

# EARLHAM INSTITUTE

England & Wales · Charity number 1136213

## Details

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**Other names** THE GENOME ANALYSIS CENTRE

**Status** Registered

**Legal form** Charitable company

**Company number** [06855533](#)

**Registered** 2010-06-07

**Register** [View on the Charity Commission register](#)

## Contact

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## Activities

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**Objects:** TO ADVANCE BIOLOGICAL AND BIOTECHNOLOGICAL SCIENCE BY UNDERTAKING AND PROMOTING RESEARCH RELATING TO GENOMES AND THE GENOME FUNCTIONS OF ORGANISMS, IN PARTICULAR BY CARRYING OUT THE FOLLOWING ACTIVITIES:1. TO GENERATE AND ANALYSE GENOME SEQUENCES FOR THE FULL RANGE OF LIVING ORGANISMS;2. TO GENERATE, RECORD AND STORE REFERENCE GENOME SEQUENCES;3. TO RESEARCH THE WAYS IN WHICH GENOME FUNCTION AND VARIATION MAY BE EXPLOITED FOR THE PUBLIC BENEFIT;4. TO DEVELOP AND EXPLOIT GENOMIC TECHNOLOGIES, SO AS TO IDENTIFY AND MEASURE GENOMES AND GENOME PRODUCTS;5. TO DEVELOP BIOINFORMATICS IN RELATION TO GENOME RESEARCH, AND TO ANALYSE, INTERPRET AND EXPLOIT BIOINFORMATIC DATA IN RELATION TO GENOMES; AND6. TO ADVANCE EDUCATION BY TRAINING PERSONS ENGAGED IN OR ASSOCIATED WITH GENOMICS, GENOME BIOLOGY, BIO-INFORMATICS AND RELATED SUBJECTS.

**Activities:** The advancement of biological & biotechnological science by undertaking & promoting research in biology at the molecular level & the genomic functions of organisms by: generating, analysing & sharing genome sequences; facilitating other researchers by providing access to our data analysis resources & tools; & educating others through comprehensive training programmes, publications & outreach work.

## Classification

- **How:** Sponsors Or Undertakes Research
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Arts/culture/heritage/science, Animals, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

## Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, NATIONAL
- Colombia
- Throughout England And Wales

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£14,089,000	£14,702,000	£24,460,000	107
2024-03-31	£14,012,000	£13,467,000	£25,073,000	107
2023-03-31	£15,844,000	£13,793,000	£24,528,000	100
2022-03-31	£14,261,000	£13,406,000	£22,476,000	117
2021-03-31	£11,144,000	£12,512,000	£21,621,000	108

## Trustees

Name	Role	Appointed
Dr Michael Csukai		2023-09-19
Dr Stephanie Joan Pilkington		2022-06-21
Gillian Amanda Fairfield		2024-12-03
Professor Deborah Frances Smith		2021-12-07
Professor Fiona Elaine Lettice		2025-12-02
Professor Lars Magnus Rattray		2022-06-21
Professor Laura Mary Claire Barter		2024-03-21
Professor Nicolas Robert Thomson		2025-03-18
Timothy Kamombo		2023-06-19

**EARLHAM INSTITUTE**

England & Wales - Charity number 1136213

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# Accounts

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# EARLHAM INSTITUTE

Annual Report and Accounts  
for the year ended 31 March 2025

Registered company number: 06855533

Registered charity number: 1136213

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Earlham Institute is a company limited by guarantee and a registered charity.

The Annual Report provides information on the legal purposes of the charity, the activities it undertakes and its main achievements. The Trustees' Report and Financial Statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP), Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), together with the reporting requirements of the Companies Act 2006 and the Charities Act 2011.

## TRUSTEES' REPORT INCORPORATING THE STRATEGIC REVIEW

### Introduction

The Earlham Institute ("EI" or "the Institute") is helping to create a world where you can understand - and even predict - the biology of any organism simply by reading its genome.

The first genomes took decades to sequence at an astronomical cost. Storing all of the genetic data relied on access to some of the most advanced computers of the day. But a series of technological advances have dramatically cut the cost and time it takes to sequence a genome. Our ability to store, label, and share big data with researchers around the world improves every year. This has ushered in a new era where we can use this information to answer completely new research questions across the biological sciences.

EI was established as a national facility to promote the use of genomics to advance bioscience research and innovation in the UK, supporting academic and industrial investigators. Through our research, collaborations, training, scientific services, culture, and multidisciplinary 'team science' approach, we are leading a revolution in data-intensive bioscience.

### EI's Vision and Mission

EI's vision is to build a future where the biology of any organism can be understood by analysing its genome.

Our mission is to unravel the scale and complexity of living systems so we can understand, benefit from, and protect life on Earth. Bringing together multi-disciplinary expertise in the life sciences with engineering, computational science, and biotechnology, we are:

- Answering fundamental and important biological questions;
- Pioneering the development of new technology and enabling resources;
- Using our unique skills, knowledge, and infrastructure to address global challenges;
- Training the next generation of scientists and upskilling the community;
- Collaborating with academia and industry to realise the impact of our science; and
- Engaging with policy makers, the public, and stakeholders about our science.

### EI's Strategy

Our 5-year organisational strategy – Decoding Living Systems – was launched in 2022 and set out five strategic themes to accelerate life science research, pioneer new technologies and approaches, deliver global societal impact, and foster a diverse and inclusive culture for everyone involved in our work.

The five themes are: data-intensive bioscience; technology development; systems and synthetic biology; addressing urgent global challenges; and supporting our people. Together these themes ensure we continue to:

- Deliver excellent, interdisciplinary team science;
- Act as a hub for genomics, synthetic biology, and data-intensive bioscience research;
- Forge strong connections with the global research and innovation community;
- Translate and communicate our science to deliver maximum impact; and
- Play our part in developing, training, and celebrating the contributions of scientists and research support staff across the UK bioscience community.

EI's advanced genomics and computational platforms support data-intensive research that embraces and confronts modern scientific challenges arising from data scale and complexity. We develop and implement new technologies and apply computational methods to process, store and interpret complex and diverse datasets, to enable bioscience research.

The research faculty collectively conducts three principal kinds of activity:

- Fundamental research to increase the knowledge base in bioscience.
- Applied research to improve plant, animal, and human health.
- Enabling research to empower both academia and industry with new technologies and scalable bioinformatics approaches.

The focus going forward will be on interpreting complex molecular and cellular data using advanced computational and AI approaches. This will impact on all areas of biological science and will continue to demand skilled personnel, computational systems, and analytical tools.

EI is moving rapidly from an era where the emphasis was on generating data, to one in which genome-wide sequencing and other 'omics technologies can be used routinely for multiple assays but are often complex to analyse requiring novel and adaptable approaches.

## Culture and Wellbeing

EI can only achieve its objectives if individuals have the right environment, opportunities, and encouragement to grow and develop. Every member of staff and every student has a role to play in upholding our vision of a positive culture for all. We are committed to real actions to ensure everyone working at, or with, EI, understands, is committed to, and able to benefit from our values.

Our culture incorporates six core values:

- Openness – We promote the dissemination of knowledge and distribution of data and software tools by following open and transparent data-sharing policies that are embedded in EI’s research programmes.
- Technical Excellence – We are committed to continuous improvement and expect everyone to work to the highest standards of quality.
- Developing and Rewarding Talent – We aim to recruit, train, and retain highly skilled and talented people, with our alumni acting as ambassadors for the Institute.
- Innovation – We develop and apply novel, state of the art technologies to deliver innovative approaches.
- Collaboration – We work collaboratively, internally and externally, through mutual respect and openness.
- Equality & Diversity – We recognise the value of diverse workplaces, and are committed to welcome all, and create a fair, inclusive and supportive environment for everyone.

Our Inclusivity, Diversity, Equality, and Accessibility (IDEA) Committee brings together people from all levels and areas of the organisation to advise on, and assist with, the development and implementation of an IDEA strategy at EI. We also have an active network of staff who have volunteered to be culture champions, who model our values and provide an independent point of contact for advice and support, and mental health first aiders to support staff with their wellbeing.

## Charitable Purpose and Public Benefit

The EI's charitable purpose is to advance biological and biotechnological science by undertaking and promoting research relating to genomes and their functions, in particular this year by carrying out the following activities:

- Applying our science to issues of public interest such as soil health.
- Being part of the national conversation around the enormous potential from engineering biology.
- Working with industrial partners and breeders to apply our knowledge and expertise to develop robust and sustainable crops and food sources for the future, whilst understanding natural diversity.
- Translating our science by spinning out our research into commercial operations.
- Enabling and encouraging scientists to participate in public engagement.
- Contributing to the local, national, and international economy by training highly skilled scientists.

## Our Performance

Our performance against the 2024/25 objectives is highlighted in the table below:

Objectives and Performance
<b>1. Deliver to the BBSRC’s Institute Strategy as a National Capability</b>
<p>In May 2023, EI was awarded funding totalling £31.4m from UKRI BBSRC. This strategic five-year investment supports the delivery of ambitious programmes of research, that fit within the BBSRC remit. It underpins two Institute Strategic Research Programmes (ISPs) – Cellular Genomics and Decoding Biodiversity – and two National Bioscience Research Infrastructures (NBRIs): Transformative Genomics and the Earlham Biofoundry (EB), as well as the core services required to deliver our science. In addition, the Institute is a partner in the cross-institute programme Delivering Sustainable Wheat.</p> <p>The outputs from our ISPs, NBRIs, and excellent computational teams means our Advanced Training team can rapidly translate our knowledge into courses accessible to the UK life science community reaching over 700 persons in 2024/25. This year we delivered nine training courses including: hands on lab skills and computational bioinformatics; five major workshops and conferences covering single-cell, innovation, research culture; three stakeholder/networking events in the fields of forensics, and Technical genomics; and training to over 70 students including PhD – Big Data for Science, and AI and Advanced Digital Literacy. More details can be found under Objective 5.</p> <p>We had an active programme of public affairs, sharing our view on policy development with government departments, and ministers, hosting eight ministers and their officials during the year.</p> <p>Our organisational strategy and values continue to shape our culture. Equality, diversity and inclusion remain priorities, supported by an active workstream, reported further under Objective 7.</p>

## Objectives and Performance

### **2. Continue the growth and development of our world leading investigator-led research programme, continue to publish high quality scientific outputs and diversify our income streams.**

During the last financial year scientists at EI published 84 publications and shared 54 technical products (webtool/application/software) with the wider scientific community. Our scientists also delivered 74 oral presentations at national and international conferences.

The diversity of our funding portfolio has continued to expand with awards from the Advanced Research and Invention Agency, The Royal Society, Horizon Europe, Wellcome, Cancer Research UK, WorldFish, Bill & Melinda Gates Foundation, Leona M. and Harry B. Helmsley Charitable Trust, Defra, and UK Research and Innovation (ESRC, STFC, Innovate, MRC, EPSRC and NERC in addition to BBSRC).

### **3. Build strong industrial collaborations so that we are aligned to the Government's strategy and can achieve impact from our research.**

Our expertise contributes to delivering the priorities identified in the UK Science and Technology Framework (first published 2023, updated 2025) by advancing two of the critical technologies in which the UK has global strengths: Artificial Intelligence and Engineering Biology. This underpins the UK Government's Plan for Change: Milestones for Mission-Led Government, which aims to drive secure and sustainable economic growth. Our mission also aligns with the UK Modern Industrial Strategy (2025), a 10-year plan to increase business investment and build future industries. We are well positioned to contribute to growth in one of the eight priority sectors, Life Sciences, specifically under two pillars of the Life Sciences Sector Plan: Enabling World-Class R&D and Making the UK an Outstanding Place to Start, Grow, Scale, and Invest.

We support these national strategies by fostering the commercialisation and adoption of innovations developed at EI. This includes collaborations with industry, industrial research projects, spin-out company formation, and licensing of technologies.

In the past year, we were involved in 13 projects with 51 partners, funded by UKRI (BBSRC, GCRF, Horizon Europe Guarantee), the European Commission, MRC, Wellcome Trust, and industry. Our collaborators include companies across the life sciences and biotech sectors, sequencing and instrumentation specialists, data analytics and bioinformatics firms, plant and animal breeders, agrochemical companies, pharmaceutical companies, clinicians and hospitals, and research charities.

These partnerships are driving advances in sequencing technology and computational biology, and applying them to areas such as diagnostic assay development, new treatments for human disease, and accelerated crop breeding.

Our first spin-out, TraitSeq Ltd, that develops advanced data analysis solutions for agrochemical products and improved crop varieties, has raised significant pre-seed investment, secured a major contract with one of the world's largest agrochemical companies, and expanded its team.

We filed five new patent applications, while patent application from our existing portfolio are progressing to national phases in the EU and US. Several will be licensed to a new venture currently being spun out.

To strengthen our innovation ecosystem, we partnered with Norwich Research Park colleagues to deliver the NR4ward project (Research England's Connecting Capabilities Fund). This pilot helped align and enhance spin-out support across the Park. We also secured an Entrepreneur in Residence, Fiona Nielsen (Launch Programme Director, Pioneer Group), whose expertise and networks are helping to build an entrepreneurial culture at EI.

Our relationships with industry continue to grow through 5 industrial PhD studentships, 4 staff exchange programmes, events, and visits. Our annual stakeholder event, EI Innovate, now in its sixth year, attracted 102 participants from 36 organisations, including 62 external attendees. This year we also launched a Strategic Placements Fund, enabling knowledge exchange between EI and partner organisations, maximising the impact of our expertise.

### **4. Strengthen our partnerships through collaboration with world leading institutes and scientists that align with our scientific strategy.**

Our three Institute Strategic Programme (ISP) grants completed their second year of a five year programme. Decoding Biodiversity, Cellular Genomics, and Delivering Sustainable Wheat involve strategic collaborations with: Institute of Biological, Environmental and Rural Sciences, John Innes Centre, Quadram Bioscience Institute, Royal Botanic Gardens, Kew, UK Centre for Ecology & Hydrology, University of Cambridge, UK Health Security Agency, The Alan Turing Institute, and WorldFish.

WorldFish, a CGIAR research centre, is a partner in both the Cellular Genomics and Decoding Biodiversity programmes. This year, we worked together to characterise the genetic basis of two important tilapia traits: resistance to Tilapia Lake Virus, and salinity tolerance, enabling the use of genomic selection and faster

## Objectives and Performance

improvement of key traits. WorldFish contributed funding to our ISPs, and the collaboration has also strengthened links with aquaculture groups at the Roslin Institute.

We also collaborate with WorldFish through the European Development Fund project TrueFish. Working alongside the Lake Victoria Fisheries Organisation and fisheries research groups in Kenya, Tanzania, and Uganda, we completed sequencing of more than 600 *Oreochromis* fish from Lake Victoria. This work aims to assess the genetic diversity of regional stocks. As part of this effort, we delivered a variant panel design to the Lake Victoria Fisheries Organisation, enabling cost-efficient species identification and diversity assessment.

We have established collaborations with: The Pasta Wheat Consortium, The International Pooideae Group, The Wheat Pangenome and HapCap Initiative, and The International Plant Pangraph Working Group.

### **5. Develop two new National Bioscience Research Infrastructures (NBRI) and support services to ensure we offer the UK research community high quality and high-value scientific services and training and deliver impact.**

Advanced Training (AT) captured and shared key outputs from our ISPs, NBRI, and excellent computational teams through translation into accessible training courses, targeted to the UK life science community. In the past year, nine courses were delivered, including Genome Annotation; Spatial Transcriptomics in Plants; Image Processing with Python; Nanopore Metagenomics; Single Cell RNAseq (laboratory and bioinformatics formats); Exploring Biofoundries; and Detecting DNA Base Modifications using Nanopore Sequencing. Participant feedback was consistently strong, with 97.8% recommending the courses, and 98.9% rating the overall event quality as 'Very Good' or 'Excellent'.

Five major events were held: the Norwich Single-Cell and Spatial Symposium 2024; the inaugural Norwich Nanopore Day; EI-Innovate; the NBRI1 Annual User Meeting; and the BBSRC-funded Connecting Research Culture Conference. Two networking events were delivered in forensic science and technical genomics.

The programme of AT supported knowledge exchange, community building, and best practice sharing.

In total, 733 delegates attended across 16 events. The Institute also supported 70 PhD students by providing dedicated training including PhD – Big Data for Science and AI and Advanced Digital Literacy. 38 other students gained training and experience by joining EI from programmes including: T-Level, summer interns, Nuffield, NRP summer school, International PhD students and pharmacology undergraduates from UEA.

Transformative Genomics (TG) had a productive year, marked by strong engagement, high usage, and sustained scientific outcomes:

- 386 access requests handled through the Spatial and Single-Cell Analysis and High-Performance Sequencing platforms.
- 191 projects delivered for internal and external users, supporting a wide range of research activities across UKRI-BBSRC priorities.
- This included 558 hours of cell sorting for sequencing and other single-cell applications.
- Implemented on-read single RNA sequencing and spatial transcriptomics as services.
- Secured BBSRC 24ALERT funding to expand capacity and support more projects across the UK bioscience community.
- Expanded cell sorting and flow cytometry capabilities to meet growing regional and commercial demand.
- Delivered key datasets for the *Delivering Sustainable Wheat* programme, including: Chromosome-scale assemblies for UK elite cultivars and wild relatives, and Ultra-long read analysis of structural variation in wheat bread lines.
- Developed a new method for Ultra-high molecular weight DNA isolation from wheat nuclei to improve detection of large structural rearrangements; and a nanopore-based technique to sequence native RNA molecules, enabling full-length transcript characterisation and detection of RNA modifications.
- Hosted the first TG NBRI Annual User Meeting, featuring updates, user presentations, and community-led discussions.
- Showcased NBRI capabilities at the Norwich Single-Cell Symposium, delivering two talks, joining a panel on spatial transcriptomics data challenges, and chairing a long-read sequencing session and exhibited at the Festival of Genomics and Biodata London.
- Hosted a workshop to bring together police forces, the Home Office, DSTL, and other agencies to co-develop forensic applications of single-cell technologies.
- Delivered training courses in: Single-Cell RNA-seq, Advanced Single-Cell RNA-seq and Data Analysis; Spatial Transcriptomics in Plants workshop; Detection of DNA Base Modifications using Nanopore Sequencing; and Genome Annotation.
- Hosted three students from City College Norwich and University Technical College Norwich on 8-week T-Level placements in Laboratory Sciences.
- Contributed to and supported 46 preprints and publications through the expertise and capabilities of the NBRI.

## Objectives and Performance

**Earlham Biofoundry (EB)** advanced collaborative projects with academia and industry, delivered training and outreach activities, developed novel automated workflows, and influenced UK policy, strengthening its role at the centre of the UK engineering biology landscape. In year the EB:

- Delivered 10 projects across academia and industry (7 collaborative). Two projects supported EI's ISP *Cellular Genomics*.
- Collaborated with Dr. Jim Haseloff's group at the University of Cambridge to publish a paper on developing an automated workflow using Opentrons for high-throughput bacterial transformation (DOI: 10.1111/tpj.70118).
- Collaborated with UEA (EBIC Mission Hub) and the University of Cambridge (automated bacterial transformation workflow, *The Plant Journal* DOI: 10.1111/tpj.70118).
- Partnered with industry including: SunBearBiofuture, BravelyCulture, Nourish Ingredients, and continued engagement with Colorifix.
- Secured funding from: ARIA Programmable Plants (awarded), plus ARIA Seed, UK-Singapore joint call, and NRP BBSRC Doctoral Focal Award applications.
- Delivered *Exploring Biofoundries* course (11 participants).
- Delivered international lectures at University of Seville to 15 master's students and supported T-Level, Nuffield, UEA PhD and postdoc training.
- Delivered public outreach activities including: *Pint of Science 2024*, *EngBio Forum Easter 2024*, *NRP Explorer Forum*, *Enterprise Tuesday*, and *UKRI TMF Engineering Biology Convening Event*.
- Established 4 new automated workflows (all shared on GitHub): Fermentation studies (Pioreactors); Enhanced cherry-picking protocol for Hamilton system.; Opentrons-based DNA normalisation for EI-ISP CELLGEN; and Automated DNA cleanup pipeline (CyBio Felix).
- Submitted evidence to the House of Lords Science & Technology Committee on Biofoundry challenges (skills, recruitment, long-term funding); and the Committee's final report *Don't Fail to Scale* reflected recommendations supported by EI.
- Featured in BBC coverage on immigration restrictions.
- Supported a programme of social posts on Engineering Biology (90 posts and 3,000+ engagements) and published other advocacy content on policy and the Biofoundry's UK role.

### **6. Continue to communicate our science through our public engagement programme to a wide audience, promoting the importance of publicly funded research to policy makers and the general public.**

During this year, the Communications Group has shared a number of impactful news stories and articles, generating media coverage, social engagement, and new enquiries. We announced [TraitSeq](#) as our first spinout company, which received some trade coverage and a lot of engagement on social media. The story was also used by BBSRC in part of their collaboration with Defra during Plant Health Week, which also saw them sharing EI stories on insect decline and Sarah Guiziou's research on plant and microbial engineering biology.

In addition, Barcoding the Broads was nominated for an UEA Engagement award. Though we were unsuccessful, the nomination recognised the enormous impact from the programme of workshops and wider community engagement. We also launched a new website homepage, including a new video component, to better organise the content, showcase our identity, and adopt best practice in web design.

Our series of technical articles continue to generate strong engagement, particularly with the piece on using spatial transcriptomics to view plant single cells in situ (3,500 impressions, 115 page views). We have promoted and provided support for EI Innovate, including videos, an article, social media posts, and event materials. We remain on target to deliver communications and public engagement activity that supports ISP impact areas for the mid-term review. Our article, 'Are you a research technician?', had some great engagement on social media and endorsement from Technician Commitment accounts and leads. The orange foxtail grass story with Rothamsted Research had some good trade coverage and engagement online, showcasing a range of strategic areas for the Institute.

For our public engagement, we took stands and activities to the Norwich Science Festival and Festival of Genomics, where we delivered two activities over four days with many hundreds of attendees learning about ISP-aligned research.

Media coverage highlights included local BBC outlets covering our air sampling and sequencing work, which is also being sent out as a press release to national and local news desks. We have highlighted the single cell and spatial transcriptomics platforms and expertise through articles, social media posts and promotion of events. We also had a news story covering a co-developed webinar with Vizgen in relation to joining their Certified Supplier Programme which has led to a collaboration enquiry from Humboldt University, Berlin.

## Objectives and Performance

### 7. Develop the EI Research Culture via exemplar values, policies, expectation and attitudes. Creating a supportive environment which values its diversity so that the research community and those that support it can develop and thrive.

We have an active Inclusion, Diversity, Equality, and Accessibility (IDEA) Committee who shape our strategy and constantly review best practice. The Institute has been delivering against both its Athena Swan and Technician Commitment action plans and reviewing activity on both via updates at the IDEA committee and smaller action plan focussed meetings with key stakeholders.

The IDEA Committee shapes our strategy and reviews best practice. Progress is tracked through the Committee and the Athena Swan and Technician Commitment action plans, with updates provided to the IDEA Committee and through focused meetings with key stakeholders.

An Athena Swan Data Report was prepared in December 2024, analysing staff data (2020–2024) by gender, ethnicity, and disability. Trends were positive, putting EI in a strong position to consider applying for a Silver Athena Swan Award in 2027, subject to continued progress and survey results.

A staff and student survey conducted in February 2025 **received** an 84% response rate. Results were positive: 81% felt people are treated with respect, 81% felt managers encourage and support development, and 77% felt EI is committed to equality and diversity. A summary of results was shared with all staff and students, with more detailed findings provided to senior managers. Actions have been developed to address lower-scoring areas.

EI secured £59k from the BBSRC Connecting Culture Fund to host a cross-institute Connecting Research Culture (CRC) Conference on 26–27 March 2025. The conference was considered a great success: 199 attendees participated, representing all eight BBSRC research institutes, partner universities, and research culture stakeholders. Prof. Anne Ferguson-Smith (BBSRC Executive Chair) delivered the opening address, strongly endorsing the event. Feedback was very positive:

- 63% of respondents said they would attend again, the remaining 37% said they would, given funding or workload capacity.
- All aspects (relevance, usefulness, inclusivity) were rated above 4/5.

We ran two other events, on Flying the Flag for Disabled Researchers – Dr Rebecca Cusack (7 May 2024) and Changing Times: Career Development in an Academic Environment – inaugural Athena Swan Annual Seminar by Prof Deborah Smith (16 July 2024).

Staff received training or attended events on mental health and wellbeing, neurodiversity, LGBTQ+, parent and carer group, research integrity; and EI ran over 10 social events that staff and students were invited to attend.

## Looking Ahead

EI's objectives for 2025/26 are to:

- i. Deliver to the BBSRC's Institute Strategy as a National Capability.
- ii. Continue the growth and development of our world leading investigator-led research program, publishing high quality scientific outputs and diversify our income streams.
- iii. Build strong industrial collaborations so that we are aligned to the Government's strategy and can achieve impact from our research.
- iv. Strengthen our partnerships through collaboration with world leading institutes and scientists that align with our scientific strategy.
- v. Deliver two National Bioscience Research Infrastructures and wider support services to ensure we offer the UK research community high quality and high-value scientific services and training to deliver impact.
- vi. Continue to communicate our science through our public engagement programme to a wide audience, promoting the importance of publicly funded research to policy makers and the general public.
- vii. Launch the UKRI – BBSRC BioFAIR Hub, and five-year programme, effectively and establish a newly appointed BioFAIR leadership team and first year delivery programme with effective engagement from the wider UK community.
- viii. Be a research culture exemplar by embedding our values, policies, expectations, and attitudes. Further develop a supportive environment that embraces diversity, enabling our research to benefit from a wide range of perspectives, and ensuring that our community, and all those who support it, can grow and thrive.

## FINANCIAL REVIEW

### Income

Total income for the year was £14.1m (2024: £14.0m), which was a small increase on the previous year due to higher grant income offset by lower BBSRC capital grants. Income excluding capital grants was £11.3m (2024: £10.4m).

EI's principal sponsor is the Biotechnology and Biological Sciences Research Council (BBSRC), which contributed 75% of total income (2024: 80%). Other major sources of funding were UK universities and research organisations.

### Expenditure

Total expenditure amounted to £14.7m (2024: £13.5m), which was down on the previous year due to lower non-staff research costs and energy costs. Staff costs accounted for £6.1m (41%) (2024: £5.5m; 41%) of expenditure with depreciation of tangible assets accounting for £2.3m (16%) (2024: £1.9m; 14%).

### Net Movement in Reserves

EI recorded a decrease in restricted reserves of £0.6m (2024: increased by £0.8m).

Unrestricted reserves remained static (2024: decrease of £0.3m) due to lower expenditure on charitable activities.

### Subsidiaries and Related Parties

EI's trading subsidiary, Earlham Enterprises Limited (formerly Genome Enterprise Limited), contributed an operating profit of £0.1m (2024: £0.1m).

EI has a 25% interest in NBI Partnership Limited ("NBIP"). NBIP supplies support services to EI and the other Norwich Institutes (John Innes Centre, Quadram Institute Bioscience and The Sainsbury Laboratory).

### Capital expenditure

Capital expenditure in the year of £1.7m (2024: £2.7m) related to investment in building and laboratory facilities.

### Cash

Group cash at 31 March 2025 was £13.4m (2024: £14.3m). The cash decrease in the year reflects the capital expenditure in the year.

EI deposits its cash with UK registered financial institutions that meet its credit rating policy. Investment income from cash deposits in the year was £0.6m (2024: £0.6m).

### Grant proposals

During the year, EI researchers submitted grant proposals with a sponsor value of £30.3m (2024: £24.2m) and were awarded grants with a value of £5.3m (2024: £3.2m).

### Reserves policy

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

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

Unrestricted reserves that have been designated by the Board for specific purposes are shown in separate designated reserves.

### Reserves position

Total reserves decreased by £0.6m in the year to £24.5m (2024: increased by £0.6m to £25.1m).

Restricted reserves decreased by £0.6m to £12.5m (2024: increased by £0.8m to £13.1m). Restricted reserves include designated reserves of £0.1m for advance capital funding.

Unrestricted reserves remained static at £11.9m (2024: decreased to £11.9m). Reserves of £8.3m have been designated by the Trustees in respect of the following:

- Co-funding for the Institute's strategic research programmes;
- Planned strategic research investment; and
- Planned capital investment in leading-edge sequencing and high performance computing technology.

General unrestricted reserves at March 2025 were £2.7m, £0.2m above the minimum general reserves target set by the Board of £2.5m.

## RISK ASSESSMENT AND MANAGEMENT

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

### Principal risks and uncertainties

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

Risk area	Description of Risk	Management of Risk
Future BBSRC and other sponsor research funding	<ul style="list-style-type: none"> <li>➤ Awarded strategic funding is reduced due to public sector spending pressures or poor performance against core programmes.</li> <li>➤ Competitive grant funding is reduced due to sponsor budget reductions or failure to win new project funding.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Regular monitoring of scientific performance against strategic programme objectives.</li> <li>➤ Regular communication with UKRI - BBSRC to report performance and ensure strategic alignment of research programmes.</li> <li>➤ Monitoring of performance of competitive grant submissions.</li> </ul>
Operational and capital costs increase beyond affordability	<ul style="list-style-type: none"> <li>➤ EI is unable to keep pace with developments in technology or skills underpinning its science.</li> <li>➤ Funding and/or cost recoveries are inadequate to sustain and improve technology facilities necessary to support scientific objectives.</li> <li>➤ Cost pressure outside EI's control continue to put pressure on existing funding levels. ie energy or staff costs.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Technology strategy kept under regular review and bidding into Capital Grant opportunities to refresh platforms, in FY24/25 EI received £2.18m of capital funding.</li> <li>➤ Diversity income streams and ensure full recoveries on non BBSRC programmes.</li> <li>➤ Look or more green energy solutions, in addition to solar panels currently installed.</li> </ul>
High Performance Computing (HPC) facilities do not meet EI's scientific computational needs	<ul style="list-style-type: none"> <li>➤ EI is unable to retain existing computational infrastructure due to risks on existing building due to condition of building, or other capital projects on site and a new Data Centre (DC) is not built to replace existing DC.</li> <li>➤ HPC equipment ages beyond useful life due to funding constraints.</li> <li>➤ In addition to scientific impact, this risk area could also have an impact on the level of funding the institute is able to attract.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Work closely with park partners to ensure project is affordable and stays on track, and meets EI's needs.</li> <li>➤ Be agile with computing and scientific needs if delays occur or impact on scientific projects.</li> <li>➤ Excellent communications with science programmes on progress of new DC project.</li> <li>➤ Bid for capital funding calls to replace existing HPC equipment.</li> </ul>
Recruitment and retention of staff risks	<ul style="list-style-type: none"> <li>➤ EI is not able to recruit or retain researchers from EU member countries.</li> <li>➤ EI cannot retain or attract staff due to limited internal career progression opportunities due to small critical mass, and or lack of career path opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Kept abreast of risks and potential impact from staff leaving EI/UK, and ensure we are aligned to new immigration and visa process for attracting talent to UK science.</li> <li>➤ Review career paths and clearly articulate the development opportunities for staff.</li> </ul>
Major business interruptions or loss of equipment or computer systems	<ul style="list-style-type: none"> <li>➤ A major systems failure disrupts scientific research programmes.</li> <li>➤ A major incident damages EI's reputation impacting on future funding and collaborative opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Business Continuity and Disaster recovery plans in place and tested periodically.</li> <li>➤ Appropriate insurance arrangements are in place.</li> </ul>
Compliance with sponsor funding requirements, including research integrity	<ul style="list-style-type: none"> <li>➤ EI fails to comply with sponsor grant requirements resulting in a material scientific or financial impact.</li> </ul>	<ul style="list-style-type: none"> <li>➤ EI is subject to regular reviews of its grant compliance processes from sponsors and the Research Councils UK internal auditors.</li> <li>➤ Training in Trusted Research and Integrity.</li> </ul>
NBRIs do not keep pace with community needs or are affordable long term	<ul style="list-style-type: none"> <li>➤ EI's NBRIs do not keep pace with needs of EI own science needs, or those of the wider BBSRC community, leading to less users and financial sustainability problems.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Understand EI's own scientific platform needs and those of the wider community for NBRIs.</li> <li>➤ Align services and structures to needs</li> <li>➤ Ensure the services are financially sustainable long term.</li> </ul>

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Members and Patrons

The Members of EI are:

- UK Research and Innovation - Biotechnology and Biological Sciences Research Council (“BBSRC”);
- University of East Anglia (“UEA”);
- The Chair of the Board of Trustees.

### Board of Trustees

The Board of Trustees comprises the Chair and up to eight additional Trustee Directors. The Trustees who served during the year and up to the date of signing these financial statements were as follows:

### Organisation and governance

EI is incorporated in England and Wales and is a company limited by guarantee (registered number 06855533) and a registered charity (number 1136213).

EI is governed by its Memorandum and Articles of Association, adopted 20 December 2016.

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Trustees	Sub-committees	Changes during period
<b>At date of Report:</b>		
<b>Professor Deborah Smith (Chair)</b>	Rem Com	-
<b>Ms Gillian Fairfield</b>	AC, Rem Com, H&S Com	Appointed 3 December 2024
<b>Professor Philip Gilmartin</b>	AC, Rem Com, H&S Com	-
<b>Professor Nicholas Thomson</b>	-	Appointed 18 March 2025
<b>Professor Lars Magnus Rattray</b>	Rem Com	-
<b>Dr Stephanie Joan Pilkington</b>	Rem Com	-
<b>Mr Timothy Kamombo</b>	AC, H&S Com	-
<b>Dr Michael Csukai</b>	AC	-
<b>Professor Laura Barter</b>	H&S Com	-
<b>During the year:</b>		
<b>Ms Amanda Tagg</b>	AC, Rem Com	Resigned 3 December 2024
<b>Professor Peter Holland (Chair)</b>	Rem Com	Resigned 3 December 2024

### Audit Committee

The Audit Committee is responsible for oversight of the areas of audit; financial reporting; regulatory compliance; internal systems and controls (including the integrity of financial controls) within EI. The Audit Committee reports to EI’s Board, making recommendations for Board consideration where necessary.

### Remuneration Committee (Rem Com)

EI’s Remuneration Committee is responsible for advising on the remuneration and policy on executive pay and performance packages. It reports to the Board and is composed of four Trustee Directors representing the scientific and commercial expertise.

### Health and Safety Committee (H&S Com)

EI’s H&S Committee is responsible for advising on the H&S assurance, performance and policy. It reports to the Board and is composed of four Trustee Directors representing the wide range of skills on the Board.

### Recruitment, induction and training of Trustees

The Institute advertises nationally for prospective Trustees to ensure appropriate expertise on the Board is maintained. The Institute will also approach individuals thought to have the right skills. The Board

strives through its recruitment to keep good diversity within the Board membership. An induction programme has been put in place for newly appointed Trustees and is kept under review and updated where appropriate. In addition, the Trustees are in regular contact with the Institute Director and executive team and receive presentations on key areas of activity.

### Trustee remuneration

EI remunerates trustees where the Board considers that payment is necessary to attract trustees with specialist skills and experience. The power to remunerate trustees is included in EI’s Articles of Association and has been approved by the Charities Commission. Details of trustee remuneration in the year are included in note 8 of the financial statements.

### The Scientific Advisory Board (SAB)

The SAB, chaired by Prof Simon Hubbard, is responsible for providing strategic advice on issues relevant to EI’s scientific mission and science programmes.

### Decision making and key management

The EI Board has delegated the day-to-day management of the charitable company to the Director

and the Executive Team, who are considered to be the key management personnel for the institute:

#### **Director**

Professor Neil Hall is the Director of EI. He has previously led research groups at the Sanger Institute, The Institute for Genomic Research and The University of Liverpool.

#### **Chief Operating Officer**

Sarah Cossey is the Chief Operating Officer, a professional accountant and project manager with 20+ years' experience across the public and private sector.

#### **Head of Transformative Genomics**

Dr. Karim Gharbi is a biologist with over two decades of experience in genomics and next-generation sequencing (NGS) and has previously led NGS in Edinburgh Genomics and University.

#### **Head of Plant Genomics**

Prof. Ant Hall has been at EI for 7 years, and previously held the Holbrook Gaskell Chair of Botany at the University of Liverpool and research lead for the Institute of Integrative Biology and Director at the Centre for Genomic Research (CGR) and academic lead of the Liverpool GeneMill. He leads the BBSRC EI Institute Strategic Programme "Decoding Biodiversity".

#### **Head of Research Faculty Office**

Dr. Christine Fosker has worked in the field of Genomics for 20 years, beginning her career working on the Human Genome Project at the Sanger Centre. She received her Ph.D. from the University of Cambridge and the Wellcome Sanger Institute.

#### **Leader of Cellular Genomics Programme**

Dr Wilfried Haerty is a biologist with over 15 years of bioinformatics experience working on comparative genomics and transcriptomics across systems. He leads the BBSRC EI Institute Strategic Programme "Cellular Genomics".

#### **Head of Data Science**

Prof. Irene Papatheodorou is a computational genomicist with over 15 years of bioinformatics experience who was previously the Gene Expression Team Leader and Research Group Leader at the European Molecular Biology Laboratory - European Bioinformatics Institute (EMBL-EBI)

### **Related Parties**

#### **Subsidiaries and Related Parties**

EI's trading subsidiary – Earlham Enterprises Limited (formerly Genome Enterprise Limited) – contributed an operating profit of £69,000 (2024: £60,000).

#### **NBIP - Associate**

EI has a 25% interest in NBI Partnership Limited (NBIP). NBIP supplies support and administrative services to EI and the other Norwich Institutes (John

Innes Centre, Quadram Institute Bioscience and The Sainsbury Laboratory) on a not-for-profit basis. NBIP fully recharges its costs to the four research institutes and accordingly it generates no profit or loss.

#### **Anglian Innovation Partnership LLP (AIP)**

EI became a member of AIP on 7 August 2012 through its 100% subsidiary, Earlham Enterprises Limited. AIP is responsible for the management and development of the Norwich Research Park (NRP) estate and for the furtherance of the NRP Enterprise Vision. EI is entitled to receive a share of certain profits generated by AIP, however it has no liability for losses or in the event of insolvency. AIP has not yet generated any realised profits.

#### **BBSRC**

BBSRC is a member of the charitable company. EI is strategically funded, along with seven other institutes, by BBSRC. BBSRC supports EI via strategic 5-year funding programmes, competitively won project grants and capital funding for infrastructure and technology investments. The principal terms and conditions under which BBSRC provides its funding are set out in EI's Institute Grant Agreement.

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

#### **Employees**

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

Transferred employees retain their membership of the Research Councils Pension Scheme (RCPS), where applicable, with EI becoming an admitted employer in the scheme. The RCPS is a defined benefit scheme funded from annual grant-in-aid on a pay-as-you-go basis. EI accounts for the scheme as if it were a wholly defined contribution scheme.

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

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

#### **Communication**

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

### **Equality and Diversity**

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

EI is aware of its statutory duty to support the employment of disabled persons where possible, both in recruitment and by retention of employees who become disabled whilst in the employment of the charitable company, as well as generally through training and career development.

The EI has an Inclusivity, Diversity, Equality and Accessibility (IDEA) Committee, whose Membership includes representatives from across the Institute, and across roles including group leaders, post-doctoral researchers, research assistants, technicians, operational staff, students and a HR professional. The Committee also has Champions for gender equality, LGBTQ+, Race and Ethnicity, Mental Wellbeing, Part time workers, Parent and Carers and Accessibility.

The EI Trustee Directors have reviewed their performance and Board Members' skills against a Board skills matrix since 2015. The Board has had a balanced gender diversity with 9 trustees and recent recruitment the current diversity is 57:43 (M:F). The Board monitors its wider diversity and uses the opportunity of the rotation of Board Members to improve

its wider diversity wherever possible within a fair recruitment process.

### **Health & Safety**

EI aims to safeguard and improve the health, safety, welfare and security of its employees and the health and safety of visitors. EI aims to create an atmosphere where health and safety matters are paramount considerations and consults with employees and their representatives on health and safety matters.

During the year the EI Board decided to change the Board H&S Working Group into a formal Board Sub Committee, indicating the importance of good H&S governance to the Board.

### **Going Concern**

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

The Trustees have prepared cash flow forecasts for the period to March 2030 which indicate that, taking account of reasonable possible downsides on the operations and its financial resources, the Institute will have sufficient funds to meet its liabilities as they fall due for that period.

The Institute is reliant on its strategic programme funding from BBSRC, which was £6.1m in the year (2024: £6.4m). BBSRC has confirmed continued strategic funding of £6.0m for the year to March 2026. BBSRC has also confirmed a strategic programme funding allocation for 2 years to March 2028 of £6.0m per annum.

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

## STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES OF EARLHAM INSTITUTE IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

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

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of the group's result for that period. In preparing each of the group and charitable company financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

### Insurance disclosure

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

### Public benefit

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

### Disclosure of information to auditor

The trustees confirm that:

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

### Independent auditors

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

On behalf of the Board

*Deborah Smith*

**Deborah Smith, Trustee Director**  
2 December 2025

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EARLHAM INSTITUTE

### Opinion

We have audited the financial statements of Earlham Institute (the 'parent charitable company') and its subsidiaries (together the 'group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charitable Company Balance Sheets, Consolidated Statement of Cash Flows and Notes to the Accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2025, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast

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

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

### Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the groups and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

influence the economic decisions of users taken on the basis of these financial statements.

### **The extent to which the audit was considered capable of detecting irregularities including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

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

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

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

This description forms part of our auditor's report.

#### **Use of our report**

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

accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Anders Rasmussen FCA (Senior Statutory Auditor)

for and on behalf of  
**Larking Gowen LLP**

Chartered Accountants  
Statutory Auditors  
Norwich

Date: 15 December 2025

## FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2025

INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT

	Note	Unrestricted funds £000	Restricted funds £000	Restricted capital £000	<b>Total 2025 £000</b>	Total 2024 £000
<b>Income</b>						
<i>Income from charitable activities</i>						
Grant Income - BBSRC		-	7,750	-	<b>7,750</b>	7,657
Grant Income - other		-	1,362	-	<b>1,362</b>	1,040
Other Research Income		871	-	-	<b>871</b>	584
Capital funding - BBSRC		-	1,025	1,791	<b>2,816</b>	3,614
<i>Income from other trading activities</i>						
Trading income		219	-	-	<b>219</b>	94
Rental income		37	-	-	<b>37</b>	41
<i>Investment income</i>	10	626	-	-	<b>626</b>	579
<i>Other generated income</i>		408	-	-	<b>408</b>	403
<b>Total income</b>	2	2,161	10,137	1,791	<b>14,089</b>	14,012
<b>Expenditure</b>						
Charitable activities	3	(1,408)	(10,644)	(2,349)	<b>(14,401)</b>	(13,286)
Raising funds		(151)	-	-	<b>(151)</b>	(147)
Trading expenditure		(150)	-	-	<b>(150)</b>	(34)
<b>Total expenditure</b>		<b>(1,709)</b>	<b>(10,644)</b>	<b>(2,349)</b>	<b>(14,702)</b>	<b>(13,467)</b>
<b>Net income/(expenditure) for the year</b>		<b>452</b>	<b>(507)</b>	<b>(558)</b>	<b>(613)</b>	<b>545</b>
Other transfers	20	(414)	532	(118)	-	-
Capital transfers	20	(68)	(65)	133	-	-
<b>Net movement in funds</b>		<b>(30)</b>	<b>(40)</b>	<b>(543)</b>	<b>(613)</b>	<b>545</b>
Funds brought forward		11,945	618	12,510	<b>25,073</b>	24,528
<b>Funds carried forward</b>	20	<b>11,915</b>	<b>578</b>	<b>11,967</b>	<b>24,460</b>	<b>25,073</b>

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

The notes on pages 22 to 34 form part of these financial statements.

## CONSOLIDATED AND CHARITABLE COMPANY BALANCE SHEETS

### AS AT 31 MARCH 2025

	Group 2025	Group 2024	Company 2025	Company 2024
Note	£000	£000	£000	£000
<i>Fixed assets</i>				
Tangible assets	11	12,876	13,524	12,876
Intangible assets	12	-	-	-
<i>Current assets</i>				
Stocks	14	117	171	117
Debtors	15	2,912	3,650	3,040
Cash at bank and in hand	16	13,352	14,274	12,777
		<b>16,381</b>	18,095	<b>15,934</b>
<i>Current liabilities</i>				
Creditors: amounts falling due within one year	17	(4,797)	(6,546)	(4,422)
<b>Total net current assets</b>		<b>11,584</b>	11,549	<b>11,512</b>
<b>Total assets less current liabilities</b>		<b>24,460</b>	25,073	<b>24,388</b>
<b>Total net assets</b>	19	<b>24,460</b>	25,073	<b>24,388</b>
<b>The funds of the charity</b>				
<i>Restricted funds</i>				
Fixed asset reserve	20	11,967	12,510	11,967
Designated reserves	20	122	221	122
General reserve	20	456	397	456
Total restricted funds		<b>12,545</b>	13,128	<b>12,545</b>
<i>Unrestricted funds</i>				
Fixed asset reserve	20	909	1,014	909
Designated reserves	20	8,317	7,223	8,317
General reserve	20	2,689	3,708	2,617
Total unrestricted funds		<b>11,915</b>	11,945	<b>11,843</b>
<b>Total funds</b>		<b>24,460</b>	25,073	<b>24,388</b>

A separate income and expenditure account has not been presented for EI as this is exempted by Section 408 of the Companies Act 2006. The loss after tax of EI was £622,000 (2024: profit of £553,000).

