



Enabling scientific discoveries that improve human health

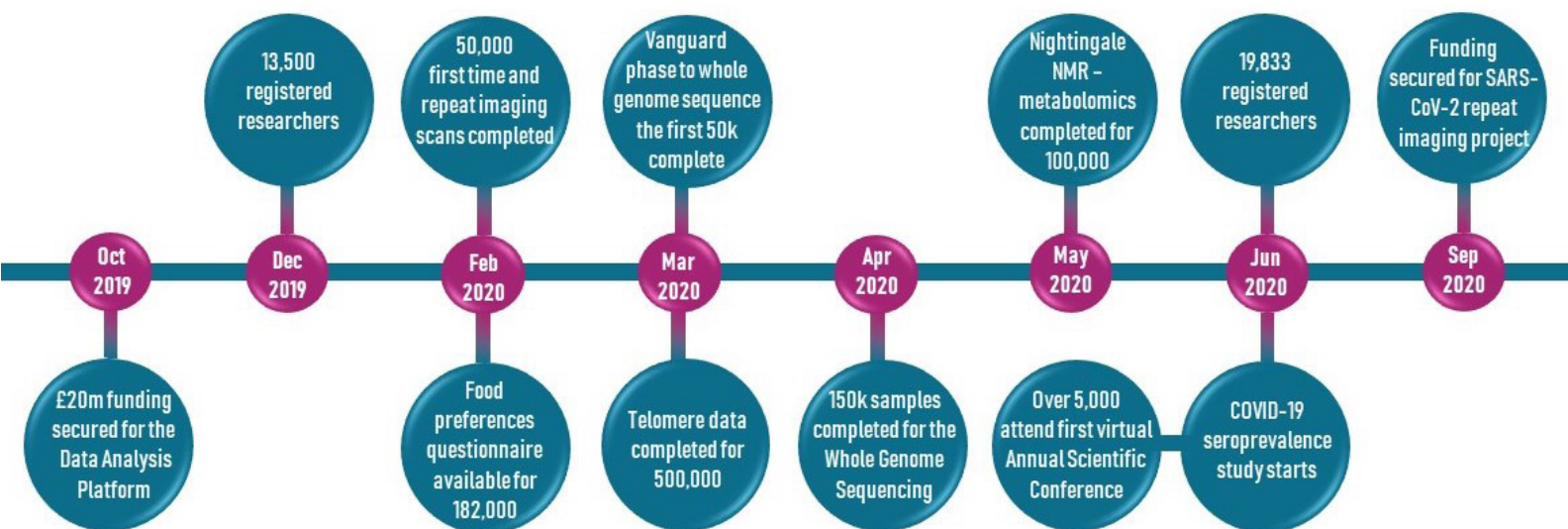


UK Biobank Limited (Limited by Guarantee)

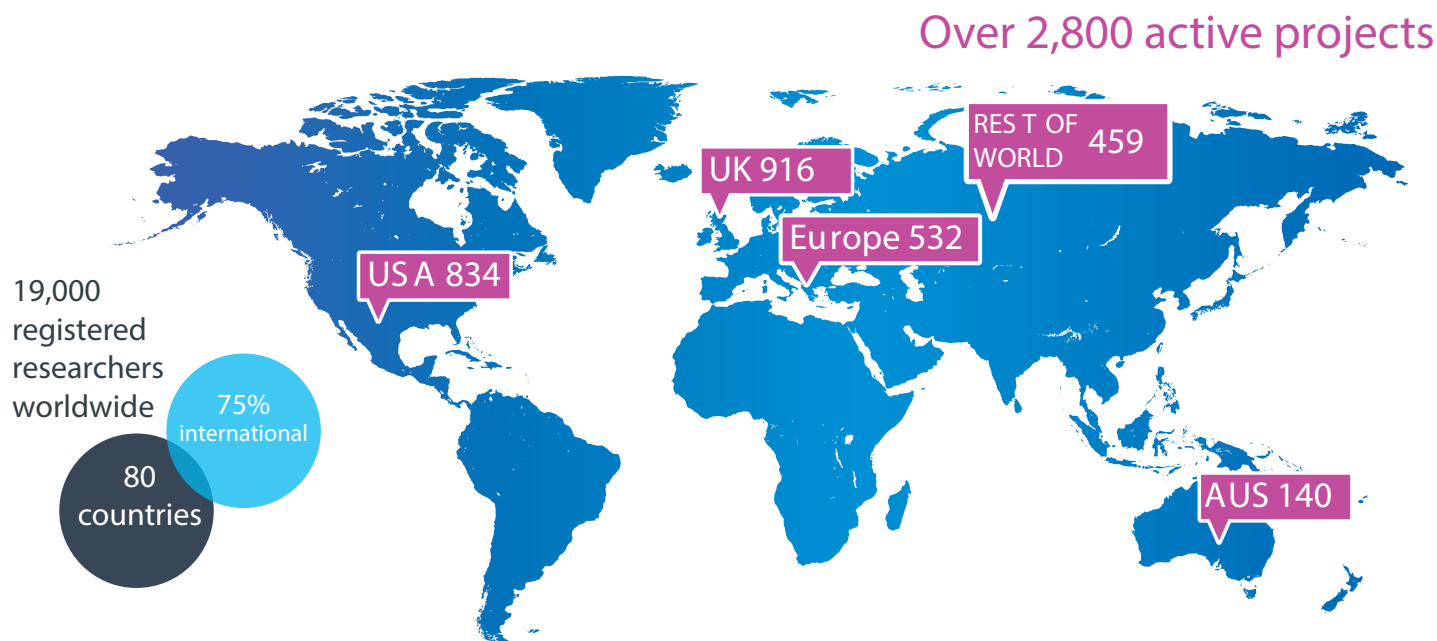
Report and Consolidated Financial Statements 30 September 2020

Company Registration number 04978912
Registered Charity in England and Wales number 1101332
Registered Charity in Scotland number SC039230

TIMELINE



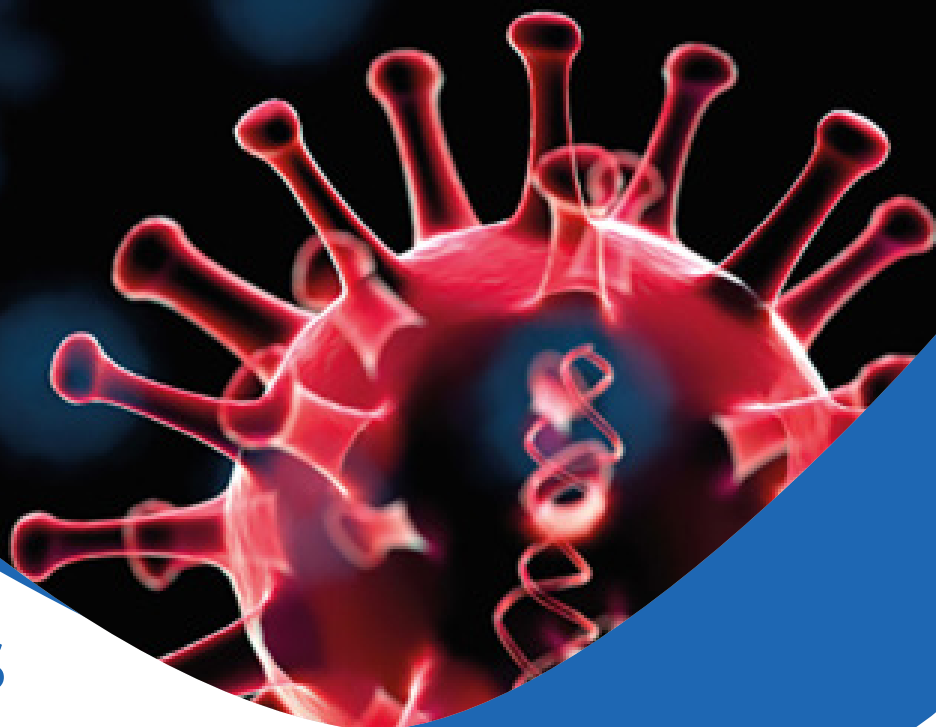
A TRULY GLOBAL RESOURCE



14K
followers

"The @uk_biobank is changing the way we do science. Took us almost 15 years to MRI scan and analyse 3-4,000 people at the Robert Steiner MRI, took the UK Biobank only a matter of months to do this and more. #revolutionisingscience"

"As one of the 500k and one of the researchers using the data, I can say from both sides, what an excellent project"



CRUCIAL CORONAVIRUS RESEARCH



It's vital we learn as much as possible about the infection, both for the short and the longer term, this new research will tell us about key risk factors and help us continue to manage the outbreak in an evidence-based way.

Sir Patrick Vallance, the government's Chief Scientific Adviser



Health
records
on 400K
In UK Biobank

4 Million
tests

Processed by UK BioCentre



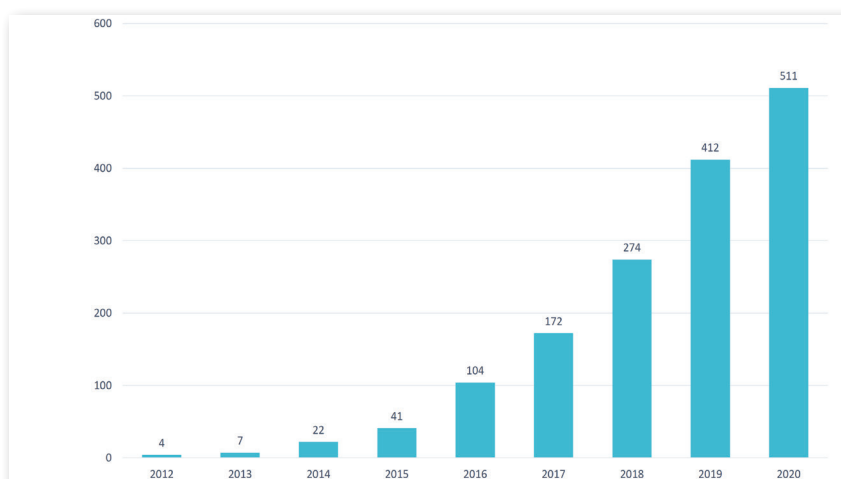
116,000
volunteers
For 20K places in
our antibody study



DEMOCRATISING ACCESS

Our cloud based Research Analysis Platform will enable greater access to our data from early career researchers and those in low-middle income countries

OVER 1,500 PUBLISHED PAPERS



CONTENTS

	Page
LEGAL AND ADMINISTRATIVE INFORMATION	4
STRATEGIC REPORT	5
DIRECTORS' REPORT	20
STATEMENT OF DIRECTORS' RESPONSIBILITIES	24
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UK BIOBANK LIMITED	25
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including Consolidated Income and Expenditure Account)	27
CHARITY STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)	28
CONSOLIDATED BALANCE SHEET	29
CHARITY BALANCE SHEET	30
CONSOLIDATED CASH FLOW STATEMENT	31
CHARITY CASH FLOW STATEMENT	32
NOTES TO THE FINANCIAL STATEMENTS	33

LEGAL AND ADMINISTRATIVE INFORMATION

REGISTRATIONS

Registered Charity in England and Wales number 1101332

Registered Charity in Scotland number SC039230

Registered Company number 04978912

REGISTERED OFFICE

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Professor the Lord Kakkar - Chair

Professor Martin Bobrow

Professor Ruth Gilbert

Professor Andrew Hattersley

Professor Anneke Lucassen

Professor Sir Alex Markham

Dr Sara Marshall

Dr Joe McNamara

Professor Bill Ollier

Jonathan Tross CB

EXECUTIVE MANAGEMENT TEAM

Professor Sir Rory Collins - Chief Executive Officer and Principal Investigator

Professor Naomi Allen - Chief Scientist (Appointed 1 November 2019)

John Busby – Chief Operating Officer (Appointed 7 September 2020)

Dr Mark Effingham – Deputy Chief Executive Officer

Gareth Gregory - Chief Finance Officer (Appointed 25 November 2019)

Rob McGeechan – Interim Chief Information Officer (Appointed 6 July 2020)

Jonathan Sellors - General Counsel and Company Secretary

Dr Simon Sheard - Operations Director

Dr Alan Young – Systems Architect

BANKERS

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STRATEGIC REPORT

This report provides a review of the activities and business for UK Biobank Limited ('UK Biobank') and its wholly owned trading subsidiary, UK Biocentre Limited (collectively 'the group') for the year ended 30 September 2020. It outlines the group's development and performance for the financial year, the financial position at the end of the year and its plans for the future. The report also describes the risks facing the group and how these risks are managed.

1. BUSINESS AND ACTIVITY REVIEW

About UK Biobank

UK Biobank is a large-scale biomedical database and research resource containing genetic and health information from half a million UK participants.

UK Biobank's database, which includes blood samples, heart and brain scans and genetic data of the 500,000 volunteer participants, is globally accessible to approved researchers who are undertaking health-related research that is in the public interest.

UK Biobank recruited 500,000 people aged between 40-69 years in 2006-2010 from across the country to take part in this project. With their consent, they provided detailed information about their lifestyle, physical measures and had blood, urine and saliva samples collected and stored for future analysis.

UK Biobank's research resource is a major contributor in the advancement of modern medicine and treatment, enabling better understanding of the prevention, diagnosis and treatment of a wide range of serious and life-threatening illnesses – including cancer, heart diseases and stroke.

UK Biobank is generously supported by its funders and has over 150 dedicated members of staff, based in multiple locations across the UK.

Activities

UK Biobank undertakes 'core' activities (met by unrestricted funds) to provide access to existing samples and data for health-related research, and activities (met by restricted funding) to further enhance the data and samples we hold.

A. Core activities to provide access to UK Biobank data and samples

'Core' funding has enabled the recruitment of participants, the secure management of the consented data relating to these participants, the linkage of the resource to participant healthcare records and the opening of the resource to the research community for the purposes of health research. This funding has been provided in four key phases, summarised below:

- **Initial recruitment (2006-2010)** - £66.0m to support the recruitment of 500,000 participants and develop an ethical framework.
- **2010-2017** - £35.0m to further enhance the resource, make it available to the medical research community, and undertake repeat assessments on 20,000 participants.
- **2017-2022** - £31.7m to expand the linkages to health-related records for all participants and to create 'research-ready' health outcomes to support longitudinal research.

