

# **THE FRANCIS CRICK INSTITUTE LIMITED**

**A COMPANY LIMITED BY SHARES**

**ANNUAL REPORT AND FINANCIAL  
STATEMENTS**

**31 March 2021**

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# Contents

Chairman's letter	3
Director's introduction	4
Trustees' report (incorporating the strategic report and directors' report)	5
Independent auditor's report	50
<b>Consolidated statement of financial activities (incorporating the income and expenditure account)</b>	<b>55</b>
Consolidated and Parent entity balance sheets	56
<b>Consolidated cash flow statement</b>	<b>57</b>
<b>Notes to the financial statements</b>	<b>58</b>



## Chairman's letter

Over the last year, the Covid-19 pandemic has posed extraordinary challenges for all organisations. In the case of the Crick, it also created opportunities.

By pivoting their research to address urgent questions posed by the spread of Covid-19, Crick researchers rapidly helped build scientific understanding of the SARS-CoV-2 pathogen, and contributed to the search for effective diagnosis, treatment and clinical management. This report provides examples of their collaborative research, which drew extensively on the Crick's cross-disciplinary approach.

The pandemic had a galvanising effect on the Institute in other ways - first, as it responded to the national need for Covid testing, and more recently, as it repurposed its public exhibition space as an NHS vaccine centre. The willingness of Crick staff to step forward in their hundreds and volunteer for both the testing pipeline and vaccination centre is testament to their public-minded spirit. I was proud to see the organisation draw on its strengths and adaptability, and demonstrate that as well as being a national asset, it is an active member of the local community.

Yet at the same time, the Crick was affected because of financial challenges faced by one of our main funders, resulting in a reduction in their core funding. We are grateful to the Institute's other main funders, the MRC and Wellcome, for agreeing to cover the reduction in 2021/22.

Our Board Members, Dame Kate Bingham and Sir Mene Pangalos played leading roles in the development of the UK's vaccine programme; Kate received recognition for her chairing of the UK vaccine taskforce in the Queen's birthday honours. I would like to thank the Board for working with me to help steer the Crick through this exceptional year, while it has continued to evolve. As stated in last year's Annual Report, Ottoline Leyser and Robert Lechler stepped down from the Board and Richard Trembath joined us. More recently, we welcomed Sir Adrian Bird as an independent Board member. Both Richard and Adrian bring a wealth of knowledge and experience to the Board.

Above all, I would like to thank our researchers and operational staff for their dedication and resilience in the face of significant challenges, and for their continuing ambition to help make the Crick a world-leading discovery research institute.

*Lord Browne of Madingley*  
*Chairman*

## Director's introduction

**The Crick has achieved much this year in difficult circumstances. While the impact of the pandemic inevitably slowed activities, this report provides many examples where we adapted to allow us to continue or even accelerate our research activities.**

This year our scientists published the most papers in any year since the Crick was established, possibly because they had more time outside the lab to write **up their research**. Many of our scientific and public events moved online allowing us to interact with larger, more diverse national and international audiences. While many of our operations staff were working from home, we **took the opportunity to implement the new design for our first-floor office space faster and sooner than originally planned**. In addition, setting up our testing pipeline and hosting an NHS vaccination centre has strengthened our interdisciplinary research culture by bringing more of our researchers into direct contact with clinicians on the frontline.

**Having made eight appointments in the previous year, and because of financial uncertainty, this year we did not seek new Group Leader applications through our open search process. However, over the last 12 months, we had nearly 2000 graduate student applicants for our PhD programme, with 69% of applications coming from candidates living outside the UK, suggesting that the UK's departure from the EU has not significantly affected the Crick's ability to attract the best early-career scientists from around the world.**

**At the same time, we have been preparing for the Institute's first quinquennial review (QQR). As part of our preparations, we have updated our Strategy, Discovery without Boundaries (DWB). Our original Strategy, published in 2013, outlined a long-term vision - to create a world-class biomedical research institute that would be a magnet for scientific talent from across the world, generating discoveries to transform our understanding of health and disease. As this report shows, we are delivering that vision and our ambitions remain similar eight years on. DWB 2021 is a refresh and a reaffirmation of the original Strategy, informed by our experience as an operational institute.**

The outcome of our QQR will inform the funding the Crick receives for the next five years and the extent to which we are able to deliver the vision set out in our updated Strategy. We hope that through the QQR process, and by working with our funders, we can place the Crick on a sustainable footing so that in the next five to ten years we can fully reap the scientific benefits of our hard work to date.

***Paul Nurse***

Director of the Francis Crick Institute



# Trustees' report

## (incorporating the strategic report and directors' report)

### What we do

The Francis Crick Institute is a biomedical research institute which breaks down barriers between disciplines to create a space where talented and ambitious scientists can pursue big and bold ideas. We support them in an environment which fosters excellence with state-of-the-art infrastructure and a creative and curious culture. The Crick is a place for collaboration, innovation and exploration. We are prepared to take risks on unusual, pioneering research that answers fundamental questions about human health and disease and, with the help of our partners, we aim to bridge the gap between research and application so that our discoveries are able to change lives for the better.

### Charitable objectives

The Crick's objectives, as set out in its Articles of Association, are to advance human health and education for the benefit of the public through all aspects of biomedical research and innovation by:

- operating a centre for medical research and innovation;
- carrying out and supporting research into any of the biosciences;
- discovering and developing preventions, treatments and diagnostics for illness and disease; and
- developing and training scientists and supporting biomedical research endeavours.

### Activities

The Crick's Discovery Without Boundaries (DWB) strategy was agreed by the Board and Founders in 2013. It identified five strategic priorities:

- Pursue discovery without boundaries;
- Create future science leaders;
- Collaborate creatively to advance UK science and innovation;
- Accelerate translation for health and wealth; and
- Engage and inspire the public.

Inevitably a great deal of effort has been spent responding to the pandemic this year. Despite this, the Crick has continued to deliver against all five of its strategic priorities and continued with its plans to optimise its infrastructure to ensure it is providing outstanding support for its scientists. Our key achievements for 2020/21 are presented in this report.

## **Our response to COVID-19**

At the Crick, our interdisciplinary research expertise and state-of-the-art facilities put us in a good position to help tackle COVID-19. We rapidly transformed parts of our building into testing and vaccination facilities, and many of our scientists refocused their research efforts to answer fundamental questions about the virus that causes Covid-19, SARS-Cov-2.

### **Testing pipeline**

Reliable testing is essential to trace and contain the spread of SARS-CoV-2. As the pandemic took hold in March 2020, national testing capacity was falling far short of demand and Crick clinician scientists became aware of NHS colleagues developing COVID-19 and unwittingly spreading the infection within healthcare settings due to a lack of symptoms.

In response, we worked with local partners to rapidly repurpose our labs to establish a diagnostic testing facility to support the NHS. Led by clinician scientists, the process took less than three weeks and involved close partnerships with University College London Hospitals Foundation Trust (UCLH) and their diagnostics partner Health Services Laboratories (HSL). In the face of an international shortage of essential equipment, the Crick testing team used in-house expertise and ingenuity to find alternative approaches, for example, using an RNA extraction method previously used in our Ancient Genomics Lab, and repurposing robotic facilities for the Covid RT-PCR assay.

Additionally, the Crick COVID-19 Consortium worked with Cancer Research UK, NHS England and the Department for Health and Social Care to share our testing protocols and learning with labs around the UK and globally. We provided support and advice on PCR testing to over 40 other sites, which led to the Crick being cited as a National Exemplar Site in the Diagnostic Testing Guidelines by the Department of Health and Social Care.

By 31 March 2021, our testing pipeline had conducted just over 385,000 highly reliable, rapid turnaround tests and supported eleven London hospitals and 150 local care homes. It also allowed us to establish a weekly, and sometimes twice weekly staff Covid surveillance programme with internal test, track and trace. This meant that the Crick was able to provide a Covid-secure environment and remain at least partially open at all times, allowing our scientists to continue both Covid and non-Covid research.

### **Vaccination centre**

In December 2020, UCLH approached the Crick to help deliver a new large-scale COVID-19 vaccination centre. Working in partnership, we repurposed our public exhibition and science education spaces to create a facility with the capacity to vaccinate 1,000 people a day, 7 days a week. Overseen by UCLH and staffed by Crick clinician scientists, as well as over 300 additional volunteers from the Crick and its partners, the centre had administered over 26,000 vaccinations by the end of March 2021.



## Trustees' report (incorporating the strategic report and directors' report) continued

### Research themes

Crick scientists are working collaboratively to answer pressing questions about the SARS-CoV-2 pathogen. Our COVID-19 research programme brings together a team of over 100 scientists across 12 laboratories, sharing data and techniques with labs across the world. The programme is overseen by Senior Group Leader and Associate Research Director, Brigitta Stockinger. Research is focused on four broad areas, taking a cross-disciplinary approach:

- **Diagnosis** - Drawing on our experience of running a testing pipeline, we are comparing, evaluating and improving clinical diagnostic testing methods.
- **Immunity and immunopathology** - We are harnessing our clinical connections and applying cross-disciplinary expertise to investigate how our immune system responds to the coronavirus, why some cases are much worse than others, and if immunity, induced by vaccination or infection with the original SARS-CoV-2 strain, can protect against new variants.
- **Molecular mechanisms and target identification** - Using the Crick's world-class expertise in virology, structural biology, and chemistry, we are investigating the lifecycle of the coronavirus, how it attaches to cell surfaces, enters cells, and replicates. This could help identify potential drugs and treatments.
- **Clinical epidemiology and clinical management** - Through the Crick Covid-19 Consortium and our partnership with UCLH and others, we are conducting studies to investigate how the coronavirus is evolving and spreading between people and how clinically vulnerable groups, such as cancer patients, respond to the virus as well as vaccination.

In May 2020, members of Crick Faculty arranged a virtual symposium to share their early Covid-19 research with all Crick staff and in November 2020 a joint mini-symposium with the Pasteur Institute discussed COVID-19 research on both sides. Since then, the COVID-19 Research Forum, a new Crick interest group, has been established to allow groups doing COVID-related research, at the Crick and beyond, to share what they are working on and to foster collaborations.

Here are some examples of Crick COVID-19 research:

- **Ng, K. W., et al (2020). Pre-existing and de novo humoral immunity to SARS-CoV-2 in humans. *Science* eabe1107**

A team led by the Kassiotis lab, in collaboration with other Crick groups and UCLH, has found that some antibodies, created by the immune system during infection with common cold coronaviruses, can also target SARS-CoV-2 and may confer a degree of protection against the new viral strain.

• **Ng et al. (2020). Tissue-specific and interferon-inducible expression of non-functional ACE2 through endogenous retrovirus co-option. *Nature Genetics* 52,1294**  
Research from the Kassiotis lab has identified a variant of the SARS-CoV-2 cell receptor ACE2, which is driven by antiviral interferon signals. The virus is not able to bind to this variant, dispelling concerns that interferon-based treatments could be inadvertently helping it spread more quickly in the body.

• **The Crick COVID-19 Consortium (2020). Scalable and robust SARS-CoV-2 testing in an academic center. *Nat Biotech* 38:927-931.**

In this paper, the Crick COVID-19 Consortium has described how we repurposed the Crick as a testing facility during the pandemic by collaborating with hospitals and a diagnostic lab.

• **Wrobel AG, et al (2020). SARS-CoV-2 and bat RaTG13 spike glycoprotein structures inform on virus evolution and furin-cleavage effects. *Nat Struct Mol Biol.* 27:763-767.**

Researchers in the Gamblin lab have characterised the structure of the SARS-CoV-2 spike protein as well as its most similar relative in a bat coronavirus. The structures provide clues about how the spike evolved and could help inform vaccine design.

• **Houlihan et al (2020). Pandemic peak SARS-CoV-2 infection and seroconversion rates in London frontline health-care workers. *Lancet* 396:e6-e7.**

A collaborative Crick paper, as part of the Crick COVID-19 Consortium, studied the spread of SARS-CoV-2 among healthcare workers, finding high levels of asymptomatic infections during the peak of the pandemic in London. These results highlight the importance of routinely screening healthcare staff for the virus to protect frontline workers and their patients.

• **Laing et al (2020). A dynamic COVID-19 immune signature includes associations with poor prognosis. *Nat Med.* 26:1623-1635**

In a study, researchers in the Hayday lab, with King's College London and Guy's and St Thomas' NHS Foundation Trust, have found a common immune signature in the blood of patients with COVID-19. This could be used to predict how severely ill a patient will become, thereby aiding patient management.

• **Messner et al (2020). Ultra-High-Throughput Clinical Proteomics Reveals Classifiers of COVID-19 Infection. *Cell Systems* 2020 Jul 22: 11-24.e4**

Research led by the Ralser lab presents a platform for ultra-high-throughput serum and plasma proteomics that can be implemented in regulated clinical laboratories to provide point-of-care diagnostic classifiers for COVID-19. The team found 27 biomarkers in the blood of COVID-19 patients that could be used to predict whether a person will become severely ill.

## Trustees' report (incorporating the strategic report and directors' report) continued

- Major, J et al (2020). Type I and III interferons disrupt lung epithelial repair during recovery from viral infection. *Science* 369: 712-717

Research from the Wack lab has found that type I and III interferons interfere with lung repair during recovery from influenza virus infection, by blocking respiratory epithelial cell proliferation and differentiation. They found that interferon treatment late during the course of infection exacerbates lung damage, which may have implications for ongoing clinical trials testing the efficacy of interferons in treating patients with COVID-19.

- Abdul-Jawad et al (2021). Acute immune signatures and their legacies in severe acute respiratory syndrome coronavirus-2 infected cancer patients. *Cancer Cell* 39(2):257-275.e6

A study from the King's College London and the Hayday lab, as part of the COVID-IP project, provides insight into how COVID-19 affects cancer patients who, by shielding, were missing treatments. Unexpectedly, most solid cancer patients, even those with Stage IV likely-terminal disease, mounted strong immune responses that cleared the virus, whereas many haematological cancer patients mounted ineffective responses.

- Benton et al (2020) Receptor binding and priming of the spike protein of SARS-CoV-2 for membrane fusion. *Nature* 588, 327–330

Researchers in the Gamblin lab have found that the spike protein on the surface of the SARS-CoV-2 coronavirus can adopt at least ten distinct structural states when in contact with the human virus receptor, ACE2. This research will help to inform studies into vaccines and treatment for COVID-19.

- Rosa et al. (2021). SARS-CoV-2 can recruit a haem metabolite to evade antibody immunity. *Science Advances*, eabg7607.

A team led by the Cherepanov lab has found a molecule that can block the binding of a subset of human antibodies to SARS-CoV-2. This could explain patients who, despite having high levels of antibodies, become ill.

### **Crick Science**

The Crick aims to make discoveries that have the potential to change lives. Our scientists investigate the biology underlying human health to advance understanding and to improve the treatment, diagnosis and prevention of disease.

### **Publications**

Despite national restrictions and the focus on SARS-Cov2 and COVID-19, all of our scientists have been able to continue their usual research programmes to some degree. In fact, in 2020/21 Crick scientists published 555 papers, the highest annual number since the Crick was established in 2015.<sup>1</sup> This places us fourth on the 2021 Nature Index for institution outputs in the life sciences by research institutes – one place higher than last year.<sup>2</sup>

<sup>1</sup> This number excludes editorials (9), obituaries (4), a letter on science policy and a biography. The detailed breakdown is: 2 case report, 24 commentaries, 8 letters, 21 methods papers, 382 primary research papers, and 115 reviews.

<sup>2</sup> <https://www.natureindex.com/annual-tables/2021/institution/npo/life-sciences> - The Nature Index annual tables highlight the institutions and countries that dominate research in the natural sciences. The 2021 tables are based on Nature Index data from 1 January 2020 to 31 December 2020.

Here is a selection of our non-Covid related discoveries for 2020/21:

- **Ruis, P., Van Ly, D., Borel, V. et al. (2021) TRF2-independent chromosome end protection during pluripotency. *Nature* 589, 103–109.**

A collaborative team at the Crick, led by the Boulton lab, has uncovered the unique mechanism used by stem cells to protect their chromosome ends, known as telomeres. Unlike somatic cells, embryonic stem cells are not reliant on the protein TRF2 but still require a t-loop

- **Rayon, T., Stamataki, D., Perez-Carrasco, R., et al. (2020) Species-specific pace of development is associated with differences in protein stability. *Science* 369: 6510, eaba7667.**

Researchers in the Briscoe lab have found the clock that sets the speed of embryonic development - the reason pregnancy length differs between species. They discovered that the mechanism is based on how proteins are made and dismantled, and the study could also help us understand how different mammals evolved from one another.

- **Meran, L., Massie, I., Campinoti, S. et al. (2020) Engineering transplantable jejunal mucosal grafts using patient-derived organoids from children with intestinal failure. *Nat Med* 26, 1593–1601.**

The Li lab have collaborated with Great Ormond Street Hospital and the UCL Institute of Child Health to grow human intestinal grafts using stem cells from patient tissue that could one day lead to personalised transplants for children with intestinal failure.

- **Gerri, C., McCarthy, A., Alanis-Lobato, G. et al. (2020) Initiation of a conserved trophoblast program in human, cow and mouse embryos. *Nature* 587, 443–447.** New research from Claudia Gerri and the Niakan lab shows that the first cell decision in human development starts the development of the placenta, days before cells that will eventually form the embryo become specialised.

- **Tyzack, G. E., Neeves, J., Crerar, H., et al. (2021) Aberrant cytoplasmic intron retention is a blueprint for RNA binding protein mislocalization in amyotrophic lateral sclerosis. *Brain*, awab078.**

A study from Rickie Patani and Nick Luscombe presents new insights into amyotrophic lateral sclerosis (ALS), also called motor neurone disease. Their research uncovered potential molecular pathomechanisms underlying ALS and identified aberrant intron-retaining transcripts as potential therapeutic targets.

- **Fugger, K., Bajrami, I., Silva Dos Santos M., et al. (2021) Targeting the nucleotide salvage factor DNPH1 sensitizes BRCA-deficient cells to PARP inhibitors. *Science* 372(6538):156-165**

A study led by the West lab has found that blocking a specific protein could increase tumour sensitivity to treatment with PARP inhibitors. Their work suggests that combining treatments could lead to improved therapy for cancer patients.



## Trustees' report (incorporating the strategic report and directors' report) continued

- Bergström, A., Frantz, L., Schmidt, R., et al. (2020) Origins and genetic legacy of prehistoric dogs. *Science* 370: 6516, 557-564.

In a global study, led by Pontus Skoglund and Anders Bergström, the team studied ancient DNA from 27 dogs, some of which lived up to 11,000 years ago. They found that there were different types of dogs more than 11,000 years ago in the period immediately following the Ice Age.

- Watkins, T.B.K., Lim, E.L., Petkovic, M. et al. (2020) Pervasive chromosomal instability and karyotype order in tumour evolution. *Nature* 587, 126–132.

Researchers in the Swanton Lab, in collaboration with the UCL Cancer Institute, have identified how different cancers go through some of the same genetic mutations at the same point in their evolution. The findings could bring scientists one step closer to developing an 'evolutionary rule book' that helps predict and block cancer's next move.

