

EARLHAM INSTITUTE

Annual Report and Accounts for the year ended 31 March 2023

Registered company number: 06855533

Registered charity number: 1136213

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

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

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REVIEW

Introduction

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

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

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

El's Vision and Mission

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

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

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

El's Strategy

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

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

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

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

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

These scientific themes will ensure we continue to::

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

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

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

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

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

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

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

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

Culture

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

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

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

Charitable Purpose and Public Benefit

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

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

Our Performance

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

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

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

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

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

Looking Ahead

El's objectives for 2023/24 are to:

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

FINANCIAL REVIEW

Income

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

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

Expenditure

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

Net Movement in Reserves

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

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

Subsidiaries and Related Parties

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

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

Capital expenditure

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

Cash

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

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

Grant proposals

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

Reserves policy

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

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

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

Reserves position

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

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

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

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

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

RISK ASSESSMENT AND MANAGEMENT

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

Principal risks and uncertainties

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

Risk area	Description of Risk	Management of Risk
Future BBSRC and other sponsor research funding	<ul style="list-style-type: none"> ➤ Awarded strategic funding is reduced 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, in FY22/23 EI received £5.8m of capital funding. ➤ 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 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. ➤ 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
Rising Energy Prices impact on future sustainability of Institute	➤ Risking energy prices mean that current funding levels, and business plan are unsustainable long term.	<ul style="list-style-type: none"> ➤ 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 look for opportunities to invest in both sustainable and more efficient energy provision. ➤ 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	-
Ms Amanda Tagg	AC, Rem Com	-
Professor Edward Louis	AC	Resigned 19 June 2023
Professor Philip Gilmartin	AC	-
Professor Deborah Smith	Rem Com	-
Professor Lars Magnus Rattray	-	Appointed 21 June 2022
Dr Stephanie Joan Pilkington	-	Appointed 21 June 2022
Mr Timothy Kamombo	-	Appointed 19 June 2023
Dr Michael Csukai	-	Appointed 19 September 2023
During the year:		
Mrs Andrea Finegan	AC, Rem Com (Chair)	Resigned 21 June 2022
Dr Alasdair Macnab	AC (Chair), Rem Com (Chair)	Resigned 21 March 2023
Professor Thomas Richard	-	Resigned 21 March 2023

Audit Committee

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

Remuneration Committee (Rem Com)

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

Recruitment, induction and training of Trustees'

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

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

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

Trustee remuneration

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

The Scientific Advisory Board (SAB)

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

Decision making and key management

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

Director

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

Director of Operations

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

Head of Genomics Pipeline

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

Head of Plant Genomics

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

Head of Research Faculty Office

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

Leader of Biofoundry (to 1 September 2023)

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

Leader of Cellular Genomics Programme

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

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

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

Related Parties

Subsidiaries and Related Parties

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

NBIP - Associate

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

Anglian Innovation Partnership LLP (AIP)

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

BBSRC

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

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

Employees

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

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

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

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

Communication

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

Equality and Diversity

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

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

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

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

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

Health & Safety

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

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

Going Concern

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

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

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

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

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

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

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

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

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

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

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

Insurance disclosure

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

Public benefit

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

Disclosure of information to auditor

The trustees confirm that:

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

Independent auditors

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

On behalf of the Board

Peter Holland

Peter Holland, Trustee Director

5 December 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EARLHAM INSTITUTE

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

Use of our report

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

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



Anders Rasmussen FCA (Senior Statutory Auditor)

for and on behalf of

Larking Gowen LLP

Chartered Accountants

Statutory Auditors

Norwich

Date: 6 December 2023

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2023

INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT

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

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

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

CONSOLIDATED AND CHARITABLE COMPANY BALANCE SHEETS

AS AT 31 MARCH 2023

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

The funds of the charity

Restricted funds

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

Unrestricted funds

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

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

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

Peter Holland

Peter Holland, Trustee Director

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Total 2023 £000	Total 2022 £000
Note		
Cash flows from operating activities:		
Net income for the year	2,051	855
Interest receivable	(236)	(47)
Depreciation and amortisation	2,341	2,459
Capital grants received	(5,729)	(2,661)
(Profit)/Loss on disposal of tangible assets	(45)	20
(Increase) in stocks	(28)	(59)
(Increase) in debtors	(851)	(1,558)
Increase/(Decrease) in creditors	4,956	(171)
Net cash (used in) / provided by operating activities	2,459	(1,162)
Cash Flows from investing activities:		
Interest received	236	47
Purchase of tangible assets	(5,848)	(2,349)
Capital grants received	5,729	2,661
Proceeds from sale of tangible assets	45	9
Net cash provided by / (used in) investing activities	162	368
Change in cash and cash equivalents in the reporting period	2,621	(794)
Cash and cash equivalents at the beginning of the period	16	14,667
Total cash and cash equivalents at the end of the year	16	17,288
		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 2023. A separate income and expenditure account has not been presented for EI as permitted by Section 408 of the Companies Act 2006. The profit after tax of EI was £2,172,000 (2022: profit of £920,000) for the year.