STRATEGIC REPORT

Core Funding of UK Biobank as at 30 September 2020					
Funder	Recruitment Phase 2006 - 2010	5 years to 30 June 2015	2 years to 30 June 2017	5 years to 30 June 2022	Total
	£m	£m	£m	£m	£m
The Medical Research Council	28.6	11.9	5.0	12.4	57.9
The Wellcome Trust	28.6	11.9	5.0	12.4	57.9
The Department of Health	6.6	1.2	-	-	7.8
The North West Development Agency	0.5	-	-	-	0.5
The Scottish Government	0.5	-	-	-	0.5
The Welsh Assembly	0.2	-	-	-	0.2
The British Heart Foundation	1.0	-	-	3.2	4.2
Cancer Research UK	-	-	-	2.5	2.5
The National Institute of Health Research	-	-	-	1.2	1.2
Total	66.0	25.0	10.0	31.7	132.7

Core funding received during the year ended 30 September 2020 was £7.0m (2019: £5.3m). In respect of this funding, UK Biobank acquired assets to the value of £0.5m (2019: £0.4m) and incurred expenditure on staffing and other costs, excluding depreciation, of £7.7m (2019: £8.5m).

Access to UK Biobank data

In addition to our core funding, UK Biobank receives income from fees to access our data and samples.

UK Biobank's access protocols are designed to ensure that data are released only to *bona fide* researchers for health-related research, which is in the public interest. All participant data released to approved researchers are provided on a de-identified basis and, in addition, researchers are contractually prohibited under UK Biobank's material transfer agreement from attempting to re-identify participants.

UK Biobank's access procedures do not discriminate between academic, charitable or commercial applicants or between national or international applicants: all applicants are treated in the same way, are subject to the same access criteria and (with certain articulated exceptions for students and applicants for low/middle income countries) pay the same access fees. This strategy has led to substantial investment in enhancing the UK Biobank resource from industrial sources (e.g. as noted in the following section).

Access charges are based on cost recovery and, during the year, research access income of £2.2m (2019: £2.2m) was received for approved research access requests for data and samples held within the resource.

B. Projects to enhance UK Biobank data

UK Biobank undertakes a number of enhancement projects funded by restricted funding. This enables additional high value assays and assessments to be undertaken, which provide further data on UK Biobank's participants for health-related research.

STRATEGIC REPORT

Project	Funding	Description	Status
Genetic Analysis	£21.0m	Genetic analysis on samples from all 500,000 participants	Completed in 2017 Data available in the resource
Biomarker Analysis	£9.4m	Biomarker Analysis on samples from all 500,000 participants	Completed during 2018 Data available in the resource
Imaging	£9.6m	Pilot study of the feasibility of performing a large scale imaging study at Stockport facility	Pilot completed successfully in 2015
	£33.0m	Establish two further imaging centres in Newcastle and Reading to extend study to 100,000 participants and undertake repeat assessments and biological samples	The Bristol site was opened in January 2020. The principal and repeat imaging programmes are currently paused in all four sites due to the COVID-19 pandemic.
	£8.5m	Accelerating the imaging study by opening a fourth assessment centre in Bristol	
	£2.5m	Repeat imaging of up to 10,000 of the participants	
Whole Genome Sequencing	£30.0m	Vanguard Whole Genome Sequencing study of 50,000 participant samples (note the remainder of the cohort is undergoing Whole Genome Sequencing as a sample access application, as set out in section 2 below).	Sample supply for the project was completed during Q3 2019 with sequence generation on 50,000 participants completed in March 2020. Data expected to be available to researchers late 2021.
	£3.0m	Vanguard Informatics for the processing and storage of the data generated from the vanguard Whole Genome Sequencing study	Completed in March 2020

During the year, UK Biobank secured funding for further enhancements to the resource.

Project	Funding	Description	Status
Research Analysis Platform	£20.0m	Establish a Data Platform with storage capacity for Whole Genome Sequence Data across the whole cohort (to support the separately funded Whole Genome Sequencing project and access applications).	Contract awarded to DNA Nexus in June 2020 Platform delivered to Whole Genome consortium members in late 2020, with wider roll out to researchers anticipated in 2021.
Seroprevalence	£3.0m	Assess the extent of past infection with SARS-CoV-2 (coronavirus) infection and measure antibody titre levels in a study of 20,000 UK Biobank participants and their adult children and grandchildren (aged over 18)	Data collection to be completed in December 2020 Final results are expected in early 2021, shortly followed by more detailed titre level data.

STRATEGIC REPORT

The table below provides a breakdown of the funding provided by funders for each enhancement project.

Enhancement Funding of UK Biobank as at 30 September 2020								
Funder	Genetic Assays	Biochemical Assays	Imaging	Whole Genome Sequencing	Research Analysis Platform	Seroprevalence Study	Ethics Advisory	Total
	£m	£m	£m	£m	£m	£m	£m	£m
The Medical Research Council	10.0	4.0	27.4	33.0	-	-	-	74.4
UK Research and Innovation and Medical Research Council	-	-	-	-	-	-	0.2	0.2
The Wellcome Trust	-	4.0	20.6	-	20.0	-	0.2	44.8
The Department of Health	10.0	-	-	-	-	-	-	10.0
Department of Health and Social Care	-	-	-	-	-	3.0	-	3.0
The British Heart Foundation	1.0	1.0	3.0	-	-	-	-	5.0
Diabetes UK	-	0.4	-	-	-	-	-	0.4
Dementias Platform UK	-	-	2.6	-	-	-	-	2.6
Total	21.0	9.4	53.6	33.0	20.0	3.0	0.4	140.4

Enhancement (restricted) funding received during the year ended 30 September 2020 was £14.4m (2019: £32.2m) comprising of £5.9m (2019: £8.0m) for the Imaging project, £6.1m (2019: £24.1m) for the Whole Genome Sequencing vanguard project, £0.3m (2019: £nil) for the Research Analysis Platform and £2.0m (2019: £nil) for the Seroprevalence Study. In respect of this funding UK Biobank acquired assets to the value of £0.9m (2019: £1.1m) for these enhancement projects and incurred expenditure on staffing and other costs, excluding depreciation, of £17.9m (2019: £27.2m).

C. UK Biocentre

In 2011, UK Biocentre Limited was established, as a wholly owned trading subsidiary of UK Biobank. UK Biocentre Limited uses the expertise and skills initially developed in UK Biobank in order to provide biological sample processing, sample archiving and sample analysis services for studies undertaken by the broader medical research community.

UK Biocentre operates the National Institute for Health Research (NIHR) National Biosample Centre, which was opened in 2014 in Milton Keynes. The facility was supported by a Grant provided by the NIHR to Oxford University for the purchase and establishment of biorepository and sample processing infrastructure capable of servicing the NIHR-funded Biomedical Research Centres and other medical research bodies. UK Biocentre leases this infrastructure, with the appropriate amounts reflected within the profit and loss account, and within creditors (notes 17 and 18) and commitments (note 22).

In March 2020, the Department of Health and Social Care also asked UK Biocentre to provide swab PCR testing as part of the UK's COVID-19 National Testing Programme, which remains ongoing. To enable this national priority to proceed, existing research projects were paused, pending research organisations and UK Biocentre regaining the necessary capacity to restart these.

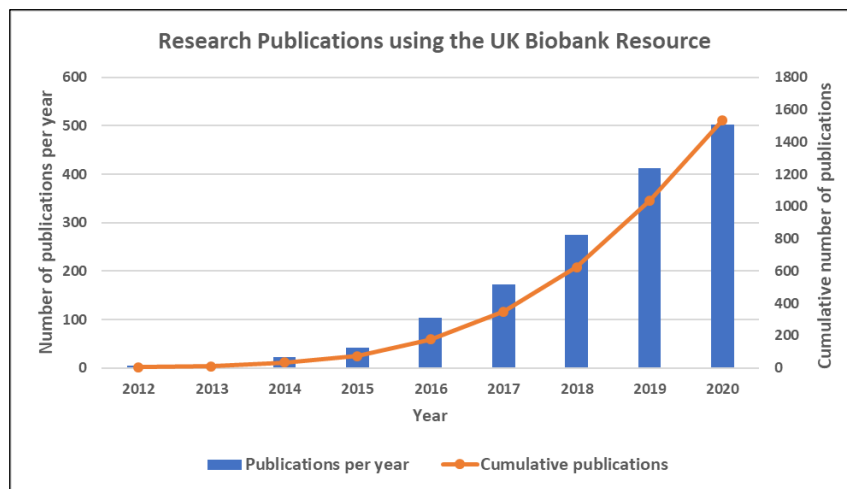
STRATEGIC REPORT

2. ACHIEVEMENTS AND PERFORMANCE

Impact of UK Biobank on research

The combination of breadth and depth of data held on the 500,000 participants within UK Biobank is unparalleled and presents one of the most powerful medical research resources in the world.

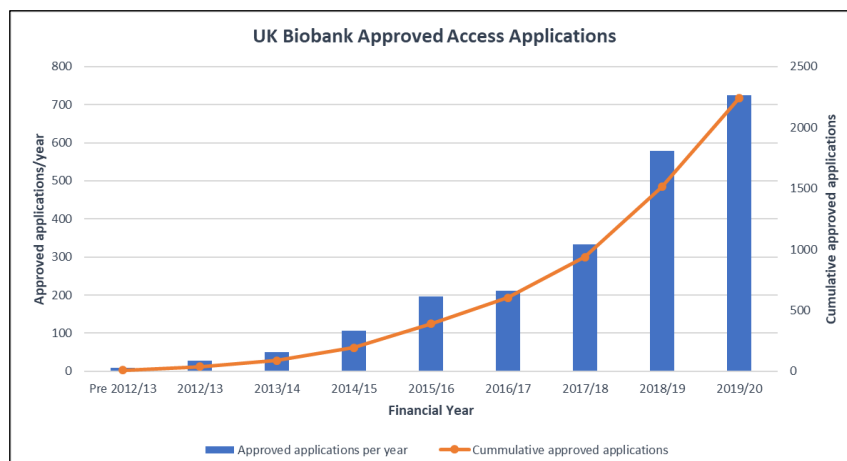
As a result of their access to UK Biobank data, 1,534 research papers have been published on-line (2019: 1,036). A full list of publications is available on UK Biobank's website <https://www.ukbiobank.ac.uk/enable-your-research/publications>.



Research Data Access applications

UK Biobank's primary objective is to create a resource that furthers medical research opportunities and, in so doing, leads to improvements in population health. The number of requests by researchers to access the resource is an indicator of how much it is used. In the future, as the resource matures and researchers publish an increasingly large number of papers of increasing importance, the numbers of citations to published research is likely to provide a better indicator of UK Biobank's contributions to improving the health of the public.

The large majority of research applications are for data held within UK Biobank's data resource. Since UK Biobank opened its resource for researchers in 2012, the number of applications for data has increased, particularly with the release of the genotype data in 2017. During this financial year, these numbers had increased by 724 to 2,239 approved research applications cumulatively. UK Biobank now has over 19,000 registered researchers, of which 75% are international researchers based in 80 countries.



STRATEGIC REPORT

Research Sample Access applications

The criteria for accessing UK Biobank's samples are more stringent, because of their depletable nature. UK Biobank has implemented a sample release policy, which sets out an explicit set of requirements that any proposed sample assay needs to meet: these are set out on the UK Biobank's website <https://www.ukbiobank.ac.uk/enable-your-research/apply-for-access>

There have been 15 (2019: 14) approved research sample access applications since the resource was opened to researchers in 2012. These applications seek to access samples (blood, saliva, urine, DNA etc.) held by the resource with the purpose of performing research assays. Data created by these research assays are returned to UK Biobank for provision to the wider research community via UK Biobank's research data access procedures.

During the financial year, the following significant research sample access projects were ongoing:

Project	Description	Progress made during the year
Telomere	University of Leicester has undertaken, with funding provided by the Medical Research Council, a study of telomere length in all 500,000 participants.	<p>Following data return, linkage codes were supplied in March 2020, which has triggered the 9-month exclusivity period on these data.</p> <p>Data on over 488,000 participants in the study will be available to the wider research community in 2021.</p>
Whole Exome sequencing	The Broad Institute in Boston, USA has undertaken an exome sequencing study of 13,500 participants for a study of early-onset coronary heart disease.	<p>Following completion of sample analysis and data return, linkage files were supplied in October 2019 to commence the project's exclusivity period.</p> <p>Data are being incorporated into the resource.</p>
Whole Exome sequencing	<p>A consortium comprising Regeneron pharmaceuticals Inc. ('Regeneron') and GlaxoSmithKline completed exome sequencing of 50,000 participant samples in May 2018. Data on these participants were made available to all approved researchers in March 2019, following a 9-month exclusive access period.</p> <p>Following this, Regeneron formed a further consortium (including Abbvie, Alynham, AstraZeneca, Biogen, Pfizer and Takeda) to fund and conduct exome sequencing of the remaining ~450,000 participant samples.</p>	<p>Over 459,000 samples have been provided to the consortium to date.</p> <p>The COVID-19 pandemic led to a temporary pause on shipments. Sample supply was completed in late 2020.</p> <p>Exome data on a further 150,000 participants was released to researchers in October 2020. There are now 200,000 participant exomes linked to existing detailed genetic and lifestyle data within the database.</p>
Metabolomics	Nightingale Health are performing an NMR-metabolomics assay (of ~220 lipids and other circulating metabolites) for all 500,000 participant samples between 2018 and 2021.	<p>Sample analysis for phase 1, which included 100,000 samples, was completed in April 2020, with linkage files being released in May of the same year.</p> <p>Sample supply for phase 2 of the project (an additional 200,000 samples) commenced in December 2019 and over 68,000 samples have been provided by UKB for analysis.</p> <p>The COVID-19 pandemic led to a temporary pause on shipments. These are anticipated to restart in early 2021.</p>

STRATEGIC REPORT

Project	Description	Progress made during the year
Whole Genome Sequencing	Whole Genome Sequencing of the remaining 450,000 participant samples over the course of the next 3 years is being conducted by the Wellcome Sanger Institute and deCODE genetics on behalf of a Consortium of industry parties comprising of Amgen, AstraZeneca, GlaxoSmithKline and Johnson & Johnson.	Over 238,000 samples have been supplied to the sequence providers so far, and of these, data on over 214,000 participants have been returned to date. The COVID-19 pandemic led to a temporary pause on shipments. These have now resumed and we anticipate sample supply completing in mid-2021, with sequencing to be completed during 2022/23.

