

EARLHAM INSTITUTE

Annual Report and Accounts for the year ended 31 March 2022

Registered company number: 06855533

Registered charity number: 1136213

ANNUAL REPORT CONTENTS

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REVIEW	3
STRATEGIC REVIEW.....	3
FINANCIAL REVIEW	8
RISK ASSESSMENT AND MANAGEMENT	9
STRUCTURE, GOVERNANCE AND MANAGEMENT.....	10
STATEMENT OF TRUSTEES' RESPONSIBILITIES	14
INDEPENDENT AUDITOR'S REPORT	15
FINANCIAL STATEMENTS	18
REFERENCE AND ADMINISTRATIVE DETAILS.....	34

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.

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 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 – 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

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
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.	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.
Build strong industrial collaborations so that we are aligned to the Government's strategy and so we can achieve impact from our research	<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>
Strengthen our partnerships through collaboration with world leading institutes and scientists that align with our scientific strategy.	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 & 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>Develop our National Capabilities to ensure that they offer the UK research community high quality and high-value scientific services and training.</p>	<p>Genomics and Single Cell - 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 (Norwich Testing Initiative). 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>Earlham Biofoundry (EB) 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 Advanced Training Programme 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 Research e-Infrastructure 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 CyVerse UK.</p>

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

Risk area	Description of Risk	Management of Risk
Impact of COVID-19 on science programmes	➤ EI fails to deliver its science programme due to the implications of COVID-19 on access to site and or staff/students' wellbeing.	➤ 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.
Rising Energy Prices impact on future sustainability of Institute	➤ Risking energy prices mean that current funding levels, and business plan are unsustainable long term.	➤ EI to keep funders abreast of rising energy costs, and look for funding opportunities to assist with rising costs of delivering core programmes. ➤ EI to increase energy usage monitoring and reporting to enable it to review its energy consumption and operational practices to ensure best energy efficiency. ➤ 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.

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
At date of Report:		
Professor Peter Holland (Chair)	Rem Com	-
Dr Alasdair Macnab	AC (Chair), Rem Com (Chair)	-
Professor Thomas Richards	-	-
Ms Amanda Tagg	AC, Rem Com	-
Professor Edward Louis	AC (up to 12 October 2021)	-
Professor Philip Gilmartin	AC (from 12 October 2021)	-
Professor Deborah Smith	Rem Com (from 7 December 2021)	Appointed 7 December 2021
Dr Lars Magnus Rattray	-	Appointed 21 June 2022
Dr Stephanie Joan Pilkington	-	Appointed 21 June 2022
During the year:		
Professor Dame Janet Thornton (Chair)	-	Resigned 29 March 2022
Mrs Andrea Finegan	AC, Rem Com (Chair)	Resigned 21 June 2022
Professor Jean Beggs	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

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.

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

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.

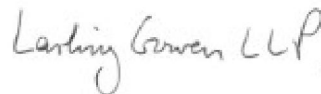
The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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
Income						
<i>Income from charitable activities</i>						
Grant Income - BBSRC		-	8,668	-	8,668	8,466
Grant Income - other		-	1,580	-	1,580	566
Other Research Income		860	-	-	860	386
Capital funding - BBSRC		-	126	2,535	2,661	1,192
<i>Income from other trading activities</i>						
Trading income		293	-	-	293	409
Rental income		26	-	-	26	26
<i>Investment income</i>	10	47	-	-	47	56
<i>Other generated income</i>		126	-	-	126	43
Total income	2	1,352	10,374	2,535	14,261	11,144
Expenditure						
Charitable activities	3	(1,056)	(9,673)	(2,459)	(13,188)	(12,307)
Raising funds		(115)	-	-	(115)	(122)
Trading expenditure		(103)	-	-	(103)	(83)
Total expenditure		(1,274)	(9,673)	(2,459)	(13,406)	(12,512)
Net income/(expenditure) for the year		78	701	76	855	(1,368)
Other transfers	20	(359)	359	-	-	-
Capital transfers	20	901	(400)	(501)	-	-
Net movement in funds		620	660	(425)	855	(1,368)
Funds brought forward		11,786	1,289	8,546	21,621	22,989
Funds carried forward	20	12,406	1,949	8,121	22,476	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

		Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
	Note				
<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)
Total net current assets		13,265	12,271	13,073	12,014
Total assets less current liabilities		22,476	21,621	22,284	21,364
Total net assets	19	22,476	21,621	22,284	21,364

