

EARLHAM INSTITUTE

Annual Report and Accounts for the year ended 31 March 2024

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

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

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REVIEW

Introduction

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

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

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

El's Vision and Mission

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

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

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

El's Strategy

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

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

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

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

The research faculty collectively conducts three principal kinds of activity:

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

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

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

Culture and Wellbeing

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

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

Our culture incorporates six core values:

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

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

Charitable Purpose and Public Benefit

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

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

Our Performance

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

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

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

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

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

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

Looking Ahead

El's objectives for 2024/25 are to:

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

FINANCIAL REVIEW

Income

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

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

Expenditure

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

Net Movement in Reserves

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

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

Subsidiaries and Related Parties

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

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

Capital expenditure

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

Cash

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

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

Grant proposals

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

Reserves policy

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

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

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

Reserves position

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

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

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

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

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

RISK ASSESSMENT AND MANAGEMENT

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

Principal risks and uncertainties

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

Risk area	Description of Risk	Management of Risk
Future BBSRC and other sponsor research funding	<ul style="list-style-type: none"> ➤ 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 FY23/24 EI received £3.2m 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. ➤ Institute engagement on technical career paths. ➤ Action taken to address underperforming areas following feedback from 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.

Risk area	Description of Risk	Management of Risk
Compliance with sponsor funding requirements	➤ EI fails to comply with sponsor grant requirements resulting in a material financial impact.	➤ EI is subject to regular reviews of its grant compliance processes from sponsors and the Research Councils UK internal auditors.
Rising Energy Prices impact on future sustainability of Institute	➤ Rising energy prices mean that current funding levels, and business plan are unsustainable long term.	➤ EI to keep funders abreast of rising energy costs, and look for funding opportunities to assist with rising costs of delivering core programmes. ➤ EI to increase energy usage monitoring and reporting to enable it to review its energy consumption and operational practices to ensure best energy efficiency. ➤ EI has installed Solar Panels, and continues 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 Philip Gilmartin	AC	-
Professor Deborah Smith	Rem Com	-
Professor Lars Magnus Rattray	-	-
Dr Stephanie Joan Pilkington	-	-
Mr Timothy Kamombo	AC	Appointed 19 June 2023
Dr Michael Csukai	-	Appointed 19 September 2023
Dr Laura Barter	-	Appointed 21 March 2024
During the year:		
Professor Edward Louis	AC	Resigned 18 June 2023

Audit Committee

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

Remuneration Committee (Rem Com)

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

Recruitment, induction and training of Trustees'

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

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

executive team and receive presentations on key areas of activity.

Trustee remuneration

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

The Scientific Advisory Board (SAB)

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

Decision making and key management

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

Director

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

The Institute for Genomic Research and The University of Liverpool.

Chief Operating Officer

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

Head of Transformative Genomics

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

Head of Plant Genomics

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

Head of Research Faculty Office

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

Leader of Cellular Genomics Programme

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

Head of Data Science

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

Related Parties

Subsidiaries and Related Parties

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

NBIP - Associate

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

Anglian Innovation Partnership LLP (AIP)

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

BBSRC

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

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

Employees

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

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

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

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

Communication

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

Equality and Diversity

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

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

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

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

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

Health & Safety

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

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

Going Concern

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

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

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

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

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

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

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

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

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

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

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

Insurance disclosure

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

Public benefit

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

Disclosure of information to auditor

The trustees confirm that:

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

Independent auditors

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

On behalf of the Board

Peter Holland

Peter Holland, Trustee Director
17 September 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EARLHAM INSTITUTE

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

This description forms part of our auditor's report.

Use of our report

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

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

Anders Rasmussen

Anders Rasmussen FCA (Senior Statutory Auditor)

for and on behalf of

Larking Gowen LLP

Chartered Accountants

Statutory Auditors

Norwich

Date: 11 October 2024

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2024

INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT

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

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

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

CONSOLIDATED AND CHARITABLE COMPANY BALANCE SHEETS

AS AT 31 MARCH 2024

		Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
	Note				
<i>Fixed assets</i>					
Tangible assets	11	13,524	12,718	13,524	12,718
Intangible assets	12	-	-	-	-
<i>Current assets</i>					
Stocks	14	171	250	171	250
Debtors	15	3,650	5,573	3,459	5,353
Cash at bank and in hand	16	14,274	17,288	13,975	17,159
		18,095	23,111	17,605	22,762
<i>Current liabilities</i>					
Creditors: amounts falling due within one year	17	(6,546)	(11,301)	(6,119)	(11,023)
Total net current assets		11,549	11,810	11,486	11,739
Total assets less current liabilities		25,073	24,528	25,010	24,457
Total net assets	19	25,073	24,528	25,010	24,457

The funds of the charity

<i>Restricted funds</i>					
Fixed asset reserve	20	12,510	11,635	12,510	11,635
Designated reserves	20	221	617	221	617
General reserve	20	397	73	397	73
Total restricted funds		13,128	12,325	13,128	12,325
<i>Unrestricted funds</i>					
Fixed asset reserve	20	1,014	1,083	1,014	1,083
Designated reserves	20	7,223	7,564	7,223	7,564
General reserve	20	3,708	3,556	3,645	3,485
Total unrestricted funds		11,945	12,203	11,882	12,132
Total funds		25,073	24,528	25,010	24,457

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

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

Peter Holland

Peter Holland, Trustee Director

The accompanying notes form part of these financial statements.