All of the data resulting from the above sample access projects will be returned to UK Biobank for distribution to medical researchers under UK Biobank's access protocols after an agreed exclusivity period for research on the assay data combined with other UK Biobank data. The UK Biobank Access Sub-Committee has determined that a standard period of 9 months will apply for all research sample access and enhancement applications that request an exclusivity period. These data will constitute significant enhancements to the data resource.

Linkage to healthcare records

Hospital, cancer and death records

UK Biobank now has complete participant coverage in respect of hospital admission data, death and cancer records. These linked records provide data on health conditions and operations/procedures of the participants, both retrospectively (i.e. before recruitment) and prospectively (i.e. after recruitment). These data are made available (on a de-identified basis) to researchers as part of UK Biobank's data resource.

Primary healthcare records

Research access to primary care health records remains a challenging process and UK Biobank is continuing its efforts to achieve primary care linkage for the great majority of its participants. In this regard, UK Biobank has received the benefit of constructive advice and input from the Information Commissioner's Office ('ICO'), NHS Digital and the Royal College of General Practitioners.

During the year, the Secretary of State published a notice requiring GP practices in England that use the two main IT systems to release primary care data on UK Biobank participants for the purposes of COVID-19 related research. The original notice was set to expire on 30 September 2020, but has been extended for a further period of 6 months to expire on 31 March 2021.

Primary care data on approximately 190,000 participants (obtained from The Phoenix Partnership (TPP)) was released in August 2020, and data on an additional 250,000 participants (obtained from Egton Medical Systems (EMIS Health)) was released in October 2020. These data are made available to UK Biobank researchers who have approval to use the resource and are undertaking COVID-19 related research only.

Participant withdrawal

UK Biobank's success relies upon the continued support of its participants. Were large numbers to withdraw, there would be a significant impact on the breadth of UK Biobank's data resource, and therefore its likely impact on medical research opportunities.

During the year, 39 participants chose to withdraw from the project (2019: 41 withdrawals) bringing the total to date to 1,038. This represents only 0.2% of the participants and reflects the open and clear communication provided to participants on an ongoing basis by UK Biobank, and the high level of understanding of the participants of the benefits their participation

STRATEGIC REPORT

can bring to health research. UK Biobank remains incredibly grateful for the continued philanthropic support provided by its dedicated participants.

Enhancement projects

Research Analysis Platform

To support the whole genome sequencing study, in October 2019, Wellcome awarded UK Biobank a grant of £20m for a managed informatics platform that will allow researchers to access and work with UK Biobank data in-situ, without the need to download these data to their own environments. With the increasing complexity and scale of data being generated (largely by sample access projects), this capability is critical to maximise utilisation of the data held within UK Biobank's resource and to democratise access to those researchers who do not have access to large local computing services (e.g., researchers from low and middle-income countries).

Following a competitive tender, conducted in accordance with the public procurement rules, DNAnexus were awarded the contract for the platform in June 2020 and progressed with the development of the platform during the year, ahead of making it available for consortium partners in late 2020. The platform is being delivered using cloud infrastructure provided by Amazon Web Services (AWS) and will be made available more widely to researchers in mid-2021. AWS are also contributing up to \$500,000 of research credits each year for use by early career researchers and those from low and middle-income countries.

Imaging

The study opened a fourth centre in Bristol in January 2020 to increase scanning capacity (when the sites are running at full capacity, 20,000 imaging assessment visits can be completed annually). Between October 2019 and March 2020, 4,800 participants were imaged, resulting in 48,900 imaging assessment visits so far (2019: 44,100).

Repeat imaging assessments commenced during 2018 on participants who have already taken part in the Imaging project. During the financial year, over 2,000 repeat assessments were undertaken, with 3,200 of a planned total of up to 10,000 participants now having attended repeat assessment visits.

In March 2020, due to the uncertainty and concerns about COVID-19, UK Biobank took the decision to close its imaging centres temporarily in Bristol, Reading, Cheadle and Newcastle. The sites in Reading, Cheadle and Newcastle are preparing to undertake a SARS-CoV-2 repeat imaging study of approximately 3,000 seropositive cases and matched controls. This study will start in early 2021 and continue to mid-2021, at which point we hope to restart the main and repeat imaging programme.

As the Bristol site had only scanned a small number of participants since opening in early 2020, it is not able to contribute to the SARS-CoV-2 repeat imaging study. In late November, the site was leased and staff seconded to the NHS for a period of up to 12 months to enhance its diagnostic imaging capacity during the COVID-19 pandemic.

Seroprevalence

In April 2020, funding of £3m was awarded by the Department of Health and Social Care to undertake a SARS-CoV-2 seroprevalence study in the general population. This is designed to assess the extent of previous infection of SARS-CoV-2 across different population characteristics (e.g., age, region, ethnic group) and how antibody levels change over time. A sub cohort of 20,000 of UK Biobank's participants and their adult children and grandchildren (aged over 18) are taking part in this study and are providing monthly blood samples for six months (June - November 2020).

STRATEGIC REPORT

The study is expected to complete in December 2020. Preliminary results from the first 3 months show a seroprevalence rate of approximately 8% in the study population, and is higher in those who are younger, from a black and ethnic minority group and who live in the North West and London regions. Results from the full study will include an analysis of changes in antibody titre levels over a 6-month period, which will help to address questions around waning of natural immunity and hence likely re-infection. We anticipate releasing the final seroprevalence results in early 2021, shortly followed by more detailed titre level data.

UK Biocentre Limited

To March 2020, UK Biocentre's focus continued on supporting research projects of the NIHR BioResource network, Bloodwise (a charity focussed on childhood leukaemia), the Universities of Oxford and Cambridge, Imperial College, UCL, Kings College London and providing backup sample storage for UK Biobank itself. UK Biocentre was awarded a grant in March 2020 of £2.3m by the Department of Health and Social Care to support the provision of sample processing and storage services for research purposes.

In March 2020, UK Biocentre became the first Lighthouse Laboratory, and rapidly established COVID-19 antigen testing capacity as a major contributor towards the government's COVID-19 testing programme. During the financial year, it completed over 4 million tests.

Dr Tony Cox was appointed as Chief Executive for UK Biocentre and started work in January 2020. In recognition of his work and that of the wider organisation in the response to COVID-19, Dr Cox was awarded an OBE in the Queen's Birthday Honours in October 2020.

Financial review

During the financial year, UK Biobank has made significant progress in the further enhancement of the resource.

The consolidated financial position of the Group at the 30 September 2020 is shown in the Consolidated Balance Sheet (on page 29) which shows total Charity funds of £12.3m (2019: £16.3m); £4.2m (2019: £2.7m) held as unrestricted funds and £8.2m (2019: £13.6m) as restricted funds. Of these funds, £10.6m (2019: £11.9m) is held as fixed assets.

The Consolidated Statement of Financial Activities (on page 27) shows expenditure during the year, before taxation of £31.5m (2019: £41.6m) set against funding and other income received of £27.5m (2019: £43.8m).

Detailed financial information relating specifically to UK Biocentre is included in the Consolidated Financial Statements at Note 14: Investments.

Controls over expenditure are paramount to UK Biobank, due to the restrictions on available funds. There is very significant potential to further develop UK Biobank's resource and so carefully managing expenditure and prioritising appropriately the activities undertaken are critical to maximising the value of the resource. In the year, UK Biobank has reported expenditure (including the purchase of fixed assets, and excluding depreciation) of £27.0m (2019: £37.2m). UK Biobank monitors expenditure via monthly management summaries and a formal quarterly reforecast and reporting process. Responsibility over expenditure is delegated to project and department managers who manage their projects/departments accordingly.

UK Biocentre Limited similarly monitors expenditure closely and, in addition, carefully reviews customer projects against budget expectations as well as revenue levels. Regular meetings assess the performance of the projects and ensure customer expectations are being met, with issues highlighted and, where appropriate, elevated for management review. This control framework underpins the delivery of projects at the standard expected while managing the income and expenditure for individual projects, and across the company as a whole.

During the financial year, UK Biocentre achieved sales of £4.0m, a slight reduction from its sales of £4.3m in the previous year. This reflects a change in activity as it paused existing research projects and commenced antigen-testing services for the UK's COVID-19 National Testing Programme. Its profit before taxation for the year of £0.4m (2019: £0.2m) is retained within the company to support its ongoing operations and improve service offerings provided to biomedical researchers.

STRATEGIC REPORT

Plans for future periods

The next financial year will see the following activities undertaken:

Project	Future plans
Imaging	Seek to recommence the imaging project (following completion of the Sars-CoV-2 repeat imaging study) once the prevailing circumstances permit the sites to be opened at full capacity.
Research Analysis Platform	Make available an initial release for Whole Genome Sequence consortium members in late 2020, ahead of a wider release for researchers in mid-2021.
Whole Genome Sequencing	Continue providing access to UK Biobank samples to enable sequencing of the remaining 450,000 participant samples.
Whole Exome Sequencing	<p>The COVID-19 pandemic led to a temporary pause on shipments during the review period. These are anticipated to restart in late 2020 with sample shipments up to a total of 472,000 scheduled for completion in 2021.</p> <p>In agreement with the Exome consortium, this will represent the entire cohort assayed as part of the project. Sequence data is expected to be generated in early 2021 for these samples.</p>
COVID-19	<p>Conclude the Seroprevalence project in late 2020.</p> <p>Undertake a SARS-CoV-2 repeat imaging study of approximately 3,000 seropositive cases and matched controls during 2021.</p> <p>Undertake a study to assess the seroprevalence of previous infection with SARS-CoV-2 for the entire cohort by administering a home-based self-test antibody kit, which is expected to start in early 2021.</p>
Data linkages	<p>Make further releases of linked health care data – including primary care data and diagnostic test data – available to researchers who have approval to use the resource and are undertaking COVID-19 related research.</p> <p>Explore solutions to secure access to linked primary care data for the purposes of general research, following expiry of the provisions of the COPI notices in March 2021.</p>
Funding	Commence discussions with funders to secure continued core funding ahead of expiry of the current funding in June 2022.
Proteomics	Commence an approved sample request project to provide 56,000 participant plasma samples for the purposes of multiplex proteomic profiling.
Access Fees	Complete a review of our Access Fees with a view to introducing a new fee structure in early 2021.

STRATEGIC REPORT

3. PRINCIPAL RISKS AND UNCERTAINTIES

The principal concern of UK Biobank is to maintain its resource in a way that is secure, protects the confidentiality of the participants and maintains the data and samples in a form that is most useful to the scientific community.

The key risks for UK Biobank and UK Biocentre are outlined below. These risks and the actions taken to manage them are reviewed by the Audit and Risk Committees of each organisation on a quarterly basis.

Risk	Management
Samples are stored appropriately and processed accurately	<ul style="list-style-type: none"> • Use of back-up supplies and on-site power generation capabilities to protect against loss of electric or nitrogen supply. • Storage of samples in multiple locations. • Standard operating procedures are documented and employees trained to ensure that protocols are followed.
Data is stored securely	<ul style="list-style-type: none"> • Protocols to back up and secure data. • Independent audits and 'penetration' tests to assess data security risks. • Data are made available to researchers in reverse-anonymised form (but only UK Biobank holds the technical means to be able to reverse the anonymization). • UK Biobank is certified with (and operates to) the ISO 27001:2013 information security standard.
The value of the UK Biobank resource is maximised	<ul style="list-style-type: none"> • Non preferential access is provided to samples and data. • UK Biobank works closely with its current and potential funders to secure support for projects that enhance the value of the resource. • Continuing to work with the NHS and wider stakeholders to secure long-term ongoing access to primary care data at scale.
Funding or income is sufficient to cover costs	<ul style="list-style-type: none"> • Budgets are agreed each financial year and are approved by each organisation's Board. • Income and expenditure is reviewed against budget and significant variances investigated to enable action to be taken where necessary. • Income and expenditure is reforecast each quarter.
UK Biobank's pension scheme deficit and contributions are affordable	<ul style="list-style-type: none"> • A deficit recovery plan is in place with increased contribution rates. These rates are reflected within our financial forecasts. • Regular valuations are undertaken and inform future contribution rates.
Managing the implications of the COVID-19 pandemic on our people and our projects	<ul style="list-style-type: none"> • Assessments are undertaken of the risks to staff health and safety and standard operating procedures updated to mitigate these. • UK Biobank paused its imaging programme in early 2020 following the COVID-19 pandemic. Steps are being taken to protect project funding until circumstances permit the programme to restart at full capacity.

STRATEGIC REPORT

Risk	Management
Compliance with regulations (including those in respect of human tissue)	<ul style="list-style-type: none"> UK Biobank and UK Biocentre are licensed by the Human Tissue Authority (HTA) and are required to follow strict protocols to ensure that all biological samples are managed appropriately. Development of standard operating procedures and training of staff to ensure compliance with HTA licencing and other regulatory requirements.
Recruiting and retaining the people and skills needed to achieve our objectives	<ul style="list-style-type: none"> Training programmes are in place to encourage skill development and improve retention Remuneration is regularly benchmarked to ensure it remains competitive
Reputational risk	<ul style="list-style-type: none"> Regular communications with UK Biobank participants, whose goodwill is vital to enable the research community to have access to data collected from or about them. Application of the highest possible ethical standards to all activities. UK Biocentre Limited manages this risk by maintaining the quality of its work as its core objective and regularly reports against the progress of all projects to executive management to ensure any issues or challenges can be shared with the customer at the earliest possible stage.

4. EMPLOYEE AND ENVIRONMENTAL MATTERS

4.1. Employee numbers and remuneration

The Group has established policies for recruitment, training and development of its personnel. It remains committed to achieving excellence in the areas of health, safety, welfare and protection of employees and their working environment and has introduced, over the last few years, improvements in employee benefits including parental leave and pay entitlements.

