8,525
TOTAL EXPENDITURE		<u>2,201</u>	<u>1,384</u>	<u>3,585</u>	<u>3,664</u>	<u>4,861</u>	<u>8,525</u>
NET INCOME/(EXPENDITURE)	4	2,531	(1,362)	1,169	(2,990)	4,792	1,802
TRANSFERS BETWEEN FUNDS	10	-	-	-	1,542	(1,542)	-
NET INCOME/(EXPENDITURE) AND MOVEMENT IN FUNDS		<u>2,531</u>	<u>(1,362)</u>	<u>1,169</u>	<u>(1,448)</u>	<u>3,250</u>	<u>1,802</u>
TOTAL FUNDS BROUGHT FORWARD AT 1 JULY		<u>230</u>	<u>8,895</u>	<u>9,125</u>	<u>1,678</u>	<u>5,645</u>	<u>7,323</u>
TOTAL FUNDS CARRIED FORWARD AT 30 JUNE	10	<u>2,761</u>	<u>7,533</u>	<u>10,294</u>	<u>230</u>	<u>8,895</u>	<u>9,125</u>

Structural Genomics Consortium

BALANCE SHEET

30 June 2022

Company Registration No. 4714553

	<i>Notes</i>	2022 £'000	2021 £'000
CURRENT ASSETS			
Debtors due within one year	5	5,853	4,630
Debtors due after more than one year	5	4,597	5,326
Cash at bank and in hand		5,991	4,941
		<u>16,441</u>	<u>14,897</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	6	(3,150)	(2,349)
NET CURRENT ASSETS		<u>13,291</u>	<u>12,548</u>
CREDITORS: amounts falling due after more than one year	7	(2,997)	(3,423)
NET ASSETS		<u>10,294</u>	<u>9,125</u>
CAPITAL AND RESERVES			
Restricted funds	10	2,761	230
Unrestricted funds	10	7,533	8,895
TOTAL FUNDS		<u>10,294</u>	<u>9,125</u>

The financial statements on pages 15 to 28 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 7 September 2022 and are signed on its behalf by:

Anke Mueller-Fahrnow

Dr Anke Mueller-Fahrnow
Chair

The notes on pages 18 to 28 form part of these financial statements.

Structural Genomics Consortium

STATEMENT OF CASH FLOWS

for the year ended 30 June 2022

	<i>Notes</i>	2022 £'000	2021 £'000
OPERATING ACTIVITIES			
Cash generated from/(used in) operations	8	1,129	(1,513)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES		<u>1,129</u>	<u>(1,513)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,129	(1,513)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		4,941	6,681
Effect of foreign exchange rate changes		(79)	(227)
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>5,991</u>	<u>4,941</u>

Structural Genomics Consortium

ACCOUNTING POLICIES

for the year ended 30 June 2022

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 for a period of at least 12 months from the date of signing these financial statements. 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. While the significance of the economic impacts of the COVID-19 outbreak have largely dissipated and the laboratories are operating at full capacity, the Directors continue to monitor the charitable company's position and the appropriate basis on which to prepare the financial statements. The Directors have considered budgets and forecasts to satisfy themselves that the charitable company remains a going concern.

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.

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.

Structural Genomics Consortium

ACCOUNTING POLICIES

for the year ended 30 June 2022

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 2022

1 INCOME FROM CHARITABLE ACTIVITIES

	Restricted Funds 2022 £'000	Unrestricted Funds 2022 £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
Bill & Melinda Gates Foundation	3,674	-	3,674	-
Bristol-Myers Squibb	-	-	-	4,731
CHDI Foundation	-	-	-	570
Janssen Pharmaceutica NV	-	-	-	4,922
Michael J Fox Foundation	366	-	366	-
Myeloma	27	-	27	73
Nurix Therapeutics	665	-	665	-
Takeda	-	22	22	-
YCharOS Inc.	-	-	-	25
Reduction in previous grants receivable:				
Innovative Medicines Initiative (IMI)	-	-	-	6
	<u>4,732</u>	<u>22</u>	<u>4,754</u>	<u>10,327</u>

Structural Genomics Consortium

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

2 EXPENDITURE ON CHARITABLE ACTIVITIES

	Restricted Funds 2022 £'000	Unrestricted Funds 2022 £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
Grants*	2,410	23	2,433	6,885
Support costs**	52	962	1,014	883
Governance costs***	-	108	108	125
Exchange (gains)/losses	(261)	291	30	632
	<u>2,201</u>	<u>1,384</u>	<u>3,585</u>	<u>8,525</u>
2021:	<u>3,664</u>	<u>4,861</u>	<u>8,525</u>	