- Stapornwongkul, K. S., de Gennes, M., Cocconi, L., et al. (2020) Patterning and growth control in vivo by an engineered GFP gradient. *Science* 370: 6514, 321-327.

A study from the Vincent and Salbreux groups describes how an inert protein, green fluorescent protein, can be turned into a morphogen that controls growth and patterning in the *Drosophila* wing. This synthetic biology approach could inspire new strategies for regenerative medicine.

### Scientific events

The Crick's programme of scientific events also continued unabated in 2020/21.

By the end of April we were running events online and, owing to the easing of restrictions over the summer, we were able to host our first hybrid conference – the 2020 Crick Cancer Research Symposium – in October. Since then we have held the following hybrid events: the London Infections and Immunity Symposium; the Crick's fourth Autumn Science Meeting; and the London Stem Cell Network, as well as the Crick's weekly lecture series. Moving our events online reduced international travel and created a more sustainable conference model which has enabled us to reach a truly global audience. Our 2020/21 programme included almost 150 events and attracted 20,000 attendees from over 20 countries, including Pakistan, Brazil, the UAE as well as the US and Europe. We will continue to run our events in a hybrid format to ensure anyone from around the world can attend and engage with Crick science.

### Awards and prizes

The quality and ground-breaking nature of Crick science is demonstrated by the recognition our Faculty receives from the broader scientific community. In 2020/21, Crick scientists received the following awards and prizes:

- John Diffley, Associate Research Director, was elected as a member of the US National Academy of Sciences in recognition of his distinguished and continuing achievements in cancer research.
- Peter Ratcliffe, Director of Clinical Research and Charlie Swanton, senior group leader, were elected to the American Association for Cancer Research (AACR). The AACR Academy recognises scientists whose contributions have led to significant innovation and progress against cancer.

## Trustees' report (incorporating the strategic report and directors' report) continued

- Dr Francois Guillemot, senior group leader and Sir David Cooksey, former Chairman, were elected to join The Royal Society as a fellow and an honorary fellow respectively. Of our established senior group leaders (Emeriti and group leaders who have been at the Institute for more than 12 years), 49% are now Fellows of the Royal Society, 60% are Fellows of the Academy of Medical Sciences and 66% are members of European Molecular Biology Organisation (EMBO).
- Senior Group Leader, Markus Ralser was awarded an EMBO Gold Medal for his work studying the origins, evolution and function of cell metabolism. The annual award recognises early career researchers.
- 6+6 Group Leader, Pontus Skogland, was named a Vallee Awards Scholar. The Vallee Foundation aims to foster originality, creativity and leadership in biomedical science research and medical education. Its Vallee Scholar Awards Programme recognises outstanding early career scientists. Pontus, who leads the Crick's Ancient Genomics laboratory, is one of only six researchers worldwide who received scholar awards from the Foundation this year.
- Senior group leader, Vassilis Pachnis received the Feldberg Prize 2022. The Feldberg Foundation awards the prize annually to one researcher in the UK and one researcher in Germany in recognition of outstanding work in their field. The aim of the Feldberg Foundation and the Feldberg Prize is to promote scientific exchange between British and German scientists who work within experimental medical research.
- Senior group leader, Karen Vousden received the first ever Pezcoller-Marina Larcher Fogazzaro-EACR Women in Cancer Research Award. This new award celebrates a researcher who has demonstrated academic excellence and achievements in the field of cancer research and who has, through leadership or by example, furthered the advancement of women in cancer research.
- Seconded group leader, Rickie Patani, was awarded the 2020 Graham Bull Prize in Clinical Science and Goulstonian Lectureship of the Royal College of Physicians (RCP). They are awarded jointly each year by the RCP to one researcher, under the age of 45, who has made a major contribution to clinical science. The RCP specifically recognised Rickie's work developing a robust and patient specific human stem cell-derived model for motor neurone disease, and using this model to make new and fundamental insights into the condition that could lead to new treatments in the future.
- The International Society for Stem Cell Research (ISSCR) awarded senior group leader, Robin Lovell-Badge its 2021 Public Service Award in recognition of his contributions to policy surrounding embryo and stem cell research and clinical practice. The ISSCR is a non-profit organisation that promotes excellence in stem cell research and is committed to ensuring this work is translated responsibly into the clinic.
- Luiz Carvalho, senior group leader, received an American Chemical Society (ACS) Infectious Diseases Young Investigator Award. This prestigious award recognises outstanding young researchers working on infectious diseases.

In addition, 21 Crick postdocs were awarded prestigious fellowships in the last year. Seven of these were Marie Skłodowska-Curie Actions (MSCA) Individual Fellowships. The European Commission received more than 11,500 proposals in the latest round of MSCA Individual fellowship applications and, across Europe, around 12% of applications were successful. The Crick's success rate was 38.9% demonstrating the talent and hard work of our postdoc community.

## **Crick Scientists**

We have developed an approach to biomedical scientific training and recruitment that reflects our commitment to research excellence, dynamism and multidisciplinary activity. Our faculty recruitment has an emphasis on early career researchers, most of whom are taking up their first independent post. They develop their programmes for up to 12 years and then receive assistance to find a position elsewhere. This, along with our comprehensive training programmes for students and postdoctoral fellows, means we are expanding the talent pool for biomedical science across the UK and helping to create the science leaders of the future.

### **Group Leader Recruitment**

In 2019/20 the Crick ran three recruitment calls for early-career researchers:

- 1) An open search for our 6+6 early career group leader programme
- 2) A call for early career physical sciences group leaders, run jointly with our partner universities.
- 3) A call for clinician scientist group leaders

From these calls, 13 appointments were made and nine of the new recruits joined the Crick between April 2020 and March 2021. They are:

#### **• *David Bauer, 6+6 group leader - RNA Virus Replication Laboratory***

In 2009, David received a Rhodes Scholarship to complete a PhD at the Wellcome Trust Centre for Human Genetics at Oxford University. He subsequently received a US National Science Foundation postdoctoral fellowship to carry out biophysics research with Achilles Kapanidis at Oxford and then joined the Dunn School of Pathology in Oxford to study influenza virus transcription. David joined the Crick in August 2020. His lab will study how RNA viruses replicate in order to understand how they work and to find better ways of treating diseases such as influenza and COVID-19.

#### **• *Margarida Cardoso Moreira, 6+6 group leader - Evolutionary Developmental Biology Laboratory***

Margarida did her PhD at the University of Chicago and a postdoc at Cornell University, both of which were supported by fellowships from the Portuguese Foundation for Science and Technology. She did a second postdoc at Heidelberg University where she spearheaded a research program aimed at understanding the evolution of mammalian organs, for which she received the Otto-Schmeil prize from the Heidelberg Academy of Sciences in 2020. Margarida joined the Crick in January 2021. Her lab will investigate how new organs originate and how they diversify across species.

• **Gregory Findlay, 6+6 group leader - Genome Function Laboratory**

In 2012, Greg entered the Medical Scientist Training Program at the University of Washington in Seattle. He was awarded an ARCS Foundation scholarship in 2014 and a Ruth L. Kirschstein fellowship from the National Institutes of Health in 2016 to develop new genome editing methods to study mutations in cancer predisposition genes. He completed his PhD in Genome Sciences in 2018 and earned his MD from the University of Washington School of Medicine in 2020 before joining the Crick in September 2020. His lab will investigate which genetic variants predispose us to disease and why this happens on the molecular level.

• **Eachan Johnson, 6+6 group leader - Systems Chemical Biology of Infection and Resistance Laboratory**

In 2014, Eachan received his DPhil in Chemical Biology from the University of Oxford. He then moved to the Broad Institute in Cambridge, Massachusetts to work on the intersection of chemical biology with genetics of tuberculosis as a Postdoctoral Associate. Eachan joined the Crick in January 2021 and his lab will develop precision chemical tools for dissecting the molecular and systems biology of pathogenic bacteria.

• **Leanne Li, 6+6 group leader - Cancer-Neuroscience Laboratory**

In 2008, Leanne gained a medical degree from the National Taiwan University. She then moved to Switzerland to study for a PhD in cancer biology at EPFL Swiss Institute for Experimental Cancer Research. She later joined the Koch Institute of Integrative Cancer Research, MIT, as a postdoctoral fellow supported by Swiss National Science Foundation Postdoctoral Mobility Fellowships, Hope Funds Fellowship, and Lung Cancer Research Foundation Award. Leanne joined the Crick in October 2020. Her lab hopes to further illuminate the intertwined, yet under-explored relationships between cancer biology and neuroscience.

• **Naomi Moris, 6+6 group leader - Stem Cell and Human Development Laboratory**

Naomi completed her PhD and a postdoctoral fellowship at the University of Cambridge. In 2017, she was awarded a prestigious Junior Research Fellowship from Newnham College in Cambridge, during which she developed an equivalent gastruloid system using human embryonic stem cells. Naomi joined the Crick in March 2021. Her lab will use human gastruloids to study the fundamental principles of embryonic cell fate coordination during development

• **Rashmi Priya, 6+6 group leader - Organ Morphodynamics Laboratory**

Rashmi completed her PhD at the University of Queensland, Australia and a postdoctoral fellowship at the Max Planck Institute for Heart and Lung Research in Bad Nauheim, Germany. During her postdoc, Rashmi was awarded a start-up grant by the German Research Foundation (DFG). Rashmi joined the Crick in January 2021. Her lab will integrate developmental genetics and quantitative cell/tissue mechanics to provide a system-level understanding of organ morphogenesis.



## Trustees' report (incorporating the strategic report and directors' report) continued

### • **Samuel Rodrigues, 6+6 group leader - Applied Biotechnology Laboratory**

Prior to joining the Crick, Sam was an entrepreneur in residence at Perti, a biotech accelerator in Boston, Massachusetts, and co-founded Saturn5, a company developing patient-oriented neurosurgical tools. In the spring of 2019, Sam graduated with a PhD in Physics from the Massachusetts Institute of Technology (MIT), having worked between the MIT Media Lab, the MIT Department of Brain and Cognitive Sciences and the Broad Institute of Harvard and MIT. Sam joined the Crick in September 2020. His lab will create and commercialise new technologies that solve intractable problems in neuroscience and neuromedicine.

### • **Charlie McTernan, physical sciences group leader - Artificial Molecular Machinery Laboratory**

Charlie is a physical sciences group leader at the Crick and a lecturer at the Department of Chemistry at King's College London (King's). He did his PhD at the University of Manchester before completing a Leverhulme Early Career Research Fellowship at the University of Cambridge. He joined the Crick in February 2021. His lab will explore how interlocked architectures and metal-organic capsules can be applied in biological settings.

The remaining four recruits – three from the physical sciences call and one from the clinician scientist call - will join the Crick in mid- to late-2021.

The Crick usually conducts an annual open search for early-career group leaders but as a result of the financial impacts of the pandemic, we decided not to recruit to our 6+6 programme this year. To ensure we continue to make progress in our clinical work we did launch a call for clinician scientist group leaders in November 2020 and we have made three appointments. These recruits will join the Crick in late 2021. Recruitment for physical science group leaders is conducted biannually.

### Doctoral and postdoctoral recruitment and training

The Crick also provides training for students and postdoctoral research scientists. In 2020/21 we received 662 applications for the Postdoctoral Fellowship positions that we advertised and filled 43 posts. The number of posts filled are lower than previous years owing to a recruitment freeze put in place between April and September 2020 due to the pandemic.

In October, 42 new students joined our 2020 PhD programme. Due to the pandemic restrictions, the PhD induction programme was reformatted and held via hybrid events to ensure all students were able to participate fully. In fact, all our training programmes have been adapted to allow our students and postdocs to continue their research and training, as far as possible, within the ever-changing circumstances. This includes providing extensions to junior researchers whose research has been significantly disrupted by the pandemic.

Our 2021 PhD programme received 1,998 applications, with a nationality distribution of 31% British; 22% other EU; and 47% non-EU. 131 candidates attended remote interviews in January or May and 60 offers were made. 40 candidates accepted and will join the Crick in September 2021.

Following our review of the Crick PhD programme last year, we have implemented a number of changes. These include placing a greater emphasis on skills training and professional development within the PhD programme, and promoting and adding value to the relationships between students, their Crick supervisors and their university supervisors.

The Crick became a signatory of Vitae's Concordat to Support the Career Development of Researchers this year and we established a Concordat steering group, including postdocs, group leaders and academic training team members to ensure we are doing all we can to support our trainees and their careers. This work will complement our existing programme of activity relating to the Technician Commitment, which supports the careers of our technician workforce.

### **Crick Collaborations**

Collaboration is an important part of the Crick's strategy. We partner with our founders and the broader scientific community, both in the UK and internationally, to recruit and train the best scientists, to share knowledge and expertise in order to deliver multidisciplinary research, and to ensure our science benefits society. Many of these partnerships are described elsewhere in this report but here are some additional examples of collaborations that the Crick contributed to in 2020/21:

#### **University partners**

The Crick's three university partners – Imperial, King's and UCL - bring specialist knowledge, skills and resources to help us carry out ground-breaking research across a range of scientific disciplines.

Our attachments programme allows researchers from our Founder universities to apply to temporarily move all or part of their research programme to the Crick. We made four appointments via our 2020 attachment call:

#### **• *Michele Mishto***

Michele's laboratory study T-cells, a central part of the immune system which identify foreign particles in the body. At the Crick, his team will investigate how T-cells identify a set of poorly understood, unconventional particles and how the immune system responds when these particles are spotted. His team will investigate the role of the unconventional particles in cancer, infection and autoimmunity, with the long-term aim to improve the efficacy of immunotherapy and vaccine development.

- ***Cristina Lo Celso***

Members of Cristina's lab will work with Illaria Malanchi's group at the Crick to investigate how stem cells in the bone marrow maintain blood cell production and what happens when the regulation of this process goes wrong in leukaemia. The team will use advanced imaging techniques to analyse the mechanisms regulating stem cell proliferation and malignant growth in the bone marrow, which will ultimately lead to improved therapeutic strategies.

- ***Eamonn Reading***

A collaborative team led by Dr Eamonn Reading, Dr Argyris Politis and Dr Antoni Borysik will work with the Crick proteomics STP to develop the technology used for mass spectrometry-led structural biology of proteins. The team will combine its expertise in chemistry and biology to accelerate development of protein structural mass-spectrometry at the Crick, in order to better understand proteins important for human health, such as those involved in antibiotic resistance and treatment.

- ***Marco Di Antonio***

Marco di Antonio's team will work with Paola Scaffidi's group at the Crick to investigate how unusual DNA modifications can lead to chemotherapy resistance in ovarian cancer. The project brings together Marco's expertise in chemistry with Paola's expertise in cancer biology and has the potential to identify novel targets for therapeutic intervention in a number of cancers.

In the 2021 attachment call we approved five new attachments from Imperial College, which will all commence by early 2022.

**Partners in the Crick**

In 2020/21, three of our partners moved existing labs into the Crick or established new labs in our building. Co-locating with our partners in the Crick building allows us to more easily share expertise, equipment and resources, and establish collaborative research projects. The presence of partners in the Institute also strengthens the culture of translation that we aim to foster at the Crick.

- ***UK Dementia Research Institute***

The National Director of the UK Dementia Research Institute (DRI), Professor Bart De Strooper, moved his laboratory to the Crick as a UCL attachment group. The Crick also provide IT services connecting the DRI research centres and we are exploring how we can build on these activities to develop a research partnership with the DRI.

- ***LifeArc***

LifeArc (formerly MRC Technology) is an independent medical research charity that helps to turn promising science into benefits for patients. The Crick and LifeArc have a well-developed partnership, with LifeArc supporting many of the Crick's translational activities. In March 2021, LifeArc opened a lab at the Crick, which will focus on building their capability to deliver fully human antibodies, using their transgenic mice platform, and the Crick's BRF and Flow Cytometry STPs.

• ***Cancer Research UK Therapeutic Discovery Lab***

Cancer Research UK Therapeutic Discovery Laboratories (CRUK-TDL) are CRUK's in-house drug discovery operation. Their aim is to accelerate the translation of novel academic findings into next-generation cancer therapeutics that benefit patients. Their laboratory in the Crick will support their translational activities and will house a major part of their alliance discovery team across protein science, crystallography, and target biology. Through their presence in the Crick, CRUK-TDL aim to develop new collaborations centred on novel areas of cancer biology.

**Inter-Institutional partnerships**

The Crick has developed a number of partnerships at an institutional level, some of which are international, that offer the potential for engagement through collaborative research, translation, training and operations. Some of our partnership activity, particularly our international partnerships, was somewhat muted this year due to the pandemic; however, the following inter-institutional activity continued or was established in 2020/21:

• ***CRUK City of London Centre***

The CRUK City of London Centre is a joint initiative between UCL, Queen Mary University London, King's and the Crick. It is supported by a £14m award from CRUK and focuses on the development, manufacture and precision application of biological therapies for cancer. The Crick coordinates junior researcher training for the Centre and this year saw the second intake of trainees to the programme. This cohort included 10 PhD students, three MB-PhD students and four clinical fellows.

• ***Alan Turing Institute***

In August 2020 we entered into a partnership with our neighbour, the Alan Turing Institute to facilitate data-centric biomedical science research collaborations and create a new culture of integrating big data analytics with biology. Crick-Turing Biomedical Data Science Awards allow Turing data scientists to work with biomedical data generated by Crick scientists. Participating Turing staff are seconded from universities including Imperial, Birmingham, Bristol and Manchester.

• ***Wellcome Leap***

This year we joined the Leap Health Breakthrough Network, a global group of leading academic and research institutions committed to solving the world's most serious health challenges, such as cancer and infectious diseases. The Leap Health Breakthrough Network has been established by Wellcome Leap, a non-profit organisation founded by the Wellcome Trust, to accelerate innovations and collaborations that benefit global health. The network is made up of 21 world-class institutions representing over 150,000 researchers across six continents. This year, senior group leader, Max Gutierrez was awarded funds to support his project- Lung engineers: stem cell-derived bioengineered alveolar models in human health and disease.

Our partnerships with industry are outlined in the following section.



## **Crick impact**

Crick discoveries are intended to benefit society and improve people's lives. That's why we have a number of programmes in place to make sure our science has an impact beyond academia.

### **Connecting the Crick to clinical medicine**

The Crick is developing diverse links with the clinical medical community in order to extend the scope of its discovery research, train a cadre of clinician scientists and, ultimately, facilitate the application of Crick research for patient benefit.

#### **• *Training for clinicians***

In addition to our group leader programme for clinician scientists, we also provide training for research active clinicians at the doctoral and postdoctoral levels. These clinician fellows are embedded in Crick research groups, benefit from all the facilities and collaborations that the Crick has to offer, and work alongside scientists who are not clinically qualified.

Four doctoral clinical fellows joined the Crick as part of the 2020 PhD programme intake. We received 51 applications for our 2021 Crick doctoral clinical fellows PhD programme. Interviews were held in January 2021 and six offers were made, all of which have been accepted. These fellows will join the Crick as part of the broader 2021 PhD cohort in September.