The financial statements on pages 19 to 34 were approved by the Board of Trustees on 2 December 2025 and were signed on its behalf by:

*Deborah Smith*

**Deborah Smith, Trustee Director**

The accompanying notes form part of these financial statements.

Company registration number: 06855533

## CONSOLIDATED STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 31 MARCH 2025

	Note	Total 2025 £000	Total 2024 £000
<b>Cash flows from operating activities:</b>			
Net (expenditure)/income for the year		(613)	545
Interest receivable		(626)	(579)
Depreciation and amortisation		2,349	1,853
Capital grants received		(2,816)	(3,614)
(Profit) on disposal of tangible assets		(51)	(72)
Decrease in stocks		54	79
Decrease in debtors		738	1,923
Decrease in creditors		(1,749)	(4,755)
<b>Net cash used in operating activities</b>		<b>(2,714)</b>	<b>(4,620)</b>
<b>Cash Flows from investing activities:</b>			
Investment income		626	579
Purchase of tangible assets		(1,705)	(2,659)
Capital grants received		2,816	3,614
Proceeds from sale of tangible assets		55	72
<b>Net cash provided by investing activities</b>		<b>1,792</b>	<b>1,606</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(922)</b>	<b>(3,014)</b>
Cash and cash equivalents at the beginning of the period	16	14,274	17,288
<b>Total cash and cash equivalents at the end of the year</b>	16	<b>13,352</b>	<b>14,274</b>

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

The accompanying notes form part of these financial statements.

## 1. ACCOUNTING POLICIES

### a. Basis of preparation

The group financial statements have been prepared under the historical cost convention and applicable accounting standards. They have also been prepared in accordance with Accounting and Reporting by Charities; Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)– (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

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

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of EI and all its subsidiary undertakings in accordance with Financial Reporting Standard (“FRS”) 102 “Accounting for Subsidiary Undertakings”.

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

The financial statements of all group undertakings are made up to 31 March 2025. A separate income and expenditure account has not been presented for EI as permitted by Section 408 of the Companies Act 2006. The loss after tax of EI was £622,000 (2024: profit of £553,000) for the year.

### b. Going concern

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

The Trustees have prepared cash flow forecasts for the period to March 2030 which indicate that the Institute will have sufficient funds to meet its liabilities as they fall due for that period.

The Institute is reliant on its strategic programme funding from BBSRC, which was £6.1m in the year (2024: £6.4m). BBSRC has confirmed continued strategic funding of £6.0m for the year to March 2026. BBSRC has also confirmed a strategic programme funding allocation for 2 years to March 2028 of £6.0m per annum.

### c. Judgements in applying accounting policies and key sources of estimation

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

- Depreciation, which has been charged in line with the accounting policy below. The amount of depreciation charged and net book value of the assets is included in Note 11.

### d. Income

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

Other charitable research income represents non-grant revenue from collaborative research projects with other academic institutions and other scientific services. Revenue is recognised in the year in which the obligation is fulfilled.

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

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

### e. Expenditure

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

Cost of generating funds represents the cost of obtaining funds for research and preparing grant applications. Governance costs represent the necessary cost of compliance with statutory and constitutional requirements and any other costs which are not direct charitable expenditure. Support costs have been wholly allocated to charitable activity expenditure based upon activity as indicated in note 4 to the financial statements.

### f. Restricted funds

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

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

### g. Unrestricted funds

These include any other grants which do not have specific conditions attached to them.

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

Unrestricted reserves that have been designated by the Board for specific purposes are shown in separate designated reserves. At March 2025, £7.6m (2024: £7.2m) of unrestricted reserves have been designated in relation to co-funding for institute strategic programmes, strategic research projects and future capital investment.

### h. Capital transfers

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

## 1. ACCOUNTING POLICIES (CONTINUED)

### i. Tangible assets and depreciation

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

Depreciation is calculated to write off the cost of assets, less any estimated residual value, over their estimated useful lives at the following rates:

Plant, machinery and equipment – over estimated economic life;  
Scientific equipment - 5 years straight line;  
Sequencing equipment - 3 years straight line;  
Computer equipment – 3-5 years straight line.

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

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

### j. Intangible assets and amortisation

Computer Software development costs are recognised as intangible fixed assets at cost less amortisation and any provision for impairment.

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

Computer Software - 3 to 5 years straight-line.

Assets under construction are not amortised until the asset is in full use.

### k. Investments

Investments in subsidiaries, and unlisted shares, whose market value cannot be reliably determined, are stated at cost less impairment.

### l. Stocks

Stocks are stated at the lower of cost and net realisable value. Provision is made, where necessary, for slow moving or obsolete stock.

### m. Debtors

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

### n. Trade creditors

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

### o. Provisions

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

### p. Staff and Pensions

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

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

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

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

### q. Termination benefits

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

### r. Operating Leases

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

### s. Foreign currency transactions

The reporting and functional currency is pounds sterling. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction.

Assets and liabilities denominated in foreign currencies are translated at year end exchange rates. All gains and losses are taken to the statement of financial activities in the year to which they relate.

### t. Financial instruments

Financial assets and financial liabilities are recognised upon becoming a party to the contractual provisions of the instrument. The group only enters into basic financial instrument transactions that result in financial assets and liabilities like trade and other accounts receivable and payable.

## 2. ANALYSIS OF INCOME

	Research activities	Other activities	<b>Total 2025</b>	Research activities	Other activities	<b>Total 2024</b>
	£000	£000	<b>£000</b>	£000	£000	<b>£000</b>
<b>Grant income</b>						
BBSRC	7,750	-	<b>7,750</b>	7,657	-	<b>7,657</b>
Other government departments	689	-	<b>689</b>	343	-	<b>343</b>
European Union	3	-	<b>3</b>	10	-	<b>10</b>
Universities	420	-	<b>420</b>	393	-	<b>393</b>
Other charities	218	-	<b>218</b>	350	-	<b>350</b>
Other grants	903	-	<b>903</b>	528	-	<b>528</b>
<b>Total grant income</b>	<b>9,983</b>	<b>-</b>	<b>9,983</b>	<b>9,281</b>	<b>-</b>	<b>9,281</b>
<b>Capital grants</b>						
BBSRC						
Capital expenditure	2,816	-	<b>2,816</b>	3,614	-	<b>3,614</b>
<b>Total capital grants</b>	<b>2,816</b>	<b>-</b>	<b>2,816</b>	<b>3,614</b>	<b>-</b>	<b>3,614</b>
<b>Trading income</b>						
Earlham Enterprises Ltd	-	219	<b>219</b>	-	94	<b>94</b>
Rental income	-	37	<b>37</b>	-	41	<b>41</b>
<b>Total trading income</b>	<b>-</b>	<b>256</b>	<b>256</b>	<b>-</b>	<b>135</b>	<b>135</b>
<b>Investment income</b>						
Interest receivable on cash deposits	-	621	<b>621</b>	-	575	<b>575</b>
Interest receivable on loan to related party	-	5	<b>5</b>	-	4	<b>4</b>
<b>Total investment income</b>	<b>-</b>	<b>626</b>	<b>626</b>	<b>-</b>	<b>579</b>	<b>579</b>
<b>Other income</b>						
Other income	-	408	<b>408</b>	-	403	<b>403</b>
<b>Total other income</b>	<b>-</b>	<b>408</b>	<b>408</b>	<b>-</b>	<b>403</b>	<b>403</b>
<b>Total incoming resources</b>	<b>12,799</b>	<b>1,290</b>	<b>14,089</b>	<b>12,895</b>	<b>1,117</b>	<b>14,012</b>

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

- Grant income of £9,983k (2024: £9,281k), £9,112k (2024: £8,697k) is restricted general funds, £871k (2024: £584k) is unrestricted funds.
- Capital grants of £2,816k (2024: £3,614k), £1,025k (2024: £869k) is restricted general funds and £1,791k (2024: £2,745k) is restricted capital funds
- In both periods all trading, investment and other income is unrestricted.

### 3. ANALYSIS OF EXPENDITURE

Expenditure on charitable activities and governance costs have been analysed below.

<b>Expenditure on charitable activities</b>	Note	<b>Total 2025 £000</b>	Total 2024 £000
Direct charitable expenditure:			
Staff costs		<b>5,935</b>	4,569
Direct costs		<b>4,293</b>	5,152
Depreciation		<b>2,349</b>	1,853
Governance costs		<b>122</b>	133
Support costs	4	<b>1,702</b>	1,579
<b>Total expenditure</b>		<b>14,401</b>	13,286

<b>Analysis of governance costs</b>	Total 2025 £000	Total 2024 £000
Staff costs	<b>118</b>	127
Travel costs	<b>2</b>	2
Other costs	<b>2</b>	4
<b>Total governance costs</b>	<b>122</b>	133

Included within expenditure is restricted general expenditure of £10,644k (2024: £10,445k), and restricted capital expenditure (depreciation) of £2,349k (2024: £1,853k). All other expenditure is unrestricted.

### 4. ALLOCATION OF SUPPORT COSTS

	Total 2025 £000	Total 2024 £000	Basis of Allocation
Building services*	<b>662</b>	582	Activity
Finance and Contracts*	<b>357</b>	341	Activity
Management, IT and Communications*	<b>450</b>	432	Activity
Human Resources and Staff Welfare*	<b>163</b>	158	Activity
Other support services	<b>70</b>	66	Activity
<b>Total support costs</b>	<b>1,702</b>	1,579	

Support costs are allocated based on their nature.

\* includes services supplied by NBI Partnership Limited (see note 23).

### 5. TAXATION

EI is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The trading activities of its subsidiary, Earlham Enterprise Limited, are subject to corporation tax, however profits are gifted to the charitable company resulting in £nil (2024: £nil) tax payable.

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

## 6. OPERATING SURPLUS

Operating surplus is stated after charging:

	Total 2025 £000	Total 2024 £000
Audit services:		
Fees for the audit of the charitable company and consolidated financial statements	17	16
Fees for the audit of the charitable company's subsidiary pursuant to legislation	2	2
Non-audit services:		
Other fees payable to the auditors of the charitable company	-	1
Depreciation	2,349	1,853
(Profit) on disposal of tangible assets	(51)	(72)
Operating lease rentals (land and buildings)	123	113
Hire of plant and equipment	8	4
Loss on foreign exchange translations	9	5

## 7. RESULTS OF TRADING ACTIVITIES OF SUBSIDIARY

<b>Earlham Enterprises Limited</b>	Total 2025 £000	Total 2024 £000
<b>Profit and loss account</b>		
Turnover	219	94
Cost of sales	(150)	(34)
<b>Gross profit</b>	<b>69</b>	<b>60</b>
Administrative expenses	-	-
<b>Operating profit retained in subsidiary</b>	<b>69</b>	<b>60</b>
<b>Net assets at 31 March 2025</b>	<b>72</b>	<b>63</b>

In addition to the above, £59,683 (2024: £68,040) in Gift Aid was paid to the charitable company in the year.

## 8. REMUNERATION OF MEMBERS OF THE BOARD OF TRUSTEES

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

Eight members of the Board of Trustees received remuneration from the group during the year for their duties as trustees (2024: eight). Total trustee remuneration in the year was £31,000 (2024: £41,000). Details of the remuneration paid is as follows:

<b>Name of Trustee</b>	Total 2025 £000	Total 2024 £000
Professor Peter Holland	5	10
Professor Philip Gilmartin	4	6
Professor Deborah Smith	4	6
Dr Lars Magnus Rattray	4	6
Dr Stephanie Joan Pilkington	5	6
Professor Laura Barter	4	-
Dr Michael Csukai	-	2
Professor Edward Louis	-	3
Mr Timothy Kamombo	5	3
<b>Total</b>	<b>31</b>	<b>41</b>

Attendance expenses were incurred by nine (2024: seven) Trustees whilst carrying out their duties and amounted to £1,973 (2024: £1,840) during the year.

## 9. EMPLOYEE INFORMATION

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

Group and charitable company	2025	2024
	Number	Number
Scientific	90	90
Office management and services	17	17
<b>Total</b>	<b>107</b>	<b>107</b>

The aggregate payroll costs of these persons were:

	2025	2024
	£000	£000
	Note	
Wages and salaries	4,821	4,433
Redundancy costs	8	10
Social security costs	509	451
Other pension costs	22	634
<b>Total</b>	<b>6,053</b>	<b>5,528</b>

As required by Charities SORP an analysis has been provided below of the number of staff who fall within emoluments bands from £60,000 upwards.

Group and charitable company	2025	2024
	Number	Number
£60,000 - £69,999	10	8
£70,000 - £79,999	4	6
£80,000 - £89,999	4	2
£90,000 - £99,999	1	-
£100,000 - £109,999	1	-
£110,000 - £119,999	-	1
£120,000 - £129,999	2	1
£130,000 - £139,999	1	-
£180,000 - £189,999	-	1
£190,000 - £199,999	1	-
<b>Total</b>	<b>24</b>	<b>19</b>

The number of staff with emoluments greater than £60,000 who were members of the Research Councils' Pension Schemes was 2 (2024: 2). The number of staff with emoluments greater than £60,000 who were members of a company stakeholder pension scheme was 13 (2024: 11).

Staff that joined prior to 1 October 2011 were employed by BBSRC up to 1 October 2017, when these employees transferred employment to the Institute under TUPE. Transferred employees retain their membership of the Research Councils Pension Scheme, where applicable, with EI becoming an admitted employer in the scheme.

Staff that joined after 1 October 2011 are employed under EI terms & conditions.

The key management personnel of the charitable company are considered to be the members of the executive team: the Institute Director, Chief Operating Officer, Head of Transformative Genomics, Head of Plant Genomics, Head of Research Faculty Office, Leader of Cellular Genomics Programme, and Head of Data Science. The key management personnel of the group comprise those of the charity and the key management personnel of the wholly owned subsidiaries, Earlham Enterprises Ltd ("EEL"). The key management personnel of EEL is considered to be the Institute Director (EI) and the Chief Operating Officer (EI). No costs were recharged in respect of this. The total employee benefits of the key management personnel of the charity and group were £939,909 (2024: £867,238).

## 10. INTEREST RECEIVABLE AND SIMILAR INCOME

	<b>Total 2025</b>	Total 2024
	<b>£000</b>	£000
Bank interest	<b>621</b>	575
Interest on loans	<b>5</b>	4
<b>Total</b>	<b>626</b>	579

## 11. TANGIBLE ASSETS

<b>Group and charitable company</b>	Leasehold improvements £000	Plant, machinery and equipment £000	Assets under construction £000	<b>Total £000</b>
<b>Cost</b>				
At 1 April 2024	11,193	29,802	263	41,258
Transfers	-	259	(259)	-
Additions	74	514	1,117	1,705
Disposals	-	(3,805)	(4)	(3,809)
<b>At 31 March 2025</b>	<b>11,267</b>	<b>26,770</b>	<b>1,117</b>	<b>39,154</b>
<b>Accumulated Depreciation</b>				
At 1 April 2024	6,491	21,243	-	27,734
Charge for the year	303	2,046	-	2,349
Disposals	-	(3,805)	-	(3,805)
<b>At 31 March 2025</b>	<b>6,794</b>	<b>19,484</b>	<b>-</b>	<b>26,278</b>
<b>Net book value at 31 March 2025</b>	<b>4,473</b>	<b>7,286</b>	<b>1,117</b>	<b>12,876</b>
Net book value at 31 March 2024	4,702	8,559	263	13,524

All of the charitable company assets at 31 March 2025 are used for direct charitable purposes.

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

## 12. INTANGIBLE ASSETS

<b>Group</b>	Software development £000	<b>Total £000</b>
<b>Cost</b>		
At 1 April 2024	177	177
Additions	-	-
<b>At 31 March 2025</b>	<b>177</b>	<b>177</b>
<b>Accumulated Depreciation</b>		
At 1 April 2024	177	177
Charge for the year	-	-
<b>At 31 March 2025</b>	<b>177</b>	<b>177</b>
<b>Net book value at 31 March 2025</b>	<b>-</b>	<b>-</b>
Net book value at 31 March 2024	-	-

**12. INTANGIBLE ASSETS (CONTINUED)**

Charitable company	Software development £000	Total £000
<b>Cost</b>		
At 1 April 2024	147	147
Additions	-	-
<b>At 31 March 2025</b>	<b>147</b>	<b>147</b>
<b>Accumulated Depreciation</b>		
At 1 April 2024	147	147
Charge for the year	-	-
<b>At 31 March 2025</b>	<b>147</b>	<b>147</b>
<b>Net book value at 31 March 2025</b>	<b>-</b>	<b>-</b>
Net book value at 31 March 2024	-	-

The intangible asset relates to internally generated research software.

**13. FIXED ASSET INVESTMENTS****Subsidiary**

The charitable company's investment in its subsidiary undertaking at cost amounts to £1. The following is the operating subsidiary undertaking in which the charitable company has an interest:

Subsidiary Undertaking	Country of registration	Principal activity	Class and percentage of shares held
Earlham Enterprises Limited	England	Contract research	100% ordinary shares

Earlham Enterprises Limited (company registration number 06812113) registered address is Norwich Research Park, Norwich, Norfolk, NR4 7UZ.

The charitable company has committed to provide financial support to Earlham Enterprises Limited ("EEL"), and not demand repayment of amounts due to it, in order to enable EEL to meet its liabilities as they fall due – but only to the extent that money is not otherwise available to the company to meet such liabilities – for a period of at least 12 months from the signing of the financial statements of the EEL for the year ended 31 March 2025.

EEL is a member of Anglia Innovation Partnership LLP, which is responsible for the management and development of the Norwich Research Park land and for the furtherance of the NRP Enterprise Vision. EI is entitled to receive a share of certain profits generated by Anglia Innovation Partnership LLP, however it has no liability for losses or in the event of insolvency. Anglia Innovation Partnership LLP has not yet generated any realised profits.

EI has a 25% interest in NBI Partnership Limited ("NBIP"). NBIP supplies support and administrative services to EI and the other Norwich Institutes (John Innes Centre, Quadram Institute Bioscience and The Sainsbury Laboratory) on a not-for-profit basis.

NBIP fully recharges its costs to the four research organisations and accordingly it generates no profit or loss.

**Other investments**

EI has a 10.6% share via its subsidiary Earlham Enterprises Limited, in TraitSeq Ltd, whose principal activity is research and experimental development on biotechnology.

EI has accounted for its investment at cost less impairment.

**14. STOCK**

Group and charitable company	Total 2025 £000	Total 2024 £000
Raw materials and consumables	117	171
<b>Total</b>	<b>117</b>	<b>171</b>

**15. DEBTORS**

		<b>Group</b>	Group	<b>Company</b>	Company
	Note	<b>2025</b>	2024	<b>2025</b>	2024
		<b>£000</b>	£000	<b>£000</b>	£000
<i>Grants receivable:</i>					
from government bodies		<b>495</b>	731	<b>495</b>	731
from other sources		<b>111</b>	147	<b>111</b>	147
Trade debtors		<b>406</b>	569	<b>407</b>	327
Amounts owed by subsidiary undertakings		-	-	<b>127</b>	51
Amounts owed by other related parties	23	<b>323</b>	281	<b>323</b>	281
Other debtors		<b>230</b>	274	<b>230</b>	274
Prepayments and accrued income		<b>1,347</b>	1,648	<b>1,347</b>	1,648
<b>Total amounts falling due within one year</b>		<b>2,912</b>	3,650	<b>3,040</b>	3,459

The above amounts fall due within one year.

Grants receivable from government bodies includes £194,587 in relation to capital funding receivable from BBSRC (2024: £312,903).

**16. CASH AT BANK AND IN HAND**

	<b>Group</b>	Group	<b>Company</b>	Company
	<b>2025</b>	2024	<b>2025</b>	2024
	<b>£000</b>	£000	<b>£000</b>	£000
Cash at bank	<b>13,352</b>	14,274	<b>12,777</b>	13,975
<b>Total</b>	<b>13,352</b>	14,274	<b>12,777</b>	13,975

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

		<b>Group</b>	Group	<b>Company</b>	Company
	Note	<b>2025</b>	2024	<b>2025</b>	2024
		<b>£000</b>	£000	<b>£000</b>	£000
<i>Grants received in advance:</i>					
from government bodies		<b>687</b>	549	<b>687</b>	549
from other sources		<b>892</b>	825	<b>514</b>	408
Amounts owed to subsidiary undertakings		-	-	<b>6</b>	-
Amounts owed to other related parties	23	<b>1,095</b>	1,432	<b>1,095</b>	1,432
Trade creditors		<b>293</b>	1,190	<b>293</b>	1,190
Other creditors		<b>754</b>	702	<b>754</b>	695
Taxation and social security		<b>108</b>	104	<b>108</b>	101
Accruals and deferred income		<b>968</b>	1,744	<b>965</b>	1,744
<b>Total amounts falling due within one year</b>		<b>4,797</b>	6,546	<b>4,422</b>	6,119

**18. RECONCILIATION OF MOVEMENT IN GRANTS RECEIVABLE**

<b>Group</b>		<b>Total</b>	Total
	Note	<b>2025</b>	2024
		<b>£000</b>	£000
Grants receivable	15	<b>606</b>	878
Grants received in advance	17	<b>(1,579)</b>	(1,374)
<b>Net grants receivable at the end of the year / (received in advance)</b>		<b>(973)</b>	(496)
Net grants received in advance at beginning of year		<b>(496)</b>	736
Grant monies received during the year		<b>(12,405)</b>	(13,543)
Grant money released to SOFA during the year		<b>11,928</b>	12,311
<b>Net grants receivable at the end of the year / (received in advance)</b>		<b>(973)</b>	(496)

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Fixed assets £000	Net current assets £000	Total 2025 £000
<b>Group</b>			
<i>Unrestricted:</i>			
Fixed asset reserve	909	-	<b>909</b>
Designated reserves	-	8,317	<b>8,317</b>
General reserve	-	2,689	<b>2,689</b>
<i>Restricted:</i>			
Fixed asset reserve	11,967	-	<b>11,967</b>
Designated reserves	-	122	<b>122</b>
General reserve	-	456	<b>456</b>
<b>Total net assets</b>	<b>12,876</b>	<b>11,584</b>	<b>24,460</b>

**Charitable company**

<i>Unrestricted:</i>			
Fixed asset reserve	909	-	<b>909</b>
Designated reserves	-	8,317	<b>8,317</b>
General reserve	-	2,617	<b>2,617</b>
<i>Restricted:</i>			
Fixed asset reserve	11,967	-	<b>11,967</b>
Designated reserves	-	122	<b>122</b>
General reserve	-	456	<b>456</b>
<b>Total net assets</b>	<b>12,876</b>	<b>11,512</b>	<b>24,388</b>

	Fixed assets £000	Net current assets £000	Total 2024 £000
<b>Group</b>			
<i>Unrestricted:</i>			
Fixed asset reserve	1,014	-	<b>1,014</b>
Designated reserves	-	7,223	<b>7,223</b>
General reserve	-	3,708	<b>3,708</b>
<i>Restricted:</i>			
Fixed asset reserve	12,510	-	<b>12,510</b>
Designated reserves	-	221	<b>221</b>
General reserve	-	397	<b>397</b>
<b>Total net assets</b>	<b>13,524</b>	<b>11,549</b>	<b>25,073</b>

**Charitable company**

<i>Unrestricted:</i>			
Fixed asset reserve	1,014	-	<b>1,014</b>
Designated reserves	-	7,223	<b>7,223</b>
General reserve	-	3,645	<b>3,645</b>
<i>Restricted:</i>			
Fixed asset reserve	12,510	-	<b>12,510</b>
Designated reserves	-	221	<b>221</b>
General reserve	-	397	<b>397</b>
<b>Total net assets</b>	<b>13,524</b>	<b>11,486</b>	<b>25,010</b>

The unrestricted fixed asset reserve represents the net book value of fixed assets purchased from unrestricted funds. The unrestricted designated reserve relates to funds designated by the Board for use in relation to co-funding for institute strategic programmes, strategic projects and future capital investment.

The restricted fixed asset reserve relates to the net book value of fixed assets purchased from capital grants. The restricted designated reserve relates to advance capital and project funding received from BBSRC. The restricted general reserve relates to advance strategic funding received from BBSRC.

## 20. ANALYSIS OF FUNDS MOVEMENTS

	Unrestricted fixed assets reserve	Unrestricted designated	Unrestricted general	Restricted designated	Restricted fixed assets reserve	Restricted general	<b>Total 2025</b>
	£000	£000	£000	£000	£000	£000	£000
<b>Group</b>							
<b>At 1 April 2024</b>	1,014	7,223	3,708	221	12,510	397	<b>25,073</b>
Operating surplus for the year	-	-	452	-	(558)	(507)	<b>(613)</b>
Capital transfers	(176)	-	-	-	176	-	-
Unrestricted general capital expenditure	71	-	(6)	(65)	-	-	-
Unrestricted designated transfer	-	1,094	(1,094)	-	-	-	-
Restricted designated transfer	-	-	113	5	(118)	-	-
Other transfers	-	-	(484)	(39)	(43)	566	-
<b>At 31 March 2025</b>	<b>909</b>	<b>8,317</b>	<b>2,689</b>	<b>122</b>	<b>11,967</b>	<b>456</b>	<b>24,460</b>
<b>Charitable company</b>							
<b>At 1 April 2024</b>	1,014	7,223	3,645	221	12,510	397	<b>25,010</b>
Operating surplus for the year	-	-	443	-	(558)	(507)	<b>(622)</b>
Capital transfers	(176)	-	-	-	176	-	-
Unrestricted general capital expenditure	71	-	(6)	(65)	-	-	-
Unrestricted designated transfer	-	1,094	(1,094)	-	-	-	-
Restricted designated transfer	-	-	113	5	(118)	-	-
Other transfers	-	-	(484)	(39)	(43)	566	-
<b>At 31 March 2025</b>	<b>909</b>	<b>8,317</b>	<b>2,617</b>	<b>122</b>	<b>11,967</b>	<b>456</b>	<b>24,388</b>
<b>Group</b>							
	Unrestricted fixed assets reserve	Unrestricted designated	Unrestricted general	Restricted designated	Restricted fixed assets reserve	Restricted general	<b>Total 2024</b>
	£000	£000	£000	£000	£000	£000	£000
<b>At 1 April 2023</b>	1,083	7,564	3,556	617	11,635	73	<b>24,528</b>
Operating surplus for the year	-	-	532	-	892	(879)	<b>545</b>
Capital transfers	(158)	-	-	-	158	-	-
Unrestricted general capital expenditure	89	-	-	(17)	-	(72)	-
Unrestricted designated transfer	-	(341)	400	(59)	-	-	-
Restricted designated transfer	-	-	495	(320)	(175)	-	-
Other transfers	-	-	(1,275)	-	-	1,275	-
<b>At 31 March 2024</b>	<b>1,014</b>	<b>7,223</b>	<b>3,708</b>	<b>221</b>	<b>12,510</b>	<b>397</b>	<b>25,073</b>
<b>Charitable company</b>							
<b>At 1 April 2023</b>	1,083	7,564	3,485	617	11,635	73	<b>24,457</b>
Operating surplus for the year	-	-	540	-	892	(879)	<b>553</b>
Capital transfers	(158)	-	-	-	158	-	-
Unrestricted general capital expenditure	89	-	-	(17)	-	(72)	-
Unrestricted designated transfer	-	(341)	400	(59)	-	-	-
Restricted designated transfer	-	-	495	(320)	(175)	-	-
Other transfers	-	-	(1,275)	-	-	1,275	-
<b>At 31 March 2024</b>	<b>1,014</b>	<b>7,223</b>	<b>3,645</b>	<b>221</b>	<b>12,510</b>	<b>397</b>	<b>25,010</b>

Capital transfers relate to fund movements in connection with fixed assets and depreciation; ensuring assets are appropriately reflected in separate reserves.

Unrestricted general capital expenditure relates to fixed asset purchases funded from the unrestricted designated reserve.

The Unrestricted designated transfer represents movements in unrestricted funding for institute strategic programmes, strategic expenditure and future capital investment.

The Restricted designated transfer represents movements in restricted BBSRC funding for capital, projects and strategic grants.

Other transfers relate to both the net deficit on restricted research grants, which has been transferred to unrestricted general reserves upon performance of the grant conditions and also transfers income on restricted projects to unrestricted reserves where the appropriate conditions have been met.

## 21. COMMITMENTS

Group and charitable company	Total 2025 £000	Total 2024 £000
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Capital commitments at the end of the financial year for which no provision has been made:

Contracted	283	391
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Group and charitable company	Total 2025 £000	Total 2024 £000
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Amounts due under other operating leases for land and buildings:

Under one year	152	113
Between one and five years	608	452
Over 5 years	1,482	1,215
	<b>2,242</b>	<b>1,780</b>

Amounts due under other operating leases for plant and machinery:

Under one year	10	5
Between one and five years	25	5
Over 5 years	-	-
	<b>35</b>	<b>10</b>

## 22. PENSION SCHEMES

All staff employed by EI on 30 September 2011 became BBSRC employees on 15 March 2012 and were deployed back to the Institute under conditions set out in the Deployment Agreement (the "Deployed Employees"). On 1 October 2017, Deployed Employees transferred employment to the Institute under TUPE.

Deployed Employees retain their membership of the Research Councils Pension Scheme (RCPS), where applicable, with EI becoming an admitted employer in the scheme. The RCPS is a defined benefit scheme funded from annual grant-in-aid on a pay-as-you-go basis. The RCPS Pension Scheme is a multi-employer scheme and EI is unable to identify its share of the underlying assets and liabilities. EI therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Liabilities for the payment of future benefits are the responsibility of the RCPS and accordingly are not included in these Financial Statements. The employer contribution rate during the year was 26% (2024: 26%).

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

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

The total pension charge for the year was £715,185 (2024: £633,703), with outstanding contributions at the year-end of £61,911 (2024: £nil).

## 23. RELATED PARTY TRANSACTIONS

### Biotechnology and Biological Science Research Council (“BBSRC”)

The charitable company is strategically funded by BBSRC along with seven other Institutes and BBSRC is one of the members of the charitable company. BBSRC is part of UK Research and Innovation (UKRI), an organisation that brings together the UK’s seven research councils, Innovate UK and Research England.

BBSRC provided £6,065,972 (2024: £6,400,095) of strategic funding for research. In addition BBSRC provided £2,548,758 (2024: £3,095,648) of funding for capital purchases, £nil (2024: £555,000) funding towards energy costs and £250,000 (2024: £nil) of other grants in the year ended 31 March 2025. As at 31 March 2025, BBSRC owed EI £494,843 (2024: £621,010), of which £194,587 (2024: £312,903) was for capital purchases.

### NBI Partnership Limited (“NBIP”)

EI is one of four members and guarantors of NBIP, a company limited by guarantee. EI has provided short-term loans to NBIP to enable NBIP to manage its cash requirements. At 31 March 2025, EI had a loan balance with NBIP of £105,000 (2024: £104,000) and EI received £4,988 (2024: £4,004) in interest payments from NBIP in relation to this.

During the year, EI was charged £1,646,728 (2024: £1,558,465) for services under a cost sharing agreement. As at 31 March 2025, EI owed NBIP £196,200 (2024: £149,822).

### University of East Anglia (“UEA”)

UEA is a member of the charitable company. During the year, EI invoiced UEA £417,816 (2024: £305,385) for services. UEA invoiced EI £15,771 (2024: £10,014) for miscellaneous costs and £1,031,039 (2024: £677,300) for staff costs.

As at 31 March 2025, UEA owed EI £217,548 (2024: £177,197) and EI owed UEA £137,515 (2024: £67,582).

### Anglia Innovation Partnership LLP (“AIP LLP”)

EI is a member of AIP LLP through its 100% subsidiary, EEL. AIP LLP is responsible for the management and development of the Norwich Research Park (NRP) estate and for the furtherance of the NRP Enterprise Vision. During the year, EI invoiced AIP LLP £nil (2024: £2,632) for grant funding, and £275 for miscellaneous costs (2024: £725). EI received services totalling £7,555 (2024: £4,005) and was charged £34,850 (2024: £33,183) for estate costs. As at 31 March 2025, AIP LLP owed EI £nil (2024: £nil), and EI owed AIP LLP £1,050 (2024: £nil).

### Earlham Enterprises Ltd

Earlham Enterprises Ltd is the wholly owned trading subsidiary of EI. EEL undertakes contract research, research services and consultancy.

During the year, EI invoiced EEL for services and other costs totalling £103,341 (2024: £80,496). In addition, EEL made a gift aid payment to EI of £59,683 (2024: £68,040). As at 31 March 2025, EEL owed EI £127,062 (2024: £50,573) and EI owed EEL £5,929 (2024: £nil).

## 24. CASH HELD AS GRANT CO-ORDINATOR

The charitable company holds cash on behalf of various institutes in its capacity as project co-ordinator on a number of projects. It acts as an intermediary only and does not control the risks and rewards associated with the cash. Cash balances of £484,056 (2024: £542,242) in relation to this are included within the balance sheet.

## 25. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Trustees consider that there is no ultimate parent undertaking and controlling party. EI is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements.

## REFERENCE AND ADMINISTRATIVE DETAILS

### Directors and Trustees

Professor Deborah Smith	Chair – Board of Trustees, Chair - Remuneration Committee
Mr Timothy Kamombo	Chair – Audit Committee
Professor Philip Gilmartin	Chair – Health and Safety Committee
Dr Stephanie Joan Pilkington	
Professor Lars Magnus Rattray	
Dr Michael Csukai	
Professor Laura Barter	
Professor Nicholas Thomson	
Ms Gillian Fairfield	

**Institute Director** Professor Neil Hall

**Company Secretary** Mrs Sarah Cossey

### Key Management Personnel

Professor Neil Hall	Institute Director
Mrs Sarah Cossey	Chief Operating Officer
Dr Karim Gharbi	Head of Transformative Genomics
Professor Ant Hall	Head of Plant Genomics
Dr Christine Fosker	Head of Research Faculty Office
Dr Irene Papatheodorou	Head of Data Science
Dr Wilfrid Hearty	Leader of Cellular Genomics Programme

**Registered charity number** 1136213

**Registered company number** 06855533

### Registered office and principal office of the charity

Norwich Research Park  
Colney  
Norwich  
NR4 7UZ

### Independent auditor

Larking Gowen LLP  
Chartered Accountants and Statutory Auditors  
1<sup>st</sup> Floor, Prospect House  
Rouen Road  
Norwich  
NR1 1RE

### Banker

Barclays Bank Plc  
Red Lion Street  
Norwich  
NR1 3QH

### Solicitors

Taylor Vinters LLP  
Merlin Place  
Milton Road  
Cambridge  
CB4 0DP

Birketts  
Kingfisher House  
1 Gilders Way  
Off Barrack Street  
Norwich  
NR3 1UB

**EARLHAM INSTITUTE**

England & Wales - Charity number 1136213

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# Accounts

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# EARLHAM INSTITUTE

Annual Report and Accounts  
for the year ended 31 March 2024

Registered company number: 06855533

Registered charity number: 1136213

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Earlham Institute is a company limited by guarantee and a registered charity.

The Annual Report provides information on the legal purposes of the charity, the activities it undertakes and its main achievements. The Trustees' Report and Financial Statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP), Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), together with the reporting requirements of the Companies Act 2006 and the Charities Act 2011.

## TRUSTEES' REPORT INCORPORATING THE STRATEGIC REVIEW

### Introduction

The Earlham Institute is helping to create a world where you can understand - and even predict - the biology of any organism simply by reading its genome.

The first genomes took decades to sequence at an astronomical cost. Storing all of the genetic data relied on access to some of the most advanced computers of the day. But a series of technological advances have dramatically cut the cost and time it takes to sequence a genome. Our ability to store, label, and share big data with researchers around the world improves every year. This has ushered in a new era where we can use this information to answer completely new research questions across the biological sciences.

The Earlham Institute was established as a national facility to promote the use of genomics to advance bioscience research and innovation in the UK, supporting academic and industrial investigators. Through our research, collaborations, training, scientific services, culture, and multidisciplinary 'team science' approach, we are leading a revolution in data-intensive bioscience.

### El's Vision and Mission

El's vision is to build a future where the biology of any organism can be understood by analysing its genome.

Our mission is to unravel the scale and complexity of living systems so we can understand, benefit from, and protect life on Earth. Bringing together multi-disciplinary expertise in the life sciences with engineering, computational science, and biotechnology, we are:

- Answering fundamental and important biological questions,
- Pioneering the development of new technology and enabling resources,
- Using our unique skills, knowledge, and infrastructure to address global challenges,
- Training the next generation of scientists and upskilling the community,
- Collaborating with academia and industry to realise the impact of our science, and
- Engaging with policy makers, the public, and stakeholders about our science.

### El's Strategy

Our 5-year organisational strategy – Decoding Living Systems – was launched in 2022 and set out five strategic themes to accelerate life science research, pioneer new technologies and approaches, deliver global societal impact, and foster a diverse and inclusive culture for everyone involved in our work.

The five themes are: data-intensive bioscience; technology development; systems and synthetic biology; addressing urgent global challenges; and supporting our people. Together these themes ensure we continue to:

- Deliver excellent, interdisciplinary team science,
- Act as a hub for genomics, synthetic biology, and data-intensive bioscience research,
- Forge strong connections with the global research and innovation community,
- Translate and communicate our science to deliver maximum impact, and
- Play our part in developing, training, and celebrating the contributions of scientists and research support staff across the UK bioscience community.

El's advanced genomics and computational platforms support data-intensive research that embraces and confronts modern scientific challenges arising from data scale and complexity. We develop and implement new technologies and apply computational methods to process, store and interpret complex and diverse datasets, to enable bioscience research.

The research faculty collectively conducts three principal kinds of activity:

- Fundamental research to increase the knowledge base in bioscience.
- Applied research to improve plant, animal, and human health.
- Enabling research to empower both academia and industry with new technologies and scalable bioinformatics approaches.

The focus going forward will be on interpreting complex molecular and cellular data using advanced computational and AI approaches. This will impact on all areas of biological science and will continue to demand skilled personnel, computational systems, and analytical tools.

El is moving rapidly from an era where the emphasis was on generating data, to one in which genome-wide sequencing and other 'omics technologies can be used routinely for multiple assays but are often complex to analyse requiring novel and adaptable approaches.

### Culture and Wellbeing

The Earlham Institute can only achieve its objectives if individuals have the right environment, opportunities, and encouragement to grow and develop. Every member of staff and every student has a role to play in upholding our vision of a positive culture for all. We are committed to real actions to ensure everyone working at, or with, the

Earlham Institute, understands, is committed to, and able to benefit from our values.

Our culture incorporates six core values:

- Openness – We promote the dissemination of knowledge and distribution of data and software tools by following open and transparent data-sharing policies that are embedded in EI's research programmes.
- Technical Excellence – We are committed to continuous improvement and expect everyone to work to the highest standards of quality.
- Developing and Rewarding Talent – We aim to recruit, train, and retain highly skilled and talented people, with our alumni acting as ambassadors for the Institute.
- Innovation – We develop and apply novel, state of the art technologies to deliver innovative approaches.
- Collaboration – We work collaboratively, internally and externally, through mutual respect and openness.
- Equality & Diversity – We recognise the value of diverse workplaces, and are committed to welcome all, and create a fair, inclusive and supportive environment for everyone.

Our Inclusivity, Diversity, Equality, and Accessibility (IDEA) Committee brings together people from all levels and areas of the organisation to advise on, and assist with, the development and implementation of an IDEA strategy at EI. We also have an active network of staff who have volunteered to be culture champions, who model our values and provide an independent point of contact for advice and support, and mental health first aiders to support staff with their wellbeing.

### **Charitable Purpose and Public Benefit**

EI's charitable purpose is to advance biological and biotechnological science for the public benefit by undertaking and promoting research relating to genomes and their functions, in particular this year by carrying out the following activities:

- Applying our science to issues of public interest such as soil health.
- Being part of the national conversation around the enormous potential from engineering biology.
- Working with industrial partners and breeders to apply our knowledge and expertise to develop robust and sustainable crops and food sources for the future, whilst understanding natural diversity.
- Translating our science by spinning out one area of our research into commercial operations.
- Enabling and encouraging scientists to participate in public engagement.
- Contributing to the local, national, and international economy by training highly skilled scientists.

