

THE FRANCIS CRICK INSTITUTE LIMITED

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ANNUAL REPORT AND FINANCIAL
STATEMENTS

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Chairman's letter

It is five years since researchers from the Medical Research Council's National Institute for Medical Research and Cancer Research UK's London Research Institute came together and became 'the Crick'. This first challenging phase of the Crick's development is now complete and it is impressive how far the Crick has come, rapidly establishing itself as one of the world's most exciting centres for biomedical research.

The panel of international experts who convened in the autumn to evaluate the Crick's activities to date and its plans for the future shared this assessment. Their report of the Crick's first quinquennial review highlighted world class research taking place in the Institute, and also identified some areas for further development. With its basic financial position secured for the coming seven years including a core funding award of over £1bn, the Institute can move forward with confidence into its next phase and build upon its solid foundations.

Over the last year, the Board has been reminded of the important influence the Crick wields, both in the UK and globally. Crick leaders have been influential in shaping Government commitments in relation to increasing R&D investment, the benefits of aligning closely with Europe and internationally on valuable funding programmes. Closer to home, it is encouraging to see the strengthening relationship between the Crick and its surrounding community in Camden. This year also marks five years of the Living Centre, a community centre based in the Crick. From physical health and mental wellbeing, to professional training and volunteering opportunities, the centre provides valued support and resources for local residents.

As we emerge from the shadow of the pandemic, it is exciting to look forward to new scientific projects and initiatives. I have had the pleasure of meeting some of the Crick's newer group leaders who, having joined during extremely unusual circumstances, have rapidly become part of the Crick community, growing their research groups and establishing collaborations across the building. I look forward to seeing what they achieve in the coming years.

This year, we welcomed a new Board member, John Iredale, who joined MRC in January 2022 as Interim Executive Chair. He replaces Fiona Watt, who left the MRC to join EMBO at the end of 2021. I thank Fiona for her important contributions and I look forward to working with John and the whole Board to help the Crick fulfil its ambitions outlined in the refreshed Discovery Without Boundaries strategy.

On behalf of the Board, I would like to congratulate Steve Gamblin, the Crick's Director of Scientific Technology Platforms (STPs) who received a CBE in the New Year Honours, and Paul Nurse who has been made a member of the Order of the Companions of Honour, a special award granted to those who have made a major, long-lasting contribution to the arts, science, medicine or government.

I would also like to take this opportunity to thank the Crick's leadership team and its scientists and staff for their ongoing dedication to scientific and operational excellence. As we look forward to the next year and beyond, I have no doubt that the Institute will continue on its journey to becoming one of the world's greatest centres for biomedical discovery and innovation.

Lord Browne of Madingley
Chairman

Director's introduction

As we celebrate five years of the Crick being fully open and operational, we are pleased to be able to reflect on what we've achieved since moving into the building, and shape our plans for the years ahead.

Since opening, we have recruited 32 new early-career group leaders from 15 countries and integrated more than 50 collaborating groups from our partner universities. More than 300 students and 600 postdoctoral training fellows have joined us, and the education programme now engages almost 20,000 students per year from local schools. Our staff have also been recognised through many major scientific prizes. There were over 3,300 Crick research papers published between April 2015 and March 2022 and ten companies have now been launched to commercialise and apply our research. We have collaborated widely: 55% of Crick-led papers had one or more UK co-authors; of these 45% had co-authors from Continental Europe, 21% from the US and 21% from the Rest of the World. We have formed national and international partnerships to support us in the delivery of our strategy, including with the Alan Turing Institute, the UK Dementia Research Institute (UKDRI), the Crick African Network, the Worldwide Influenza Centre and the European Molecular Biology Laboratory (EMBL).

This year has been another where the agility and enthusiasm of Crick scientists and staff has enabled us to adapt to the challenges of the ongoing COVID-19 pandemic while continuing high-quality research across disciplines. Many staff balanced their time between the lab and volunteering in the NHS mass vaccination centre in our gallery space, in total vaccinating over 80,000 people, including the Prime Minister and Leader of the Opposition. Our scientists also continued to interrogate changes to the SARS-CoV-2 virus and levels of immunity in different groups of people, providing regular updates to policy makers and organisations including the JCVI and NERVTAG.

As we move on from the pandemic, we have welcomed the reintroduction of in-person events and also the launch of Outwitting Cancer, an immersive public exhibition exploring the latest cancer research taking place at the Crick. Public engagement is a priority and objective for the Institute as we aim to create a diverse community which has a voice in conversations about biomedical research, increasing the societal benefits of scientific research. We have also continued to engage with policy makers and Parliament, lobbying for sustainable R&D funding in the UK, and participating in a coordinated sector wide push to raise awareness of the harmful delays to full association to valuable European funding schemes.

Our focus for the coming years will be on consolidating the Crick's status as a world-class biomedical research institute, strengthening our multidisciplinary science, collaborating globally with world-leading research partners, expanding our support for the wider UK biomedical research endeavour and working with and our founders to ensure a sustainable future for the Institute, allowing it to achieve its full potential.

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, agreed by the Board and Founders in 2013, was renewed in 2021, after consultation with Crick researchers and staff across the Institute. It identifies five strategic priorities:

- Accelerate discovery through a culture of scientific excellence
- Support the biomedical research endeavour across the UK and beyond
- Drive benefits for human health
- Engage and inspire with discovery science
- Build capability for outstanding science support

Our key achievements for 2021/22 are presented in the strategic report.

The Crick's response to COVID-19

During the first phase of the pandemic, the Crick rapidly transformed parts of its 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.

Vaccination

The vaccination centre at the Crick closed on 13 August 2021, having delivered over 80,000 vaccines to key workers and the local population in its seven months of operation. Over 350 Crick colleagues volunteered in the centre, alongside clinical staff from UCLH and volunteers from local organisations. Crick volunteers made up over 79% of staff for every shift, taking on roles including administrators, vaccinators, marshals and healthcare professionals.

The Crick SARS-CoV-2 testing pipeline

In March 2020, the Crick opened a diagnostic facility for SARS-CoV-2 PCR testing which supported 18 London hospitals and 186 local care homes and community centres until the end of June 2021. The facility continues to assist clinical studies (see below) and has worked with other outside organisations such as Wellcome and the Wellcome Sanger Institute. To support the Crick's COVID-safe environment, internal testing of Crick staff (including contractors and visitors) has been conducted weekly (and sometimes twice-weekly) throughout the pandemic, allowing the Crick to remain open and often close to maximum capacity. By the end of March 2022, total test numbers carried out were in excess of 676,000.

COVID-19 clinical epidemiology and management – Legacy and associated studies

The Legacy study was established in January 2021, arising from the partnership built between the Crick and University College London Hospitals NHS Foundation Trust to develop the PCR testing pipeline in March 2020. The overriding objective of the study is to use data from the testing pipeline to investigate SARS-CoV-2 susceptibility, transmission and vaccine response.

Legacy is active in three main areas of SARS-CoV-2 research:

- Viral genomics, evolution and transmission
- Immune response to vaccines and mild infection in healthy adults
- Patient-facing research on immunity against SARS-CoV-2 in immunocompromised adults

Legacy also interacts with the UKRI funded Genotype to Phenotype (G2P-UK) consortium, COVID-19 Genomics UK (COG-UK) Consortium and the mathematical modelling department of the London School of Hygiene and Tropical Medicine.

Legacy has reported data on neutralising antibody titres in study participants against all emerging SARS-CoV-2 variants across 2021 and 2022 in near-real time. These data have had important impacts on policy. The reports on relative antibody titres against Delta in recipients of both the Pfizer and Oxford-AstraZeneca vaccines were shared with UK government scientific advisory boards, and contributed to continuing UK pandemic restrictions to allow more people to receive a second vaccine dose.

Our data provided a benchmark against antibody titres in studies focused on both cancer patients (CAPTURE study) and kidney dialysis patients (NAOMI study), providing important data on which patients to prioritise for third and subsequent vaccine doses. More recently, we have shown that a third vaccine dose provides good protection against Omicron infection in healthy adults, with similar comparisons again in the CAPTURE and NAOMI studies. Our data on *in vitro* neutralising efficacy of the synthetic monoclonal antibody, Sotrovimab, shared with NHS England and the Chief Medical Officer, has supported ongoing use of this drug for vulnerable patients infected with Omicron BA.1 and Omicron BA.2.

Selected highlights:

Antibody levels vary according to vaccine type and previous infection with COVID-19: Wall et al (2021a) Lancet 398:207-209 and Wall et al (2021b) Lancet 397:2331-2333

The Legacy study team found that two doses of the Oxford-AstraZeneca vaccine generated lower levels of antibodies able to recognise the Delta variant, in comparison with the Pfizer-BioNTech vaccine. Their results also showed that antibody levels vary considerably depending on likely prior infection with SARS-CoV-2.

COVID-19 vaccine booster provides good antibody protection against Omicron: Wu et al (2022) Lancet 399:715-717

As part of the Legacy study, researchers in collaboration with the National Institute for Health Research (NIHR) UCLH Biomedical Research Centre found that antibodies generated in people who had received only two doses of either the Oxford/AstraZeneca vaccine or the Pfizer/BioNTech vaccine were less able to neutralise the Omicron variant as compared to the Alpha and Delta variants. Antibody levels dropped off in the first three months following the second dose but a third 'booster' dose raised levels of antibodies that effectively neutralise the Omicron variant.

Immunocompromised dialysis patients could benefit from mRNA COVID-19 vaccine third doses: Carr et al (2021) Lancet 398:1038-1041.

As part of the NAOMI study, Crick and Imperial College London researchers showed that patients receiving in-hospital dialysis treatment for kidney disease produced a larger neutralising antibody response when given the Pfizer-BioNTech COVID-19 vaccine, compared to the Oxford-AstraZeneca vaccine. The findings suggested that patients who had not yet been infected with SARS-CoV-2 would likely benefit from an early third dose of an mRNA-based vaccine.

Patients with cancer, especially blood cancer, have low protection against the Delta variant: Fendler et al (2021) Nat Cancer 2:1305-1320.

The ongoing CAPTURE study, run jointly by researchers at the Crick and the Royal Marsden NHS Foundation Trust, published data showing that while some immune responses were detected after two COVID-19 vaccine doses in most patients with cancer, neutralising responses against variants of concern (VOCs) were reduced. This reduced response was most evident in patients with blood cancers, especially in those receiving B cell-depleting therapies. Therefore, a third dose of the COVID-19 vaccine could increase protection from COVID-19 for people with cancer.

Immune responses following a third COVID-19 vaccination are reduced in patients with blood cancer compared to patients with solid cancer: Fendler et al (2022) Cancer Cell 40:114-116.

In a follow-up to the previous study, the CAPTURE consortium also showed that the proportion of patients with solid cancer who had detectable responses after third vaccination is high and comparable to individuals without cancer. In contrast, a significant number of patients with blood cancers still had undetectable neutralising responses following a third vaccine dose, and remained at risk of breakthrough infections.

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. Clinical engagement has also been a key focus for the Crick.

Publications

In 2021/22, Crick scientists published 596 papers, the highest annual number since the Crick was established in 2015¹. As well as those papers listed above, highlights included:

Fast changing smells can teach mice about space: Ackels et al (2021) Nature 593:558-563

Research from the Schaefer lab found that mice can sense extremely fast and subtle changes in the structure of odours and use this to guide their behaviour. The findings alter the current view on how odours are processed in the mammalian brain.