The funds of the charity

<i>Restricted funds</i>					
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
Total restricted funds		10,070	9,835	10,070	9,845
<i>Unrestricted funds</i>					
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
Total unrestricted funds		12,406	11,786	12,214	11,519
Total funds		22,476	21,621	22,284	21,364

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
Cash flows from operating activities:		
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
Net cash (used in) / provided by operating activities	(1,162)	996
Cash Flows from investing activities:		
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	-
Net cash provided by / (used in) investing activities	368	(480)
Change in cash and cash equivalents in the reporting period	(794)	516
Cash and cash equivalents at the beginning of the period	16	15,461
Total cash and cash equivalents at the end of the year	16	14,667

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

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 £000	Other activities £000	Total 2022 £000	Research activities £000	Other activities £000	Total 2021 £000
Grant income						
BBSRC	8,668	-	8,668	8,466	-	8,466
Other government departments	546	-	546	72	-	72
European Union	7	-	7	24	-	24
Universities	618	-	618	246	-	246
Other charities	744	-	744	396	-	396
Other grants	525	-	525	214	-	214
Total grant income	11,108	-	11,108	9,418	-	9,418
Capital grants						
BBSRC						
Capital expenditure	2,661	-	2,661	1,192	-	1,192
Total capital grants	2,661	-	2,661	1,192	-	1,192
Trading income						
Earlham Enterprises Ltd	-	293	293	-	409	409
Rental income	-	26	26	-	26	26
Total trading income	-	319	319	-	435	435
Investment income						
Interest receivable on cash deposits	-	47	47	-	56	56
Total investment income	-	47	47	-	56	56
Other income						
Other income	-	126	126	-	43	43
Total other income	-	126	126	-	43	43
Total incoming resources	13,769	492	14,261	10,610	534	11,144

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.

Expenditure on charitable activities	Total 2022	Total 2021
	£000	£000
	Note	
Direct charitable expenditure:		
Staff costs	4,587	4,501
Direct costs	4,680	3,291
Depreciation	2,459	3,064
Governance costs	104	95
Support costs	4 1,358	1,356
Total expenditure	13,188	12,307

Analysis of governance costs	Total 2022	Total 2021
	£000	£000
Staff costs	99	93
Other costs	5	2
Total governance costs	104	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	Raising Funds	Total 2022	Charitable Activities	Raising Funds	Total 2021	Basis of Allocation
	£000	£000	£000	£000	£000	£000	
Building services*	477	-	477	507	-	507	Activity
Finance and Contracts*	190	115	305	196	122	318	Activity
Management, IT and Communications*	349	-	349	328	-	328	Activity
Human Resources and Staff Welfare*	138	-	138	127	-	127	Activity
Other support services	21	68	89	19	57	76	Activity
Total support costs	1,175	183	1,358	1,177	179	1,356	

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:

	Total 2022 £000	Total 2021 £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

Earlham Enterprises Limited	Total 2022 £000	Total 2021 £000
Profit and loss account		
Turnover	293	409
Cost of sales	(103)	(153)
Gross profit	190	256
Administrative expenses	-	(1)
Operating profit retained in subsidiary	190	255
Net assets at 31 March 2022	192	257

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:

Name of Trustee	Total 2022 £000	Total 2021 £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	-
Total	32	29

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:

Group and charitable company	2022 Number	2021 Number
Scientific	99	91
Office management and services	18	17
Total	117	108

The aggregate payroll costs of these persons were:

	2022 £000	2021 £000
Note		
Wages and salaries	4,278	4,117
Redundancy costs	4	5
Social security costs	423	433
Other pension costs	644	602
Total	5,349	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.

Group and charitable company	2022 Number	2021 Number
£60,000 - £69,999	4	4
£70,000 - £79,999	3	4
£80,000 - £89,999	2	-
£100,000 - £109,999	-	2
£110,000 - £119,999	2	-
£160,000 - £169,999	1	1
Total	12	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 £000	Total 2021 £000
Bank interest	45	54
Interest on loans	2	2
Total	47	56