In 2020, five candidates were interviewed for postdoctoral clinical fellow positions at the Crick and four appointments were made. These fellows have now joined the Crick.

#### **• *Medicine at the Crick and CrickMed***

Our Medicine at the Crick series of events was put on hold in 2020 due to the pandemic. The series restarted online in February 2021 with an event titled "The new medicine of DNA repair pathways: damage repair vulnerabilities in cancer". More than 600 attendees logged on from as far afield as Japan, USA and South America. Our CrickMed initiative, which was established in 2019 to provide Crick faculty with experience in a front-line clinician setting, was also put on hold this year due to the pandemic.

### **Translation**

In partnership with industry, the Crick's Translation team provides our researchers with easy access to the expertise and mechanisms needed to convert discoveries into applications.

#### **• *Idea to Innovation (i2i) scheme***

The Crick's Idea to Innovation (i2i) scheme is funded by external grants and supports early stage translational projects. In 2020/21, 17 projects were awarded funding, which means that, to date, a total of £5.4M has been invested in a portfolio of 85 projects. Core funds have been used to create a parallel Crick i2i Technology funding initiative, which has supported four new technologies.

• *Industry partners*

The Crick continued to build on its discovery partnerships with industry in 2020/21. Six new projects started in association with the Crick's pre-competitive partnerships with GSK, AZ and MSD. In total, the Crick now has 59 active projects with over 20 industry collaborators. These involve 27 industry scientists working in close proximity with Crick researchers, and 18 Crick postdocs spending time in the industry environment as part of their projects.

These partnerships add value to the Crick's discovery science by capitalising on complementary expertise and technical capability. Many lead to publications, skills development and additional funding. For instance, the Crick-GSK partnership secured several external grants last year, including a prestigious EPSRC Prosperity Partnership grant of £11.5m to build a transformational Systems Chemical Biology platform. This initiative will simultaneously discover new, disease-relevant, protein targets and the chemical probes needed to study them in complex disease-relevant assays.

The Crick sometimes licenses technologies to industry to further our translation. This year, the Crick, Bioaster and the University of Leicester signed a licensing agreement with Biomerieux for the development of mycobacterium tuberculosis biomarker tests with the sensitivity to pick up the disease before the onset of symptoms.

• *Spin-outs*

To date, nine spin-out companies have been developed from Crick science, each progressing discoveries from across cell therapy, vaccine, medical technology and small molecule therapeutics. These companies employ over 300 people and have raised more than £550m in follow-on investment. A new spin-out, mPixl was co-founded in 2020 by Ana D Silva Gomes, a senior scientist in Dominique Bonnet's group. At the end of March 2021, we had our first spin-out IPO. The gross proceeds of US\$176m was a significant achievement for Achilles Therapeutics on its journey of bringing neo-antigen targeted T-cell therapies to cancer patients.

• *Entrepreneurship and inspiration*

An important aspect of translation at the Crick is providing scientists with training and mentorship to translate research into real world solutions. Our entrepreneurship curriculum is benefitting both our scientific community and the broader UK ecosystem. This year the curriculum involved:

- A series of translational lectures for Crick students and staff, delivered by members of the Crick's Translation Advisory Group and industry partners.
- The third cohort of the Crick's KQ Labs accelerator, which aims to build a world class ecosystem of data-driven health companies based in London's King's Cross Knowledge Quarter. Participating companies are provided with a £40k convertible loan, training and mentorship as well as introductions to investors and corporates over five months.

The third cohort consists of 10 companies and is funded by LifeArc. Of the 20 start-ups supported in the previous two cohorts, ten have collectively raised more than £11.6M in funding and have converted their loans, reflecting the quality of the programme and the growing ecosystem.

- A three-part series of virtual masterclasses with participants from the Crick's university partners, other affiliated academic institutions and the Crick. Due to the pandemic, this took the place of an interactive in-person event for the second Data x Biomedical Science Summer School, developed jointly by the Crick, the Alan Turing Institute and Entrepreneur First.

- The fourth round of PULSE - Programme for Up and coming Life Science Entrepreneurs, which was developed by the Crick and the Bioindustry Association (BIA). It is a three-day leadership and entrepreneurship training programme for early career stage entrepreneurs and new CEOs, mostly coming from an academic setting.

- Our VC breakfast, a series established in 2019, was run virtually to bring investors closer to the Crick, giving them an insight into current discovery science and promoting an informal network for our group leaders.

#### **Public Engagement and Education Outreach**

The 2020 lockdown forced a fundamental change to the way the Crick approaches public engagement and education outreach work, with our face-to-face programmes and activities rapidly adapted for delivery online. This enabled us to accelerate plans already underway to develop a digital public engagement approach in order to broaden our reach to national and international audiences. Our activities included:

- Our first digital Discovery Week in May 2020, with the creation of bespoke online family activities. The webpages were visited by more than 7,000 people, with only 37% recorded as being based in London.
- The launch of Family Zone, a public engagement section of the website, which featured new digital activity for each week of the summer holidays. We live-streamed family 'Meet a Scientist' events for the first time, hosted by Youtube/BBC presenter Greg Foot.
- The launch of Covid Conversations, a new online event format hosted by high-profile science-friendly presenters, each attracting audiences of 1500+.
- Engagement of those attending the Crick vaccine centre through a project in partnership with Poet in the City, using people's reflections on the pandemic to create poetry to be displayed outside the Crick.

## Trustees' report (incorporating the strategic report and directors' report) continued

Despite being unable to deliver face-to-face science education activities between March and October 2020, the Crick still engaged with 6,453 local school children and 406 teachers in the 2019/20 academic year, as well as delivering online activities including virtual work experience sessions. Additionally, in response to the closure of schools, we developed family science activity packs in English and Bengali, which were sent to over 10,000 local homes and were circulated through Camden Primary Schools.

### Community Engagement

The Crick stepped in to deliver community support from early in the pandemic alongside local groups and organisations.

- We partnered with We Are Ageing Better, a local Age UK project supporting vulnerable and isolated older people in Somers Town, on a postal gift project.
- We worked with the Living Centre and Somers Town Community Association through their Emergency Support Hubs, providing food and support to those in need.
- In collaboration with Somers Town Big Local, a resident-led Big Lottery project, we created a COVID-19 Community Fund to provide small grants to organisations and groups supporting our local community during the pandemic. Additionally, at the start of the pandemic, when PPE was in short supply, the Crick's Making Lab made protective face shields, which we distributed through our local connections to a neighbouring hospital, schools and care homes.

### Media and Public Affairs

The Crick's response to the pandemic substantially increased our profile among policymakers, the media and the public, both in the UK and internationally, with Paul Nurse participating in multiple broadcast and newspaper interviews and comment pieces. It was an opportunity for the Crick to underline its value as a national biomedical research resource.

Our announcement of diagnostic testing at the Crick alone generated over 70 pieces of coverage. Since then, the Crick has offered commentary on the importance of clear communications and building trust in science, of an effective testing programme, vaccine safety, and the funding shortfall for medical research charities caused by the drop in fundraising income. Our media monitoring service logged tens of thousands of articles and broadcasts in national, international and specialist media over the course of the year.

Informed by the expertise we developed from our testing pipeline, as well as evidence from our SAFER study into infection rates in healthcare workers, the Crick helped influence the UK's wider testing approach. From April 2020 onwards, we advocated for testing of all frontline healthcare workers to identify those who were asymptomatic but passing on infection. We also called for an expansion of testing capacity across the UK.



## Trustees' report (incorporating the strategic report and directors' report) continued

When weekly testing for NHS staff in hotspots was announced in November, Jeremy Hunt MP, former Health Secretary and Chair of the House of Commons Health Select Committee, thanked Paul Nurse among others for “leading the charge on this”.

The Crick was also a prominent voice in discussions concerning government support for science, lending our voice to the Association of Medical Research Charities' (AMRC) #ResearchAtRisk campaign and advocating for additional funding, beyond the government's existing science budget, for the UK's membership of Horizon Europe.

The Crick played host to virtual or actual visits from a number of politicians, including Secretary of State for Business, Energy and Industrial Strategy Kwasi Kwarteng, Science Minister Amanda Solloway and Labour Leader Sir Keir Starmer.

### **Crick Operations**

World-class research needs an excellent supporting infrastructure to enable its success. At the Crick we continuously review and improve our facilities and processes to ensure they provide the best support possible for our science and our staff.

#### **Facilities and Infrastructure**

The Crick took advantage of low building occupancy levels during the first national lockdown to improve its operations space on the first and second floors of the Institute. The works were planned, prior to the pandemic, to improve interactions between the Crick science and operations teams. The project was completed on time and in budget and, as a result of Covid restrictions, caused minimal disruption to the Crick operations functions.

During the course of the year, we implemented a new Cloud-based enterprise resource planning system. The system, provided by Workday, brings together HR and Finance functionality and is anticipated to improve efficiency, productivity, decision-making and control, with structured processes, a clear user-interface and great improvements in the availability of data and reporting capability. Implementation of core capabilities was successfully completed in February 2021 following an intense project lasting less than 12 months. Work is continuing to leverage the full capability and benefits of the system.

#### **Leadership**

The Crick welcomed several new members to its management team this year:

- Gitta Stockinger, senior group leader joined the Institute's senior scientific leadership in July 2020. Gitta is an Associate Research Director with responsibility for special projects. She is also overseeing the Crick's Covid-19 research programme.

- Seconded group leader, Sonia Gandhi and Senior group leaders, James Briscoe, James Turner and Katrin Rittinger became Assistant Research Directors. Each acts in an advisory capacity for a different area of Crick operations.
- Gary Tideswell joined the Crick as Director of Safety, Health and Sustainability in May 2020. Gary has over 20 years' experience working in academic research environments. Prior to joining the Crick, Gary was Director of Occupational Health and Safety at Oxford University.
- Also in May 2020, Tim Hemsley became the Crick's new Head of Security. As a former Police Officer in the Metropolitan Police and Sussex Police, he was responsible for development and delivery of the security strategy for the London 2012 Olympic Games and was awarded an MBE for services to Policing and Counter-Terrorism.

### **Staff Wellbeing**

A positive culture that ensures fair treatment of everyone and supports staff wellbeing is paramount for attracting and retaining the best talent. The Crick is committed to ensuring the right policies and measures are in place to achieve this.

In 2020, we introduced a new Code of Conduct, clearly outlining the expected and desired behaviours of staff at the Crick. The Code of Conduct brings together our key HR, governance and science policies, helping people to behave and make decisions in line with the ethical principles we stand for. Subsequent to the launch of the Code of Conduct, we partnered with NAVEX Global EthicsPoint to establish an external reporting tool Crick staff can use if they have concerns that they feel unable to raise via internal channels. To make staff aware of the tool we ran our 'Speak Up' campaign, encouraging staff to report incidences when Crick policies are not followed, or our standards are not met.

This year, the Crick also signed up to Togetherall, an online platform that all Crick staff can access, at any time, to get free support for their mental health.

### **Equality, Diversity and Inclusion**

Our new Equality, Diversity and Inclusion (EDI) Strategy, approved by the Crick Board in 2020, brings together existing EDI activity taking place across the Institute. The Strategy outlines five broad aims:

1. Gathering, analysing and acting on data
2. Taking positive action to attract, retain, develop and support a diverse staff and student population
3. Embedding EDI into every aspect of the Crick
4. Collaborating externally
5. Providing leadership and using our influence in the wider research community

In 2020, the Crick's EDI activities focused on race and ethnicity. The Race Equality Charter (REC) provides a framework for progressing race equity within Higher Education Institutions. Unlike the Athena SWAN charter, the Crick is ineligible for this as we are not a Higher Education Institution. Nevertheless, we are using the framework to structure and progress our race equity work and we have developed an action plan to address the five fundamental principles outlined in the Charter. The overall goal is to improve the representation, progression and success of minority ethnic staff and students in our Institute and make the Institute more inclusive.

To raise awareness of the varied opportunities available to PhD graduates and with the hope of increasing the number of applications from ethnic minority students we organised an event specifically aimed at BAME, and particularly Black, undergraduates. We specifically targeted universities with higher proportions of BAME students, establishing new relationships. The event included BAME speakers who have had successful careers in science and talked about the benefits of doing a PhD. The event ended with a short information session on applying to the Crick's PhD programme. We plan to make this an annual event and have scheduled the next event in October 2021.

We were also pleased to host the science journalist and author, Angela Saini, for an Insight Lecture in October 2020. Her talk was entitled 'Was Science Ever Apolitical?' focusing on race and science and she discussed her recent book "Superior".

Work remains underway across the Institute to implement the action plan set out as part of the Crick's 2019 Athena SWAN Award. The second all-staff questionnaire achieved over 900 responses and showed encouraging movement in several areas. There were substantial increases in the number of women and men that agreed the Crick provides adequate visibility of gender-balanced role models. There were also increases in the proportion of women that indicated they are aware of career progression opportunities available inside and outside of the Crick. Nevertheless, key challenges remain including ensuring appropriate gender balance on committees and the low numbers of women and BAME staff in senior positions. We continue to have a gender pay gap, though it has narrowed; the median gender pay gap was 2.9% and the mean pay gap was 11.5% on the snapshot date of 5 April 2020. These are areas that our Athena SWAN committee will focus on prior to applying to renew our Award in 2023.

The Crick also considers the diversity of its Board and committees as part of our consideration of the Charity Governance Code, which is discussed later in this report.

### Preparing for the QQR

Crick leadership and operations teams spent a significant part of this year preparing for the Institute's first QQR. The Crick's funders conduct the review to assess whether the science undertaken by the Institute remains of international standing. The Crick is required to prepare a QQR submission six months in advance of the QQR panel visit, which will take place virtually in November 2021.

## **Trustees' report (incorporating the strategic report and directors' report) continued**

The funders requested that our submission include an updated Strategy and Operating Plan, a QQR report, scientific reviews and a range of appendices that outline the Institute's achievements to date and our plans for the future. Work began on our updated Strategy in early 2020 and we consulted extensively with our founders, faculty and Board to develop the future vision for the Crick. We collected information and data from our faculty and operation teams, which were used to compile the QQR report and key appendices. These appendices include 146 highlight publications, 22 case studies and bios for each member of Crick faculty. Collectively they demonstrate the quality, breadth and interdisciplinary nature of Crick science.

### **Future Plans**

The Crick is now focussed on restoring business as usual activity following the disruption caused by the pandemic, albeit adopting improved ways of working where appropriate, and completing our QQR and parallel financial reviews.

The Crick's strategic ambitions for the next 5-year funding period are articulated in our new Strategy, Discovery without Boundaries 2021. Our mission - world class discovery research to understand how living things work and to drive benefits for human health - is scientifically ambitious and requires a long-term perspective. Our strategic priorities remain similar to those set out in our original Strategy, Discovery without Boundaries 2013, but are informed by our experience as an operational institute and the developing research and innovation landscape we are a part of.

Having successfully navigated our way through the first two phases of the Crick's development - launching the Institute (phase 1: 2015 -2016) and optimising operations (phase 2: 2017 -2021) - we are now moving in to phase 3: establishing the Crick as a world-class biomedical research institute. The next year, and predominantly the outcome of the QQR and parallel reviews, will be key to ensuring that the Crick has the resources, structures and process in place to allow it to achieve that goal.



## Financial review

The trustees present their annual directors' report and strategic report together with the consolidated financial statements for the charity and its subsidiaries (together, 'the Group') for the year ended 31 March 2021, which are prepared to meet the requirements for a directors' report and financial statements for Companies Act 2006 purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS102) effective 1 January 2019 (Charity SORP 2nd Edition).

The trustees' report includes the additional content required of larger charities as required by the Charities SORP.

### Overview of performance

The Institute needed to rapidly adjust to the unprecedented circumstances and sudden impact of the COVID-19 pandemic. This materially affected the operations of the Crick, with disruption and delays to our research as well as our public engagement and schools outreach programmes, and remote working for many staff throughout a significant proportion of the year. In response to the situation, however, the Crick responded quickly to offer its skills, expertise, equipment and facilities to the pandemic response, initiating important COVID-related research projects, quickly setting up a COVID-testing facility in conjunction that has delivered just over 385,000 tests on behalf of the NHS up to 31 March 2021 and more recently offering its exhibition space as a vaccine centre. With the testing activity (combined with other safety measures) enabling Crick research staff and COVID volunteers to return safely to the Crick, the Institute has remained a hub of activity throughout the year. On a primarily remote working basis, the Operations staff also remained productive, driving optimisation programmes such as the delivery of a new Enterprise Resource Planning (ERP) system, which was successfully implemented in February 2021 after a twelve-month project and the refurbishment of the Operations space on the first and second floors.

The economic downturn led to financial challenges for one of our main funders. The consequential reduction in core funding and investment in new COVID-related activities during 2020/21 were fully mitigated by delays in recruitment, reductions in core-funded capital expenditure, use of the Government's furlough scheme during the first lockdown, some reductions in consumable spend during the periods of lockdown and some success in securing grant and philanthropic funding for the investment in COVID-related activities. This secured a strong financial performance in the year. Whilst the financial challenges continue for one of our main funders, we are grateful that our other partners have agreed to mitigate all of the core funding shortfall for 2021/22. This provides real security through the coming year, whilst we discuss the funding for the next quinquennium, which will apply from April 2022.

## Trustees' report (incorporating the strategic report and directors' report) continued

Total income for the year was £174.9m (2020: £164.5m), and of the total income, £155.1m (2020: £152.1m), comes from research grants (or similar types of income) from various funders. The income increased from the prior year as the reductions in core income of £3.7m were more than offset by increased levels of grant, commercial and philanthropy income. The strong growth in grant income was driven primarily by non-research activity with income of £9.6m (2020: £2.6m) including grant-funded building improvements completed while the building was at lower levels of occupancy and furlough income for impacted staff in the original lockdown. Research grant income was broadly in line with the prior year at £25.1m (2020: £25.4m) with some slowdown in our core research at the start of the pandemic being largely offset by some grant funding for equipment and research that was part of our pandemic response. The remainder of the increased income came from our continued diversification of commercial income that earned £3.5m (2020: £1.3m), income on a not-for-profit basis to cover the costs of delivering COVID testing for UCLH and the local community totalling £3.7m (2020: Nil) and strong improvements in donations amounting to £4.4m (2020: £2.6m).

Total expenditure of £188.0m (2020: £189.1m) is slightly reduced from the prior year. There was a significant reduction in consumable spend during the lock-down period and the Crick also took corrective actions in light of the events of the pandemic including restrictions in core-funded activities and recruitment freezes. This allowed us to absorb the increased costs of COVID-related activities. In addition to the slight reduction in spend, we also saw a gain in value of investments of £6.2m (2020: decline of £2.7m) as our permanent endowment recovered strongly during the year, and as a result, the Group shows a much reduced in-year accounting deficit of £6.9m (2020: £27.2m).

Despite the year-on-year improvement, the accounts still reflect a deficit position including the substantial depreciation costs of the building of £22.3m (2020: £22.2m). These costs are charged to the Statement of Financial Activities in the year, having originally been funded by share capital, which means that the Statement of Financial Activities will show large annual deficits for the foreseeable future. Net assets at 31 March 2021 were £575.4m (2020: £582.3m).