Calling for greater awareness surrounding CRISPR gene editing: Alanis-Lobato et al (2021) Proc Nat Acad Sci USA 118:e2004832117

Crick researchers, including Kathy Niakan and James Turner, showed that CRISPR-Cas9 genome editing can lead to unintended mutations at the targeted section of DNA in early human embryos. The work highlights the need for greater awareness of and further research into the effects of CRISPR-Cas9 genome editing, especially when used to edit human DNA in laboratory research.

Virus spike mutations aid greater infectivity: Benton et al (2021) Proc Nat Acad Sci USA 118:e2022586118

Research from the Gamblin lab compared the original SARS-CoV-2 spike protein to a mutated version which arose in spring 2021. They found structural differences that could help to explain why the mutated version remained the dominant form circulating in all variants of concern.

'Patchwork' tumours across multiple cancers: Dentre et al (2021) Cell 184:2239-2254

Research led by Peter Van Loo, as part of the Pan-Cancer Analysis of Whole Genomes Consortium, analysed the whole genomes of tumour samples from over 2,600 patients with different types of cancer. They identified a high prevalence of genetic diversity within individual tumours, which they further characterised.

¹ The detailed breakdown is: 403 primary research papers; 125 reviews; 26 commentaries; 17 methods papers; 16 editorials; 8 letters; 1 case report.

Gene-editing used to create single sex mouse litters: Douglas et al (2021) Nat Commun 12:6926

Researchers in the Turner lab, with collaborators from the University of Kent, used gene editing technology to create female-only and male-only mouse litters with 100% efficiency. This proof of principle study demonstrates how the technology could be used to improve animal welfare in scientific research and perhaps also agriculture.

A way to improve cancer therapy: Fugger et al (2021) Science 372:156-165

A study led by the West lab 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.

Cell division at high resolution: Greiwe et al (2022) Nat Struct Mol Biol 29:10-20

As a prelude to cell division, the genome must be duplicated, and replicative helicases play a fundamental part in this. Researchers in the Costa and Diffley labs characterised the role of the key enzymes involved in selectively activating the replicative helicases at the right time and in the right places on DNA, an important step forward in understanding exactly how DNA replication works in both health and disease.

New insights into HIV infection: Guedán et al (2021) PLoS Pathog 17:e1009484

A study from the Bishop lab looked into HIV-1 uncoating, the process by which the viral core breaks down during infection. Their work suggests that uncoating or remodelling of the HIV-1 capsid lattice occurs at the nuclear pore, and that this step is essential for a productive infection.

New insights into protein mutation causing ALS: Hallegger et al (2021) Cell 184:4680-4696

A new study led by postdoc Martina Hallegger and the Ule lab described what happens when the RNA binding protein TDP-43 is mutated and its condensation properties change. The protein is often mutated in the rare neurological disease, amyotrophic lateral sclerosis (ALS).

Finding cancer's vulnerabilities: Monserrat et al (2021) Nat Cell Biol 23:401-412

Research from the Scaffidi lab developed a new strategy to identify cancer-specific vulnerabilities. They identified a group of proteins, called the male-specific lethal (MSL) acetyltransferase complex, which could be used to increase chromosomal instability in cancer cells without inducing severe adverse effects in normal tissues.

Acting on sensory information: Orsolic et al (2021) Neuron 109:1861-1875

A study from the Znamenskiy lab looked at how sensory information is transformed across multiple brain regions and influences behaviour. By training mice in a visual detection task, based on changing sensory information, the team found different timescales between deliberation and action across different regions of the brain.

Stem cells can use the same method as plants and insects to protect against viruses: Poirier et al (2021) Science 373:231-236

Research from the Reis e Sousa lab found a mechanism, previously thought to have disappeared as mammals evolved, that helps protect mammalian stem cells from RNA viruses such as SARS-CoV-2 and Zika virus. This finding could potentially be exploited to develop new antiviral treatments.

How mutations change the sense of smell: Prieto-Godino et al (2021) eLife 10:e69732

A study led by Lucia Prieto-Godino investigated evolutionary changes in ligand preference that occur in a family of olfactory receptors. The work found that different receptors' odour preferences are linked to particular protein mutations. Some of these mutations appear at the same position over evolutionary distances, highlighting a 'hot-spot' that has a major role in determining ligand preference.

Glial cells are crucial to maintaining healthy gut immunity: Progamzky et al (2021) Nature 599:125-130

Researchers from the Pachnis lab uncovered a fundamental role of glial cells in the gut nervous system in maintaining a healthy intestine. These cells have been found to coordinate the immune responses of the gut following pathogen invasion and could be key targets when exploring new treatments for inflammatory bowel conditions.

A therapeutic target for two diseases: Ramachandran et al (2021) EMBO J 40:e106317

Research from the Hill lab identified the underlying molecular mechanism for two diseases that share a common causal mutation and currently have no effective treatments. The team used optogenetics and live-imaging approaches to show the link between genetic mutation and disrupted signalling that causes these diseases.

New insights into red blood cell destruction by the malaria parasite: Tan et al (2021) EMBO J 40:e107226

A study led by the Blackman lab shed new light on a key pathway that allows the malaria parasite to escape from the host's red blood cells. Their findings identified a target that could be used to develop a new class of antimalarial drug designed to prevent disease progression.

Cells from the centre of tumours are most likely to spread around the body: Zhao et al (2021) Nat Ecol Evol 5:1033-1045

Research from a collaborative team at the Crick, Royal Marsden, UCL and Cruces University Hospital found that cells from different parts of kidney tumours behave differently, and surprisingly, cells within the centre of a tumour are the most aggressive and have the highest chance of spreading around the body.

Scientific events

Hybrid events are now well established at the Crick and we continue to deliver all our major symposia on this basis, ensuring they are open to a wider global audience. In 2021/22 we hosted more than 25,000 attendees from over 40 countries at a combination of online and in person events.

Our Medicine at the Crick series for biomedical researchers and clinicians welcomed over 1,500 attendees to its three events in 2021 and we have just hosted the ninth seminar of the series, 'How can therapeutics target cancer stem cells?' In April 2021, we marked World Immunology Day with an expert online panel discussion on 'Vaccines, COVID-19 and beyond' hosted by the BBC's Claudia Hammond and attended by more than 700 people from 38 countries.

In-person events began again in June 2021 and since then we have hosted a number of symposia and events, including the Crick Postdoc Symposium, the 4th International Cancer Conference, the 5th Autumn Science meeting, and a variety of lectures and talks from Crick scientists, alongside guest speakers such as Chris Stringer from the Natural History Museum, Richard Gilbertson from the CRUK Cambridge Centre, and Michelle Ryan from the University of Exeter, who joined us for a Science and Society lecture hosted by equality, diversity and inclusion groups within the Crick entitled 'Why women don't lean in'.

To mark the fifth anniversary of the Crick becoming fully operational, we launched the refreshed strategy in January and have delivered a series of student and staff events in collaboration with our partner universities. The anniversary is an opportunity to celebrate the Crick's achievements over the last five years through a varied programme of events that started with a keynote lecture from Demis Hassabis in February 2022 entitled 'Using AI to accelerate scientific discovery', and also included staff interviews, a student symposium and a staff celebration in June.

Awards and Prizes

The quality and ground-breaking nature of Crick science is demonstrated by the recognition we receive from the broader scientific community. In 2021/2022, Crick scientists received the following prizes and awards:

- Erik Sahai and James Turner were elected as fellows of the Academy of Medical Sciences for their contributions to cancer research and development biology.
- Steve West was elected to the American Academy of Arts and Sciences as an international honorary member. Steve joins Paul Nurse, Karen Vousden and Peter Ratcliffe who have previously been elected to the academy.
- In June, Ilaria Malanchi and Markus Ralser, as well as satellite group leader Corinne Houart, were elected as new members of the European Molecular Biology Organisation (EMBO).
- Charlie Swanton was awarded the Memorial Sloan Kettering (MSK) Cancer Center's 2021 Paul Marks Prize for Cancer Research, in recognition of his significant contributions to the understanding of cancer, especially his work on cancer evolution and tumour growth, spread and drug resistance.

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

- Secondee group leader Jeremy Carlton has been awarded the Hooke Medal by the British Society for Cell Biology in recognition of his work investigating the function of cell organelles.
- The New Year Honours list included Paul Nurse, who became a Companion of Honour, and Steve Gamblin, awarded a CBE in recognition of his outstanding leadership and world-leading research. The list of awardees also included Abdul Sesay, former NIMR and Crick colleague, who received an MBE.
- Derek Davies (the Crick's STP Training Lead) received this year's Royal Microscopic Society President's Award for his dedication to the promotion of cytometry at all levels.

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 internationally, helping to create the science leaders of the future.

Group leader recruitment

Recruitment calls April 2021 - March 2022: Computational and theoretical early career group leaders

In March 2022 a computational and theoretical early career group leader call closed to applications. 118 applications were received. The search committee held the shortlisting meeting in May 2022, and shortlisted applicants were interviewed in June 2022.

New group leaders joining between April 2021 and March 2022:

Senior group leader

In 2021/22 the Crick made one senior group leader appointment:

Carola Vinuesa

Carola Vinuesa obtained a medical degree at the Universidad Autónoma de Madrid in 1993. She undertook specialist clinical training in the UK and was awarded a PhD by the University of Birmingham in 2000. As a Wellcome Trust International Travelling Prize Research Fellow, she did postdoctoral work at the Australian National University (ANU), where she was appointed Group Leader in 2006, Professor of Immunology in 2010, and Head of the Emerging Pathogens and Immunity Department in 2011. Carola established and directed the NHMRC Centre of Research Excellence in Personalised Immunology from 2014 to 2021.

Carola joined the Crick in 2021 as Senior Group Leader and was awarded a Royal Society Wolfson Fellowship. Her lab aims to identify factors that contribute to the development of autoimmunity.

Clinician scientist group leaders

The 2019 and 2020 call for clinician scientist group leaders resulted in four new appointments, who joined the Crick between April 2021 and March 2022. They are:

Mike Devine (Clinical call 2019)

Mike studied pre-clinical medicine at King's College, Cambridge, and then completed his clinical studies at UCL. After a period of postgraduate clinical training in London, he joined John Hardy's lab at UCL, to develop human stem cell models of Parkinson's disease. This included a year spent in Tilo Kunath's lab at the Institute of Stem Cell Research (now the MRC Centre for Regenerative Medicine) in Edinburgh. Following completion of specialist clinical training in neurology in London, he carried out postdoctoral work in Josef Kittler's lab at UCL, researching mitochondrial and synaptic dysfunction in Parkinson's disease. He joined the Francis Crick Institute as a clinical group leader in 2021. His lab examines the interaction between mitochondria and neuronal synapses, and how this can be disrupted in neurological and psychiatric disease.

James Lee (Clinical call 2020)

James completed medical training at the University of Oxford (2004) and undertook his PhD at the University of Cambridge as part of the inaugural Wellcome Trust Clinical PhD Programme (2008-2011). Following his PhD in Ken Smith's lab, James completed clinical training in gastroenterology as a clinical lecturer (University of Cambridge), before being awarded a Wellcome Trust Intermediate Clinical Fellowship in 2015. James spent two years of this award at Harvard University before returning to the University of Cambridge in 2018 to establish a research group at the newly-opened Cambridge Institute for Therapeutic Immunology and Infectious Disease. He joined the Francis Crick Institute as a clinical group leader in 2021. His lab studies how tiny differences in our DNA predispose us to autoimmune diseases such as Crohn's disease, rheumatoid arthritis and psoriasis.