The Group seeks to ensure equal opportunities are available for all existing and potential staff and have procedures in place to support disabled staff or staff encountering circumstances, which may require particular considerations in order to enable them, as far as possible, to perform their roles successfully. In addition, the organisation regularly reviews remuneration and benefits offered to employees to ensure that these remain competitive and in line with market trends.

As at the end of the financial year, the Group employed 240 staff (2019: 175)¹. Of these, 75 (2019: 60) were employed as part of the Core project, with a further 92 (2019: 82) employed on the Imaging project and the Research Analysis Platform project and 73 (2019: 33) employed within UK Biocentre.

UK Biobank has undertaken a review of the gender pay gap of its employees.² UK Biobank has more female employees in junior roles within the organisation relative to male employees, and more male employees on higher salaries in senior roles within the organisation relative to female employees (as shown in the table below). UK Biobank splits all employees into grades within the organisation, with employees in identical or equivalent roles with similar responsibilities levels allocated to grades A to H. An analysis of gender pay differences within each grade shows that the relative gender pay gap within the middle grades (D and E) has reduced this year, even though these categories continue to have a lower number of males than females. Grade F continues to reflect the ongoing higher salaries in the market place for IT and specialist Laboratory Information Management System roles that we saw last year. It is still the case that a high percentage of males perform

¹ Excluding the 10 part-time non-executive directors reported on under section 4.2.

² This relates only to individuals employed directly by the Charity (excluding non-executive directors), and not those individuals who are either seconded or contracted to work with the Charity from other organisations or who are employed by UK Biocentre Limited.

STRATEGIC REPORT

these roles in this area. There are no female employees employed directly in the most senior (H) band (one female is seconded to UK Biobank by the University of Oxford).

Overall, the figures reflect that no individual grade within the organisation shows a significant discrepancy in pay between male and female employees and that the gender pay gap is related to relative seniority/specialism of the roles performed by male and female employees.

Employee Grade	Average Salary (£)	Total Male Employees	Total Female Employees	Gender pay gap
A (Most Junior)	21,629	11	6	Female employees paid, on average 2% more than male employees, which is a reduction of 4% from last year.
B	22,010	4	32	There is no percentage difference in pay between male and female employees in this bracket, which shows a reduction from last year of male employees being paid 4% more.
C	22,568	5	14	Female employees paid, on average, 3% more than male employees, which is a reduction of 2% from last year.
D	30,221	16	34	Male employees paid, on average, 3% more than female employees, which is a reduction of 8% from last year.
E	38,853	7	13	Male employees paid, on average, 7% more than female employees, which is a reduction of 7% from last year.
F	47,804	9	12	Male employees paid, on average, 17% more than female employee, this is an increase of 9% from last year.
G	66,123	3	5	Female employees paid, on average, 6% more than male employees, which is a reduction of 4% from last year.
H (Most Senior)	98,926	4 (+2)	0(+1)	No directly employed female employees in this salary band ³ .
Average	33,797	Total	59	116

UK Biobank has policies and procedures in place to ensure that all employees are treated equally. We continue to ensure that all recruitment is done on a structured basis such as to minimise the risk of any unintentional or intentional bias towards one gender or the other. This includes the use of skills based assessment tasks as part of the interview process and pre-determined interview questions adopted alongside pre-determined response grading criteria. UK Biobank has extended flexible working across all grades and is actively working to encourage all employees to create a better work-life balance. The full impact of this has not been able to be measured due to a large percentage of staff having to work remotely due to the Covid-19 pandemic. UK Biobank will keep the gender pay gap under review and will seek to reduce it, with the aim of removing it altogether, over the coming years.

Further details on employees and remuneration are included in the the financial statements at Note 9: Staff numbers and costs.

³ Employee Grade H is the Executive Management Team. This team includes one female and two males who are not employed by the Charity, but are seconded to the Charity from the University of Oxford (who set their salaries, which are therefore excluded from the gender pay gap review).

STRATEGIC REPORT

4.2. Director and executive remuneration

Until March 2020, it was UK Biobank's policy to pay certain Non-Executive Directors a fee in recognition of their role and responsibilities. Provisional sums of £29,000 (2019: £58,000) have been recognised in the financial statements for six directors to receive remuneration for all or part of the year (2019: six), as detailed in Note 11 to the financial statements. However, due to the provisions of the Charity Commission guidance relating to the 50% limit on paid (as compared to unpaid) directors, it may not prove possible to pay these amounts. None of the directors of UK Biobank receive any benefits other than this remuneration, where paid. The financial statements recognise remuneration for the highest paid director of £8,000 (2019: £16,000). With effect from March 2020, UK Biobank changed its policy in this regard and for the foreseeable future, none of UK Biobank's Directors will be remunerated. At the end of the financial year UK Biobank's Board of directors included seven male directors and three female directors.

The key management of UK Biobank receive remuneration as agreed by the Board. Details of their salaries are disclosed in Note 10 to the financial statements.

4.3. Pensions

UK Biobank is a member of the Universities Superannuation Scheme ('USS'). The USS is a large defined benefit pension scheme, which provides a pre-determined level of benefit to members of the scheme based on prescribed contributions made by both the employee and the employer. An actuarial valuation of the USS scheme was concluded during the previous financial year (the "2018 Valuation") which identified a deficit of £3.6bn in the scheme as at March 2018. Following the conclusion of the 2018 Valuation and in order to address the deficit in the short term, contribution rates were set at 30.7% of pay until October 2021 and 34.7% thereafter subject to a further valuation in 2020. There will be no change to the current benefits provided under the scheme until the results of the March 2020 valuation are available, when options for reforms to put the scheme on a more sustainable footing for the long term will be investigated. UK Biobank, by being a member of the scheme, is exposed to the deficit, which exists within the scheme in the same way that all other member institutions of the USS are exposed. This may result in future contributions being required to increase further in order to ensure that the scheme is able to meet its future obligations (see Note 25 of the financial statements).

4.4. Environmental Matters

The Group recognises that it has a responsibility to manage the impact that its operations have on the environment both now and in the future and is signed up to the Environmental Business Pledge with the aim of using the scheme as a means of reducing its carbon footprint and associated energy bills. By joining the Environmental Business Pledge scheme, the Group considers its environmental impact and has in place a focus on continuous improvements in this area.

During the financial year, UK Biobank extended its recycling facilities to allow all used printer cartridges to be returned to the supplier along with any unwanted electrical items such as mobile phones, PCs, laptops, cameras, cables and CDs/DVDs. Further arrangements with suppliers to collect packaging have also been extended so that it can be reused or recycled. Existing programs such as introduction of LED lighting continue with all new sites, including the new Imaging centre in Bristol, fitted throughout with LED lighting thereby reducing both waste and a lowering of energy usage.

APPRECIATIONS

The Directors acknowledge the role of UK Biobank's main funders, the Medical Research Council and Wellcome (as Trustee of The Wellcome Trust) and also the Department of Health and Social Care, British Heart Foundation, Cancer Research UK and the National Institute for Health Research for their ongoing (and generous) funding of the resource and the various enhancements described. The scale of their long-term commitment is directly reflected in these consolidated financial statements. In addition, UK Biobank remains indebted to the extensive network of advisors in the academic community, both within the UK and internationally, who give their time and expertise freely. The Directors also acknowledge the important role of the Group's collaborators who supply key services at the Universities of Oxford and Cardiff. Most importantly, UK Biobank wishes to acknowledge the altruism of the participants and to thank them for their ongoing contributions to this unique resource.

STRATEGIC REPORT

Approved by the Board of Directors on 17 December 2020 and signed on its behalf by:



Professor the Lord Kakkar,
Chair

21 January 2021

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the consolidated financial statements of the charitable company, UK Biobank Limited ('UK Biobank'), for the year ended 30 September 2020.

1. DIRECTORS AND TRUSTEES

The Directors of UK Biobank Limited are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Directors. The Directors who served during the year are listed in the Legal and Administrative information on page 4.

None of the Directors who held office at the end of the period had any disclosable interest in the shares of group companies.

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

2.1. Status

UK Biobank is a charity operating as a company limited by guarantee. It was incorporated in England and Wales on 28 November 2003 and registered as a charity in England and Wales on 30 December 2003 and in Scotland on 5 February 2008.

UK Biobank is established under a Memorandum of Association setting out its objects and powers and is governed under its Memorandum and Articles of Association. The two Members of the Charity are the Medical Research Council and The Wellcome Trust Limited (as Trustee of The Wellcome Trust).

2.2. Recruitment of Directors

Under UK Biobank's Articles, Directors may be appointed either by the Members or by the Board. Under the terms of a contract entered into by UK Biobank, the Members are entitled to appoint one Director each and they are jointly entitled to appoint additional Directors.

2.3. Training and induction

All new Directors receive a briefing on their legal obligations under charity and company law and, if necessary, on the background and aims of UK Biobank, as well as meeting with the Chair, other Directors and the Chief Executive. In line with recommended best practice, new Directors receive a comprehensive reference manual containing copies of the previous year's annual report and accounts, recent Board minutes, the current business plan, the scientific protocol for the creation of the UK Biobank resource and other key documentation. In addition, training is available to all Directors.

2.4. Organisational structure

The Directors are responsible for the overall management and operation of UK Biobank with the day to day running being delegated to Professor Sir Rory Collins, the Chief Executive Officer and Principal Investigator. He is supported by an executive management team, which contains the appropriate range of skills to ensure the competent management of UK Biobank. The Directors meet at least four times a year.

UK Biobank has three Board Committees:

- The Audit and Risk Committee, which was chaired during the year by Mr Jonathan Tross, is responsible for advising the Board on financial and accounting issues, the relationship with external auditors and risk assessment.
- The Access Sub-Committee, which was chaired during the year by Professor Martin Bobrow, is responsible for advising the Board on resource access applications received from the research community.
- The Ethics Advisory Committee, which was chaired during the year by Professor Anneke Lucassen. This committee advises the Board on ethical considerations in respect of UK Biobank.

The Directors are included within a Directors and Officers liability insurance policy purchased by UK Biobank at an annual premium of £5,963 (2019: £5,421).

DIRECTORS' REPORT

2.5. Relationships with other organisations

UK Biobank has arrangements with employees of the following institutions who constitute the membership of UK Biobank's scientific Steering Committee. No remuneration is paid in respect of this membership:

- European Bioinformatics Institute
- Imperial College London
- London School of Hygiene and Tropical Medicine
- University of Bristol
- University of Cambridge
- University of Glasgow
- University of Oxford

In addition, institutions with which UK Biobank has significant relationships include:

- Cardiff University, which provides the Participant Resource Centre.
- The University of Oxford, which provides epidemiological expertise, IT services, data management, storage and enhancements support.
- The University of Edinburgh, which during the year provided scientific and epidemiological expertise as well as leading UK Biobank's activities in respect of linkage to medical healthcare records. These responsibilities transferred fully to the University of Oxford in early 2020.

These services are provided under agreements with UK Biobank. Directors or senior management who have involvement with these institutions are:

- Professor Sir Rory Collins, the Chief Executive and Principal Investigator, who is an employee of the University of Oxford and Head of the Nuffield Department of Population Health and BHF Professor of Medicine and Epidemiology.
- Professor Cathie Sudlow, who was the Co-Chief Scientist until January 2020, is an employee of the University of Edinburgh where she is the Chair of Neurology and Clinical Epidemiology at the Centre for Clinical Brain Sciences.
- Professor Naomi Allen, who was the Co-Chief Scientist until January 2020, and become the Chief Scientist from this point, is an employee of the University of Oxford at the Nuffield Department of Population Health.
- Dr Alan Young, who is Systems Architect, and is an employee of the University of Oxford at the Nuffield Department of Population Health
- Jonathan Sellors, who is a Senior Fellow at the Nuffield Department of Population Health.

Full details of Related Party Transactions are included at Note 24 of the Financial Statements.

3. OBJECTIVE AND ACTIVITY

3.1. Objects

UK Biobank's main objects, as set out in UK Biobank's Memorandum of Association, are to protect, preserve and advance the health and welfare of human beings and to advance and promote knowledge and education.

3.2. Aims, objective and strategy to achieve the Charity's objective

UK Biobank's principal objective is to establish and promote a resource for research with the aim of improving the prevention, diagnosis and treatment of illness and promoting health throughout society for public benefit.

3.3. Public benefit

The Directors have considered the Charity Commission's general guidance on public benefit and have complied with the duty in section 17 of the Charities Act 2011.

DIRECTORS' REPORT

4. GOING CONCERN

4.1. UK Biobank Limited

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

UK Biobank is funded on a five yearly funding cycle, and has committed funding in place to cover its core operations until 30 June 2022. UK Biobank received £7.0m of core funding in 2019-20. UK Biobank's existing core funders wrote to UK Biobank in November 2020, to start the process to agree renewed funding for the 2022-2027 period. This timeline anticipates informing UK Biobank of the final funding decision in March 2022.

In respect of our Access income (£2.2m during 2019-20):

- Sample Access Projects are priced on a cost recovery basis and the main implications of the COVID-19 pandemic are to extend sample delivery timeframes (as outlined in section 2 above), which leads to a re-profiling of this income, and is offset by a change in the timing of the corresponding costs. We engage regularly with researchers to inform them of project progress including any changes in timeframes.
- This year has seen a further increase in demand for access to our data, with data access applications (and the associated fees) growing again during the financial year. We anticipate this demand remaining strong as further enhancements are made to the data available to researchers in the coming year.

Finally, as outlined on page 12, the COVID-19 pandemic has led to the pausing of the imaging programme, which will reduce the numbers of participants that can be scanned within the existing funding. Funders have been fully briefed and have agreed to reallocate £4m of existing project funds to support the SARS-CoV-2 repeat imaging programme, pending the restart of the programme (planned for the second half of 2021).

In this context, the Directors are therefore satisfied that UK Biobank has sufficient funding in place to continue as a going concern.

4.2. UK Biocentre Limited

Notwithstanding net liabilities of £441,212 at 30 September 2020, UK Biocentre's financial statements have been prepared on a going concern basis, which the UK Biocentre Directors consider to be appropriate for the following reasons.