GRANTS *

	Restricted Funds 2022 £'000	Unrestricted Funds 2022 £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
Eidgenossische Technische Hochschule Zurich	-	-	-	87
Karolinska Institutet	192	-	192	237
McGill University	112	-	112	51
University College London	186	-	186	-
Hitgen	-	-	-	13
University of Dundee	-	-	-	350
University of Frankfurt	185	-	185	275
University of North Carolina	186	-	186	861
University of Oxford	27	-	27	1,920
University of Toronto	1,522	23	1,545	3,013
University of Washington	-	-	-	78
	<u>2,410</u>	<u>23</u>	<u>2,433</u>	<u>6,885</u>
2021:	<u>3,419</u>	<u>3,466</u>	<u>6,885</u>	

All grants made during the year were to institutions.

Structural Genomics Consortium

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

2 EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

SUPPORT COSTS **

	Restricted Funds 2022 £'000	Unrestricted Funds 2022 £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
Consulting	47	477	524	459
Secondment fees and bonuses	-	297	297	307
Travel & subsistence	-	19	19	(2)
Office expenses	5	3	8	2
Bank charges	-	3	3	4
Insurance	-	9	9	6
Legal and professional fees	-	109	109	87
Accountancy fees	-	24	24	20
Charitable donations	-	21	21	-
	<u>52</u>	<u>962</u>	<u>1,014</u>	<u>883</u>
2021:	<u>202</u>	<u>681</u>	<u>883</u>	

GOVERNANCE COSTS ***

	Restricted Funds 2022 £'000	Unrestricted Funds 2022 £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
Legal and professional fees	-	63	63	84
Accountancy fees	-	20	20	20
Auditor's remuneration – statutory audit	-	15	15	11
Remuneration of Chair of Board	-	10	10	10
	<u>-</u>	<u>108</u>	<u>108</u>	<u>125</u>
2021:	<u>-</u>	<u>125</u>	<u>125</u>	

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

3 EMPLOYEES AND KEY MANAGEMENT PERSONNEL

No staff were directly employed during the year (2021: 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 2022, secondment fees of £110,081 (2021: £136,896) and bonus and benefits of £99,742 (2021: £80,903) were payable to the University of Toronto in relation to Dr Aled Edwards.

Structural Genomics Consortium

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

3 EMPLOYEES AND KEY MANAGEMENT PERSONNEL (continued)

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 £441,781 (2021: £429,376).

Remuneration was payable to the Chair of the Board during the year, in relation to her responsibilities as Chair, amounting to £10,000 (2021: £10,000). There were no pension contributions or other benefits accruing to the Chair. None of the other Directors were remunerated in the year (2021: £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 £580 during the year (2021: £nil). No other Directors received any reimbursement (2021: none).

No Directors had any personal interest in any contract or transaction entered into by the charitable company during the year (2021: none).

4	NET INCOME/(EXPENDITURE)	2022 £'000	2021 £'000
	Net income/(expenditure) is stated after charging/(crediting) the following:		
	Auditor's remuneration – statutory audit	15	11
	Exchange losses	30	632
		<u>45</u>	<u>643</u>
5	DEBTORS	2022 £'000	2021 £'000
	Amounts falling due within one year:		
	Prepayments and accrued income	5,853	4,630
		<u>5,853</u>	<u>4,630</u>
	Amounts falling due after more than one year:		
	Prepayments and accrued income	4,597	5,326
		<u>4,597</u>	<u>5,326</u>
		<u>10,450</u>	<u>9,956</u>
6	CREDITORS: amounts falling due within one year	2022 £'000	2021 £'000
	Grants payable	2,813	2,143
	Accruals	337	206
		<u>3,150</u>	<u>2,349</u>

Structural Genomics Consortium

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

7	CREDITORS: Amounts falling due after more than one year	2022 £'000	2021 £'000
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Grants payable	2,997	3,423
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All grants payable will be paid from unrestricted funds.

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

	2022 £'000	2021 £'000
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Net income	1,169	1,802
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Adjustments for:		
Unrealised foreign exchange losses	79	227

Operating cash flows before movement in working capital	1,248	2,029
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Increase in debtors	(494)	(4,862)
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Increase in creditors	375	1,320
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Cash generated from/(used in) operations	1,129	(1,513)
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9 RECONCILIATION OF CHANGES IN NET DEBT

	1 July 2021 £'000	Cash flows £'000	Foreign exchange movement £'000	30 June 2022 £'000
Cash and cash equivalents	4,941	1,129	(79)	5,991
Total net debt	4,941	1,129	(79)	5,991