11. TANGIBLE ASSETS

Group and charitable company	Leasehold improvements £000	Plant, machinery and equipment £000	Assets under construction £000	Total £000
Cost				
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)
At 31 March 2022	10,024	26,318	483	36,825
Accumulated Depreciation				
At 1 April 2021	5,697	21,847	-	27,544
Charge for the year	256	2,203	-	2,459
Disposals	-	(2,389)	-	(2,389)
At 31 March 2022	5,953	21,661	-	27,614
Net book value at 31 March 2022	4,071	4,657	483	9,211
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
Cost		
At 1 April 2021	177	177
Additions	-	-
At 31 March 2022	177	177
Accumulated Depreciation		
At 1 April 2021	177	177
Charge for the year	-	-
At 31 March 2022	177	177
Net book value at 31 March 2022	-	-
Net book value at 31 March 2021	-	-

NOTES TO THE ACCOUNTS

12. INTANGIBLE ASSETS (CONTINUED)

Charitable company	Software development £000	Total £000
Cost		
At 1 April 2021	147	147
Additions	-	-
At 31 March 2022	147	147
Accumulated Depreciation		
At 1 April 2021	147	147
Charge for the year	-	-
At 31 March 2022	147	147
Net book value at 31 March 2022	-	-
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:

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 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

Group and charitable company	Total 2022 £000	Total 2021 £000
Raw materials and consumables	222	163
Total	222	163

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
Total amounts falling due within one year		4,722	3,164	4,578	3,005

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
Total	14,667	15,461	14,606	15,329

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022	Group 2021	Company 2022	Company 2021
	£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	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
Total amounts falling due within one year	6,346	6,517	6,333	6,483

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)
Net grants receivable at the end of the year / (received in advance)		1,356	(786)
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
Net grants receivable at the end of the year / (received in advance)		1,356	(786)

NOTES TO THE ACCOUNTS

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed assets £000	Net current assets £000	Total 2022 £000
Group			
<i>Unrestricted:</i>			
Fixed asset reserve	1,090	-	1,090
Designated reserves	-	7,382	7,382
General reserve	-	3,934	3,934
<i>Restricted:</i>			
Fixed asset reserve	8,121	-	8,121
Designated reserves	-	1,625	1,625
General reserve	-	324	324
Total net assets	9,211	13,265	22,476

Charitable company

<i>Unrestricted:</i>			
Fixed asset reserve	1,090	-	1,090
Designated reserves	-	7,382	7,382
General reserve	-	3,742	3,742
<i>Restricted:</i>			
Fixed asset reserve	8,121	-	8,121
Designated reserves	-	1,625	1,625
General reserve	-	324	324
Total net assets	9,211	13,073	22,284

	Fixed assets £000	Net current assets £000	Total 2021 £000
Group			
<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
Total net assets	9,350	12,271	21,621

Charitable company

<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
Total net assets	9,350	12,014	21,364

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 reserve	Unrestricted designated	Unrestricted general	Restricted designated	Restricted fixed reserve	Restricted general	Total 2022
	£000	£000	£000	£000	£000	£000	£000
Group							
At 1 April 2021	804	6,877	4,105	861	8,546	428	21,621
Operating surplus for the year	-	-	78	-	76	701	855
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)	-
At 31 March 2022	1,090	7,382	3,934	1,625	8,121	324	22,476

Charitable company

At 1 April 2021	804	6,877	3,838	861	8,556	428	21,364
Operating surplus for the year	-	-	143	-	76	701	920
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)	-
At 31 March 2022	1,090	7,382	3,742	1,625	8,121	324	22,284

	Unrestricted fixed assets reserve	Unrestricted designated	Unrestricted general	Restricted designated	Restricted fixed reserve	Restricted general	Total 2021
	£000	£000	£000	£000	£000	£000	£000
Group							
At 1 April 2020	951	5,572	4,530	1,651	9,904	381	22,989
Operating surplus/(deficit) for the year	-	-	190	-	(2,073)	515	(1,368)
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)	-
At 31 March 2021	804	6,877	4,105	861	8,546	428	21,621

Charitable company

At 1 April 2020	941	5,572	4,392	1,651	9,914	381	22,851
Operating surplus/(deficit) for the year	-	-	71	-	(2,073)	515	(1,487)
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)	-
At 31 March 2021	804	6,877	3,838	861	8,556	428	21,364

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

	Total 2022 £000	Total 2021 £000
Group and charitable company		

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

Contracted	992	892
------------	-----	-----

	Total 2022 £000	Total 2021 £000
Group and charitable company		

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
	1,776	1,876

Amounts due under other operating leases for plant and machinery:

Under one year	2	2
Between one and five years	-	2
Over 5 years	-	-
	2	4

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