b. Going concern

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

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

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

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

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

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

d. Income

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

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

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

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

e. Expenditure

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

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

f. Restricted funds

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

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

g. Unrestricted funds

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

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

Unrestricted reserves that have been designated by the Board for specific purposes are shown in separate designated reserves. At March 2023, £7.6m (2022: £7.4m) of unrestricted reserves have been designated in relation to co-funding for institute strategic programmes, strategic research projects and future capital investment.

h. Capital transfers

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

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

i. Tangible assets and depreciation

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

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

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

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

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

j. Intangible assets and amortisation

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

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

Computer Software - 3 to 5 years straight-line.

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

k. Stocks

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

l. Debtors

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

m. Trade creditors

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

n. Provisions

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

o. Staff and Pensions

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

Transferred employees retain their membership of the Research Councils Pension Scheme (RCPS), where applicable, with EI

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

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

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

p. Termination benefits

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

q. Operating Leases

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

r. Foreign currency transactions

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

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

s. Financial instruments

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

NOTES TO THE ACCOUNTS

2. ANALYSIS OF INCOME

	Research activities £000	Other activities £000	Total 2023 £000	Research activities £000	Other activities £000	Total 2022 £000
Grant income						
BBSRC	7,117	-	7,117	8,668	-	8,668
Other government departments	405	-	405	546	-	546
European Union	16	-	16	7	-	7
Universities	540	-	540	618	-	618
Other charities	653	-	653	744	-	744
Other grants	570	-	570	525	-	525
Total grant income	9,301	-	9,301	11,108	-	11,108
Capital grants						
BBSRC						
Capital expenditure	5,729	-	5,729	2,661	-	2,661
Total capital grants	5,729	-	5,729	2,661	-	2,661
Trading income						
Earlham Enterprises Ltd	-	119	119	-	293	293
Rental income	-	32	32	-	26	26
Total trading income	-	151	151	-	319	319
Investment income						
Interest receivable on cash deposits	-	234	234	-	45	45
Interest receivable on loan to related party	-	2	2	-	2	2
Total investment income	-	236	236	-	47	47
Other income						
Other income	-	427	427	-	126	126
Total other income	-	427	427	-	126	126
Total incoming resources	15,030	814	15,844	13,769	492	14,261

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

- Grant income of £9,301k (2022: £11,108k), £8,427k (2022: £10,248k) is restricted general funds, £874k (2022: £860k) is unrestricted funds.
- Capital grants of £5,729k (2022: £2,661k), £87k (2022: £126k) is restricted general funds and £5,642k (2022: £2,535k) is restricted capital funds
- In both periods all trading, investment and other income is unrestricted.

NOTES TO THE ACCOUNTS

3. ANALYSIS OF EXPENDITURE

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

		Total 2023	Total 2022
Expenditure on charitable activities	Note	£000	£000
Direct charitable expenditure:			
Staff costs		4,244	4,587
Direct costs		5,596	4,680
Depreciation		2,341	2,459
Governance costs		95	104
Support costs	4	1,352	1,358
Total expenditure		13,628	13,188

	Total 2023	Total 2022
Analysis of governance costs	£000	£000
Staff costs	88	99
Travel costs	3	-
Other costs	4	5
Total governance costs	95	104

Included within expenditure is restricted general expenditure of £10,150k (2022: £9,673k), and restricted capital expenditure (depreciation) of £2,341k (2022: £2,459k). All other expenditure is unrestricted.

4. ALLOCATION OF SUPPORT COSTS

	Total 2023	Total 2022	Basis of Allocation
	£000	£000	
Building services*	518	477	Activity
Finance and Contracts*	206	305	Activity
Management, IT and Communications*	417	349	Activity
Human Resources and Staff Welfare*	142	138	Activity
Other support services	69	89	Activity
Total support costs	1,352	1,358	

Support costs are allocated based on their nature.

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

5. TAXATION

EI is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The trading activities of its subsidiary, Earlham Enterprise Limited, are subject to corporation tax, however profits are gifted to the charitable company resulting in £nil (2022: £nil) tax payable.