## Our Performance

Our performance against the 2023/24 objectives is highlighted in the table below:

Objectives	Our Performance
<p><b>1. Deliver to the BBSRC's Institute Strategy as a National Capability</b></p>	<p>In May 2023, the Earlham Institute was awarded funding totalling £31.4m from UKRI BBSRC. This strategic five-year investment supports the delivery of ambitious programmes of research, that fits within the BBSRC remit. The investment is now supporting two institute strategic research programmes (ISPs) - Cellular Genomics and Decoding Biodiversity - and two National Bioscience Research Infrastructures (NBRIs) - Transformative Genomics and the Earlham Biofoundry, as well as the core services we need to deliver our science programmes. The Institute is also a key partner on another cross Institute BBSRC-funded research programme, Delivering Sustainable Wheat.</p> <p>The outputs from our ISPs, NBRIs, and excellent computational teams means our Advanced Training team can rapidly translate our knowledge into courses accessible to the UK life science community. This year we delivered 12 training courses including: Nanopore Metagenomics, Single Cell RNAseq training in the form of a laboratory hands-on course and a bioinformatics course; Carpentries events in Software, Data Management and Image Processing; Introduction to Automation; and Detecting DNA Base Modifications using Nanopore sequencing; plus Introductory and Advanced Python programming. Of these training courses 4 were virtual and 8 were in-person, as determined by an initial expression of interest list and gauging maximal participation. Feedback from these 12 events showed: 98% of respondents would recommend the courses; 96.5% rated overall event quality as 'Very Good' or 'Excellent'; 98.6% rated the trainers as 'Very Good' or 'Excellent'; 100% rated the events organisation as 'Very Good' or 'Excellent'.</p> <p>We ran two major events: The Norwich Single-Cell Symposium and EI-Innovate to ensure we build networks with the wider community. We also led the UK node of ELIXIR (a consortium of 22 Universities and institutes) - delivering integrated data infrastructure across Europe for the life sciences.</p> <p>Across all 14 events, we had a total of 352 delegates, and provided training to over 70 students in separate training events including PhD – Big Data for Science, and AI and Advanced Digital Literacy. We have also supported: 4 Year in Industry students; 5 work experience students; students from the NRP International Undergraduate Summer School; 2 Nuffield students; EI's first 2 T-Level placement students; 1 UEA summer internship; 4 undergraduates undertaking their final year research project; and 2 MRes student research placements.</p> <p>The Institute helped to coordinate the successful delivery of a UKRI Engagement Event in Norwich, including a roundtable held at EI to identify the major challenges and areas of focus in our sectors. We also had an active programme of public affairs, sharing our view on policy development with government departments, and ministers. We hosted two ministers and their officials at EI during the year, and the Head of the Earlham Biofoundry was invited to present evidence to the House of Lords in parliament about the Biofoundries landscape in the UK.</p> <p>Our culture is reflected in our organisational strategy, and our values. We have an active equality and diversity workstream that is commented on in objective 7 below.</p>
<p><b>2. Continue the growth and development of our world leading investigator-led research programme, continue to publish high quality scientific outputs and diversify our income streams.</b></p>	<p>During the last financial year scientists at EI published 82 publications and shared 51 technical products (webtool/application/software) with the wider scientific community. Our scientists also delivered 105 oral presentations at national and international conferences.</p> <p>The diversity of our funding portfolio has continued to expand with awards from Horizon Europe, Wellcome, Cancer Research UK, WorldFish, Bill &amp; Melinda Gates Foundation, Leona M. and Harry B. Helmsley Charitable Trust, Defra, and UK Research and Innovation (Innovate, MRC, EPSRC and NERC in addition to BBSRC).</p>

Objectives	Our Performance
<p><b>3. Build strong industrial collaborations so that we are aligned to the Government's strategy and so we can achieve impact from our research.</b></p>	<p>Our expertise and capabilities are contributing towards the delivery of the priorities identified in the Science and Technology Framework (2023) setting the agenda for science and technology to be the major driver of prosperity, power and history-making events of this century, and the UK Innovation Strategy (2023) aiming to make the UK a global hub for innovation by 2035. EI is involved in advancing research underpinning two of the seven technology families prioritised by the new National Science and Technology Council, where the UK has globally competitive R&amp;D and industrial strength, Bioinformatics and Genomics, and Engineering Biology. One of our unique contributions and impact is through empowering the bioscience community nationally and internationally through the development of new computational tools and advanced technologies to enable data-intensive bioscience and engineering biology.</p> <p>We are supporting the delivery of these strategies through fostering commercialisation of research and adoption of innovative approaches and technologies developed at EI by businesses and other stakeholders. We are delivering this through collaborations with businesses and industrial research, formation of spinouts, supporting entrepreneurial activities of academics and students. We are working with a wide range of stakeholders to translate our research and realise environmental, economic and societal impact and to address the biggest challenges facing humanity, tackling the issues of sustainability, biodiversity loss, food security, and human health. Our strategic research programmes have industry partners who are directly involved in collaborative research.</p> <p>This year we were involved in 24 projects with 65 partners funded by UKRI (BBSRC, GCRF, Horizon Europe Guarantee), European Commission, MRC, Wellcome Trust, and industry. Our collaborators include plant and animal breeding industry, agricultural industry, agrochemical companies, specialist sequencing and instrumentation companies, government departments, pharmaceutical industry, clinicians and hospitals, humanitarian agencies, charities, data analytics and bioinformatics companies, life sciences and biotech companies.</p> <p>This year our first spin-out was formed around intellectual property developed by a group at EI. TraitSeq Ltd uses cutting-edge, machine learning algorithms and bioinformatics tools for detecting biomarkers and producing trait prediction models using transcriptomic data. They have successfully raised their first investment and have started to grow and win their own work from industrial partners.</p> <p>This year we filed 3 patent applications - a PCT application PCT/GB2023/051992 for methods for extraction and sequencing of nucleic acids, UK application GB2400934.2 for methods of performing sequencing and gene editing in tandem, and a UK application GB2305775.5 for methods for characterisation of microbiomes.</p> <p>We have maintained existing and developed new relationships with industry through mechanisms like industrial PhD studentships, staff exchange programmes, events and visits. Our annual stakeholder engagement event, EI Innovate, now in the 5th year, attracted 93 attendees from 36 different organisations, among those were 62 external participants.</p> <p>Our global socio-economic impact is estimated to be around £4 billion globally in the next 10 years, with an anticipated return of nearly £13 for every £1 investment.</p>
<p><b>4. Strengthen our partnerships through collaboration with world leading institutes and scientists that align with our scientific strategy.</b></p>	<p>Our Institute Strategic Programme (ISPs) grants launched: Decoding Biodiversity, Cellular Genomics and Delivering Sustainable Wheat, commencing April 2023. These include integral strategic collaborations with the Institute of Biological, Environmental and Rural Sciences, John Innes Centre, Quadram Bioscience Institute, Royal Botanic Gardens-Kew, UK Centre for Ecology &amp; Hydrology, Cambridge University, UK-Health Protection Agency, the Alan Turing Institute and WorldFish.</p> <p>WorldFish is a CGIAR research centre and a partner in the "Cellular Genomics" and "Decoding Biodiversity" programmes. This year we worked on our shared and complementary objectives in our respective Institutional programmes to characterise tilapia (<i>Oreochromis</i>) genetic resources in Africa for the promotion of aquaculture, and to develop genomic resources for high performance strains developed by WorldFish to enable the application of genomic selection and accelerating the improvement of traits of interest. As such WorldFish contributed funding to EI ISPs. Our work with WorldFish led to tighter collaboration with aquaculture groups at the Roslin Institute.</p>

Objectives	Our Performance
	<p>We are also collaborating with WorldFish as part of the European Development Fund "Truefish". As part of the project and in collaboration with the Lake Victoria Fisheries, and fisheries research organizations in Kenya, Tanzania, and Uganda we have completed the sequencing of over 600 Oreochromis fishes sampled from the Lake Victoria. The aim is to assess the genetic diversity of the stocks. We delivered to Lake Victoria Fisheries Organisation a variant panel design to facilitate the cost-efficient species identification and assessment of genetic diversity.</p> <p>The UKRI GCRF GastroPak project continues (2021- end Sept 2024) through which EI is leading a partnership with institutes in Pakistan (National University of Sciences &amp; Technology in Islamabad and the University of Agriculture Faisalabad), the National University of Galway, the University of Warwick and other UK institutes. This a multidisciplinary project to quantify the transmission routes of gastroenteritis in Pakistan and develop targeted interventions. In 2023 we hosted a two-week workshop at EI hosting staff and students from the Pakistan partners, providing training in the use of EI tools and analysis approaches applied to GastroPak samples. Following intense sampling and data generation (2022-24) a final workshop is being planned to be held in Pakistan in 2024.</p>
<p><b>5. Develop two new National Bioscience Research Infrastructures (NBRI) and support services to ensure we offer the UK research community high quality and high-value scientific services and training and deliver impact.</b></p>	<p><b>Transformative Genomics (TG)</b></p> <p>We carried out a major upgrade of our sequencing capabilities, with new investments in low cost, ultra-high throughput short-read sequencing (Illumina NovaSeq X) and high-throughput long-read sequencing (PacBio Revio). We also installed our first spatial transcriptomics platform (Vizgen Merscope) and expanded our cell sorting capabilities with spectral flow cytometry (BD S8 Discovery).</p> <p>We handled 435 requests for access through our Spatial and Single-Cell Analysis and High-Performance Sequencing platforms and delivered 174 individual projects to internal and external users supporting a wide range of research activities across UKRI-BBSRC priorities, including 209 hours of cell sorting for sequencing and other single-cell applications. We delivered key datasets for the cross-institute strategic programme 'Delivering Sustainable Wheat' (DSW), including highly accurate long-read and proximity ligation data for reference-grade assemblies of 10 wheat genomes, ultra-long read for structural variation analysis across 35 wheat lines, and RNA-seq data for large-scale analysis of constitutive gene expression across 120+ wheat landraces. We generated the first spatial transcriptomic dataset on developing wheat spikelets in collaboration with colleagues at the John Innes Centre. We also secured a URKI Forensic Science for the Justice System Sandpit collaborative Grant to develop and implement single-cell approaches for DNA recovery in the context of forensic case work.</p> <p>We attended the Festival of Genomics and Biodata, where our staff engaged with current and prospective users of the NBRI as exhibitors and hosted a roundtable discussion on the sequencing landscape. We also delivered the fifth edition of the Norwich Single-Cell Symposium and hosted the first meeting of the Norwich Cytometry Network.</p> <p>We delivered courses in Single-Cell RNA-seq and Advanced Single-Cell RNA-seq and Data Analysis and a single-cell analysis training in Brazil as part of the Wellcome Connecting Science. We also contributed to the Detection of DNA Base Modification using Nanopore Sequencing Workshop. We hosted a technical manager based at the Instituto Gulbenkian de Ciênciander (Portugal) for a week under the Core Technologies for Life Sciences (CTLS) Shadowing programme, and two students from City College Norwich for 8 weeks as part of their work placement toward Level 3 qualification in Laboratory Sciences (T-Level).</p> <p>We contributed to and supported a total of 39 pre-prints and publications using the expertise and capabilities of the NBRI.</p>

Objectives	Our Performance
	<p><b>Earlham Biofoundry (EB)</b></p> <p>We delivered 12 projects, 3 with Academia in the NRP and 9 with Industry. Within the 3 projects with Academia, one is part of an Engineering Biology Missions Hubs funded for the Engineering Biology Environmental Biotechnology Innovation Centre (EBIC) that aims to deliver UK research, capacity and capability and tackle global challenges. We are collaborating with EI groups (Conrad's group) and industry to develop new fermentation pipelines using Pioreactors to increase the biofoundry fermentation scale and capabilities.</p> <p>We are continuing our support and involvement in the Institute Strategic Programmes Cellular Genomics and Decoding Biodiversity. The EB developed and validated 7 novel automated workflows on their platforms.</p> <p>We delivered internal training in automation to a total of 15 EI staff, and to 4 placement students. We delivered our first course, Introduction to Automation with a NRP reach (15 attendees), and we delivered training internationally to 15 master's students at Seville University. We hosted 4 placement students: 1 T-level student, 1 Exeter University student, and 2 Nuffield Foundation students. We participated in a proposal for a Doctoral Training Partnership that was successful, where we will serve as the secondary supervisor and the student will leverage automation to conduct research and development of automated workflows:</p> <p>We were active with grant submissions working with others for the Engineering Biology Missions Hubs which were unfortunately not awarded, We also scoped out other grants as co-investigator, led by a Newcastle University for the BBSRC call (pending results). We are participating in the "Innovation-to-Commercialisation of University Research" (ICURe) Discover BBSRC Program and we secured a BBSRC capital grant to invest in 2 pieces of state-of-the-art equipment to ensure efficient processes in the foundry.</p> <p>We attended the Global Alliances of Biofoundries international conference and 7 events on the Norwich Research Park to highlight the abilities of the Earlham Biofoundry. We also attended national events including: SynbioUK23, Synbitech23, EngBio Forum Easter 2024: High Throughput Research in Cambridge, Sustainable Enhancement of Plant Productivity with Precision Genomics (SEP3G), IBIOIC.</p> <p>We also conducted a user and non-user feedback survey, "Community Voices: Earlham Biofoundry Survey," which collected 39 responses, 94% of responses were from NRP, working in Biotech and Genetics. 56% have access to automation, while 48% do not work externally with automation services. 76% are aware of the EB. The most popular interests are DNA assemblies and HT screening. All respondents were satisfied with the services and the key request was for training across our expertise.</p>
<p><b>6. Continue to communicate our science through our public engagement programme to a wide audience, promoting the importance of publicly funded research to policy makers and the general public.</b></p>	<p>In year we launched a new communication strategy to ensure we were closely aligning our communication to our science programmes, impact plans and reaching our key stakeholders. For our public engagement we took stands and activities to the Norwich Science Festival and Royal Norfolk Show, exploring our research into clonal crops within the Decoding Biodiversity and Cellular Genomics strategic research programmes where we engaged with over 2,000 adult and children. Our researchers also took part in 'Pint of Science' talks, reaching a local adult population with an interest in science and receiving very positive feedback. The Barcoding the Broads workshops completed in August 2023, having trained over 250 people in DNA barcoding techniques. Two schools continue to use the training and loaned equipment to complement the syllabus, a regional barcoding hub in Herefordshire is still running, and the programme was nominated for a UEA engagement award.</p> <p>Media coverage highlights included local BBC outlets covering our new funding from BBSRC, an article on our research in New Scientist, and a news story that led to coverage in the Proceedings of the National Academy of Science of USA (PNAS) journal club, Technology Networks, and IFLScience. We also worked with Illumina on a <a href="#">marketing video to showcase our aquaculture research collaboration with WorldFish</a> and the work of the Technical Genomics Group. This saw very high engagement on social media and a positive response from BBSRC. We exhibited at the Festival of Genomics and Biodata in London to raise our profile and showcase our work. We recorded ~100 meaningful conversations with attendees, leading to service enquiries, follow-up meetings, and potential collaboration opportunities including from the WHO, Francis Crick Institute, and East Genomic Medicine Service Alliance.</p>

Objectives	Our Performance
<p><b>7. Develop the EI Research Culture via exemplar values, policies, expectation and attitudes. Creating a supportive environment which values its diversity so that the research community and those that support it can develop and thrive.</b></p>	<p>We have an active Inclusivity, Equality, Diversity, and Accessibility (IDEA) Committee who shape our strategy and constantly review best practice. The Institute has been delivering against its Athena Swan action plan and this year, recognising that our research is interdisciplinary and needs the contributions of all researchers and support staff, we focused on joining the Technicians Commitment. This ensured we recognised our technical staff's valued contribution to our research. We were awarded a Technician Commitment Award and will begin our work to deliver our action plan.</p> <p>The EI staff and student survey ran with staff engagement of 79% and staff telling us that 89% of them feel the Institute is well managed, that 90% feeling people are treated with respect, with 83% feeling they can access the right learning and development, and 94%+ feeling we are committed to equality and diversity of our staff and students. Areas where there was room for improvement were followed up with an action plan.</p> <p>Career development training took place including: "The Skill of Networking: how to effectively build and maintain connections in-person and online", a career development seminar was delivered by Rebecca Wyand, UEA Researchers Career Advisor.</p> <p>EI Culture Policies were also developed for an IDEA Values and Behaviour Statement for external trainers, and a Disability Support Statement for existing and perspective staff. We also ran mental health and wellbeing training for managers, a workshop on 'Understanding and overcoming Imposter Syndrome'. Our team of mental health first aiders promoted Mental Health awareness week through a series of events and two EI staff members have set up and led a morning exercise group.</p> <p>Under our Technician Commitment we secured a small grant for a joint Norwich Biosciences Institutes (NBI) day of Accessible Science Talks which included two EI speakers. A Science Council Professional Registration Seminar was held. EI joined the Research Institute Technician Group. We also joined the Stonewall Diversity Champion programme to champion LGBTQ+ initiatives at EI. Together with our Norwich Research Park partners EI staff took part in Norwich Pride Parade in rainbow lab-coats. An article celebrating LGBTQ+ in STEM Day for the EI website was written. EI hosted an NBI LGBTQ+ social meet-up – open to all. Our staff took part in a parent and carers network, and we supported a Norwich Bioscience Institutes' Family Christmas party. We also issued guidance on a range of EDI issues and questions.</p> <p>We won a capital grant to make some changes to the EI buildings to ensure good practice under the Disability and Discrimination Act including: wheelchair accessible ramp to EI; automating and adding kick plates to meeting room doors; and installing a new accessible lift. We also held a seminar on "How to create an inclusive and welcoming environment for disabled people" with a focus on research environments. A new neurodiversity network was launched by our IDEA Accessibility Champion. The network has 32 members across the Norwich Bioscience Institutes and has been used for discussions and resource sharing by group members. We also held training, funded by a grant from the Society of Evolutionary Biology, in the use of the Equity Compass framework to help reflection on current STEM outreach and engagement practice and development of more equitable and inclusive practice.</p> <p>To ensure that our researchers understand and follow good research practice this year we focused on new areas of guidance and a policy covering research integrity, Human Tissue Act sample processing, ethics and data protection. These projects have been significant pieces of work and training is now being planned for 2024/25 alongside training in Trusted Research and wider Research Integrity policy for EI</p>

## Looking Ahead

El's objectives for 2024/25 are to:

- i. Deliver to the BBSRC's Institute Strategy as a National Capability.
- ii. Continue the growth and development of our world leading investigator-led research program, publishing high quality scientific outputs; and diversify our income streams.
- iii. Build strong industrial collaborations so that we are aligned to the Government's strategy so we can achieve impact from our research.
- iv. Strengthen our partnerships through collaboration with world leading institutes and scientists that align with our scientific strategy.
- v. Deliver two National Bioscience Research Infrastructures and wider support services to ensure we offer the UK research community high quality and high-value scientific services and training to deliver impact.
- vi. Continue to communicate our science through our public engagement programme to a wide audience, promoting the importance of publicly funded research to policy makers and the general public.
- vii. Launch the UKRI – BBSRC BioFAIR Hub and five-year programme effectively and establish a newly appointed BioFAIR leadership team and first year delivery programme with effective engagement from the wider UK community.
- viii. Develop the El Research Culture via exemplar values, policies, expectation and attitudes. Creating a supportive environment which values its diversity so that the research community and those that support it can develop and thrive.

## FINANCIAL REVIEW

### Income

Total income for the year was £14.0m (2023: £15.8m), which was down on the previous year due to lower BBSRC capital grants and non-BBSRC research income. Income excluding capital grants was £10.4m (2023: £10.1m).

El's principal sponsor is the Biotechnology and Biological Sciences Research Council (BBSRC), which contributed 80% of total income (2023: 81%). Other major sources of funding were UK universities and research organisations.

### Expenditure

Total expenditure amounted to £13.5m (2023: £13.8m), which was down on the previous year due to lower non-staff research costs and energy costs. Staff costs accounted for £5.5m (41%) (2023: £5.1m; 37%) of expenditure with depreciation of tangible assets accounting for £1.9m (14%) (2023: £2.3m; 17%).

### Net Movement in Reserves

El recorded an increase in restricted reserves of £0.8m (2023: increased by £2.3m).

Unrestricted reserves decreased by £0.3m (2023: decrease of £0.2m) due to lower expenditure on charitable activities.

### Subsidiaries and Related Parties

El's trading subsidiary, Earlham Enterprises Limited (formerly Genome Enterprise Limited), contributed an operating profit of £60,000 (2023: £69,000).

El has a 25% interest in NBI Partnership Limited ("NBIP"). NBIP supplies support services to El and the other Norwich Institutes (John Innes Centre, Quadram Institute Bioscience and The Sainsbury Laboratory).

### Capital expenditure

Capital expenditure in the year of £2.7m (2023: £5.8m) related to investment in building and laboratory facilities.

### Cash

Group cash at 31 March 2024 was £14.3m (2023: £17.3m). The cash decrease in the year reflects the capital expenditure in the year.

El deposits its cash with UK registered financial institutions that meet its credit rating policy. Investment income from cash deposits in the year was £575,000 (2023: £234,000).

### Grant proposals

During the year, El researchers submitted grant proposals with a sponsor value of £24.2m (2023: £9.8m) and were awarded grants with a value of £3.2m (2023: £2.5m).

### Reserves policy

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

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

Unrestricted reserves that have been designated by the Board for specific purposes are shown in separate designated reserves.

### Reserves position

Total reserves increased by £0.6m in the year to £25.1m (2023: increased by £2.0m to £24.5m).

Restricted reserves increased by £0.8m to £13.1m (2023: increased by £2.3m to £12.3m). Restricted reserves include designated reserves of £0.2m for advance capital funding.

Unrestricted reserves decreased to £11.9m (2023: decreased to £12.2m). Reserves of £7.2m have been designated by the Trustees in respect of the following:

- Co-funding for the Institute's strategic research programmes;
- Planned strategic research investment; and
- Planned capital investment in leading-edge sequencing and high performance computing technology.

General unrestricted reserves at March 2024 were £3.7m, £1.2m above the minimum general reserves target set by the Board of £2.5m.

## RISK ASSESSMENT AND MANAGEMENT

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

### Principal risks and uncertainties

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

Risk area	Description of Risk	Management of Risk
Future BBSRC and other sponsor research funding	<ul style="list-style-type: none"> <li>➤ Awarded strategic funding is reduced due to public sector spending pressures or poor performance against core programmes.</li> <li>➤ Competitive grant funding is reduced due to sponsor budget reductions or failure to win new project funding.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Regular monitoring of scientific performance against strategic programme objectives.</li> <li>➤ Regular communication with UKRI - BBSRC to report performance and ensure strategic alignment of research programmes.</li> <li>➤ Monitoring of performance of competitive grant submissions.</li> </ul>
Technology investment	<ul style="list-style-type: none"> <li>➤ EI is unable to keep pace with developments in technology underpinning its science.</li> <li>➤ Funding and/or cost recoveries are inadequate to sustain and improve technology facilities necessary to support scientific objectives.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Bidding into Capital Grant opportunities to refresh platforms, in FY23/24 EI received £3.2m of capital funding.</li> <li>➤ Technology strategy kept under regular review and funding opportunities identified and pursued for technology investments.</li> <li>➤ EI has reserves that enable it to move quickly when technology enhancements become available.</li> </ul>
Staff retention and recruitment	<ul style="list-style-type: none"> <li>➤ EI is unable to retain or attract suitably skilled staff to enable it to sustain its scientific performance.</li> <li>➤ In addition to scientific impact, this risk area could also have an impact on the level of funding the institute is able to attract.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Strategy and action plans in place, monitored by Strategic Human Resources Group.</li> <li>➤ Career development programmes in place to support high potential staff.</li> <li>➤ Institute engagement on technical career paths.</li> <li>➤ Action taken to address underperforming areas following feedback from staff survey.</li> <li>➤ Performance Management processes in place.</li> </ul>
Impact of leaving EU or other major international funding programme cuts	<ul style="list-style-type: none"> <li>➤ EI is not able to recruit or retain researchers from EU member countries.</li> <li>➤ EI is not able to continue with its international funding programmes due to Government Overseas Development Aid budgets cuts.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Regular dialogue with UKRI - BBSRC and other key stakeholders on risks and emerging issues with respect to potential changes in arrangements.</li> <li>➤ Kept abreast of risks and potential impact from staff leaving EI/UK, and ensure we prepare for the new immigration and visa process.</li> <li>➤ Realign overseas programmes into new and evolving funding programmes as they arise.</li> </ul>
Major business interruptions or loss of equipment or computer systems	<ul style="list-style-type: none"> <li>➤ A major systems failure disrupts scientific research programmes.</li> <li>➤ A major incident damages EI's reputation impacting on future funding and collaborative opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Business Continuity and Disaster recovery plans in place and tested periodically.</li> <li>➤ Appropriate insurance arrangements are in place.</li> </ul>

Risk area	Description of Risk	Management of Risk
Compliance with sponsor funding requirements	<ul style="list-style-type: none"> <li>➤ EI fails to comply with sponsor grant requirements resulting in a material financial impact.</li> </ul>	<ul style="list-style-type: none"> <li>➤ EI is subject to regular reviews of its grant compliance processes from sponsors and the Research Councils UK internal auditors.</li> </ul>
Rising Energy Prices impact on future sustainability of Institute	<ul style="list-style-type: none"> <li>➤ Rising energy prices mean that current funding levels, and business plan are unsustainable long term.</li> </ul>	<ul style="list-style-type: none"> <li>➤ EI to keep funders abreast of rising energy costs, and look for funding opportunities to assist with rising costs of delivering core programmes.</li> <li>➤ EI to increase energy usage monitoring and reporting to enable it to review its energy consumption and operational practices to ensure best energy efficiency.</li> <li>➤ EI has installed Solar Panels, and continues to look for opportunities to invest in both sustainable and more efficient energy provision.</li> <li>➤ EI to continue to buy energy at the best price via working with others on the NRP to secure future energy prices at best value.</li> </ul>

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Members and Patrons

The Members of EI are:

- UK Research and Innovation - Biotechnology and Biological Sciences Research Council (“BBSRC”);
- University of East Anglia (“UEA”);
- The Chair of the Board of Trustees.

### Board of Trustees

The Board of Trustees comprises the Chair and up to eight additional trustee directors. The Trustees who served during the year and up to the date of signing these financial statements were as follows:

### Organisation and governance

EI is incorporated in England and Wales and is a company limited by guarantee (registered number 06855533) and a registered charity (number 1136213). EI is governed by its Memorandum and Articles of Association, adopted 20 December 2016.

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Trustees	Sub-committees	Changes during period
<b>At date of Report:</b>		
<b>Professor Peter Holland (Chair)</b>	Rem Com	-
<b>Ms Amanda Tagg</b>	AC, Rem Com	-
<b>Professor Philip Gilmartin</b>	AC	-
<b>Professor Deborah Smith</b>	Rem Com	-
<b>Professor Lars Magnus Rattray</b>	-	-
<b>Dr Stephanie Joan Pilkington</b>	-	-
<b>Mr Timothy Kamombo</b>	AC	Appointed 19 June 2023
<b>Dr Michael Csukai</b>	-	Appointed 19 September 2023
<b>Dr Laura Barter</b>	-	Appointed 21 March 2024
<b>During the year:</b>		
<b>Professor Edward Louis</b>	AC	Resigned 18 June 2023

### Audit Committee

The Audit Committee is responsible for oversight of the areas of audit; financial reporting; regulatory compliance; internal systems and controls (including the integrity of financial controls) within EI. The Audit Committee reports to EI’s Board, making recommendations for Board consideration where necessary.

### Remuneration Committee (Rem Com)

EI’s Remuneration Committee is responsible for advising on the remuneration and policy on executive pay and performance packages. It reports to the Board and is composed of four Trustee Directors representing the scientific and commercial expertise.

### Recruitment, induction and training of Trustees’

The Institute advertises nationally for prospective Trustees to ensure appropriate expertise on the Board is maintained. The Institute will also approach individuals thought to have the right skills. The Board strives through its recruitment to keep good diversity within the Board membership.

An induction programme has been put in place for newly appointed Trustees and is kept under review and updated where appropriate. In addition, the Trustees are in regular contact with the Institute Director and

executive team and receive presentations on key areas of activity.

### Trustee remuneration

EI remunerates trustees where the Board considers that payment is necessary to attract trustees with specialist skills and experience. The power to remunerate trustees is included in EI’s Articles of Association and has been approved by the Charities Commission. Details of trustee remuneration in the year are included in note 8 of the financial statements.

### The Scientific Advisory Board (SAB)

The SAB, chaired by Prof Simon Hubbard, is responsible for providing strategic advice on issues relevant to EI’s scientific mission and science programmes.

### Decision making and key management

The EI Board has delegated the day-to-day management of the charitable company to the Director and the Executive Team, who are considered to be the key management personnel for the institute:

### Director

Professor Neil Hall is the Director of EI. He has previously led research groups at the Sanger Institute,

The Institute for Genomic Research and The University of Liverpool.

#### **Chief Operating Officer**

Sarah Cossey is the Chief Operating Officer, a professional accountant and project manager with 20+ years' experience across the public and private sector.

#### **Head of Transformative Genomics**

Dr. Karim Gharbi is a biologist with over two decades of experience in genomics and next-generation sequencing (NGS) and has previously led NGS in Edinburgh Genomics and University.

#### **Head of Plant Genomics**

Prof. Ant Hall previously he held the Holbrook Gaskell Chair of Botany at the University of Liverpool and research lead for the Institute of Integrative Biology and Director at the Centre for Genomic Research (CGR) and academic lead of the Liverpool GeneMill.

#### **Head of Research Faculty Office**

Dr. Christine Fosker has worked in the field of Genomics for 20 years, beginning her career working on the Human Genome Project at the Sanger Centre. She received her Ph.D. from the University of Cambridge and the Wellcome Sanger Institute.

#### **Leader of Cellular Genomics Programme**

Dr Wilfried Haerty is a biologist with over 15 years of bioinformatics experience working on comparative genomics and transcriptomics across systems. He leads the BBSRC EI Institute Strategic Programme "Cellular Genomics".

#### **Head of Data Science**

Prof. Irene Papatheodorou is a computational genomicist with over 15 years of bioinformatics experience who was previously the Gene Expression Team Leader and Research Group Leader at the European Molecular Biology Laboratory - European Bioinformatics Institute (EMBL-EBI)

### **Related Parties**

#### **Subsidiaries and Related Parties**

EI's trading subsidiary – Earlham Enterprises Limited (formerly Genome Enterprise Limited) – contributed an operating profit of £60,000 (2023: £69,000).

#### **NBIP - Associate**

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

#### **Anglian Innovation Partnership LLP (AIP)**

EI became a member of AIP on 7 August 2012 through its 100% subsidiary, Earlham Enterprises Limited. AIP is responsible for the management and development of the Norwich Research Park (NRP) estate and for the furtherance of the NRP Enterprise Vision. EI is entitled to receive a share of certain profits generated by AIP, however it has no liability for losses or in the event of insolvency. AIP has not yet generated any realised profits.

#### **BBSRC**

BBSRC is a member of the charitable company. EI is strategically funded, along with seven other institutes, by BBSRC. BBSRC supports EI via strategic 5-year funding programmes, competitively won project grants and capital funding for infrastructure and technology investments. The principal terms and conditions under which BBSRC provides its funding are set out in EI's Institute Grant Agreement.

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

#### **Employees**

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

Transferred employees retain their membership of the Research Councils Pension Scheme (RCPS), where applicable, with EI becoming an admitted employer in the scheme. The RCPS is a defined benefit scheme funded from annual grant-in-aid on a pay-as-you-go basis. EI accounts for the scheme as if it were a wholly defined contribution scheme.

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

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

#### **Communication**

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

### **Equality and Diversity**

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

EI is aware of its statutory duty to support the employment of disabled persons where possible, both in recruitment and by retention of employees who become disabled whilst in the employment of the charitable company, as well as generally through training and career development.

The EI has an Equality, Diversity and Inclusivity Committee, whose Membership includes representatives from across the Institute, and across roles including group leaders, post-doctoral researchers, research assistants and technicians, operational staff, staff scientists, students and a HR professional. The Committee also has Champions for gender equality, LGBTQ+, Race and Ethnicity, Mental Wellbeing, Part time workers, Parent and Carers and Accessibility.

The EI Trustee Directors have reviewed their performance and Board Members' skills against a Board skills matrix since 2015. The Board has had a balanced gender diversity in the past, but with recent recruitment its current diversity is 57:43 (M:F). The Board started to monitor its wider diversity in 2022, and will use the opportunity of the rotation of Board Members, and recruitment to rebalance gender

diversity and improve ethnicity diversity so that it more closely mirrors the diversity of EI staff.

### **Health & Safety**

EI aims to safeguard and improve the health, safety, welfare and security of its employees and the health and safety of visitors. EI aims to create an atmosphere where health and safety matters are paramount considerations and consults with employees and their representatives on health and safety matters.

During the year the EI Board set up a H&S Working Group to review current practices and improve any areas identified as requiring development. This group will continue its work into 2023/24 and beyond.

### **Going Concern**

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

The Trustees have prepared cash flow forecasts for the period to March 2030 which indicate that, taking account of reasonable possible downsides on the operations and its financial resources, the Institute will have sufficient funds to meet its liabilities as they fall due for that period.

The Institute is reliant on its strategic programme funding from BBSRC, which was £6.4m in the year (2023: £5.3m). BBSRC has confirmed continued strategic funding of £6.1m for the year to March 2025. BBSRC has also confirmed a strategic programme funding allocation for 3 years to March 2028 of £6.0m per annum.

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

## STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES OF EARLHAM INSTITUTE IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

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

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of the group's result for that period. In preparing each of the group and charitable company financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

### Insurance disclosure

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

### Public benefit

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

### Disclosure of information to auditor

The trustees confirm that:

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

### Independent auditors

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

On behalf of the Board

*Peter Holland*

**Peter Holland, Trustee Director**  
17 September 2024

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EARLHAM INSTITUTE

### Opinion

We have audited the financial statements of Earlham Institute (the 'parent charitable company') and its subsidiaries (together the 'group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charitable Company Balance Sheets, Consolidated Statement of Cash Flows and Notes to the Accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2024, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast

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

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

### Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the groups and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

influence the economic decisions of users taken on the basis of these financial statements.

### **The extent to which the audit was considered capable of detecting irregularities including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

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

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

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities) .

This description forms part of our auditor's report.

### **Use of our report**

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

accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Anders Rasmussen*

Anders Rasmussen FCA (Senior Statutory Auditor)

for and on behalf of

**Larking Gowen LLP**

Chartered Accountants

Statutory Auditors

Norwich

Date: 11 October 2024

## FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2024

INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT

	Note	Unrestricted funds £000	Restricted funds £000	Restricted capital £000	Total 2024 £000	Total 2023 £000
<b>Income</b>						
<i>Income from charitable activities</i>						
Grant Income - BBSRC		-	7,657	-	<b>7,657</b>	7,117
Grant Income - other		-	1,040	-	<b>1,040</b>	1,310
Other Research Income		584	-	-	<b>584</b>	874
Capital funding - BBSRC		-	869	2,745	<b>3,614</b>	5,729
<i>Income from other trading activities</i>						
Trading income		94	-	-	<b>94</b>	119
Rental income		41	-	-	<b>41</b>	32
<i>Investment income</i>	10	579	-	-	<b>579</b>	236
<i>Other generated income</i>		403	-	-	<b>403</b>	427
<b>Total income</b>	2	1,701	9,566	2,745	<b>14,012</b>	15,844
<b>Expenditure</b>						
Charitable activities	3	(988)	(10,445)	(1,853)	<b>(13,286)</b>	(13,628)
Raising funds		(147)	-	-	<b>(147)</b>	(115)
Trading expenditure		(34)	-	-	<b>(34)</b>	(50)
<b>Total expenditure</b>		<b>(1,169)</b>	<b>(10,445)</b>	<b>(1,853)</b>	<b>(13,467)</b>	<b>(13,793)</b>
<b>Net income/(expenditure) for the year</b>		532	(879)	892	<b>545</b>	2,051
Other transfers	20	(721)	896	(175)	-	-
Capital transfers	20	(69)	(89)	158	-	-
<b>Net movement in funds</b>		<b>(258)</b>	<b>(72)</b>	<b>875</b>	<b>545</b>	2,051
Funds brought forward		12,203	690	11,635	<b>24,528</b>	22,477
<b>Funds carried forward</b>	20	<b>11,945</b>	<b>618</b>	<b>12,510</b>	<b>25,073</b>	24,528

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

The notes on pages 24 to 36 form part of these financial statements.

## CONSOLIDATED AND CHARITABLE COMPANY BALANCE SHEETS

### AS AT 31 MARCH 2024

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Note				
<i>Fixed assets</i>				
Tangible assets	11	13,524	12,718	13,524
Intangible assets	12	-	-	-
<i>Current assets</i>				
Stocks	14	171	250	171
Debtors	15	3,650	5,573	3,459
Cash at bank and in hand	16	14,274	17,288	13,975
		<b>18,095</b>	23,111	<b>17,605</b>
<i>Current liabilities</i>				
Creditors: amounts falling due within one year	17	(6,546)	(11,301)	(6,119)
<b>Total net current assets</b>		<b>11,549</b>	11,810	<b>11,486</b>
<b>Total assets less current liabilities</b>		<b>25,073</b>	24,528	<b>25,010</b>
<b>Total net assets</b>	19	<b>25,073</b>	24,528	<b>25,010</b>

#### The funds of the charity

<i>Restricted funds</i>				
Fixed asset reserve	20	12,510	11,635	12,510
Designated reserves	20	221	617	221
General reserve	20	397	73	397
Total restricted funds		<b>13,128</b>	12,325	<b>13,128</b>
<i>Unrestricted funds</i>				
Fixed asset reserve	20	1,014	1,083	1,014
Designated reserves	20	7,223	7,564	7,223
General reserve	20	3,708	3,556	3,645
Total unrestricted funds		<b>11,945</b>	12,203	<b>11,882</b>
<b>Total funds</b>		<b>25,073</b>	24,528	<b>25,010</b>

A separate income and expenditure account has not been presented for EI as this is exempted by Section 408 of the Companies Act 2006. The profit after tax of EI was £553,000 (2023: profit of £2,172,000).

The financial statements on pages 21 to 36 were approved by the Board of Trustees on 17 September 2024 and were signed on its behalf by:

*Peter Holland*

**Peter Holland, Trustee Director**

The accompanying notes form part of these financial statements.

Company registration number: 06855533

## CONSOLIDATED STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 31 MARCH 2024

	Total 2024	Total 2023
Note	£000	£000
<b>Cash flows from operating activities:</b>		
Net income for the year	545	2,051
Interest receivable	(579)	(236)
Depreciation and amortisation	1,853	2,341
Capital grants received	(3,614)	(5,729)
(Profit) on disposal of tangible assets	(72)	(45)
Decrease/(Increase) in stocks	79	(28)
Decrease/(Increase) in debtors	1,923	(851)
(Decrease)/Increase in creditors	(4,755)	4,956
<b>Net cash (used in) / provided by operating activities</b>	<b>(4,620)</b>	<b>2,459</b>
<b>Cash Flows from investing activities:</b>		
Interest received	579	236
Purchase of tangible assets	(2,659)	(5,848)
Capital grants received	3,614	5,729
Proceeds from sale of tangible assets	72	45
<b>Net cash provided by investing activities</b>	<b>1,606</b>	<b>162</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>(3,014)</b>	<b>2,621</b>
Cash and cash equivalents at the beginning of the period	16	17,288
<b>Total cash and cash equivalents at the end of the year</b>	<b>16</b>	<b>17,288</b>

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

The accompanying notes form part of these financial statements.

## 1. ACCOUNTING POLICIES

### a. Basis of preparation

The group financial statements have been prepared under the historical cost convention and applicable accounting standards. They have also been prepared in accordance with Accounting and Reporting by Charities; Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)– (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

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

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of EI and all its subsidiary undertakings in accordance with Financial Reporting Standard (“FRS”) 102 “Accounting for Subsidiary Undertakings”.

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

The financial statements of all group undertakings are made up to 31 March 2024. A separate income and expenditure account has not been presented for EI as permitted by Section 408 of the Companies Act 2006. The profit after tax of EI was £553,000 (2023: profit of £2,172,000) for the year.

### b. Going concern

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

The Trustees have prepared cash flow forecasts for the period to March 2030 which indicate that the Institute will have sufficient funds to meet its liabilities as they fall due for that period.

The Institute is reliant on its strategic programme funding from BBSRC, which was £6.4m in the year (2023: £5.3m). BBSRC has confirmed a strategic programme funding allocation for 3 years to March 2028 of £6.0m per annum.

### c. Judgements in applying accounting policies and key sources of estimation

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

- Depreciation, which has been charged in line with the accounting policy below. The amount of depreciation charged and net book value of the assets is included in Note 11.

### d. Income

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

Other charitable research income represents non-grant revenue from collaborative research projects with other academic

institutions and other scientific services. Revenue is recognised in the year in which the obligation is fulfilled.

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

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

### e. Expenditure

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

Cost of generating funds represents the cost of obtaining funds for research and preparing grant applications. Governance costs represent the necessary cost of compliance with statutory and constitutional requirements and any other costs which are not direct charitable expenditure. Support costs have been wholly allocated to charitable activity expenditure based upon activity as indicated in note 4 to the financial statements.

### f. Restricted funds

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

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

### g. Unrestricted funds

These include any other grants which do not have specific conditions attached to them.

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

Unrestricted reserves that have been designated by the Board for specific purposes are shown in separate designated reserves. At March 2024, £7.2m (2023: £7.6m) of unrestricted reserves have been designated in relation to co-funding for institute strategic programmes, strategic research projects and future capital investment.

### h. Capital transfers

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

## 1. ACCOUNTING POLICIES (CONTINUED)

### i. Tangible assets and depreciation

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

Depreciation is calculated to write off the cost of assets, less any estimated residual value, over their estimated useful lives at the following rates:

Plant, machinery and equipment – over estimated economic life;  
Scientific equipment - 5 years straight line;  
Sequencing equipment - 3 years straight line;  
Computer equipment – 3-5 years straight line.

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

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

### j. Intangible assets and amortisation

Computer Software development costs are recognised as intangible fixed assets at cost less amortisation and any provision for impairment.

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

Computer Software - 3 to 5 years straight-line.

Assets under construction are not amortised until the asset is in full use.

### k. Investments

Investments in subsidiaries, and unlisted shares, whose market value cannot be reliably determined, are stated at cost less impairment.

### l. Stocks

Stocks are stated at the lower of cost and net realisable value. Provision is made, where necessary, for slow moving or obsolete stock.

### m. Debtors

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

### n. Trade creditors

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

### o. Provisions

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

### p. Staff and Pensions

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

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

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

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

### q. Termination benefits

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

### r. Operating Leases

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

### s. Foreign currency transactions

The reporting and functional currency is pounds sterling. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction.

Assets and liabilities denominated in foreign currencies are translated at year end exchange rates. All gains and losses are taken to the statement of financial activities in the year to which they relate.

### t. Financial instruments

Financial assets and financial liabilities are recognised upon becoming a party to the contractual provisions of the instrument. The group only enters into basic financial instrument transactions that result in financial assets and liabilities like trade and other accounts receivable and payable.

## 2. ANALYSIS OF INCOME

	Research activities	Other activities	Total 2024	Research activities	Other activities	Total 2023
	£000	£000	£000	£000	£000	£000
<b>Grant income</b>						
BBSRC	7,657	-	7,657	7,117	-	7,117
Other government departments	343	-	343	405	-	405
European Union	10	-	10	16	-	16
Universities	393	-	393	540	-	540
Other charities	350	-	350	653	-	653
Other grants	528	-	528	570	-	570
<b>Total grant income</b>	<b>9,281</b>	<b>-</b>	<b>9,281</b>	<b>9,301</b>	<b>-</b>	<b>9,301</b>
<b>Capital grants</b>						
BBSRC						
Capital expenditure	3,614	-	3,614	5,729	-	5,729
<b>Total capital grants</b>	<b>3,614</b>	<b>-</b>	<b>3,614</b>	<b>5,729</b>	<b>-</b>	<b>5,729</b>
<b>Trading income</b>						
Earlham Enterprises Ltd	-	94	94	-	119	119
Rental income	-	41	41	-	32	32
<b>Total trading income</b>	<b>-</b>	<b>135</b>	<b>135</b>	<b>-</b>	<b>151</b>	<b>151</b>
<b>Investment income</b>						
Interest receivable on cash deposits	-	575	575	-	234	234
Interest receivable on loan to related party	-	4	4	-	2	2
<b>Total investment income</b>	<b>-</b>	<b>579</b>	<b>579</b>	<b>-</b>	<b>236</b>	<b>236</b>
<b>Other income</b>						
Other income	-	403	403	-	427	427
<b>Total other income</b>	<b>-</b>	<b>403</b>	<b>403</b>	<b>-</b>	<b>427</b>	<b>427</b>
<b>Total incoming resources</b>	<b>12,895</b>	<b>1,117</b>	<b>14,012</b>	<b>15,030</b>	<b>814</b>	<b>15,844</b>

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

- Grant income of £9,281k (2023: £9,301k), £8,697k (2023: £8,427k) is restricted general funds, £584k (2023: £874k) is unrestricted funds.
- Capital grants of £3,614k (2023: £5,729k), £869k (2023: £87k) is restricted general funds and £2,745k (2023: £5,642k) is restricted capital funds
- In both periods all trading, investment and other income is unrestricted.

### 3. ANALYSIS OF EXPENDITURE

Expenditure on charitable activities and governance costs have been analysed below.

<b>Expenditure on charitable activities</b>	Note	<b>Total 2024 £000</b>	<b>Total 2023 £000</b>
Direct charitable expenditure:			
Staff costs		<b>4,569</b>	4,244
Direct costs		<b>5,152</b>	5,596
Depreciation		<b>1,853</b>	2,341
Governance costs		<b>133</b>	95
Support costs	4	<b>1,579</b>	1,352
<b>Total expenditure</b>		<b>13,286</b>	13,628

<b>Analysis of governance costs</b>	<b>Total 2024 £000</b>	<b>Total 2023 £000</b>
Staff costs	<b>127</b>	88
Travel costs	<b>2</b>	3
Other costs	<b>4</b>	4
<b>Total governance costs</b>	<b>133</b>	95

Included within expenditure is restricted general expenditure of £10,445k (2023: £10,150k), and restricted capital expenditure (depreciation) of £1,853k (2023: £2,341k). All other expenditure is unrestricted.

### 4. ALLOCATION OF SUPPORT COSTS

	<b>Total 2024 £000</b>	<b>Total 2023 £000</b>
Building services*	<b>582</b>	518
Finance and Contracts*	<b>341</b>	206
Management, IT and Communications*	<b>432</b>	417
Human Resources and Staff Welfare*	<b>158</b>	142
Other support services	<b>66</b>	69
<b>Total support costs</b>	<b>1,579</b>	1,352

Support costs are allocated based on their nature.

\* includes services supplied by NBI Partnership Limited (see note 23).

### 5. TAXATION

EI is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The trading activities of its subsidiary, Earlham Enterprise Limited, are subject to corporation tax, however profits are gifted to the charitable company resulting in £nil (2023: £nil) tax payable.

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

## 6. OPERATING SURPLUS

Operating surplus is stated after charging:

	Total 2024 £000	Total 2023 £000
Audit services:		
Fees for the audit of the charitable company and consolidated financial statements	13	12
Fees for the audit of the charitable company's subsidiary pursuant to legislation	2	2
Non-audit services:		
Other fees payable to the auditors of the charitable company	1	-
Depreciation	1,853	2,341
(Profit) on disposal of tangible assets	(72)	(45)
Operating lease rentals (land and buildings)	100	100
Hire of plant and equipment	4	8
Loss on foreign exchange translations	5	14

## 7. RESULTS OF TRADING ACTIVITIES OF SUBSIDIARY

<b>Earlham Enterprises Limited</b>	Total 2024 £000	Total 2023 £000
<b>Profit and loss account</b>		
Turnover	94	119
Cost of sales	(34)	(50)
<b>Gross profit</b>	<b>60</b>	<b>69</b>
Administrative expenses	-	-
<b>Operating profit retained in subsidiary</b>	<b>60</b>	<b>69</b>
<b>Net assets at 31 March 2024</b>	<b>63</b>	<b>71</b>

In addition to the above, £68,040 (2023: £189,442) in Gift Aid was paid to the charitable company in the year.