Katharina Schmack (Clinical call 2020)

Katharina received her MD/PhD equivalent in 2009 from Charité, Berlin where she also completed her postdoctoral training, clinical scientist fellowship and psychiatry specialization. In 2018, she received a research fellowship from the German Academy of Sciences Leopoldina, and joined Adam Kepecs's group at Cold Spring Harbor Laboratory, New York as a research investigator. She joined the Francis Crick Institute as a clinical group leader in 2021. Her lab studies the biological mechanisms underlying psychosis, to find new ways to treat brain disorders such as schizophrenia.

Philippa Matthews (Clinical call 2020)

Philippa obtained a BSc and then completed medical training at Nottingham University in 2000. She trained in postgraduate medicine at the Royal Brompton Hospital, Hammersmith Hospital, UCL and King's College Hospital, before moving to Liverpool to study for a diploma in Tropical Medicine and Hygiene.

After spending time gaining clinical experience in Malawi, Philippa returned to the UK to take up a training post in infectious diseases and microbiology in Oxford. Supported by an MRC fellowship award, she undertook a DPhil studying the immunology of chronic HIV infection, working closely with collaborators in South Africa. While completing specialist training, she re-focused her research on hepatitis B virus (HBV) infection with funding from a NIHR Lectureship, and took up a consultant post in clinical infection in 2015. A year later, she was awarded a Wellcome Trust Intermediate Clinical Fellowship, and established her group in Oxford, working in partnership with clinical research teams in South Africa and Uganda. She joined the Francis Crick Institute as a clinical group leader in 2021. Her lab works to improve insights into the biology of HBV infection.

Physical sciences group leaders

In addition to Charlie McTernan, who joined in February 2021, three further appointments resulted from the 2019 call for early career physical sciences group leaders, run jointly with our partner universities. These appointees joined the Crick between April 2021 and March 2022:

Alberto Elosegui-Artola (with King's College London)

Alberto obtained a PhD in Biomedical Engineering from the University of Navarra (Spain) in 2012. After graduation, he moved to Barcelona to the laboratory of Pere Roca-Cusachs at Institute for Bioengineering of Catalonia (IBEC) to pursue his postdoctoral studies. During this time, he contributed to the identification of novel molecular mechanisms that explain how cells sense and respond to mechanical properties. In 2017, he was funded with a Marie Skłodowska-Curie fellowship to continue his research training in David J. Mooney's laboratory at Harvard University. Here, he examined the influence of the extracellular matrix viscoelasticity in cell and tissue response. In 2020, he was awarded an ERC Starting Grant and joined the Francis Crick Institute in 2021 in a joint appointment with the Physics Department at King's College London. His lab will integrate physics, engineering and biology to study the role of mechanics in living tissues.

Zena Hadjivasiliou (with UCL)

Zena has an undergraduate degree in Mathematics from the University of Cambridge and an MSc in Statistics from Stanford University. She moved to London to do a PhD in Mathematical Biology at UCL with Andrew Pomiankowski and Nick Lane, working on the evolution of mating types and sexual dimorphism. After receiving an Engineering and Physical Sciences Research Council (EPSRC) Fellowship she continued to work on evolutionary biology, the evolution of mating types, mating type switching, germline evolution and the role of mitonuclear coadaptation in speciation. Funded by an Human Frontier Science Program (HFSP) fellowship, she then studied growth control, patterning, and the scaling of morphogen gradients during development with Marcos Gonzalez-Gaitan at the University of Geneva and Frank Jülicher at the Max Planck Institute for the Physics of Complex Systems. She joined the Francis Crick Institute in 2021 in a joint appointment with the Department of Physics and Astronomy at UCL.

Jeanine Hess (with King's College London)

Jeannine obtained her PhD in 2016 from the University of Zurich under the supervision of Gilles Gasser, where she designed, synthesised and evaluated a range of metal-based molecules to find cures for various parasitic worm infections that are an immersive threat to humans and livestock. She then secured a Swiss National Science Foundation (SNSF) Early Postdoc Mobility Fellowship to work with Chris Abell at the University of Cambridge, where she focused on structural guided drug design to find cures for tuberculosis. In 2018, Jeannine was awarded a Marie Skłodowska-Curie Individual Fellowship to continue her projects but also to focus on alternative antimicrobial agents using fragment-based drug discovery approaches. In 2021 she joined the Francis Crick Institute and King's College London as a Group Leader and Lecturer. Her group will work on the development of rationally designed metal-based antimicrobials.

Laboratory staff recruitment and training

We continue to support our junior researchers through the ongoing challenges of the pandemic, which includes delivering the training elements of their programmes via remote or hybrid sessions. We agreed extensions for final year PhD students whose research was significantly disrupted by the COVID-19 pandemic, and Crick group leaders were invited to apply to extend the contract of any affected postdocs for up to six months.

In September 2021, 42 new PhD students (four with joint Crick and university co-primary supervisors) and six doctoral clinical fellows joined our PhD programme. Our PhD induction programme introduced them to the Crick and the opportunities available to PhD students, providing them with some essential skills and information, and plenty of opportunities for them to get to know each other.

For the 2022 PhD student recruitment round, we made a number of changes to the online application form and recruitment system, to minimise the potential for bias during the shortlisting process. These included anonymising the list of applicants that group leaders see while they carry out their initial review of the candidates and restructuring the personal statement section to include directed questions. Around 1,500 applications were received, and 125 candidates were invited for panel interviews and 1:1 interviews with specific Group Leaders. We made 52 offers (36 female, 15 male, one neither/prefer not to say), 43 (30 female, 12 male, one neither/prefer not to say) of which were accepted. We also interviewed 16 clinicians (seven female, eight male, one neither/prefer not to say) for Crick doctoral clinical fellowships, and six (three female, three male) will join our three-year clinical PhD programme in September 2022.

In 2021/22 we received 1,647 applications for the postdoctoral fellowship positions that we advertised and filled 58 posts.

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

The 2022 Crick Postdoc to PI Programme, which provides training and support for postdocs preparing to apply for independent research positions, started in January. About 60 postdocs attended the introductory session, and 20 signed up for the programme of practical sessions, through which they receive advice and feedback on different stages of the process. Twelve Crick postdocs joined the 2022 cohort of the Crick Postdoc Teaching Programme at King's College London, through which they receive training and participate in teaching activities within specific King's departments. Another 27 postdocs ran tutorials aimed at bringing biomedical research to life for first year UCL Medical and Biomedical Sciences students.

Our Science Council's Technician Commitment (TC) steering group continues to meet monthly, overseeing our TC action plan. The Crick's work in this area was recognised via a TC Impact Award from the Science Council at the Technician Commitment signatory event in November, in recognition of our commitment to ensuring visibility, recognition, career development and sustainability of technical skills and roles. In November, seven Crick laboratory research scientists attended the 2021 Research Institutes Technician Symposium focussed on 'Owning your Technical Career'.

Eight Crick technicians have been accepted onto the Herschel Programme for Women in Technical Leadership – a new national initiative designed to elevate and advance opportunities for women who are current or aspiring leaders in technical roles. Our first ever Technicians' Week was held at the end of March 2022, increasing awareness of the Technician Commitment, and the support and development opportunities available to technical staff across the Crick.

In July, 16 students joined the 2021 Crick-Calleva summer student programme, which provides second year undergraduate students with nine weeks of research experience, supervised by Crick postdocs. The programme culminated in a symposium at which the students presented their work. We received 538 applications for the 16 positions on the 2022 programme.

Ten undergraduate 'sandwich students' finished their year-long placements with the Crick in summer 2021. We had 317 applicants for the 2022 programme, and the 10 successful students will be joining our research groups and STPs for 12 months in July 2022.

We are committed to supporting the training and development of our students, postdocs, laboratory research scientists and other technical staff, including via our regular careers talks and CrickConnect – our online platform for current and former Crick students and staff, which now has more than 1,400 members.

Crick academic 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 below are some additional examples of collaborations that the Crick contributed to in 2021/22.

University partners

The Crick's three university partners – Imperial College London, King's College London 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 partner 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, all of whom joined in 2021:

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 Ilaria 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 Eamonn Reading, Argyris Politis and 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 London, which all commenced in early 2022.

Partners in the Crick

Three of our partners have 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), Bart De Strooper, moved his laboratory to the Crick as a UCL attachment group. The Crick also provides 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 Biological Research Facility (BRF) and Flow Cytometry STPs.

Cancer Research Horizons

Cancer Research Horizons (CRH), formerly called UK Therapeutic Discovery Laboratories, is CRUK's in-house drug discovery operation and aims 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, CRH aims to develop new collaborations centred on novel areas of cancer biology.

Inter-Institutional partnerships

The Crick has developed a number of institutional level partnerships, 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 2021/22:

CRUK City of London Centre

The CRUK City of London Centre is a joint initiative between UCL, Barts/QMUL, King's Health Partners 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.

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

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 College London, the University of Birmingham, the University of Bristol and the University of 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 Wellcome, 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. Max Gutierrez was recently awarded funds as lead investigator to support his project 'Lung engineers: stem cell-derived bioengineered alveolar models in human health and disease'. James Briscoe is involved in a consortium led by the Wellcome Sanger Institute, with other collaborators from EMBL in Heidelberg, the University of Cambridge Medical School, and the CRUK Cambridge Centre, to study the regulation of glioblastoma multiforme, the most aggressive brain tumour.

Our partnerships with industry are outlined in the following section.

Crick impact

Crick discoveries are intended to benefit society and improve people's lives. 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 medicine community in order to extend the scope of its discovery research, train a cadre of clinician scientists, develop an awareness of clinical medicine amongst scientists at the Crick and, ultimately, facilitate the application of Crick research for patient benefit.

We are developing a concept to introduce 'Clinical Grand Rounds', including a clinical case presentation, within the Crick's current interest group programmes. We have buy-in from the partner universities to ensure access to patients and their particular cases. This will be a useful complement to the 'Medicine at the Crick' events in providing patient-based illustrations of medical advances and medical needs to Crick investigators.

We are also developing medical experience programmes, including CrickMed where Group Leaders can spend a week in a clinical environment at our partner university hospitals, being exposed to different types of clinical activity and practice. The long term goal of this scheme is for Crick scientists to interact with clinically active researchers to further promote collaboration and translational science.

In addition we are planning to build a partnership with the Royal College of Surgeons of England (RCS) to engage practicing surgeons with fundamental lab-based research, enabling them to gain insight into Crick science and catalyse thinking that may lead to research collaborations and support the testing of scientific hypotheses on human samples.

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 clinical fellows are embedded in Crick research groups and benefit from all the facilities and collaborations that the Crick has to offer.

Six doctoral clinical fellows joined the Crick as part of the 2021 PhD programme intake. We received 96 applications for our 2022 Crick doctoral clinical fellows PhD programme. Interviews were held in January 2022 and six offers were made, all of which have been accepted. These fellows will join the Crick as part of the broader 2022 PhD cohort in September.