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

NOTES TO THE ACCOUNTS

6. OPERATING SURPLUS

Operating surplus is stated after charging:

	Total 2023 £000	Total 2022 £000
Audit services:		
Fees for the audit of the charitable company and consolidated financial statements	12	12
Fees for the audit of the charitable company's subsidiary pursuant to legislation	2	2
Non-audit services:		
Other fees payable to the auditors of the charitable company	-	-
Depreciation	2,341	2,459
(Profit)/Loss on disposal of tangible assets	(45)	20
Operating lease rentals (land and buildings)	100	130
Hire of plant and equipment	8	9
Loss on foreign exchange translations	14	7

7. RESULTS OF TRADING ACTIVITIES OF SUBSIDIARY

Earlham Enterprises Limited	Total 2023 £000	Total 2022 £000
Profit and loss account		
Turnover	119	293
Cost of sales	(50)	(103)
Gross profit	69	190
Administrative expenses	-	-
Operating profit retained in subsidiary	69	190
Net assets at 31 March 2023	71	192

In addition to the above, £189,442 (2022: £254,745) in Gift Aid was paid to the charitable company in the year.

8. REMUNERATION OF MEMBERS OF THE BOARD OF TRUSTEES

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

Eight members of the Board of Trustees received remuneration from the group during the year for their duties as a Trustee (2022: eight). Total trustee remuneration in the year was £32,000 (2022: £32,000). Details of the remuneration paid during the year is as follows:

Name of Trustee	Total 2023 £000	Total 2022 £000
Professor Peter Holland	7	4
Dr Alasdair Macnab	4	4
Professor Thomas Richards	4	4
Professor Edward Louis	4	4
Professor Philip Gilmartin	4	4
Professor Deborah Smith	3	1
Dr Lars Magnus Ratray	3	-
Dr Stephanie Joan Pilkington	3	-
Professor Dame Janet Thornton	-	7
Mrs Andrea Finegan	-	4
Total	32	32

Attendance expenses were incurred by six (2022: zero) Trustees whilst carrying out their duties and amounted to £923 (2022: £nil) during the year.

NOTES TO THE ACCOUNTS

9. EMPLOYEE INFORMATION

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

Group and charitable company	2023 Number	2022 Number
Scientific	82	99
Office management and services	18	18
Total	100	117

The aggregate payroll costs of these persons were:

	2023 £000	2022 £000
Note		
Wages and salaries	4,048	4,278
Redundancy costs	4	4
Social security costs	435	423
Other pension costs	594	644
22		
Total	5,081	5,349

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

Group and charitable company	2023 Number	2022 Number
£60,000 - £69,999	8	4
£70,000 - £79,999	3	3
£80,000 - £89,999	2	2
£110,000 - £119,999	2	2
£160,000 - £169,999	-	1
£170,000 - £179,999	1	-
Total	16	12

The number of staff with emoluments greater than £60,000 who were members of the Research Councils' Pension Schemes was 2 (2022: 3). The number of staff with emoluments greater than £60,000 who were members of a company stakeholder pension scheme was 8 (2022: 4).

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

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

The key management personnel of the charitable company are considered to be the members of the executive team: the Institute Director, Director of Operations, Head of Genomics Pipeline, Head of Plant Genomics, Head of Research Faculty Office, Head of Research e-infrastructure (left 30 December 2022), Group Leader Engineering Biology and Genomics Group Leader. The key management personnel of the group comprise those of the charity and the key management personnel of the wholly owned subsidiaries, Earlham Enterprises Ltd ("EEL"). The key management personnel of EEL is considered to be the Institute Director (EI) and the Director of Operations (EI). No costs were recharged in respect of this. The total employee benefits of the key management personnel of the charity and group were £869,695 (2022: £707,736).

NOTES TO THE ACCOUNTS

10. INTEREST RECEIVABLE AND SIMILAR INCOME

	Total 2023 £000	Total 2022 £000
Bank interest	234	45
Interest on loans	2	2
Total	236	47

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 2022	10,024	26,318	483	36,825
Transfers	113	370	(483)	-
Additions	689	2,194	2,965	5,848
Disposals	-	(3,654)	-	(3,654)
At 31 March 2023	10,826	25,228	2,965	39,019
Accumulated Depreciation				
At 1 April 2022	5,953	21,661	-	27,614
Charge for the year	254	2,087	-	2,341
Disposals	-	(3,654)	-	(3,654)
At 31 March 2023	6,207	20,094	-	26,301
Net book value at 31 March 2023	4,619	5,134	2,965	12,718
Net book value at 31 March 2022	4,071	4,657	483	9,211

All of the charitable company assets at 31 March 2023 are used for direct charitable purposes.