Company registration number: 06855533

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

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

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

The accompanying notes form part of these financial statements.

1. ACCOUNTING POLICIES

a. Basis of preparation

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

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

Basis of consolidation

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

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

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

b. Going concern

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

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

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

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

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

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

d. Income

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

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

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

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

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

e. Expenditure

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

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

f. Restricted funds

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

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

g. Unrestricted funds

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

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

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

h. Capital transfers

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

1. ACCOUNTING POLICIES (CONTINUED)

i. Tangible assets and depreciation

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

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

Plant, machinery and equipment – over estimated economic life;

Scientific equipment - 5 years straight line;

Sequencing equipment - 3 years straight line;

Computer equipment – 3-5 years straight line.

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

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

j. Intangible assets and amortisation

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

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

Computer Software - 3 to 5 years straight-line.

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

k. Investments

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

l. Stocks

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

m. Debtors

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

n. Trade creditors

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

o. Provisions

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

p. Staff and Pensions

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

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

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

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

q. Termination benefits

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

r. Operating Leases

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

s. Foreign currency transactions

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

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

t. Financial instruments

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

2. ANALYSIS OF INCOME

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

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

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

3. ANALYSIS OF EXPENDITURE

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

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

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

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

4. ALLOCATION OF SUPPORT COSTS

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

Support costs are allocated based on their nature.

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

5. TAXATION

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

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

6. OPERATING SURPLUS

Operating surplus is stated after charging:

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

7. RESULTS OF TRADING ACTIVITIES OF SUBSIDIARY

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

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

8. REMUNERATION OF MEMBERS OF THE BOARD OF TRUSTEES

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

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

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

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

9. EMPLOYEE INFORMATION

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

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

The aggregate payroll costs of these persons were:

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

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

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

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

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

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

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

10. INTEREST RECEIVABLE AND SIMILAR INCOME

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

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 2023	10,826	25,228	2,965	39,019
Transfers	-	2,965	(2,965)	-
Additions	367	2,029	263	2,659
Disposals	-	(420)	-	(420)
At 31 March 2024	11,193	29,802	263	41,258
Accumulated Depreciation				
At 1 April 2023	6,207	20,094	-	26,301
Charge for the year	284	1,569	-	1,853
Disposals	-	(420)	-	(420)
At 31 March 2024	6,491	21,243	-	27,734
Net book value at 31 March 2024	4,702	8,559	263	13,524
Net book value at 31 March 2023	4,619	5,134	2,965	12,718

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

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

12. INTANGIBLE ASSETS

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

12. INTANGIBLE ASSETS (CONTINUED)

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

The intangible asset relates to internally generated research software.

13. FIXED ASSET INVESTMENTS**Subsidiary**

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

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

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

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

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

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

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

Other investments

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

EI has accounted for its investment at cost less impairment.

14. STOCK

Group and charitable company	Total 2024 £000	Total 2023 £000
Raw materials and consumables	171	250
Total	171	250

15. DEBTORS

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

The above amounts fall due within one year.

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

16. CASH AT BANK AND IN HAND

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

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

18. RECONCILIATION OF MOVEMENT IN GRANTS RECEIVABLE

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

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

Charitable company

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

	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

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

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

20. ANALYSIS OF FUNDS MOVEMENTS

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

Charitable company

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

	Unrestricted fixed assets reserve £000	Unrestricted designated £000	Unrestricted general £000	Restricted designated £000	Restricted fixed assets reserve £000	Restricted general £000	Total 2023 £000
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

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

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

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

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

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

21. COMMITMENTS

	Total 2024	Total 2023
Group and charitable company	£000	£000

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

Contracted	391	278
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	Total 2024	Total 2023
Group and charitable company	£000	£000

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	1,075	1,175
	1,575	1,675

Amounts due under other operating leases for plant and machinery:

Under one year	5	5
Between one and five years	5	9
Over 5 years	-	-
	10	14

22. PENSION SCHEMES

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

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

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

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

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

23. RELATED PARTY TRANSACTIONS

Biotechnology and Biological Science Research Council (“BBSRC”)

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

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

NBI Partnership Limited (“NBIP”)

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

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

University of East Anglia (“UEA”)

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

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

Anglia Innovation Partnership LLP (“AIP LLP”)

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

Earlham Enterprises Ltd

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

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

24. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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

REFERENCE AND ADMINISTRATIVE DETAILS

Directors and Trustees

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

Key Management Personnel

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

Registered charity number 1136213

Registered company number 06855533

Registered office and principal office of the charity

Norwich Research Park
Colney
Norwich
NR4 7UZ

Independent auditor

Larking Gowen LLP
Chartered Accountants and Statutory Auditors
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