During the course of the year, the trustees and management of the Crick use financial reporting to assess performance and drive decisions, which removes the depreciation included within the statutory reporting and replaces it with the capital expenditure incurred during the year. Fluctuations in the value of our endowment fund are also excluded and monitored separately by the Finance Committee. A summary of the results for the year on a non-statutory basis are as follows:

	2021 £m	2020 £m
Statutory result for the year	(6.9)	(27.2)
Endowment (gain)/loss	(5.1)	2.7
Building depreciation	22.3	22.2
Other depreciation	16.3	16.4
Capital expenditure funded from annual grants and donated assets	(15.4)	(11.1)
Fair value adjustments	(1.1)	—
Non-statutory underlying result for the year	10.1	3.0

### Reserves policy

The charity reviews its reserves policy each year, taking account of its planned activities and the financial requirements forecast for the forthcoming period. The charity's ongoing operational mission is funded via grants from both shareholders and external grant providers although it is looking to expand this and diversify income streams where possible, with increased levels of commercial, philanthropy and investment income all contributing to the current year results.

Share capital has been invested by the founding shareholders to establish the Institute, and these funds are represented by the charity's assets. Over time, depreciation on the new building, currently representing a major part of the charity's assets, is accumulating as a deficit on the unrestricted funds.

Free reserves of a charity are defined in relation to the level of unrestricted funds. The expected deficit on unrestricted funds means that the charity must take a slightly different approach, and the Crick defines its free reserves as equal to the value of net current assets, less:

- any restricted funds held as net current assets;
- any amounts drawn down from shareholders for the building project and not yet expended;
- deficit budget plans;
- other contracted capital commitments;
- other relevant adjustments.

In addition to this, the Institute has an endowment fund initially created following amounts received from the MRC. Cash of £30m was received during 2019/20, with investments commencing in December 2019, and the closing value of £32.5m (2020: £27.3m), net of withdrawals of £0.6m from income and capital growth to contribute to Crick activities, is included in the reserves of the Crick. Throughout 2020/21, there were restrictions around the use of this endowment fund, and it was agreed that the initial capital investment plus an agreed uplift to reflect inflation would be protected and maintained, with only the income and surplus capital gains (in excess of the protected amount) to be used to fund science activities. This approach was required until at least December 2029, at which point the agreement allowed for access to the protected capital to be reviewed, with subsequent reviews at appropriate funding cycles. Throughout 2020/21, the underlying capital could therefore only be accessed in the case of a material adverse event, and with permission from the MRC. Whilst restricted, this provided considerable security in the case of severe liquidity issues. In July 2021, the MRC has formally agreed changes to the Endowment's terms and conditions, and these funds can now be accessed in such circumstances with the approval solely of the Crick Board. As a result of this change, going forwards, the endowment fund will be recognised as an expendable endowment, even if the requirement remains to protect grant capital through to December 2029 unless there is a material adverse event, and there is every intention that the underlying capital will be maintained in the long-term.

## Trustees' report (incorporating the strategic report and directors' report) continued

Free reserves under this definition are:

	2021 £m	2020 £m
Net current assets (excluding endowment funds)	30.4	21.5
Restricted funds held within net current assets	(3.2)	(0.5)
Funds carried forward against future deficit budget	(6.0)	
Unexpended building project funds	(0.3)	(1.2)
Capital commitments	(1.3)	(2.3)
Underlying free reserve position	19.6	17.5
Restricted endowment – Grant from MRC	32.5	27.3
Reserves including MRC endowment	52.1	44.8

The trustees have regard to the information contained in Charity Commission guidance note CC19, “Charity Reserves: Building Resilience”, and in particular the guidance on ensuring the maintenance of beneficiary services and the risks of unplanned closure associated with the charity’s business model. As such, the trustees believe that the charity should have access to free reserves equivalent to three months’ core funding income in order to maintain the viability of the Institute.

Historically, this has been met by ensuring that a minimum of £10m of free reserves are held directly by the Institute, with the balance provided by a £20m standby facility that was made available by the shareholders. With free reserves of £19.6m at March 2021, the Crick was therefore at a strong surplus against this policy. This standby facility expired in August 2021 and was not renewed. Going forward, we will continue to ensure that we have at least £10m of free reserves, with the balance of required reserves being provided by the capital funds held within our endowment. This is following the agreement that the endowment funds could be used with Board approval in the case of an emergency, ensuring that the charity will be able to call on these funds to support its operations should a material adverse event occur that threatens the charity’s overall liquidity. In line with this, the updated strategy would consider the combined value of the underlying reserves and the endowment fund of £52.1m, which the trustees consider to be satisfactory.

### Investment policy

For the management of short-term liquid funds, the investment principle is to achieve the secure investment of excess cash resources, in a way that is diversified to ensure limited concentration of investment. This principle has been achieved during 2020/21. Under the current policy, assets are safeguarded by investing only with approved counterparties. Investments are risk-averse and non-speculative, and the charity places no income reliance on interest earned. Investments are selected to ensure security, liquidity and diversification, and with providers who have ethical screening procedures in place. The charity’s investment return objective is to ensure that investments earn a market rate of interest consistent with its income principle.



## Trustees' report (incorporating the strategic report and directors' report) continued

The management of the MRC endowment has been outsourced to a third-party investment management company. They are operating in line with an agreed investment policy that incorporates the ethical screening requirements and restrictions of the MRC agreement, together with guideline allocations between different types of stock. The policy is managed on a medium risk appetite basis, with active diversification by industry and geography and a strong emphasis on equity investments in reputable and ethical organisations in order to optimise returns at manageable levels of risk. The prior year drop in value at the start of the COVID-related crisis emphasises the underlying risk in this type of investment from market volatility. However, the strong recovery reflects the approach of our investment managers to hold diversified portfolios and to continually monitor the companies in which they are investing and the sectors and geographies in which our investments are held, with a focus on sustainable and ethical companies with strong Environmental, Social and Governance credentials and long-term potential. As a result, the trustees remain confident that the approach remains appropriate for an optimal long-term return.

Since the end of the year, the Crick has invested prize monies awarded to the Institute and its researchers into a second fund with the same investment manager, and is now exploring the potential for a third endowment fund which would be used for investment of endowments received through our fundraising channel (see below). Investment procedures and ethical guidelines for this third fund have been agreed, and we are just finalising the arrangements so that we can start investing in this fund during 2021/22.

In addition to these liquid investments, the Crick holds programme related investments in spin-out organisations from Crick research and equity participations that have evolved from the KQ Labs programme. Since the formation of the Crick, these have been very early-stage investments and the Crick had not therefore formalised a policy around the approach to these investments as they start to develop. Following the successful Initial Public Offering for one of these organisations, the Crick has started the work to develop its policy for the retention and/or management of these investments, and this will be finalised during 2021/22.

### **Fundraising**

Section 162a of the Charities Act 2011 requires us to make a statement regarding fundraising activities. Crick fundraising is conducted through an arrangement with Cancer Research UK (CRUK), which has enabled the Crick to develop its fundraising operations. Philanthropic income for the Crick is growing and generated £6.1m in 2020/21, of which £2.3m came through CRUK and £3.8m was received directly by the Crick. This report covers the requirements charities must follow as set out in the Charities Act 2016. All philanthropic donations are managed through the CRUK team, with a fundraising committee in place to monitor and oversee the approach and performance of the Crick philanthropy programme. This committee comprises a combination of Crick and CRUK staff and meets once a quarter. The ethical approach is separately monitored by the Crick Ethics Committee.

## Trustees' report (incorporating the strategic report and directors' report) continued

The scope of the fundraising committee includes a focus on individual donations, with ongoing due diligence carried out on donors. If there are any due diligence concerns, then the Crick and CRUK agree on the appropriate course of action. This ethical review of donations remains an important part of Crick governance.

The Crick and CRUK remain fully committed to the principles it laid out in 2016 in its Fundraising Promise and voluntarily subscribes to the Fundraising Regulator and its Code of Fundraising Practice. It also continues to work closely with the Fundraising Regulator and with the Institute of Fundraising to help improve standards and ways of working across the charity sector.

### Going concern

Despite the impact of COVID, budgetary constraints on our core funders and the ongoing discussions of our funding over the next quinquennium, the trustees consider that the charity has adequate resources available to continue in operational existence for the foreseeable future. They have reached this position after having made appropriate enquiries and having confirmed support from the shareholders. The trustees additionally consider that the charity will continue to have adequate resources through shareholders' committed funding to cover all existing capital commitments.

Funding for the remainder of the current financial year to 31 March 2022 is secured. Despite the severe impact of the economic situation on one of our major funders, we are delighted that other funders have shown their support for the Institute by helping to cover any shortfalls, so that the overall level of core funding for 2020/21 has been maintained at the level that was agreed and budgeted. The Crick also has sufficient funds to cover the ongoing incremental costs related to COVID (particularly in relation to additional costs on research extensions and the provision of COVID testing for staff) and will continue to take management decisions that are needed to control spend and ensure that the Crick can react to the unexpected and ensure a balanced and strong financial position.

As the QQR is still in progress at the date of approval of this annual report and financial statements, there is no legally binding agreement for core funding or university overhead contributions beyond March 2022. Although this creates some risk and uncertainty in terms of the longer-term funding, subject to a successful review, the three core funders have all confirmed their continued support for the Crick. As a result, in the opinion of the trustees, the risk and uncertainty are restricted to the timing and absolute value of the funding that will be received, rather than whether ongoing funding will continue.

This expectation of ongoing funding is very important in the trustees' evaluation of going concern, as were income levels to reduce, the high proportion of staff costs (about 49%) and the significant level of variable or discretionary non-staff costs above that, helps to provide confidence that the Institute can course correct if needed.

## Trustees' report (incorporating the strategic report and directors' report) continued

This has enabled us to model different scenarios, with reductions in funding of up to 40% for the six months beyond March 2022, to assess the decisions we would need to take. Whilst management intend to manage the Crick's finances without any material impact on the strategic goals of the organisation, the nature of the cost base would enable the trustees to make the relevant decisions to ensure the financial stability of the Institute.

In the worst-case scenario, we have considered the impact of a reduction of 40% of income beyond March 2022. In the short-term, we would make reductions in discretionary spend (limiting capital expenditure and consumables), and would draw on the £20m of free reserves held in cash at 31 March 2021. This should take us through the next 12 months without any need to access to the MRC endowment fund (£32.5m at 31 March 2021, as further articulated on page 29) which provides further comfort relating to the Crick's ability to fund its cash payments and liabilities through the next 12 months from the date that these accounts are approved. Accordingly, the trustees have concluded that there are no material uncertainties relating to going concern and continue to adopt the going concern basis in preparing these financial statements.

### Governance

#### Reference and administrative details

The Francis Crick Institute Limited ('the charity', 'the Institute' or 'the Crick') is registered with the Charity Commission, charity number 1140062. The charity has operated and continues to operate under the name of the Francis Crick Institute. The Francis Crick Institute is a public benefit entity.

Charity number: 1140062

Company number: 06885462

Registered office: 1 Midland Road, London NW1 1AT

Auditor	BDO LLP	55 Baker Street, London W1U 7EU
Bankers	HSBC Bank plc	60 Queen Victoria Street, London EC4N 4TR
Solicitors	Bristows LLP	100 Victoria Embankment, London EC4Y 0DH
	DLA Piper	160 Aldersgate St, Barbican, London EC1A 4HT
	Mills and Reeve LLP	24 King William Street, London EC4R 9AT
	Town Legal LLP	10 Throgmorton Ave, London EC2N 2DL
Internal auditor	RSM UK	170 Midsummer Boulevard, Milton Keynes MK9 1BP

## Trustees' report (incorporating the strategic report and directors' report) continued

### Directors and trustees

The directors of the charitable company are its trustees for the purposes of charity law. During the year and up to the date of approval of this annual report, there was a qualifying third-party indemnity in place for directors, as allowed by Section 234 of the Companies Act 2006. The directors at 31 March 2021 who served throughout 2020/21 except where indicated, were:

	Appointed	Resigned	Appointment type
Lord Browne of Madingley (Chair)			Independent
Dame Kate Bingham			Independent
Sir Adrian Bird	11 January 2021		Independent
Isabelle Ealet			Independent
Dr Brian Gilvary			Independent
Sir Mene Pangalos			Independent
Dr Iain Foulkes			Founder nominated (Cancer Research UK)
Professor Fiona Watt			Founder nominated (UKRI formerly known as MRC)
Paul Schreier			Founder nominated (Wellcome)
Professor Margaret Dallman			Founder nominated (Imperial College London)
Professor Richard Charles Trembath	1 September 2020		Founder nominated (King's College London)
Professor David Lomas			Founder nominated (University College London)
Professor Dame Ottoline Leyser		29 June 2020	Independent
Professor Sir Robert Lechler		31 August 2020	Founder nominated (King's College London)

### Organisational management and responsibilities of the Board

The trustees are responsible for ensuring that the charity's aims are being met. The trustees set strategy, decide priorities, establish funding policies and allocate budgets. The trustees develop and agree the overall scientific strategy and policies related to biomedical research and innovation and monitor and review risk, progress and performance.



## Trustees' report (incorporating the strategic report and directors' report) continued

The Board has established sub-committees to assist with its responsibilities as follows:

### Audit and Risk Committee

The Audit and Risk Committee reviews matters of internal control, risk, compliance with reporting requirements, and liaison with, and monitoring of, internal and external auditors.

#### **Committee members**

Dr Brian Gilvary (Chair)  
Dame Kate Bingham  
Isabelle Ealet  
Christopher Mottershead

### Nominations, Remuneration and Governance Committee

The Nominations, Remuneration and Governance Committee has delegated responsibility from the Board for reviewing matters relating to nominations, remuneration and governance, including composition and succession of the Board and certain members of senior management (with the exception of CEO succession, which is dealt with by the Chairman's Committee and the full Board).

<b>Committee members</b>	<b>Appointed</b>	<b>Resigned</b>
Lord Browne of Madingley (Chair)		
Dame Kate Bingham	23 March 2021	
Dr Iain Foulkes		
Dr Mene Pangalos		
Professor Fiona Watt		
Professor Dame Ottoline Leyser		29 June 2020

### Chairman's Committee

The Chairman's Committee has delegated responsibility from the Board for reviewing matters that are either urgent in their nature or which the Chair determines would be best addressed outside the regularly scheduled Board meetings. In addition, the Committee has responsibility for overseeing the performance evaluation of individual Directors (including the Chairman of the Board), the evaluation of the Board's effectiveness, the evaluation of the CEO's performance and all matters relating to succession of the CEO, with the decision to appoint or remove the CEO reserved to the Board.

<b>Committee members</b>	<b>Appointed</b>	<b>Resigned</b>
Lord Browne of Madingley (Chair)		
Dame Kate Bingham		
Dr Iain Foulkes	8 December 2020	
Dr Brian Gilvary		
Paul Schreier		
Professor Sir Robert Lechler		31 August 2020

## Trustees' report (incorporating the strategic report and directors' report) continued

### Ethics Committee

The Ethics Committee has delegated responsibility for reviewing the ethical implications of research and fundraising activity and other matters relating to the reputation of the Charity. These responsibilities also extend to the subsidiary undertakings of the Charity. The Ethics Committee was established on 13 December 2018.

Committee members	Appointed	Resigned
Dr Mene Pangalos (Chair*)		
Dr Samantha Barrell**		
Professor Margaret Dallman	11 September 2020	
Isabelle Ealet		
Professor David Lomas		
Stéphane Maikovsky**		
Lord Neuberger of Abbotsbury		

\*Appointed Chair 11 September 2020

\*\*Crick employee

### Executive Committee

The executive committee, chaired by the Chief Executive Officer, Professor Sir Paul Nurse, assists the Chief Executive Officer with the day-to-day management of the charity's operations and activities.

Professor Sir Paul Nurse*	Chief Executive Officer
Dr Samantha Barrell*	Chief Operating Officer
Dan Fitz*	General Counsel & Company Secretary
Dr Steven Gamblin*	Director of Scientific Platforms
Jane Hughes*	Director of Communications & Public Engagement
Professor Malcolm Irving	Associate Research Director (University Partner Liaison)
Stéphane Maikovsky*	Chief Financial Officer
Fiona Roberts*	Chief People Officer
Dr Sir Richard Treisman*	Research Director

\*Key management personnel

There is a clear organisational structure, with documented delegations of authority and responsibility for control. The trustees approve the annual budget and expenditure targets, and monitor actual and forecast budgets and cash flows.

### Key appointments during the year

Richard Trembath and Sir Adrian Bird joined the Board in September 2020 and January 2021 respectively.

Richard is Senior Vice President and Provost (Health) and Executive Director of King's Health Partners Academic Health Sciences Centre. A clinician scientist of international renown through his work in medical and population genetics, he is a former NIHR Senior Investigator and Fellow of the Academy of Medical Sciences. Previously the Vice-Principal for Health and Executive Dean of the School of Medicine and Dentistry at Queen Mary University London, Richard joined King's as Executive Dean of the Faculty of Life Sciences & Medicine in 2015.

## Trustees' report (incorporating the strategic report and directors' report) continued

Adrian has held the Buchanan Chair of Genetics at the University of Edinburgh since 1990. He was founding director of the Wellcome Trust Centre for Cell Biology and is deputy director of the Simons Initiative for the Developing Brain. Adrian graduated in biochemistry from the University of Sussex in 1968 and obtained his PhD at Edinburgh University; subsequent roles included Senior Scientist at the newly-founded Institute for Molecular Pathology in Vienna. He was a governor of the Wellcome Trust (2000-2010), a trustee of Cancer Research UK (2011-2017) and has chaired the Crick's Scientific Advisory Board since 2017.

### **Structure, governance and management**

The charity is a company limited by shares.

### **Charity Governance Code (the "Code")**

The Code is voluntary and is designed as a tool to support continuous improvement. It is described as "aspirational" in character and although the trustees have not adopted the Code, the Board does support the principles set out in it. Areas of focus this year have included:

#### Organisational purpose

The board is clear about the charity's purpose and its responsibilities towards stakeholders and society at large. The Crick was able to adapt its facilities and expertise at pace to support the national effort for Covid testing, research and more recently the roll-out of the vaccine whilst continuing to fulfil its charitable purpose and operate its day-to-day activities.

#### Leadership

The Senior Independent Director led a review of the Chairman's performance taking feedback from each trustee. The Board approved the reappointment of the chairman for a further three-year term.

#### Decision-making, risk and control

The strategic role of the Board is reflected in the matters reserved to the Board, the delegations of authority and the terms of reference of the Board committees. The minutes of Board and committee meetings are available to all trustees. The board regularly reviews operational plans, budgets and the organisation's main risks which in 2020/21 have included additional risks associated with the Covid pandemic for example, financial risk.

#### Diversity & Inclusion

Diversity has been a frequent topic of discussion by Board members who recognise that more needs to be done. We continue to seek to have a Board with a diversity of background however, whilst taking these important considerations into account, we will continue to consider appointments to the Board based on skills and experience of each candidate.

#### Board effectiveness

A review of the Board and its committee is underway and the outcomes and areas of focus will be detailed in the annual financial report and statements 2022.