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

12. INTANGIBLE ASSETS

Group	Software development £000	Total £000
Cost		
At 1 April 2022	177	177
Additions	-	-
At 31 March 2023	177	177
Accumulated Depreciation		
At 1 April 2022	177	177
Charge for the year	-	-
At 31 March 2023	177	177
Net book value at 31 March 2023	-	-
Net book value at 31 March 2022	-	-

NOTES TO THE ACCOUNTS

12. INTANGIBLE ASSETS (CONTINUED)

Charitable company	Software development £000	Total £000
Cost		
At 1 April 2022	147	147
Additions	-	-
At 31 March 2023	147	147
Accumulated Depreciation		
At 1 April 2022	147	147
Charge for the year	-	-
At 31 March 2023	147	147
Net book value at 31 March 2023	-	-
Net book value at 31 March 2022	-	-

The intangible asset relates to internally generated research software.

13. FIXED ASSET INVESTMENTS

Subsidiary

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

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 2023.

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

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

14. STOCK

Group and charitable company	Total 2023 £000	Total 2022 £000
Raw materials and consumables	250	222
Total	250	222

NOTES TO THE ACCOUNTS

15. DEBTORS

		Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
	Note				
<i>Grants receivable:</i>					
from government bodies		1,586	1,651	1,586	1,651
from other sources		516	875	516	875
Trade debtors		1,597	458	1,335	334
Amounts owed by subsidiary undertakings		-	-	42	20
Amounts owed by other related parties	23	169	247	169	247
Other debtors		171	297	171	297
Prepayments and accrued income		1,534	1,194	1,534	1,154
Total amounts falling due within one year		5,573	4,722	5,353	4,578

The above amounts fall due within one year.

Grants receivable from government bodies includes £1,088,660 in relation to capital funding receivable from BBSRC (2022: £427,730).

16. CASH AT BANK AND IN HAND

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Cash at bank	17,288	14,667	17,159	14,606
Total	17,288	14,667	17,159	14,606

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

		Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
	Note				
<i>Grants received in advance:</i>					
from government bodies		738	695	738	695
from other sources		628	475	628	475
Amounts owed to other related parties	23	199	214	199	214
Trade creditors		2,462	1,271	2,462	1,271
Other creditors		1,744	1,666	1,471	1,653
Taxation and social security		98	105	93	105
Accruals and deferred income		5,432	1,919	5,432	1,919
Total amounts falling due within one year		11,301	6,345	11,023	6,332

18. RECONCILIATION OF MOVEMENT IN GRANTS RECEIVABLE

Group		Total 2023 £000	Total 2022 £000
	Note		
Grants receivable	15	2,102	2,526
Grants received in advance	17	(1,366)	(1,170)
Net grants receivable at the end of the year / (received in advance)		736	1,356
Net grants received in advance at beginning of year		1,356	(786)
Grant monies received during the year		(14,776)	(10,767)
Grant money released to SOFA during the year		14,156	12,909
Net grants receivable at the end of the year / (received in advance)		736	1,356

NOTES TO THE ACCOUNTS

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

Charitable company

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

	Fixed assets	Net current assets	Total 2022
	£000	£000	£000
Group			
<i>Unrestricted:</i>			
Fixed asset reserve	1,090	-	1,090
Designated reserves	-	7,382	7,382
General reserve	-	3,935	3,935
<i>Restricted:</i>			
Fixed asset reserve	8,121	-	8,121
Designated reserves	-	1,625	1,625
General reserve	-	324	324
Total net assets	9,211	13,266	22,477

Charitable company

<i>Unrestricted:</i>			
Fixed asset reserve	1,090	-	1,090
Designated reserves	-	7,382	7,382
General reserve	-	3,743	3,743
<i>Restricted:</i>			
Fixed asset reserve	8,121	-	8,121
Designated reserves	-	1,625	1,625
General reserve	-	324	324
Total net assets	9,211	13,074	22,285

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

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

NOTES TO THE ACCOUNTS

20. ANALYSIS OF FUNDS MOVEMENTS

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

Charitable company

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

	Unrestricted fixed assets reserve	Unrestricted designated	Unrestricted general	Restricted designated	Restricted fixed assets reserve	Restricted general	Total 2022
	£000	£000	£000	£000	£000	£000	£000
Group							
At 1 April 2021	804	6,877	4,106	861	8,546	428	21,622
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	3,935	1,625	8,121	324	22,477

Charitable company

At 1 April 2021	804	6,877	3,839	861	8,556	428	21,365
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	3,743	1,625	8,121	324	22,285