During the year, UK Biocentre completed a financial review to inform decisions by the NIHR on the future options for the National Biosample Centre. As part of this review, UK Biocentre's Directors prepared cash flow forecasts for a period of five years from October 2020 to September 2025, which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds for the going concern period. Scenarios have been developed and assessed, that consider the effect of COVID-19 testing and other growth in business activity on cashflow. These scenarios show that UK Biocentre, as a minimum, is capable of maintaining operations and cash flow to continue to meet its liabilities for at least 12 months from the date of approval of the financial statements.

The Directors have considered the risks and opportunities presented by the impact of the COVID-19 pandemic. This assessment has considered the uncertainties in projecting revenue streams beyond mid-2022, given that the additional grant funding of £2,300,000 extends to June 2021 only, and the COVID-19 virus testing is currently contracted to run until the end of April 2021. Forecasts show that in the event of no further grant funding, a cessation of COVID testing in April 2021 and only a limited return in business-as-usual activities (i.e. a severe but plausible downside scenario), there is a downward cash trajectory from June 2021, however this scenario still demonstrates the organisation's ability to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. In addition, UK Biocentre's Directors consider the risk of this scenario arising to be highly unlikely based on the points made below.

UK Biocentre's Directors believe that the forecast downside cash flow scenario is mitigated by opportunities beyond 2021. The pandemic is expected to generate new research, testing and storage requirements that could increase the demand for the services provided by UK Biocentre in the future, and its Directors are confident that some of these increases in activity will be agreed before June 2021. UK Biocentre and NIHR are considering options to optimise the future use of the facility,

DIRECTORS' REPORT

following completion of the financial review in November. Based on present activities and the key importance of UK Biocentre in responding to the pandemic, its Directors are confident the public and research value of the facility and its activities will continue to be recognised as part of this review, and they are therefore confident of UK Biocentre's value and existence beyond 2021.

Consequently, UK Biocentre's Directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and consequently have prepared its financial statements on a going concern basis.

5. AUDIT INFORMATION

The Directors who were in office at the date of approval of these financial statements have confirmed that, as far as they can reasonably ensure, all relevant audit information has been provided to the Group's auditors; and the Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

6. INVESTMENTS

UK Biobank made no investments during the year.

7. RESERVES POLICY

UK Biobank draws down monies from the Members as required, in line with budgets reviewed both by the Board of Directors and by the Members. In these circumstances, there is no requirement for UK Biobank to maintain any free reserves. However, the Directors are satisfied that there are sufficient arrangements for the provision of funding for the Charity to continue to operate for the foreseeable future. This is based on the requirement for UK Biobank to present budgets which reflect not only anticipated spend for the coming twelve months but in addition provide a detailed forecast to the end of the current funding period so that comfort can be gained that all anticipated costs are manageable within agreed funding.

8. AUDITORS

KPMG LLP are the auditors of the Group and have expressed their willingness to continue in this role.

Approved by the Board of Directors on 17 December 2020 and signed on its behalf by:



Professor the Lord Kakkar,
Chair

21 January 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors (who are also trustees of UK Biobank Limited) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company and charity law requires the Directors to prepare financial statements for each financial year. Under that law they have are required to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of the excess of income over expenditure for that period. In preparing each of the group and charitable company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the charitable company will continue its activities.

The Directors are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the group and charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the group and charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and charitable company and to prevent and detect fraud and other irregularities.

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



Professor the Lord Kakkar
Chair

21 January 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UK BIOBANK LIMITED

Opinion

We have audited the group and parent charitable company financial statements of UK Biobank Limited ("the charitable company") for the year ended 30 September 2020 which comprise the Group and Parent Charitable Company Statements of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group and Parent Charitable Company Cash Flow Statements and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 30 September 2020 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 UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We have been appointed as auditor under section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of, the group and charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or charitable company or to cease their operations, and as they have concluded that the group's and charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the group's and charitable company's business model and analysed how those risks might affect the group's and charitable company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group and charitable company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports that report for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UK BIOBANK LIMITED

Matters on which we are required to report by exception

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 24, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group's and 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 they either intend to liquidate the group or charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the group's and charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's directors, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the group's and charitable company's members and the directors 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 group and charity, its members as a body and its directors as a body, for our audit work, for this report or for the opinions we have formed.



Timothy Cutler (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square,
Manchester,
M2 3AE

Date: 22 January 2021

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including Consolidated Income and Expenditure Account)

For the year ended 30 September 2020

	Notes	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
INCOME:					
Funding					
<i>Income from charitable activities</i>		7,037,889	14,440,847	21,478,736	37,486,825
Access fees	4	2,211,417	-	2,211,417	2,231,672
<i>Income from trading activities</i>					
Commercial trading operations	4	3,726,878	-	3,726,878	4,002,130
Investments	5	59,800	-	59,800	81,970
Other	4	40,290	-	40,290	42,515
TOTAL INCOME		13,076,274	14,440,847	27,517,121	43,845,112
EXPENDITURE					
Charitable activities	7	(8,367,525)	(19,891,992)	(28,259,517)	(37,683,222)
Commercial trading operations	14	(3,215,260)	-	(3,215,260)	(3,947,968)
Other					
Other operating income	8	-	7,676,478	7,676,478	873,837
Other operating expenditure	8	-	(7,676,478)	(7,676,478)	(873,837)
TOTAL EXPENDITURE		(11,582,785)	(19,891,992)	(31,474,777)	(41,631,190)
NET (EXPENDITURE) / INCOME BEFORE TAX FOR THE FINANCIAL YEAR	6	1,493,489	(5,451,145)	(3,957,656)	2,213,922
Taxation	12	(23,473)	-	(23,473)	-
NET (EXPENDITURE) / INCOME FOR THE FINANCIAL YEAR		1,470,016	(5,451,145)	(3,981,129)	2,213,922
RECONCILIATION OF FUNDS					
Total funds brought forward	20	2,696,531	13,633,850	16,330,381	14,116,459
TOTAL FUNDS CARRIED FORWARD	20	4,166,547	8,182,705	12,349,252	16,330,381

No separate Consolidated Statement of Changes in Equity has been presented as all such gains and losses have been included in the Consolidated Statement of Financial Activities for the year

All income and expenditure are derived from continuing activities.

The notes on pages 33 to 59 form part of these financial statements.

CHARITY STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)

For the year ended 30 September 2020

	Notes	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
INCOME:					
Funding		7,037,889	14,440,847	21,478,736	37,486,825
<i>Income from charitable activities</i>					
Access fees	4	2,211,417	-	2,211,417	2,231,672
Investments	5	45,347	-	45,347	55,788
Other	4	394,958	-	394,958	179,242
TOTAL INCOME		9,689,611	14,440,847	24,130,458	39,953,527
EXPENDITURE					
Charitable activities	7	(8,630,497)	(19,892,284)	(28,522,781)	(37,974,640)
TOTAL EXPENDITURE		(8,630,497)	(19,892,284)	(28,522,781)	(37,974,640)
NET (EXPENDITURE) / INCOME FOR THE FINANCIAL YEAR	6	1,059,114	(5,451,437)	(4,392,323)	1,978,887
RECONCILIATION OF FUNDS					
Total funds brought forward	20	3,559,894	13,632,893	17,192,787	15,213,900
TOTAL FUNDS CARRIED FORWARD	20	4,619,008	8,181,456	12,800,464	17,192,787

No separate Charity Statement of Changes in Equity has been presented as all such gains and losses have been included in the Statement of Financial Activities for the year

All income and expenditure are derived from continuing activities

The notes on pages 33 to 59 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
At 30 September 2020

	Notes	2020		2019	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	13		10,617,439		11,942,599
CURRENT ASSETS					
Inventories	15	330,868		581,552	
Debtors	16	9,208,022		4,504,661	
Cash at bank and in hand		13,634,732		13,379,149	
		23,173,622		18,465,362	
CREDITORS: amounts falling due within one year	17	(15,972,492)		(9,727,663)	
NET CURRENT ASSETS			7,201,130		8,737,699
TOTAL ASSETS LESS CURRENT LIABILITIES			17,818,569		20,680,298
CREDITORS: amounts falling due after more than one year	18		(3,700,004)		(2,666,490)
PROVISION FOR LIABILITIES AND CHARGES	19		(1,769,313)		(1,683,427)
NET ASSETS			12,349,252		16,330,381
<i>Represented by:</i>					
ACCUMULATED FUNDS OF THE GROUP					
Unrestricted funds	20		4,166,547		2,696,531
Restricted funds	20		8,182,705		13,633,850
TOTAL GROUP FUNDS			12,349,252		16,330,381

The notes on pages 33 to 59 form part of these financial statements.

The financial statements on pages 27 to 59 were approved by the Board of Directors on 17 December 2020, authorised for issue on 21 January 2021 and are signed on its behalf by:



Professor the Lord Kakkar
Chair

21 January 2021

Company registration number 04978912
Registered Charity number in England and Wales 1101332
Registered Charity number in Scotland SC039230

CHARITY BALANCE SHEET

At 30 September 2020

	Notes	2020	2019
		£	£
FIXED ASSETS			
Tangible fixed assets	13	9,790,687	11,339,869
Investments	14	10,000	10,000
		<u>9,800,687</u>	<u>11,349,869</u>
CURRENT ASSETS			
Inventories	15	176,758	148,012
Debtors	16	2,066,675	2,584,101
Cash at bank and in hand		7,638,087	9,341,262
		<u>9,881,520</u>	<u>12,073,375</u>
CREDITORS: amounts falling due within one year	17	(5,112,430)	(4,547,030)
NET CURRENT ASSETS		<u>4,769,090</u>	<u>7,526,345</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,569,777</u>	<u>18,876,214</u>
PROVISIONS FOR LIABILITIES AND CHARGES	19	(1,769,313)	(1,683,427)
NET ASSETS		<u>12,800,464</u>	<u>17,192,787</u>
Represented by:			
ACCUMULATED FUNDS OF THE CHARITY			
Unrestricted funds	20	4,619,008	3,559,894
Restricted funds	20	8,181,456	13,632,893
TOTAL CHARITY FUNDS		<u>12,800,464</u>	<u>17,192,787</u>

The notes on pages 33 to 59 form part of these financial statements.

The financial statements on pages 27 to 59 were approved by the Board of Directors on 17 December 2020, authorised for issue on 21 January 2021 and are signed on its behalf by:



Professor the Lord Kakkar
Chair

21 January 2021

Company registration number 04978912
Registered Charity number in England and Wales 1101332
Registered Charity number in Scotland SC039230

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 September 2020

	2020		2019	
	£	£	£	£
CASHFLOWS FROM OPERATING ACTIVITIES				
Net movement in funds as per the Statement of Financial Activities		(3,981,129)		2,213,922
<i>Adjustments for:</i>				
Interest paid	-		262	
Interest received	(59,800)		(81,970)	
Depreciation charge	3,110,769		2,404,996	
Release of contributions for the purchase of tangible fixed assets	(52,668)		(50,421)	
Loss on sale of tangible fixed assets	-		2,319	
Taxation	23,473		-	
Decrease / (Increase) in stocks	250,684		(441,993)	
(Increase) in debtors	(4,726,834)		(1,658,177)	
Increase in creditors	7,142,295		3,514,920	
CASH FROM OPERATIONS		5,687,919		3,689,936
Interest paid	-		(262)	
Taxation received	-		33,893	
		-		33,631
NET CASH INFLOW FROM OPERATING ACTIVITIES		1,706,790		5,937,489
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales	-		104,000	
Interest received	59,800		81,970	
Payments to acquire tangible fixed assets	(1,785,609)		(1,886,957)	
Net cash flow from investing activities		(1,725,809)		(1,700,987)
CASH FLOWS FROM FINANCING ACTIVITIES				
Contributions for the purchase of tangible fixed assets	274,602		172,486	
Net cash used in financing activities		274,602		172,486
Increase (decrease) in cash and cash equivalents		255,583		4,408,988
Cash and cash equivalents at beginning of year		13,379,149		8,970,161
Cash and cash equivalents at end of year		13,634,732		13,379,149

CHARITY CASH FLOW STATEMENT
For the year ended 30 September 2020

	2020		2019	
	£	£	£	£
CASHFLOWS FROM OPERATING ACTIVITIES				
Net movement in funds as per the Statement of Financial Activities		(4,392,323)		1,978,887
<i>Adjustments for:</i>				
Interest received	(45,347)		(55,788)	
Depreciation charge	2,919,737		2,265,683	
Loss on sale of tangible fixed assets	-		2,319	
(Increase) decrease in stocks	(28,746)		(144,348)	
Decrease (Increase) in debtors	517,426		(746,453)	
Increase in creditors	651,286		2,480,983	
CASH FROM OPERATIONS		4,014,356		3,802,396
NET CASH (OUTFLOW) INFLOW FROM OPERATING ACTIVITIES		(377,967)		5,781,283
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from the disposal of tangible fixed assets	-		104,000	
Interest received	45,347		55,788	
Payments to acquire tangible fixed assets	(1,370,555)		(1,545,799)	
Net cash flow outflow from investing activities		(1,352,208)		(1,386,011)
(Decrease) increase in cash and cash equivalents		(1,703,175)		4,395,272
Cash and cash equivalents at beginning of year		9,341,262		4,945,990
Cash and cash equivalents at end of year		7,638,087		9,341,262

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2020

1 STATUTORY INFORMATION

UK Biobank Limited ("the Charity") is a limited company incorporated in England, limited by guarantee, number 04978912. The registered office is Units 1-2 Spectrum Way, Adswold, Cheshire SK3 0SA

UK Biobank Limited ("the Charity") is a Registered Charity, registered in England and Wales number 1101332 and in Scotland number SC03230.

2 ACCOUNTING POLICIES

Basis of preparation

The Charity's financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice, comprising Financial Reporting Standard 102 - applicable in the United Kingdom and the Republic of Ireland ("FRS102") and with the Statement of Recommended Practice "Accounting and Reporting by Charities" FRS 102 as revised in 2019 ("the SORP") together with the reporting requirements of the Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2015 and the Charities Accounts (Scotland) Regulations 2006. The Charity has adapted the Companies Act formats to reflect the SORP and the nature of the Charity's activities.