### **Governing document**

The charity is governed by its Articles of Association, which were originally adopted on 20 January 2011, revised on the accession of new shareholders on 14 October 2011, again on 4 December 2015, and most recently on 31 January 2019 to enable the appointment of a majority of independent Directors to the Board.

### **Trustees**

The Articles of Association of the charity provide for the appointment of directors, who also act as trustees. The directors of the charity are its trustees for the purposes of charity law, and throughout this report are collectively referred to as the trustees. Each of the charity's six shareholders nominates a trustee, and there are currently six independent trustees including the Chair. Independent trustees are chosen from a variety of backgrounds for their skills and experience. A tailored induction programme is provided for trustees on appointment. Trustees act on a voluntary basis and are not remunerated.

### **Related parties**

The charity's shareholders are Cancer Research UK, United Kingdom Research and Innovation (formerly known as Medical Research Council), Wellcome Trust, University College London, Imperial College London and King's College London. The shareholders have entered into a Joint Venture Agreement which, inter alia, establishes the basis on which funding will be made available to the charity. The charity has two wholly owned subsidiaries:

- UKCMRI Construction Limited which exists to design and construct the building for the new institute, a project that is now in its final run-off stages.
- Francis Crick Trading Limited, which is being used to carry out trading and commercial activities.

### **Pay policy for key management**

Key management are the members of the Executive Committee who are employees of the charity (as listed on page 36).

The overall remuneration packages for key management are set by the Nominations, Remuneration and Governance Committee. When new members of the key management group are appointed, a salary benchmarking exercise is carried out by the Institute's Human Resources team.

The overall policy is that pay is set using the median to upper quartile of the Higher Education sector and the lower to median quartile of comparable independent and private sector roles.

Pay for key management is reviewed annually and where appropriate, awards made by the Nominations, Remuneration and Governance Committee based on a review of performance carried out by the Chief Executive Officer and Chief Operating Officer. The Chief Executive Officer and Chief Operating Officer are not involved in any discussions or decisions about their own remuneration.

# Strategic report

## Objectives and activities

### Charitable objects

The charity's objects, as set out in its Articles of Association, are:

The advancement of human health and education for the benefit of the public by the promotion and carrying out, directly or indirectly, of all aspects of biomedical research and innovation, which shall include in particular the following:

1. Establishing, operating and managing a centre for medical research and innovation;
2. Engaging in, encouraging and supporting:
  - i. Research into any of the biosciences;
  - ii. The discovery, invention, improvement and development and application of preventions, treatments, cures, diagnostics and other medical agents, methods and processes that may in any way prevent or relieve illness, disease or disorders of whatever nature (including, without limitation, all forms of cancer); and
3. Developing and training scientists and supporting biomedical research endeavours.

### Public benefit

The trustees confirm that they have paid due regard to the public benefit guidance published by the Charity Commission and have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing their aims and objectives and in planning future activities. In particular, the trustees have considered how planned activities will contribute to the aims and objectives they have set.

In addition to the public benefits anticipated from the operation of science established at the Francis Crick Institute, the charity has also set out to deliver a broad spectrum of investment in engagement with the public. The progress against this strategic priority is outlined on pages 21 and 22 in the sections on Public Engagement and Education Outreach and Community Engagement.

### Risk management and principal risks

The Board is responsible for setting the Crick's strategic objectives, and the associated risk appetite and risk management culture. The Board takes an active role in the management of risk, reviews any proposed changes to risk appetite and undertakes a comprehensive risk review every six months.

The Board is responsible for approving the Crick's risk management policy which identifies eight categories of risk: Science, Translation, Infrastructure, Funding, People, Reputation, Safe Working Environment and Information.



## **Trustees' report (incorporating the strategic report and directors' report) continued**

The Board delegates to the Audit and Risk Committee the responsibility of reviewing risk management arrangements for identifying and monitoring risk and the effectiveness of internal control systems. The Audit and Risk Committee sits on a quarterly basis to undertake their reviews. The Board delegates to the Crick's Chief Executive the day-to-day management of risk. The Executive is therefore responsible for implementing the risk management policy and effective risk management and internal control systems. The Executive Committee reviews risks on a quarterly basis.

Whilst risk management is encouraged and conducted at all levels in the organisation, the focus is achieved by separating our potential exposures by risk category, with each category headed by a nominated coordinator. The coordinators are responsible for identifying risks with risk owners (usually functional heads), developing action plans to manage the risk and monitoring progress against actions. They also maintain a risk register, and together, the coordinators form the Crick's Risk Management Team. All Risks are reviewed on a quarterly basis with the Risk Management Team focusing their attention on the risks that are above Institute appetite level. The main risks and a summary of the Risk Management reviews are reported to the Executive Committee, the Audit and Risk Committee, and the Board.

Whilst the formal risk management process is well established, these unprecedented times have led to the Crick scrutinising the specific risks related to the COVID-19 outbreak (both in the short-term and long-term), implementing targeted action plans and combining this with a review of its business continuity plan. The robust staff testing programme and social distancing measures, the improvement of the epidemiological situation in the UK, the positive impact of the vaccination campaign and the lack of evidence of contamination within the building have allowed the Crick management to ease certain restrictions and increase the number of scientific and operations staff onsite. As a result, the risks of managing the return to the Crick, providing a safe working environment and the impact of new working practices on staff wellbeing continue to be actively monitored by the Executive Committee but are currently considered under control.

The largest risks (in terms of potential impact) are all above the Institute risk appetite and therefore remain an important focus. These risks and their current management are summarised below.

Trustees' report (incorporating the strategic report and directors' report) continued

Risk Category	Risks	Management of risk
Funding	<ul style="list-style-type: none"> <li>– Long-term financial sustainability is not secured beyond 2022</li> <li>– A crisis (as shown by the COVID-19 outbreak) affects Founders from delivering planned Core funding.</li> </ul>	<ul style="list-style-type: none"> <li>- Core funding and university overhead contributions are agreed until the end of the financial year 2021/2022, but the COVID crisis has had a direct impact on core funding levels in 2020/21. The impact on core funding has continued into 2021/22, but the Crick is hugely grateful that the reduced levels of funding from one of our founders have been fully compensated by other core funders.</li> <li>- Longer-term sustainability plans have been developed and are continuing to be evolved in line with the forthcoming Quinquennial Review, through which the long-term funding will be ultimately agreed. These plans include clear strategies to diversify income by increasing levels of strategic grant funding, commercial income and funds raised from both philanthropy and investments.</li> </ul>
Health and safety	<ul style="list-style-type: none"> <li>– Failure to demonstrate compliance with statutory health and safety obligations.</li> <li>– Physical and IT Breaches of laboratories used for high-risk activity</li> </ul>	<ul style="list-style-type: none"> <li>- Given the nature of the Crick's activities, this area is a key priority. Over the last 12-18 months, there has inevitably been a strong focus on the management of COVID-related risks by the Health &amp; Safety team, and there is therefore now an increased focus on our core activities. Whilst management are generally satisfied that the Crick operates to the highest levels of Health &amp; Safety standards, we are initiating a programme to review processes, compliance and culture, and to ensure any operational improvements are identified and implemented.</li> </ul>

**Trustees' report (incorporating the strategic report and directors' report) continued**

Infrastructure	<ul style="list-style-type: none"> <li>- Supply chain issues and resilience</li> <li>- Disruption to science from noise, vibrations and electro-magnetic interference from the construction and operation of CrossRail 2, the Brill Tower as well as the British Library development</li> </ul>	<ul style="list-style-type: none"> <li>- The Crick continues to monitor the resilience of its supply chain, unavoidably impacted by both COVID and Brexit. Although Brexit does not appear to have had any major impact so far, the Crick has been experiencing disruptions to supply of certain consumables such as gloves, pipette tips and tissue culture plastics due to a global shortage. An action plan, including working closely with strategic suppliers and the identification and use of alternative suppliers, is implemented to anticipate and prevent any further supply disruption and ensure the uninterrupted delivery of critical scientific supplies.</li> <li>- Whilst the potential disruption from CrossRail 2 would be greater, the impact is increasingly likely to be many years away. The more immediate focus in 2020/21 was on the nearby development known as Brill Tower, whose construction started in August 2020. The building basement is now completed, with no major issues noted. The British Library development has now entered the public consultation period, and this needs some focus as it is a more extensive construction. Mitigation efforts include ongoing engagement, technical analysis and discussion of risk mitigating actions with all relevant stakeholders.</li> </ul>
Reputation	<ul style="list-style-type: none"> <li>- External reviews or formal Institute reviews with founders are critical of performance resulting in funding cuts or loss of reputation.</li> </ul>	<ul style="list-style-type: none"> <li>- Processes are in place to ensure regular communication about Crick research, strong stakeholder management and effective crisis response. Management are satisfied with the current processes, but their importance means that this risk will probably always remain above appetite and need ongoing management attention.</li> </ul>
People	<ul style="list-style-type: none"> <li>- Brexit reduces available talent and the ability to deliver the Crick's strategy.</li> </ul>	<ul style="list-style-type: none"> <li>- The Crick has not been negatively impacted by Brexit so far but continues to participate in external committees and forums to understand impact and to influence policy in the post-Brexit environment.</li> </ul>

## Trustees' report (incorporating the strategic report and directors' report) continued

Other risks worth highlighting include: external events such as natural disasters or terrorist activity, internal causes such as building resilience as well as cybersecurity and the management of the post-Brexit environment. These all continue to receive a strong focus from functional leads and the Risk Management Team, to ensure they are being appropriately and adequately identified, managed and controlled. The Crick's trustees have considered the major risks which the charity is exposed to and satisfied themselves that systems or procedures are established in order to manage those risks.

### Sustainability

The Crick is directing its sustainability agenda to contribute to the UK Government's commitment to achieve net zero carbon by 2050. The Crick is committed to achieving net carbon zero and is looking at options to make significant progress towards that goal in the next decade.

During 2020-2021, several behavioural change projects were held online, with many staff participating in environmental workshops. The Crick also recycled 72% of its non-hazardous waste and 28% was recovered for energy. 42% of the Crick's lab hazardous waste was sent for high temperature incineration and 58% was sent for energy recovery.

### Reporting of GHG emissions

As per the requirements under The Streamlined Energy and Carbon Reporting (SECR) Regulations which came into effect in April 2019, we have presented our energy and Greenhouse Gas (GHG) emissions below. This has been independently verified by 3rd party sustainability consultants HDR Hurley Palmer Flatt. The GHG inventory was prepared using, and verified against, the World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, 2004.

Metric	Units	2021	2020	2019
Total emissions (market based)*	tCO <sub>2</sub> e	12,614	11,086	19,341
Total emissions (location based)**	tCO <sub>2</sub> e	18,731	18,464	19,341
Change year-on-year	%	14%	-43%	-
Scope 1 emissions	tCO <sub>2</sub> e	12,614	11,086	10,961
Scope 2 (electric - market based)	tCO <sub>2</sub> e	0	0	8,379
Scope 2 (electric - location based)	tCO <sub>2</sub> e	6,118	7,379	8,379
Carbon intensity	tCO <sub>2</sub> e/m <sup>2</sup>	0.171	0.150	0.262
Total Energy***	kWh	91,660,839	88,950,154	88,869,443
Change year-on-year	%	3.0%	0.1%	-
Scope 1 energy	kWh	65,272,877	59,988,823	59,125,987
Scope 2 energy	kWh	26,387,961	28,961,331	29,743,456
Energy intensity	kWh/m <sup>2</sup>	1,242	1,205	1,204
Energy from Renewables	kWh	26,387,961	28,961,331	142,000
Energy from Renewables	%	29%	33%	0.16%

\*A market-based method reflects the amount of energy from renewable sources

\*\*A location-based method uses the grid average emissions factor for the area operations are located

\*\*\*Includes grid electricity, renewable generation, natural gas, diesel use for standby generators and miscellaneous fuels



### **Energy efficiency**

The year 2020-21 has seen the Crick increase its energy usage, where most organisations had a decrease in consumption due to the lockdowns during the pandemic. However, the Crick has been, and continues to be, heavily involved in Covid-19 testing and research which has seen relatively high building occupancy levels, and this has required ventilation rates to be increased throughout the building in order to maintain a Covid secure environment for users, hence the increase in energy consumption, and in turn increased emissions. Even so, the Crick has still sought to reduce onsite energy consumption by implementing various energy saving measures. These include LED lighting upgrades in Lab areas and facility stairwells, and modification of the Low Temperature Hot Water (LTHW) generation and supply for the building. This was an optimisation project involving some reconfiguration of pipework which now allows full use of the CHP (Combined Heat and Power system) waste heat to be the primary source of generation of LTHW, minimising the usage of the 3 gas-fired LTHW boilers. We have also reduced the pressure at which the water is delivered around the building by the secondary water pumps, reducing the pump delivery speed by more than 50%, with no impact to science.

We also have a pipeline of energy saving projects, some of which are underway, and some are undergoing a feasibility assessment. These include reducing air change rates in certain areas, optimising the operation of the computer room air conditioning units, and reviewing the Building Management System (BMS) operation.

### **Going forward**

The Crick will continue to identify projects to improve energy efficiency and reduce its Scope 1 and 2 CO<sub>2</sub>e emissions, as well as evaluating the potential to reduce its scope 3 emissions, including business travel, whilst still carrying out world class biomedical research. Working groups are being set up to take on this challenging task, so that we ensure the sustainability of the Crick, the reduction of its environmental impact, and to help achieve the target of net zero carbon by 2050.

### **Employee policies**

Our primary focus through the pandemic has been to provide a COVID secure environment and ensure staff feel safe and comfortable coming into the Crick. The people team quickly adapted to supporting staff through lockdown and furlough through a 'wellbeing and support' led approach.

COVID disrupted many planned activities for most of 2020-21, the business as usual continued with significant achievements enabled by adopting new ways of working. We have adapted our services to support the requirements of remote working and restricted access to the Crick, for example, through implementing online interviews and assessments including online lab tours and online induction. The Finance and HR team successfully developed, implemented and launched our new ERP system, Workday. A significant achievement through the year when the whole project team worked remotely.



### **HR support and training and development**

Supporting recruitment, reward, people management, and staff engagement are key priorities for the Human Resources team, which aims to help ensure an inclusive and engaging environment where everyone is able to thrive and be empowered, excited and motivated to deliver the Crick's mission. We are investing in professional and leadership skills development to maintain a strong base of leadership excellence, and to create the science leaders of the future. Leaders in the Institute are encouraged to develop knowledge and skills for every career stage, from setting up and running successful teams and laboratories, contributing more broadly to the Institute and wider science community, and eventually moving on to future leadership roles within the Institute or elsewhere. Scientific and operations leaders are encouraged to work together to continuously improve integration across teams and functions, and harness the advantages that come from diversity and networking.

### **Employment of disabled persons**

The Crick recognises that one in three of the UK population is either disabled or close to someone who is, and one in five of the UK workforce is likely to have a disability, with those disabilities being either visible (for example, a mobility issue or visual impairment) or invisible, such as dyslexia or depression. Recognising the great talent amongst these groups, the Crick is fully focused on ensuring they are attracted to apply and are then able to operate effectively in their roles. During the recruitment cycle, this is achieved by concentrating on ability, rather than disability, and truly recognising the skills and competencies of all individuals that apply. During the application process and after appointment, the Crick will make reasonable adjustments for people with disabilities to ensure that they are able to operate at their full potential. Detailed guidance has been produced and is available to managers in helping them determine what adjustments might be needed and whether those adjustments are reasonable.

### **Promoting staff wellbeing**

We aim to collectively and proactively support colleagues across the Crick with our award-winning wellbeing programme, which was recognised by the Mayor's "Good Work Standard" and Excellence level in the London Healthy Workplace Awards. Members of the Crick community are able to access an attractive offer of wellbeing, benefits and support services, including Occupational Health, an Employee Assistance programme, and sports and social activities. During the pandemic, particular attention has been paid to mental wellbeing and supporting staff and managers through the provision of information and guidance, as well as multiple resources and services including a network of Mental Health First Aiders and, more recently, TogetherAll, an online platform supporting mental health. In recognition that wellbeing is achieved in multiple ways, often specific to individuals or groups, our active Health and Wellbeing committee keeps the offer under regular review, in order to adapt to new needs and priorities as they emerge.

**Covid-19 response**

Our determination to ensure research could continue in unprecedented times was enabled though the introduction of weekly staff COVID testing. HR's effective management and supportive approach to our internal Track and Trace system made **our staff testing programme a success**. Soon after the first lock down ended, 80% of science staff were attending the Crick regularly. The Crick worked hard to provide a COVID secure work environment, and ensure we were open with as much capacity as possible to support research and to transform facilities and teams to enable the testing pipeline and vaccination centre to operate. The team worked quickly, adapting **services and support to meet the needs of staff and managers in sometimes difficult and hybrid working arrangements**. Effective communication with people working-at-home, onsite, and those who participated in the temporary furlough scheme, has been **key to providing essential information in a timely, coordinated and easy-to find way**. This includes links to important wellbeing and training resources. Several popular and new training courses, now also available online, help to ensure on-going skills-development for staff and managers, including for those leading their teams remotely, **and through difficult circumstances**. A number of resources for parents and carers are also promoted to those faced with lockdown and home-schooling.

**Statement of trustee duties with reference to Section 172 of the Companies Act 2006**

The trustees, as directors of the Crick, must fulfil their duties under the Companies Act 2006 (the "Act"). Section 172 of the Act requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a director to have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the company.

In discharging its section 172 duties the Company has regard to the factors set out above. While the Board will engage with stakeholders on certain issues, as is normal for large companies, stakeholder engagement often takes place at an operational level and the directors fulfil their duties partly through a governance framework that delegates day-to-day decision making to the Chief Executive and executive management who report regularly to the Board.

The following paragraphs are examples of how the directors have fulfilled their duties to key stakeholders during the year:

## Trustees' report (incorporating the strategic report and directors' report) continued

### Long-term impact of decisions

As part of the preparations for the Institute's QQR the trustees approved a refresh of the existing Crick strategy 'Discovery without boundaries' which was set in 2013. The six Founder organisations were formally consulted on the document and their feedback taken into consideration.

Our focus for the coming years will be on consolidating the Crick's status as a world-class biomedical research institute; strengthening the multi-disciplinary scientific approach together with our three university partners; expanding our support for the wider UK biomedical research endeavour; and working with the Crick's founders to ensure a sustainable future for the Institute. In addition, the Crick continues to consider opportunities to diversify its income streams to optimise the Institute's financial resilience.

### Interests of the company's employees

Colleagues' wellbeing and engagement are paramount and never more so than throughout the pandemic. The Board alongside management has sought to support staff during these challenging times and details on actions taken can be found on page 46, Covid-19 response.

During the year we have continued to engage with colleagues regularly via email, our intranet and live "town hall" events in which colleagues were able to raise questions with the Chief Executive Office, Chief Operating Officer, Chief People Officer and Director of Safety, Health & Sustainability and others. We measure colleague engagement through regular surveys and feedback from the Crick Staff Consultative Forum.