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

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

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

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

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

NOTES TO THE ACCOUNTS

21. COMMITMENTS

Group and charitable company	Total 2023 £000	Total 2022 £000
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Capital commitments at the end of the financial year for which no provision has been made:

Contracted	278	992
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Group and charitable company	Total 2023 £000	Total 2022 £000
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Amounts due under other operating leases for land and buildings:

Under one year	100	100
Between one and five years	400	400
Over 5 years	1,175	1,276
	1,675	1,776

Amounts due under other operating leases for plant and machinery:

Under one year	5	2
Between one and five years	9	-
Over 5 years	-	-
	14	2

22. PENSION SCHEMES

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

Deployed Employees retain their membership of the Research Councils Pension Scheme (RCPS), where applicable, with EI becoming an admitted employer in the scheme. The RCPS is a defined benefit scheme funded from annual grant-in-aid on a pay-as-you-go basis. The RCPS Pension Scheme is a multi-employer scheme and EI is unable to identify its share of the underlying assets and liabilities. EI therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Liabilities for the payment of future benefits are the responsibility of the RCPS and accordingly are not included in these Financial Statements. The employer contribution rate during the year was 26% (2022: 26%).

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

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

The total pension charge for the year was £593,782 (2022: £644,601), with outstanding contributions at the year-end of £36,341 (2022: £42,049).

NOTES TO THE ACCOUNTS

23. RELATED PARTY TRANSACTIONS

Biotechnology and Biological Science Research Council (“BBSRC”)

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

During the year BBSRC charged EI £nil (2022: £nil) for subscription charges and other costs. As at 31 March 2023, EI owed BBSRC £nil (2022: £52,399).

BBSRC provided £5,327,000 (2022: £5,327,000) of strategic funding for research. In addition BBSRC provided £7,546,918 (2022: £2,529,000) of funding for capital purchases, £127,640 (2022: £nil) funding towards energy costs and £325,093 (2022: £820,300) of other grants in the year ended 31 March 2023. As at 31 March 2023, BBSRC owed EI £1,093,337 (2022: £483,649), of which £1,088,660 (2022: £427,730) was for capital purchases.

NBI Partnership Limited (“NBIP”)

EI is one of four members and guarantors of NBIP, a company limited by guarantee. EI has provided short-term loans to NBIP to enable NBIP to manage its cash requirements. At 31 March 2023, EI had a loan balance with NBIP of £103,920 (2022: £103,000).

During the year, EI was charged £1,506,551 (2022: £1,422,614) for services under a cost sharing agreement. As at 31 March 2023, EI owed NBIP £144,321 (2022: £160,634) and NBIP owed EI £nil (2022: £9,656).

University of East Anglia (“UEA”)

UEA is a member of the charitable company. During the year, EI invoiced UEA £1,191,153 (2022: £457,759) for services. UEA invoiced EI £91,212 (2022: £32,741) for miscellaneous costs and £692,343 (2022: £717,068) for staff costs.

As at 31 March 2023, UEA owed EI £29,311 (2022: £133,618) and EI owed UEA £54,940 (2022: £53,587).

Anglia Innovation Partnership LLP (“AIP LLP”)

EI is a member of Anglia Innovation Partnership LLP through its 100% subsidiary, EEL. Anglia Innovation Partnership LLP is responsible for the management and development of the Norwich Research Park (NRP) estate and for the furtherance of the NRP Enterprise Vision. During the year, EI invoiced AIP LLP £64,701 (2022: £nil) for grant funding. EI received services totalling £6,034 (2022: £6,354), and was charged £24,028 (2022: £19,164) for estate costs. As at 31 March 2023, AIP LLP owed EI £35,901 (2022: £nil), and EI owed AIP LLP £nil (2022: £nil).

Earlham Enterprises Ltd

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

During the year, EI invoiced EEL for services and other costs totalling £124,364 (2022: £156,023). In addition, EEL made a gift aid payment to EI of £189,442 (2022: £254,745). As at 31 March 2023, EEL owed EI £42,295 (2022: £20,686).

24. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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

REFERENCE AND ADMINISTRATIVE DETAILS

Directors and Trustees

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

Key Management Personnel

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

Registered charity number 1136213

Registered company number 06855533

Registered office and principal office of the charity

Norwich Research Park
Colney
Norwich
NR4 7UZ

Independent auditor

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

Banker

Barclays Bank Plc
Red Lion Street
Norwich
NR1 3QH

Solicitors

Taylor Vinters LLP
Merlin Place
Milton Road
Cambridge
CB4 0DP

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