In 2021, three clinicians were interviewed for fully-funded postdoctoral clinical fellow positions at the Crick. All three clinicians were offered a fellowship and they all accepted. Two of these fellows have now joined the Crick and the third will join in summer 2022. This period also saw two clinicians joining the Crick as externally funded postdoctoral clinical fellows.

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 2021/22, 17 projects were awarded funding, which means that, to date, over £6.5m has been invested in a portfolio of 69 projects. Core funds have been used to create a parallel Crick i2i technology funding initiative, which has supported five new technologies.

Industry partners

The Crick continued to build on its discovery partnerships with industry in 2021/22. Two new projects started in association with the Crick's pre-competitive partnerships with GSK, AstraZeneca and MSD. In total, the Crick now has 72 active projects with over 20 industry collaborators. These involve 27 industry scientists embedded and 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.

Spin-outs

To date, ten spin-out companies have been developed from Crick science, progressing discoveries from across cell therapy, vaccines, medical technology and small molecule therapeutics. These companies employ over 500 people and have raised more than \$1bn in follow-on investment. In 2021 Adendra Therapeutics Ltd was launched, a spin-out of immunology research from the lab of Caetano Reis e Sousa. Adendra will discover and develop treatments for cancers and autoimmune diseases by applying new insights into how dendritic cells regulate the body's adaptive immune response. In April 2022, Takeda exercised its right to buy GammaDelta Therapeutics Ltd, one of the Crick's first spin-outs, and Adaptate Biotherapeutics, a spin out from GammaDelta Therapeutics Ltd. GammaDelta Therapeutics Ltd is currently trialling the use of gamma delta T cells to treat patients with acute myeloid leukaemia.

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:

- Translational lectures and workshops for Crick students and staff, delivered by members of the Crick's Translation team, Translation Advisory Group and industry partners.
- The fourth 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 Knowledge Quarter around King's Cross. The programme is funded by LifeArc and participating companies are provided with a £40,000 convertible loan, training and mentorship as well as introductions to investors and corporates over five months. The 30 start-ups supported in the previous three cohorts have collectively raised more than £45m in funding, 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 fifth round of PULSE - Programme for Up and coming Life Science Entrepreneurs. Developed by the Crick and the Bioindustry Association (BIA), PULSE 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 breakfasts continue to bring investors closer to the Crick, giving them an insight into current discovery science and promoting an informal network for our group leaders. Our most recent talk was delivered by Dr James Lee, a Clinical Group Leader at the Crick and honorary consultant gastroenterologist at the Royal Free Hospital, who gave a presentation on 'unlocking the potential of genetics for drug discovery'.

Chris Banton Foundation Commercial Fund

In April 2022, a £50million pledge was secured from the Chris Banton Foundation which will be used to support commercial activities and scientific translation, dedicated to accelerating the translation of Crick discoveries and ideas into societal benefit, including the prevention, diagnosis and treatment of human disease.

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.

Public engagement and education outreach

In April 2021, the 'A Drop of Hope' poetry display was installed outside the vaccination centre at the Crick, showcasing 12 poems inspired by the reflections of more than 3,000 volunteers and people who received vaccinations at the Crick. This participatory arts project has since become a case study for the WHO and won a prestigious national design award.

While the public gallery and Weston Discovery Lab continued to be used as a vaccination centre, the Crick reintroduced face-to-face public engagement activities as restrictions eased; increasing numbers of visits to local schools and holding a series of outdoor events in July and August reaching over 350 people.

Despite considerable disruption, our education outreach programme reached a total of 6,815 Camden students in the 2020/21 academic year, supporting the science education of Camden students during another challenging year. August saw the return of on-site work experience placements, and the Weston Discovery Lab resumed normal delivery of workshops from early September.

In September, we welcomed visitors back to the Manby Gallery with the launch of our latest exhibition *Outwitting Cancer: Making sense of nature's enigma*. From September 2021 to March 2022 more than 6,500 visitors engaged with this exhibition, exploring cancer research through an immersive art installation and a series of films featuring conversations between Crick researchers and those with personal experience of cancer.

The reopening of the gallery also enabled us to resume on site events, with regular Meet a Scientist sessions running twice weekly in the gallery (34 events from September 2021 to March 2022). We launched a new series of Super Science family events, a morning of hands-on science activities during school holidays. These have been very popular, with 147 people attending the first two events. A new Crick Night series launched in March with two events focusing on genome editing and cancer research.

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

It was another challenging year for our local community. In November, we had the highest number of applications to our Community Chest grants scheme since it launched in 2010, and we supported 15 vital local projects over the year including a weekly drop-in service providing a safe space for those who are rough sleeping, and cycling maintenance workshops for young people. The Community Engagement team have also been working with Speak Street (a language café for refugees and asylum seekers) to develop and deliver a codeveloped science learning resource featuring Crick scientists.

The Living Centre continues to carry out essential work supporting the local community in its fifth year, and has logged 10,714 interactions through its services. The centre is a key partner in two new major grant funded projects. Somers Town Future Neighbourhoods 2030 (Somers Town is one of two London neighbourhoods receiving £1.4m funding from the Greater London Assembly (GLA) to develop and implement visionary strategies for a green recovery from the pandemic) and the Somers Town Climate Action programme (funded by The National Lottery Community Fund). The Crick extended the contract with Somers Town Community Association to run the Living Centre for another five years, pending a satisfactory review at two years. In line with this review, the Crick commissioned an external evaluation of the Living Centre and its impact locally, with the report due in November 2022.

The Crick continues to grow our digital engagement, continuing our successful Instagram Meet a Scientist sessions, uploading new content to our Family Zone, and for the first time developing a full online exhibition experience for Outwitting Cancer featuring videos, imagery, animation and text in a visually engaging format. In January 2022, we started a new philanthropy funded project to expand our digital engagement programme in a strategic and sustainable way.

Media and public affairs

The pandemic continued to dominate media stories and public affairs activity throughout 2021 and into 2022. As the vaccination centre continued operating until August 2021, we shared stories from Crick volunteers and also supported the installation of 'A Drop of Hope', highlighting the unique crossover of science and art.

We coordinated Prime Minister Boris Johnson's second vaccine, working closely with No.10 Downing Street and the police. There was an enormous amount of media interest and it was a unique opportunity for Paul Nurse and Sam Barrell to introduce the Prime Minister to the Crick model, the nature of our research and our agile response to the pandemic.

We reported regular research updates from the Crick Legacy study, detailing changes in immunity to COVID-19 after vaccination and with the emergence of new variants of concern. This was also our first experience of dealing with the mass spread of misinformation online. In collaboration with fact-checking organisations and journalists, we worked to correct stories featuring misrepresented Crick research that was being spread by anti-vaxxers on social media.

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

This year there was renewed media interest in flu research in light of reduced social contacts and changes in global travel. We worked with the flu lab and John McCauley to answer many questions from journalists about the next flu season and also secured a long-read feature in the Guardian Magazine.

In September, the 'Outwitting Cancer' exhibition was accompanied by a variety of articles in the media. We also highlighted the work of the Crick education team via the Nature podcast and a submission to the House of Commons Science and Technology Select Committee investigation into diversity in STEM.

Beyond COVID-19, there were opportunities to re-engage journalists with other areas of science. We hosted reporters from BBC Radio 4 Today, the i, Times, Sunday Times, Telegraph and Observer, talking to them about new projects in the fields of neurobiology, regenerative medicine, cancer and immunology. There was also considerable press coverage for a paper from the Sex Chromosome Biology Laboratory, detailing the first time single-sex mouse litters had been made with 100 per cent efficiency.

Additional parliamentary engagement activity included Paul Nurse and Peter Ratcliffe providing evidence to the House of Commons Science and Technology Select Committee as part of their exploration of Government commitments in relation to increasing R&D investment ahead of the Autumn Budget 2022. We also hosted Secretary of State for Health and Social Care Sajid Javid, leaders in the field of cancer care and health journalists, for the Department of Health and Social Care's announcement of a 'war on cancer'.

As negotiations with the EU continue it is still uncertain whether researchers in the UK will be able to benefit from valuable European funding schemes. In December 2021, Paul Nurse was interviewed on BBC Radio 4 as part of a coordinated sector wide push to raise awareness of the delays to full association. He is also one of the high-profile supporters and signatories to the pan-European Stick To Science campaign to unlock the political stalemate on Horizon association between the European Commission and the UK and Swiss governments.

Leadership

At the end of January 2022, Jane Hughes stepped down as Director of Communications and Public Engagement, after four years in the job. In April 2022, she was succeeded by Ali Bailey, formerly Director of Communications and Engagement at Cambridge University Hospitals NHS Foundation Trust.

Facilities and Infrastructure

The Facilities team implemented a number of changes in the building due to the pandemic, including enhanced cleaning regimes, security and access procedures, signage, and increased ventilation rates, which are regularly reviewed and adjusted. The team also facilitated the conversion of our exhibition space into a vaccination centre and managed the operation over several months in conjunction with University College London Hospitals NHS Foundation Trust. Following the closure of the vaccination centre in August 2021, the space was converted back to its normal function, in time to host the 'Outwitting Cancer' exhibition.

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

Progress on projects to improve the resilience of the building infrastructure continues. A project to install more resilient reverse osmosis water supply units to the laboratories has been completed, and connection to the Camden district CHP electricity supply is now live and supplying approximately 15% of our electricity demand at a slightly reduced market rate. Orders have now been placed to install the voltage conditioning equipment to mitigate the effects of 'brown-outs', with completion expected later in 2022. Detailed planning for the first phase of the three-year programme to upgrade the Building Management System has been completed, and installation work began in April 2022.

We have launched a new initiative to develop the Crick's carbon reduction strategy, and to support the drive to become a net zero carbon operation. A number of energy saving projects have already been implemented, and longer term options for potential decarbonisation of the Crick have been developed.

IT functions at the Crick have undergone a significant restructure, with the Scientific Computing team merging with the wider Information Technology & Services (IT&S) team to form the Information Technology Office (ITO), with the new combined function forming part of the Scientific Technology Platforms organisation. Given the rapidly expanding reliance on IT skills and infrastructure within science, this move was integral to continuing to develop the IT offer to our researchers, allowing for a step change in the complexity and sophistication of projects that can be delivered. A new mid-term strategy has been developed to leverage the new organisation most effectively, and the first results have been seen in a 187% growth in project demand, and close to a three-fold growth in the usage of high-performance computing. Significant work will continue during the coming fiscal year to completely replace the high-performance computing and data infrastructure, and we foresee a further growth in demand for project services, especially in machine learning and artificial intelligence.

Applications to the 2021/22 MRC Strategic Equipment Fund have been successful, with a £3.1m award bringing new capability and capacity in Light Microscopy, Proteomics, Flow Cytometry and Histopathology. We were also awarded £2m for the Crick data Analysis and Management Platform (CAMP) upgrade, taking this year's total award to £5.1m.

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 that the right policies and measures are in place to achieve this.

- In recognition of the impact that the COVID pandemic, lockdowns and enforced changes to working patterns have had on our staff's wellbeing, we have consciously developed a support and engagement approach to enable people to return to the Crick. We have set up new areas of focus on wellness to look at the dimensions of physical, intellectual, emotional, environmental, and social experience while at work and how we can adapt our environment to promote staff wellbeing and engagement.
- Wellbeing activities have continued, with topics covered including World Mental Health Day and alcohol awareness. So far this year we have promoted and supported the following national campaigns: Dry January, Blue Monday, Obesity Awareness Week, Cervical Cancer Prevention Week, Time to Talk Day, National Heart Month and Eating Disorder Awareness Week.