### Relationships with suppliers

Our engagement with suppliers and service partners are key to our effectiveness. We work closely with them to ensure that we have a mutually successful relationship and that they adhere to the same high standards of working practices as the Crick. These positive relationships enabled us to make preparations ahead of Brexit to avoid any supply issues and our strategic suppliers offered outstanding support during the COVID pandemic with the sourcing of critical consumables in high demand. During the pandemic a joint commercial review of our Service Partner Agreements was also undertaken in order to mitigate the impact of lockdown, which ensured that a fair price was paid for reduced levels of service. We will continue to foster and strengthen these strategic relations whilst pursuing and sustaining best value for the enduring success of the Institute.

### Community & environment

The Crick engages closely with our local community and our Community Chest small grants scheme has been more important than ever in supporting as many local groups and residents as possible who have suffered financially during the pandemic. See pages 21 and 22 for more information on our public and community engagement as well as our educational outreach programme.

From the outset of the pandemic, the Board has supported management in their response to the Covid crisis from setting up testing facilities, operating an NHS vaccine centre within the Crick and providing testing support to ten London hospitals and 150 local care homes.

## **Trustees' report (incorporating the strategic report and directors' report) continued**

On environmental impact, a Sustainability Working Group will oversee the development and delivery of a strategy for sustainability. The strategy will set out a plan to achieve a high level of environmental performance and to have a shared programme of work on sustainability and environmental management. The Board is committed to reducing carbon emissions in half within a decade.

### **Maintaining a reputation for high standards of business conduct**

It is vital that we maintain the trust of all of our stakeholders by holding ourselves to the highest standards at all times through our values and culture. The Crick Ethics Committee oversees the ethical implications of our research and other matters relating to the reputation of the company.

### **The need to act fairly as between the members of the company**

Each of our founding members is represented on the Crick Board and engagement with them is an ongoing process. During the year the Board instigated a review of the governance arrangements in place between the Crick and Founders which has resulted in some streamlining of processes and greater transparency.

## **Statement of trustees' responsibilities**

The trustees (who are also directors of The Francis Crick Institute Limited for the purposes of company law) 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 in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Trustees' report (incorporating the strategic report and directors' report) continued

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

### Disclosure of information to the auditor

The trustees who held office at the date of approval of this trustees' report confirm that, so far as they are each aware:

- there is no relevant audit information of which the charity's auditor is unaware; and
- each trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant information and to establish that the charity's auditor is aware of that information.

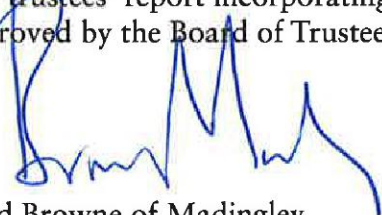
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### Auditor

BDO LLP have held office as company auditor following appointment by resolution of the Board on 16th December 2019, and have indicated their willingness to be reappointed for another term.

### Approval

The trustees' report incorporating the Strategic Report and Directors' Report was approved by the Board of Trustees on 16 September 2021 and signed on its behalf by:



Lord Browne of Madingley  
Chairman

Date 16 September 2021



## **Independent auditor's report to the members and trustees of The Francis Crick Institute Limited**

### **Opinion on the financial statements**

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2021 and of the Group's incoming resources and application of resources 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.

We have audited the financial statements of The Francis Crick Institute Limited ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities (incorporating the income and expenditure account), the Balance sheet, the Consolidated cash flow statement and notes to the financial statements, including a summary of 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).

### **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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remain 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.

## **Independent auditor's report to the members and trustees of The Francis Crick Institute Limited continued**

### **Conclusions related 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 and the 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: the trustees' report (incorporating the strategic report and directors' 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.

### **Other Companies Act 2006 reporting**

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of Company Law, 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, which are included in the trustees' report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the strategic report or the trustee's report.

## **Independent auditor's report to the members and trustees of The Francis Crick Institute Limited continued**

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 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 statement of trustees' responsibilities, the trustees (who are also the directors of the 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 determines 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 Group's and the 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 the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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.

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

Based on our understanding of the Charitable Company and the industry in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be the Companies Act 2006, Charities Act 2011 and relevant tax legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

## **Independent auditor's report to the members and trustees of The Francis Crick Institute Limited continued**

In addition the Charitable Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Employment Law, Health & Safety Legislation, the Animals (Scientific Procedures) Act 1986 and Amended Regulations 2012 (A(SP)A) and Data Protection. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence if any.

There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

Audit procedures capable of detecting irregularities including fraud performed by the engagement team included:

- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud. Areas of identified risk are then tested substantively;
- Discussions with management, including consideration of any performance incentives and remuneration arrangements, known or suspected instances of non-compliance with laws and regulations and fraud;
- Assessing the design and implementation of the control environment to identify areas of material weakness to focus the design of our audit testing;
- Reading minutes of meetings of those charged with governance; internal audit reports, reviewing correspondence with regulatory bodies and from legal advisors to identify indications of non-compliance with laws and regulations or any potential weaknesses in internal control which could result in fraud susceptibility;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Enquiries as to whether there have been any serious incident reports or correspondence with the Charity Regulators and reviewing and assessing the impact of any reports or correspondence;
- Challenging assumptions made by management in their significant accounting estimates in particular the useful economic lives of tangible fixed assets, valuation of gifts in kind and valuation of programme related investments;
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and



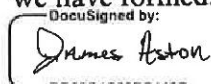
## **Independent auditor's report to the members and trustees of The Francis Crick Institute Limited continued**

- Carrying out detailed testing, on a sample basis, of transactions and balances agreeing to appropriate documentary evidence to verify the completeness, existence and accuracy of the reported financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://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.

DocuSigned by:  


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James Aston (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor  
London, UK

Date 16 September 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



## Consolidated Statement of Financial Activities (incorporating the income and expenditure account) Year ended 31 March 2021

		Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2021 £000	Total 2020 £000
<b>Income from</b>						
Donations and legacies	3	129,175	36,527	—	165,702	160,730
Charitable activities	5	4,307	1	—	4,308	1,735
Trading activities	6	3,454	—	—	3,454	1,303
Investment income		489	—	789	1,278	150
Other income		175	24	—	199	606
		137,600	36,552	789	174,941	164,524
<b>Expenditure on</b>						
Raising Funds		245	—	—	245	42
Charitable activities	7	162,497	25,179	79	187,755	189,021
<b>Total Expenditure</b>		162,742	25,179	79	188,000	189,063
Net gains/(losses) on investments		1,152	—	5,054	6,206	(2,656)
<b>Net (expenditure)/income before transfers</b>		(23,990)	11,373	5,764	(6,853)	(27,195)
Transfers between funds	17	(95)	95	—	—	—
<b>Net movement in funds</b>		(24,085)	11,468	5,764	(6,853)	(27,195)
<b>Reconciliation of funds</b>						
Total funds at 1 April 20		546,239	8,667	27,344	582,250	609,445
Total funds at 31 March 21	17	522,154	20,135	33,108	575,397	582,250

All results are from continuing operations.

There were no recognised gains or losses other than those listed above.

### Comparative Consolidated Statement of Financial Activities

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2020 £000
Total Income	135,375	29,149	—	164,524
Total expenditure	(161,466)	(27,597)	—	(189,063)
Net (losses)/gain on investments	—	—	(2,656)	(2,656)
Net expenditure before transfers	(26,091)	1,552	(2,656)	(27,195)
Transfers between funds	(85)	85	—	—
Net movement in funds	(26,176)	1,637	(2,656)	(27,195)

## Balance sheet 31 March 2021

	Notes	Group 2021 £000	Group 2020 £000	Charity 2021 £000	Charity 2020 £000
<b>Fixed assets</b>					
Intangible assets	11	73	88	73	88
Tangible assets	12	510,260	532,495	510,538	532,795
Programme related investments	13	2,113	800	2,113	800
Investments	13	32,535	27,344	32,535	27,344
		<u>544,981</u>	<u>560,727</u>	<u>545,259</u>	<u>561,027</u>
<b>Current assets</b>					
Debtors	14	40,056	26,544	40,241	25,593
Cash and cash equivalents		<u>39,064</u>	<u>30,328</u>	<u>38,237</u>	<u>30,282</u>
		<u>79,120</u>	<u>56,872</u>	<u>78,478</u>	<u>55,875</u>
<b>Liabilities</b>					
Creditors falling due within one year	15	(48,704)	(35,349)	(47,946)	(34,373)
<b>Net current assets</b>		<u>30,416</u>	<u>21,523</u>	<u>30,532</u>	<u>21,502</u>
<b>Net assets</b>		<u>575,397</u>	<u>582,250</u>	<u>575,791</u>	<u>582,529</u>
<b>Funds</b>					
Called up share capital	16	629,566	629,566	629,566	629,566
Share premium	16	12,751	12,751	12,751	12,751
<b>Unrestricted Funds</b>					
General funds	17	(120,163)	(96,078)	(119,769)	(95,799)
<b>Restricted Funds</b>					
Endowment Funds	17	33,108	27,344	33,108	27,344
Restricted Funds	17	20,135	8,667	20,135	8,667
		<u>575,397</u>	<u>582,250</u>	<u>575,791</u>	<u>582,529</u>

Notes 1 to 24 form part of these financial statements.

A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented as the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

The Consolidated SoFA is for the Group as a whole. Total income for the Charity was £174.9m (2020: £164.5m) and net gains on investments were £6.2m (2020: losses of £2.7m). Total expenditure for the year was £188.0m (2020: £189.1m). The net expenditure for the year of the parent Charity was £6.9m (2020: net expenditure £27.2m).

The financial statements of the Francis Crick Institute Limited were approved and authorised for issue by the Board of Trustees on 16 September 2021 and signed on its behalf by:

Lord Browne of Madingley  
Chairman

Company registration number: 06885462

## Consolidated cash flow statement. Year ended 31 March 2021

	Notes	2021 £000	2020 £000
<b>Cash flows generated by operating activities</b>	21	24,369	40,034
<b>Cash flows from investing activities:</b>			
Interest received		489	150
Proceeds from sale of equipment		75	—
Investment additions		—	(30,000)
Purchase of programme related investments		(160)	(400)
Purchase of tangible fixed assets		(16,037)	(12,926)
<b>Net cash flows used in investing activities</b>		<u>(15,633)</u>	<u>(43,176)</u>
<b>Cash flows from financing activities:</b>			
Lease finance repayments		—	(482)
<b>Net cash flows used in financing activities</b>		<u>—</u>	<u>(482)</u>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		8,736	(3,624)
<b>Cash and cash equivalents at beginning of year</b>		30,328	33,952
<b>Cash and cash equivalents at the end of the year</b>		<u><b>39,064</b></u>	<u><b>30,328</b></u>
<b>Reconciliation to cash at bank and in hand:</b>			
Cash at bank and in hand		39,064	30,328
Cash equivalents		—	—
<b>Cash and cash equivalents</b>		<u><b>39,064</b></u>	<u><b>30,328</b></u>
<b>Analysis of changes in net cash/(debt):</b>			
Net Cash at 1 April		30,328	33,952
Net Cash inflow/(outflow)		8,736	(3,624)
<b>Net Cash at 31 March</b>		<u><b>39,064</b></u>	<u><b>30,328</b></u>

A net debt reconciliation has not been presented as the Group only has cash and cash equivalents and no borrowings.



## Notes to the financial statements. Year ended 31 March 2021

### 1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation and uncertainty in the preparation of the financial statements are as follows:

#### *a. Basis of preparation*

The Francis Crick Institute Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The Charity's registered office is shown on page 33.

The financial statements have 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 (FRS 102) (effective 1 January 2019) – (Charities SORP 2nd Edition (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006 and SORP update Bulletin 1.

The Francis Crick Institute Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. The Charity has taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated statements. Exemptions have been taken in relation to presentation of a cash flow statement.

The functional currency of the Francis Crick Institute Limited and its Group is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

#### *b. Going Concern*

As described in the Trustees' Report, the trustees consider that the Francis Crick Institute Limited has taken the appropriate decisions in the current year to ensure that it is able to meet its liabilities in light of the reductions in funding in the current year. Looking further ahead, the trustees are confident in the Crick's ability to leverage the high proportion of variable and discretionary costs as needed in line with income fluctuations, and to utilise the surplus reserves, brought forward cash balances and the MRC endowment fund as additional contingency. The trustees therefore consider that the Crick has adequate resources available to enable it to continue in operational existence for the foreseeable future having made appropriate enquiries, reviewed contracts and confirmed support from the shareholders. Accordingly, they have adopted the going concern basis in preparing the financial statements.

UKCMRI Construction Ltd is finalising the original construction project and is winding down. It will continue to operate in the short-term as there are some outstanding warranty works, backed by associated retention monies and these need to be fully resolved before the entity could be closed. However, it is making small losses in its closing periods, which has resulted in a cumulative net deficit of £49k at 31 March 2021. This amount is significantly less than the VAT savings derived from using the company, and so the charity can still demonstrate considerable value from the overall arrangement, but it means that the company will require liquidity support from its parent over the rest of its life. The trustees have agreed to provide this support throughout the completion of the remaining works. As the entity is starting to wind down, the financial statements of this subsidiary are not prepared on a going concern basis, but because of the liquidity support, accounting policies are unaffected.

*c. Group financial statements*

The financial statements consolidate the results of the charity and its wholly owned subsidiaries, Francis Crick Trading Limited and UKCMRI Construction Limited, on a line-by-line basis. The results of the subsidiaries are disclosed in note 13.

*d. Fund accounting*

Unrestricted funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the Francis Crick Institute Limited. Restricted funds are funds that have been donated or granted for a specific use. These funds are expended in accordance with the requirements of the donor or grantor. Endowment funds are funds that have been donated to the charity to be invested and retained by the charity. The charity held only permanent endowment funds at March 2021, and even though this has been changed to an expendable endowment as of July 2021, there is no change to the intention to maintain and grow endowment funds in the long-term. The use of capital or income generated from these funds may be either restricted or unrestricted depending on the wishes of the donor.

*e. Income*

Income is recognised in line with the SORP requirements for entitlement, probability and measurement. The charity's core funding is in the form of multi-period but time-limited grants which are subject to annual renewal from funders based on a review of science and the agreement of annual budgets. These grants are recognised on an annual basis.

Research grants fall largely into two categories: paid on a reimbursed expenditure basis, or paid on a science milestone basis.

Income on reimbursed expenditure grants is recognised in line with the relevant expenditure, and in line with achievement of milestones on the science milestone basis. The reimbursed expenditure and science milestone requirements represent donor imposed conditions that otherwise limit the recognition of income.



Donations and grants with donor imposed restrictions are recognised in income when the Institute is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions. Donations and grants with no restrictions are recognised in income when the Institute is entitled to the funds. Where the donor has requested that the charity invest or retain the donation or grant for future use an endowment is recognised. Income from that endowment will then be used in accordance with the requirements imposed by the donor. In the case of the endowment created from funds received from the MRC, then the terms and conditions stipulate that some underlying capital should be protected, but that income and surplus gains can be used to fund direct science projects that further the Crick's objectives. On a regular basis, at least annually, the Finance Committee reviews the level of funds held in the endowment and agrees the amounts that should be withdrawn and the activities that will be funded, whether these are core science operations or very specific science projects.

Trading income is recognised when the significant risks and rewards are considered to have been transferred. The supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date, income represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year. In the current year, this trading income has included both commercial income and not-for-profit income from COVID-related activities including COVID testing and the provision of space for use as a vaccination centre.

Investment income represents the interest receivable on short-term cash deposits.

***f. Gifts in kind***

Gifts in kind represent donated premises and associated facilities at an estimated market value. Donated services for seconded staff are estimated on the charity's salary bandings for equivalent posts.

***g. Expenditure and irrecoverable VAT***

Expenditure is accounted for on an accruals basis. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Charitable activities expenditure comprises the costs of the primary activities of the Francis Crick Institute Limited, including establishing a centre for medical research and innovation. Other expenditure represents those items not falling into any other heading.

## Notes to the financial statements (continued). Year ended 31 March 2021

Termination payments are recognised when the employee(s) involved have been informed of their employment end date and the amount of their termination payment entitlement.

Laboratory consumables are written off once purchased and are not carried as stock.

### *b. Allocation of costs*

Institute departments are classed either wholly or in part as directly charitable (on a time basis), or as support to the Institute.

Support costs are defined as those costs incurred in the operational teams providing support in finance, IT, HR, building services, communications and public engagement.

Executive office and legal teams are classed as part support and part direct, and that part classed as support is reported under the governance heading, along with the cost of external and internal audit.

The allocation of support costs across the charitable expenditure headings is in proportion to the directly incurred costs under each heading as a proxy for the size of that activity and the effort involved in supporting each type of charitable work.

No support costs are currently allocated to cost of raising funds due to the materiality of the balance.

### *i. Pension costs*

The charity participates in both defined benefit and defined contribution pension schemes.

For defined contribution pension schemes, the amount charged to the Statement of Financial Activities in respect of pension costs is the total of contributions due in the year. Differences between contributions payable in the year and contributions actually paid are shown as short term liabilities at the year end.

The defined benefit pension scheme is the Medical Research Council Pension Scheme (MRCPS). Employees of the former National Institute for Medical Research who transferred to the Francis Crick Institute Limited on 1 April 2015 have remained members of this scheme.

MRCPS is a multi-employer defined benefit pension scheme that prepares its own scheme statements. Insufficient information is available to allocate underlying assets and liabilities to individual employers, therefore, contributions are accounted for on the same basis as for a defined contribution scheme.

## Notes to the financial statements (continued). Year ended 31 March 2021

### ***j. Intangible fixed assets***

The Francis Crick Institute is engaged in research for the purposes of discovery and/or enhancement of existing knowledge. This is not driven by, but on occasion can result in, patentable or potentially exploitable discoveries. Any internally generated intangible assets arising in this way are not capitalised.

On the founding of the Institute, following the 1 April 2015 transfers from the National Institute of Medical Research and the London Research Institute, the Institute became owner of certain patents and other intellectual property. These were recognised in the financial statements at fair value (based on the present value of expected future cash flows) and are amortised on a straight line basis over the life of those assets and cashflows, for terms between two and 18 years, subject to annual reviews for impairment where material in value.

### ***k. Tangible fixed assets***

Tangible fixed assets are held at cost less accumulated depreciation. Assets over a value of £10,000, individually or grouped in aggregate, are capitalised.

Depreciation is calculated using the straight line method to allocate the cost of each asset to its residual value over its estimated useful life. Depreciation commences from the date an asset is brought into service.

The period over which assets are depreciated is as follows:

- |                                     |                   |
|-------------------------------------|-------------------|
| • IT equipment and software:        | 3 years           |
| • Corporate systems                 | 7 years           |
| • Scientific equipment              | 5 years           |
| • Vehicles                          | 5 years           |
| • Leasehold Buildings (fabric)      | Term of the lease |
| • Building plant and infrastructure | 3 – 50 years      |

Accumulated costs for assets which are not completed are classed and reported as 'assets under construction' and will not be subject to depreciation until complete and in use.

### ***l. Fixed asset investments***

The charity's investments in its trading subsidiaries are stated at cost, measured by reference to the nominal value only of the shares issued.