## 8. REMUNERATION OF MEMBERS OF THE BOARD OF TRUSTEES

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

Eight members of the Board of Trustees received remuneration from the group during the year for their duties as trustees (2023: eight). Total trustee remuneration in the year was £41,000 (2023: £32,000). Details of the remuneration paid is as follows:

<b>Name of Trustee</b>	Total 2024 £000	Total 2023 £000
Professor Peter Holland	10	7
Dr Alasdair Macnab	-	4
Professor Thomas Richards	-	4
Professor Edward Louis	3	4
Professor Philip Gilmartin	6	4
Professor Deborah Smith	6	3
Dr Lars Magnus Rattray	6	3
Dr Stephanie Joan Pilkington	6	3
Dr Michael Csukai	2	-
Timothy Kamombo	3	-
<b>Total</b>	<b>41</b>	<b>32</b>

Attendance expenses were incurred by seven (2023: six) Trustees whilst carrying out their duties and amounted to £1,840 (2023: £923) during the year.

## 9. EMPLOYEE INFORMATION

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

Group and charitable company	2024	2023
	Number	Number
Scientific	90	88
Office management and services	17	18
<b>Total</b>	<b>107</b>	<b>106</b>

The aggregate payroll costs of these persons were:

	2024	2023
	£000	£000
	Note	
Wages and salaries	4,433	4,048
Redundancy costs	10	4
Social security costs	451	435
Other pension costs	22 634	594
<b>Total</b>	<b>5,528</b>	<b>5,081</b>

As required by Charities SORP an analysis has been provided below of the number of staff who fall within emoluments bands from £60,000 upwards.

Group and charitable company	2024	2023
	Number	Number
£60,000 - £69,999	8	8
£70,000 - £79,999	6	3
£80,000 - £89,999	2	2
£110,000 - £119,999	1	2
£120,000 - £129,999	1	-
£170,000 - £179,999	-	1
£180,000 - £189,999	1	-
<b>Total</b>	<b>19</b>	<b>16</b>

The number of staff with emoluments greater than £60,000 who were members of the Research Councils' Pension Schemes was 2 (2023: 2). The number of staff with emoluments greater than £60,000 who were members of a company stakeholder pension scheme was 11 (2023: 8).

Staff that joined prior to 1 October 2011 were employed by BBSRC up to 1 October 2017, when these employees transferred employment to the Institute under TUPE. Transferred employees retain their membership of the Research Councils Pension Scheme, where applicable, with EI becoming an admitted employer in the scheme.

Staff that joined after 1 October 2011 are employed under EI terms & conditions.

The key management personnel of the charitable company are considered to be the members of the executive team: the Institute Director, Chief Operating Officer, Head of Transformative Genomics, Head of Plant Genomics, Head of Research Faculty Office, Leader of Cellular Genomics Programme, Leader of Synthetic Biology Group, and Head of Data Science. The key management personnel of the group comprise those of the charity and the key management personnel of the wholly owned subsidiaries, Earlham Enterprises Ltd ("EEL"). The key management personnel of EEL is considered to be the Institute Director (EI) and the Chief Operating Officer (EI). No costs were recharged in respect of this. The total employee benefits of the key management personnel of the charity and group were £867,238 (2023: £869,695).

**10. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>Total 2024</b>	Total 2023
	<b>£000</b>	£000
Bank interest	<b>575</b>	234
Interest on loans	<b>4</b>	2
<b>Total</b>	<b>579</b>	236

**11. TANGIBLE ASSETS**

<b>Group and charitable company</b>	Leasehold improvements £000	Plant, machinery and equipment £000	Assets under construction £000	<b>Total £000</b>
<b>Cost</b>				
At 1 April 2023	10,826	25,228	2,965	39,019
Transfers	-	2,965	(2,965)	-
Additions	367	2,029	263	2,659
Disposals	-	(420)	-	(420)
<b>At 31 March 2024</b>	<b>11,193</b>	<b>29,802</b>	<b>263</b>	<b>41,258</b>
<b>Accumulated Depreciation</b>				
At 1 April 2023	6,207	20,094	-	26,301
Charge for the year	284	1,569	-	1,853
Disposals	-	(420)	-	(420)
<b>At 31 March 2024</b>	<b>6,491</b>	<b>21,243</b>	<b>-</b>	<b>27,734</b>
<b>Net book value at 31 March 2024</b>	<b>4,702</b>	<b>8,559</b>	<b>263</b>	<b>13,524</b>
Net book value at 31 March 2023	4,619	5,134	2,965	12,718

All of the charitable company assets at 31 March 2024 are used for direct charitable purposes.

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

**12. INTANGIBLE ASSETS**

<b>Group</b>	Software development £000	<b>Total £000</b>
<b>Cost</b>		
At 1 April 2023	177	177
Additions	-	-
<b>At 31 March 2024</b>	<b>177</b>	<b>177</b>
<b>Accumulated Depreciation</b>		
At 1 April 2023	177	177
Charge for the year	-	-
<b>At 31 March 2024</b>	<b>177</b>	<b>177</b>
<b>Net book value at 31 March 2024</b>	<b>-</b>	<b>-</b>
Net book value at 31 March 2023	-	-

**12. INTANGIBLE ASSETS (CONTINUED)**

Charitable company	Software development £000	Total £000
<b>Cost</b>		
At 1 April 2023	147	147
Additions	-	-
<b>At 31 March 2024</b>	<b>147</b>	<b>147</b>
<b>Accumulated Depreciation</b>		
At 1 April 2023	147	147
Charge for the year	-	-
<b>At 31 March 2024</b>	<b>147</b>	<b>147</b>
<b>Net book value at 31 March 2024</b>	<b>-</b>	<b>-</b>
Net book value at 31 March 2023	-	-

The intangible asset relates to internally generated research software.

**13. FIXED ASSET INVESTMENTS****Subsidiary**

The charitable company's investment in its subsidiary undertaking at cost amounts to £1. The following is the operating subsidiary undertaking in which the charitable company has an interest:

Subsidiary Undertaking	Country of registration	Principal activity	Class and percentage of shares held
Earlham Enterprises Limited	England	Contract research	100% ordinary shares

Earlham Enterprises Limited (company registration number 06812113) registered address is Norwich Research Park, Norwich, Norfolk, NR4 7UZ.

The charitable company has committed to provide financial support to Earlham Enterprises Limited ("EEL"), and not demand repayment of amounts due to it, in order to enable EEL to meet its liabilities as they fall due – but only to the extent that money is not otherwise available to the company to meet such liabilities – for a period of at least 12 months from the signing of the financial statements of the EEL for the year ended 31 March 2024.

EEL is a member of Anglia Innovation Partnership LLP, which is responsible for the management and development of the Norwich Research Park land and for the furtherance of the NRP Enterprise Vision. EI is entitled to receive a share of certain profits generated by Anglia Innovation Partnership LLP, however it has no liability for losses or in the event of insolvency. Anglia Innovation Partnership LLP has not yet generated any realised profits.

EI has a 25% interest in NBI Partnership Limited ("NBIP"). NBIP supplies support and administrative services to EI and the other Norwich Institutes (John Innes Centre, Quadram Institute Bioscience and The Sainsbury Laboratory) on a not-for-profit basis.

NBIP fully recharges its costs to the four research organisations and accordingly it generates no profit or loss.

**Other investments**

During the year EI took a 10% share via its subsidiary Earlham Enterprises Limited, in TraitSeq Ltd, whose principal activity is research and experimental development on biotechnology.

EI has accounted for its investment at cost less impairment.

**14. STOCK**

Group and charitable company	Total 2024 £000	Total 2023 £000
Raw materials and consumables	171	250
<b>Total</b>	<b>171</b>	<b>250</b>

**15. DEBTORS**

		Group 2024	Group 2023	Company 2024	Company 2023
	Note	£000	£000	£000	£000
<i>Grants receivable:</i>					
from government bodies		731	1,586	731	1,586
from other sources		147	516	147	516
Trade debtors		569	1,597	327	1,335
Amounts owed by subsidiary undertakings		-	-	51	42
Amounts owed by other related parties	23	281	169	281	169
Other debtors		274	171	274	171
Prepayments and accrued income		1,648	1,534	1,648	1,534
<b>Total amounts falling due within one year</b>		<b>3,650</b>	<b>5,573</b>	<b>3,459</b>	<b>5,353</b>

The above amounts fall due within one year.

Grants receivable from government bodies includes £312,903 in relation to capital funding receivable from BBSRC (2023: £1,088,660).

**16. CASH AT BANK AND IN HAND**

	Group 2024	Group 2023	Company 2024	Company 2023
	£000	£000	£000	£000
Cash at bank	14,274	17,288	13,975	17,159
<b>Total</b>	<b>14,274</b>	<b>17,288</b>	<b>13,975</b>	<b>17,159</b>

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

		Group 2024	Group 2023	Company 2024	Company 2023
	Note	£000	£000	£000	£000
<i>Grants received in advance:</i>					
from government bodies		549	738	549	738
from other sources		825	628	408	628
Amounts owed to other related parties	23	1,432	199	1,432	199
Trade creditors		1,190	2,462	1,190	2,462
Other creditors		702	1,744	695	1,471
Taxation and social security		104	98	101	93
Accruals and deferred income		1,744	5,432	1,744	5,432
<b>Total amounts falling due within one year</b>		<b>6,546</b>	<b>11,301</b>	<b>6,119</b>	<b>11,023</b>

**18. RECONCILIATION OF MOVEMENT IN GRANTS RECEIVABLE**

Group		Total 2024	Total 2023
	Note	£000	£000
Grants receivable	15	878	2,102
Grants received in advance	17	(1,374)	(1,366)
<b>Net grants receivable at the end of the year / (received in advance)</b>		<b>(496)</b>	<b>736</b>
Net grants received in advance at beginning of year		736	1,356
Grant monies received during the year		(13,543)	(14,776)
Grant money released to SOFA during the year		12,311	14,156
<b>Net grants receivable at the end of the year / (received in advance)</b>		<b>(496)</b>	<b>736</b>

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Fixed assets	Net current assets	Total
	£000	£000	2024
			£000
<b>Group</b>			
<i>Unrestricted:</i>			
Fixed asset reserve	1,014	-	1,014
Designated reserves	-	7,223	7,223
General reserve	-	3,708	3,708
<i>Restricted:</i>			
Fixed asset reserve	12,510	-	12,510
Designated reserves	-	221	221
General reserve	-	397	397
<b>Total net assets</b>	<b>13,524</b>	<b>11,549</b>	<b>25,073</b>

**Charitable company**

<i>Unrestricted:</i>			
Fixed asset reserve	1,014	-	1,014
Designated reserves	-	7,223	7,223
General reserve	-	3,645	3,645
<i>Restricted:</i>			
Fixed asset reserve	12,510	-	12,510
Designated reserves	-	221	221
General reserve	-	397	397
<b>Total net assets</b>	<b>13,524</b>	<b>11,486</b>	<b>25,010</b>

	Fixed assets	Net current assets	Total
	£000	£000	2023
			£000
<b>Group</b>			
<i>Unrestricted:</i>			
Fixed asset reserve	1,083	-	1,083
Designated reserves	-	7,564	7,564
General reserve	-	3,556	3,556
<i>Restricted:</i>			
Fixed asset reserve	11,635	-	11,635
Designated reserves	-	617	617
General reserve	-	73	73
<b>Total net assets</b>	<b>12,718</b>	<b>11,810</b>	<b>24,528</b>

**Charitable company**

<i>Unrestricted:</i>			
Fixed asset reserve	1,083	-	1,083
Designated reserves	-	7,564	7,564
General reserve	-	3,485	3,485
<i>Restricted:</i>			
Fixed asset reserve	11,635	-	11,635
Designated reserves	-	617	617
General reserve	-	73	73
<b>Total net assets</b>	<b>12,718</b>	<b>11,739</b>	<b>24,457</b>

The unrestricted fixed asset reserve represents the net book value of fixed assets purchased from unrestricted funds. The unrestricted designated reserve relates to funds designated by the Board for use in relation to co-funding for institute strategic programmes, strategic projects and future capital investment.

The restricted fixed asset reserve relates to the net book value of fixed assets purchased from capital grants. The restricted designated reserve relates to advance capital and project funding received from BBSRC. The restricted general reserve relates to advance strategic funding received from BBSRC.

## 20. ANALYSIS OF FUNDS MOVEMENTS

Group	Unrestricted fixed assets reserve £000	Unrestricted designated £000	Unrestricted general £000	Restricted designated £000	Restricted fixed assets reserve £000	Restricted general £000	Total 2024 £000
<b>At 1 April 2023</b>	1,083	7,564	3,556	617	11,635	73	<b>24,528</b>
Operating surplus for the year	-	-	532	-	892	(879)	<b>545</b>
Capital transfers	(158)	-	-	-	158	-	-
Unrestricted general capital expenditure	89	-	-	(17)	-	(72)	-
Unrestricted designated transfer	-	(341)	400	(59)	-	-	-
Restricted designated transfer	-	-	495	(320)	(175)	-	-
Other transfers	-	-	(1,275)	-	-	1,275	-
<b>At 31 March 2024</b>	<b>1,014</b>	<b>7,223</b>	<b>3,708</b>	<b>221</b>	<b>12,510</b>	<b>397</b>	<b>25,073</b>

### Charitable company

<b>At 1 April 2023</b>	1,083	7,564	3,485	617	11,635	73	<b>24,457</b>
Operating surplus for the year	-	-	540	-	892	(879)	<b>553</b>
Capital transfers	(158)	-	-	-	158	-	-
Unrestricted general capital expenditure	89	-	-	(17)	-	(72)	-
Unrestricted designated transfer	-	(341)	400	(59)	-	-	-
Restricted designated transfer	-	-	495	(320)	(175)	-	-
Other transfers	-	-	(1,275)	-	-	1,275	-
<b>At 31 March 2024</b>	<b>1,014</b>	<b>7,223</b>	<b>3,645</b>	<b>221</b>	<b>12,510</b>	<b>397</b>	<b>25,010</b>

Group	Unrestricted fixed assets reserve £000	Unrestricted designated £000	Unrestricted general £000	Restricted designated £000	Restricted fixed assets reserve £000	Restricted general £000	Total 2023 £000
<b>At 1 April 2022</b>	1,090	7,382	3,935	1,625	8,121	324	<b>22,477</b>
Operating surplus for the year	-	-	386	-	3,301	(1,636)	<b>2,051</b>
Capital transfers	(277)	-	-	-	277	-	-
Unrestricted general capital expenditure	270	(208)	(62)	-	-	-	-
Unrestricted designated transfer	-	390	(49)	(825)	-	484	-
Restricted designated transfer	-	-	247	(183)	(64)	-	-
Other transfers	-	-	(901)	-	-	901	-
<b>At 31 March 2023</b>	<b>1,083</b>	<b>7,564</b>	<b>3,556</b>	<b>617</b>	<b>11,635</b>	<b>73</b>	<b>24,528</b>

### Charitable company

<b>At 1 April 2022</b>	1,090	7,382	3,743	1,625	8,121	324	<b>22,285</b>
Operating surplus for the year	-	-	507	-	3,301	(1,636)	<b>2,172</b>
Capital transfers	(277)	-	-	-	277	-	-
Unrestricted general capital expenditure	270	(208)	(62)	-	-	-	-
Unrestricted designated transfer	-	390	(49)	(825)	-	484	-
Restricted designated transfer	-	-	247	(183)	(64)	-	-
Other transfers	-	-	(901)	-	-	901	-
<b>At 31 March 2023</b>	<b>1,083</b>	<b>7,564</b>	<b>3,485</b>	<b>617</b>	<b>11,635</b>	<b>73</b>	<b>24,457</b>

Capital transfers relate to fund movements in connection with fixed assets and depreciation; ensuring assets are appropriately reflected in separate reserves.

Unrestricted general capital expenditure relates to fixed asset purchases funded from the unrestricted designated reserve.

The Unrestricted designated transfer represents movements in unrestricted funding for institute strategic programmes, strategic expenditure and future capital investment.

The Restricted designated transfer represents movements in restricted BBSRC funding for capital, projects and strategic grants.

Other transfers relate to the net surplus on restricted research grants, which has been transferred to unrestricted general reserves upon performance of the grant conditions.

**21. COMMITMENTS**

<b>Group and charitable company</b>	<b>Total 2024 £000</b>	<b>Total 2023 £000</b>
-------------------------------------	--------------------------------	--------------------------------

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

Contracted	<b>391</b>	<b>278</b>
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<b>Group and charitable company</b>	<b>Total 2024 £000</b>	<b>Total 2023 £000</b>
-------------------------------------	--------------------------------	--------------------------------

Amounts due under other operating leases for land and buildings:

Under one year	<b>100</b>	100
Between one and five years	<b>400</b>	400
Over 5 years	<b>1,075</b>	1,175
	<b>1,575</b>	1,675

Amounts due under other operating leases for plant and machinery:

Under one year	<b>5</b>	5
Between one and five years	<b>5</b>	9
Over 5 years	-	-
	<b>10</b>	14

**22. PENSION SCHEMES**

All staff employed by EI on 30 September 2011 became BBSRC employees on 15 March 2012 and were deployed back to the Institute under conditions set out in the Deployment Agreement (the "Deployed Employees"). On 1 October 2017, Deployed Employees transferred employment to the Institute under TUPE.

Deployed Employees retain their membership of the Research Councils Pension Scheme (RCPS), where applicable, with EI becoming an admitted employer in the scheme. The RCPS is a defined benefit scheme funded from annual grant-in-aid on a pay-as-you-go basis. The RCPS Pension Scheme is a multi-employer scheme and EI is unable to identify its share of the underlying assets and liabilities. EI therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Liabilities for the payment of future benefits are the responsibility of the RCPS and accordingly are not included in these Financial Statements. The employer contribution rate during the year was 26% (2023: 26%).

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

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

The total pension charge for the year was £633,703 (2023: £593,782), with outstanding contributions at the year-end of £nil (2023: £36,341).

## 23. RELATED PARTY TRANSACTIONS

### Biotechnology and Biological Science Research Council (“BBSRC”)

The charitable company is strategically funded by BBSRC along with seven other Institutes and BBSRC is one of the members of the charitable company. BBSRC is part of UK Research and Innovation (UKRI), an organisation that brings together the UK’s seven research councils, Innovate UK and Research England.

BBSRC provided £6,400,095 (2023: £5,327,000) of strategic funding for research. In addition BBSRC provided £3,095,648 (2023: £7,546,918) of funding for capital purchases, £555,000 (2023: £127,640) funding towards energy costs and £nil (2023: £325,093) of other grants in the year ended 31 March 2024. As at 31 March 2024, BBSRC owed EI £621,010 (2023: £1,093,337), of which £312,903 (2023: £1,088,660) was for capital purchases.

### NBI Partnership Limited (“NBIP”)

EI is one of four members and guarantors of NBIP, a company limited by guarantee. EI has provided short-term loans to NBIP to enable NBIP to manage its cash requirements. At 31 March 2024, EI had a loan balance with NBIP of £104,000 (2023: £103,920).

During the year, EI was charged £1,558,465 (2023: £1,506,551) for services under a cost sharing agreement. As at 31 March 2024, EI owed NBIP £149,822 (2023: £144,321) and NBIP owed EI £nil (2023: £nil).

### University of East Anglia (“UEA”)

UEA is a member of the charitable company. During the year, EI invoiced UEA £305,385 (2023: £1,191,153) for services. UEA invoiced EI £10,014 (2023: £91,212) for miscellaneous costs and £677,300 (2023: £692,343) for staff costs.

As at 31 March 2024, UEA owed EI £177,197 (2023: £29,311) and EI owed UEA £67,582 (2023: £54,940).

### Anglia Innovation Partnership LLP (“AIP LLP”)

EI is a member of AIP LLP through its 100% subsidiary, EEL. AIP LLP is responsible for the management and development of the Norwich Research Park (NRP) estate and for the furtherance of the NRP Enterprise Vision. During the year, EI invoiced AIP LLP £2,632 (2023: £64,701) for grant funding, and £725 for miscellaneous costs (2023: £nil). EI received services totalling £4,005 (2023: £6,034), and was charged £33,183 (2023: £24,028) for estate costs. As at 31 March 2024, AIP LLP owed EI £nil (2023: £35,901), and EI owed AIP LLP £nil (2023: £nil).

### Earlham Enterprises Ltd

Earlham Enterprises Ltd is the wholly owned trading subsidiary of EI. EEL undertakes contract research, research services and consultancy.

During the year, EI invoiced EEL for services and other costs totalling £80,496 (2023: £124,364). In addition, EEL made a gift aid payment to EI of £68,040 (2023: £189,442). As at 31 March 2024, EEL owed EI £50,573 (2023: £42,295).

## 24. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Trustees consider that there is no ultimate parent undertaking and controlling party. EI is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements.

## REFERENCE AND ADMINISTRATIVE DETAILS

### Directors and Trustees

Professor Peter Holland	Chair – Board of Trustees
Mr Timothy Kamombo	Chair – Audit Committee
Professor Deborah Smith	Chair - Remuneration Committee
Professor Philip Gilmartin	
Dr Stephanie Joan Pilkington	
Professor Lars Magnus Rattray	
Ms Amanda Tagg	
Dr Michael Csukai	
Dr Laura Barter	

### Key Management Personnel

Professor Neil Hall	Institute Director
Mrs Sarah Cossey	Chief Operating Officer
Dr Karim Gharbi	Head of Transformative Genomics
Professor Ant Hall	Head of Plant Genomics
Dr Christine Fosker	Head of Research Faculty Office

**Registered charity number** 1136213

**Registered company number** 06855533

### Registered office and principal office of the charity

Norwich Research Park  
Colney  
Norwich  
NR4 7UZ

### Independent auditor

Larking Gowen LLP  
Chartered Accountants and Statutory Auditors  
1<sup>st</sup> Floor, Prospect House  
Rouen Road  
Norwich  
NR1 1RE

### Banker

Barclays Bank Plc  
Red Lion Street  
Norwich  
NR1 3QH

### Solicitors

Taylor Vinters LLP  
Merlin Place  
Milton Road  
Cambridge  
CB4 0DP

Birketts  
Kingfisher House  
1 Gilders Way  
Off Barrack Street  
Norwich  
NR3 1UB

**EARLHAM INSTITUTE**

England & Wales - Charity number 1136213

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# Accounts

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# EARLHAM INSTITUTE

Annual Report and Accounts  
for the year ended 31 March 2023

Registered company number: 06855533

Registered charity number: 1136213

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Earlham Institute is a company limited by guarantee and a registered charity.

The Annual Report provides information on the legal purposes of the charity, the activities it undertakes and its main achievements. The Trustees' Report and Financial Statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP), Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), together with the reporting requirements of the Companies Act 2006 and the Charities Act 2011.

## TRUSTEES' REPORT INCORPORATING THE STRATEGIC REVIEW

### Introduction

The Earlham Institute is helping to create a world where you can understand - and even predict - the biology of any organism simply by reading its genome.

The first genomes took decades to sequence at an astronomical cost. Storing all of the genetic data relied on access to some of the most advanced computers of the day. But a series of technological advances have dramatically cut the cost and time it takes to sequence a genome. Our ability to store, label, and share big data with researchers around the world improves every year. This has ushered in a new era where we can use this information to answer completely new research questions across the biological sciences.

The Earlham Institute was established as a national facility to promote the use of genomics to advance bioscience research and innovation in the UK, supporting academic and industrial investigators. Through our research, collaborations, training, scientific services, culture, and multidisciplinary 'team science' approach, we are leading a revolution in data-intensive bioscience.

### El's Vision and Mission

El's vision is to build a future where the biology of any organism can be understood by analysing its genome.

Our mission is to unravel the scale and complexity of living systems so we can understand, benefit from, and protect life on Earth. Bringing together multi-disciplinary expertise in the life sciences with engineering, computational science, and biotechnology, we are:

- Answering fundamental and important biological questions,
- Pioneering the development of new technology and enabling resources,
- Using our unique skills, knowledge, and infrastructure to address global challenges,
- Training the next generation of scientists and upskilling the community,
- Collaborating with academia and industry to realise the impact of our science, and
- Engaging with policy makers, the public, and stakeholders about our science.

### El's Strategy

To support mission delivery, we have developed a 5-year organisational strategy – Decoding Living Systems. This sets out four strategic research themes to accelerate life science research, deliver global societal impact, and put the Earlham Institute at the forefront of advancing knowledge in the era of data-intensive biological research.

Theme 1 - Data-intensive bioscience - We are bridging the gap between biology and computer sciences, ensuring we can overcome challenges of scale and sensitivity as the volume and complexity of data increases. Through pioneering research projects, partnerships, training, and community engagement, we will spearhead the use of genomics to advance bioscience research and innovation in the UK.

Theme 2 - Technology development - Our scientists are constantly creating, adapting, and perfecting to help maintain the pace of discovery, enabling researchers to answer questions in a range of scientific fields. From new methodologies and bespoke approaches to the hardware and software needed to tackle intractable problems, Earlham scientists will innovate and collaborate to keep us at the cutting edge.

Theme 3 - Systems and synthetic biology - We are renowned for studying complex biological systems species, environments, and biological questions - revealing insights into the basic building blocks of life, the interaction of organisms and environments, and how we can harness this in the future. We will help to shape the field of systems genomics while placing genes in the context of pathways and networks, helping us to understand how traits emerge from the complex interplay between genetic and non-genetic factors.

Theme 4 - Addressing urgent global challenges - Pioneering research at the Earlham Institute is addressing the biggest challenges facing humanity, from climate change and food security to human health and wellbeing. We will bring our unique blend of science, expertise, and infrastructure to the table, working with national and international partners to deliver global impact.

These scientific themes will ensure we continue to::

- Deliver excellent, interdisciplinary team science,
- Act as a hub for genomics, synthetic biology, and data-intensive bioscience research,
- Forge strong connections with the global research and innovation community,
- Translate and communicate our science to deliver maximum impact, and
- Play our part in training the next generation of scientists and research support staff.

Alongside the scientific themes 1-4 sits a fifth thematic area – Supporting Our People – which captures the commitment we make to everyone working at or with the Earlham Institute, recognising the importance of our community and workplace culture in achieving success.

Decoding Living Systems brings together a wealth of expertise in biosciences, bioinformatics, high performance computing and statistics to understand complex biological systems in plants and animals and their interaction with the environment.

EI's advanced genomics and computational platforms support data-intensive research that embraces and confronts modern scientific challenges arising from data scale and complexity. We develop and implement new technologies and apply computational methods to process, store and interpret complex and diverse datasets, to enable bioscience research.

The science faculty collectively conducts three principal kinds of research activities:

- Fundamental research to increase the knowledge base in bioscience.
- Applied research to improve plant, animal, and human health.
- Enabling research to empower both academia and industry with new technologies and scalable bioinformatics approaches.

The focus going forward will be on interpreting complex molecular and cellular data using advanced computational and AI approaches. This will impact on all areas of biological science and will continue to demand skilled personnel, computational systems, and analytical tools.

EI is moving rapidly from an era where the emphasis was on generating data, to one in which genome-wide sequencing and other 'omics technologies can be used routinely for multiple assays but are often complex to analyse requiring novel and adaptable approaches.

### **Culture**

The Earlham Institute can only achieve its objectives if individuals have the right environment, opportunities, and encouragement to grow and develop. Every member of staff and every student has a role to play, which is why our culture is one of the most valuable assets we have.

Our success is founded on a culture defined by six core values:

- Openness – We promote the dissemination of knowledge and distribution of data and software tools by following open and transparent data-sharing policies that are embedded in EI's research programmes.
- Technical Excellence – We are committed to continuous improvement and expect everyone to work to the highest standards of quality.
- Developing and Rewarding Talent – We aim to recruit, train, and retain highly skilled and talented people, with our alumni acting as ambassadors for the Institute.
- Innovation – We develop and apply novel, state of the art technologies to deliver innovative approaches.
- Collaboration – We work collaboratively, internally and externally, through mutual respect and openness.
- Equality & Diversity – We recognise the value of diverse workplaces, and are committed to welcome all, and create a fair and supportive environment for everyone.

### **Charitable Purpose and Public Benefit**

EI's charitable purpose is to advance biological and biotechnological science for the public benefit by undertaking and promoting research relating to genomes and their functions, in particular this year by carrying out the following activities:

- Applying our science to issues of public interest e.g. Understanding the diversity of microbiomes.
- Being part of the national efforts to respond to the Covid-19 pandemic.
- Working with industrial partners and breeders to apply our knowledge and expertise to develop robust and sustainable crops and food sources for the future, whilst understanding natural diversity.
- Working with low income countries to build research capacity that will enable them to develop their knowledge.
- Enabling and encouraging scientists to participate in public engagement.
- Contributing to the local, national, and international economy by training highly skilled scientists

## Our Performance

Our performance against the 2022/23 objectives is highlighted in the table below:

Objectives	Our Performance
<p><b>1. Develop EI as a BBSRC National Capability and meet the key principles of the BBSRC's Institute Strategy.</b></p>	<p>EI has continued to deliver to the BBSRC Institute strategy. As we are technology-led, we maintain and invest in high-quality facilities, allocating £500k of our reserves every year to infrastructure as well as utilising external funding streams (such as ALERT). Our proposed ISPs have a strong focus on the development of tools and technology for the analysis of biodiversity and cellular systems using computational, genomic and synthetic biology methods. The close association of our ISPs with our NBRIs and our data infrastructure and training teams will ensure rapid translation of these innovations to the wider research community.</p> <p>We have led the Norwich Research Park (NRP) partnership with the Alan Turing Institute (Turing) and have multiple shared faculty with another BBSRC support Institute on the NRP, the Quadram Bioscience Institute (QIB), together working in microbiome science. We were a key partner on the Designing Future Wheat programme. We run regular conferences and events (e.g. The Single-Cell Symposium, UK-CBCB, EI-Innovate) to ensure we build networks with the wider community. We also lead the UK node of ELIXIR (a consortium of 22 Universities and institutes) which is delivering integrated data infrastructure across Europe for the life sciences. To foster enhanced collaborations with BBSRC supported institutes we have engaged with the QIB and the Institute of Biological, Environmental and Rural Sciences and developed reciprocal co-investigator positions across our Strategic Programmes.</p> <p>Our culture is reflected in our organisational values of: openness; technical excellence; developing and rewarding talent; innovation; collaboration; and equality, diversity and inclusivity (EDI). We also have a set of EI competencies that we actively use to set expectations and manage performance. We understand that interdisciplinary research is intrinsically a team activity and will seek to ensure that our communications and culture ensure all researchers and support staff are recognised for their contribution. We have an active Inclusivity, Equality, Diversity and Accessibility (IDEA) Committee who are constantly reviewing best practice. We successfully applied for a Bronze award under the Transformed Athena Swan Charter (ASC). We uphold the principles of the Researcher Development Concordat, and have joined the Technician Commitment in 2023. EI's Research Integrity Policy upholds the principles of the UK Concordat and together with our Trusted Research and Innovation Policy we have a strong framework to protect and support our scientists and their work.</p>
<p><b>2. Continue the growth and development of our world leading investigator-led research programme, continue to publish high quality scientific outputs and diversify our income streams.</b></p>	<p>During the last financial year scientists at EI published 116 publications and shared 18 technical products (webtool/application/software) with the wider scientific community.</p> <p>Our scientists also delivered 52 oral presentations at national and international conferences. The diversity of our funding portfolio has continued to expand with awards from Horizon Europe, Wellcome, Cancer Research UK, WorldFish, Bill &amp; Melinda Gates Foundation, Defra, and UK Research and Innovation (Innovate, MRC, EPSRC and NERC in addition to BBSRC).</p>

Objectives	Our Performance
<p><b>3. Build strong industrial collaborations so that we are aligned to the Government's strategy and so we can achieve impact from our research.</b></p>	<p>Our expertise and capabilities are contributing towards the delivery of the priorities identified by the Science and Technology Framework aiming to capitalise on UK a science and technology and grow the economy. EI is involved in advancing research underpinning two of the five critical technologies identified by the Science and Technology Framework, Artificial intelligence (AI) and Engineering biology. One of our unique contributions and impact is through empowering the bioscience community nationally and internationally through the development of new computational tools and advanced technologies to enable data-intensive bioscience.</p> <p>We are working with a wide range of stakeholders to translate our research and realise environmental, economic and societal impact and to address the biggest challenges facing humanity, tackling the issues of sustainability, biodiversity loss, food security, and human health. Our strategic research programmes have industry partners who are directly involved in collaborative research.</p> <p>Our global socio-economic impact is estimated to be around £4 billion globally in the next 10 years, with an anticipated return of nearly £13 for every £1 invested. A major area of impact is in wheat research, where the Institute has played a foundational role in a number of global collaborations. A growing area of impact is in aquaculture and the development of genomic resources for breeders - particularly in east Africa. Our research also covers human health, with a major interest in tackling the rise of antimicrobial resistance around the world.</p> <p>This year we were involved in 17 projects with 26 industrial partners funded by UKRI (BBSRC, EPSRC, Innovate UK, European Commission, MRC), Cancer Research UK, Wellcome Trust, and industry. Our collaborators include plant and animal breeding industry, agrochemical companies, specialist sequencing and instrumentation companies, data analytics and bioinformatics companies, life sciences and biotech companies, and clinicians.</p> <p>We have maintained the existing, and developed new relationships with industry through mechanisms like industrial PhD studentships, staff exchange programmes, events and visits. Our annual stakeholder engagement event, EI Innovate, now in the 4th year and held in-person after being online during the pandemic, attracted 64 attendees from 35 different organisations, among those were 44 external participants. This year's event led to 5 new collaborations with industry and academia.</p>
<p><b>4. Strengthen our partnerships through collaboration with world leading institutes and scientists that align with our scientific strategy.</b></p>	<p>This year we have taken the opportunity during the Institute Assessment Exercise to establish and strengthen our Institutional collaborations. The resulting new Institute Strategic Programme (ISPs) grants: Decoding Biodiversity, Cellular Genomics and Delivering Sustainable Wheat, commencing April 2023, now include integral strategic collaborations with the Institute of Biological, Environmental and Rural Sciences, John Innes Centre, Quadram Bioscience Institute, Royal Botanic Gardens-Kew, UK Centre for Ecology &amp; Hydrology, Cambridge University, UK-Health Protection Agency, the Alan Turing Institute and WorldFish.</p> <p>WorldFish is a CGIAR research center and a partner in the "Decoding Biodiversity" programme. As of 2022 we have shared and complementary objectives in our respective Institutional programmes to characterise tilapia (<i>Oreochromis</i>) genetic resources in Africa for the promotion of aquaculture. This is rooted in our ongoing collaboration as part of the European Development Fund "Truefish".</p>

Objectives	Our Performance
	<p>In close collaboration with the Lake Victoria Fisheries Organization, and fisheries organizations in Kenya, Tanzania, and Uganda, Truefish aims to deliver training to local scientists, assess the quality of the stocks and identification of native and exotic genotypes to underpin science-based policy for the local governments' resource management. The resources from this sampling programme of over 5000 tilapia specimens from the Lake Victoria Basin have been shared with EI in 2022 for analysis, which is ongoing. We have started the work to characterise the genetic diversity in natural populations to understand the genetic bases associated with traits of interest, such as pathogen resistance, in elite strains.</p> <p>The UKRI GCRF GastroPak project continues (2021- end 2024) through which EI is leading a partnership with institutes in Pakistan (National University of Sciences &amp; Technology in Islamabad and the University of Agriculture Faisalabad), the National University of Galway and other UK institutes. This a multidisciplinary project to quantify the transmission routes of gastroenteritis in Pakistan and develop targeted interventions and will include a two week workshop at EI hosting staff and students from the Pakistan partners, providing training in the use of EI tools and analysis approaches applied to GastroPak samples.</p>
<p><b>5. Develop two new National Bioscience Research Infrastructures (NBRI) and support services to ensure we offer the UK research community high quality and high-value scientific services and training and deliver impact.</b></p>	<p><b>Genomics and Single-Cell Analysis</b></p> <p>Our programmes in this area performed strongly in 22/23 with increased levels of activities across all areas. We received a total of 380 requests for access and delivered 197 service projects through the High-Performance Sequencing Platform (70% and 46% of which were external to EI, respectively), generating in excess of £1.5M income to EI to offset the cost of delivery. In October 2022, we recruited a dedicated manager for the Spatial and Single-Cell Analysis Platform, which facilitated the establishment of the Norwich Cytometry Network and help increase flow cytometer usage at EI to 160 hours, 47% of which were for external users and 28% for commercial contracts. We engaged with 40 different organisations with an interest in single-cell and spatial analysis, enabling access to the platform, assisting with grant applications, and advising on best practice. We also hosted EI's sixth Single-Cell Symposium, which was attended by 80 researchers from the UK bioscience community and beyond. In total, the platform generated over £100k of sequencing income.</p> <p>In September 2022, we secured BBSRC Investment Gateway Panel (IGP) capital funding (£2.8M) to expand our capabilities with ultra high-throughput and spatial transcriptomics platforms, including the first Vizgen Merscope platform to be installed in the UK. To support the objectives of the new NBRI in Transformative Genomics, we also developed and implemented a strategy to rebuild our sequencing capability with new short-read (Illumina NovaSeq X, first installed in the UK) and long-read (PacBio Revio, second installed in the UK) ahead of the launch of the new IAE.</p> <p>As part of the BBSRC grant, we hosted a technical specialist from the Medical Research Council Laboratory of Molecular Biology (LMB) to develop the first steps of an automation method for a novel single-cell transcriptomics approach (Split-seq). The visit helped consolidate collaborative links with LMB and lay the foundations for the establishment of Split-seq at EI, which may be shared with the wider bioscience community through the new NBRI in Transformative Genomics in future years.</p>

Objectives	Our Performance
	<p><b>Earlham Biofoundry (EB)</b></p> <p>We delivered 10 projects, 2 of which were collaborative with John Innes Centre (JIC) on Combatting disease and antimicrobial resistance.</p> <p>The second collaboration was established with the University of Cambridge, aimed at developing an automated and high throughput protocol for Agrobacterium transformation. Eight service projects were delivered for Norwich Research Park (NRP) users. We engaged in an ongoing international industrial project, strengthening cross-border contributions to biosciences.</p> <p>Collaboration remains a key pillar of the EB, as evidenced by our ongoing partnership with the University of East Anglia (UEA) and the Edinburgh Genome Foundry on the Cyanosource project (BB/S020128/). Additionally, a project with Pretoria University was completed, resulting in the development of an automated Site Directed Mutagenesis (SDM) protocol. The EB developed and validated 6 novel automated workflows on their platforms.</p> <p>The EB visited two UK biofoundries, contributing to knowledge exchange and fostering research networking. We are committed to education and training, we were involved in a training course at the University of Cambridge, where Opentrons training was provided to 20 individuals and we delivered 1:1 training to a post doctoral researcher to share out knowledge.</p>
<p><b>6. Continue to communicate our science through our public engagement programme to a wide audience, promoting the importance of publicly funded research to policy makers and the general public.</b></p>	<p>We took an exhibition stand to The Royal Society Summer Science Exhibition in London, as well as the Royal Norfolk Show, Norwich Science Festival, and attended local engagement activities known as the 'Pint of Science' talks. These events gave us both local and national visibility, with extremely positive feedback from the thousands of people we engaged with – including the then-DEFRA Minister Jo Churchill.</p> <p>Our Barcoding the Broads programme has now trained over 200 people in DNA barcoding techniques, alongside securing extra funding and delivering related projects. The programme has given the Institute a fantastic network of local schools and nature groups we can engage with in the future.</p> <p>Media coverage of research has been more modest in 2022/23 due to staff changes. Highlights include national coverage in The Times on wheat research, a BBC feature on the Darwin Tree of Life project, and local pieces highlighting outputs from a number of our researchers. We also contributed to the national dialogue surrounding the passing of the Genetic Technologies (Precision Breeding) Act through media statements, social media activity, and supporting the work of our public affairs lead.</p> <p>We have shared the Institute's organisational strategy in social media and developed a more user friendly website. We have also updated our artwork and banners within the building itself for in person visits..</p>

## Looking Ahead

El's objectives for 2023/24 are to:

- i. Deliver to the BBSRC's Institute Strategy as a National Capability.
- ii. Continue the growth and development of our world leading investigator-led research program, publishing high quality scientific outputs and diversify our income streams.
- iii. Build strong industrial collaborations so that we are aligned to the Government's strategy so we can achieve impact from our research.
- iv. Strengthen our partnerships through collaboration with world leading institutes and scientists that align with our scientific strategy.
- v. Deliver two National Bioscience Research Infrastructures and wider support services to ensure we offer the UK research community high quality and high-value scientific services and training to deliver impact.
- vi. Continue to communicate our science through our public engagement programme to a wide audience, promoting the importance of publicly funded research to policy makers and the general public.
- vii. Develop the El Research Culture via exemplar values, policies, expectation and attitudes. Creating a supportive environment which values its diversity so that the research community and those that support it can develop and thrive.

## FINANCIAL REVIEW

### Income

Total income for the year was £15.8m (2022: £14.3m), which was up on the previous year due to higher BBSRC capital grants and non-BBSRC research income. Income excluding capital grants was £10.1m (2022: £11.7m).

El's principal sponsor is the Biotechnology and Biological Sciences Research Council (BBSRC), which contributed 81% of total income (2022: 79%). Other major sources of funding were UK universities and research organisations.

### Expenditure

Total expenditure amounted to £13.8m (2022: £13.4m), which was up on the previous year due to higher non-staff research costs and energy costs. Staff costs accounted for £5.1m (37%) (2022: £5.3m; 40%) of expenditure with depreciation of tangible assets accounting for £2.3m (17%) (2022: £2.5m; 19%).

### Net Movement in Reserves

El recorded an increase in restricted reserves of £2.3m (2022: increased by £0.2m).

Unrestricted reserves decreased by £0.2m (2022: increase of £0.6m) due to expenditure on charitable activities.

### Subsidiaries and Related Parties

El's trading subsidiary, Earlham Enterprises Limited (formerly Genome Enterprise Limited), contributed an operating profit of £69,000 (2022: £190,000).

El has a 25% interest in NBI Partnership Limited ("NBIP"). NBIP supplies support services to El and the other Norwich Institutes (John Innes Centre, Quadram Institute Bioscience and The Sainsbury Laboratory).

### Capital expenditure

Capital expenditure in the year of £5.8m (2022: £2.3m) related to investment in building and laboratory facilities.

### Cash

Group cash at 31 March 2023 was £17.3m (2022: £14.7m). The cash increase in the year reflects the increase in restricted reserves in the year.

El deposits its cash with UK registered financial institutions that meet its credit rating policy. Investment income from cash deposits in the year was £234,000 (2022: £45,000).

### Grant proposals

During the year, El researchers submitted grant proposals with a sponsor value of £8.3m (2022: £10.2m) and were awarded grants with a value of £2.5m (2022: £2.6m).

### Reserves policy

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

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

Unrestricted reserves that have been designated by the Board for specific purposes are shown in separate designated reserves.

### Reserves position

Total reserves increased by £2.0m in the year to £24.5m (2022: increased by £0.85m to £22.5m).

Restricted reserves increased by £2.3m to £12.3m (2022: increased by £0.2m to £10.0m). Restricted reserves include designated reserves of £0.5m for advance capital funding, and £0.1m for advance strategic funding.

Unrestricted reserves decreased to £12.2m (2022: increased to £12.4m). Reserves of £7.0m have been designated by the Trustees in respect of the following:

- Co-funding for the Institute's strategic research programmes;
- Planned strategic research investment; and
- Planned capital investment in leading-edge sequencing and high performance computing technology.

General unrestricted reserves at March 2023 were £3.6m, £1.1m above the minimum general reserves target set by the Board of £2.5m.