Structural Genomics Consortium

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

10 SUMMARY OF FUNDS

	Brought forward 1 July 2021 £'000	Income £'000	Expenditure £'000	Transfer between funds £'000	Carried forward 30 June 2022 £'000
Unrestricted funds	8,895	22	(1,384)	-	7,533
Restricted funds					
Bill & Melinda Gates Foundation	-	3,674	(1,215)	-	2,459
EUbOPEN	230	-	-	-	230
Michael J Fox Foundation	-	366	(294)	-	72
Myeloma	-	27	(27)	-	-
Nurix Therapeutics	-	665	(665)	-	-
Total restricted funds	230	4,732	(2,201)	-	2,761
Total funds	9,125	4,754	(3,585)	-	10,294

SUMMARY OF FUNDS – previous year

	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 & Melinda Gates Foundation	178	-	(853)	675	-
CHDI Foundation	-	570	(570)	-	-
EUbOPEN	242	-	(12)	-	230
IMI	1,258	6	(2,158)	894	-
Myeloma	-	73	(73)	-	-
Nurix Therapeutics	-	-	27	(27)	-
YCharOS Inc.	-	25	(25)	-	-
Total restricted funds	1,678	674	(3,664)	1,542	230
Total funds	7,323	10,327	(8,525)	-	9,125

In October 2021, The Bill & Melinda Gates Foundation awarded a USD 5,000,000 grant to SGC to support the advancement of the field of drug discovery in reproductive biology and disease, child development, and childhood diseases. Specifically, the SGC will generate high quality protein reagents and chemical probes - Target Enabling Packages (TEPs) - for a portfolio of proteins that are potential drug targets for new contraceptives.

In previous years, the Bill & Melinda Gates Foundation awarded funds to SGC for Structure-guided Early Lead Discovery for Global Health which ran until 1 June 2021.

Structural Genomics Consortium

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

10 SUMMARY OF FUNDS (continued)

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 initiative 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 its partnered universities won an award of €31,000,000 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 initiative 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.

In August 2021, the Michael J. Fox Foundation awarded SGC USD 500,000 for a new research initiative focusing on the WD domain of LRRK2. The research findings from this initiative will provide a better understanding of how the mutations in the LRRK2 gene increase the risk in Parkinson's, and about what role LRRK2 plays in this process.

In January 2022, Nurix Therapeutics provided USD 900,000 for SGC to produce ten novel E3 ligase 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. In 2019, a previous grant in the amount of USD 250,000 was awarded.

CHDI is a disease research foundation which supports basic, applied and clinical research aimed at discovering and developing drugs or treatments that delay, slow, reverse or cure Huntington's disease. The foundation awarded SGC CAD 1,000,000 to fund certain research 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 the disease. All funds paid by the foundation to SGC will be used solely for the conduct of the research project activities under the grant.

A fund transfer was made from unrestricted funds to restricted funds in the prior year to reimburse the Bill & 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 2022

11 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 2022 £'000	Total 2022 £'000
Unrestricted funds	11,305	(1,595)	(2,177)	7,533
Restricted funds				
Bill & Melinda Gates Foundation	3,713	(816)	(438)	2,459
CHDI Foundation	433	(236)	(197)	-
EUBOPEN	230	-	-	230
Michael J Fox Foundation	205	(133)	-	72
Nurix Therapeutics	555	(370)	(185)	-
Total restricted funds	5,136	(1,555)	(820)	2,761
Total funds	16,441	(3,150)	(2,997)	10,294

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 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

12 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 (2021: 10).

Structural Genomics Consortium

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

13 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 2022 from the Funding Parties that have appointed Directors to the Board.

Name	Cash received in 2022 £'000	Balance due from funder at 30 June 2022 £'000
Merck KGaA	1,004	646
Janssen Pharmaceutica NV	783	2,260
Bristol-Myers Squibb	946	3,787

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

14 SUBSEQUENT EVENT

On 10 August 2022, SGC entered into an agreement with the Trustees of the Kohn Charitable Trust ("Trustees") and the Pharmacy Foundation of North Carolina, Inc. to establish an endowment fund to be known as The Harold Kohn Professorship in Open Science Drug Discovery. The Professorship will be held in the Eshelman School of Pharmacy at the University of North Carolina (UNC), where SGC-UNC is located. The purpose of this endowed faculty chair shall be to provide ongoing research and salary support to the Chief Scientist of SGC-UNC, who is also an appointed professor in the UNC Eshelman School of Pharmacy. SGC will make a one-time upfront payment of USD 700,000 and the Trustees will pay USD 300,000 over a period of three years. The principal of the fund shall be invested according to UNC's investment policy, with income from the fund distributed to support the SGC-UNC Chief Scientist's Professorship.