The charity invests in spin-out companies, used to further its translational science objectives. Investments in spin-out companies will be valued at cost until there is a publicly available, relevant and reliable market value based on a share issue for the same category of shares is in line with that of our funding partners.

The charity has also made investments in the form of convertible loans to further its translational science objectives. These programme related loans are initially recognised at the amount paid, with the carrying amount adjusted to reflect any repayments. The charity does not charge interest on the loans. The repayment date will be 31 December 2021 for the loans issued in 2019 and 31 December 2022 for the loans issued in 2020, unless there is a conversion event.

## Notes to the financial statements (continued). Year ended 31 March 2021

Once converted, then as for spin-out organisations, values will be maintained at cost until there is a publicly available, relevant and reliable market value based on a share issue for the same category of shares is in line with that of our funding partners, or alternatively, a clear indicator of impairment.

### *m. Heritage assets*

Heritage assets are books, manuscripts, specimens, objects or other assets that have historic, scientific, artistic, technological, geophysical or environmental qualities and are held and maintained principally for the contribution to knowledge and culture. The Crick holds heritage assets inherited from its predecessor institutes (National Institute for Medical Research and London Research Institute) comprising mainly objects and artefacts of scientific and historical interest. The collection is held in storage on site at the Crick with the intention to place some of the collection on permanent display. These assets have not been capitalised as the value is not considered material.

### *n. Taxation*

As a registered charity, the Francis Crick Institute Limited is exempt from taxation on its income and gains falling within chapter 3 of part 11 to the Corporation Taxes Act 2010 and section 256 Taxation of Chargeable Gains Act 1992, to the extent that these are applied to charitable purposes. The trading subsidiaries do not generally pay UK corporation tax because their policy is to donate distributable profits to the Charity as Gift Aid.

### *o. Operating leases*

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

### *p. Financial instruments*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

The charity and group only have financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of managed investments which are held at fair value and gains and losses recognised in the Statement of Financial Activities.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Investments in the permanent endowment fund are revalued as unrealised gains and losses in line with the latest valuation provided by our external investment managers. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

## **2. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Group's accounting policies, which are described in note 1, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Management considers that the following are its critical accounting estimates.

### **Tangible fixed assets**

Tangible fixed assets represent a significant proportion of the Institute's total assets. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the statement of financial activities.

The useful lives and residual values of the Institute's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets.

### **Gifts in kind**

Seconded staff in relation to university attachments account for £4.5m of total donated services which is an estimation based on the charity's salary bandings for equivalent posts.

### **Programme related investments**

All of the spin-out investments and share participations have arisen from relevant research activity or investments through the KQ Labs initiative and are supported as part of our strategic objectives for translational activity, and this has driven their recognition as programme-related investments. They have been reviewed in line with our policy to determine whether an updated fair value could be reliably measured. In most cases, this has not been possible as the entities are very early in their development lifecycle, and there was insufficient public information to establish a revised fair value. The two exceptions are Achilles Therapeutics Ltd which has completed an Initial Public Offering and is therefore valued at the market price at 31st March 2021 and Gammadelta Therapeutics Ltd following an issue of shares shortly after the end of the financial year, which is therefore valued at this price. These valuations are based on external information, and the trustees are therefore comfortable with the fair values that have been recognised.



### 3. Analysis of income from donations and legacies

	Unrestricted funds	Restricted funds	Endowment funds	2021 Total
	£000	£000	£000	£000
Core funding from founding shareholders	120,361	—	—	120,361
Research grant funding	16	25,046	—	25,062
Other grants	1,880	7,748	—	9,628
Total grant income	122,257	32,794	—	155,051
Donated services and facilities	6,271	—	—	6,271
Donations	647	3,733	—	4,380
	129,175	36,527	—	165,702

The total donated services and facilities of £6,271k represent gifts in kind.

	Unrestricted funds	Restricted funds	Endowment funds	2020 Total
	£000	£000	£000	£000
Core funding from founding shareholders	124,067	—	—	124,067
Research grant funding	29	25,420	—	25,449
Other grants	883	1,718	—	2,601
Total grant income	124,979	27,138	—	152,117
Donated services and facilities	6,029	—	—	6,029
Donations	584	2,000	—	2,584
	131,592	29,138	—	160,730

The total donated services and facilities of £6,029k represent gifts in kind.

### 4. Analysis of grant income by funder type

	Unrestricted funds	Restricted funds	Endowment funds	2021 Total
	£000	£000	£000	£000
Research Councils	49,026	9,260	—	58,286
UK-based charities	67,079	12,105	—	79,184
UK-based higher education institutions	4,737	2,061	—	6,798
UK-based government bodies	1,393	(2)	—	1,391
UK-based industry, commerce and public corporations	2	1,334	—	1,336
EU government bodies	—	5,746	—	5,746
Other overseas grants	1	2,196	—	2,197
Other grants	19	94	—	113
	122,257	32,794	—	155,051

## Notes to the financial statements (continued). Year ended 31 March 2021

### 4. Analysis of grant income by funder type (continued)

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2020 Total £000
Research Councils	48,531	4,908	—	53,439
UK-based charities	71,357	10,637	—	81,994
UK-based higher education institutions	4,959	1,786	—	6,745
UK-based industry, commerce and public corporations	18	1,688	—	1,706
EU government bodies	—	6,956	—	6,956
Other overseas grants	51	1,154	—	1,205
Other grants	63	9	—	72
	<u>124,979</u>	<u>27,138</u>	<u>—</u>	<u>152,117</u>

### 5. Analysis of group income from charitable activities

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2021 Total £000
Research conferences	19	1	—	20
Staff restaurant	382	—	—	382
Building letting	215	—	—	215
COVID testing	3,691	—	—	3,691
	<u>4,307</u>	<u>1</u>	<u>—</u>	<u>4,308</u>

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2020 Total £000
Research conferences	713	5	—	718
Staff restaurant	786	—	—	786
Building letting	231	—	—	231
	<u>1,730</u>	<u>5</u>	<u>—</u>	<u>1,735</u>

### 6. Analysis of group income from trading activities

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2021 Total £000
Premises licence and service charges	3,211	—	—	3,211
IT service contracts	243	—	—	243
	<u>3,454</u>	<u>—</u>	<u>—</u>	<u>3,454</u>

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2020 Total £000
Premises licence and service charges	1,303	—	—	1,303
	<u>1,303</u>	<u>—</u>	<u>—</u>	<u>1,303</u>

## 7. Analysis of group expenditure on charitable activities

	Direct costs £000	Support costs £000	2021 Total £000
Crick Lab set-up	1,341	822	2,163
Scientific research and translation	114,556	70,224	184,780
Developing and training scientists	503	309	812
	<u>116,400</u>	<u>71,355</u>	<u>187,755</u>
	Direct costs £000	Support costs £000	2020 Total £000
Crick Lab set-up	1,048	637	1,685
Scientific research and translation	115,883	70,228	186,111
Developing and training scientists	762	463	1,225
	<u>117,693</u>	<u>71,328</u>	<u>189,021</u>

## 8. Analysis of support costs

	Crick Lab set-up £000	Scientific research and translation £000	Developing and training scientists £000	2021 Total £000
Governance	7	593	3	603
Finance	35	2,969	13	3,017
Information Technology & Services	140	11,973	53	12,166
Human Resources	50	4,305	19	4,374
Building Services	562	47,961	210	48,733
Communications and Public Engagement	28	2,423	11	2,462
	<u>822</u>	<u>70,224</u>	<u>309</u>	<u>71,355</u>
	Crick Lab set-up £000	Scientific research and translation £000	Developing and training scientists £000	2020 Total £000
Governance	5	514	3	522
Finance	23	2,569	17	2,609
Information Technology & Services	110	12,121	80	12,311
Human Resources	42	4,597	30	4,669
Building Services	427	47,117	311	47,855
Communications and Public Engagement	30	3,310	22	3,362
	<u>637</u>	<u>70,228</u>	<u>463</u>	<u>71,328</u>

## Notes to the financial statements (continued). Year ended 31 March 2021

### 9. Net expenditure for the year

	2021 £000	2020 £000
Net expenditure is stated after charging (crediting):		
. Depreciation of owned assets	38,605	38,617
. Amortisation of intangible fixed assets	15	22
. Operating lease rentals	414	595
. Foreign exchange losses/(gains)	51	(71)
. Profit on disposal of fixed assets	42	—
Auditor's remuneration:		
. Fees for the audit of the charity's annual financial statements	71	54
. Fees for taxation services to the group	11	10
. Fees for the audit of subsidiary companies	8	8

### 10. Analysis of staff costs, trustee expenses and the cost of key management personnel

#### a. The average monthly number of employees was:

	2021 Total No.	2020 Total No.
Charitable activities	1,220	1,219
Support activities	217	191
	<u>1,437</u>	<u>1,410</u>

#### b. Their aggregate remuneration comprised:

	2021 Total £000	2020 Total £000
Wages and salaries	71,897	66,964
Redundancy and termination	564	943
Social security costs	6,787	6,418
Pension costs	6,308	6,075
	<u>85,556</u>	<u>80,400</u>

Remuneration includes stipends paid to PhD students of £4,018k (2020: £4,044k).  
PhD students are not employees of the Institute.

## Notes to the financial statements (continued). Year ended 31 March 2021

### 10. Analysis of staff costs, trustee expenses and the cost of key management personnel (continued)

#### c. The number of employees whose emoluments, excluding pension contributions and employer's national insurance but including benefits in kind, were in excess of £60,000 was:

	2021 Total No.	2020 Total No.
£60,000 - £69,999	62	48
£70,000 - £79,999	39	41
£80,000 - £89,999	29	23
£90,000 - £99,999	16	12
£100,000 - £109,999	14	13
£110,000 - £119,999	7	6
£120,000 - £129,999	7	6
£130,000 - £139,999	4	3
£140,000 - £149,999	10	8
£150,000 - £159,999	2	1
£160,000 - £169,999	2	1
£170,000 - £179,999	-	2
£180,000 - £189,999	2	3
£190,000 - £199,999	1	-
£200,000 - £209,999	2	2
£210,000 - £219,999	1	-
£220,000 - £229,999	-	2
£230,000 - £239,999	3	1
£240,000 - £249,999	-	1
£250,000 - £259,999	1	-
£260,001 - £269,999	-	1
£270,000 - £279,999	1	1
£280,000 - £289,999	2	-
£310,000 - £319,999	-	1
£410,000 - £419,999	-	1
£420,000 - £429,999	1	-
	<b>206</b>	<b>177</b>

#### d. Key management personnel

The key management personnel of the charity and group are listed on page 36.

The total remuneration (including pension contributions and employer's national insurance) of the key management personnel for the year totalled £2,350k (2020: £2,255k).

#### e. Trustees' remuneration

No trustees received remuneration during the current or prior year. No travel and subsistence expenses were claimed by trustees this year (2020: £285, one trustee).

The Charity has maintained throughout the year and prior year Trustees' and Officers' liability insurance for the benefit of the Charity and its trustees.



## Notes to the financial statements (continued). Year ended 31 March 2021

### 11. Intangible fixed assets

Group and charity	Intellectual property £000
Cost	
At 1 April 2020 and 31 March 2021	281
Accumulated amortisation	
At 1 April 2020	193
Charge for the year	15
At 31 March 2021	208
Net book value	
At 31 March 2021	73
At 1 April 2020	88

### 12. Tangible fixed assets

Group	Fixtures, fittings, furniture £000	IT equipment and software £000	Scientific equipment £000	Buildings £000	Assets under Construction £000	Total £000
Cost						
At 1 April 2020	12,115	20,326	73,246	572,086	6,076	683,849
Additions	4,834	1,777	6,749	131	2,921	16,412
Transfers	3,261	234	1,463	-	(4,958)	-
Disposals	-	-	-	-	-	(75)
At 31 March 2021	20,210	22,337	81,383	572,217	4,039	700,186
Accumulated Depreciation						
At 1 April 2020	6,618	17,048	47,253	80,435	-	151,354
Charge for the year	3,140	1,566	11,566	22,333	-	38,605
Disposals	-	-	(33)	-	-	(33)
At 31 March 2021	9,758	18,614	58,786	102,768	-	189,926
Net book value						
At 31 March 2021	10,452	3,723	22,597	469,449	4,039	510,260
At 1 April 2020	5,497	3,278	25,993	491,651	6,076	532,495

## 12. Tangible fixed assets (continued)

Charity	Fixtures, fittings, furniture £000	IT equipment and software £000	Scientific equipment £000	Buildings £000	Assets under Construction £000	Total £000
<b>Cost</b>						
At 1 April 2020	12,115	20,326	73,246	572,394	6,076	684,157
Additions	4,834	1,777	6,749	131	2,921	16,412
Transfers	3,261	234	1,463	-	(4,958)	-
Disposals	-	-	(75)	-	-	(75)
At 31 March 2021	20,210	22,337	81,383	572,525	4,039	700,494
<b>Accumulated Depreciation</b>						
At 1 April 2020	6,618	17,048	47,253	80,444	-	151,363
Charge for the year	3,140	1,566	11,566	22,354	-	38,626
Disposals	-	-	(33)	-	-	(33)
At 31 March 2021	9,758	18,614	58,786	102,798	-	189,956
<b>Net book value</b>						
At 31 March 2021	10,452	3,723	22,597	469,727	4,039	510,538
At 1 April 2020	5,497	3,278	25,993	491,950	6,076	532,794

## 13. Fixed asset investments

### a) Investments in subsidiaries

The Francis Crick Institute Limited owns the entire issued share capital of UKCMRI Construction Limited (Company registration number 06589905) and Francis Crick Trading Limited (Company registration number 10792548), both companies incorporated in the United Kingdom and registered in England and Wales with their registered offices at 1 Midland Road, London NW1 1AT. UKCMRI Construction Limited provided design and construction services to the Francis Crick Institute Limited and is being maintained until the final warranty works are completed, at which point it will become dormant. The trustees have agreed to provide liquidity support through its closing stages, and therefore although the subsidiary is not a going concern, the accounting policies are unaffected.

Francis Crick Trading Limited's key objective is to carry out various trading activities within the premises owned by The Francis Crick Institute Limited. The shares are held at cost, being £4 for UKCMRI Construction Limited (2020: £4) and £1 for Francis Crick Trading Limited (2020: £1).

## Notes to the financial statements (continued). Year ended 31 March 2021

### 13. Fixed asset investments (continued)

A summary of UKCMRI Construction Limited's results is shown below.

	2021 Total £000	2020 Total £000
Profit & loss account		
Operating costs	(5)	(6)
Operating loss	(5)	(6)
Other interest receivable and similar income	(5)	(6)
Tax	(5)	(6)
Distribution payable (Gift Aid)	—	—
Retained loss for the year	(5)	(6)
Opening shareholder's deficit funds	(46)	(40)
Closing shareholder's deficit	(51)	(46)
Balance sheet		
Current assets	71	139
Current liabilities	(122)	(185)
Total net liabilities	(51)	(46)

A summary of Francis Crick Trading Limited's results is shown below.

	2021 Total £000	2020 Total £000
Profit & loss account		
Turnover	6,394	1,327
Cost of sales	(6,458)	(1,262)
Gross (loss)/profit	(64)	65
Operating costs	(12)	(13)
Operating (loss)/profit	(76)	52
Tax	—	(1)
Distribution payable (Gift Aid)	(76)	51
	(46)	—
Retained (loss)/profit for the year	(122)	51
Opening shareholder's funds	60	9
Closing shareholder's funds	(62)	60
Balance sheet		
Current assets	6,242	1,354
Current liabilities	(6,304)	(1,294)
Total net (liabilities)/assets	(62)	60

## Notes to the financial statements (continued). Year ended 31 March 2021

### 13. Fixed asset investments (continued)

#### b) Programme related investments

At the balance sheet date, the Group and Charity held the following early stage investments which are all classified as programme related investments.

	Holding	2021 Proportion held %	2020 Proportion held %
Gammadelta Therapeutics Ltd	157,667	2.29%	2.39%
Achilles Therapeutics Ltd	36,697	0.09%	0.3%
Metacognis Limited	470	19.03%	19.03%
Adaptate Biotherapeutics Ltd	2,282	0.09%	0.2%
Mendelian Ltd	7,766	0.62%	0.7%
Myricx Ltd	26,750	0.52%	0.45%
Okulo Ltd	16,730	0.99%	-
Pexxi	922	0.40%	-
My Personal Therapeutics	1,213	0.85%	-
Quin Technology	9,132	0.65%	-
Cortirio	12,894	1.12%	-
Sano Genetics	7,672	0.43%	-
Pharmenable	20,000	1.04%	-
Enara Bio	150,000	Warrants	Warrants

All of the above investments are in limited companies incorporated and registered in England and Wales.

As part of the KQ program the Crick has invested another £160k into four companies using convertible loan instruments, increasing the total investment in this program to £960k. The Crick will not charge interest on these loans and the repayment date will be 31 December 2021 for the loans issued in 2019 and 31 December 2022 for the loans issued in 2020, unless there is a conversion event. During the year, eight loans, totalling £320k, were converted to equity.

All investments were reviewed as part of the fair value assessment which resulted in fair value adjustments for investments in Achilles Therapeutics Ltd and Gammadelta Therapeutics Ltd. In the absence of information to provide a reliable estimate of fair value and with no indicators of impairment, all other shareholdings are currently held at cost.

Group & Charity	2021 Total £000	2020 Total £000
Convertible Loans	640	800
Quoted investments	482	-
Unquoted investments	991	-
	<u>2,113</u>	<u>800</u>

## Notes to the financial statements (continued). Year ended 31 March 2021

### 13. Fixed asset investments (continued)

#### c) Financial investments

Group & Charity	2021 Total £000	2020 Total £000
<b>Investments – Endowment:</b>		
i) Investments at market value		
Conventional gilts	833	743
Corporate bonds	2,547	1,996
Overseas fixed interest	585	-
UK equities	10,715	8,641
Overseas equities	13,116	8,169
Property	1,257	1,217
Alternative assets	2,339	1,381
Cash	1,143	5,197
	<u>32,535</u>	<u>27,344</u>
ii) Investments over 5% of the portfolio		2020 Total £000
Goldman Sachs Stirling Liquid Reserves		<u>4,550</u>

There were no investments over 5% of the portfolio at 31 March 2021.

iii) Movements	2021 Total £000	2020 Total £000
At 1 April 2020	27,344	-
Additions	6,822	46,215
Disposal proceeds	(6,384)	(16,829)
Net movements in cash and short-term deposits	(301)	614
Net realised investment (losses)/gains	(394)	29
Net unrealised investment gains/(losses)	5,448	(2,685)
At 31 March 2021	<u>32,535</u>	<u>27,344</u>

iv) The historical cost of the Group and Charity investments at 31 March 2021 was £29,792k (2020: £30,104k).