## RISK ASSESSMENT AND MANAGEMENT

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

### Principal risks and uncertainties

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

Risk area	Description of Risk	Management of Risk
Future BBSRC and other sponsor research funding	<ul style="list-style-type: none"> <li>➤ Awarded strategic funding is reduced due to public sector spending pressures or poor performance against core programmes.</li> <li>➤ Competitive grant funding is reduced due to sponsor budget reductions or failure to win new project funding.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Regular monitoring of scientific performance against strategic programme objectives.</li> <li>➤ Regular communication with UKRI - BBSRC to report performance and ensure strategic alignment of research programmes.</li> <li>➤ Monitoring of performance of competitive grant submissions.</li> </ul>
Technology investment	<ul style="list-style-type: none"> <li>➤ EI is unable to keep pace with developments in technology underpinning its science.</li> <li>➤ Funding and/or cost recoveries are inadequate to sustain and improve technology facilities necessary to support scientific objectives.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Bidding into Capital Grant opportunities to refresh platforms, in FY22/23 EI received £5.8m of capital funding.</li> <li>➤ Technology strategy kept under regular review and funding opportunities identified and pursued for technology investments.</li> <li>➤ EI has reserves that enable it to move quickly when technology enhancements become available.</li> </ul>
Staff retention and recruitment	<ul style="list-style-type: none"> <li>➤ EI is unable to retain or attract suitably skilled staff to enable it to sustain its scientific performance.</li> <li>➤ In addition to scientific impact, this risk area could also have an impact on the level of funding the institute is able to attract.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Strategy and action plans in place, monitored by Strategic Human Resources Group.</li> <li>➤ Career development programmes in place to support high potential staff.</li> <li>➤ Action following feedback from annual staff survey.</li> <li>➤ Performance Management processes in place.</li> </ul>
Impact of leaving EU or other major international funding programme cuts	<ul style="list-style-type: none"> <li>➤ EI is not able to recruit or retain researchers from EU member countries.</li> <li>➤ EI is not able to continue with its international funding programmes due to Government Overseas Development Aid budgets cuts.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Regular dialogue with UKRI - BBSRC and other key stakeholders on risks and emerging issues with respect to potential changes in arrangements.</li> <li>➤ Kept abreast of risks and potential impact from staff leaving EI/UK, and ensure we prepare for the new immigration and visa process.</li> <li>➤ Realign overseas programmes into new and evolving funding programmes as they arise.</li> </ul>
Major business interruptions or loss of equipment or computer systems	<ul style="list-style-type: none"> <li>➤ A major systems failure disrupts scientific research programmes.</li> <li>➤ A major incident damages EI's reputation impacting on future funding and collaborative opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Business Continuity and Disaster recovery plans in place and tested periodically.</li> <li>➤ Appropriate insurance arrangements are in place.</li> </ul>
Compliance with sponsor funding requirements	<ul style="list-style-type: none"> <li>➤ EI fails to comply with sponsor grant requirements resulting in a material financial impact.</li> </ul>	<ul style="list-style-type: none"> <li>➤ EI is subject to regular reviews of its grant compliance processes from sponsors and the Research Councils UK internal auditors.</li> </ul>

Risk area	Description of Risk	Management of Risk
<p>Rising Energy Prices impact on future sustainability of Institute</p>	<p>➤ Risking energy prices mean that current funding levels, and business plan are unsustainable long term.</p>	<ul style="list-style-type: none"> <li>➤ EI to keep funders abreast of rising energy costs, and look for funding opportunities to assist with rising costs of delivering core programmes.</li> <li>➤ EI to increase energy usage monitoring and reporting to enable it to review its energy consumption and operational practices to ensure best energy efficiency.</li> <li>➤ EI to look for opportunities to invest in both sustainable and more efficient energy provision.</li> <li>➤ EI to continue to buy energy at the best price via working with others on the NRP to secure future energy prices at best value.</li> </ul>

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Members and Patrons

The Members of EI are:

- UK Research and Innovation - Biotechnology and Biological Sciences Research Council (“BBSRC”);
- University of East Anglia (“UEA”);
- The Chair of the Board of Trustees.

### Board of Trustees

The Board of Trustees comprises the Chair and up to eight additional trustee directors. The Trustees who served during the year and up to the date of signing these financial statements were as follows:

### Organisation and governance

EI is incorporated in England and Wales and is a company limited by guarantee (registered number 06855533) and a registered charity (number 1136213). EI is governed by its Memorandum and Articles of Association, adopted 20 December 2016.

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Trustees	Sub-committees	Changes during period
<b>At date of Report:</b>		
<b>Professor Peter Holland (Chair)</b>	Rem Com	-
<b>Ms Amanda Tagg</b>	AC, Rem Com	-
<b>Professor Edward Louis</b>	AC	Resigned 19 June 2023
<b>Professor Philip Gilmartin</b>	AC	-
<b>Professor Deborah Smith</b>	Rem Com	-
<b>Professor Lars Magnus Rattray</b>	-	Appointed 21 June 2022
<b>Dr Stephanie Joan Pilkington</b>	-	Appointed 21 June 2022
<b>Mr Timothy Kamombo</b>	-	Appointed 19 June 2023
<b>Dr Michael Csukai</b>	-	Appointed 19 September 2023
<b>During the year:</b>		
<b>Mrs Andrea Finegan</b>	AC, Rem Com (Chair)	Resigned 21 June 2022
<b>Dr Alasdair Macnab</b>	AC (Chair), Rem Com (Chair)	Resigned 21 March 2023
<b>Professor Thomas Richard</b>	-	Resigned 21 March 2023

### Audit Committee

The Audit Committee is responsible for oversight of the areas of audit; financial reporting; regulatory compliance; internal systems and controls (including the integrity of financial controls) within EI. The Audit Committee reports to EI’s Board, making recommendations for Board consideration where necessary.

### Remuneration Committee (Rem Com)

EI’s Remuneration Committee is responsible for advising on the remuneration and policy on executive pay and performance packages. It reports to the Board and is composed of four Trustee Directors representing the scientific and commercial expertise.

### Recruitment, induction and training of Trustees’

The Institute advertises nationally for prospective Trustees to ensure appropriate expertise on the Board is maintained. The Institute will also approach individuals thought to have the right skills. The Board strives through its recruitment to keep good diversity within the Board membership.

An induction programme has been put in place for newly appointed Trustees and is kept under review and updated where appropriate. In addition, the Trustees

are in regular contact with the Institute Director and executive team and receive presentations on key areas of activity.

### Trustee remuneration

EI remunerates trustees where the Board considers that payment is necessary to attract trustees with specialist skills and experience. The power to remunerate trustees is included in EI’s Articles of Association and has been approved by the Charities Commission. Details of trustee remuneration in the year are included in note 8 of the financial statements.

### The Scientific Advisory Board (SAB)

The SAB, chaired by Prof Simon Hubbard, is responsible for providing strategic advice on issues relevant to EI’s scientific mission and science programmes.

### Decision making and key management

The EI Board has delegated the day-to-day management of the charitable company to the Director and the Executive Team, who are considered to be the key management personnel for the institute:

### **Director**

Professor Neil Hall is the Director of EI. He has previously led research groups at the Sanger Institute, The Institute for Genomic Research and The University of Liverpool.

### **Director of Operations**

Sarah Cossey is the Director of Operations, a professional accountant and project manager with 20+ years' experience across the public and private sector.

### **Head of Genomics Pipeline**

Dr. Karim Gharbi is a biologist with over two decades of experience in genomics and next-generation sequencing (NGS) and has previously led NGS in Edinburgh Genomics and University.

### **Head of Plant Genomics**

Prof. Ant Hall previously he held the Holbrook Gaskell Chair of Botany at the University of Liverpool and research lead for the Institute of Integrative Biology and Director at the Centre for Genomic Research (CGR) and academic lead of the Liverpool GeneMill.

### **Head of Research Faculty Office**

Dr. Christine Fosker has worked in the field of Genomics for 20 years, beginning her career working on the Human Genome Project at the Sanger Centre. She received her Ph.D. from the University of Cambridge and the Wellcome Sanger Institute.

### **Leader of Biofoundry (to 1 September 2023)**

Dr. Nicola Patron is a research group leader and also leads the Biofoundry. She has 20+ years of experience in plant molecular and synthetic and previously worked at the John Innes Centre and the University of British Columbia.

### **Leader of Cellular Genomics Programme**

Dr Wilfried Haerty is a biologist with over 15 years of bioinformatics experience working on comparative genomics and transcriptomics across systems. He leads the BBSRC EI Institute Strategic Programme "Cellular Genomics".

### **Head of Research e-infrastructure (to 30 June 2023)**

Dr. Rob Davey has 15+ years in bioinformatics and software development. He leads EI's research infrastructure and scientific computing teams, developing data management elements of two core research programmes and international biodiversity consortia.

## **Related Parties**

### **Subsidiaries and Related Parties**

EI's trading subsidiary – Earlham Enterprises Limited (formerly Genome Enterprise Limited) – contributed an operating profit of £69,000 (2022: £190,000).

### **NBIP - Associate**

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

### **Anglian Innovation Partnership LLP (AIP)**

EI became a member of AIP on 7 August 2012 through its 100% subsidiary, Earlham Enterprises Limited. AIP is responsible for the management and development of the Norwich Research Park (NRP) estate and for the furtherance of the NRP Enterprise Vision. EI is entitled to receive a share of certain profits generated by AIP, however it has no liability for losses or in the event of insolvency. AIP has not yet generated any realised profits.

### **BBSRC**

BBSRC is a member of the charitable company. EI is strategically funded, along with seven other institutes, by BBSRC. BBSRC supports EI via strategic 5-year funding programmes, competitively won project grants and capital funding for infrastructure and technology investments. The principal terms and conditions under which BBSRC provides its funding are set out in EI's Institute Grant Agreement.

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

### **Employees**

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

Transferred employees retain their membership of the Research Councils Pension Scheme (RCPS), where applicable, with EI becoming an admitted employer in the scheme. The RCPS is a defined benefit scheme funded from annual grant-in-aid on a pay-as-you-go basis. EI accounts for the scheme as if it were a wholly defined contribution scheme.

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

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

### **Communication**

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

### **Equality and Diversity**

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

El is aware of its statutory duty to support the employment of disabled persons where possible, both in recruitment and by retention of employees who become disabled whilst in the employment of the charitable company, as well as generally through training and career development.

The El has an Equality, Diversity and Inclusivity Committee, whose Membership includes representatives from across the Institute, and across roles including group leaders, post doctoral researchers, research assistants and technicians, operational staff, staff scientists, students and a HR professional. The Committee also has Champions for gender equality, LGBTQ+, Race and Ethnicity, Mental Wellbeing, Part time workers, Parent and Carers and Accessibility.

The El Trustee Directors have reviewed their performance and Board Members' skills against a Board skills matrix since 2015. The Board has had a balanced gender diversity in the past, but with recent recruitment its current diversity is 57:43 (M:F). The

Board started to monitor its wider diversity in 2022, and will use the opportunity of the rotation of Board Members, and recruitment to rebalance gender diversity and improve ethnicity diversity so that it more closely mirrors the diversity of El staff.

### **Health & Safety**

El aims to safeguard and improve the health, safety, welfare and security of its employees and the health and safety of visitors. El aims to create an atmosphere where health and safety matters are paramount considerations and consults with employees and their representatives on health and safety matters.

During the year the El Board set up a H&S Working Group to review current practices and improve any areas identified as requiring development. This group will continue its work into 2022/23 and beyond.

### **Going Concern**

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

The Trustees have prepared cash flow forecasts for the period to March 2028 which indicate that, taking account of reasonable possible downsides on the operations and its financial resources, the Institute will have sufficient funds to meet its liabilities as they fall due for that period.

The Institute is reliant on its strategic programme funding from BBSRC, which was £5.3m in the year (2022: £5.3m). BBSRC has confirmed continued strategic funding of £6.0m for the year to March 2024. BBSRC has also confirmed a strategic programme funding allocation for 5 years to March 2028 of £6.0m per annum.

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

## STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES OF EARLHAM INSTITUTE IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

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

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of the group's result for that period. In preparing each of the group and charitable company financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

### Insurance disclosure

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

### Public benefit

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

### Disclosure of information to auditor

The trustees confirm that:

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

### Independent auditors

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

On behalf of the Board

*Peter Holland*

**Peter Holland, Trustee Director**

5 December 2023

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EARLHAM INSTITUTE

### Opinion

We have audited the financial statements of Earlham Institute (the 'parent charitable company') and its subsidiaries (together the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charitable Company Balances Sheets, Consolidated Statement of Cash Flows and Notes to the Accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2023, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast

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

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

### Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the groups and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

influence the economic decisions of users taken on the basis of these financial statements.

### **The extent to which the audit was considered capable of detecting irregularities including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

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

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

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions

reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable

company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Anders Rasmussen FCA (Senior Statutory Auditor)

for and on behalf of  
**Larking Gowen LLP**

Chartered Accountants  
Statutory Auditors  
Norwich  
Date: 6 December 2023

## FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2023

INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT

	Note	Unrestricted funds £000	Restricted funds £000	Restricted capital £000	Total 2023 £000	Total 2022 £000
<b>Income</b>						
<i>Income from charitable activities</i>						
Grant Income - BBSRC		-	7,117	-	7,117	8,668
Grant Income - other		-	1,310	-	1,310	1,580
Other Research Income		874	-	-	874	860
Capital funding - BBSRC		-	87	5,642	5,729	2,661
<i>Income from other trading activities</i>						
Trading income		119	-	-	119	293
Rental income		32	-	-	32	26
<i>Investment income</i>	10	236	-	-	236	47
<i>Other generated income</i>		427	-	-	427	126
<b>Total income</b>	2	1,688	8,514	5,642	15,844	14,261
<b>Expenditure</b>						
Charitable activities	3	(1,137)	(10,150)	(2,341)	(13,628)	(13,188)
Raising funds		(115)	-	-	(115)	(115)
Trading expenditure		(50)	-	-	(50)	(103)
<b>Total expenditure</b>		(1,302)	(10,150)	(2,341)	(13,793)	(13,406)
<b>Net income/(expenditure) for the year</b>		386	(1,636)	3,301	2,051	855
Other transfers	20	(377)	377	-	-	-
Capital transfers	20	(213)	-	213	-	-
<b>Net movement in funds</b>		(204)	(1,259)	3,514	2,051	855
Funds brought forward		12,407	1,949	8,121	22,477	21,622
<b>Funds carried forward</b>	20	12,203	690	11,635	24,528	22,477

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

The notes on pages 23 to 35 form part of these financial statements.

## CONSOLIDATED AND CHARITABLE COMPANY BALANCE SHEETS

### AS AT 31 MARCH 2023

	Note	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
<i>Fixed assets</i>					
Tangible assets	11	12,718	9,211	12,718	9,211
Intangible assets	12	-	-	-	-
<i>Current assets</i>					
Stocks	14	250	222	250	222
Debtors	15	5,573	4,722	5,353	4,578
Cash at bank and in hand	16	17,288	14,667	17,159	14,606
		<b>23,111</b>	19,611	<b>22,762</b>	19,406
<i>Current liabilities</i>					
Creditors: amounts falling due within one year	17	(11,301)	(6,345)	(11,023)	(6,332)
<b>Total net current assets</b>		<b>11,810</b>	13,266	<b>11,739</b>	13,074
<b>Total assets less current liabilities</b>		<b>24,528</b>	22,477	<b>24,457</b>	22,285
<b>Total net assets</b>	19	<b>24,528</b>	22,477	<b>24,457</b>	22,285

#### The funds of the charity

##### *Restricted funds*

Fixed asset reserve	20	11,635	8,121	11,635	8,121
Designated reserves	20	617	1,625	617	1,625
General reserve	20	73	324	73	324
<b>Total restricted funds</b>		<b>12,325</b>	10,070	<b>12,325</b>	10,070

##### *Unrestricted funds*

Fixed asset reserve	20	1,083	1,090	1,083	1,090
Designated reserves	20	7,564	7,382	7,564	7,382
General reserve	20	3,556	3,935	3,485	3,743
<b>Total unrestricted funds</b>		<b>12,203</b>	12,407	<b>12,132</b>	12,215

<b>Total funds</b>		<b>24,528</b>	22,477	<b>24,457</b>	22,285
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A separate income and expenditure account has not been presented for EI as this is exempted by Section 408 of the Companies Act 2006. The profit after tax of EI was £2,172,000 (2022: profit of £920,000).

The financial statements on pages 20 to 35 were approved by the Board of Trustees on 5 December 2023 and were signed on its behalf by:

*Peter Holland*

**Peter Holland, Trustee Director**

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 31 MARCH 2023

	Note	Total 2023 £000	Total 2022 £000
<b>Cash flows from operating activities:</b>			
Net income for the year		2,051	855
Interest receivable		(236)	(47)
Depreciation and amortisation		2,341	2,459
Capital grants received		(5,729)	(2,661)
(Profit)/Loss on disposal of tangible assets		(45)	20
(Increase) in stocks		(28)	(59)
(Increase) in debtors		(851)	(1,558)
Increase/(Decrease) in creditors		4,956	(171)
<b>Net cash (used in) / provided by operating activities</b>		<b>2,459</b>	<b>(1,162)</b>
<b>Cash Flows from investing activities:</b>			
Interest received		236	47
Purchase of tangible assets		(5,848)	(2,349)
Capital grants received		5,729	2,661
Proceeds from sale of tangible assets		45	9
<b>Net cash provided by / (used in) investing activities</b>		<b>162</b>	<b>368</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>2,621</b>	<b>(794)</b>
Cash and cash equivalents at the beginning of the period	16	14,667	15,461
<b>Total cash and cash equivalents at the end of the year</b>	<b>16</b>	<b>17,288</b>	<b>14,667</b>

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

The accompanying notes form part of these financial statements.

## NOTES TO THE ACCOUNTS

### 1. ACCOUNTING POLICIES

#### a. Basis of preparation

The group financial statements have been prepared under the historical cost convention and applicable accounting standards. They have also been prepared in accordance with Accounting and Reporting by Charities; Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)– (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

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

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of EI and all its subsidiary undertakings in accordance with Financial Reporting Standard (“FRS”) 102 “Accounting for Subsidiary Undertakings”.

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

The financial statements of all group undertakings are made up to 31 March 2023. A separate income and expenditure account has not been presented for EI as permitted by Section 408 of the Companies Act 2006. The profit after tax of EI was £2,172,000 (2022: profit of £920,000) for the year.

#### b. Going concern

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

The Trustees have prepared cash flow forecasts for the period to March 2029 which indicate that the Institute will have sufficient funds to meet its liabilities as they fall due for that period.

The Institute is reliant on its strategic programme funding from BBSRC, which was £5.3m in the year (2022: £5.3m). BBSRC has confirmed a strategic programme funding allocation for 5 years to March 2028 of £6.0m per annum.

#### c. Judgements in applying accounting policies and key sources of estimation

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

- Depreciation, which has been charged in line with the accounting policy below. The amount of depreciation charged and net book value of the assets is included in Note 11.

#### d. Income

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

Other charitable research income represents non-grant revenue from collaborative research projects with other academic institutions and other scientific services. Revenue is recognised in the year in which the obligation is fulfilled.

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

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

#### e. Expenditure

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

Cost of generating funds represents the cost of obtaining funds for research and preparing grant applications. Governance costs represent the necessary cost of compliance with statutory and constitutional requirements and any other costs which are not direct charitable expenditure. Support costs have been wholly allocated to charitable activity expenditure based upon activity as indicated in note 4 to the financial statements.

#### f. Restricted funds

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

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

#### g. Unrestricted funds

These include any other grants which do not have specific conditions attached to them.

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

Unrestricted reserves that have been designated by the Board for specific purposes are shown in separate designated reserves. At March 2023, £7.6m (2022: £7.4m) of unrestricted reserves have been designated in relation to co-funding for institute strategic programmes, strategic research projects and future capital investment.

#### h. Capital transfers

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

## NOTES TO THE ACCOUNTS

### 1. ACCOUNTING POLICIES (CONTINUED)

#### i. Tangible assets and depreciation

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

Depreciation is calculated to write off the cost of assets, less any estimated residual value, over their estimated useful lives at the following rates:

Plant, machinery and equipment – over estimated economic life;  
Scientific equipment - 5 years straight line;  
Sequencing equipment - 3 years straight line;  
Computer equipment – 3-5 years straight line.

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

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

#### j. Intangible assets and amortisation

Computer Software development costs are recognised as intangible fixed assets at cost less amortisation and any provision for impairment.

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

Computer Software - 3 to 5 years straight-line.

Assets under construction are not amortised until the asset is in full use.

#### k. Stocks

Stocks are stated at the lower of cost and net realisable value. Provision is made, where necessary, for slow moving or obsolete stock.

#### l. Debtors

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

#### m. Trade creditors

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

#### n. Provisions

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

#### o. Staff and Pensions

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

Transferred employees retain their membership of the Research Councils Pension Scheme (RCPS), where applicable, with EI

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

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

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

#### p. Termination benefits

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

#### q. Operating Leases

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

#### r. Foreign currency transactions

The reporting and functional currency is pounds sterling. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction.

Assets and liabilities denominated in foreign currencies are translated at year end exchange rates. All gains and losses are taken to the statement of financial activities in the year to which they relate.

#### s. Financial instruments

Financial assets and financial liabilities are recognised upon becoming a party to the contractual provisions of the instrument. The group only enters into basic financial instrument transactions that result in financial assets and liabilities like trade and other accounts receivable and payable.

## NOTES TO THE ACCOUNTS

### 2. ANALYSIS OF INCOME

	Research activities	Other activities	Total 2023	Research activities	Other activities	Total 2022
	£000	£000	£000	£000	£000	£000
<b>Grant income</b>						
BBSRC	7,117	-	7,117	8,668	-	8,668
Other government departments	405	-	405	546	-	546
European Union	16	-	16	7	-	7
Universities	540	-	540	618	-	618
Other charities	653	-	653	744	-	744
Other grants	570	-	570	525	-	525
<b>Total grant income</b>	<b>9,301</b>	<b>-</b>	<b>9,301</b>	<b>11,108</b>	<b>-</b>	<b>11,108</b>
<b>Capital grants</b>						
BBSRC						
Capital expenditure	5,729	-	5,729	2,661	-	2,661
<b>Total capital grants</b>	<b>5,729</b>	<b>-</b>	<b>5,729</b>	<b>2,661</b>	<b>-</b>	<b>2,661</b>
<b>Trading income</b>						
Earlham Enterprises Ltd	-	119	119	-	293	293
Rental income	-	32	32	-	26	26
<b>Total trading income</b>	<b>-</b>	<b>151</b>	<b>151</b>	<b>-</b>	<b>319</b>	<b>319</b>
<b>Investment income</b>						
Interest receivable on cash deposits	-	234	234	-	45	45
Interest receivable on loan to related party	-	2	2	-	2	2
<b>Total investment income</b>	<b>-</b>	<b>236</b>	<b>236</b>	<b>-</b>	<b>47</b>	<b>47</b>
<b>Other income</b>						
Other income	-	427	427	-	126	126
<b>Total other income</b>	<b>-</b>	<b>427</b>	<b>427</b>	<b>-</b>	<b>126</b>	<b>126</b>
<b>Total incoming resources</b>	<b>15,030</b>	<b>814</b>	<b>15,844</b>	<b>13,769</b>	<b>492</b>	<b>14,261</b>

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

- Grant income of £9,301k (2022: £11,108k), £8,427k (2022: £10,248k) is restricted general funds, £874k (2022: £860k) is unrestricted funds.
- Capital grants of £5,729k (2022: £2,661k), £87k (2022: £126k) is restricted general funds and £5,642k (2022: £2,535k) is restricted capital funds
- In both periods all trading, investment and other income is unrestricted.

## NOTES TO THE ACCOUNTS

### 3. ANALYSIS OF EXPENDITURE

Expenditure on charitable activities and governance costs have been analysed below.

<b>Expenditure on charitable activities</b>	Note	<b>Total 2023 £000</b>	<b>Total 2022 £000</b>
Direct charitable expenditure:			
Staff costs		4,244	4,587
Direct costs		5,596	4,680
Depreciation		2,341	2,459
Governance costs		95	104
Support costs	4	1,352	1,358
<b>Total expenditure</b>		<b>13,628</b>	<b>13,188</b>

<b>Analysis of governance costs</b>	<b>Total 2023 £000</b>	<b>Total 2022 £000</b>
Staff costs	88	99
Travel costs	3	-
Other costs	4	5
<b>Total governance costs</b>	<b>95</b>	<b>104</b>

Included within expenditure is restricted general expenditure of £10,150k (2022: £9,673k), and restricted capital expenditure (depreciation) of £2,341k (2022: £2,459k). All other expenditure is unrestricted.

### 4. ALLOCATION OF SUPPORT COSTS

	<b>Total 2023 £000</b>	<b>Total 2022 £000</b>	<b>Basis of Allocation</b>
Building services*	518	477	Activity
Finance and Contracts*	206	305	Activity
Management, IT and Communications*	417	349	Activity
Human Resources and Staff Welfare*	142	138	Activity
Other support services	69	89	Activity
<b>Total support costs</b>	<b>1,352</b>	<b>1,358</b>	

Support costs are allocated based on their nature.

\* includes services supplied by NBI Partnership Limited (see note 23).

### 5. TAXATION

EI is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The trading activities of its subsidiary, Earlham Enterprise Limited, are subject to corporation tax, however profits are gifted to the charitable company resulting in £nil (2022: £nil) tax payable.

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

## NOTES TO THE ACCOUNTS

### 6. OPERATING SURPLUS

Operating surplus is stated after charging:

	Total 2023 £000	Total 2022 £000
Audit services:		
Fees for the audit of the charitable company and consolidated financial statements	12	12
Fees for the audit of the charitable company's subsidiary pursuant to legislation	2	2
Non-audit services:		
Other fees payable to the auditors of the charitable company	-	-
Depreciation	2,341	2,459
(Profit)/Loss on disposal of tangible assets	(45)	20
Operating lease rentals (land and buildings)	100	130
Hire of plant and equipment	8	9
Loss on foreign exchange translations	14	7

### 7. RESULTS OF TRADING ACTIVITIES OF SUBSIDIARY

Earlham Enterprises Limited	Total 2023 £000	Total 2022 £000
<b>Profit and loss account</b>		
Turnover	119	293
Cost of sales	(50)	(103)
<b>Gross profit</b>	<b>69</b>	<b>190</b>
Administrative expenses	-	-
<b>Operating profit retained in subsidiary</b>	<b>69</b>	<b>190</b>
<b>Net assets at 31 March 2023</b>	<b>71</b>	<b>192</b>

In addition to the above, £189,442 (2022: £254,745) in Gift Aid was paid to the charitable company in the year.

### 8. REMUNERATION OF MEMBERS OF THE BOARD OF TRUSTEES

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

Eight members of the Board of Trustees received remuneration from the group during the year for their duties as a Trustee (2022: eight). Total trustee remuneration in the year was £32,000 (2022: £32,000). Details of the remuneration paid during the year is as follows:

Name of Trustee	Total 2023 £000	Total 2022 £000
Professor Peter Holland	7	4
Dr Alasdair Macnab	4	4
Professor Thomas Richards	4	4
Professor Edward Louis	4	4
Professor Philip Gilmartin	4	4
Professor Deborah Smith	3	1
Dr Lars Magnus Ratray	3	-
Dr Stephanie Joan Pilkington	3	-
Professor Dame Janet Thornton	-	7
Mrs Andrea Finegan	-	4
<b>Total</b>	<b>32</b>	<b>32</b>

Attendance expenses were incurred by six (2022: zero) Trustees whilst carrying out their duties and amounted to £923 (2022: £nil) during the year.

## NOTES TO THE ACCOUNTS

### 9. EMPLOYEE INFORMATION

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

Group and charitable company	2023 Number	2022 Number
Scientific	82	99
Office management and services	18	18
Total	100	117

The aggregate payroll costs of these persons were:

	Note	2023 £000	2022 £000
Wages and salaries		4,048	4,278
Redundancy costs		4	4
Social security costs		435	423
Other pension costs	22	594	644
Total		5,081	5,349

As required by Charities SORP an analysis has been provided below of the number of staff who fall within emoluments bands from £60,000 upwards.

Group and charitable company	2023 Number	2022 Number
£60,000 - £69,999	8	4
£70,000 - £79,999	3	3
£80,000 - £89,999	2	2
£110,000 - £119,999	2	2
£160,000 - £169,999	-	1
£170,000 - £179,999	1	-
Total	16	12

The number of staff with emoluments greater than £60,000 who were members of the Research Councils' Pension Schemes was 2 (2022: 3). The number of staff with emoluments greater than £60,000 who were members of a company stakeholder pension scheme was 8 (2022: 4).

Staff that joined prior to 1 October 2011 were employed by BBSRC up to 1 October 2017, when these employees transferred employment to the Institute under TUPE. Transferred employees retain their membership of the Research Councils Pension Scheme, where applicable, with EI becoming an admitted employer in the scheme.

Staff that joined after 1 October 2011 are employed under EI terms & conditions.

The key management personnel of the charitable company are considered to be the members of the executive team: the Institute Director, Director of Operations, Head of Genomics Pipeline, Head of Plant Genomics, Head of Research Faculty Office, Head of Research e-infrastructure (left 30 December 2022), Group Leader Engineering Biology and Genomics Group Leader. The key management personnel of the group comprise those of the charity and the key management personnel of the wholly owned subsidiaries, Earlham Enterprises Ltd ("EEL"). The key management personnel of EEL is considered to be the Institute Director (EI) and the Director of Operations (EI). No costs were recharged in respect of this. The total employee benefits of the key management personnel of the charity and group were £869,695 (2022: £707,736).

## NOTES TO THE ACCOUNTS

### 10. INTEREST RECEIVABLE AND SIMILAR INCOME

	<b>Total 2023</b>	Total 2022
	<b>£000</b>	£000
Bank interest	234	45
Interest on loans	2	2
<b>Total</b>	<b>236</b>	<b>47</b>

### 11. TANGIBLE ASSETS

<b>Group and charitable company</b>	Leasehold improvements £000	Plant, machinery and equipment £000	Assets under construction £000	<b>Total £000</b>
<b>Cost</b>				
At 1 April 2022	10,024	26,318	483	36,825
Transfers	113	370	(483)	-
Additions	689	2,194	2,965	5,848
Disposals	-	(3,654)	-	(3,654)
<b>At 31 March 2023</b>	<b>10,826</b>	<b>25,228</b>	<b>2,965</b>	<b>39,019</b>
<b>Accumulated Depreciation</b>				
At 1 April 2022	5,953	21,661	-	27,614
Charge for the year	254	2,087	-	2,341
Disposals	-	(3,654)	-	(3,654)
<b>At 31 March 2023</b>	<b>6,207</b>	<b>20,094</b>	<b>-</b>	<b>26,301</b>
<b>Net book value at 31 March 2023</b>	<b>4,619</b>	<b>5,134</b>	<b>2,965</b>	<b>12,718</b>
Net book value at 31 March 2022	4,071	4,657	483	9,211

All of the charitable company assets at 31 March 2023 are used for direct charitable purposes.

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

### 12. INTANGIBLE ASSETS

<b>Group</b>	Software development £000	<b>Total £000</b>
<b>Cost</b>		
At 1 April 2022	177	177
Additions	-	-
<b>At 31 March 2023</b>	<b>177</b>	<b>177</b>
<b>Accumulated Depreciation</b>		
At 1 April 2022	177	177
Charge for the year	-	-
<b>At 31 March 2023</b>	<b>177</b>	<b>177</b>
<b>Net book value at 31 March 2023</b>	<b>-</b>	<b>-</b>
Net book value at 31 March 2022	-	-

## NOTES TO THE ACCOUNTS

### 12. INTANGIBLE ASSETS (CONTINUED)

<b>Charitable company</b>	Software development £000	<b>Total £000</b>
<b>Cost</b>		
At 1 April 2022	147	147
Additions	-	-
<b>At 31 March 2023</b>	<b>147</b>	<b>147</b>
<b>Accumulated Depreciation</b>		
At 1 April 2022	147	147
Charge for the year	-	-
<b>At 31 March 2023</b>	<b>147</b>	<b>147</b>
<b>Net book value at 31 March 2023</b>	<b>-</b>	<b>-</b>
Net book value at 31 March 2022	-	-

The intangible asset relates to internally generated research software.

### 13. FIXED ASSET INVESTMENTS

#### Subsidiary

The charitable company's investment in its subsidiary undertaking at cost amounts to £1. The following is the operating subsidiary undertaking in which the charitable company has an interest:

<b>Subsidiary Undertaking</b>	<b>Country of registration</b>	<b>Principal activity</b>	<b>Class and percentage of shares held</b>
Earlham Enterprises Limited	England	Contract research	100% ordinary shares

Earlham Enterprises Limited (company registration number 06812113) registered address is Norwich Research Park, Norwich, Norfolk, NR4 7UZ.

The charitable company has committed to provide financial support to Earlham Enterprises Limited ("EEL"), and not demand repayment of amounts due to it, in order to enable EEL to meet its liabilities as they fall due – but only to the extent that money is not otherwise available to the company to meet such liabilities – for a period of at least 12 months from the signing of the financial statements of the EEL for the year ended 31 March 2023.

EEL is a member of Anglia Innovation Partnership LLP, which is responsible for the management and development of the Norwich Research Park land and for the furtherance of the NRP Enterprise Vision. EI is entitled to receive a share of certain profits generated by Anglia Innovation Partnership LLP, however it has no liability for losses or in the event of insolvency. Anglia Innovation Partnership LLP has not yet generated any realised profits.

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

### 14. STOCK

<b>Group and charitable company</b>	<b>Total 2023 £000</b>	<b>Total 2022 £000</b>
Raw materials and consumables	250	222
<b>Total</b>	<b>250</b>	<b>222</b>

## NOTES TO THE ACCOUNTS

### 15. DEBTORS

	Note	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
<i>Grants receivable:</i>					
from government bodies		1,586	1,651	1,586	1,651
from other sources		516	875	516	875
Trade debtors		1,597	458	1,335	334
Amounts owed by subsidiary undertakings		-	-	42	20
Amounts owed by other related parties	23	169	247	169	247
Other debtors		171	297	171	297
Prepayments and accrued income		1,534	1,194	1,534	1,154
<b>Total amounts falling due within one year</b>		<b>5,573</b>	<b>4,722</b>	<b>5,353</b>	<b>4,578</b>

The above amounts fall due within one year.

Grants receivable from government bodies includes £1,088,660 in relation to capital funding receivable from BBSRC (2022: £427,730).

### 16. CASH AT BANK AND IN HAND

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Cash at bank	17,288	14,667	17,159	14,606
<b>Total</b>	<b>17,288</b>	<b>14,667</b>	<b>17,159</b>	<b>14,606</b>

### 17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Note	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
<i>Grants received in advance:</i>					
from government bodies		738	695	738	695
from other sources		628	475	628	475
Amounts owed to other related parties	23	199	214	199	214
Trade creditors		2,462	1,271	2,462	1,271
Other creditors		1,744	1,666	1,471	1,653
Taxation and social security		98	105	93	105
Accruals and deferred income		5,432	1,919	5,432	1,919
<b>Total amounts falling due within one year</b>		<b>11,301</b>	<b>6,345</b>	<b>11,023</b>	<b>6,332</b>

### 18. RECONCILIATION OF MOVEMENT IN GRANTS RECEIVABLE

Group	Note	Total 2023 £000	Total 2022 £000
Grants receivable	15	2,102	2,526
Grants received in advance	17	(1,366)	(1,170)
<b>Net grants receivable at the end of the year / (received in advance)</b>		<b>736</b>	<b>1,356</b>
Net grants received in advance at beginning of year		1,356	(786)
Grant monies received during the year		(14,776)	(10,767)
Grant money released to SOFA during the year		14,156	12,909
<b>Net grants receivable at the end of the year / (received in advance)</b>		<b>736</b>	<b>1,356</b>

## NOTES TO THE ACCOUNTS

### 19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Fixed assets	Net current assets	Total
	£000	£000	2023 £000
<i>Unrestricted:</i>			
Fixed asset reserve	1,083	-	1,083
Designated reserves	-	7,564	7,564
General reserve	-	3,556	3,556
<i>Restricted:</i>			
Fixed asset reserve	11,635	-	11,635
Designated reserves	-	617	617
General reserve	-	73	73
<b>Total net assets</b>	<b>12,718</b>	<b>11,810</b>	<b>24,528</b>

#### Charitable company

<i>Unrestricted:</i>			
Fixed asset reserve	1,083	-	1,083
Designated reserves	-	7,564	7,564
General reserve	-	3,485	3,485
<i>Restricted:</i>			
Fixed asset reserve	11,635	-	11,635
Designated reserves	-	617	617
General reserve	-	73	73
<b>Total net assets</b>	<b>12,718</b>	<b>11,739</b>	<b>24,457</b>

Group	Fixed assets	Net current assets	Total
	£000	£000	2022 £000
<i>Unrestricted:</i>			
Fixed asset reserve	1,090	-	1,090
Designated reserves	-	7,382	7,382
General reserve	-	3,935	3,935
<i>Restricted:</i>			
Fixed asset reserve	8,121	-	8,121
Designated reserves	-	1,625	1,625
General reserve	-	324	324
<b>Total net assets</b>	<b>9,211</b>	<b>13,266</b>	<b>22,477</b>

#### Charitable company

<i>Unrestricted:</i>			
Fixed asset reserve	1,090	-	1,090
Designated reserves	-	7,382	7,382
General reserve	-	3,743	3,743
<i>Restricted:</i>			
Fixed asset reserve	8,121	-	8,121
Designated reserves	-	1,625	1,625
General reserve	-	324	324
<b>Total net assets</b>	<b>9,211</b>	<b>13,074</b>	<b>22,285</b>

The unrestricted fixed asset reserve represents the net book value of fixed assets purchased from unrestricted funds. The unrestricted designated reserve relates to funds designated by the Board for use in relation to co-funding for institute strategic programmes, strategic projects and future capital investment.

The restricted fixed asset reserve relates to the net book value of fixed assets purchased from capital grants. The restricted designated reserve relates to advance capital and project funding received from BBSRC. The restricted general reserve relates to advance strategic funding received from BBSRC.

## NOTES TO THE ACCOUNTS

### 20. ANALYSIS OF FUNDS MOVEMENTS

	Unrestricted fixed assets reserve	Unrestricted designated	Unrestricted general	Restricted designated	Restricted fixed assets reserve	Restricted general	<b>Total 2023</b>
	£000	£000	£000	£000	£000	£000	£000
<b>Group</b>							
<b>At 1 April 2022</b>	1,090	7,382	3,935	1,625	8,121	324	<b>22,477</b>
Operating surplus for the year	-	-	386	-	3,301	(1,636)	<b>2,051</b>
Capital transfers	(277)	-	-	-	277	-	-
Unrestricted general capital expenditure	270	(208)	(62)	-	-	-	-
Unrestricted designated transfer	-	390	(49)	(825)	-	484	-
Restricted designated transfer	-	-	247	(183)	(64)	-	-
Other transfers	-	-	(901)	-	-	901	-
<b>At 31 March 2023</b>	<b>1,083</b>	<b>7,564</b>	<b>3,556</b>	<b>617</b>	<b>11,635</b>	<b>73</b>	<b>24,528</b>

#### Charitable company

<b>At 1 April 2022</b>	1,090	7,382	3,743	1,625	8,121	324	<b>22,285</b>
Operating surplus for the year	-	-	507	-	3,301	(1,636)	<b>2,172</b>
Capital transfers	(277)	-	-	-	277	-	-
Unrestricted general capital expenditure	270	(208)	(62)	-	-	-	-
Unrestricted designated transfer	-	390	(49)	(825)	-	484	-
Restricted designated transfer	-	-	247	(183)	(64)	-	-
Other transfers	-	-	(901)	-	-	901	-
<b>At 31 March 2023</b>	<b>1,083</b>	<b>7,564</b>	<b>3,485</b>	<b>617</b>	<b>11,635</b>	<b>73</b>	<b>24,457</b>

	Unrestricted fixed assets reserve	Unrestricted designated	Unrestricted general	Restricted designated	Restricted fixed assets reserve	Restricted general	<b>Total 2022</b>
	£000	£000	£000	£000	£000	£000	£000
<b>Group</b>							
<b>At 1 April 2021</b>	804	6,877	4,106	861	8,546	428	<b>21,622</b>
Operating surplus for the year	-	-	78	-	76	701	<b>855</b>
Capital transfers	182	-	29	-	(211)	-	-
Unrestricted general capital expenditure	104	(104)	-	(526)	400	126	-
Unrestricted designated transfer	-	609	(420)	600	-	(789)	-
Restricted designated transfer	-	-	-	690	(690)	-	-
Other transfers	-	-	142	-	-	(142)	-
<b>At 31 March 2022</b>	<b>1,090</b>	<b>7,382</b>	<b>3,935</b>	<b>1,625</b>	<b>8,121</b>	<b>324</b>	<b>22,477</b>

#### Charitable company

<b>At 1 April 2021</b>	804	6,877	3,839	861	8,556	428	<b>21,365</b>
Operating surplus for the year	-	-	143	-	76	701	<b>920</b>
Capital transfers	182	-	29	-	(211)	-	-
Unrestricted general capital expenditure	104	(104)	-	(526)	400	126	-
Unrestricted designated transfer	-	609	(420)	600	-	(789)	-
Restricted designated transfer	-	-	-	690	(690)	-	-
Other transfers	-	-	152	-	(10)	(142)	-
<b>At 31 March 2022</b>	<b>1,090</b>	<b>7,382</b>	<b>3,743</b>	<b>1,625</b>	<b>8,121</b>	<b>324</b>	<b>22,285</b>

Capital transfers relate to fund movements in connection with fixed assets and depreciation; ensuring assets are appropriately reflected in separate reserves.

Unrestricted general capital expenditure relates to fixed asset purchases funded from the unrestricted designated reserve.

The Unrestricted designated transfer represents movements in unrestricted funding for institute strategic programmes, strategic expenditure and future capital investment.

The Restricted designated transfer represents movements in restricted BBSRC funding for capital, projects and strategic grants.

Other transfers relate to the net surplus on restricted research grants, which has been transferred to unrestricted general reserves upon performance of the grant conditions.

## NOTES TO THE ACCOUNTS

### 21. COMMITMENTS

Group and charitable company	Total 2023 £000	Total 2022 £000
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Capital commitments at the end of the financial year for which no provision has been made:

Contracted	278	992
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Group and charitable company	Total 2023 £000	Total 2022 £000
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Amounts due under other operating leases for land and buildings:

Under one year	100	100
Between one and five years	400	400
Over 5 years	1,175	1,276
	1,675	1,776

Amounts due under other operating leases for plant and machinery:

Under one year	5	2
Between one and five years	9	-
Over 5 years	-	-
	14	2

### 22. PENSION SCHEMES

All staff employed by EI on 30 September 2011 became BBSRC employees on 15 March 2012 and were deployed back to the Institute under conditions set out in the Deployment Agreement (the "Deployed Employees"). On 1 October 2017, Deployed Employees transferred employment to the Institute under TUPE.

Deployed Employees retain their membership of the Research Councils Pension Scheme (RCPS), where applicable, with EI becoming an admitted employer in the scheme. The RCPS is a defined benefit scheme funded from annual grant-in-aid on a pay-as-you-go basis. The RCPS Pension Scheme is a multi-employer scheme and EI is unable to identify its share of the underlying assets and liabilities. EI therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Liabilities for the payment of future benefits are the responsibility of the RCPS and accordingly are not included in these Financial Statements. The employer contribution rate during the year was 26% (2022: 26%).

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

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

The total pension charge for the year was £593,782 (2022: £644,601), with outstanding contributions at the year-end of £36,341 (2022: £42,049).

## NOTES TO THE ACCOUNTS

### 23. RELATED PARTY TRANSACTIONS

#### Biotechnology and Biological Science Research Council (“BBSRC”)

The charitable company is strategically funded by BBSRC along with seven other Institutes and BBSRC is one of the members of the charitable company. BBSRC is part of UK Research and Innovation (UKRI), an organisation that brings together the UK’s seven research councils, Innovate UK and Research England.

During the year BBSRC charged EI £nil (2022: £nil) for subscription charges and other costs. As at 31 March 2023, EI owed BBSRC £nil (2022: £52,399).

BBSRC provided £5,327,000 (2022: £5,327,000) of strategic funding for research. In addition BBSRC provided £7,546,918 (2022: £2,529,000) of funding for capital purchases, £127,640 (2022: £nil) funding towards energy costs and £325,093 (2022: £820,300) of other grants in the year ended 31 March 2023. As at 31 March 2023, BBSRC owed EI £1,093,337 (2022: £483,649), of which £1,088,660 (2022: £427,730) was for capital purchases.

#### NBI Partnership Limited (“NBIP”)

EI is one of four members and guarantors of NBIP, a company limited by guarantee. EI has provided short-term loans to NBIP to enable NBIP to manage its cash requirements. At 31 March 2023, EI had a loan balance with NBIP of £103,920 (2022: £103,000).

During the year, EI was charged £1,506,551 (2022: £1,422,614) for services under a cost sharing agreement. As at 31 March 2023, EI owed NBIP £144,321 (2022: £160,634) and NBIP owed EI £nil (2022: £9,656).

#### University of East Anglia (“UEA”)

UEA is a member of the charitable company. During the year, EI invoiced UEA £1,191,153 (2022: £457,759) for services. UEA invoiced EI £91,212 (2022: £32,741) for miscellaneous costs and £692,343 (2022: £717,068) for staff costs.

As at 31 March 2023, UEA owed EI £29,311 (2022: £133,618) and EI owed UEA £54,940 (2022: £53,587).

#### Anglia Innovation Partnership LLP (“AIP LLP”)

EI is a member of Anglia Innovation Partnership LLP through its 100% subsidiary, EEL. Anglia Innovation Partnership LLP is responsible for the management and development of the Norwich Research Park (NRP) estate and for the furtherance of the NRP Enterprise Vision. During the year, EI invoiced AIP LLP £64,701 (2022: £nil) for grant funding. EI received services totalling £6,034 (2022: £6,354), and was charged £24,028 (2022: £19,164) for estate costs. As at 31 March 2023, AIP LLP owed EI £35,901 (2022: £nil), and EI owed AIP LLP £nil (2022: £nil).