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

- We have recently provided refresher training for our 17 Mental Health First Aiders (MHFAs) and have also trained 16 colleagues to become accredited MHFAs to strengthen agency in this area, and importantly to fill some gaps in diversity.
- We ran our first highly successful Menopause Café, creating a safe space for members of the Crick community to share experiences and find support through colleagues, and to destigmatise the discussion on menopause. A Menopause Café working group has been formed, which will meet regularly to deliver a wide programme of group activities and talks.
- In a year where we have faced unprecedented challenges, it is important to recognise outstanding performance. In October, we hosted the annual Crick Awards ceremony, celebrating and recognising some of our outstanding colleagues across both science and operations. Awards were made in six categories linked to the Crick strategy, drawing on over 170 nominations, with five further awards for scientific achievement.

Equality, diversity and inclusion

Our 2020/21 gender pay gap is currently 11.5% (mean), lower than the UK average of 14.1% and significantly lower than the average for most HEIs (circa 17%).

A refreshed Equality, Diversity and Inclusion (EDI) strategy was endorsed by the executive committee in 2021 for the period 2021-25. The strategy has three aims:

- To be an employer of choice for people regardless of their ethnicity, disability, sexual orientation and socio-economic backgrounds.
- To provide an inclusive working environment that allows people to be comfortable and confident to be themselves at work.
- To demonstrate good practice internally and collaborate externally with research institutions.

We have appointed a new full-time permanent EDI manager who will drive our activity and progress to deliver the EDI ambitions and priorities derived from the Athena Swan, and Race Equality Charter, EDI and Stonewall action plans. Immediate priorities are:

- **Focus on ethnicity:** analysing our data, aiming to increase diversity in recruitment of operational support staff.
- **Recruitment:**
 - Review of recruitment processes with aim of improving diversity balance in shortlisting, starting with PhD student and Group Leader recruitment.
 - Ensuring we have recruitment policies and approaches that attract candidates from diverse backgrounds.
- **Dialogue:** Leading and encouraging dialogue about ethnicity and equity at all levels within the Crick community.
- **Enable:** Initiating an EDI training programme which is appropriate and relevant to our sector.
- **Engagement** with all our colleagues and addressing issues where they are identified.

Quinquennial review

Following the Institute's quinquennial review visit on 16-18 November 2021, the Crick was awarded an overall score of 10/10 for both past and planned future activities. The Crick received the full report from the reviewing panel in December 2021, which confirmed the successful outcome, highlighted excellent research taking place in the Institute, and identified areas for further development. The financial review, which ran separately from the scientific review, produced a report that was extremely positive. The final funder recommendations and financial package for the next funding period have now been finalised.

Future plans

With the pandemic and the quinquennial review now behind us, the Crick is now firmly focused on the future. 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 to phase 3: consolidating the Crick's position as a world-class biomedical research institute.

The Crick's strategic plans for the next 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 are clear, and in the coming year we will develop a tactical approach to ensure that the Crick has the resources, structure and processes in place to allow it to achieve its full potential.

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 2022, 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

In 2021/22, the Crick faced the challenge of emerging from the COVID-19 pandemic, ramping up scientific operations as well as ensuring the associated supporting teams were able to meet these increasing demands despite ongoing lockdown arrangements.

The Crick also underwent its first quinquennial review with the intention of working with its core funders to agree funding arrangements for the subsequent seven-year period.

Furthermore, the Crick faced the challenge of its first full year of operations since the implementation of the Institute's new Enterprise Resource Planning (ERP) system, Workday.

The Crick was able to deal with all of these challenges thanks to the hard work of its Science and Operations teams. Staff are now working in the Crick for the majority of their time, with hybrid working arrangements proving effective and supported for the foreseeable future. The Crick continued its contribution to the global COVID response, not only via COVID-related research projects, but via the continuation of the vaccination centre and COVID-testing facilities that were established in the prior year. By the time the vaccine centre closed in August 2021, it had delivered over 80,000 vaccines, and over 676,000 tests had been carried out by the end of March 2022.

COVID-19 caused continuing challenges for one of the Institute's main funders; however, this was mitigated through the offsetting support of our other funders. The Crick's future funding settlement of £1bn is now secured following a successful outcome from the quinquennial review and reflects a revised split between the partners, ensuring that the Crick has clarity across the next septennium.

The phased return of staff to the office has also enabled an increased focus on the stabilisation and optimisation of the Workday ERP system during the year, with internal audits indicating that the new system has resulted in an enhanced control environment and reporting improvements made across the Finance and HR functions.

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

Total income for the year was £185.6m (2021: £174.9m), of which £161.5m (2021: £155.1m), is from research grants (or similar). Income was higher than the prior year due to an increase in the level of core funding to £128.6m (2021: £120.4m). This increase reflects the return to 'normal' funding levels as we emerge from the pandemic, in addition to a standard inflationary factor. There was also an increase in external commercial income to £4.8m (2021: £3.5m). These increases were offset by the removal of one-time support related to the furlough scheme (2021: £1.4m) and the reduction of income from COVID testing and vaccination activities to £1.5m (2021: £3.7m).

Total expenditure of £197.4m (2021: £188.0m) is increased from the prior year. This has been driven by the phased return of scientific staff to the Crick as the impact of the pandemic has eased, enabling increased expenditure on scientific discovery. Once again, Crick expenditure was tightly controlled throughout the period, with savings made in consumable costs during the ongoing lockdown.

The Group's result was further enhanced by a gain in the value of investments of £7.5m (2021: £6.2m); £5.2m (2021: £1.2m) of this gain relates to programme related investments and is therefore recognised within other income. Our expendable endowment performed strongly during the year, and an unrealised gain of £4.5m was recognised in the value of the Crick's shares in a spin-out company, GammaDelta Therapeutics Ltd (these shares were sold post year-end to crystallise the gain).

As a result, the Group shows an overall in-year accounting deficit of £9.4m (2021: deficit £6.9m). The accounts reflect a deficit position as a result of the substantial depreciation costs of the building of £22.0m (2021: £22.3m). 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 2022 were £566.0m (2021: £575.4m).

During the course of the year, the trustees and management of the Crick use financial reporting to assess performance and inform decision making. This reporting contains adjustments to better represent the underlying financial performance of the Crick (for example, removing 'uncontrollable' elements such as building depreciation).

A summary of the results for the year on a management reporting basis are as follows:

	2022 £m	2021 £m
Statutory result for the year	(9.4)	(6.9)
Endowment (gain and interest)	(3.5)	(5.1)
Building depreciation	22.0	22.3
Other depreciation	16.9	16.3
Capital expenditure funded from annual grants and donated assets	(21.9)	(15.4)
Fair value adjustments	(4.8)	(1.1)
Other	0.3	-
Non-statutory underlying result for the year	(0.4)	10.1

Reserves policy

The charity reviews its reserves policy each year, taking into account planned activities, emerging risks and the financial requirements forecast for the forthcoming period.

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

The charity's ongoing operational mission is funded via grants from both shareholders and external grant providers, although it seeks to diversify income streams where possible, with increased levels of commercial, philanthropic and investment income 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 Crick's assets. Over time, depreciation of the new building, currently representing a major part of the Crick's assets, is accumulating as a deficit on the unrestricted funds.

The free reserves of a charity are generally defined in relation to the level of unrestricted funds; however, given the materiality of the Crick's depreciation charge, the following definition has been agreed by the Board:

Free reserves are assumed to equate to the value of net current assets, including cash invested in immediately accessible investment funds managed by Royal London Asset Management on behalf of the Crick, 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.

*Including cash invested in medium term (>12 months), immediately accessible investment funds managed by Royal London Asset Management on behalf of the Crick

In addition to its free reserves, the Crick 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 £35.9m (2021: £32.5m) is included in the reserves of the Crick.

There are restrictions on the use of this endowment fund, with the initial capital investment plus an agreed uplift to reflect inflation being maintained until December 2029. Changes during the financial year have softened these restrictions, allowing for the Crick Board to approve access to the endowment in the case of a material adverse event. Whilst access is restricted, the endowment provides considerable security in the case of severe liquidity issues.

Reserves considering this change are:

	2022 £m	2021 £m Restated
Net current (liabilities)/assets	(6.3)	4.2
Cash invested in immediately accessible investment funds by Royal London Asset Management	36.1	26.2
Restricted funds held within net current assets	(6.9)	(3.2)
Funds carried forward against future deficit budget	-	(6.0)
Unexpended building project funds	(0.2)	(0.3)
Capital commitments from prior year*	(4.8)	(1.3)
Underlying free reserve position	17.9	19.6
Expendable endowment – grant from MRC	35.9	32.5
Reserves including MRC expendable endowment	53.8	52.1

*All capital commitments are anticipated to be spent in the subsequent financial year.

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

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 target access to reserves equivalent to three months' core funding income (being £33m compared to actuals at year-end of £53.8m).

Historically, this has been met by ensuring that a minimum of £10m of free reserves are held directly by the Crick, with the balance provided by a £20m standby facility that was made available by the shareholders.

The standby facility expired in August 2021 and was not renewed, recognising the change in restriction rules of the endowment. The Crick will continue to ensure that it has at least £10m of free reserves, with the balance of required reserves being provided by the capital funds held within the endowment. In line with this, the reserves policy strategy considers the combined value of both free reserves and the endowment fund of £53.8m (2021: £52.1m), which the trustees consider to be satisfactory.

Investment policy

For the management of short-term liquid funds, the investment objective remains to achieve diversified investment of excess cash resources. Under the 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.

The investment management of the MRC endowment has been outsourced to a third party. This third party is 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 holdings. 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 drop in value at the start of the COVID-related market crisis emphasises the underlying risk in this type of investment from market volatility. The subsequent strong recovery reflects the approach of our investment managers to hold diversified portfolios and to continually monitor the companies, 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, the trustees remain confident that the approach remains appropriate for an optimal long-term return.

During the year, the Crick has invested prize monies awarded to the Institute and its researchers into a second fund with the same investment manager, with a value at the end of the year of £1.1m.

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. The Crick has developed its approach relating to the retention and management of these investments during the year and, following the successful Initial Public Offering for Achilles Therapeutics Ltd in 2021, has seen further returns following the sale of the Crick's shares in a spin-out company, GammaDelta Therapeutics Ltd, generating a gain of £4.5m as detailed above. This valuation has been reflected in the financial statements.

Fundraising

Crick fundraising is conducted through an arrangement with Cancer Research UK (CRUK), which has enabled the Crick to develop its fundraising operations. Philanthropic activity for the Crick is gaining momentum, with £6.2m raised in 2021/22 (2021: £6.1m), of which £3.4m came via CRUK, and £2.8m was received directly by the Crick.

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.

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

Following the successful outcome of the quinquennial review, the agreement of a new seven-year funding package totalling £1bn, and as the impact of COVID on the Crick and its funders continues to lessen, the trustees consider that the charity has adequate resources to continue in operational existence for the foreseeable future. They have reached this position after having made appropriate enquiries including the review of cash flow forecasts covering the 12 month period subsequent to the date of signature of these accounts, 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.