### 14. Debtors

	Group 2021 £000	Group 2020 £000	Charity 2021 £000	Charity 2020 £000
Trade debtors	6,016	2,565	1,986	1,616
Prepayments and accrued income	10,679	9,770	10,148	9,402
Amounts owed by group undertakings (note 22b)	—	—	5,603	570
Amounts owed by related parties (note 22b)	23,124	13,520	22,267	13,520
Other debtors	237	689	237	485
	<u>40,056</u>	<u>26,544</u>	<u>40,241</u>	<u>25,593</u>



## Notes to the financial statements (continued). Year ended 31 March 2021

### 15. Creditors: amounts falling due within one year

	Group 2021 £000	Group 2020 £000	Charity 2021 £000	Charity 2020 £000
Trade creditors	5,335	6,673	5,332	6,254
Accruals	9,284	4,028	9,157	3,865
Deferred Income	10,955	9,586	10,002	9,251
Other creditors	3,995	3,263	3,924	3,195
Amounts owed to related parties (note 22b)	19,135	11,799	19,135	11,799
Amounts owed to group undertakings (note 22b)	—	—	396	9
	<u>48,704</u>	<u>35,349</u>	<u>47,946</u>	<u>34,373</u>

### Analysis of deferred income

	Group Total £000	Charity Total £000
At 1 April 2020	9,586	9,251
Recognised as income in year	(3,741)	(3,406)
Deferred in year	5,110	4,157
At 31 March 2021	<u>10,955</u>	<u>10,002</u>

The total £11.0m at 31 March 2021 (2020: £9.6m) relates to research grant income received in advance.

### 16. Called up share capital

	2021 Total £000	2020 Total £000
Allotted, called up and fully paid		
Ordinary shares of £1 each	629,566	629,566
Share premium account	<u>12,751</u>	<u>12,751</u>
	<u>642,317</u>	<u>642,317</u>

In accordance with the Articles of Association, shareholders are not permitted, at any time, to transfer all or part of its shares to another person, except with the prior written consent of all the other shareholders. The charity cannot declare or pay dividends or other distributions to its shareholders.

## Notes to the financial statements (continued). Year ended 31 March 2021

### 17. Movements in funds

Group	1 April 2020 £000	Income £000	Expenditure £000	Gains On Investments £000	Transfers between funds £000	31 March 2021 £000
<b>Unrestricted funds</b>						
General funds	(96,078)	137,600	(162,742)	1,152	(95)	(120,163)
Restricted funds						
Crick Lab set-up	339	—	(97)	—	—	242
Research	6,875	32,742	(24,214)	—	95	15,498
Other	1,453	3,810	(868)	—	—	4,395
	<u>8,667</u>	<u>36,552</u>	<u>(25,179)</u>	<u>—</u>	<u>95</u>	<u>20,135</u>
<b>Endowment Funds</b>						
Permanent Funds	<u>27,344</u>	<u>789</u>	<u>(79)</u>	<u>5,054</u>	<u>—</u>	<u>33,108</u>
Share capital – par	629,566	—	—	—	—	629,566
Share premium	<u>12,751</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>12,751</u>
	<u>642,317</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>642,317</u>
<b>Total funds</b>	<u>582,250</u>	<u>174,941</u>	<u>(188,000)</u>	<u>6,206</u>	<u>—</u>	<u>575,397</u>
	1 April 2020 £000	Income £000	Expenditure £000	Gain On Investments £000	Transfers between funds £000	31 March 2021 £000
<b>Charity</b>						
<b>Unrestricted funds</b>						
General funds	(95,799)	137,731	(162,758)	1,152	(95)	(119,769)
Restricted funds						
Crick Lab set-up	339	—	(97)	—	—	242
Research	6,875	32,742	(24,214)	—	95	15,498
Other	1,453	3,810	(868)	—	—	4,395
	<u>8,667</u>	<u>36,552</u>	<u>(25,179)</u>	<u>—</u>	<u>95</u>	<u>20,135</u>
<b>Endowment Funds</b>						
Permanent Funds	<u>27,344</u>	<u>789</u>	<u>(79)</u>	<u>5,054</u>	<u>—</u>	<u>33,108</u>
Share capital – par	629,566	—	—	—	—	629,566
Share premium	<u>12,751</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>12,751</u>
	<u>642,317</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>642,317</u>
<b>Total funds</b>	<u>582,529</u>	<u>175,072</u>	<u>(188,016)</u>	<u>6,206</u>	<u>—</u>	<u>575,791</u>

Transfers between general funds and restricted funds of £95k (2020: £85k) consist of the release of excess funds received (in line with the terms and conditions of the individual funders) and the financing of a deficit on 97 completed grants (2020: 29 completed grants).

## Notes to the financial statements (continued). Year ended 31 March 2021

### 17. Movements in funds (continued)

The shareholders provided funds to the Charity for the purpose of establishing the Institute. Restricted funds relate to scientific computing and individual scientific projects. Included within the table above, the Institute holds a permanent endowment of £32.5m managed on a total returns basis. Best endeavours will ensure that an agreed level of indexed capital is protected and maintained in the fund, with any surplus income and capital gains to be used to fund science activities.

Group	1 April 2019 £000	Income £000	Expenditure £000	Losses On Investments £000	Transfers between funds £000	31 March 2020 £000
<b>Unrestricted funds</b>						
General funds	(69,902)	135,375	(161,466)	—	(85)	(96,078)
<b>Restricted funds</b>						
Crick Lab set-up	435	—	(96)	—	—	339
Research	5,801	28,426	(27,341)	—	(11)	6,875
Other	794	723	(160)	—	96	1,453
	<u>7,030</u>	<u>29,149</u>	<u>(27,597)</u>	<u>—</u>	<u>85</u>	<u>8,667</u>
<b>Endowment Funds</b>						
Permanent Funds	<u>30,000</u>	<u>—</u>	<u>—</u>	<u>(2,656)</u>	<u>—</u>	<u>27,344</u>
Share capital – par	629,566	—	—	—	—	629,566
Share premium	<u>12,751</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>12,751</u>
	<u>642,317</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>642,317</u>
<b>Total funds</b>	<u>609,445</u>	<u>164,524</u>	<u>(189,063)</u>	<u>(2,656)</u>	<u>—</u>	<u>582,250</u>
Charity	1 April 2019 £000	Income £000	Expenditure £000	Losses On Investments £000	Transfers between funds £000	31 March 2020 £000
<b>Unrestricted funds</b>						
General funds	(69,577)	135,291	(161,428)	—	(85)	(95,799)
<b>Restricted funds</b>						
Crick Lab set-up	435	—	(96)	—	—	339
Research	5,801	28,426	(27,341)	—	(11)	6,875
Other	794	723	(160)	—	96	1,453
	<u>7,030</u>	<u>29,149</u>	<u>(27,597)</u>	<u>—</u>	<u>85</u>	<u>8,667</u>
<b>Endowment Funds</b>						
Permanent Funds	<u>30,000</u>	<u>—</u>	<u>—</u>	<u>(2,656)</u>	<u>—</u>	<u>27,344</u>
Share capital – par	629,566	—	—	—	—	629,566
Share premium	<u>12,751</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>12,751</u>
	<u>642,317</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>642,317</u>
<b>Total funds</b>	<u>609,770</u>	<u>164,440</u>	<u>(189,025)</u>	<u>(2,656)</u>	<u>—</u>	<u>582,529</u>

## Notes to the financial statements (continued). Year ended 31 March 2021

### 18. Analysis of assets and liabilities between funds

<u>Current year</u>				
Group	Unrestricted funds, non- charitable trading funds and share capital £000	Restricted funds £000	Endowment funds £000	31 March 2021 £000
Intangible fixed assets	73	—	—	73
Tangible fixed assets	494,287	15,973	—	510,260
Investments	1,153	960	32,535	34,648
Current assets	57,300	21,220	600	79,120
Current liabilities	(30,659)	(18,018)	(27)	(48,704)
Total Net Assets	522,154	20,135	33,108	575,397

Charity	Unrestricted funds and share capital £000	Restricted funds £000	Endowment funds £000	31 March 2021 £000
Intangible fixed assets	73	—	—	73
Tangible fixed assets	494,565	15,973	—	510,538
Investments	1,153	960	32,535	34,648
Current assets	56,658	21,220	600	78,478
Current liabilities	(29,901)	(18,018)	(27)	(47,946)
Total Net Assets	522,548	20,135	33,108	575,791

<u>Prior year</u>				
Group	Unrestricted funds, non- charitable trading funds and share capital £000	Restricted funds £000	Endowment funds £000	31 March 2020 £000
Intangible fixed assets	88	—	—	88
Tangible fixed assets	525,166	7,329	—	532,495
Investments	—	800	27,344	28,144
Current assets	38,780	18,092	—	56,872
Current liabilities	(17,795)	(17,554)	—	(35,349)
Total Net Assets	546,239	8,667	27,344	582,250

Charity	Unrestricted funds and share capital £000	Restricted funds £000	Endowment funds £000	31 March 2020 £000
Intangible fixed assets	88	—	—	88
Tangible fixed assets	525,466	7,329	—	532,795
Investments	—	800	27,344	28,144
Current assets	37,783	18,092	—	55,875
Current liabilities	(16,819)	(17,554)	—	(34,373)
Total Net Assets	546,518	8,667	27,344	582,529

## 19. Employee retirement benefits

The Francis Crick Institute Limited operates both defined contribution and defined benefit pension scheme arrangements.

New employees are entitled to join the defined contribution pension scheme. Employer contribution rates vary according to the contribution rates of individual employees. The amount paid in employer contributions to the defined contribution scheme was £5,460,455, of which £759,627 was paid from restricted funds (2020: £5,007,784, including £711,511 paid from restricted funds). The balance outstanding at the year-end was £786,003, of which £83,013 was payable from restricted funds (2020: £724,256, including £104,649 payable from restricted funds).

The defined benefit pension scheme is the Medical Research Council Pension Scheme (MRCPS). Employees of the former National Institute for Medical Research who transferred to the Francis Crick Institute Limited on 1 April 2015 have remained members of this scheme.

MRCPS is a funded multi-employer defined benefit pension scheme that prepares its own scheme statements. Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement.

Members pay contributions of between 6.0% and 6.5% of pensionable earnings to the Scheme. The Francis Crick Institute Limited pays contributions of 15.9% (2020:15.9%) of pensionable earnings to the Scheme. The amount paid in employer contributions to the defined benefit scheme was £847,916, of which £32,298 was paid from restricted funds (2020: £1,076,306, including £13,048 paid from restricted funds). The Institute is indemnified against an employer contribution rate in excess of 15.9% (2020:15.9%), under an agreement whereby the Medical Research Council would reimburse the Institute for costs incurred at any future rate greater than 15.9%. The balance outstanding at the year-end was £94,440, of which £789 was payable from restricted funds (2020: £115,280, including £3,024 payable from restricted funds).

The required contribution rates are assessed every three years in accordance with the advice of the Government Actuary. The latest finalised actuarial assessment of the MRCPS was 31 December 2019.

	2019 valuation £m	2016 valuation £m
Market value of assets	1,647	1,406
Actuarial scheme liabilities	(1,416)	(1,246)
Surplus	231	160
Scheme funding level	116%	113%



## Notes to the financial statements (continued). Year ended 31 March 2021

### 19. Employee retirement benefits (continued)

The results above are for the fund as a whole and do not reflect the institute's share as there is insufficient information available to allocate underlying assets and liabilities to individual employers.

The current financial assumptions used to calculate scheme liabilities are:

	2021 %	2020 %
Rate of increase of salaries	3.40	3.00
Rate of increase of pension payments	2.40	2.00
Discount rate	2.00	2.30
Inflation rate	2.40	2.00
Expected return on equities	2.00	2.30
Expected return on bonds	2.00	2.30
Expected return on overall fund	2.00	2.30

### 20. Financial commitments

#### Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases for each of the following periods are:

	2021		2020	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Group and charity				
Within one year	213	49	206	200
Between one and five years	814	—	844	7
After five years	—	—	161	—
	<u>1,027</u>	<u>49</u>	<u>1,211</u>	<u>207</u>

#### Capital commitments

The Francis Crick Institute Limited had unprovided capital contractual commitments of £1,283,861 at 31 March 2021 (2020: £2,343,314).

## 21.Reconciliation of net (expenditure) to cash generated by operating activities

	Group 2021 £000	Group 2020 £000
Net (expenditure) for the year	(6,853)	(27,195)
Depreciation and disposal adjustments	38,647	38,619
Amortisation of intangible fixed assets	15	22
Funding received for programme related investments	580	400
Interest receivable	(1,278)	(150)
Investments (gains)/losses	(6,206)	2,656
Interest payable	1	11
	<u>24,906</u>	<u>14,363</u>
(Increase)/Decrease in debtors	(13,512)	19,512
Increase in creditors	12,975	6,159
Cash generated by operating activities	<u>24,369</u>	<u>40,034</u>

## 22. Related party transactions

The charity's related parties are its shareholders who have entered into a Joint Venture Agreement which establishes the basis on which funding will be made available to the charity and how it is operated. They are: Cancer Research UK, United Kingdom Research and Innovation (formerly known as Medical Research Council), Wellcome Trust, University College London, Imperial College London and King's College London.

The charity also has two wholly owned subsidiaries:

- UKCMRI Construction Limited
- Francis Crick Trading Limited

### a. Funding from shareholders including shares allotted

No shares were allotted during the year.

## Notes to the financial statements (continued). Year ended 31 March 2021

### 22. Related party transactions (continued)

#### b. Other transactions

Year ended 31 March 2021				
	Purchases from related parties £000	Income and recharges from and to related parties £000	Amounts due from related parties £000	Amounts due to related parties £000
UKRI (formerly known as Medical Research Council)	1,112	56,695	15,628	(11,668)
Cancer Research UK	361	55,893	1,290	(5,882)
Wellcome Trust	47	21,947	2,134	(302)
University College London	(980)	2,826	2,505	(471)
Imperial College London	(1,013)	1,707	556	(327)
King's College London	(825)	1,912	1,011	(485)
	<u>(1,298)</u>	<u>140,980</u>	<u>23,124</u>	<u>(19,135)</u>
Year ended 31 March 2020				
	Purchases from related parties £000	Income and recharges from and to related parties £000	Amounts due from related parties £000	Amounts due to related parties £000
UKRI (formerly known as Medical Research Council)	(1,412)	53,617	4,041	(4,430)
Cancer Research UK	462	57,180	913	(7,164)
Wellcome Trust	(81)	23,322	3,402	(63)
University College London	(1,496)	2,394	1,914	(95)
Imperial College London	(854)	2,072	1,227	(10)
King's College London	(806)	2,054	2,023	(14)
	<u>(4,187)</u>	<u>140,639</u>	<u>13,520</u>	<u>(11,776)</u>

These balances do not include transactions related to the UKRI (formerly known as Medical Research Council) pension scheme which are disclosed in note 20.

The following are transactions between the Charity and its subsidiary companies:

Year ended 31 March 2021				
	Purchases from related parties £000	Income and recharges from and to related parties £000	Amounts due from related parties £000	Amounts due to related parties £000
Francis Crick Trading Limited	-	6,473	5,603	(328)
UKCMRI Construction Limited	(17)	6	-	(68)
	<u>(17)</u>	<u>6,479</u>	<u>5,603</u>	<u>(396)</u>

## Notes to the financial statements (continued). Year ended 31 March 2021

### 22. Related party transactions (continued)

	Year ended 31 March 2020			
	Purchases from related parties £000	Income and recharges from and to related parties £000	Amounts due from related parties £000	Amounts due to related parties £000
Francis Crick Trading Limited	-	1,267	921	(9)
UKCMRI Construction Limited	-	-	58	-
	-	1,267	979	(9)

Of the £921k due from Francis Crick Trading Limited at the year ended 31 March 2020, £419k of this was included in trade debtors and not amounts owed from group undertakings.

#### c. Donated services and facilities

	2021 Total £000	2020 Total £000
Services	4,746	4,505
Land	1,525	1,525
	6,271	6,030

#### d. Other related party transactions

The land on which the Francis Crick Institute laboratory has been built has been made available at nil cost by the Medical Research Council, Cancer Research UK, the Wellcome Trust and University College London. A gift in kind of £1,524,545 (2020: £1,524,545) has been recognised, the estimated market value of the annual rent.

The Wellcome Trust incurred costs on behalf of the Francis Crick Institute Limited, which it has recharged, totalling £Nil (2020: £80,868) including hospitality charges and lab consumables.

UKRI (formerly known as Medical Research Council) incurred costs on behalf of the Francis Crick Institute Limited, which it has recharged, of £Nil (2020: £1,412,494) in providing seconded staff and lab consumables.

Imperial College London incurred costs on behalf of the Francis Crick Institute Limited, which it has recharged, of £1,013,818 (2020: £853,591) in providing seconded staff, lab consumables and course fees. Research lab staff have been seconded to the Crick at nil cost, a gift in kind of £429,811 (2020: £490,137) has been recognised for these services.

**22. Related party transactions (continued)**

University College London incurred costs on behalf of the Francis Crick Institute Limited, which it has recharged, of £979,794 (2020: £1,496,104) for student tuition fees, lab consumables and seconded staff. Research lab staff have been seconded to the Crick at nil cost, a gift in kind of £2,379,379 (2020: £2,212,807) has been recognised for these services.

King's College London incurred costs on behalf of the Francis Crick Institute Limited, which it has recharged, of £824,981 (2020: £806,278) in providing seconded staff and lab consumables. Research lab staff have been seconded to the Crick at nil cost, a gift in kind of £1,731,111 (2020: £1,801,934) has been recognised for these services. Trustees' expenses are disclosed in note 9e. Consistent with 2019/20, one trustee is a director of a company in which the Crick holds warrants over ordinary shares. The warrants are not currently considered to have a value to the Crick; the trustee was not involved in the investment decision.

A member of the trustees has donated £100,000 during the year, which is shared equally between the Institute and CRUK in line with the fundraising agreement. Six trustees represent the Founders as shown on page 34. These trustees or their employers may be involved in projects with the Crick and/or funding the operations of the Crick. One trustee is related to an employee. The Crick has a policy for managing potential conflicts of interest that may arise in any decision making.

**23. Contingent liabilities**

The Crick has entered into a guarantee with HSBC Bank PLC in favour of the Environment Agency for the value of €130,000. The guarantee was required in order to obtain a licence to dispose of radioactive sources used by an item of scientific equipment.

The Crick has also entered into a guarantee with HSBC Bank PLC in favour of The Mayor and Burgesses of the London Borough of Camden for the value of £142,500. The guarantee was required to confirm that the Crick would honour any liabilities that may fall due in the instance of any non-compliance with the obligations of the Highways Maintenance Plan Camden.

**24. Post balance sheet events**

In July 2021, the MRC formally agreed changes to the terms and conditions of the endowment that was created from funds that they transferred to the Crick in 2019. The original terms ensured protection of the underlying capital by requiring that it could only be accessed in the case of a material adverse event and with MRC approval. In the updated version, the requirements around protected capital remain but these funds can now be accessed in such circumstances with the approval solely of the Crick Board. As a result of this change, going forwards, the endowment fund will be recognised as an expendable endowment. However, within these financial statements, this endowment is reflected as a permanent endowment or restricted endowment, as this was the status at March 2021. Further information on this update is available in the section on reserves policy on page 29.