The financial statements have been prepared on the historical cost convention and in sterling which is the functional currency of the Charity, rounded to the nearest £.

Basis of consolidation

The financial statements of the Charity and its wholly owned subsidiary undertaking, UK Biocentre Limited are consolidated on a line-by-line basis. In the consolidated accounts uniform accounting policies have been used. The consolidated entity is referred to as "the Group".

All inter-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

Going concern

The Board have considered the Charity's ability to continue as a going concern, as part of this assessment the Board have reviewed and approved budgets for future periods and consider that there are no material uncertainties about the Charity's ability to continue operating. Factors specifically considered as part of the assessment of going concern are outlined in the Directors' Report on page 22; as such, the financial statements have been prepared on a going concern basis.

Public benefit

The Charity meets the definition of a public benefit entity under FRS 102.

Critical accounting judgements and estimations

Judgements and estimations 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. In making these estimates, the Charity makes assumptions concerning the future.

The judgements and estimations made that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are as follows:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2020

2 ACCOUNTING POLICIES (CONTINUED)

Pension Scheme of the Charity – Universities Superannuation Scheme (“USS”)

FRS 102 makes the distinction between a Group Plan and a multi-employer scheme. A Group Plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in profit or loss. The directors are satisfied that the scheme provided by USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

In addition, because the USS scheme is in deficit and a funding plan has been agreed section 28 of FRS 102 requires individual employers to recognise a liability for the contributions payable that arise from the agreement to fund the scheme (to the extent that they relate to the deficit) and the resulting expense in the Statement of Financial activities. A deficit modeller was utilised to produce the provision estimates with a discount rates and estimates of staff numbers.

Income

Income receivable is recognised when the Group has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Income not meeting these criteria is deferred.

Funding

Funding income, including monies for the purchase of tangible fixed assets, is recognised in full in the Statement of Financial Activities in the year in which it is received.

Incoming resources from charitable activities

Incoming resources from charitable activities includes income for the use of the Charity’s resource and is recognised as earned. Income is deferred when fees have been received in advance.

Commercial trading operations

Income from commercial trading operations is recognised at the fair value of the consideration received or receivable for sale of goods and/or services in the ordinary nature of the business. Where the goods and/or services are to be provided in a future period the income is deferred. Turnover represents goods sold and services provided to external customers, net of Value Added Tax.

Interest receivable

Interest income and interest receivable includes bank interest, which is recognised in the Statement of Financial activities on an accruals basis.

Other income

Other income is recognised in the year in which it is received or receivable.

Expenditure

Expenditure is recognised as soon as there is a legal or constructive obligation committing the Group to the expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2020

2 ACCOUNTING POLICIES (CONTINUED)

Charitable activities

Charitable activities expenditure is in relation to the Charity's projects and both the direct costs and support costs relating to these activities. Expenditure is summarised under functional headings on a direct cost basis.

Commercial trading operations

Cost of generating funds comprises those costs incurred in commercial trading activities.

Interest payable

Interest payable and similar charges including bank interest and intercompany interest payable is recognised in the Statement of Financial activities on an accruals basis.

Fund accounting

Unrestricted funds: General funds

General funds are unrestricted funds, which are expendable for furtherance of the objectives of the Charity without further specified purposes.

Unrestricted funds: Non-charitable trading funds

Non-charitable trading funds are unrestricted funds, which are expendable for furtherance of the objectives of the Charity's group undertaking, UK Biocentre Limited, without further specified purposes.

Unrestricted funds: Capital Replacement Reserve funds

Capital Replacement Reserve funds are unrestricted funds, which will be used for the purchase of asset replacements.

Restricted funds

Restricted funds are to be used for specific purposes laid down by the Donor. Expenditure for those purposes is charged to the fund.

Tangible fixed assets and depreciation

Tangible fixed assets are capitalised, including purchase price and any costs of bringing the assets to working condition for their intended use.

Depreciation is provided in order to write off the cost of tangible fixed assets on a straight-line basis over their estimated useful lives, as follows:

Leasehold improvements	over the life of the lease
Computer systems	25% - 33% straight line
Laboratory and clinic equipment	10% - 33% straight line
Fixtures, fittings and other equipment	20% - 25% straight line
Sample storage and infrastructure	4% - straight line or over the life of the lease
Motor vehicles	20% - straight line

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment is recognised in the Statement of Financial Activities.

Repairs, maintenance and inspection costs of tangible fixed assets are charged to the Statement of Financial Activities as incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2020

2 ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories consist of stock and work in progress, where work in progress represents costs associated with uninvoiced customer contracts at the year-end. Stocks and work in progress are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location. Net realisable value is based on the estimated selling price less costs expected to be incurred as part of the sale.

Accruals and deferred income: contributions for the purchase of tangible fixed assets

Contributions for the purchase of tangible fixed assets are from external customers. They are credited to a deferral account and are released to the Statement of Financial Activities in equal annual amounts over the expected useful life of the asset to which they relate as follows:

Leasehold improvements	over the period of the lease
Sample storage and processing equipment	4% - 20% straight line
Computer systems	20% - 33% straight line
Fixtures, fittings and equipment	20% - 25% straight line
Motor vehicles	20% straight line

Financial instruments

The Company has chosen to adopt Section 11 and Section 12 of FRS 102 in respect of financial instruments,

Basic financial instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Other financial instruments

Other financial instruments are those not considered to be Basic financial instruments.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling on the time of the transaction. Foreign currency balances are translated into sterling at the exchange rate at the balance sheet date. Resulting gains or losses are included in the Statement of Financial Activities.

Leases

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

Rent-free periods or other incentives received for entering into a lease are accounted for over the period of the lease so as to spread the benefit received over the lease term.

Research and development

Research and development expenditure is written off to the Statement of Financial Activities as it is incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2020

2 ACCOUNTING POLICIES (CONTINUED)

Investments

Investment in the subsidiary is held at cost less accumulated impairment losses.

Pension scheme

Charity

The Charity participates in Universities Superannuation Scheme. With effect from 1 October 2017, the scheme changed from a defined benefit only pension scheme to a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The Charity is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the Charity therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Statement of Financial Activities (including the income and expenditure accounts) represents the contributions payable to the scheme. Since the Charity has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the Charity recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

Subsidiary undertaking: UK Biocentre Limited

UK Biocentre Limited operates a defined contributions scheme for the benefit of its employees. Contributions are recognised in the Statement of Financial Activities when due.

Taxation

Charity

The Charity is a registered charity and therefore it is exempt from income and corporation tax on income and gains falling within chapter 3 Part 11 Corporation Tax Act 2010 or S256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

Subsidiary undertaking: UK Biocentre Limited

The subsidiary undertaking, UK Biocentre Limited, is liable to corporation tax on its income and gains. Gift Aid payments paid to the Charity will reduce the taxable income and gains.

Tax on the profit or loss for the year comprises current and deferred tax.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous years. Taxable income or loss for the year differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods.

Deferred tax is provided on timing differences, which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax. Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the associated balance sheet date. Deferred tax balances are not discounted. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2020

3 MEMBERS' LIABILITY

The liability of the Members is limited to a maximum of £1 each.

4 INCOME

The analysis of income by activity and geographical area is as follows:

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Unrestricted Funds				
<i>Income from charitable activities</i>				
Access fees	2,211,417	2,231,672	2,211,417	2,231,672
<i>Income from trading activities</i>				
Commercial trading operations (Note 14)	3,726,878	4,002,130	-	-
Other	40,290	36,279	394,958	173,006
	<u>5,978,585</u>	<u>6,270,081</u>	<u>2,606,375</u>	<u>2,404,678</u>
Restricted Funds				
<i>Income from trading activities</i>				
Other	-	6,236	-	6,236
	<u>-</u>	<u>6,236</u>	<u>-</u>	<u>6,236</u>
Total	<u><u>5,978,585</u></u>	<u><u>6,276,317</u></u>	<u><u>2,606,375</u></u>	<u><u>2,410,914</u></u>

A geographical analysis of this income is as follows:

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Unrestricted Funds				
United Kingdom	4,354,746	4,604,056	982,536	738,653
Rest of Europe	491,302	287,708	491,302	287,708
Rest of the world	1,132,537	1,378,317	1,132,537	1,378,317
	<u>5,978,585</u>	<u>6,270,081</u>	<u>2,606,375</u>	<u>2,404,678</u>
Restricted Funds				
United Kingdom	-	6,236	-	6,236
	<u>-</u>	<u>6,236</u>	<u>-</u>	<u>6,236</u>
Total	<u><u>5,978,585</u></u>	<u><u>6,276,317</u></u>	<u><u>2,606,375</u></u>	<u><u>2,410,914</u></u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2020

5 INVESTMENTS

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Unrestricted Funds				
Investment income	59,800	81,970	45,347	55,405
Interest on amounts due to the Charity from its subsidiary undertaking	-	-	-	383
Total	59,800	81,970	45,347	55,788

6 NET MOVEMENT OF FUNDS FOR THE FINANCIAL YEAR

Net movement of funds for the financial year is stated:

	Group		Charity	
	2020	2019	2020	2019
	£	£		
After charging:				
Auditor's remuneration – Statutory audit services	47,000	28,600	33,000	20,100
Depreciation and impairment of owned tangible fixed assets:				
The Charity	2,919,737	2,265,683	2,919,737	2,265,683
The subsidiary undertaking	191,032	139,313	-	-
Loss on disposal of tangible fixed assets	-	2,319	-	2,319
Operating leases rentals:				
Hire of plant and machinery	316,829	234,531	19,806	13,656
Land and buildings	717,950	724,757	331,838	338,645
After crediting:				
Release of contributions for the purchase of tangible fixed assets (Note 18)	52,668	50,421	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2020

7 EXPENDITURE: CHARITABLE ACTIVITIES

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
<i>Unrestricted Funds</i>				
Staff costs	4,396,006	4,020,225	4,396,006	4,020,225
Depreciation	945,936	871,818	945,936	871,818
Other costs	3,025,583	4,195,967	3,288,555	4,487,385
	8,367,525	9,088,010	8,630,497	9,379,428
<i>Restricted Funds</i>				
Staff costs	3,953,183	3,634,948	3,953,183	3,634,948
Depreciation	1,973,801	1,393,865	1,973,801	1,393,865
Other costs	13,965,008	23,566,399	13,965,300	23,566,399
	19,891,992	28,595,212	19,892,284	28,595,212
Total	28,259,517	37,683,222	28,522,781	37,974,640

8 EXPENDITURE: OTHER

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
<i>Restricted Funds</i>				
Other operating income	7,676,478	873,837	-	-
<i>Restricted Funds</i>				
Other operating expenditure	(7,676,478)	(873,837)	-	-

Included within Other Operating Income is an amount of £1,309,554 (2019: £873,837) of Grant income with the remaining amount of £6,366,924 (2019: £nil) relating to income received by UK Biocentre Limited to deliver COVID testing to the Department of Health and Social Care for expenditure reimbursed on a cost recovery basis. Both amounts have an equivalent and offsetting value included within Other Operating Expenditure.

Department of Health and Social Care: Grant

In March 2019, the Department of Health and Social Care awarded a Grant of £1,700,000 to the UK Biocentre Limited for the 18-month period from 1 October 2018 to 31 March 2020. This funding is restricted, to be used in respect of specific expenditure defined within the Grant Award agreement.

Included within Contributions for the purchase of tangible fixed assets (Note 18) is restricted Grant income of £nil (2019: £165,445), which covers the costs of assets included within the Grant Award agreement.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2020

8 EXPENDITURE: OTHER (CONTINUED)

Department of Health and Social Care: Grant

In March 2020, the Department of Health and Social Care awarded a Grant of £2,300,000 to the Company for the 15-month period from 1 April 2020 to 30 June 2021. This funding is restricted, to be used in respect of specific expenditure defined within the Grant Award agreement

Included within Contributions for the purchase of tangible fixed assets (Note 18) is restricted Grant income of £213,090, which covers the costs of assets included within the Grant Award agreement.

Department of Health and Social Care: COVID-19 Project Cost Contribution

From April 2020, as part of the COVID-19 testing contract with the Department of Health and Social Care, a contribution towards operating expenditure has been reimbursed by the Department of Health and Social Care.

Included within Contributions for the purchase of tangible fixed assets (Note 18) is restricted Grant income of £61,512, which covers the costs of assets reimbursed within the COVID-19 Project agreement

9 STAFF NUMBERS AND COSTS

The average number of persons employed by the Charity and the Group, including Directors, during the year analysed by category and by those full-time and part-time was as follows:

Group

	2020			2019		
	Full-time No.	Part-time No.	Total No.	Full-time No.	Part-time No.	Total No.
Directors of the Charity	-	10	10	-	10	10
Directors of the subsidiary undertaking	-	6	6	-	6	6
Management	8	1	9	8	1	9
Charity's projects	147	14	161	126	10	136
Sample storage personnel	63	1	64	24	-	24
Total	218	32	250	158	27	185

Charity

	2020			2019		
	Full-time No.	Part-time No.	Total No.	Full-time No.	Part-time No.	Total No.
Directors	-	10	10	-	10	10
Management	5	1	6	5	1	6
Charity's projects	147	14	161	126	10	136
Total	152	25	177	131	21	152

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2020

9 STAFF NUMBERS AND COSTS (CONTINUED)

The aggregate payroll costs of these persons, which include Directors, were as follows:

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Wages and salaries	9,043,966	6,426,513	6,593,800	5,315,557
Social security costs	889,139	665,323	655,216	552,464
Pension contributions	1,237,399	894,852	1,037,013	760,585
Pension deficit provision	63,160	1,026,567	63,160	1,026,567
	11,233,664	9,013,255	8,349,189	7,655,173
Represented by:				
<i>Unrestricted Funds</i>	7,280,481	5,378,307	4,396,006	4,020,225
<i>Restricted Funds</i>	3,953,183	3,634,948	3,953,183	3,634,948
Total	11,233,664	9,013,255	8,349,189	7,655,173

Charity

Staff costs are included in "Expenditure: Charitable activities" as shown in Note 7.