Furthermore, the trustees have confirmed that the Ukraine crisis has not had a significant impact on the Crick's operations or financial position.

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

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.

As detailed in note 24, investments in unit funds held by the Crick (investments of cash balances held with Royal London Asset Management) have been reclassified this year as fixed asset investments rather than cash at bank and in hand (including a restatement of prior year classification). This has given rise to a reported net current liabilities position in the balance sheet. The trustees are, however, satisfied that the Crick is able to meet its short term liabilities given the highly liquid, low risk nature of these unit fund investments.

Statement of trustees' duties with reference to Section 172 of the Companies Act 2006

The trustees, as directors of the Crick Board, must fulfil their duties under the Companies Act 2006. As is normal for large companies, the trustees fulfil their duties through a governance framework that delegates day-to-day decision making to the Chief Executive and executive management. Other methods used by the Trustees to perform their duties include:

- an annual meeting with representatives of all six founder shareholders. The founders and the Crick can also invite senior staff and subject matter experts to attend;
- risk management procedures that identify potential consequences of decisions so that mitigation plans can be put in place to remove or reduce the risk (page 41);
- setting and keeping under the review the Crick strategy;
- receiving assurance from our external and internal independent auditors and where required, external advisers;
- regular Board reports and presentations including health & safety, risk, translation, security, people and equality, diversity and inclusion; and
- reports from the Chief Executive, Chief Finance Officer and Company Secretary on strategy, operations, governance and compliance matters at each Board meeting.

Section 172(1) and (2) of the Companies Act 2006, when read together, require a director of a company organised to achieve certain purposes to act in a way they consider in good faith, and which would most likely promote the success of the company in achieving its purposes as set out in its articles of association. The following examples give an indication of how the trustees have considered section 172(1)(a)-(f), in their decision making in regard to:

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

a) The likely consequences of any decisions in the long term

The Board of Trustees is responsible for setting and keeping under review, the charity's strategic direction. All major decisions likely to impact the charity in the long term are discussed at Board meetings and the relevant sub-committee. During the year under review, particular focus was given to the charity's quinquennial review submission and reduction in funding as a consequence of the COVID pandemic (more details can be found on pages 28 to 30).

b) interests of the company's employees

The trustees recognise that the Crick's experienced and diverse workforce are key to the Charity being able to operate effectively and achieve its vision. Colleague engagement is measured through surveys and feedback from the Crick Staff Consultative Forum.

We communicate regularly with employees via team meetings, email, our intranet and live "town hall" events hosted by members of the leadership team so that employees' views can be considered in making decisions that may affect their interests. In the year under review, a range of engagement activities and support has been implemented with particular emphasis on physical and mental wellbeing, including during the COVID pandemic. For example, Crick employees were able to take regular COVID tests on site and we regularly reminded our employees of the support available to them. We have also redefined our equality, diversity and inclusion strategic priorities. You can read more about this on pages 26 to 27.

c) need to foster the company's business relationships with suppliers, customers and others

As a charity it is particularly important that the Crick is able to achieve and demonstrate value for money in its activities and procurement. We work with our suppliers to ensure that the charity receives good value, service and quality in line with Crick policy and legislation.

During the year some of our suppliers flagged potential supply issues following the global labour and commodity shortages. As a result of our positive relationships with our strategic suppliers they offered support in identifying suitable alternative equipment and to date the Crick has not experienced any major disruption to its supply chain.

d) impact of the company's operations on the community and the environment

The Crick engages closely with the local community and more details of the charity's public engagement activities can be found on pages 23 and 24.

Throughout the year under review the Board continued to support management in their response to the COVID pandemic including an NHS vaccine centre within the Crick which vaccinated over 80,000 people, many of whom were from the local community.

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

We are committed to reducing the charity's environmental impact and during the year the Facilities and Infrastructure team have been working with external advisers on a Carbon Reduction Programme for the Crick. More details can be found on pages 44 and 45.

e) desirability of the company maintaining a reputation for high standards of business conduct

As the charity relies predominantly on funding from our founder members and the generosity of supporters, maintaining a reputation for the highest standards of business is imperative. The trustees are kept informed on any matters that may pose a reputational risk to the charity including details of mitigating action being taken.

f) need to act fairly as between members of the company

Each of our six founding members is represented on the Board and engagement with them is an ongoing process.

Governance

Advisers

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

How we're governed

Our structure

The Francis Crick Institute is a company limited by shares (company number 06885462) and a registered charity (charity number 1140062) in England and Wales with its registered office at 1 Midland Road, London, NW1 1AT. The charity is a public benefit entity and is governed by its Articles of Association.

Subsidiaries

The charity has two wholly owned subsidiaries registered in England and Wales:

- 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

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

Our 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. In addition, there are currently six independent trustees including the Chair. A tailored induction programme is provided for trustees on appointment. Trustees act on a voluntary basis and are not remunerated.

The Board, chaired by Lord Browne, is responsible for ensuring that the charity's aims are being met. Their skills and experience, along with their range of backgrounds, help them constructively challenge the Crick's executive committee, set the strategy and oversee the Crick's performance. 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.

During the year ending 31 March 2022, Professor Fiona Watt stepped down from both the Board and the Nominations, Remuneration and Governance Committee. Professor John Iredale joined the Board on 21 February 2022. As well as being the MRC's Interim Executive Chair, John is a non-Executive Director of the North Bristol NHS Trust and is Professor of Medical Sciences at the University of Bristol. He is also a Trustee of the British Heart Foundation. John was previously the Regius Professor of Medical Science at the University of Edinburgh where he ran the medical school and was Director of the MRC Centre for Inflammation Research.

Board diversity will continue to be considered when appointing independent directors, while ensuring that we have Board members with the most appropriate skill sets and experience.

Board effectiveness

A Board evaluation was conducted internally by the company secretary covering: the Board's objectives, strategy and remit; performance; relationships with key stakeholders; risk management and decision making; committees; membership; role and governance; and the Board chair. Overall, the outcomes of the evaluation were positive and the Board concluded that it, and its committees, had operated effectively in the year. Areas of focus identified in the report included a review of Board purpose and a programme of optional relevant learning for Board members.

Each trustee is required to disclose potential or actual conflicts of interest to the charity as part of an annual review and at the start of each Board and committee meeting.

As previously reported, the trustees have not adopted the Charity Governance Code, although its adoption will be considered in future periods.

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

Board and committee composition

Board Trustees	Appointed to the Board	Committees			
		Audit & Risk	Chairman's	Ethics	Nominations, Remuneration & Governance
Lord Browne of Madingley (Chair)	August 2017		●		●
Dame Kate Bingham	May 2017	◇	◇		◇
Sir Adrian Bird	January 2021				
Isabelle Ealet	February 2019	◇		◇	
Dr Brian Gilvary*	September 2018	●	◇		
Dr Iain Foulkes	September 2018		◇		◇
Professor John Iredale	February 2022				
Professor David Lomas	August 2015			◇	
Sir Mene Pangalos	December 2018			●	◇
Paul Schreier	January 2020		◇		
Professor Margaret Dallman	October 2011			◇	
Professor Richard Trembath	September 2020				
Non-trustee committee members					
Chris Mottershead		◇			
Lord Neuberger of Abbotsbury				◇	
Dr Samantha Barrell**				◇	
Stéphane Maikovsky**				◇	

Key: * Senior Independent Director ** Crick employee ● Chair ◇ Member

Stéphane Maikovsky stepped down from the Ethics Committee on 9 June 2022.

The Board met four times during the year. Certain matters are reserved to the Board for approval including changes to strategy and budget, adoption of scientific and innovation strategy and risk appetite. 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 forecasts and cash flows.

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

Board committees

The Board has delegated specific responsibilities to a number of sub- and executive committees. Following each committee meeting the chairs of the committees provide an update on their activities at the next Board meeting.

Audit and Risk Committee: responsible for monitoring the integrity of the financial statements, reviewing internal controls, maintaining the auditor external relationship and overseeing the effectiveness of the internal audit function.

Chairman's Committee: reviews matters which are either urgent in their nature or which the chair determines would be best addressed outside of scheduled Board meetings. The committee has responsibility for overseeing the performance of individual directors including the chair of the Board, the evaluation of the Board's effectiveness and that of the chief executive, including all matters relating to the chief executive's succession. The decision to appoint or remove the chief executive is reserved to the Board. The assessment of the performance of the chairman of the Board is led by the Senior Independent Director in consultation with other non-executive directors. No individual shall chair or attend the committee when it is dealing with the matter of his or her individual performance.

Ethics Committee: responsible for the ethical implications of research and fundraising activity and other matters relating to the reputation of the charity.

Nominations, Remuneration and Governance Committee: responsible for Board governance and succession including composition and succession of the Board and certain members of senior management (with the exception of chief executive succession, which is dealt with by the Chairman's Committee and the full Board). The committee also has oversight of the performance and remuneration of the chief executive and executive leadership team. Trustees are not remunerated for their services and receive out of pocket expenses only.

Executive Committee

The Executive Committee assists the CEO with strategy development and day-to-day management of the charity's operations and activities.

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

The committee members are:

Professor Paul Nurse*	Chief Executive Officer
Dr Samantha Barrell*	Chief Operating Officer
Dan Fitz*	General Counsel & Company Secretary
Dr Steve Gamblin*	Director of Scientific Platforms
Professor Malcolm Irving	Associate Research Director (University Partner Liaison)
Fiona Roberts*	Chief People Officer
Dr Richard Treisman*	Research Director
Ali Bailey*	Director of Communications & Public Engagement
Michelle Shuttleworth*	Chief Financial Officer

*Key management personnel

The following changes to the Executive Committee have taken place:

- Jane Hughes left the Crick on 31 January 2022 and was replaced as Director of Communications and Public Engagement by Ali Bailey on 23 April 2022.
- Michelle Shuttleworth joined the Crick on 16 May 2022 as Chief Financial Officer.
- Stéphane Maikovsky, Chief Financial Officer, left the Crick on 9 June 2022.

Related parties

The Crick's shareholders are Cancer Research UK, United Kingdom Research and Innovation (formerly known as the Medical Research Council), Wellcome, UCL, 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.

Pay policy for key management

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

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 Crick's Human Resources team.

The overall policy is to target salaries against the median-quartile data of the comparable independent and private sector, and the median to upper quartile data of the university sector. This is considered appropriate for a publicly-funded yet ambitious, high quality, independent research institute. Where required and considered appropriate to either attract or retain required skills and talent, the Crick will pay upper quartile levels for key roles and essential skills.

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

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 23 and 24.

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 Committee 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.

While risk management is encouraged and conducted at all levels in the organisation, the focus is achieved by separating potential exposures by risk category, with each category headed by a nominated executive 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 the Crick's 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.

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

Risk Category	Risks	Management of risk
Funding	Long-term financial sustainability in the event of a crisis (such as the COVID-19 outbreak or the war in Ukraine) preventing funders from delivering planned core funding.	Longer-term sustainability plans and clear strategies have been developed to diversify income by increasing levels of strategic grant funding, commercial income and funds raised from both philanthropy and investments.
	The current tensions between the UK and the EU could jeopardize the UK and the Crick's ability to participate in and obtain funding from the EU Horizon programme.	Diversification of future sources of strategic grant funding as referenced above.
	The impact of inflation on the cost of supplies, energy and salaries.	The Crick's long-term budgeting and forecasting cycle incorporates prudent assumptions in relation to inflationary cost pressures. The organisation is also reviewing its policies relating to the management of long-term cash reserves to ensure that the risk of inflationary erosion is mitigated via appropriate investments in line with the Crick's investment strategy.