#### Earlham Enterprises Ltd

Earlham Enterprises Ltd is the wholly owned trading subsidiary of EI. EEL undertakes contract research, research services and consultancy.

During the year, EI invoiced EEL for services and other costs totalling £124,364 (2022: £156,023). In addition, EEL made a gift aid payment to EI of £189,442 (2022: £254,745). As at 31 March 2023, EEL owed EI £42,295 (2022: £20,686).

### 24. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Trustees consider that there is no ultimate parent undertaking and controlling party. EI is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements.

## REFERENCE AND ADMINISTRATIVE DETAILS

### Directors and Trustees

Professor Peter Holland	Chair – Board of Trustees
Mr Timothy Kamombo	Chair – Audit Committee
Professor Deborah Smith	Chair - Remuneration Committee
Professor Philip Gilmartin	
Dr Stephanie Joan Pilkington	
Professor Lars Magnus Rattray	
Ms Amanda Tagg	
Dr Michael Csukai	

### Key Management Personnel

Professor Neil Hall	Institute Director
Mrs Sarah Cossey	Chief Operating Officer
Dr Karim Gharbi	Head of Genomics Pipeline
Professor Ant Hall	Head of Plant Genomics
Dr Christine Fosker	Head of Research Faculty Office

**Registered charity number** 1136213

**Registered company number** 06855533

### Registered office and principal office of the charity

Norwich Research Park  
Colney  
Norwich  
NR4 7UZ

### Independent auditor

Larking Gowen LLP  
Chartered Accountants and Statutory Auditors  
1<sup>st</sup> Floor, Prospect House  
Rouen Road  
Norwich  
NR1 1RE

### Banker

Barclays Bank Plc  
Red Lion Street  
Norwich  
NR1 3QH

### Solicitors

Taylor Vinters LLP  
Merlin Place  
Milton Road  
Cambridge  
CB4 0DP

Birketts  
Kingfisher House  
1 Gilders Way  
Off Barrack Street  
Norwich  
NR3 1UB

**EARLHAM INSTITUTE**

England & Wales - Charity number 1136213

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# Accounts

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# EARLHAM INSTITUTE

Annual Report and Accounts  
for the year ended 31 March 2022

Registered company number: 06855533

Registered charity number: 1136213

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Earlham Institute is a company limited by guarantee and a registered charity.

The Annual Report provides information on the legal purposes of the charity, the activities it undertakes and its main achievements. The Trustees' Report and Financial Statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP), Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), together with the reporting requirements of the Companies Act 2006 and the Charities Act 2011.

## TRUSTEES' REPORT INCORPORATING THE STRATEGIC REVIEW

### Introduction

The past two decades have laid the foundations for a new era of genome-based understanding of life and the biology of complex systems. Technological advances in DNA sequencing have resulted in multiple step-change increases in the rate of data acquisition at reduced costs to a point that sequence technologies can now affordably and effectively be applied to research questions across the life sciences, from plants to animals to microbes. In parallel the emergence of the data sciences, artificial intelligence, and the need for data sharing, has opened new opportunities. Earlham Institute (EI) is founded on these two revolutions and has become a leading interdisciplinary Institute in the UK, combining genomics and big data.

### El's Vision and Mission

El's vision is to build a future where the biology of any organism can be understood by analysing its genome. Our mission is to unravel the scale and complexity of living systems so we can understand, benefit from, and protect life on Earth. Bringing together multi-disciplinary expertise in the life sciences with engineering, computational science, and biotechnology, we are:

- Answering fundamental and important biological questions,
- Pioneering the development of new technology and enabling resources,
- Using our unique skills, knowledge, and infrastructure to address global challenges,
- Training the next generation of scientists and upskilling the community,
- Collaborating with academia and industry to realise the impact of our science, and
- Engaging with policy makers, the public, and stakeholders about our science.

El's strategy has relied on the implementation of novel applications, establishing collaborative work to advance knowledge in biosciences and develop new applications in biotechnology, and promote the growth of the UK bioeconomy.

The Institute's current mission is built on strong foundations and rests on three key strengths:

- Expertise – El hosts one of the largest and most experienced teams in the UK specialising in the generation and analysis of genomic data using next-generation sequencing.
- Technology – El's genomic and computing platforms include the most advanced equipment and are configured specifically to deliver competitive analysis for large or complex genomics datasets.
- Digital Infrastructure – El is at the forefront in the development of specialised databases, pipelines and software for data analysis and visualisation.

### El's Strategy

The Earlham Institute's mission is to decode the scale and complexity of living systems so we can understand, benefit from, and protect life on Earth.

To achieve our mission, we have set out strategic research themes to accelerate life science research, deliver global societal impact, and put the Earlham Institute at the forefront of advancing knowledge in the era of data-intensive biological research.

Data-intensive bioscience - We are bridging the gap between biology and computer sciences, ensuring we can overcome challenges of scale and sensitivity as the volume and complexity of data increases. Through pioneering research projects, partnerships, training, and community engagement, we will spearhead the use of genomics to advance bioscience research and innovation in the UK.

Technology development - Our scientists are constantly creating, adapting, and perfecting to help maintain the pace of discovery, enabling researchers to answer questions in a range of scientific fields. From new methodologies and bespoke approaches to the hardware and software needed to tackle intractable problems, Earlham scientists will innovate and collaborate to keep us at the cutting edge.

Systems and synthetic biology - We are renowned for studying complex biological systems species, environments, and biological questions - revealing insights into the basic building blocks of life, the interaction of organisms and environments, and how we can harness this in the future. We will help to shape the field of systems genomics while placing genes in the context of pathways and networks, helping us to understand how traits emerge from the complex interplay between genetic and non-genetic factors.

Addressing urgent global challenges - Pioneering research at the Earlham Institute is addressing the biggest challenges facing humanity, from climate change and food security to human health and wellbeing. We will bring our unique blend of science, expertise, and infrastructure to the table, working with national and international partners to deliver global impact.

These scientific themes will ensure we continue to:

- Deliver excellent, interdisciplinary team science,
- Act as a hub for genomics, synthetic biology, and data-intensive bioscience research,
- Forge strong connections with the global research and innovation community,
- Translate and communicate our science to deliver maximum impact, and
- Play our part in training the next generation of scientists and research support staff.

Alongside the scientific themes sits a commitment to our people, recognising the importance of our community and workplace culture in achieving success. EI's science strategy "Decoding Living Systems" brings together a wealth of expertise in biosciences, bioinformatics, high performance computing and statistics to understand complex biological systems in plants and animals and their interaction with the environment.

EI's advanced genomics and computational platforms support data-intensive research that embraces and confronts modern scientific challenges arising from data scale and complexity. We develop and implement new technologies and apply computational methods to process, store and interpret complex and diverse datasets, to enable bioscience research.

The science faculty collectively conducts three principal kinds of research activities:

- Fundamental research to increase the knowledge base in bioscience.
- Applied research to improve plant, animal, and human health.
- Enabling research to empower both academia and industry with new technologies and scalable bioinformatics approaches.

The focus going forward will be on interpreting complex molecular and cellular data using advanced computational and AI approaches. This will impact on all areas of biological science and will continue to demand skilled personnel, computational systems, and analytical tools.

EI is moving rapidly from an era where the emphasis was on generating data, to one in which genome-wide sequencing and other 'omics technologies can be used routinely for multiple assays but are often complex to analyse requiring novel and adaptable approaches.

## **Culture**

The Earlham Institute can only achieve its objectives if individuals have the right environment, opportunities, and encouragement to grow and develop. Every member of staff and every student has a role to play, which is why our culture is one of the most valuable assets we have.

Our success is founded on a culture defined by six core values:

- Openness – We promote the dissemination of knowledge and distribution of data and software tools by following open and transparent data-sharing policies that are embedded in EI's research programmes.
- Technical Excellence – We are committed to continuous improvement and expect everyone to work to the highest standards of quality.
- Developing and Rewarding Talent – We aim to recruit, train, and retain highly skilled and talented people, with our alumni acting as ambassadors for the Institute.
- Innovation – We develop and apply novel, state of the art technologies to deliver innovative approaches.
- Collaboration – We work collaboratively, internally and externally, through mutual respect and openness.
- Equality & Diversity – We recognise the value of diverse workplaces, and are committed to welcome all, and create a fair and supportive environment for everyone.

## **Charitable Purpose and Public Benefit**

EI's charitable purpose is to advance biological and biotechnological science for the public benefit by undertaking and promoting research relating to genomes and their functions, in particular this year by carrying out the following activities:

- Applying our science to issues of public interest e.g. Understanding the diversity of microbiomes.
- Being part of the national efforts to respond to the Covid-19 pandemic.
- Working with industrial partners and breeders to apply our knowledge and expertise to develop robust and sustainable crops and food sources for the future, whilst understanding natural diversity.
- Working with low income countries to build research capacity that will enable them to develop their knowledge.
- Enabling and encouraging scientists to participate in public engagement.
- Contributing to the local, national, and international economy by training highly skilled scientists

## **Coronavirus Pandemic**

The coronavirus (Covid19) pandemic has brought many challenges to the world. Working closely with our Norwich Research Park partners we were able to redirect some of our expertise to support the local hospital to automate Covid-19 testing and make a difference to our region. The Institute was also able to support its staff and students, and minimise disruption to our science programmes. We also had a key focus on supporting our staff's wellbeing. For more information see our performance report.

## Our Performance

Our performance against the 2021/22 objectives is highlighted in the table below:

Objectives	Our Performance
<p><b>Continue the growth and development of our world leading investigator-led research program, continue to publish high quality scientific outputs, and diversify our income streams.</b></p>	<p>During the last financial year scientists at EI published 119 publications and shared 24 technical products (webtool/application/software) with the wider scientific community. Our scientists also delivered 23 oral presentations at national and international conferences. The diversity of our funding portfolio has expanded with funding received from Wellcome, MRC and NERC in addition to BBSRC.</p>
<p><b>Build strong industrial collaborations so that we are aligned to the Government's strategy and so we can achieve impact from our research</b></p>	<p>El's expertise in bioinformatics and genomics is one of the seven technology families recognised with the Government strategy. EI has demonstrated its impact via its public affairs works, both during the COVID pandemic as well as by engaging with those involved in drafting the proposed gene editing legislation.</p> <p>We managed 15 projects with 17 industrial partners funded by: UKRI (BBSRC, EPSRC, Innovate UK, MRC), Home Office, Royal Academy of Engineering, University of East Anglia, and industry. Our collaborations span plant breeding and agrochemical sector, biotech industry, specialist sequencing and instrumentation companies, data management and bioinformatics companies, and defence and security sector. We have maintained existing, and developed new, relationships with industry through mechanisms such as external engagement events, industry seminar programme and joint PhD studentships. Our industry facing event EI Innovate 2021 attracted 211 attendees from 85 different organisations, among those 173 external participants and generated 16 new connections with industry and academia, leading to 6 new collaborations with industry. The event showcased collaborations across 3 institutes on the Norwich Research Park: Earlham Institute, John Innes Centre, and Quadram Institute.</p> <p>Projects to translate our research and help to realise societal, economic and environmental impact, nationally and internationally included: Identification of novel SARS-Cov-2 lineages from mixed wastewater samples; Quantifying the transmission routes of gastroenteritis in Pakistan and developing targeted interventions; Development of a modular synthetic biology pipeline for the engineering bioactive dyes which can help to reduce environmental impact of the textile dyeing industry; Investigating a new drug target for treatment of schizophrenia with the international Psychiatry Consortium, a £4 million collaboration between seven global pharmaceutical companies and two leading research charities; and delivering standards for data-driven bioscience.</p> <p>We conducted the assessment of socio-economic impact of the Earlham Institute for 2019-2021 which resulted in a forecast contribution of circa £4 billion to the global economy over the next 10 years, with return on investment £14 for every £1 invested.</p>
<p><b>Strengthen our partnerships through collaboration with world leading institutes and scientists that align with our scientific strategy.</b></p>	<p>Work continues through our collaboration with WorldFish which aims to accelerate selective breeding of tilapia in the Lake Victoria Basin catchment working with institutions based in Kenya, Tanzania and Uganda. From 2021 EI is a partner in the WorldFish CGIAR Research Programme, delivering high quality genomic resources and contributing to the characterisation of the genomic bases of aquaculture traits. WorldFish is proposed as a core partner in the new Institute strategic programme grant, if funded to commence from April 2023. The UKRI GCRF GastroPak project continues (2021- end 2023) through which EI is leading a partnership with institutes in Pakistan (National University of Sciences &amp; Technology in Islamabad and the University of Agriculture Faisalabad), the National University of Galway and other UK institutes. This a multidisciplinary project to quantify the transmission routes of gastroenteritis in Pakistan and develop targeted interventions.</p>

Objectives (continued)	Our Performance (continued)
<p><b>Develop our National Capabilities to ensure that they offer the UK research community high quality and high-value scientific services and training.</b></p>	<p><b>Genomics and Single Cell</b> - The year brought specific challenges for the genomics team as they had restricted access to the onsite laboratories due to social distancing and lockdown. This also impacted the national capability users and we saw fewer samples being received and processed in the first half of the reporting year.</p> <p>We repurposed some of our infrastructure and expertise towards COVID-19 testing, initially supporting the expansion and automation of region's NHS testing in collaboration with the University of East Anglia early in the pandemic, before setting up and operating dedicated facilities at EI for asymptomatic testing of returning university students (<a href="#">Norwich Testing Initiative</a>). The year also saw the completion of new facilities for cell sorting, high-fidelity DNA sequencing and laboratory automation, placing the National Capability in a stronger position to support the UK bioscience community as research activities gradually return to normality. By the end of the year the team were working closely with the local Norfolk and Norwich University Pathology labs to set up a new saliva based testing lab within EI, that will have the capacity to test up to 35,000 covid samples per week by mid-2022.</p> <p><b>Earlham Biofoundry (EB)</b> provides a platform resource to the UK's bioscience and biotechnology communities comprising expertise in synthetic biology approaches and automation programming and access to cutting-edge automation platforms. The EB supports the work of EI and works collaboratively with researchers in academia and industry contributing scientific expertise and technical excellence in automation programming to pursue complex experimental designs, develop novel automated workflows, and to generate and analyse large and datasets. In addition, highly optimised automated workflows are made available on a cost-recovery basis. The EB has in collaboration with internal and external research groups to develop several novel toolkits and automated workflows (e.g., Pollack et al 2019; Raitskin et al 2019; Sauret-Güeto et al 2020, Cai et al 2020, Dudley et al 2021). It has established large collaborations funded by dedicated grants (e.g., Innovate UK Project# 72672; BBSRC BB/S020128/1). Collaborative projects have resulted in novel workflows, e.g., an automated growth-inhibition assay to determine the genetic basis of antimicrobials (Moffat et al 2021). Through collaborative work, hosting research and training placements and via involvement in synthetic biology summer schools, we have contributed to provision of training in synthetic biology approaches and automation. In the past 2 years we have received an increasing number of enquiries from both the academic and industrial sectors. These have resulted in the delivery of 30 external projects of which 11 have been with/for industry.</p> <p>Our <b>Advanced Training Programme</b> continued operating virtually for events, delivering 11 events reaching 105 people plus an additional 786 through networking, engagement, and conference-style events. The training team also supported the ELIXIR-UK All Hands, facilitated two workshops for a cohort of NRP Doctoral Training Programme PhD Students. Events focussed on training to address skills of the research community in single cell approaches to RNAseq data analysis, fundamental programming (including Python) and data management, plus networking e.g. Norwich Single Cell Symposia, the second UK Conference of Bioinformatics and Computational Biology for which the aim was to bring together researchers from different communities working in genomics, structural informatics, and data management to increase cross collaboration and solutions. We also delivered a new course in Genome Annotation and continued development of new courses such as Microbial Community Analysis and Nanopore Metagenomics, supported visiting students with both remote and in-person internships for which the focus were development of key genomics and bioinformatics skills.</p> <p>Our <b>Research e-Infrastructure</b> supported over 160 researchers both internally and externally providing high-performance computing, bioinformatics services and information systems for data and software distribution, data sharing, and cloud computing via <a href="#">CyVerse UK</a>.</p>

Objectives (continued)	Our Performance (continued)
<p><b>Continue to communicate our science through our public engagement program to a wide audience, promoting the importance of publicly funded research to the general public.</b></p>	<p>We have used our website and social media to run campaigns to highlight our new vision, mission and strategy which were well received by our stakeholders. Alongside this, we have had a focus on communicating our impact, particularly with pieces on aquaculture and wheat that demonstrate our contribution in these key areas of research.</p> <p>We attended the Royal Society Summer Showcase, a virtual event that saw us produce a short documentary on the plight of pollinators and an online game showcasing our research on bees. Feedback was extremely positive and led to the Royal Society asking us to feature the Bee Trail at the European Science Festival, organised by the Slovenian Science Foundation.</p> <p>Our Barcoding the Broads outreach work trained over 100 people in DNA barcoding, reaching teachers, technicians, students, naturalists and local artists. We also received funding for a joint project with Kew Gardens and a local nature group to look at fungi. We also secured an invitation to exhibit the Darwin Tree of Life project at the 2022 Royal Society Summer Science Exhibition with Wellcome Sanger Institute.</p> <p>We also started a project to rebuild our website, with a launch in early 2022/23 to help us ensure it is fit for the future, remains secure, meets accessibility requirements, and gives visitors the best possible user experience.</p>

### Looking Ahead

El's objectives for 2022/23 are to:

- i. Develop El as a BBSRC National Capability and meet the key principles of the BBSRC's Institute Strategy.
- ii. Continue the growth and development of our world leading investigator-led research program, continue to publish high quality scientific outputs and diversify our income streams.
- iii. Build strong industrial collaborations so that we are aligned to the Government's strategy and so we can achieve impact from our research.
- iv. Strengthen our partnerships through collaboration with world leading institutes and scientists that align with our scientific strategy.
- v. Develop two new National Bioscience Research Infrastructures and support services to ensure we offer the UK research community high quality and high-value scientific services and training and deliver impact.
- vi. Continue to communicate our science through our public engagement programme to a wide audience, promoting the importance of publicly funded research to policy makers and the general public.

## FINANCIAL REVIEW

### Income

Total incoming resources for the year were £14.3m (2021: £11.1m), which was up on the previous year due to higher BBSRC capital grants and non-BBSRC research income. Income excluding capital grants was £11.7m (2021: £10.2m).

El's principal sponsor is the Biotechnology and Biological Sciences Research Council (BBSRC), which contributed 79% of total incoming resources (2021: 87%). Other major sources of funding were UK universities and research organisations and the EU.

### Expenditure

Total resources expended amounted to £13.4m (2021: £12.5m), which was up on the previous year due to higher non-staff research costs and energy costs. Staff costs accounted for £5.3m (40%) (2021: £5.2m; 41%) of expenditure with depreciation of tangible assets accounting for £2.5m (19%) (2021: £3.1m; 25%).

### Net Movement in Reserves

El recorded an increase of £0.6m in unrestricted reserves (2021: £0.7m) due to higher grant and contract research activity in the year.

Restricted reserves increased by £0.2m (2021: decreased by £2.1m).

### Subsidiaries and Related Parties

El's trading subsidiary, Earlham Enterprises Limited (formerly Genome Enterprise Limited), contributed an operating profit of £190,000 (2021: £255,000).

El has a 25% interest in NBI Partnership Limited ("NBIP"). NBIP supplies support services to El and the other Norwich Institutes (John Innes Centre, Quadram Institute Bioscience and The Sainsbury Laboratory).

### Capital expenditure

Capital expenditure in the year of £2.3m (2021: £1.7m) related to investment in building and laboratory facilities.

### Cash

Group cash at 31 March 2022 was £14.7m (2021: £15.5m). The cash decrease in the year reflects the decrease in unrestricted reserves in the year.

El deposits its cash with UK registered financial institutions that meet its credit rating policy. Investment income from cash deposits in the year was £45,000 (2021: £54,000).

### Grant proposals

During the year, El researchers submitted grant proposals with a sponsor value of £10.2m (2021: £7.3m) and were awarded grants with a value of £2.6m (2021: £1.7m).

### Reserves policy

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

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

Unrestricted reserves that have been designated by the Board for specific purposes are shown in separate designated reserves.

### Reserves position

Total reserves increased by £0.85m in the year to £22.5m (2021: decreased by £1.4m to £21.6m).

Restricted reserves increased by £0.2m to £10.0m (2021: decreased by £2.1m to £9.8m). Restricted reserves include designated reserves of £0.7m for advance capital funding, £0.9m for project funding from BBSRC and £0.3m for advance strategic funding.

Unrestricted reserves increased to £12.4m (2021: increased to £11.8m). Reserves of £7.4m have been designated by the Trustees in respect of the following:

- Co-funding for the Institute's strategic research programmes;
- Planned strategic research investment; and
- Planned capital investment in leading-edge sequencing and high performance computing technology.

General unrestricted reserves at March 2022 were £3.9m, £1.4m above the minimum general reserves target set by the Board of £2.5m.

## RISK ASSESSMENT AND MANAGEMENT

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

### Principal risks and uncertainties

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

Risk area	Description of Risk	Management of Risk
Future BBSRC and other sponsor research funding	<ul style="list-style-type: none"> <li>➤ Strategic funding is reduced due a reduced funding from UKRI/BBSRC due to public sector spending pressures or poor performance against core programmes.</li> <li>➤ Competitive grant funding is reduced due to sponsor budget reductions or failure to win new project funding.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Regular monitoring of scientific performance against strategic programme objectives.</li> <li>➤ Regular communication with UKRI - BBSRC to report performance and ensure strategic alignment of research programmes.</li> <li>➤ Monitoring of performance of competitive grant submissions.</li> </ul>
Technology investment	<ul style="list-style-type: none"> <li>➤ EI is unable to keep pace with developments in technology underpinning its science.</li> <li>➤ Funding and/or cost recoveries are inadequate to sustain and improve technology facilities necessary to support scientific objectives.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Bidding into Capital Grant opportunities to refresh platforms.</li> <li>➤ Technology strategy kept under regular review and funding opportunities identified and pursued for technology investments.</li> <li>➤ EI has reserves that enable it to move quickly when technology enhancements become available.</li> </ul>
Staff retention and recruitment	<ul style="list-style-type: none"> <li>➤ EI is unable to retain or attract suitably skilled staff to enable it to sustain its scientific performance.</li> <li>➤ In addition to scientific impact, this risk area could also have an impact on the level of funding the institute is able to attract.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Strategy and action plans in place, monitored by Strategic Human Resources Group.</li> <li>➤ Career development programmes in place to support high potential staff.</li> <li>➤ Action following feedback from annual staff survey.</li> <li>➤ Performance Management processes in place.</li> </ul>
Impact of leaving EU or other major international funding programme cuts	<ul style="list-style-type: none"> <li>➤ EI is not able to access EU programme funding or participate in EU research collaborations.</li> <li>➤ EI is not able to recruit or retain researchers from EU member countries.</li> <li>➤ EI is not able to continue with its international funding programmes due to Government Overseas Development Aid budgets cuts.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Regular dialogue with UKRI - BBSRC and other key stakeholders on risks and emerging issues with respect to potential changes in arrangements.</li> <li>➤ Kept abreast of risks and potential impact from staff leaving EI/UK, and ensure we prepare for the new immigration and visa process post BREXIT.</li> <li>➤ Realign overseas programmes into new and evolving funding programmes as they arise.</li> </ul>
Major business interruptions or loss of equipment or computer systems	<ul style="list-style-type: none"> <li>➤ A major systems failure disrupts scientific research programmes.</li> <li>➤ A major incident damages EI's reputation impacting on future funding and collaborative opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Business Continuity and Disaster recovery plans in place and tested periodically.</li> <li>➤ Appropriate insurance arrangements are in place.</li> </ul>
Compliance with sponsor funding requirements	<ul style="list-style-type: none"> <li>➤ EI fails to comply with sponsor grant requirements resulting in a material financial impact.</li> </ul>	<ul style="list-style-type: none"> <li>➤ EI is subject to regular reviews of its grant compliance processes from sponsors and the Research Councils UK internal auditors.</li> </ul>

Risk area	Description of Risk	Management of Risk
Impact of COVID-19 on science programmes	<ul style="list-style-type: none"> <li>➤ EI fails to deliver its science programme due to the implications of COVID-19 on access to site and or staff/students' wellbeing.</li> </ul>	<ul style="list-style-type: none"> <li>➤ EI active business continuity group prioritised the safety of its staff during the lockdown period. We reopened critical onsite science in May 2021 and were granted funding extensions by UKRI to deliver the science programmes that were impacted.</li> </ul>
Rising Energy Prices impact on future sustainability of Institute	<ul style="list-style-type: none"> <li>➤ Risking energy prices mean that current funding levels, and business plan are unsustainable long term.</li> </ul>	<ul style="list-style-type: none"> <li>➤ EI to keep funders abreast of rising energy costs, and look for funding opportunities to assist with rising costs of delivering core programmes.</li> <li>➤ EI to increase energy usage monitoring and reporting to enable it to review its energy consumption and operational practices to ensure best energy efficiency.</li> <li>➤ EI to continue to buy energy at the best price via working with others on the NRP to secure future energy prices at best value.</li> </ul>

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Members and Patrons

The Members of EI are:

- UK Research and Innovation - Biotechnology and Biological Sciences Research Council (“BBSRC”);
- University of East Anglia (“UEA”);
- The Chair of the Board of Trustees.

### Board of Trustees

The Board of Trustees comprises the Chair and up to eight additional trustee directors. The Trustees who served during the year and up to the date of signing these financial statements were as follows:

### Organisation and governance

EI is incorporated in England and Wales and is a company limited by guarantee (registered number 06855533) and a registered charity (number 1136213). EI is governed by its Memorandum and Articles of Association, adopted 20 December 2016.

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Trustees	Sub-committees	Changes during period
<b>At date of Report:</b>		
<b>Professor Peter Holland (Chair)</b>	Rem Com	-
<b>Dr Alasdair Macnab</b>	AC (Chair), Rem Com (Chair)	-
<b>Professor Thomas Richards</b>	-	-
<b>Ms Amanda Tagg</b>	AC, Rem Com	-
<b>Professor Edward Louis</b>	AC (up to 12 October 2021)	-
<b>Professor Philip Gilmartin</b>	AC (from 12 October 2021)	-
<b>Professor Deborah Smith</b>	Rem Com (from 7 December 2021)	Appointed 7 December 2021
<b>Dr Lars Magnus Rattray</b>	-	Appointed 21 June 2022
<b>Dr Stephanie Joan Pilkington</b>	-	Appointed 21 June 2022
<b>During the year:</b>		
<b>Professor Dame Janet Thornton (Chair)</b>	-	Resigned 29 March 2022
<b>Mrs Andrea Finegan</b>	AC, Rem Com (Chair)	Resigned 21 June 2022
<b>Professor Jean Beggs</b>	Rem Com	Resigned 7 December 2021

### Audit Committee

The Audit Committee is responsible for oversight of the areas of audit; financial reporting; regulatory compliance; internal systems and controls (including the integrity of financial controls) within EI. The Audit Committee reports to EI’s Board, making recommendations for Board consideration where necessary.

### Remuneration Committee (Rem Com)

EI’s Remuneration Committee is responsible for advising on the remuneration and policy on executive pay and performance packages. It reports to the Board and is composed of four Trustee Directors representing the scientific and commercial expertise.

### Recruitment, induction and training of Trustees’

The Institute advertises nationally for prospective Trustees to ensure appropriate expertise on the Board is maintained. The Institute will also approach individuals thought to have the right skills. The Board strives through its recruitment to keep good diversity within the Board membership.

An induction programme has been put in place for newly appointed Trustees and is kept under review and updated where appropriate. In addition, the Trustees are in regular contact with the Institute Director and executive team and receive presentations on key areas of activity.

### Trustee remuneration

EI remunerates trustees where the Board considers that payment is necessary to attract trustees with specialist skills and experience. The power to remunerate trustees is included in EI’s Articles of Association and has been approved by the Charities Commission. Details of trustee remuneration in the year are included in note 8 of the financial statements.

### The Scientific Advisory Board (SAB)

The SAB, chaired by Prof Simon Hubbard, is responsible for providing strategic advice on issues relevant to EI’s scientific mission and science programmes.

### Decision making and key management

The EI Board has delegated the day-to-day management of the charitable company to the Director

and the Executive Team, who are considered to be the key management personnel for the institute:

#### **Director**

Professor Neil Hall is the Director of EI. He has previously led research groups at the Sanger Institute, The Institute for Genomic Research and The University of Liverpool.

#### **Director of Operations**

Sarah Cossey is the Director of Operations, a professional accountant and project manager with 20+ years' experience across the public and private sector.

#### **Head of Genomics Pipeline**

Dr. Karim Gharbi is a biologist with over two decades of experience in genomics and next-generation sequencing (NGS) and has previously led NGS in Edinburgh Genomics and University.

#### **Head of Plant Genomics**

Prof. Ant Hall previously he held the Holbrook Gaskell Chair of Botany at the University of Liverpool and research lead for the Institute of Integrative Biology and Director at the Centre for Genomic Research (CGR) and academic lead of the Liverpool GeneMill.

#### **Head of Research Faculty Office**

Dr. Christine Fosker has worked in the field of Genomics for 20 years, beginning her career working on the Human Genome Project at the Sanger Centre. She received her Ph.D. from the University of Cambridge and the Wellcome Sanger Institute.

#### **Head of Research e-infrastructure**

Dr. Rob Davey has 15+ years in bioinformatics and software development. He leads EI's research infrastructure and scientific computing teams, developing data management elements of two core research programmes and international biodiversity consortia.

#### **Related Parties**

##### **Subsidiaries and Related Parties**

EI's trading subsidiary – Earlham Enterprises Limited (formerly Genome Enterprise Limited) – contributed an operating profit of £190,000 (2021: £255,000).

##### **NBIP - Associate**

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

##### **Anglian Innovation Partnership LLP (AIP)**

EI became a member of AIP on 7 August 2012 through its 100% subsidiary, Earlham Enterprises Limited. AIP

is responsible for the management and development of the Norwich Research Park (NRP) estate and for the furtherance of the NRP Enterprise Vision. EI is entitled to receive a share of certain profits generated by AIP, however it has no liability for losses or in the event of insolvency. AIP has not yet generated any profits.

#### **BBSRC**

BBSRC is a member of the charitable company. EI is strategically funded, along with seven other institutes, by BBSRC. BBSRC supports EI via strategic 5-year funding programmes, competitively won project grants and capital funding for infrastructure and technology investments. The principal terms and conditions under which BBSRC provides its funding are set out in EI's Institute Grant Agreement.

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

#### **Employees**

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

Transferred employees retain their membership of the Research Councils Pension Scheme (RCPS), where applicable, with EI becoming an admitted employer in the scheme. The RCPS is a defined benefit scheme funded from annual grant-in-aid on a pay-as-you-go basis. EI accounts for the scheme as if it were a wholly defined contribution scheme.

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

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

#### **Communication**

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

#### **Equality and Diversity**

It is EI's policy to provide equal opportunities to job applicants and employees of any race, nationality, ethnic origin, marital status, religion or belief, gender, disability, sexual orientation, age or employment status. EI does not condone or tolerate any form of discrimination in its recruitment or employment

practices. All employees and applicants are treated on merit, fairly, with respect and dignity, recognised as individuals and valued for the contribution they make, provided with fair and equal access to training, development, reward and progression opportunities and are accountable for the impact of their own behaviour and actions. All EI's policies follow these principles.

EI is aware of its statutory duty to support the employment of disabled persons where possible, both in recruitment and by retention of employees who become disabled whilst in the employment of the charitable company, as well as generally through training and career development.

During the year EI redeveloped its Equality, Diversity and Inclusivity Committee, with a new Terms of Reference into the Inclusivity, Diversity, Equality and Accessibility Committee (IDEA Coms). Membership was expanded to cover representatives from across the Institute, and across roles including group leaders, post doctoral researchers, research assistants and technicians, operational staff, staff scientists, students and a HR professional. The Committee also has Champions for gender equality, LGBTQ+, Race and

### Going Concern

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

The Trustees have prepared cash flow forecasts for the period to March 2028 which indicate that, taking account of reasonable possible downsides on the operations and its financial resources, the Institute will have sufficient funds to meet its liabilities as they fall due for that period.

The Institute is reliant on its strategic programme funding from BBSRC, which was £5.3m in the year (2021: £6.4m). BBSRC has confirmed continued

Ethnicity, Mental Wellbeing, Part time workers, Parent and Carers and Accessibility.

The EI Trustee Directors have reviewed their performance and Board Members' skills against a Board skills matrix since 2015. The Board has had a balanced gender diversity in the past, but with recent recruitment its current diversity is 67:33 (M:F). The Board started to monitor its wider diversity in 2022, and will use the opportunity of the rotation of Board Members, and recruitment to rebalance gender diversity and improve ethnicity diversity so that it more closely mirrors the diversity of EI staff.

### Health & Safety

EI aims to safeguard and improve the health, safety, welfare and security of its employees and the health and safety of visitors. EI aims to create an atmosphere where health and safety matters are paramount considerations and consults with employees and their representatives on health and safety matters.

During the year the EI Board set up a H&S Working Group to review current practices and improve any areas identified as requiring development. This group will continue its work into 2022/23 and beyond.

strategic funding of £5.3m for the year to March 2023. BBSRC has provided the Institute with a provisional strategic programme funding allocation for 5 years to March 2028 of £6.0m per annum. The funding is expected to be confirmed in late 2022, once BBSRC has received confirmation of its Spending Review Allocation.

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

## STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES OF EARLHAM INSTITUTE IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

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

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of the group's result for that period. In preparing each of the group and charitable company financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

### Insurance disclosure

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

### Public benefit

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

### Disclosure of information to auditor

The trustees confirm that:

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

### Independent auditors

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

On behalf of the Board



**Peter Holland, Trustee Director**  
6th December 2022

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EARLHAM INSTITUTE

### Opinion

We have audited the financial statements of Earlham Institute (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charitable Company Balances Sheets, Consolidated Statement of Cash Flows and Notes to the Accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2022, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a

period of at least twelve months from when the financial statements are authorised for issue.

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

### Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the groups and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

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

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

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

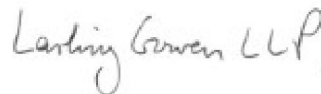
The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to

state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Anders Rasmussen FCA (Senior Statutory Auditor)

for and on behalf of  
**Larking Gowen LLP**

Chartered Accountants  
Statutory Auditors  
Norwich

13 December 2022

## FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2022

INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT

	Note	Unrestricted funds £000	Restricted funds £000	Restricted capital £000	Total 2022 £000	Total 2021 £000
<b>Income</b>						
<i>Income from charitable activities</i>						
Grant Income - BBSRC		-	8,668	-	<b>8,668</b>	8,466
Grant Income - other		-	1,580	-	<b>1,580</b>	566
Other Research Income		860	-	-	<b>860</b>	386
Capital funding - BBSRC		-	126	2,535	<b>2,661</b>	1,192
<i>Income from other trading activities</i>						
Trading income		293	-	-	<b>293</b>	409
Rental income		26	-	-	<b>26</b>	26
<i>Investment income</i>	10	47	-	-	<b>47</b>	56
<i>Other generated income</i>		126	-	-	<b>126</b>	43
<b>Total income</b>	2	1,352	10,374	2,535	<b>14,261</b>	11,144
<b>Expenditure</b>						
Charitable activities	3	(1,056)	(9,673)	(2,459)	<b>(13,188)</b>	(12,307)
Raising funds		(115)	-	-	<b>(115)</b>	(122)
Trading expenditure		(103)	-	-	<b>(103)</b>	(83)
<b>Total expenditure</b>		<b>(1,274)</b>	<b>(9,673)</b>	<b>(2,459)</b>	<b>(13,406)</b>	<b>(12,512)</b>
<b>Net income/(expenditure) for the year</b>		<b>78</b>	<b>701</b>	<b>76</b>	<b>855</b>	<b>(1,368)</b>
Other transfers	20	(359)	359	-	-	-
Capital transfers	20	901	(400)	(501)	-	-
<b>Net movement in funds</b>		<b>620</b>	<b>660</b>	<b>(425)</b>	<b>855</b>	<b>(1,368)</b>
Funds brought forward		11,786	1,289	8,546	<b>21,621</b>	22,989
<b>Funds carried forward</b>	20	<b>12,406</b>	<b>1,949</b>	<b>8,121</b>	<b>22,476</b>	21,621

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

The notes on pages 21 to 33 form part of these financial statements.

## CONSOLIDATED AND CHARITABLE COMPANY BALANCE SHEETS

### AS AT 31 MARCH 2022

	Note	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
<i>Fixed assets</i>					
Tangible assets	11	9,211	9,350	9,211	9,350
Intangible assets	12	-	-	-	-
<i>Current assets</i>					
Stocks	14	222	163	222	163
Debtors	15	4,722	3,164	4,578	3,005
Cash at bank and in hand	16	14,667	15,461	14,606	15,329
		19,611	18,788	19,406	18,497
<i>Current liabilities</i>					
Creditors: amounts falling due within one year	17	(6,346)	(6,517)	(6,333)	(6,483)
<b>Total net current assets</b>		<b>13,265</b>	<b>12,271</b>	<b>13,073</b>	<b>12,014</b>
<b>Total assets less current liabilities</b>		<b>22,476</b>	<b>21,621</b>	<b>22,284</b>	<b>21,364</b>
<b>Total net assets</b>	19	<b>22,476</b>	<b>21,621</b>	<b>22,284</b>	<b>21,364</b>

#### The funds of the charity

##### *Restricted funds*

Fixed asset reserve	20	8,121	8,546	8,121	8,556
Designated reserves	20	1,625	861	1,625	861
General reserve	20	324	428	324	428
<b>Total restricted funds</b>		<b>10,070</b>	<b>9,835</b>	<b>10,070</b>	<b>9,845</b>

##### *Unrestricted funds*

Fixed asset reserve	20	1,090	804	1,090	804
Designated reserves	20	7,382	6,877	7,382	6,877
General reserve	20	3,934	4,105	3,742	3,838
<b>Total unrestricted funds</b>		<b>12,406</b>	<b>11,786</b>	<b>12,214</b>	<b>11,519</b>

<b>Total funds</b>		<b>22,476</b>	<b>21,621</b>	<b>22,284</b>	<b>21,364</b>
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A separate income and expenditure account has not been presented for EI as this is exempted by Section 408 of the Companies Act 2006. The profit after tax of EI was £920,000 (2021: loss of £1,487,000).

The financial statements on pages 18 to 33 were approved by the Board of Trustees on 6 December 2022 and were signed on its behalf by:



**Peter Holland, Trustee Director**

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 31 MARCH 2022

	Total 2022	Total 2021
Note	£000	£000
<b>Cash flows from operating activities:</b>		
Operating profit/(deficit)	855	(1,368)
Interest receivable	(47)	(56)
Depreciation and amortisation	2,459	3,064
Capital grants received	(2,661)	(1,192)
Loss on disposal of tangible assets	20	169
Increase in stocks	(59)	(83)
Increase in debtors	(1,558)	(1,087)
(Decrease)/Increase in creditors	(171)	1,549
<b>Net cash (used in) / provided by operating activities</b>	<b>(1,162)</b>	<b>996</b>
<b>Cash Flows from investing activities:</b>		
Interest received	47	56
Purchase of tangible assets	(2,349)	(1,728)
Capital grants received	2,661	1,192
Proceeds from sale of tangible assets	9	-
<b>Net cash provided by / (used in) investing activities</b>	<b>368</b>	<b>(480)</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>(794)</b>	<b>516</b>
Cash and cash equivalents at the beginning of the period	16	15,461
<b>Total cash and cash equivalents at the end of the year</b>	<b>16</b>	<b>14,667</b>

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

The accompanying notes form part of these financial statements.

## NOTES TO THE ACCOUNTS

### 1. ACCOUNTING POLICIES

#### a. Basis of preparation

The group financial statements have been prepared under the historical cost convention and applicable accounting standards. They have also been prepared in accordance with Accounting and Reporting by Charities; Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)– (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

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

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of EI and all its subsidiary undertakings in accordance with Financial Reporting Standard (“FRS”) 102 “Accounting for Subsidiary Undertakings”.

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

The financial statements of all group undertakings are made up to 31 March 2022. A separate income and expenditure account has not been presented for EI as permitted by Section 408 of the Companies Act 2006. The profit after tax of EI was £920,000 (2021: loss of £1,487,000) for the year.

#### b. Going concern

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

The Trustees have prepared cash flow forecasts for the period to March 2028 which indicate that, taking account of reasonable possible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the Institute will have sufficient funds to meet its liabilities as they fall due for that period.

The Institute is reliant on its strategic programme funding from BBSRC, which was £5.3m in the year (2021: £6.4m). BBSRC has confirmed continued strategic funding of £5.3m for the year to March 2023. BBSRC has provided the Institute with a provisional strategic programme funding allocation for 5 years to March 2028 of £6.0m per annum. The funding is expected to be confirmed in late 2022, once BBSRC has received confirmation of its Spending Review Allocation.

Like most research organisations, the Institute’s activities have been impacted by Covid-19 measures over the last 2 years. During this period, the Institute has been able to successfully maintain its research programmes and projects with minimal financial impact. The Institute has considered the potential financial impact of any restrictions for the next 12 months, including the potential for a further lockdown. Taking into account experience to date, business continuity arrangements and financial projections, the Institute considers the risk of a significant financial impact from Covid-19 to be low.

Consequently, the Trustees are confident that the Institute will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the

financial statements and therefore have been prepared the financial statements on a going concern basis.

#### c. Judgements in applying accounting policies and key sources of estimation

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

- Depreciation, which has been charged in line with the accounting policy below. The amount of depreciation charged and net book value of the assets is included in Note 11.

#### d. Income

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

Other charitable research income represents non-grant revenue from collaborative research projects with other academic institutions and other scientific services. Revenue is recognised in the year in which the obligation is fulfilled.

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

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

#### e. Expenditure

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

Cost of generating funds represents the cost of obtaining funds for research and preparing grant applications. Governance costs represent the necessary cost of compliance with statutory and constitutional requirements and any other costs which are not direct charitable expenditure. Support costs have been wholly allocated to charitable activity expenditure based upon activity as indicated in note 4 to the financial statements.

#### f. Restricted funds

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

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

## NOTES TO THE ACCOUNTS

### 1. ACCOUNTING POLICIES (CONTINUED)

#### g. Unrestricted funds

These include any other grants which do not have specific conditions attached to them.

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

Unrestricted reserves that have been designated by the Board for specific purposes are shown in separate designated reserves. At March 2022, £7.4m (2021: £6.9m) of unrestricted reserves have been designated in relation to co-funding for institute strategic programmes, strategic research projects and future capital investment.

#### h. Capital transfers

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

#### i. Tangible assets and depreciation

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

Depreciation is calculated to write off the cost of assets, less any estimated residual value, over their estimated useful lives at the following rates:

Plant, machinery and equipment – over estimated economic life;  
 Scientific equipment - 5 years straight line;  
 Sequencing equipment - 3 years straight line;  
 Computer equipment – 3-5 years straight line.

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

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

#### j. Intangible assets and amortisation

Computer Software development costs are recognised as intangible fixed assets at cost less amortisation and any provision for impairment.

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

Computer Software - 3 to 5 years straight-line.

Assets under construction are not amortised until the asset is in full use.

#### k. Stocks

Stocks are stated at the lower of cost and net realisable value. Provision is made, where necessary, for slow moving or obsolete stock.

#### l. Debtors

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

#### m. Trade creditors

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

#### n. Provisions

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

#### o. Staff and Pensions

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

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

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

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

#### p. Termination benefits

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

#### q. Operating Leases

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

#### r. Foreign currency transactions

The reporting and functional currency is pounds sterling. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction.

Assets and liabilities denominated in foreign currencies are translated at year end exchange rates. All gains and losses are taken to the statement of financial activities in the year to which they relate.

#### s. Financial instruments

Financial assets and financial liabilities are recognised upon becoming a party to the contractual provisions of the instrument. The group only enters into basic financial instrument transactions that result in financial assets and liabilities like trade and other accounts receivable and payable.