Group

Staff costs for the Charity are included in "Expenditure: Charitable activities" as shown in Note 7 and those for the subsidiary undertaking are included in "Expenditure: Commercial trading operations" as shown in Note 14.

The number of employees whose remuneration, excluding pension contributions, exceeded £60,000 during the year was as follows:

	Group		Charity	
	2020	2019	2020	2019
	No.	No.	No.	No.
£60,000 to £70,000	6	6	6	5
£70,001 to £80,000	1	4	1	3
£80,001 to £90,000	3	-	2	-
£90,001 to £100,000	2	2	1	2
£100,001 to £110,000	3	2	2	1
£110,001 to £120,000	1	1	-	-
£120,001 to £130,000	1	-	1	-
£130,001 to £140,000	-	-	-	-
£140,001 to £150,000	1	-	1	-
£150,001 to £160,000	-	1	-	1

All of these employees accrued pension benefits during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2020

9 STAFF NUMBERS AND COSTS (CONTINUED)

Included in "Expenditure" for the Group and the Charity are costs relating to staff who are not employed directly by the Charity or the Group as follows:

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Unrestricted Funds	1,632,440	558,899	649,710	401,894
Restricted Funds	46,719	-	46,719	-
Total	1,679,159	558,899	696,429	401,894

Details of these costs are as follows:

- The Group incurred costs of £1,323,107 (2019: £264,474) and the Charity incurred costs of £340,377 (2019: £107,469) for the use of temporary staff and other seconded staff during the year.
- Professor Sir Rory Collins, who is the Chief Executive Officer and Principal Investigator for the Charity, is an employee of the University of Oxford, but is not an employee of the Charity. Professor Collins is seconded to the Charity for 60% of his time respectively pursuant to agreements entered into between the Charity and the University of Oxford. The cost during the year of his secondment from the University of Oxford was £115,547 (2019: £112,665).
- Professor Cathie Sudlow was the Co-Chief Scientist for the Charity until her resignation on 31 October 2019. She was an employee of the University of Edinburgh, not an employee of the Charity. She was seconded to the Charity for 40% of her time, pursuant to an agreement entered into between the Charity and the University of Edinburgh. The cost during the year of her secondment from the University of Edinburgh was £13,670 (2019: £93,640).
- Professor Naomi Allen, who was Chief Scientist for the Charity during the year, is an employee of the University of Oxford, but is not an employee of the Charity. Professor Allen is seconded to the Charity for 80% of her time respectively pursuant to agreements entered into between the Charity and the University of Oxford. The cost during the year of her secondment from the University of Oxford was £125,857 (2019: £88,120).
- Dr Alan Young, who was the Systems Architect for the Charity during the year, is an employee of the University of Oxford, but is not an employee of the Charity. Dr Young is seconded to the Charity for 50% of his time respectively pursuant to agreements entered into between the Charity and the University of Oxford. The cost during the year of his secondment from the University of Oxford was £100,978 (2019: £nil).

10 KEY MANAGEMENT PERSONNEL

Key Management Personnel of the Charity is defined as being a member of the Executive Management Team who are listed under "Legal and administrative information" on page 4.

The Executive Management Team are employees of the Charity or seconded to the Charity from other organisations. The total employment benefits, including employer pension contributions, of those members who are employed was £908,427 (2019: £773,555) and the amount paid for those seconded and agency staff was £400,000 (2019: £294,425).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2020

11 DIRECTORS' REMUNERATION AND EXPENSES

Until March 2020, it was the Charity's policy to pay certain Non-Executive Directors a fee in recognition of their role and responsibilities. During the year aggregate remuneration of £29,000 (2019: £58,000) was recognised in respect of six Directors of the Charity; Sir Michael Rawlins, Professor Martin Bobrow, Professor Ruth Gilbert, Professor Andrew Hattersley, Professor Sir Alexander Markham and Mr Jonathan Tross. However, due to the provisions of the Charity Commission guidance, it may not prove possible to pay these amounts. None of the directors of the Charity receive any benefits other than this remuneration, where paid. With effect from March 2020, the policy changed and for the foreseeable future, none of the Charity's Directors will be remunerated.

The Charity has met individual travel and subsistence expenses totalling £1,507 in the year (2019: £2,778) incurred by five Directors (2019: five) in attending Board, Committee and other meetings.

12 TAXATION

Unrestricted Funds: Taxation arises from commercial trading activities.

(a) Tax on loss on ordinary activities

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Current taxation				
UK Corporation tax @ 19% (2019: 19%)	-	-	-	-
Total current tax credit	-	-	-	-
Deferred taxation				
Originating and reversal of timing differences	66,185	41,306	-	-
Adjustments in respect of prior periods	-	(1,666)	-	-
Timing differences not recognised	(42,712)	(39,640)	-	-
Total deferred tax credit	23,473	-	-	-
Taxation on loss on ordinary activities	23,473	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2020

12 TAXATION (CONTINUED)

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (19%). The difference is explained below:

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Current taxation reconciliation				
Profit on ordinary activities before taxation	434,667	235,035	-	-
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	82,587	44,657	-	-
<i>Effects of</i>				
Expenses not deductible for tax purposes	-	1,003	-	-
Income not taxable for tax purposes	(1,757)	(112)	-	-
Fixed assets ineligible depreciation	337	617	-	-
Adjustment to tax charge in respect of previous periods for:				
Deferred taxation	-	(1,666)	-	-
Corporation tax	-	-	-	-
Deferred taxation not recognised	(42,712)	(39,640)	-	-
Adjustment for deferred taxation to average rate of 19% (2019: 19%)				
Closing deferred taxation	(14,982)	14,981	-	-
Opening deferred taxation	-	(19,840)	-	-
Taxation charge	23,473	-	-	-

(c) Deferred tax

The deferred tax included in the balance sheet is as follows:

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Included in debtors (Note 16)	61,155	84,628	-	-
Fixed asset timing differences	(61,846)	(56,884)	-	-
Short term timing differences	30,720	1,944	-	-
Losses and other deductions	92,281	182,280	-	-
Deferred tax asset not recognised	-	(42,712)	-	-
Provision for deferred tax	61,155	84,628	-	-
At the beginning of the year	84,628	84,628	-	-
Charge to the Statement of Financial Activities	(23,473)	-	-	-
At end of the year	61,155	84,628	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2020

13 TANGIBLE FIXED ASSETS

Group							
	Leasehold Improve- ments	Computer systems	Laboratory and clinic equipment	Fixtures, fittings and other equipment	Sample storage and infra- structure	Motor vehicles	Total
	£	£	£	£	£	£	£
Cost							
At							
1 October	7,366,130	2,417,170	12,913,165	108,182	5,665,567	35,764	28,505,978
2019							
Additions	456,226	503,322	813,640	5,868	6,553	-	1,785,609
Disposals	-	-	(21,412)	-	-	-	(21,412)
At							
30 September	7,822,356	2,920,492	13,705,393	114,050	5,672,120	35,764	30,270,175
2020							
Depreciation							
At							
1 October	3,321,624	1,695,706	8,003,134	73,505	3,442,855	26,555	16,563,379
2019							
Charge for the	977,969	277,008	1,465,295	13,061	373,825	3,611	3,110,769
year							
Disposals	-	-	(21,412)	-	-	-	(21,412)
At							
30 September	4,299,593	1,972,714	9,447,017	86,566	3,816,680	30,166	19,652,736
2020							
Net Book							
Value							
At							
30 September	4,044,506	721,464	4,910,031	34,677	2,222,712	9,209	11,942,599
2019							
At							
30 September	3,522,763	947,778	4,258,376	27,484	1,855,440	5,598	10,617,439
2020							

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2020

13 TANGIBLE FIXED ASSETS (CONTINUED)

Charity

	Leasehold Improve- ments	Computer systems	Laboratory and clinic equipment	Fixtures, fittings and other equipment	Sample storage and infra- structure	Motor vehicles	Total
	£	£	£	£	£	£	£
Cost							
At							
1 October 2019	7,169,074	2,228,810	12,284,973	46,206	5,665,567	13,995	27,408,625
Additions	382,110	400,632	580,710	550	6,553	-	1,370,555
Disposals	-	-	(21,412)	-	-	-	(21,412)
At							
30 September 2020	7,551,184	2,629,442	12,844,271	46,756	5,672,120	13,995	28,757,768
Depreciation							
At							
1 October 2019	3,312,390	1,604,482	7,671,030	32,401	3,442,855	5,598	16,068,756
Charge for the year	966,313	236,511	1,335,852	4,437	373,825	2,799	2,919,737
Disposals	-	-	(21,412)	-	-	-	(21,412)
At							
30 September 2020	4,278,703	1,840,993	8,985,470	36,838	3,816,680	8,397	18,967,081
Net Book Value							
At							
30 September 2019	3,856,684	624,328	4,613,943	13,805	2,222,712	8,397	11,339,869
At							
30 September 2020	3,272,481	788,449	3,858,801	9,918	1,855,440	5,598	9,790,687

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2020

14 INVESTMENTS

Charity

Shares in Group undertaking
£
10,000

As at 1 October 2019 and 30 September 2020

The investment relates to the Charity's subsidiary undertaking, UK Biocentre Limited.

UK Biocentre Limited was incorporated in England on 4 May 2011 and commenced trading on that date. The nature of its business is the provision of sample storage and processing services for biomedical research studies. Its share capital consists of ordinary shares which are 100% owned by the Charity.

A reconciliation of the results of UK Biocentre Limited with the amounts shown in the group financial statements is as follows:

	2020		2019
	£	£	£
Turnover: Commercial trading operations	3,990,142		4,293,548
Consolidation adjustment	(263,264)		(291,418)
	3,726,878		4,002,130
Expenditure: Commercial trading operations			
Cost of sales	(1,773,557)		(2,096,972)
Administration costs	(1,796,371)		(1,987,461)
Interest payable	-		(645)
Consolidation adjustments	354,668		137,110
	(3,215,260)		(3,947,968)
Interest receivable	14,453		26,565
Expenditure: Other			
Other operating Income (Note 8)	7,676,478		873,837
Other operating Expenses (Note 8)	(7,676,478)		(873,837)
	-		-
Net (loss) reported in group financial statements	526,071		80,727
Add consolidation adjustments	(91,404)		154,308
Net profit (loss) for the period reported in UK Biocentre Limited.	434,667		235,035
Taxation	(23,473)		-
Retained in UK Biocentre Limited	411,194		235,035

Income and expenditure relating to commercial trading operations are attributable to the one principal activity of UK Biocentre Limited.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2020

14 INVESTMENTS (CONTINUED)

At the balance sheet date, the aggregate amounts of UK Biocentre Limited's assets, liabilities, share capital and reserves were as follows:

	2020	2019
	£	£
Fixed assets	826,752	602,730
Current assets	13,292,102	6,393,493
Creditors: amounts falling due within one year	(10,860,062)	(5,182,139)
Creditors: amounts falling due after more than one year	(3,700,004)	(2,666,490)
	(441,212)	(852,406)
<i>Represented by:</i>		
Share capital and reserves	(441,212)	(852,406)

15 INVENTORIES

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Raw materials and consumables	330,868	581,552	176,758	148,012

16 DEBTORS

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	6,398,013	2,250,883	410,561	993,005
Other taxation and social security costs	285,215	804,021	285,215	739,564
Deferred tax asset (Note 12)	61,155	84,628	-	-
Other debtors	1,697,654	283,751	801,586	283,751
Prepayments and accrued income	765,985	1,081,378	569,313	567,781
	9,208,022	4,504,661	2,066,675	2,584,101

Total debtors include the following, which are due after more than one year.

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Other debtors	283,751	283,751	283,751	283,751
Deferred tax asset (Note 12)	61,155	84,628	-	-
	344,906	368,379	283,751	283,751

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2020

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	5,293,171	2,436,459	2,418,566	1,675,835
Amounts owed by group undertakings	-	-	-	1,506
Other taxation and social security costs	846,474	-	-	-
Accruals and deferred income	9,832,847	7,291,204	2,693,864	2,869,689
	<u>15,972,492</u>	<u>9,727,663</u>	<u>5,112,430</u>	<u>4,547,030</u>

18 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Accruals and deferred income	3,700,004	2,666,490	-	-

Accruals and deferred income of the Group include £492,723 (2019: £270,789) for contributions for the purchase of tangible fixed assets which are analysed as follows:

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
At beginning of year	270,789	148,724	-	-
Received in year	274,602	172,486	-	-
Released to the Statement of Financial Activities	(52,668)	(50,421)	-	-
At end of year	<u>492,723</u>	<u>270,789</u>	<u>-</u>	<u>-</u>

19 PROVISION FOR LIABILITIES AND CHARGES

	Group and Charity £
Obligations to fund deficit on USS pension	
At beginning of year	1,683,427
Charge in the year to the Statement of Financial Activities	85,886
At the end of the year	<u>1,769,313</u>

The obligation to fund the deficit on the Universities Superannuation Scheme ("USS") arises from the contractual obligations with the USS to fund deficit payments in accordance with the deficit recovery plan. This provision takes into account estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation. For further information see note 25.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2020

20 ANALYSIS OF FUNDS

	At beginning of year £	Income £	Expenditure £	Transfer £	At end of year £
Group					
<i>Unrestricted funds</i>					
General	3,137,219	9,349,396	(8,367,525)	(500,000)	3,619,090
Non charitable trading funds	(440,688)	3,726,878	(3,238,733)	-	47,457
Capital replacement reserve	-	-	-	500,000	500,000
	<u>2,696,531</u>	<u>13,076,274</u>	<u>(11,606,258)</u>	<u>-</u>	<u>4,166,547</u>
<i>Restricted funds</i>					
Imaging Enhancement Project	9,025,743	5,944,319	(7,821,144)	-	7,148,918
Whole Genome Sequencing Project	4,608,107	6,117,223	(9,784,946)	-	940,384
Research Analysis Platform	-	284,026	(269,284)	-	14,742
Seroprevalence Study	-	2,095,279	(2,016,618)	-	78,661
	<u>13,633,850</u>	<u>14,440,847</u>	<u>(19,891,992)</u>	<u>-</u>	<u>8,182,705</u>
Total	<u>16,330,381</u>	<u>27,517,121</u>	<u>(31,498,250)</u>	<u>-</u>	<u>12,349,252</u>
Charity					
<i>Unrestricted funds</i>					
General	3,559,894	9,689,611	(8,630,497)	(500,000)	4,119,008
Capital replacement reserve	-	-	-	500,000	500,000
	<u>3,559,894</u>	<u>9,689,611</u>	<u>(8,630,497)</u>	<u>-</u>	<u>4,619,008</u>
<i>Restricted funds</i>					
Imaging Enhancement Project	9,024,786	5,944,319	(7,821,436)	-	7,147,669
Whole Genome Sequencing Project	4,608,107	6,117,223	(9,784,946)	-	940,384
Research Analysis Platform	-	284,026	(269,284)	-	14,742
Seroprevalence Study	-	2,095,279	(2,016,618)	-	78,661
	<u>13,632,893</u>	<u>14,440,847</u>	<u>(19,892,284)</u>	<u>-</u>	<u>8,181,456</u>
Total	<u>17,192,787</u>	<u>24,130,458</u>	<u>(28,522,781)</u>	<u>-</u>	<u>12,800,464</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2020

20 ANALYSIS OF FUNDS (CONTINUED)

Unrestricted funds

Included within unrestricted funds for the Group and the Charity is a Capital Replacement Reserve, which will be used for to purchase replacement assets.