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

Risk Category	Risks	Management of risk
Health and safety	Failure to demonstrate compliance with statutory health and safety obligations.	Given the nature of the Crick's activities, this area is always a key priority. Management is satisfied with the current processes but operational improvements are continuously implemented and reported upon.
Infrastructure	Supply chain failure causing disruption to science.	The Crick continues to monitor the resilience of its supply chain, unavoidably impacted by COVID and the fallout of Brexit and the war in Ukraine. An action plan, including working closely with strategic suppliers together with the identification and use of alternative suppliers, is in place to anticipate and prevent any supply disruption and ensure the uninterrupted delivery of critical scientific supplies.
	Disruption to science from noise, vibrations and electro-magnetic interference from the construction and operation of CrossRail 2 and the British Library development.	While the potential disruption from CrossRail 2 would be greater, the impact is increasingly likely to be many years down the line. The more immediate focus for 2022/23 is on the British Library development, which is an extensive construction programme. Current mitigations include ongoing engagement, technical analysis and discussion of further risk mitigating actions with all relevant internal and external stakeholders.
Reputation	The fallout of Brexit damages the Crick's reputation as an international and collaborative institute.	The Crick has not been negatively impacted by Brexit but continues to participate in external committees and forums to understand its impact and to influence policy in the post-Brexit environment.
People	The Crick's compensation package and salary levels might not be sufficiently attractive to attract and retain staff in a difficult labour market.	The Crick has planned for a larger-than-usual pay increase budget to ensure that it can retain and continue to attract talent in all areas, including scientists as well as operational support staff.

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

Other noteworthy risks include:

- succession planning; and
- external events such as natural disasters, terrorist activity or cyber attacks.

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

To contribute to the UK Government's commitment to achieve net zero carbon by 2050, the Crick is defining its Net Zero Carbon pathway. As part of this, the Crick is developing an overarching Sustainability strategy which will incorporate not only carbon reduction of our scope 1 and 2 emissions, but many of our scope 3 emissions and social responsibility.

During 2021/22, a Carbon Reduction Programme Board was set up to develop and deliver a carbon reduction strategy. The Crick held several online environmental workshops and the Green Impact programme completed its second year, with 18 awards achieved. The Crick recycled 66% of its general waste and 34% was sent for energy recovery. 41% of the Cricks lab hazardous waste was sent for high temperature incineration, and 59% was sent for energy recovery.

SECR

The Companies (directors' report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 implemented the government's policy on Streamlined Energy and Carbon Reporting (SECR).

In accordance with these regulations, we have appointed sustainability consultants HDR to prepare applicable energy and emissions data for the period 1st April 2021 - 31st March 2022:

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

Metric	Units	YE March 2022	YE March 2021	YE March 2020	YE March 2019
Scope 1 emissions	tCO ₂ e	12,471	12,621	11,091	10,961
Scope 2 (electric - market based)	tCO ₂ e	445	0	0	8,379
Scope 2 (electric - location based)	tCO ₂ e	4,964	6,118	7,379	8,379
Scope 3 emissions	tCO ₂ e	8.75	1.87	2.88	2.31
Total emissions (market based)*	tCO ₂ e	12,926	12,623	11,094	19,343
Change year-on-year	%	2%	14%	-43%	-
Carbon intensity	tCO ₂ e/ m ²	0.173	0.169	0.149	0.262
Total emissions (location based)**	tCO ₂ e	17,444	18,741	18,473	19,343
Change year-on-year	%	-7%	1%	-4%	-
Carbon intensity	tCO ₂ e/ m ²	0.234	0.251	0.248	0.262
Natural gas	kWh	60,622,497	61,282,911	59,354,837	58,140,130
Diesel	kWh	561,492	639,865	661,253	984,174
LPG	kWh	4,348	892	1,214	1,684
Acetylene	kWh	0	0	0	0
Electricity Imported	kWh	23,376,614	26,240,240	28,868,074	29,601,456
Solar PV	kWh	127,567	147,721	93,257	142,000
Mileage	kWh	35,579	7,557	12,007	9,598
Total Energy	kWh	84,728,098	88,319,186	88,990,642	88,879,042
Change year-on-year	%	-4.1%	-0.8%	0.1%	-
Energy intensity	kWh/m ²	1,137	1,185	1,194	1,204
Energy from Renewables	kWh	21,406,178	26,387,961	28,961,331	29,743,456
Energy from Renewables	%	25%	30%	33%	33%

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

** This ratio has been selected as m² is an appropriate measure of our organisation's activities.

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

The emissions data in the table is calculated using both the location-based method (which uses the grid average emissions factor for our area), and the market-based method (which reflects the amount of emissions taking account of the green energy we are supplied from renewable sources).

The data shows that total emissions (location-based) has decreased by 7% in the year ended 31 March 2022 compared to the year ended 31 March 2021, and the Total Site Energy (kWh) has decreased by approximately 4%, in the same period. This is due to a reduction in both natural gas usage and electricity consumed on site, primarily achieved through implementation of our energy efficiency and carbon reduction measures.

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

Using the market-based method which takes account of the green energy supplied to us, total emissions has increased by 2% in the year ended 31 March 2022 compared to the year ended 31 March 2021. This is primarily due to the fact that we now take c.15% of our electricity from the local Camden CHP, and also this year we have included Akenside Road gas consumption (data was unavailable for previous years), neither of which are covered by green energy certificates.

The consumption of electricity from the Camden CHP and the addition of Akenside road has also resulted in a reduction in the overall proportion of total energy from renewables to 25% in the year ended 31 March 2022 compared to 30% in the year ended March 2021.

Methodology for preparing greenhouse gas (GHG) emissions data

The GHG inventory has been prepared in accordance with the World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, 2004 and HM Government's, Environmental Reporting Guidelines (March 2019).

The reporting boundary has been defined using the operational control approach, reporting emissions for operations in which Francis Crick Institute has control. It does not account for GHG emissions from operations in which it owns an interest but has no operational control.

Emissions have been calculated using Department for Business, Energy and Industrial Strategy (BEIS) 2020 and 2021 emissions factors with a materiality threshold of 5% of total emissions. The reporting period is 1 April 2021 to 31 March 2022.

The emissions scopes are as follows:

- **Scope 1:** Direct GHG emissions from our controlled operations e.g. natural gas, LPG & Diesel.
- **Scope 2:** Indirect GHG emissions related to purchased electricity and electricity generated from Solar PV. This also includes electricity imported from the Camden Council combined heat and power agreement.
- **Scope 3:** Indirect GHG emissions related to mileage claims for business travel.

Reporting figures for 2019 and 2020 have been updated to include energy and emissions associated with the Akenside Road apartment block that is leased by the Crick.

Scope 3 emissions associated with mileage claims for business travel have also been included in this year's report. Previous years' reporting figures have been updated accordingly.

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

Energy efficiency

During the year 2021/22, the Crick maintained its increased ventilation rates as it continued to be involved in COVID-19 testing and research. Even with this challenge the Crick managed to reduce its energy consumption by 4% by implementing energy efficient initiatives. These include changing stairwell lighting to more energy efficient lighting technology, installing real-time data analytics software to optimise energy usage within the building, and changing the sequencing and temperature set-points in the data centre cooling system to reduce energy consumption.

A change was also made to optimise the operation of the main chillers where the low running threshold was reduced to allow the four chillers to run to the minimum possible load without causing operational issues, resulting in a significant electrical reduction. The Crick has also re-designed and optimised the control of humidification of the general laboratories and collaboration spaces above ground, which has significantly reduced the steam and chilled water load for those areas.

Future Ambitions

The Crick is taking its role in reducing the UK's carbon emissions seriously. The Crick will aim to reduce Scope 1 and 2 carbon emissions by 50% by 2030 compared to the 2019/20 baseline, and set a target of achieving Net Zero Carbon by 2040 with an ambition to accelerate this date if circumstances allow. The new Carbon Reduction Programme Board will continue to oversee projects to improve energy efficiency and reduce the Crick's Scope 1 and 2 CO₂ emissions. The Programme Board will also review the development and implementation of the Crick's Sustainability strategy, which will include areas such as waste, water, business travel, procurement. Targets for both carbon and sustainability will be set with action plans for ways to meet these, together with regular reports to monitor progress against targets.

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 aided individuals and teams with a 'wellbeing and support'-led approach.

COVID continued to disrupt many activities during the year, while business as usual continued with significant achievements enabled by adapting to new ways of working. We have adapted our services to support the requirements of hybrid working and restricted access to the Crick, for example, through implementing online interviews and assessments including online lab tours and online inductions.

HR support, training and development

Supporting recruitment, reward, people management, and staff engagement are key priorities for the People 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. Investment in professional and leadership skills development is working to maintain a strong base of leadership excellence, and to create the science leaders of the future. Leaders in the Crick are encouraged to develop knowledge and skills for every career stage, including 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 operational leaders are encouraged to work together to continuously improve integration across teams and functions, and harness the advantages that come from diversity and networking.

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 TogetherAll membership, 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 the continuation of research in extraordinary times was enabled in-part through weekly staff COVID testing. The People team's effective management and supportive approach to an internal Track and Trace system made our staff testing programme a success, with the vast majority of science and support staff able to attend 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.

Technology and service facilities adapted to meet the needs of staff and managers in sometimes difficult and hybrid working arrangements. Effective communication 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 were also made available online, to help ensure that on-going skills-development is accessible regardless of working arrangements. A number of resources for parents and carers are also promoted to those faced with on-going impact to their usual caring arrangements.

Employment of disabled people

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. The Crick is fully focused on ensuring the great talent amongst these groups is 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 is made available to managers in helping them determine what adjustments might be needed and whether those adjustments are reasonable.

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

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.

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.

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

Auditor

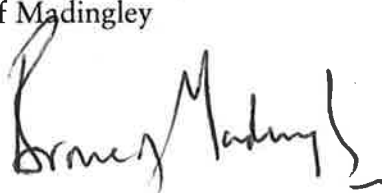
BDO LLP have held office as company auditor following appointment by resolution of the Board on 16 December 2019, and have indicated their willingness to be reappointed for another term.

Approval

The trustees' report incorporating the strategic report and directors' report was approved by the Board of Trustees and signed on its behalf by:

Lord Browne of Madingley

Chairman

A handwritten signature in black ink, appearing to read 'Browne Madingley', written over the printed name 'Lord Browne of Madingley'.

Date: 7 October 2022

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 2022 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 2022 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.

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

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

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.

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.

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

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.

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.

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

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.

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
- 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.

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. In order to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, we made enquiries of management and those charged with Governance about whether the entity is in compliance with such laws and regulations and we inspected any relevant regulatory and legal correspondence.

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.