## NOTES TO THE ACCOUNTS

### 2. ANALYSIS OF INCOMING RESOURCES

	Research activities	Other activities	Total 2022	Research activities	Other activities	Total 2021
	£000	£000	£000	£000	£000	£000
<b>Grant income</b>						
BBSRC	8,668	-	<b>8,668</b>	8,466	-	<b>8,466</b>
Other government departments	546	-	<b>546</b>	72	-	<b>72</b>
European Union	7	-	<b>7</b>	24	-	<b>24</b>
Universities	618	-	<b>618</b>	246	-	<b>246</b>
Other charities	744	-	<b>744</b>	396	-	<b>396</b>
Other grants	525	-	<b>525</b>	214	-	<b>214</b>
<b>Total grant income</b>	<b>11,108</b>	<b>-</b>	<b>11,108</b>	<b>9,418</b>	<b>-</b>	<b>9,418</b>
<b>Capital grants</b>						
BBSRC						
Capital expenditure	2,661	-	<b>2,661</b>	1,192	-	<b>1,192</b>
<b>Total capital grants</b>	<b>2,661</b>	<b>-</b>	<b>2,661</b>	<b>1,192</b>	<b>-</b>	<b>1,192</b>
<b>Trading income</b>						
Earlham Enterprises Ltd	-	293	<b>293</b>	-	409	<b>409</b>
Rental income	-	26	<b>26</b>	-	26	<b>26</b>
<b>Total trading income</b>	<b>-</b>	<b>319</b>	<b>319</b>	<b>-</b>	<b>435</b>	<b>435</b>
<b>Investment income</b>						
Interest receivable on cash deposits	-	47	<b>47</b>	-	56	<b>56</b>
<b>Total investment income</b>	<b>-</b>	<b>47</b>	<b>47</b>	<b>-</b>	<b>56</b>	<b>56</b>
<b>Other income</b>						
Other income	-	126	<b>126</b>	-	43	<b>43</b>
<b>Total other income</b>	<b>-</b>	<b>126</b>	<b>126</b>	<b>-</b>	<b>43</b>	<b>43</b>
<b>Total incoming resources</b>	<b>13,769</b>	<b>492</b>	<b>14,261</b>	<b>10,610</b>	<b>534</b>	<b>11,144</b>

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

- Grant income of £11,108k (2021: £9,418k), £10,248k (2021:£9,032k ) is restricted general funds, £860k (2021: £386k) is unrestricted funds.
- Capital grants of £2,661k (2021: £1,192k), £126k (2021: £201k) is restricted general funds and £2,535k (2021: £991k) is restricted capital funds
- In both periods all trading, investment and other income is unrestricted.

## NOTES TO THE ACCOUNTS

### 3. ANALYSIS OF RESOURCES EXPENDED

Expenditure on charitable activities and governance costs have been analysed below.

<b>Expenditure on charitable activities</b>	Note	<b>Total 2022 £000</b>	<b>Total 2021 £000</b>
Direct charitable expenditure:			
Staff costs		<b>4,587</b>	4,501
Direct costs		<b>4,680</b>	3,291
Depreciation		<b>2,459</b>	3,064
Governance costs		<b>104</b>	95
Support costs	4	<b>1,358</b>	1,356
<b>Total expenditure</b>		<b>13,188</b>	12,307

<b>Analysis of governance costs</b>	<b>Total 2022 £000</b>	<b>Total 2021 £000</b>
Staff costs	<b>99</b>	93
Other costs	<b>5</b>	2
<b>Total governance costs</b>	<b>104</b>	95

Included within expenditure is restricted general expenditure of £9,673k (2021: £8,718k), and restricted capital expenditure (depreciation) of £2,459k (2021: £3,064k). All other expenditure is unrestricted.

### 4. ALLOCATION OF SUPPORT COSTS

	Charitable Activities £000	Raising Funds £000	<b>Total 2022 £000</b>	Charitable Activities £000	Raising Funds £000	<b>Total 2021 £000</b>	Basis of Allocation
Building services*	477	-	<b>477</b>	507	-	507	Activity
Finance and Contracts*	190	115	<b>305</b>	196	122	318	Activity
Management, IT and Communications*	349	-	<b>349</b>	328	-	328	Activity
Human Resources and Staff Welfare*	138	-	<b>138</b>	127	-	127	Activity
Other support services	21	68	<b>89</b>	19	57	76	Activity
<b>Total support costs</b>	1,175	183	<b>1,358</b>	1,177	179	<b>1,356</b>	

Support costs are allocated based on their nature.

\* includes services supplied by NBI Partnership Limited (see note 23).

### 5. TAXATION

EI is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The trading activities of its subsidiary, Earlham Enterprise Limited, are subject to corporation tax, however profits are gifted to the charitable company resulting in £nil (2021: £nil) tax payable.

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

## NOTES TO THE ACCOUNTS

### 6. OPERATING SURPLUS

Operating surplus is stated after charging:

	<b>Total 2022</b>	Total 2021
	<b>£000</b>	£000
Audit services:		
Fees for the audit of the charitable company and consolidated financial statements	12	12
Fees for the audit of the charitable company's subsidiary pursuant to legislation	2	2
Non-audit services:		
Other fees payable to the auditors of the charitable company	-	-
Depreciation	2,459	3,064
Loss on disposal of tangible assets	20	169
Operating lease rentals (land and buildings)	130	101
Hire of plant and equipment	9	4
Loss on foreign exchange translations	7	10

### 7. RESULTS OF TRADING ACTIVITIES OF SUBSIDIARY

<b>Earlham Enterprises Limited</b>	<b>Total 2022</b>	Total 2021
	<b>£000</b>	£000
<b>Profit and loss account</b>		
Turnover	293	409
Cost of sales	(103)	(153)
<b>Gross profit</b>	<b>190</b>	<b>256</b>
Administrative expenses	-	(1)
<b>Operating profit retained in subsidiary</b>	<b>190</b>	<b>255</b>
<b>Net assets at 31 March 2022</b>	<b>192</b>	<b>257</b>

In addition to the above, £254,745 (2021: £135,503) in Gift Aid was paid to the charitable company in the year.

### 8. REMUNERATION OF MEMBERS OF THE BOARD OF TRUSTEES

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

Seven members of the Board of Trustees received remuneration from the group during the year for their duties as a Trustee (2021: six). Total trustee remuneration in the year was £28,000 (2021: £29,000). Details of the remuneration paid during the year is as follows:

<b>Name of Trustee</b>	<b>Total 2022</b>	Total 2021
	<b>£000</b>	£000
Professor Peter Holland	4	4
Professor Thomas Richards	4	4
Professor Dame Janet Thornton	7	8
Mrs Andrea Finegan	4	4
Dr Alasdair Macnab	4	5
Professor Edward Louis	4	4
Professor Deborah Smith	1	-
Professor Philip Gilmartin	4	-
<b>Total</b>	<b>32</b>	<b>29</b>

Attendance expenses were incurred by zero (2021: zero) Trustees whilst carrying out their duties amounted to £nil (2021: £nil) during the year.

## NOTES TO THE ACCOUNTS

### 9. EMPLOYEE INFORMATION

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

<b>Group and charitable company</b>	<b>2022</b>	2021
	<b>Number</b>	Number
Scientific	<b>99</b>	91
Office management and services	<b>18</b>	17
<b>Total</b>	<b>117</b>	108

The aggregate payroll costs of these persons were:

	<b>2022</b>	2021
	<b>£000</b>	£000
	Note	
Wages and salaries	<b>4,278</b>	4,117
Redundancy costs	<b>4</b>	5
Social security costs	<b>423</b>	433
Other pension costs	<b>644</b>	602
<b>Total</b>	<b>5,349</b>	5,157

As required by Charities SORP an analysis has been provided below of the number of staff who fall within emoluments bands from £60,000 upwards.

<b>Group and charitable company</b>	<b>2022</b>	2021
	<b>Number</b>	Number
£60,000 - £69,999	<b>4</b>	4
£70,000 - £79,999	<b>3</b>	4
£80,000 - £89,999	<b>2</b>	-
£100,000 - £109,999	<b>-</b>	2
£110,000 - £119,999	<b>2</b>	-
£160,000 - £169,999	<b>1</b>	1
<b>Total</b>	<b>12</b>	11

The number of staff with emoluments greater than £60,000 who were members of the Research Councils' Pension Schemes was 3 (2021: 4). The number of staff with emoluments greater than £60,000 who were members of a company stakeholder pension scheme was 4 (2021: 5).

Staff that joined prior to 1 October 2011 were employed by BBSRC up to 1 October 2017, when these employees transferred employment to the Institute under TUPE. Transferred employees retain their membership of the Research Councils Pension Scheme, where applicable, with EI becoming an admitted employer in the scheme.

Staff that joined after 1 October 2011 are employed under EI terms & conditions.

The key management personnel of the charitable company are considered to be the members of the executive team: the Institute Director, Director of Operations, Head of Genomics Pipeline, Head of Plant Genomics, Head of Research Faculty Office and Head of Research e-infrastructure. The key management personnel of the group comprise those of the charity and the key management personnel of the wholly owned subsidiaries, Earlham Enterprises Ltd ("EEL"). The key management personnel of EEL is considered to be the Institute Director (EI) and the Director of Operations (EI). No costs were recharged in respect of this. The total employee benefits of the key management personnel of the charity and group were £707,736 (2021: £673,214).

## NOTES TO THE ACCOUNTS

### 10. INTEREST RECEIVABLE AND SIMILAR INCOME

	Total 2022	Total 2021
	£000	£000
Bank interest	45	54
Interest on loans	2	2
<b>Total</b>	<b>47</b>	<b>56</b>

### 11. TANGIBLE ASSETS

Group and charitable company	Leasehold improvements £000	Plant, machinery and equipment £000	Assets under construction £000	Total £000
<b>Cost</b>				
At 1 April 2021	8,661	27,191	1,042	36,894
Transfers	549	469	(1,018)	-
Additions	814	1,052	483	2,349
Disposals	-	(2,394)	(24)	(2,418)
<b>At 31 March 2022</b>	<b>10,024</b>	<b>26,318</b>	<b>483</b>	<b>36,825</b>
<b>Accumulated Depreciation</b>				
At 1 April 2021	5,697	21,847	-	27,544
Charge for the year	256	2,203	-	2,459
Disposals	-	(2,389)	-	(2,389)
<b>At 31 March 2022</b>	<b>5,953</b>	<b>21,661</b>	<b>-</b>	<b>27,614</b>
<b>Net book value at 31 March 2022</b>	<b>4,071</b>	<b>4,657</b>	<b>483</b>	<b>9,211</b>
Net book value at 31 March 2021	2,964	5,344	1,042	9,350

All of the charitable company assets at 31 March 2022 are used for direct charitable purposes.

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

### 12. INTANGIBLE ASSETS

Group	Software development £000	Total £000
<b>Cost</b>		
At 1 April 2021	177	177
Additions	-	-
<b>At 31 March 2022</b>	<b>177</b>	<b>177</b>
<b>Accumulated Depreciation</b>		
At 1 April 2021	177	177
Charge for the year	-	-
<b>At 31 March 2022</b>	<b>177</b>	<b>177</b>
<b>Net book value at 31 March 2022</b>	<b>-</b>	<b>-</b>
Net book value at 31 March 2021	-	-

## NOTES TO THE ACCOUNTS

### 12. INTANGIBLE ASSETS (CONTINUED)

<b>Charitable company</b>	Software development £000	<b>Total £000</b>
<b>Cost</b>		
At 1 April 2021	147	147
Additions	-	-
<b>At 31 March 2022</b>	<b>147</b>	<b>147</b>
<b>Accumulated Depreciation</b>		
At 1 April 2021	147	147
Charge for the year	-	-
<b>At 31 March 2022</b>	<b>147</b>	<b>147</b>
<b>Net book value at 31 March 2022</b>	-	-
Net book value at 31 March 2021	-	-

The intangible asset relates to internally generated research software.

### 13. FIXED ASSET INVESTMENTS

#### Subsidiary

The charitable company's investment in its subsidiary undertaking at cost amounts to £1. The following is the operating subsidiary undertaking in which the charitable company has an interest:

<b>Subsidiary Undertaking</b>	<b>Country of registration</b>	<b>Principal activity</b>	<b>Class and percentage of shares held</b>
Earlham Enterprises Limited	England	Contract research	100% ordinary shares

Earlham Enterprises Limited (company registration number 06812113) registered address is Norwich Research Park, Norwich, Norfolk, NR4 7UZ.

The charitable company has committed to provide financial support to Earlham Enterprises Limited ("EEL"), and not demand repayment of amounts due to it, in order to enable EEL to meet its liabilities as they fall due – but only to the extent that money is not otherwise available to the company to meet such liabilities – for a period of at least 12 months from the signing of the financial statements of the EEL for the year ended 31 March 2022.

EEL is a member of Anglia Innovation Partnership LLP, which is responsible for the management and development of the Norwich Research Park land and for the furtherance of the NRP Enterprise Vision. EI is entitled to receive a share of certain profits generated by Anglia Innovation Partnership LLP, however it has no liability for losses or in the event of insolvency. Anglia Innovation Partnership LLP has not yet generated any profits.

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

### 14. STOCK

<b>Group and charitable company</b>	<b>Total 2022 £000</b>	<b>Total 2021 £000</b>
Raw materials and consumables	222	163
<b>Total</b>	<b>222</b>	<b>163</b>

## NOTES TO THE ACCOUNTS

### 15. DEBTORS

		Group 2022	Group 2021	Company 2022	Company 2021
	Note	£000	£000	£000	£000
<i>Grants receivable:</i>					
from government bodies		1,651	407	1,651	407
from other sources		875	243	875	243
Trade debtors		458	314	334	70
Amounts owed by subsidiary undertakings		-	-	20	85
Amounts owed by other related parties	23	247	171	247	171
Other debtors		297	73	297	73
Prepayments and accrued income		1,194	1,956	1,154	1,956
<b>Total amounts falling due within one year</b>		<b>4,722</b>	<b>3,164</b>	<b>4,578</b>	<b>3,005</b>

The above amounts fall due within one year.

Grants receivable from government bodies includes £427,730 in relation to capital funding receivable from BBSRC (2021: £75,602).

### 16. CASH AT BANK AND IN HAND

	Group 2022	Group 2021	Company 2022	Company 2021
	£000	£000	£000	£000
Cash at bank	14,667	15,461	14,606	15,329
<b>Total</b>	<b>14,667</b>	<b>15,461</b>	<b>14,606</b>	<b>15,329</b>

### 17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

		Group 2022	Group 2021	Company 2022	Company 2021
	Note	£000	£000	£000	£000
<i>Grants received in advance:</i>					
from government bodies		695	1,049	695	1,049
from other sources		475	387	475	376
Amounts owed to other related parties	23	214	307	214	307
Trade creditors		1,271	1,216	1,271	1,216
Other creditors		1,666	962	1,653	939
Taxation and social security		105	106	105	106
Accruals and deferred income		1,920	2,490	1,920	2,490
<b>Total amounts falling due within one year</b>		<b>6,346</b>	<b>6,517</b>	<b>6,333</b>	<b>6,483</b>

### 18. RECONCILIATION OF MOVEMENT IN GRANTS RECEIVABLE

Group	Total 2022	Total 2021	
	Note	£000	£000
Grants receivable	15	2,526	650
Grants received in advance	17	(1,170)	(1,436)
<b>Net grants receivable at the end of the year / (received in advance)</b>		<b>1,356</b>	<b>(786)</b>
Net grants received in advance at beginning of year		(786)	(884)
Grant monies received during the year		(8,106)	(8,934)
Grant money released to SOFA during the year		10,248	9,032
<b>Net grants receivable at the end of the year / (received in advance)</b>		<b>1,356</b>	<b>(786)</b>

## NOTES TO THE ACCOUNTS

### 19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed assets £000	Net current assets £000	Total 2022 £000
<b>Group</b>			
<i>Unrestricted:</i>			
Fixed asset reserve	1,090	-	<b>1,090</b>
Designated reserves	-	7,382	<b>7,382</b>
General reserve	-	3,934	<b>3,934</b>
<i>Restricted:</i>			
Fixed asset reserve	8,121	-	<b>8,121</b>
Designated reserves	-	1,625	<b>1,625</b>
General reserve	-	324	<b>324</b>
<b>Total net assets</b>	<b>9,211</b>	<b>13,265</b>	<b>22,476</b>

#### Charitable company

<i>Unrestricted:</i>			
Fixed asset reserve	1,090	-	<b>1,090</b>
Designated reserves	-	7,382	<b>7,382</b>
General reserve	-	3,742	<b>3,742</b>
<i>Restricted:</i>			
Fixed asset reserve	8,121	-	<b>8,121</b>
Designated reserves	-	1,625	<b>1,625</b>
General reserve	-	324	<b>324</b>
<b>Total net assets</b>	<b>9,211</b>	<b>13,073</b>	<b>22,284</b>

	Fixed assets £000	Net current assets £000	Total 2021 £000
<b>Group</b>			
<i>Unrestricted:</i>			
Fixed asset reserve	804	-	<b>804</b>
Designated reserves	-	6,877	<b>6,877</b>
General reserve	-	4,105	<b>4,105</b>
<i>Restricted:</i>			
Fixed asset reserve	8,546	-	<b>8,546</b>
Designated reserves	-	861	<b>861</b>
General reserve	-	428	<b>428</b>
<b>Total net assets</b>	<b>9,350</b>	<b>12,271</b>	<b>21,621</b>

#### Charitable company

<i>Unrestricted:</i>			
Fixed asset reserve	804	-	<b>804</b>
Designated reserves	-	6,877	<b>6,877</b>
General reserve	-	3,838	<b>3,838</b>
<i>Restricted:</i>			
Fixed asset reserve	8,546	10	<b>8,556</b>
Designated reserves	-	861	<b>861</b>
General reserve	-	428	<b>428</b>
<b>Total net assets</b>	<b>9,350</b>	<b>12,014</b>	<b>21,364</b>

The unrestricted fixed asset reserve represents the net book value of fixed assets purchased from unrestricted funds. The unrestricted designated reserve relates to funds designated by the Board for use in relation to co-funding for institute strategic programmes, strategic projects and future capital investment.

The restricted fixed asset reserve relates to the net book value of fixed assets purchased from capital grants. The restricted designated reserve relates to advance capital and project funding received from BBSRC. The restricted general reserve relates to advance strategic funding received from BBSRC.

## NOTES TO THE ACCOUNTS

### 20. ANALYSIS OF FUNDS MOVEMENTS

	Unrestricted		Unrestricted general	Restricted designated	Restricted		Total 2022
	fixed reserve	Unrestricted designated			fixed reserve	Restricted general	
	£000	£000	£000	£000	£000	£000	£000
<b>Group</b>							
<b>At 1 April 2021</b>	804	6,877	4,105	861	8,546	428	<b>21,621</b>
Operating surplus for the year	-	-	78	-	76	701	<b>855</b>
Capital transfers	182	-	29	-	(211)	-	-
Unrestricted general capital expenditure	104	(104)	-	(526)	400	126	-
Unrestricted designated transfer	-	609	(420)	600	-	(789)	-
Restricted designated transfer	-	-	-	690	(690)	-	-
Other transfers	-	-	142	-	-	(142)	-
<b>At 31 March 2022</b>	<b>1,090</b>	<b>7,382</b>	<b>3,934</b>	<b>1,625</b>	<b>8,121</b>	<b>324</b>	<b>22,476</b>

#### Charitable company

<b>At 1 April 2021</b>	804	6,877	3,838	861	8,556	428	<b>21,364</b>
Operating surplus for the year	-	-	143	-	76	701	<b>920</b>
Capital transfers	182	-	29	-	(211)	-	-
Unrestricted general capital expenditure	104	(104)	-	(526)	400	126	-
Unrestricted designated transfer	-	609	(420)	600	-	(789)	-
Restricted designated transfer	-	-	-	690	(690)	-	-
Other transfers	-	-	152	-	(10)	(142)	-
<b>At 31 March 2022</b>	<b>1,090</b>	<b>7,382</b>	<b>3,742</b>	<b>1,625</b>	<b>8,121</b>	<b>324</b>	<b>22,284</b>

	Unrestricted		Unrestricted general	Restricted designated	Restricted		Total 2021
	fixed assets reserve	Unrestricted designated			fixed reserve	Restricted general	
	£000	£000	£000	£000	£000	£000	£000
<b>Group</b>							
<b>At 1 April 2020</b>	951	5,572	4,530	1,651	9,904	381	<b>22,989</b>
Operating surplus/(deficit) for the year	-	-	190	-	(2,073)	515	<b>(1,368)</b>
Capital transfers	(252)	169	-	-	83	-	-
Unrestricted general capital expenditure	105	(105)	-	-	-	-	-
Unrestricted designated transfer	-	773	(615)	(158)	-	-	-
Restricted designated transfer	-	-	-	(632)	632	-	-
Other transfers	-	468	-	-	-	(468)	-
<b>At 31 March 2021</b>	<b>804</b>	<b>6,877</b>	<b>4,105</b>	<b>861</b>	<b>8,546</b>	<b>428</b>	<b>21,621</b>

#### Charitable company

<b>At 1 April 2020</b>	941	5,572	4,392	1,651	9,914	381	<b>22,851</b>
Operating surplus/(deficit) for the year	-	-	71	-	(2,073)	515	<b>(1,487)</b>
Capital transfers	(242)	169	(10)	-	83	-	-
Unrestricted general capital expenditure	105	(105)	-	-	-	-	-
Unrestricted designated transfer	-	773	(615)	(158)	-	-	-
Restricted designated transfer	-	-	-	(632)	632	-	-
Other transfers	-	468	-	-	-	(468)	-
<b>At 31 March 2021</b>	<b>804</b>	<b>6,877</b>	<b>3,838</b>	<b>861</b>	<b>8,556</b>	<b>428</b>	<b>21,364</b>

Capital transfers relate to fund movements in connection with fixed assets and depreciation; ensuring assets are appropriately reflected in separate reserves.

Unrestricted general capital expenditure relates to fixed asset purchases funded from the unrestricted designated reserve.

The Unrestricted designated transfer represents movements in unrestricted funding for institute strategic programmes, strategic expenditure and future capital investment.

The Restricted designated transfer represents movements in restricted BBSRC funding for capital, projects and strategic grants.

Other transfers relate to the net surplus on restricted research grants, which has been transferred to unrestricted general reserves upon performance of the grant conditions.

## NOTES TO THE ACCOUNTS

### 21. COMMITMENTS

<b>Group and charitable company</b>	<b>Total 2022 £000</b>	<b>Total 2021 £000</b>
-------------------------------------	--------------------------------	--------------------------------

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

Contracted	992	892
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<b>Group and charitable company</b>	<b>Total 2022 £000</b>	<b>Total 2021 £000</b>
-------------------------------------	--------------------------------	--------------------------------

Amounts due under other operating leases for land and buildings:

Under one year	100	100
Between one and five years	400	400
Over 5 years	1,276	1,376
	<b>1,776</b>	<b>1,876</b>

Amounts due under other operating leases for plant and machinery:

Under one year	2	2
Between one and five years	-	2
Over 5 years	-	-
	<b>2</b>	<b>4</b>

### 22. PENSION SCHEMES

All staff employed by EI on 30 September 2011 became BBSRC employees on 15 March 2012 and were deployed back to the Institute under conditions set out in the Deployment Agreement (the "Deployed Employees"). On 1 October 2017, Deployed Employees transferred employment to the Institute under TUPE.

Deployed Employees retain their membership of the Research Councils Pension Scheme (RCPS), where applicable, with EI becoming an admitted employer in the scheme. The RCPS is a defined benefit scheme funded from annual grant-in-aid on a pay-as-you-go basis. The RCPS Pension Scheme is a multi-employer scheme and EI is unable to identify its share of the underlying assets and liabilities. EI therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Liabilities for the payment of future benefits are the responsibility of the RCPS and accordingly are not included in these Financial Statements. The employer contribution rate during the year was 26% (2021: 26%).

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

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

The total pension charge for the year was £644,601 (2021: £602,278), with outstanding contributions at the year-end of £42,049 (2021: £40,110).

## NOTES TO THE ACCOUNTS

### 23. RELATED PARTY TRANSACTIONS

#### Biotechnology and Biological Science Research Council (“BBSRC”)

The charitable company is strategically funded by BBSRC along with seven other Institutes and BBSRC is one of the members of the charitable company. BBSRC is part of UK Research and Innovation (UKRI), an organisation that brings together the UK’s seven research councils, Innovate UK and Research England.

During the year BBSRC charged EI £nil (2021: £nil) for subscription charges and other costs. As at 31 March 2022, EI owed BBSRC £52,399 (2021: £52,399).

BBSRC provided £5,327,000 (2021: £6,404,000) of strategic funding for research and in addition it provided £2,529,000 (2021: £1,778,000) of funding for capital purchases in the year ended 31 March 2022. As at 31 March 2022, BBSRC owed EI £483,649 (2021: £78,772), of which £427,730 (2021: £75,602) was for capital purchases.

#### NBI Partnership Limited (“NBIP”)

EI is one of four members and guarantors of NBIP, a company limited by guarantee. EI has provided short-term loans to NBIP to enable NBIP to manage its cash requirements. At 31 March 2022, EI had a loan balance with NBIP of £103,000 (2021: £100,000).

During the year, EI was charged £1,422,614 (2021: £1,312,698) for services under a cost sharing agreement. As at 31 March 2022, EI owed NBIP £160,634 (2021: £159,812) and NBIP owed EI £9,656 (2021: £2,000).

#### University of East Anglia (“UEA”)

UEA is a member of the charitable company. During the year, EI invoiced UEA £457,759 (2021: £82,268) for services. UEA invoiced EI £32,741 (2021: £171,570) for miscellaneous costs and £717,068 (2021: £473,468) for staff costs.

As at 31 March 2022, UEA owed EI £133,618 (2021: £68,555) and EI owed UEA £53,587 (2021: £128,188).

#### Anglia Innovation Partnership LLP (“AIP LLP”)

EI is a member of Anglia Innovation Partnership LLP through its 100% subsidiary, EEL. Anglia Innovation Partnership LLP is responsible for the management and development of the Norwich Research Park (NRP) estate and for the furtherance of the NRP Enterprise Vision. During the year, EI received services totalling £6,354 (2021: £5,357), and was charged £19,164 (2021: £19,177) for estate costs. As at 31 March 2022, EI owed AIP LLP £nil (2021: £19,177).

#### Earlham Enterprises Ltd

Earlham Enterprises Ltd is the wholly owned trading subsidiary of EI. EEL undertakes contract research, research services and consultancy.

During the year, EI invoiced EEL for services and other costs totalling £156,023 (2021: £233,496). In addition, EEL made a gift aid payment to EI of £254,745 (2021: £135,573). As at 31 March 2022, EEL owed EI £20,686 (2021: £85,105).

### 24. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Trustees consider that there is no ultimate parent undertaking and controlling party. EI is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements.

## REFERENCE AND ADMINISTRATIVE DETAILS

### Directors and Trustees

Professor Peter Holland	Chair – Board of Trustees
Dr Alasdair Macnab	Chair – Audit Committee, Remuneration Committee
Professor Thomas Richards	
Ms Amanda Tagg	
Professor Deborah Smith	
Professor Edward Louis	
Professor Philip Gilmartin	
Dr Stephanie Joan Pilkington	
Dr Lars Magnus Rattray	

### Key Management Personnel

Professor Neil Hall	Institute Director
Mrs Sarah Cossey	Director of Operations
Dr Karim Gharbi	Head of Genomics Pipeline
Professor Ant Hall	Head of Plant Genomics
Dr Christine Fosker	Head of Research Faculty Office
Dr Rob Davey	Head of Research e-infrastructure

**Registered charity number** 1136213

**Registered company number** 06855533

### Registered office and principal office of the charity

Norwich Research Park  
Colney  
Norwich  
NR4 7UZ

### Independent auditor

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

### Banker

Barclays Bank Plc  
Red Lion Street  
Norwich  
NR1 3QH

### Solicitors

Taylor Vinters LLP  
Merlin Place  
Milton Road  
Cambridge  
CB4 0DP

Birketts  
Kingfisher House  
1 Gilders Way  
Off Barrack Street  
Norwich  
NR3 1UB

**EARLHAM INSTITUTE**

England & Wales - Charity number 1136213

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# Accounts

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# EARLHAM INSTITUTE

Annual Report and Accounts  
for the year ended 31 March 2021

Registered company number: 06855533

Registered charity number: 1136213

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Earlham Institute is a company limited by guarantee and a registered charity.

The Annual Report provides information on the legal purposes of the charity, the activities it undertakes and its main achievements. The Trustees' Report and Financial Statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP), Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), together with the reporting requirements of the Companies Act 2006 and the Charities Act 2011.

## TRUSTEES' REPORT INCORPORATING THE STRATEGIC REVIEW

### Introduction

The past two decades have laid the foundations for a new era of genome-based understanding of genetics and the biology of complex systems. Technological advances in DNA sequencing have resulted in multiple step-change increases in the rate of data acquisition at reduced costs to a point that sequence technologies can now affordably and effectively be applied to research questions across the life sciences, from plants to animals to microbes. In parallel the emergence of the data sciences, artificial intelligence and the need for data sharing, has opened new opportunities. Earlham Institute (EI) is founded on these two revolutions and has become a leading interdisciplinary institute in the UK, combining genomics and big data.

### EI's Mission

EI's mission is to advance and enable bioscience by applying computational and data driven approaches.

EI's strategy has relied on the implementation of novel applications, establishing collaborative work to advance knowledge in biosciences, develop novel applications in biotechnology, and promote the growth of the UK bioeconomy.

The Institute's current mission is built on strong foundations and rests on three key strengths:

- Expertise – EI hosts one of the largest and most experienced teams in the UK specialising in the generation and analysis of genomic data using next-generation sequencing
- Technology – EI's genomic and computing platforms include the most advanced equipment and are configured specifically to deliver competitive analysis for large or complex genomics datasets
- Digital Infrastructure – EI is at the forefront in the development of specialised databases, pipelines and software for data analysis and visualisation.

### EI's Strategy

EI's science strategy "Decoding Living Systems" brings together a wealth of expertise in biosciences, bioinformatics, high performance computing and statistics to understand complex biological systems in plants and animals and their interaction with the environment.

EI's advanced genomics and computational platforms support data-intensive research that embraces and confronts modern scientific challenges arising from data scale and complexity. We develop and implement new technologies and apply computational methods to process, store and interpret complex and diverse datasets, to enable bioscience research.

The science faculty collectively conducts three principal kinds of research activities:

- Fundamental research to increase the knowledge base in bioscience.
- Applied research to improve plant, animal and human health.
- Enabling research to empower both academia and industry with new technologies and scalable bioinformatics approaches.

The focus will be on interpreting complex molecular and cellular data using advanced computational and AI approaches. This will impact on all areas of biological science and will continue to demand skilled personnel, computational systems and analytical tools.

EI is moving rapidly from an era where the emphasis was on generating data, to one in which genome-wide sequencing and other 'omics technologies can be used routinely for multiple assays but are often complex to analyse requiring novel and adaptable approaches.

### Culture

EI's success is founded on a culture defined by the following core values:

- Openness – We promote the dissemination of knowledge and distribution of data and software tools by following open and transparent data-sharing policies that are embedded in EI's research programmes.
- Technical Excellence – We are committed to continuous improvement, and to work to the highest standards of quality across the organisation.
- Developing and Rewarding Talent – We aim to recruit, train and retain highly skilled and talented people
- Innovation – We apply novel, state of the art technologies to deliver innovative approaches.
- Collaboration – We work collaboratively, internally and externally, through mutual respect and openness.
- Equality & Diversity – We value, encourage and support the diversity of all who work in our institute.

## Public Benefit

EI advances biological and biotechnological science for the public benefit by undertaking and promoting research relating to genomes and their functions, in particular this year by carrying out the following activities:

- Applying our science to issues of public interest e.g. Understanding the diversity of Bees and Pollination and microbiomes.
- Being part of the national efforts to respond to the Covid-19 pandemic.
- Working with industrial partners and breeders to apply our knowledge and expertise to develop robust crops and food sources for the future, whilst understanding natural diversity.
- Working with low income countries to build research capacity that will enable them to develop their knowledge.
- Training of scientists and encouraging them to participate in public engagement.
- Contributing to the local, national and international economy by training first rate scientists

## Coronavirus Pandemic

The coronavirus (Covid19) pandemic has brought many challenges to the world. Working closely with our Norwich Research Park partners we were able to redirect some of our expertise to support the local hospital to automate Covid-19 testing and make a difference to our region. The Institute was also able to support its staff and students, and minimise disruption to our science programmes. We also had a key focus on supporting our staff's wellbeing. For more information see our performance report.

## Our Performance

Our performance against the 2020/21 objectives is highlighted in the table below:

Objectives	Our Performance
<b>Continue the growth and development of our world leading research programmes, increase our published outputs and diversify our grant income.</b>	During the last financial year scientists at EI published 112 publications and shared 14 research tool, methods, databases and models with the wider scientific community. Our scientists also delivered 24 oral and 14 poster presentations at national and international conferences which were held in a virtual format during the past year. The diversity of our funding portfolio has expanded with funding received from the Wellcome Trust, MRC and NERC in addition to BBSRC.
<b>Build more industrial collaborations so that we are aligned to government strategy and can achieve impact from our research</b>	With managed 21 projects with 16 industrial partners funded by: UKRI (BBSRC, EPSRC, Innovate UK, MRC), Royal Academy of Engineering, and industry. Our collaborations span plant breeding and agrochemical sector, biotech industry, specialist sequencing and instrumentation companies, data management and bioinformatics companies, and defence and security sector. We have a strong pipeline of iCASE studentships arising from these collaborations. We have maintained the existing and developed new relationships with industry through mechanisms such as external engagement events, industry seminar programme and joint PhD studentships. Our industry facing event EI Innovate 2020 attracted 170 attendees, among 115 external participants from 73 different organisations, and generated 26 new connections with industry and academia.  Projects to translate our research and help to realise societal, economic and environmental impact, nationally and internationally included: a modular synthetic biology pipeline for the engineering bioactive dyes which can help to reduce environmental impact of the textile dyeing industry and; investigating a new drug target for treatment of schizophrenia with the international Psychiatry Consortium, a £4 million collaboration between seven global pharmaceutical companies and two leading research charities.
<b>Strengthen our partnerships through collaboration with world leading institutes and scientists that align with our scientific strategy.</b>	Work continues on the collaboration with WorldFish which aims to accelerate selective breeding of tilapia in the Lake Victoria Basin catchment working with institutions based in Kenya, Tanzania and Uganda. The newly awarded UKRI GCRF GastroPak project started in 2020 with EI working with institutes in Pakistan (National University of Sciences & Technology in Islamabad and the University of Agriculture Faisalabad), the National University of Galway and other UK institutes. This a multidisciplinary project to quantify the transmission routes of gastroenteritis in Pakistan and develop targeted interventions.

Objectives (continued)	Our Performance (continued)
<p><b>Develop our National Capabilities to ensure that they offer the UK research community high quality and high-value scientific services and training.</b></p>	<p>The year brought specific challenges for the genomics team as they had restricted access to the onsite laboratories due to social distancing and lockdown. This also impacted the national capability users and we saw fewer samples being received and processed in the first half of the reporting year.</p> <p>We repurposed some of our infrastructure and expertise towards COVID-19 testing, initially supporting the expansion and automation of region's NHS testing in collaboration with the University of East Anglia early in the pandemic, before setting up and operating dedicated facilities at EI for asymptomatic testing of returning university students (<a href="#">Norwich Testing Initiative</a>). The year also saw the completion of new facilities for cell sorting, high-fidelity DNA sequencing and laboratory automation, placing the National Capability in a stronger position to support the UK bioscience community as research activities gradually return to normality. By the end of the year the team were working closely with the local Norfolk and Norwich University Pathology labs to set up a new saliva based testing lab within EI, that will have the capacity to test up to 35,000 covid samples per week by mid 2021.</p> <p>The EI Biofoundry continues to develop a sustainable model for providing access to facilities and expertise in lab-automation and synthetic biology to the UK bioscience and biotechnology community. It provided access to automated workflows and progress collaborations with researchers in academia and industry.</p> <p>EI has developed and maintained computing services that serve the scientific community including: EI's COPO data broking platform which was adopted by the Darwin Tree of Life project (DTOL) <a href="https://www.darwintreeoflife.org/">https://www.darwintreeoflife.org/</a>, where all eukaryotic life in the British Isles will be sequenced over the next 10 years and Aquatic Symbiosis Genomics (ASG) projects, with over 10,000 samples uploaded since its launch in October 2020. Working with the UK's Designing Future Wheat project, we used gold-standard annotated genomic data from Ensembl as a test case to scale up the GeneSeqToFamily Galaxy workflow to be used to find and categorise gene families in large plant genomes such as different wheat varieties, including the recently published 10+ wheat genomes. Despite the pandemic and lockdown, we have been able to continue remote training delivery, including the provision of computational cloud infrastructure to support training course participants. A number of activities have allowed us to help share best practices, data, software, protocols, and/or other tools, both nationally and internationally. These include Galaxy training courses, ELIXIR workshops, and the development of CyVerse UK massive open online courses (MOOCs) in collaboration with CyVerse Austria. We have contributed to the integration of various tools into Galaxy, the development of Galaxy training materials and provided support for external issues not relevant to our own Galaxy instances but those of the wider community</p> <p>Our Advanced Training Programme moved to a virtual model in April 2020, and we delivered 10 events reaching 101 people plus an additional 400 through networking and engagement events. The training team also assisted with the organisation of further training events for the GROW Colombia project, and supported the ELIXIR-UK All Hands and facilitated a workshop on Big Data Science for a cohort of NRP Doctoral Training Programme PhD Students. Events focussed on training to address skills of the research community in single cell approaches to RNAseq data analysis, fundamental programming (including Python) and data management, plus networking e.g. Single Cell Symposia, the inaugural UK Conference of Bioinformatics and Computational Biology for which the aim was to bring together the communities working in genomics and structural informatics. We developed new courses and supported visiting students with both remote and in-person internships for which the focus were development of key genomics and bioinformatics skills.</p>

Objectives (continued)	Our Performance (continued)
<p><b>Continue to communicate our science through our public engagement program to a wider audience, promoting the importance of publicly funded research to the general public.</b></p>	<p>The Communications Team had a productive year and supported the digital presence and communication of the Norwich Testing Initiative, as well as wider promotion of the Institute’s response to the pandemic. National media coverage was achieved at various points through the year around mass testing, so-called ‘silent spreaders’, and on vaccination. Social media became more important than ever as a tool for reaching our community, our work in digital media and on our website leading to a significant rise in engagement and followers compared with previous years. In-person public engagement events were cancelled or postponed, limiting our output but by creating opportunities for public engagement through multimedia, particularly on social channels we were able to deliver a successful pilot citizen science survey for a Royal Society event, completed by hundreds of bee hotel owners across the UK. We also adapted some previous work on the ‘Bee Trail’ into a game, which we’re excited to launch at the Royal Society event in July 2021. We also expanded the team to deliver Public Engagement on our ‘Barcoding the Broads’ project, as part of the Darwin Tree of Life programme.</p>

### Looking Ahead

El’s objectives for 2021/22 are to:

- i. Continue the growth and development of our world leading investigator-led research program, continue to publish high quality scientific outputs and diversify our income streams.
- ii. Build strong industrial collaborations so that we are aligned to the Government’s strategy and so we can achieve impact from our research.
- iii. Strengthen our partnerships through collaboration with world leading institutes and scientists that align with our scientific strategy.
- iv. Develop our National Capabilities to ensure that they offer the UK research community high quality and high-value scientific services and training.
- v. Continue to communicate our science through our public engagement program to a wide audience, promoting the importance of publicly funded research to the general public.

## FINANCIAL REVIEW

### Income

Total incoming resources for the year were £11.1m (2020: £12.6m), which was down on the previous year due to lower capital grants. Income excluding capital grants was £10.2m (2020: £9.9m), as higher BBSRC strategic funding offset lower other generated income.

EI's principal sponsor is the Biotechnology and Biological Sciences Research Council (BBSRC), which contributed 87% of total incoming resources (2020: 85%). Other major sources of funding were UK universities and research organisations and the EU.

### Expenditure

Total resources expended amounted to £12.5m (2020: £14.1m), which was down on the previous year due to the impact of COVID-19 on activity and lower depreciation. Staff costs accounted for £5.2m (41%) (2020: £5.1m; 36%) of expenditure with depreciation of tangible assets accounting for £3.1m (25%) (2020: £3.6m; 26%).

### Net Movement in Reserves

EI recorded an increase of £0.7m in unrestricted reserves (2020: decrease of £0.9m) due to higher BBSRC strategic funding in the year.

Restricted reserves decreased by £2.1m (2020: £0.6m) due to depreciation exceeding capital funding in the year, and drawdown of capital reserves.

### Subsidiaries and Related Parties

EI's trading subsidiary, Earlham Enterprises Limited (formerly Genome Enterprise Limited), contributed an operating profit of £255,000 (2020: £136,000).

EI has a 25% interest in NBI Partnership Limited ("NBIP"). NBIP supplies support services to EI and the other Norwich Institutes (John Innes Centre, Quadram Institute Bioscience and The Sainsbury Laboratory).

### Capital expenditure

Capital expenditure in the year of £1.7m (2020: £1.8m) related to investment in scientific and computing equipment (£0.4m) and building facilities (£1.3m).

### Cash

Group cash at 31 March 2021 was £15.5m (2020: £14.9m). The cash increase in the year reflects the increase in unrestricted reserves in the year.

EI deposits its cash with UK registered financial institutions that meet its credit rating policy. Investment

income from cash deposits in the year was £54,000 (2020: £125,000).

### Grant proposals

During the year, EI researchers submitted grant proposals with a sponsor value of £7.3m (2020: £20.8m) and were awarded grants with a value of £1.7m (2020: £1.8m).

### Reserves policy

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

- Future operational and capital expenditure requirements in the Business Plan to March 2022;
- Potential financial risks identified in the Business Plan and Risk Register;
- Potential funding required for strategic investments not included in the Business Plan;
- Working capital / liquidity requirements.

Unrestricted reserves that have been designated by the Board for specific purposes are shown in separate designated reserves.

### Reserves position

Total reserves decreased by £1.4m in the year to £21.6m (2020: decreased by £1.5m to £23.0m).

Restricted reserves decreased by £2.1m to £9.8m (2020: decreased by £0.6m to £11.9m). Restricted reserves include designated reserves of £0.9m for advance capital funding and project funding from BBSRC and £0.4m for advance strategic funding.

Unrestricted reserves increased to £11.8m (2020: decreased to £11.1m). Reserves of £6.9m have been designated by the Trustees in respect of the following:

- Co-funding for the Institute's strategic research programmes;
- Planned strategic research investment; and
- Planned capital investment in leading-edge sequencing and high performance computing technology.

General unrestricted reserves at March 2021 were £4.1m, £1.6m above the minimum general reserves target set by the Board of £2.5m.

## RISK ASSESSMENT AND MANAGEMENT

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

### Principal risks and uncertainties

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

Risk area	Description of Risk	Management of Risk
<b>Future BBSRC and other sponsor research funding</b>	<ul style="list-style-type: none"> <li>➤ Strategic funding is reduced due a reduced funding envelop that we can bid into through public sector spending pressures or poor scientific performance</li> <li>➤ Competitive grant funding is reduced due to sponsor budget reductions or failure to win new project funding.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Regular monitoring of scientific performance against strategic programme objectives.</li> <li>➤ Regular communication with UKRI - BBSRC to report performance and ensure strategic alignment of research programmes.</li> <li>➤ Monitoring of performance of competitive grant submissions.</li> </ul>
<b>Technology investment</b>	<ul style="list-style-type: none"> <li>➤ EI is unable to keep pace with developments in technology underpinning its science.</li> <li>➤ Funding and/or cost recoveries are inadequate to sustain and improve technology facilities necessary to support scientific objectives.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Bidding into Capital Grant opportunities to refresh platforms.</li> <li>➤ Technology strategy kept under regular review and funding opportunities identified and pursued for technology investments.</li> <li>➤ EI has reserves that enable it to move quickly when technology enhancements become available.</li> </ul>
<b>Staff retention and recruitment</b>	<ul style="list-style-type: none"> <li>➤ EI is unable to retain or attract suitably skilled staff to enable it to sustain its scientific performance.</li> <li>➤ In addition to scientific impact, this risk area could also have an impact on the level of funding the institute is able to attract.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Strategy and action plans in place, monitored by Strategic Human Resources Group.</li> <li>➤ Career development programmes in place to support high potential staff.</li> <li>➤ Action following feedback from annual staff survey.</li> <li>➤ Performance Management processes in place.</li> </ul>
<b>Impact of leaving EU or other major international funding programme cuts</b>	<ul style="list-style-type: none"> <li>➤ EI is not able to access EU programme funding or participate in EU research collaborations.</li> <li>➤ EI is not able to recruit or retain researchers from EU member countries.</li> <li>➤ EI is not able to continue with its international funding programmes due to Government Overseas Development Aid budgets cuts.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Regular dialogue with UKRI - BBSRC and other key stakeholders on risks and emerging issues with respect to potential changes in arrangements.</li> <li>➤ Kept abreast of risks and potential impact from staff leaving EI/UK, and ensure we prepare for the new immigration and visa process post BREXIT.</li> <li>➤ Realign overseas programmes into new and evolving funding programmes as they arise.</li> </ul>
<b>Major business interruptions or loss of equipment or computer systems</b>	<ul style="list-style-type: none"> <li>➤ A major systems failure disrupts scientific research programmes.</li> <li>➤ A major incident damages EI's reputation impacting on future funding and collaborative opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Business Continuity and Disaster recovery plans in place and tested periodically.</li> <li>➤ Appropriate insurance arrangements are in place.</li> </ul>
<b>Compliance with sponsor funding requirements</b>	<ul style="list-style-type: none"> <li>➤ EI fails to comply with sponsor grant requirements resulting in a material financial impact.</li> </ul>	<ul style="list-style-type: none"> <li>➤ EI is subject to regular reviews of its grant compliance processes from sponsors and the Research Councils UK internal auditors.</li> </ul>
<b>Impact of COVID-19 on science programmes</b>	<ul style="list-style-type: none"> <li>➤ EI fails to deliver its science programme due to the implications of COVID-19 on access to site and or staff/students' wellbeing.</li> </ul>	<ul style="list-style-type: none"> <li>➤ EI active business continuity group prioritised the safety of its staff during the lockdown period. We reopened critical onsite science in May 2020 and were granted funding extensions by UKRI to deliver the science programmes that were impacted.</li> </ul>

## TRUSTEES' REPORT

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Members and Patrons

The Members of EI are:

- UK Research and Innovation - Biotechnology and Biological Sciences Research Council ("BBSRC");
- University of East Anglia ("UEA");
- The Chair of the Board of Trustees.