Restricted funds

Details of the restricted funds for the Group and the Charity are as follows:

Imaging Enhancement Project

Funding of £53,637,679 has been secured to undertake an imaging study across 100,000 participants as well as a series of repeat assessments on these same participants, including 10,000 repeat imaging assessments. The Funders supporting this project are as follows:

	Total funding
	£
Medical Research Council	27,446,340
The Wellcome Trust Limited (as Trustee of The Wellcome Trust)	20,621,339
The British Heart Foundation	3,000,000
Dementias Platform UK	2,570,000
	53,637,679

Administrators of this funding are as follows:

- The Wellcome Trust Limited (as Trustee of the Wellcome Trust) £42,567,679,
- The Medical Research Council £8,500,000, and
- Dementias Platform UK £2,570,000.

As at 30 September 2020 £37,823,064 (2019: £31,878,745) of these funds had been received by the Charity.

Whole Genome Sequencing Project

Funding of £30,000,000 was secured in March 2018 to undertake the Whole Genome Sequencing Project of 50,000 samples. In November 2018, further funding of £4,800,000 was awarded for informatics and data storage relating to the sequencing of these 50,000 participant genomes.

	Total funding
	£
UKRI-MRC	34,800,000

The Medical Research Council administers this funding. As at 30 September 2020 £33,020,000 (2019: £26,902,777) of these funds had been received by the Charity and no further funds are required to complete the project.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2020

20 ANALYSIS OF FUNDS (CONTINUED)

Research Analysis Platform

As part of the initiative to complete Whole Genome Sequencing in the whole cohort, the Charity was awarded a grant of £20,000,000 in October 2019 to establish a Research Analysis Platform with storage capacity for these data.

	Total funding
	£
The Wellcome Trust Limited (as Trustee of The Wellcome Trust)	20,000,000
	=====

The Wellcome Trust Limited (as Trustee of The Wellcome Trust) administers this funding. As at 30 September 2020 £284,026 (2019: £nil) of these funds had been received by the Charity.

Seroprevalence Study

In June 2020, the Department of Health and Social Care awarded £3,000,000 to the Charity to carry out a Seroprevalence Study on a proportion of the population who have been infected with the coronavirus that causes COVID-19, by measuring antibody levels in the UK population.

	Total funding
	£
Department of Health and Social Care	3,000,000
	=====

The Department of Health and Social Care administers this funding. As at 30 September 2020 £1,684,644 (2019: £nil) of these funds had been received by the Charity with a further £410,635 (2019: £nil) owing to the Charity at the year-end.

Ethics Advisory

In January 2020, the Charity was awarded £400,000 to develop a new ethic advisory service for the Charity

	Total funding
	£
The Wellcome Trust Limited (as Trustee of The Wellcome Trust)	200,000
UKRI-MRC	200,000
	=====
	400,000
	=====

The Wellcome Trust Limited (as Trustee of The Wellcome Trust) administers this funding. As at 30 September 2020 none of these funds had been drawn.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2020

21 ALLOCATION OF THE CHARITY'S NET ASSETS

The net assets are held as follows:

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Total 2019 £
Group				
Fixed assets	5,047,962	5,569,477	10,617,439	11,942,599
Net current assets less current liabilities	4,021,175	3,179,955	7,201,130	8,737,699
Accruals and deferred income	(3,700,004)	-	(3,700,004)	(2,666,490)
Provisions for liabilities and charges	(1,202,586)	(566,727)	(1,769,313)	(1,683,427)
	<u>4,166,547</u>	<u>8,812,705</u>	<u>12,349,252</u>	<u>16,330,381</u>
Charity				
Fixed assets	4,231,210	5,569,477	9,800,687	11,349,869
Net current assets less current liabilities	1,590,384	3,178,706	4,769,090	7,526,345
Provisions for liabilities and charges	(1,202,586)	(566,727)	(1,769,313)	(1,683,427)
	<u>4,619,008</u>	<u>8,181,456</u>	<u>12,800,464</u>	<u>17,192,787</u>

22 COMMITMENTS

- a) There was capital expenditure of £nil (2019: £591,889) for the Group and £nil (2019: £405,464) for the Charity, contracted for but not provided for in the financial statements at the end of the financial year.
- b) The total future minimum payments under non-cancellable operating leases are as follows:

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Not later than one year	1,248,199	1,201,479	355,245	338,419
Later than one year and not more than five years	4,919,258	4,762,731	1,401,483	1,349,458
Later than five years	7,299,244	8,482,261	1,121,218	1,516,036
	<u>13,466,701</u>	<u>14,446,471</u>	<u>2,877,946</u>	<u>3,203,913</u>

The operating lease payments charged to the Statement of Financial Activities during the year in respect of these non-cancellable operating leases was £1,034,779 (2019: £959,288) for the Group and £351,644 (2019: £352,301) for the Charity.

23 GUARANTEES

The Charity is party to a group registration for Value Added Tax ("VAT") purposes. As a representative member, the Charity is jointly and severally liable for any VAT liabilities of UK Biocentre Limited, the Company's subsidiary company that is part of the same VAT registration.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2020

24 RELATED PARTY TRANSACTIONS

Related party transactions are detailed below. There have been no provisions made against any of the transactions at the year-end and no amounts have been written off in respect of these transactions during the year.

Medical researchers access to the Charity's resource

During the year, medical researchers have requested and obtained access to the Charity's resource with sales as follows:

	2020	2019
	£	£
Research data access	1,236,754	1,095,780
Research sample access	974,663	1,135,892
	<u>2,211,417</u>	<u>2,231,672</u>

Research data access

The medical researchers who have had access to the data generated from the charity's resource may or may not be related parties but as the amounts charged by the Charity are typically £1,750 to £2,250, before value added tax, and are based on a standard pricing policy, they have not been separately disclosed. The amount owing at the year-end in respect of these sales was £146,900 (2019: £89,641) with sales in advance of £140,700 (2019: £82,191).

Research sample access

These sales relate to bespoke work for medical researchers using the Charity's resource. The amount owing at the year-end in respect of these sales was £253,770 (2019: £838,527) with sales in advance of £1,387,313 (2019: £2,083,936). Related party sales within this category are included in the analysis below.

The Wellcome Trust Limited (as Trustee of The Wellcome Trust) and the Medical Research Council

The Wellcome Trust Limited (as Trustee of The Wellcome Trust) and the Medical Research Council are both Members of the Charity and entitled to appoint a Director to the Board.

Unrestricted funds

In February 2017, it was agreed to extend the projects funding by five further years from 1 July 2017 to 30 June 2022 with a total grant award of £31,700,000 to cover this period. This funding was provided by The Wellcome Trust Limited (as Trustee of the Wellcome Trust) and the Medical Research Council and also included funding contributions from the National Institute of Health Research, the British Heart Foundation and Cancer Research UK.

The objectives of this funding remain consistent with those laid out within the Strategic report on pages 5 to 19.

Funding received during the year was as follows:

	2020	2019
	£	£
The Wellcome Trust Limited (as Trustee of The Wellcome Trust)	2,744,777	2,067,590
Medical Research Council	2,744,777	2,067,590
National Institute of Health Research	281,515	212,061
British Heart Foundation	703,789	530,151
Cancer Research UK	563,031	424,121
	<u>7,037,889</u>	<u>5,301,513</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2020

24 RELATED PARTY TRANSACTIONS (CONTINUED)

Restricted funds

Specific enhancement projects referred to in detail in Note 20 are based on agreements as follows:

- The Wellcome Trust Limited (as Trustee of The Wellcome Trust), the Medical Research Council and the Charity will entered into Variation Agreements to the Joint Venture Agreement, entered into in January 2004. The Wellcome Trust Limited (as Trustee of the Wellcome Trust) administers the funding pertaining to these agreements, and
- The Medical Research Council together with the UK Research and Innovation and The Wellcome Trust Limited (as Trustee of the Wellcome Trust) will enter directly into agreements with the Charity, and administer this funding themselves.

Funding received by the Charity during the year for these projects are as follows:

	2020 £	2019 £
Imaging Enhancement Project		
Medical Research Council	2,519,119	3,267,889
The Wellcome Trust Limited (as Trustee of The Wellcome Trust)	2,969,652	1,968,945
British Heart Foundation	438,052	290,437
Dementias Platform UK	17,496	2,508,748
	<u>5,944,319</u>	<u>8,036,019</u>
Whole Genome Sequencing Project		
UK Research and Innovation and Medical Research Council	6,117,223	24,149,293
	<u>6,117,223</u>	<u>24,149,293</u>
Research Analysis Platform		
The Wellcome Trust Limited (as Trustee of The Wellcome Trust)	284,026	-
	<u>284,026</u>	<u>-</u>
Total	<u>12,345,568</u>	<u>32,185,312</u>

In addition, the Charity is able to use the facilities of The Wellcome Trust Limited (as Trustee of The Wellcome Trust) for meetings and related services. The charge during the year for the use of these facilities was £8,851 (2019: £11,777) and the amount owing to The Wellcome Trust Limited (as Trustee of The Wellcome Trust) at the year-end was £13,080 (2019: £nil) with accrued costs of £6,539 (2019: £10,768).

The University of Oxford

Professor Sir Rory Collins, who is the Chief Executive and Principal Investigator of the Charity, is and employee of University of Oxford where he holds the positions of Head of the Nuffield Department of Population Health and BHF Professor of Medicine and Epidemiology

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2020

24 RELATED PARTY TRANSACTIONS (CONTINUED)

The University of Oxford (continued)

During the year the services provided and the charges to or by the Charity for those services were as follows:

	2020 £	2019 £
<i>Sales</i>		
Research sample access - Cardiac monitoring	185,133	248,476
Cardiac monitoring pilot study and support costs	-	65,604
Recharge of salaries	40,290	29,499
	<u>225,423</u>	<u>343,579</u>
	<u>225,423</u>	<u>343,579</u>
	2020 £	2019 £
<i>Purchases</i>		
Developing, producing, delivering and maintaining the Charity's data and Access IT Systems and supporting researcher access to the resource	1,034,670	1,015,038
Expert consultants advice	108,957	107,944
Data Storage and equipment	188,000	-
Recharge of salaries	377,588	144,604
Recharge of travel costs and consumables	1,359	8,616
	<u>1,710,574</u>	<u>1,276,202</u>
	<u>1,710,574</u>	<u>1,276,202</u>

The amount owing to the University of Oxford at the year-end was £8,235 (2019: £8,324) with accrued costs of £70,076 (2019: £39,191) and prepaid costs of £34,411 (2019: £29,500). The amount owing by the University of Oxford at the year-end was £168,488 (2019: £3,282) and advance sales of £900 (2019: £Nil).

The University of Edinburgh

Professor Cathie Sudlow, who was the Co-Chief Scientist of the Charity until her resignation on 31 October 2019, is an employee of the University of Edinburgh where she holds the position of Chair of Neurology and Clinical Epidemiology and Head of Centre for Medical Informatics

During the year, the services provided by the University of Edinburgh and the charges to the Charity for those services were as follows:

	2020 £	2019 £
Outcomes groups		-
Recharge of salaries and support costs	86,525	403,046
Recharge of travel costs and consumables	5,758	29,815
	<u>92,283</u>	<u>432,861</u>
	<u>92,283</u>	<u>432,861</u>

The amount owing to the University of Edinburgh at the year-end was £Nil (2019: £186,330) with accrued costs of £1,400 (2019: £81,031).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2020

25 PENSIONS

Charity

The contributions paid by the Charity and included in expenditure in the Statement of Financial Activities are £1,037,013 (2019: £760,585) as shown in Note 9.

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2018 (the valuation date), which was carried out using the projected unit method. The valuation as at 31 March 2020 is underway but not complete.

Since the institution cannot identify its share of USS Retirement Income Builder assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the Scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Years 1-10: CPI + 0.14% reducing linearly to CPI - 0.73% Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21 Years 21 +: CPI + 1.55%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:

2018 valuation

Mortality base table	Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females. Post retirement: 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females.
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2020

25 PENSIONS (CONTINUED)

The current life expectancies on retirement at age 65 are:

	2018	2017
Males currently aged 65 (years)	24.4	24.6
Females currently aged 65 (years)	25.9	26.1
Males currently aged 45 (years)	26.3	26.6
Females currently aged 45 (years)	27.7	27.9
	<u><u> </u></u>	<u><u> </u></u>

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2020 deficit liability reflects this plan. The figures have been produced using the following assumptions as at 30 September 2019 and 2020:

	2020	2019
Discount rate	0.94%	1.35%
Pensionable salary growth	2.00%	2.00%

Group

The total pension cost for the Group was £1,237,399 (2019: £894,852). The outstanding contributions at the 30 September 2020 were £47,223 (2019: £15,818).