#### Board of Trustees

The Board of Trustees comprises the Chair and up to eight additional trustee directors. The Trustees who served during the year and up to the date of signing these financial statements were as follows:

#### Organisation and governance

EI is incorporated in England and Wales and is a company limited by guarantee (registered number 06855533) and a registered charity (number 1136213). EI is governed by its Memorandum and Articles of Association, adopted 20 December 2016.

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Trustees	Sub-committees	Changes during period
<b>At date of Report:</b>		
<b>Professor Dame Janet Thornton (Chair)</b>	-	-
<b>Dr Alasdair Macnab</b>	AC (Chair), Rem Com	-
<b>Professor Peter Holland</b>	Rem Com	-
<b>Professor Thomas Richards</b>	-	-
<b>Ms Amanda Tagg</b>	AC	-
<b>Mrs Andrea Finegan</b>	AC, Rem Com (Chair)	-
<b>Professor Jean Beggs</b>	Rem Com	-
<b>Professor Edward Louis</b>	AC (up to 12 October 2021)	-
<b>Professor Philip Gilmartin</b>	AC (from 12 October 2021)	-

#### Audit Committee

The Audit Committee is responsible for oversight of the areas of audit; financial reporting; regulatory compliance; internal systems and controls (including the integrity of financial controls) within EI. The Audit Committee reports to EI's Board, making recommendations for Board consideration where necessary.

#### Remuneration Committee (Rem Com)

EI's Remuneration Committee is responsible for advising on the remuneration and policy on executive pay and performance packages. It reports to the Board and is composed of four Trustee Directors representing the scientific and commercial expertise.

#### Recruitment, induction and training of Trustees'

The Institute advertises nationally for prospective Trustees to ensure appropriate expertise on the Board is maintained. The Institute will also approach individuals thought to have the right skills. The Board strives through its recruitment to keep good diversity within the Board membership.

An induction programme has been put in place for newly appointed Trustees and is kept under review and updated where appropriate. In addition, the Trustees

are in regular contact with the Institute Director and executive team and receive presentations on key areas of activity.

#### Trustee remuneration

EI remunerates trustees where the Board considers that payment is necessary to attract trustees with specialist skills and experience. The power to remunerate trustees is included in EI's Articles of Association and has been approved by the Charities Commission. Details of trustee remuneration in the year are included in note 8 of the financial statements.

#### The Scientific Advisory Board (SAB)

The SAB, chaired by Prof Simon Hubbard, is responsible for providing strategic advice on issues relevant to EI's scientific mission and science programmes.

#### Decision making and key management

The EI Board has delegated the day-to-day management of the charitable company to the Director and the Executive Team, who are considered to be the key management personnel for the institute:

### *Director*

Professor Neil Hall is the Director of EI. He has previously led research groups at the Sanger Institute, The Institute for Genomic Research and The University of Liverpool.

### *Director of Operations*

Sarah Cossey is the Director of Operations, a professional accountant and project manager with 20+ years' experience across the public and private sector.

### *Head of Genomics Pipeline*

Dr. Karim Gharbi is a biologist with over two decades of experience in genomics and next-generation sequencing (NGS) and has previously led NGS in Edinburgh Genomics and University.

### *Head of Plant Genomics*

Prof. Ant Hall previously he held the Holbrook Gaskell Chair of Botany at the University of Liverpool and research lead for the Institute of Integrative Biology and Director at the Centre for Genomic Research (CGR) and academic lead of the Liverpool GeneMill.

### *Head of Research Faculty Office*

Dr. Christine Fosker has worked in the field of Genomics for 20 years, beginning her career working on the Human Genome Project at the Sanger Centre. She received her Ph.D. from the University of Cambridge and the Wellcome Trust Sanger Institute

### *Head of Research e-infrastructure*

Dr. Rob Davey has 15+ years in bioinformatics and software development. He leads the research e-infrastructure national capability, and data management elements of two core research programmes.

## **Related Parties**

### *Subsidiaries and Related Parties*

EI's trading subsidiary – Earlham Enterprises Limited (formerly Genome Enterprise Limited) – contributed an operating profit of £255,000 (2020: £136,000).

### *NBIP - Associate*

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

### *Anglian Innovation Partnership LLP (AIP)*

EI became a member of AIP on 7 August 2012 through its 100% subsidiary, Earlham Enterprises Limited. AIP is responsible for the management and development of the Norwich Research Park (NRP) estate and for the

furtherance of the NRP Enterprise Vision. EI is entitled to receive a share of certain profits generated by AIP, however it has no liability for losses or in the event of insolvency. AIP has not yet generated any profits.

### *BBSRC*

BBSRC is a member of the charitable company. EI is strategically funded, along with seven other institutes, by BBSRC. BBSRC supports EI via strategic 5-year funding programmes, competitively won project grants and capital funding for infrastructure and technology investments. The principal terms and conditions under which BBSRC provides its funding are set out in EI's Institute Grant Agreement.

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

### *Employees*

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

Transferred employees retain their membership of the Research Councils Pension Scheme (RCPS), where applicable, with EI becoming an admitted employer in the scheme. The RCPS is a defined benefit scheme funded from annual grant-in-aid on a pay-as-you-go basis. EI accounts for the scheme as if it were a wholly defined contribution scheme.

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

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

### *Communication*

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

### *Equality and Diversity*

It is EI's policy to provide equal opportunities to job applicants and employees of any race, nationality, ethnic origin, marital status, religion or belief, gender, disability, sexual orientation, age or employment status. EI does not condone or tolerate any form of discrimination in its recruitment or employment practices. All employees and applicants are treated on

merit, fairly, with respect and dignity, recognised as individuals and valued for the contribution they make, provided fair and equal access to training, development, reward and progression opportunities and are accountable for the impact of their own behaviour and actions. All EI's policies follow these principles.

EI is aware of its statutory duty to support the employment of disabled persons where possible, both in recruitment and by retention of employees who

become disabled whilst in the employment of the charitable company, as well as generally through training and career development.

#### *Health & Safety*

EI aims to safeguard and improve the health, safety, welfare and security of its employees and the health and safety of visitors. EI aims to create an atmosphere where health and safety matters are paramount considerations and consults with employees and their representatives on health and safety matters.

### **Going Concern**

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

The Trustees have prepared cash flow forecasts for the period to March 2026 which indicate that, taking account of reasonable possible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the Institute will have sufficient funds to meet its liabilities as they fall due for that period.

The Institute is reliant on its strategic programme funding from BBSRC, which was £6.3m in the year (2020: £5.2m). BBSRC has confirmed continued strategic funding of £5.2m for the year to March 2022 plus provisional funding at this level for a further year to March 2023 subject to the next government spending review. The Institute expects its funding for the year to March 2023 to be confirmed in late 2021 based on feedback from BBSRC.

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

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

## STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES OF EARLHAM INSTITUTE IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

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

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of the group's result for that period. In preparing each of the group and charitable company financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

### Insurance disclosure

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

### Public benefit

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

### Disclosure of information to auditor

The trustees confirm that:

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

### Independent auditors

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

On behalf of the Board



**Janet Thornton, Trustee Director**  
7 December 2021

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EARLHAM INSTITUTE

### Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a

period of at least twelve months from when the financial statements are authorised for issue.

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

### Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the groups and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

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

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

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to

state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Anders Rasmussen FCA (Senior Statutory Auditor)

for and on behalf of  
**Larking Gowen LLP**

Chartered Accountants  
Statutory Auditors  
Norwich  
14 December 2021

## FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2021

INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT

	Note	Unrestricted funds £000	Restricted funds £000	Restricted capital £000	Total 2021 £000	Total 2020 £000
<b>Income</b>						
<i>Income from charitable activities</i>						
Grant Income - BBSRC		-	8,466	-	<b>8,466</b>	7,979
Grant Income - other		-	566	-	<b>566</b>	317
Other Research Income		386	-	-	<b>386</b>	607
Capital funding - BBSRC		-	201	991	<b>1,192</b>	2,718
<i>Income from other trading activities</i>						
Trading income		409	-	-	<b>409</b>	358
Rental income		26	-	-	<b>26</b>	80
<i>Investment income</i>	10	56	-	-	<b>56</b>	127
<i>Other generated income</i>		43	-	-	<b>43</b>	422
<b>Total income</b>	2	920	9,233	991	<b>11,144</b>	12,608
<b>Expenditure</b>						
Charitable activities	3	(525)	(8,718)	(3,064)	<b>(12,307)</b>	(13,766)
Raising funds		(122)	-	-	<b>(122)</b>	(115)
Trading expenditure		(83)	-	-	<b>(83)</b>	(222)
<b>Total expenditure</b>		<b>(730)</b>	<b>(8,718)</b>	<b>(3,064)</b>	<b>(12,512)</b>	<b>(14,103)</b>
<b>Net expenditure for the year</b>		190	515	(2,073)	<b>(1,368)</b>	(1,495)
Other transfers	20	1,258	(1,258)	-	-	-
Capital transfers	20	(715)	-	715	-	-
<b>Net movement in funds</b>		733	(743)	(1,358)	<b>(1,368)</b>	(1,495)
Funds brought forward		11,053	2,032	9,904	<b>22,989</b>	24,484
<b>Funds carried forward</b>	20	11,786	1,289	8,546	<b>21,621</b>	22,989

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

The notes on pages 19 to 31 form part of these financial statements.

## CONSOLIDATED AND CHARITABLE COMPANY BALANCE SHEETS

### AS AT 31 MARCH 2021

	Note	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
<i>Fixed assets</i>					
Tangible assets	11	9,350	10,843	9,350	10,843
Intangible assets	12	-	12	-	12
<i>Current assets</i>					
Stocks	14	163	80	163	80
Debtors	15	3,164	2,077	3,005	1,947
Cash at bank and in hand	16	15,461	14,945	15,329	14,923
		<b>18,788</b>	17,102	<b>18,497</b>	16,950
<i>Current liabilities</i>					
Creditors: amounts falling due within one year	17	(6,517)	(4,968)	(6,483)	(4,954)
<b>Total net current assets</b>		<b>12,271</b>	12,134	<b>12,014</b>	11,996
<b>Total assets less current liabilities</b>		<b>21,621</b>	22,989	<b>21,364</b>	22,851
<b>Total net assets</b>	19	<b>21,621</b>	22,989	<b>21,364</b>	22,851

#### The funds of the charity

##### *Restricted funds*

Fixed asset reserve	20	8,546	9,904	8,556	9,914
Designated reserves	20	861	1,651	861	1,651
General reserve	20	428	381	428	381
<b>Total restricted funds</b>		<b>9,835</b>	11,936	<b>9,845</b>	11,946

##### *Unrestricted funds*

Fixed asset reserve	20	804	951	804	941
Designated reserves	20	6,877	5,572	6,877	5,572
General reserve	20	4,105	4,530	3,838	4,392
<b>Total unrestricted funds</b>		<b>11,786</b>	11,053	<b>11,519</b>	10,905

<b>Total funds</b>		<b>21,621</b>	22,989	<b>21,364</b>	22,851
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A separate income and expenditure account has not been presented for EI as this is exempted by Section 408 of the Companies Act 2006. The loss after tax of EI was £1,487,000 (2020: loss of £1,413,000).

The financial statements on pages 16 to 31 were approved by the Board of Trustees on 7 December 2021 and were signed on its behalf by:

**Janet Thornton, Trustee Director**

The accompanying notes form part of these financial statements.

Company registration number: 06855533

## CONSOLIDATED STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 31 MARCH 2021

	Total 2021	Total 2020
Note	£000	£000
<b>Cash flows from operating activities:</b>		
Operating deficit	(1,368)	(1,495)
Interest receivable	(56)	(127)
Depreciation and amortisation	3,064	3,609
Capital grants received	(1,192)	(2,718)
Loss on disposal of tangible assets	169	25
(Increase)/Decrease in stocks	(83)	38
Increase in debtors	(1,087)	(105)
Increase in creditors	1,549	1,029
<b>Net cash provided by operating activities</b>	<b>996</b>	<b>256</b>
<b>Cash Flows from investing activities:</b>		
Interest received	56	127
Purchase of tangible assets	(1,728)	(1,815)
Capital grants received	1,192	2,718
Proceeds from sale of tangible assets	-	5
<b>Net cash (used in)/provided by investing activities</b>	<b>(480)</b>	<b>1,035</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>516</b>	<b>1,291</b>
Cash and cash equivalents at the beginning of the period	16	14,945
<b>Total cash and cash equivalents at the end of the year</b>	<b>16</b>	<b>15,461</b>

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

The accompanying notes form part of these financial statements.

## NOTES TO THE ACCOUNTS

### 1. ACCOUNTING POLICIES

#### a. Basis of preparation

The group financial statements have been prepared under the historical cost convention and applicable accounting standards. They have also been prepared in accordance with Accounting and Reporting by Charities; Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)– (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

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

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of EI and all its subsidiary undertakings in accordance with Financial Reporting Standard (“FRS”) 102 “Accounting for Subsidiary Undertakings”.

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

The financial statements of all group undertakings are made up to 31 March 2021. A separate income and expenditure account has not been presented for EI as permitted by Section 408 of the Companies Act 2006. The loss after tax of EI was £1,487,000 (2020: £1,413,000) for the year.

#### b. Going concern

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

The Trustees have prepared cash flow forecasts for the period to March 2024 which indicate that, taking account of reasonable possible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the Institute will have sufficient funds to meet its liabilities as they fall due for that period.

The Institute is reliant on its strategic programme funding from BBSRC, which was £6.3m in the year (2020: £5.2m). BBSRC has confirmed continued strategic funding of £5.2m for the year to March 2022 plus provisional funding at this level for a further year to March 2023 subject to the next government spending review. The Institute expects its funding for the year to March 2023 to be confirmed in late 2021 based on feedback from BBSRC.

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

financial projections, the Institute considers the risk of a significant financial impact from COVID-19 to be low.

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

#### c. Judgements in applying accounting policies and key sources of estimation

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

- Depreciation, which has been charged in line with the accounting policy below. The amount of depreciation charged and net book value of the assets is included in Note 11.

#### d. Income

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

Other charitable research income represents non-grant revenue from collaborative research projects with other academic institutions and other scientific services. Revenue is recognised in the year in which the obligation is fulfilled.

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

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

#### e. Expenditure

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

Cost of generating funds represents the cost of obtaining funds for research and preparing grant applications. Governance costs represent the necessary cost of compliance with statutory and constitutional requirements and any other costs which are not direct charitable expenditure. Support costs have been wholly allocated to charitable activity expenditure based upon activity as indicated in note 4 to the financial statements.

#### f. Restricted funds

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

## NOTES TO THE ACCOUNTS

### 1. ACCOUNTING POLICIES (CONTINUED)

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

#### g. Unrestricted funds

These include any other grants which do not have specific conditions attached to them.

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

Unrestricted reserves that have been designated by the Board for specific purposes are shown in separate designated reserves. At March 2021, £6.9m (2020: £5.6m) of unrestricted reserves have been designated in relation to co-funding for institute strategic programmes, strategic research projects and future capital investment.

#### h. Capital transfers

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

#### i. Tangible assets and depreciation

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

Depreciation is calculated to write off the cost of assets, less any estimated residual value, over their estimated useful lives at the following rates:

Plant, machinery and equipment – over estimated economic life;  
 Scientific equipment - 5 years straight line;  
 Sequencing equipment - 3 years straight line;  
 Computer equipment – 3-5 years straight line.

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

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

#### j. Intangible assets and amortisation

Computer Software development costs are recognised as intangible fixed assets at cost less amortisation and any provision for impairment.

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

Computer Software - 3 to 5 years straight-line.

Assets under construction are not amortised until the asset is in full use.

#### k. Stocks

Stocks are stated at the lower of cost and net realisable value. Provision is made, where necessary, for slow moving or obsolete stock.

#### l. Debtors

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

#### m. Trade creditors

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

#### n. Provisions

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

#### o. Staff and Pensions

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

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

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

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

#### p. Termination benefits

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

#### q. Operating Leases

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

#### r. Foreign currency transactions

The reporting and functional currency is pounds sterling. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction.

Assets and liabilities denominated in foreign currencies are translated at year end exchange rates. All gains and losses are taken to the statement of financial activities in the year to which they relate.

#### s. Financial instruments

Financial assets and financial liabilities are recognised upon becoming a party to the contractual provisions of the instrument. The group only enters into basic financial instrument transactions that result in financial assets and liabilities like trade and other accounts receivable and payable.

## NOTES TO THE ACCOUNTS

### 2. ANALYSIS OF INCOMING RESOURCES

	Research activities	Other activities	Total 2021	Research activities	Other activities	Total 2020
	£000	£000	£000	£000	£000	£000
<b>Grant income</b>						
BBSRC	8,466	-	<b>8,466</b>	7,979	-	<b>7,979</b>
Other government departments	72	-	<b>72</b>	42	-	<b>42</b>
European Union	24	-	<b>24</b>	90	-	<b>90</b>
Universities	246	-	<b>246</b>	569	-	<b>569</b>
Other charities	396	-	<b>396</b>	113	-	<b>113</b>
Other grants	214	-	<b>214</b>	110	-	<b>110</b>
<b>Total grant income</b>	<b>9,418</b>	<b>-</b>	<b>9,418</b>	<b>8,903</b>	<b>-</b>	<b>8,903</b>
<b>Capital grants</b>						
BBSRC						
Capital expenditure	1,192	-	<b>1,192</b>	2,718	-	<b>2,718</b>
<b>Total capital grants</b>	<b>1,192</b>	<b>-</b>	<b>1,192</b>	<b>2,718</b>	<b>-</b>	<b>2,718</b>
<b>Trading income</b>						
Earlham Enterprises Ltd	-	409	<b>409</b>	-	358	<b>358</b>
Rental income	-	26	<b>26</b>	-	80	<b>80</b>
<b>Total trading income</b>	<b>-</b>	<b>435</b>	<b>435</b>	<b>-</b>	<b>438</b>	<b>438</b>
<b>Investment income</b>						
Interest receivable on cash deposits	-	56	<b>56</b>	-	127	<b>127</b>
<b>Total investment income</b>	<b>-</b>	<b>56</b>	<b>56</b>	<b>-</b>	<b>127</b>	<b>127</b>
<b>Other income</b>						
Other income	-	43	<b>43</b>	-	422	<b>422</b>
<b>Total other income</b>	<b>-</b>	<b>43</b>	<b>43</b>	<b>-</b>	<b>422</b>	<b>422</b>
<b>Total incoming resources</b>	<b>10,610</b>	<b>534</b>	<b>11,144</b>	<b>11,621</b>	<b>987</b>	<b>12,608</b>

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

- Grant income of £9,418k (2020: £8,903k), £9,032k (2020:£8,296k) is restricted general funds, £386k (2020: £607k) is unrestricted funds.
- Capital grants of £1,192k (2020: £2,718k), £201k (2020: £42k) is restricted general funds and £991k (2020: £2,676k) is restricted capital funds
- In both periods all trading, investment and other income is unrestricted.

## NOTES TO THE ACCOUNTS

### 3. ANALYSIS OF RESOURCES EXPENDED

Expenditure on charitable activities and governance costs have been analysed below.

<b>Expenditure on charitable activities</b>	Note	<b>Total 2021 £000</b>	<b>Total 2020 £000</b>
Direct charitable expenditure:			
Staff costs		<b>4,501</b>	4,470
Direct costs		<b>3,291</b>	4,180
Depreciation		<b>3,064</b>	3,609
Governance costs		<b>95</b>	111
Support costs	4	<b>1,356</b>	1,396
<b>Total expenditure</b>		<b>12,307</b>	<b>13,766</b>
<b>Analysis of governance costs</b>		<b>Total 2021 £000</b>	<b>Total 2020 £000</b>
Staff costs		<b>93</b>	99
Travel costs		<b>-</b>	5
Other costs		<b>2</b>	7
<b>Total governance costs</b>		<b>95</b>	<b>111</b>

Included within expenditure is restricted general expenditure of £8,718k (2020: £8,463k), and restricted capital expenditure (depreciation) of £3,064k (2020: £3,609k). All other expenditure is unrestricted.

### 4. ALLOCATION OF SUPPORT COSTS

	Charitable Activities £000	Raising Funds £000	<b>Total 2021 £000</b>	Charitable Activities £000	Raising Funds £000	<b>Total 2020 £000</b>	Basis of Allocation
Building services*	507	-	<b>507</b>	492	-	492	Activity
Finance and Contracts*	196	122	<b>318</b>	213	115	328	Activity
Management, IT and Communications*	328	-	<b>328</b>	348	-	348	Activity
Human Resources and Staff Welfare*	127	-	<b>127</b>	130	-	130	Activity
Other support services	19	57	<b>76</b>	98	-	98	Activity
<b>Total support costs</b>	<b>1,177</b>	<b>179</b>	<b>1,356</b>	<b>1,281</b>	<b>115</b>	<b>1,396</b>	

Support costs are allocated based on their nature.

\* includes services supplied by NBI Partnership Limited (see note 23).

### 5. TAXATION

EI is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The trading activities of its subsidiary, Earlham Enterprise Limited, are subject to corporation tax, however profits are gifted to the charitable company resulting in £nil (2020: £nil) tax payable.

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

## NOTES TO THE ACCOUNTS

### 6. OPERATING SURPLUS

Operating surplus is stated after charging:

	<b>Total 2021</b>	Total 2020
	<b>£000</b>	£000
Audit services:		
Fees for the audit of the charitable company and consolidated financial statements	12	12
Fees for the audit of the charitable company's subsidiary pursuant to legislation	2	2
Non-audit services:		
Other fees payable to the auditors of the charitable company	-	5
Depreciation	<b>3,064</b>	3,609
Loss on disposal of tangible assets	<b>169</b>	25
Operating lease rentals (land and buildings)	<b>101</b>	109
Hire of plant and equipment	<b>4</b>	6
Loss/(Gain) on foreign exchange translations	<b>10</b>	(9)

### 7. RESULTS OF TRADING ACTIVITIES OF SUBSIDIARY

<b>Earlham Enterprises Limited</b>	<b>Total 2021</b>	Total 2020
	<b>£000</b>	£000
<b>Profit and loss account</b>		
Turnover	<b>409</b>	358
Cost of sales	<b>(153)</b>	(192)
<b>Gross profit</b>	<b>256</b>	166
Administrative expenses	<b>(1)</b>	(30)
<b>Operating profit and profit on ordinary activities before taxation</b>	<b>255</b>	136

In addition to the above, £135,503 (2020: £218,382) in Gift Aid was paid to the to the charitable company in the year.

### 8. REMUNERATION OF MEMBERS OF THE BOARD OF TRUSTEES

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

Six members of the Board of Trustees received remuneration from the group during the year for their duties as a Trustee (2020: nine). Total trustee remuneration in the year was £29,000 (2020: £30,000). Details of the remuneration paid during the year is as follows:

<b>Name of Trustee</b>	<b>Total 2021</b>	Total 2020
	<b>£000</b>	£000
Professor Peter Holland	4	3
Professor Thomas Richards	4	3
Professor Robbie Waugh	-	1
Professor Dame Janet Thornton	8	7
Mrs Andrea Finegan	4	4
Dr Alasdair Macnab	5	4
Professor Edward Louis	4	4
Professor Veronica Van Heyningen	-	1
Professor Jean Beggs	-	3
<b>Total</b>	<b>29</b>	30

Attendance expenses were incurred by zero (2020: 3) Trustees whilst carrying out their duties amounted to £nil (2020: £877) during the year.

## NOTES TO THE ACCOUNTS

### 9. EMPLOYEE INFORMATION

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

Group and charitable company	2021 Number	2020 Number
Scientific	91	87
Office management and services	17	21
<b>Total</b>	<b>108</b>	<b>108</b>

The aggregate payroll costs of these persons were:

	2021 £000	2020 £000
	Note	
Wages and salaries	4,117	4,072
Redundancy costs	5	4
Social security costs	433	404
Other pension costs	22	570
<b>Total</b>	<b>5,157</b>	<b>5,050</b>

As required by Charities SORP an analysis has been provided below of the number of staff who fall within emoluments bands from £60,000 upwards.

Group and charitable company	2021 Number	2020 Number
£60,000 - £69,999	4	4
£70,000 - £79,999	4	2
£100,000 - £109,999	2	3
£160,000 - £169,999	1	1
<b>Total</b>	<b>11</b>	<b>10</b>

The number of staff with emoluments greater than £60,000 who were members of the Research Councils' Pension Schemes was 4 (2020: 2). The number of staff with emoluments greater than £60,000 who were members of a company stakeholder pension scheme was 5 (2020: 3).

Staff that joined prior to 1 October 2011 were employed by BBSRC up to 1 October 2017, when these employees transferred employment to the Institute under TUPE. Transferred employees retain their membership of the Research Councils Pension Scheme, where applicable, with EI becoming an admitted employer in the scheme.

Staff that joined after 1 October 2011 are employed under EI terms & conditions.

The key management personnel of the charitable company are considered to be the members of the executive team: the Institute Director, Director of Operations, Head of Genomics Pipeline, Head of Plant Genomics, Head of Research Faculty Office and Head of Research e-infrastructure. The key management personnel of the group comprise those of the charity and the key management personnel of the wholly owned subsidiaries, Earlham Enterprises Ltd ("EEL"). The key management personnel of EEL is considered to be the Institute Director (EI) and the Director of Operations (EI). No costs were recharged in respect of this. The total employee benefits of the key management personnel of the charity and group were £673,214 (2020: £793,268).

## NOTES TO THE ACCOUNTS

### 10. INTEREST RECEIVABLE AND SIMILAR INCOME

	<b>Total 2021</b>	Total 2020
	<b>£000</b>	£000
Bank interest	<b>54</b>	125
Interest on loans	<b>2</b>	2
<b>Total</b>	<b>56</b>	127

### 11. TANGIBLE ASSETS

<b>Group and charitable company</b>	Leasehold improvements £000	Plant, machinery and equipment £000	Assets under construction £000	<b>Total £000</b>
<b>Cost</b>				
At 1 April 2020	8,530	25,641	1,164	35,335
Transfers	4	971	(975)	-
Additions	127	579	1,022	1,728
Disposals	-	-	(169)	(169)
<b>At 31 March 2021</b>	<b>8,661</b>	<b>27,191</b>	<b>1,042</b>	<b>36,894</b>
<b>Accumulated Depreciation</b>				
At 1 April 2020	5,492	19,000	-	24,492
Charge for the year	205	2,847	-	3,052
Disposals	-	-	-	-
<b>At 31 March 2021</b>	<b>5,697</b>	<b>21,847</b>	<b>-</b>	<b>27,544</b>
<b>Net book value at 31 March 2021</b>	<b>2,964</b>	<b>5,344</b>	<b>1,042</b>	<b>9,350</b>
Net book value at 31 March 2020	3,038	6,641	1,164	10,843

All of the charitable company assets at 31 March 2021 are used for direct charitable purposes.

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

### 12. INTANGIBLE ASSETS

<b>Group</b>	Software development £000	<b>Total £000</b>
<b>Cost</b>		
At 1 April 2020	177	177
Additions	-	-
<b>At 31 March 2021</b>	<b>177</b>	<b>177</b>
<b>Accumulated Depreciation</b>		
At 1 April 2020	165	165
Charge for the year	12	12
<b>At 31 March 2021</b>	<b>177</b>	<b>177</b>
<b>Net book value at 31 March 2021</b>	<b>-</b>	<b>-</b>
Net book value at 31 March 2020	12	12

## NOTES TO THE ACCOUNTS

### 12. INTANGIBLE ASSETS (CONTINUED)

Charitable company	Software development £000	Total £000
<b>Cost</b>		
At 1 April 2020	147	147
Additions	-	-
<b>At 31 March 2021</b>	<b>147</b>	<b>147</b>
<b>Accumulated Depreciation</b>		
At 1 April 2020	135	135
Charge for the year	12	12
<b>At 31 March 2021</b>	<b>147</b>	<b>147</b>
<b>Net book value at 31 March 2021</b>	<b>-</b>	<b>-</b>
Net book value at 31 March 2020	12	12

The intangible asset relates to internally generated research software.

### 13. FIXED ASSET INVESTMENTS

#### Subsidiary

The charitable company's investment in its subsidiary undertaking at cost amounts to £1. The following is the operating subsidiary undertaking in which the charitable company has an interest:

Subsidiary Undertaking	Country of registration	Principal activity	Class and percentage of shares held
Earlham Enterprises Limited	England	Contract research	100% ordinary shares

Earlham Enterprises Limited (company registration number 06812113) registered address is Norwich Research Park, Norwich, Norfolk, NR4 7UZ.

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

EEL is a member of Anglia Innovation Partnership LLP, which is responsible for the management and development of the Norwich Research Park land and for the furtherance of the NRP Enterprise Vision. EI is entitled to receive a share of certain profits generated by Anglia Innovation Partnership LLP, however it has no liability for losses or in the event of insolvency. Anglia Innovation Partnership LLP has not yet generated any profits.

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

### 14. STOCK

Group and charitable company	Total 2021 £000	Total 2020 £000
Raw materials and consumables	163	80
<b>Total</b>	<b>163</b>	<b>80</b>

## NOTES TO THE ACCOUNTS

### 15. DEBTORS

		Group 2021	Group 2020	Company 2021	Company 2020
	Note	£000	£000	£000	£000
<i>Grants receivable:</i>					
from government bodies		407	176	407	176
from other sources		243	252	243	252
Trade debtors		314	470	70	113
Amounts owed by subsidiary undertakings		-	-	85	227
Amounts owed by other related parties	23	171	178	171	178
Other debtors		73	119	73	119
Prepayments and accrued income		1,956	882	1,956	882
<b>Total amounts falling due within one year</b>		<b>3,164</b>	<b>2,077</b>	<b>3,005</b>	<b>1,947</b>

The above amounts fall due within one year.

Grants receivable from government bodies includes £75,602 in relation to capital funding receivable from BBSRC (2020: £127,223).

### 16. CASH AT BANK AND IN HAND

	Group 2021	Group 2020	Company 2021	Company 2020
	£000	£000	£000	£000
Cash at bank	15,461	14,945	15,329	14,923
<b>Total</b>	<b>15,461</b>	<b>14,945</b>	<b>15,329</b>	<b>14,923</b>

### 17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

		Group 2021	Group 2020	Company 2021	Company 2020
	Note	£000	£000	£000	£000
<i>Grants received in advance:</i>					
from government bodies		1,049	1,241	1,049	1,241
from other sources		387	71	376	71
Amounts owed to other related parties	23	307	190	307	190
Trade creditors		1,216	856	1,216	857
Other creditors		962	1,241	939	1,241
Taxation and social security		106	120	106	105
Accruals and deferred income		2,490	1,249	2,490	1,249
<b>Total amounts falling due within one year</b>		<b>6,517</b>	<b>4,968</b>	<b>6,483</b>	<b>4,954</b>

### 18. RECONCILIATION OF MOVEMENT IN GRANTS RECEIVABLE

Group		Total 2021	Total 2020
	Note	£000	£000
Grants receivable	15	650	428
Grants received in advance	17	(1,436)	(1,312)
<b>Net grants receivable at the end of the year / (received in advance)</b>		<b>(786)</b>	<b>(884)</b>
Net grants (received in advance) / receivable at beginning of year		(884)	(716)
Grant monies received during the year		(8,934)	(8,464)
Grant money released to SOFA during the year		9,032	8,296
<b>Net grants receivable at the end of the year / (received in advance)</b>		<b>(786)</b>	<b>(884)</b>

## NOTES TO THE ACCOUNTS

### 19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed assets £000	Net current assets £000	Total 2021 £000
<b>Group</b>			
<i>Unrestricted:</i>			
Fixed asset reserve	804	-	804
Designated reserves	-	6,877	6,877
General reserve	-	4,105	4,105
<i>Restricted:</i>			
Fixed asset reserve	8,546	-	8,546
Designated reserves	-	861	861
General reserve	-	428	428
<b>Total net assets</b>	<b>9,350</b>	<b>12,271</b>	<b>21,621</b>
<b>Charitable company</b>			
<i>Unrestricted:</i>			
Fixed asset reserve	804	-	804
Designated reserves	-	6,877	6,877
General reserve	-	3,838	3,838
<i>Restricted:</i>			
Fixed asset reserve	8,546	10	8,556
Designated reserves	-	861	861
General reserve	-	428	428
<b>Total net assets</b>	<b>9,350</b>	<b>12,014</b>	<b>21,364</b>
<b>Group</b>			
<i>Unrestricted:</i>			
Fixed asset reserve	951	-	951
Designated reserves	-	5,572	5,572
General reserve	-	4,530	4,530
<i>Restricted:</i>			
Fixed asset reserve	9,904	-	9,904
Designated reserves	-	1,651	1,651
General reserve	-	381	381
<b>Total net assets</b>	<b>10,855</b>	<b>12,134</b>	<b>22,989</b>
<b>Charitable company</b>			
<i>Unrestricted:</i>			
Fixed asset reserve	941	-	941
Designated reserves	-	5,572	5,572
General reserve	-	4,392	4,392
<i>Restricted:</i>			
Fixed asset reserve	9,914	-	9,914
Designated reserves	-	1,651	1,651
General reserve	-	381	381
<b>Total net assets</b>	<b>10,855</b>	<b>11,996</b>	<b>22,851</b>

The unrestricted fixed asset reserve represents the net book value of fixed assets purchased from unrestricted funds. The unrestricted designated reserve relates to funds designated by the Board for use in relation to co-funding for institute strategic programmes, strategic projects and future capital investment.

The restricted fixed asset reserve relates to the net book value of fixed assets purchased from capital grants. The restricted designated reserve relates to advance capital and project funding received from BBSRC. The restricted general reserve relates to advance strategic funding received from BBSRC.

## NOTES TO THE ACCOUNTS

### 20. ANALYSIS OF FUNDS MOVEMENTS

Group	Unrestricted	Unrestricted	Unrestricted	Restricted	Restricted	Restricted	Total
	fixed assets reserve	designated	general	designated	fixed reserve	general	
	£000	£000	£000	£000	£000	£000	£000
<b>At 1 April 2020</b>	951	5,572	4,530	1,651	9,904	381	<b>22,989</b>
Operating surplus/(deficit) for the year	-	-	190	-	(2,073)	515	<b>(1,368)</b>
Capital transfers	(252)	169	-	-	83	-	-
Unrestricted general capital expenditure	105	(105)	-	-	-	-	-
Unrestricted designated transfer	-	773	(615)	(158)	-	-	-
Restricted designated transfer	-	-	-	(632)	632	-	-
Other transfers	-	468	-	-	-	(468)	-
<b>At 31 March 2021</b>	<b>804</b>	<b>6,877</b>	<b>4,105</b>	<b>861</b>	<b>8,546</b>	<b>428</b>	<b>21,621</b>
<b>Charitable company</b>							
<b>At 1 April 2020</b>	941	5,572	4,392	1,651	9,914	381	<b>22,851</b>
Operating surplus/(deficit) for the year	-	-	71	-	(2,073)	515	<b>(1,487)</b>
Capital transfers	(242)	169	(10)	-	83	-	-
Unrestricted general capital expenditure	105	(105)	-	-	-	-	-
Unrestricted designated transfer	-	773	(615)	(158)	-	-	-
Restricted designated transfer	-	-	-	(632)	632	-	-
Other transfers	-	468	-	-	-	(468)	-
<b>At 31 March 2021</b>	<b>804</b>	<b>6,877</b>	<b>3,838</b>	<b>861</b>	<b>8,556</b>	<b>428</b>	<b>21,364</b>
<b>Group</b>							
	Unrestricted	Unrestricted	Unrestricted	Restricted	Restricted	Restricted	Total
	fixed assets reserve	designated	general	designated	fixed reserve	general	
	£000	£000	£000	£000	£000	£000	£000
<b>At 1 April 2019</b>	1,162	6,299	4,517	600	11,517	389	<b>24,484</b>
Operating surplus/(deficit) for the year	-	-	(438)	-	(932)	(125)	<b>(1,495)</b>
Capital transfers	(474)	-	-	-	474	-	-
Unrestricted general capital expenditure	263	(293)	30	-	-	-	-
Unrestricted designated transfer	-	(529)	704	(104)	-	(71)	-
Restricted designated transfer	-	95	(158)	1,155	(1,155)	63	-
Other transfers	-	-	(125)	-	-	125	-
<b>At 31 March 2020</b>	<b>951</b>	<b>5,572</b>	<b>4,530</b>	<b>1,651</b>	<b>9,904</b>	<b>381</b>	<b>22,989</b>
<b>Charitable company</b>							
<b>At 1 April 2019</b>	1,140	6,299	4,327	600	11,509	389	<b>24,264</b>
Operating surplus/(deficit) for the year	-	-	(386)	-	(902)	(125)	<b>(1,413)</b>
Capital transfers	(462)	-	-	-	462	-	-
Unrestricted general capital expenditure	263	(293)	30	-	-	-	-
Unrestricted designated transfer	-	(529)	704	(104)	-	(71)	-
Restricted designated transfer	-	95	(158)	1,155	(1,155)	63	-
Other transfers	-	-	(125)	-	-	125	-
<b>At 31 March 2020</b>	<b>941</b>	<b>5,572</b>	<b>4,392</b>	<b>1,651</b>	<b>9,914</b>	<b>381</b>	<b>22,851</b>

Capital transfers relate to fund movements in connection with fixed assets and depreciation; ensuring assets are appropriately reflected in separate reserves.

Unrestricted general capital expenditure relates to fixed asset purchases funded from the unrestricted designated reserve.

The Unrestricted designated transfer represents movements in unrestricted funding for institute strategic programmes, strategic expenditure and future capital investment.

The Restricted designated transfer represents movements in restricted BBSRC funding for capital, projects and strategic grants.

Other transfers relate to the net surplus on restricted research grants, which has been transferred to unrestricted general reserves upon performance of the grant conditions.

## NOTES TO THE ACCOUNTS

### 21. COMMITMENTS

<b>Group and charitable company</b>	<b>Total 2021 £000</b>	<b>Total 2020 £000</b>
-------------------------------------	--------------------------------	--------------------------------

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

Contracted	<b>892</b>	<b>702</b>
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<b>Group and charitable company</b>	<b>Total 2021 £000</b>	<b>Total 2020 £000</b>
-------------------------------------	--------------------------------	--------------------------------

Amounts due under other operating leases for land and buildings:

Under one year	<b>100</b>	100
Between one and five years	<b>400</b>	400
Over 5 years	<b>1,376</b>	1,476
	<b>1,876</b>	1,976

Amounts due under other operating leases for plant and machinery:

Under one year	<b>2</b>	2
Between one and five years	<b>2</b>	5
Over 5 years	<b>-</b>	-
	<b>4</b>	7

### 22. PENSION SCHEMES

All staff employed by EI on 30 September 2011 became BBSRC employees on 15 March 2012 and were deployed back to the Institute under conditions set out in the Deployment Agreement (the "Deployed Employees"). On 1 October 2017, Deployed Employees transferred employment to the Institute under TUPE.

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

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

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

The total pension charge for the year was £602,278 (2020: £570,130), with outstanding contributions at the year-end of £40,110 (2020: £34,191).

## NOTES TO THE ACCOUNTS

### 23. RELATED PARTY TRANSACTIONS

#### Biotechnology and Biological Science Research Council (“BBSRC”)

The charitable company is strategically funded by BBSRC along with seven other Institutes and BBSRC is one of the members of the charitable company. BBSRC is part of UK Research and Innovation (UKRI), an organisation that brings together the UK’s seven research councils, Innovate UK and Research England.

During the year BBSRC charged EI £nil (2020: £3,983) for subscription charges and other costs. As at 31 March 2021, EI owed BBSRC £52,399 (2020: £nil).

BBSRC provided £6,707,000 (2020: £7,979,000) of funding for research and in addition it provided £1,778,000 (2020: £2,676,000) of funding for capital purchases in the year ended 31 March 2021. As at 31 March 2021, BBSRC owed EI £78,772 (2020: £176,281), of which £75,602 (2020: £127,223) was for capital purchases.

#### NBI Partnership Limited (“NBIP”)

EI is one of four members and guarantors of NBIP, a company limited by guarantee. EI has provided short-term loans to NBIP to enable NBIP to manage its cash requirements. At 31 March 2021, EI had a loan balance with NBIP of £100,000 (2020: £105,000).

During the year, EI was charged £1,312,698 (2020: £1,353,299) for services under a cost sharing agreement. As at 31 March 2021, EI owed NBIP £159,812 (2020: £122,409) and NBIP owed EI £2,000 (2020: £2,100).

#### University of East Anglia (“UEA”)

UEA is a member of the charitable company. During the year, EI invoiced UEA £82,268 (2020: £79,065) for services. UEA invoiced EI £171,570 (2020: £73,902) for miscellaneous costs and £473,468 (2020: £477,096) for staff costs.

As at 31 March 2021, UEA owed EI £68,555 (2020: £71,201) and EI owed UEA £128,188 (2020: £48,812).

#### Anglia Innovation Partnership LLP (“AIP LLP”)

EI is a member of Anglia Innovation Partnership LLP through its 100% subsidiary, EEL. Anglia Innovation Partnership LLP is responsible for the management and development of the Norwich Research Park (NRP) estate and for the furtherance of the NRP Enterprise Vision. During the year, EI received services totalling £5,357 (2020: £420), and was charged £19,177 (2020: £19,597) for estate costs. As at 31 March 2021, EI owed AIP LLP £19,177 (2020: £19,177).

EI invoiced AIP LLP for services totalling £nil (2020: £375). As at 31 March 2021 AIP LLP owed EI £nil (2020: £nil).

#### Earlham Enterprises Ltd

Earlham Enterprises Ltd is the wholly owned trading subsidiary of EI. EEL undertakes contract research, research services and consultancy.

During the year, EI invoiced EEL for services and other costs totalling £233,496 (2020: £279,641). In addition, EEL made a gift aid payment to EI of £135,573 (2020: £218,382). As at 31 March 2021, EEL owed EI £85,105 (2020: £226,531).

### 24. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Trustees consider that there is no ultimate parent undertaking and controlling party. EI is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements.

## REFERENCE AND ADMINISTRATIVE DETAILS

### Directors and Trustees

Professor Dame Janet Thornton	Chair – Board of Trustees
Dr Alasdair Macnab	Chair – Audit Committee
Professor Peter Holland	
Professor Thomas Richards	
Ms Amanda Tagg	
Mrs Andrea Finegan	Chair – Remuneration Committee
Professor Jean Beggs	
Professor Edward Louis	
Professor Philip Gilmartin	

### Key Management Personnel

Professor Neil Hall	Institute Director
Mrs Sarah Cossey	Director of Operations
Dr Karim Gharbi	Head of Genomics Pipeline
Professor Ant Hall	Head of Plant Genomics
Dr Christine Fosker	Head of Research Faculty Office
Dr Rob Davey	Head of Research e-infrastructure

**Registered charity number** 1136213

**Registered company number** 06855533

### Registered office and principal office of the charity

Norwich Research Park  
Colney  
Norwich  
NR4 7UZ

### Independent auditor

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

### Banker

Barclays Bank Plc  
Red Lion Street  
Norwich  
NR1 3QH

### Solicitors

Taylor Vinters LLP  
Merlin Place  
Milton Road  
Cambridge  
CB4 0DP

Birketts  
Kingfisher House  
1 Gilders Way  
Off Barrack Street  
Norwich  
NR3 1UB