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

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:

Fiona Condron

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Fiona Condron (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Gatwick, UK

Date 14 October 2022

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 2022

		Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2022 £000	Total 2021 £000
Income from						
Donations and legacies	3	135,851	33,532	1,000	170,383	165,702
Charitable activities	5	3,172	879	—	4,051	4,308
Trading activities	6	4,809	—	—	4,809	3,454
Investment income		159	11	825	995	1,278
Other income		5,132	260	—	5,392	199
		<u>149,123</u>	<u>34,682</u>	<u>1,825</u>	<u>185,630</u>	<u>174,941</u>
Expenditure on						
Raising Funds		531	—	—	531	245
Charitable activities	7	171,505	25,223	119	196,847	187,755
Total expenditure		<u>172,036</u>	<u>25,223</u>	<u>119</u>	<u>197,378</u>	<u>188,000</u>
Net gains on investments		(350)	19	2,664	2,333	6,206
Net (expenditure)/income before transfers		(23,263)	9,478	4,370	(9,415)	(6,853)
Transfers between funds	17	(2,323)	2,323	—	—	—
Net movement in funds		<u>(25,586)</u>	<u>11,801</u>	<u>4,370</u>	<u>(9,415)</u>	<u>(6,853)</u>
Reconciliation of funds						
Total funds at 1 April 21		<u>522,154</u>	<u>20,135</u>	<u>33,108</u>	<u>575,397</u>	<u>582,250</u>
Total funds at 31 March 22	17	<u>496,568</u>	<u>31,936</u>	<u>37,478</u>	<u>565,982</u>	<u>575,397</u>

All results are from continuing operations.

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

Notes 1 to 25 form part of these financial statements.

Comparative Consolidated Statement of Financial Activities

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2021 £000
Total income	137,600	36,552	789	174,941
Total expenditure	(162,742)	(25,179)	(79)	(188,000)
Net gain on investments	1,152	—	5,054	6,206
Net expenditure before transfers	(23,990)	11,373	5,764	(6,853)
Transfers between funds	(95)	95	—	—
Net movement in funds	<u>(24,085)</u>	<u>11,468</u>	<u>5,764</u>	<u>(6,853)</u>

Balance sheet 31 March 2022

	Notes	Group 2022 £000	Group 2021 £000 Restated – see note 24	Charity 2022 £000	Charity 2021 £000 Restated – see note 24
Fixed assets					
Intangible assets	11	57	73	57	73
Tangible assets	12	491,352	510,260	491,602	510,538
Programme-related investments	13	7,702	2,113	7,702	2,113
Investments	13	73,179	58,750	73,179	58,750
		<u>572,290</u>	<u>571,196</u>	<u>572,540</u>	<u>571,474</u>
Current assets					
Debtors	14	26,863	40,056	28,805	40,241
Cash at bank and in hand		10,223	12,849	10,181	12,022
		<u>37,086</u>	<u>52,905</u>	<u>38,986</u>	<u>52,263</u>
Liabilities					
Creditors falling due within one year	15	(43,394)	(48,704)	(45,311)	(47,946)
Net current (liabilities)/assets		<u>(6,308)</u>	<u>4,201</u>	<u>(6,325)</u>	<u>4,317</u>
Net assets		<u>565,982</u>	<u>575,397</u>	<u>566,215</u>	<u>575,791</u>
Funds					
Called up share capital	16	629,566	629,566	629,566	629,566
Share premium	16	12,751	12,751	12,751	12,751
Unrestricted funds					
General funds	17	(145,749)	(120,163)	(145,477)	(119,769)
Restricted funds					
Restricted funds	17	31,936	20,135	31,897	20,135
Endowment funds					
Expendable endowment funds	17	36,478	—	36,478	—
Permanent endowment funds	17	1,000	33,108	1,000	33,108
		<u>565,982</u>	<u>575,397</u>	<u>566,215</u>	<u>575,791</u>

Notes 1 to 25 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 £185.6m (2021: £174.9m) and net gains on investments were £2.3m (2021: £6.2m). Total expenditure for the year was £197.4m (2021: £188.0m). The net expenditure for the year of the parent charity was £9.4m (2021: net expenditure £6.9m).

The financial statements of the Francis Crick Institute Limited were approved and authorised for issue by the Board of Trustees on 7 October 2022 and signed on its behalf by:

Lord Browne of Madingley
Chairman

Date: 7 October 2022

Company registration number: 6885462



Consolidated cash flow statement. Year ended 31 March 2022

	Notes	2022 £000	2021 £000 Restated – see note 24
Cash flows generated by operating activities	21	27,522	24,369
Cash flows from investing activities:			
Interest received		159	205
Interest expense		(1)	—
Proceeds from sale of equipment		—	75
Proceeds from sale of programme related investments		89	—
Proceeds from sale of investments		47,000	34,700
Investment additions		(58,380)	(37,500)
Purchase of programme related investments		(520)	(160)
Purchase of tangible fixed assets		(18,495)	(16,037)
Net cash flows used in investing activities		(30,148)	(18,717)
Net increase in cash and cash equivalents		(2,626)	5,652
Cash and cash equivalents at beginning of year		12,849	7,197
Cash and cash equivalents at the end of the year		10,223	12,849
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		10,223	12,849
Cash equivalents		—	—
Cash and cash equivalents		10,223	12,849
Analysis of changes in net cash/(debt):			
Net Cash at 1 April		12,849	7,197
Net Cash inflow		(2,626)	5,652
Net Cash at 31 March		10,223	12,849

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

Notes 1 to 25 form part of these financial statements.

Notes to the financial statements. Year ended 31 March 2022

Accounting policies

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 36.

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.

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

Following the successful outcome of the quinquennial review, the agreement of a new seven-year funding package totalling £1bn, and as the impact of COVID on the Crick and its funders continues to lessen, the trustees consider that the charity has adequate resources to continue in operational existence for the foreseeable future. They have reached this position after having made appropriate enquiries including the review of cash flow forecasts covering the 12 month period subsequent to the date of signature of these accounts, 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.

Notes to the financial statements (continued). Year ended 31 March 2022

Furthermore, the trustees have confirmed that the Ukraine crisis has not had a significant impact on the Crick's operations or financial position.

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.

As detailed in note 24, investments in unit funds held by the Crick (investments of cash balances held with Royal London Asset Management) have been reclassified this year as fixed asset investments rather than cash at bank and in hand (including a restatement of prior year classification). This has given rise to a reported net current liabilities position in the balance sheet. The trustees are, however, satisfied that the Crick is able to meet its short term liabilities given the highly liquid, low risk nature of these unit fund investments.

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.

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.

h. 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.

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 Crick 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
• Fixtures, fittings and furniture	5 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 held by the Crick.

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 2022, unless there is a conversion event. 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 held by the Crick, 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 a qualifying charitable donation.

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.

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. Convertible loans are initially carried at cost, however, the loans will be measured at fair value should appropriate information become available.

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 in hand includes cash in hand 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 expendable endowment fund are revalued as unrealised gains and losses in line with the latest valuation provided by our external investment managers (based on the bid price of shares). 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.

Notes to the financial statements (continued). Year ended 31 March 2022

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 £5.1m of total donated services which is an estimation based on the charity's salary bandings for equivalent posts. Other gifts in kind include seconded staff from the CRUK Philanthropy team which account for £491k of total donated services based on actual costs to CRUK and donated facilities of £1.5m in relation to the land on which the Francis Crick Institute laboratory has been built and has been made available at nil cost by the Medical Research Council, Cancer Research UK, Wellcome Trust and University College London which is based on the estimated market value of the annual rent.

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, with five exceptions. Achilles Therapeutics Ltd is publicly listed and is therefore valued at the market price at 31st March 2022, resulting in a loss in year of £400k. GammaDelta Therapeutics Ltd and Adaptate Biotherapeutics Ltd, following a disposal of shares shortly after the end of the financial year is therefore valued at the value of the proceeds of disposal, resulting in a gain in the year of £5,202k and £51k respectively. Following an issue of shares shortly after the end of the financial year, shares in BaseImmune Ltd and Okko Health Ltd have been valued at this price, resulting in a gain in the year of £211k and £47k respectively. 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	2022 Total
	£000	£000	£000	£000
Core funding from founding shareholders	127,520	1,094	—	128,614
Research grant funding	2	26,174	—	26,176
Other grants	264	5,679	—	5,943
Total grant income	127,786	32,947	—	160,733
Donated services and facilities	7,133	—	—	7,133
Donations	932	335	1,000	2,267
Prizes	—	250	—	250
	135,851	33,532	1,000	170,383

Notes to the financial statements (continued). Year ended 31 March 2022

The total donated services and facilities of £7,133k represent gifts in kind.

The £1,000k endowment fund donation is not part of the main Crick endowment fund; it will be invested separately via a new long term investment account.

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2021 Total £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.

4. Analysis of grant income by funder type

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2022 Total £000
Research Councils	59,513	7,632	—	67,145
UK-based charities	64,663	9,711	—	74,374
UK-based higher education institutions	4,666	4,312	—	8,978
UK-based government bodies	6	7	—	13
UK-based industry, commerce and public corporations	—	721	—	721
EU government bodies	10	6,405	—	6,415
Other overseas grants	19	2,993	—	3,012
Other grants	3	72	—	75
	128,880	31,853	—	160,733

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2021 Total £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 2022

5. Analysis of group income from charitable activities

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2022 Total £000
Research grants	-	779	-	779
Research conferences	258	—	—	258
Staff restaurant	730	—	—	730
Building letting	220	—	—	220
COVID testing	1,452	—	—	1,452
Contract research	512	100	—	612
	3,172	879	—	4,051
	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
	4,307	1	—	4,308

6. Analysis of group income from trading activities

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2022 Total £000
Premises licence and service charges	4,497	—	—	4,497
IT service contracts	312	—	—	312
	4,809	—	—	4,809
	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
	3,454	—	—	3,454

Notes to the financial statements (continued). Year ended 31 March 2022

7. Analysis of group expenditure on charitable activities

	Direct costs £000	Support costs £000	2022 Total £000
Community and public engagement	899	547	1,446
Scientific research and translation	120,970	73,613	194,583
Developing and training scientists	509	309	818
	<u>122,378</u>	<u>74,469</u>	<u>196,847</u>
	Direct costs £000	Support costs £000	2021 Total £000
Community and public engagement	774	475	1,249
Scientific research and translation	115,123	70,571	185,694
Developing and training scientists	503	309	812
	<u>116,400</u>	<u>71,355</u>	<u>187,755</u>

The activities listed above have been revised this year to more accurately reflect the key strategic objectives of the Group. The prior year comparatives have therefore been restated accordingly.

8. Analysis of support costs

	Community and public engagement £000	Scientific research and translation £000	Developing and training scientists £000	2022 Total £000
Governance	5	658	3	666
Finance	23	3,133	13	3,169
Information Technology & Services	93	12,468	52	12,613
Human Resources	36	4,801	20	4,857
Building Services	370	49,825	210	50,405
Communications and Public Engagement	20	2,728	11	2,759
	<u>547</u>	<u>73,613</u>	<u>309</u>	<u>74,469</u>
	Community and public engagement £000	Scientific research and translation £000	Developing and training scientists £000	2021 Total £000
Governance	4	596	3	603
Finance	20	2,984	13	3,017
Information Technology & Services	81	12,032	53	12,166
Human Resources	29	4,326	19	4,374
Building Services	324	48,199	210	48,733
Communications and Public Engagement	16	2,435	11	2,462
	<u>474</u>	<u>70,572</u>	<u>309</u>	<u>71,355</u>

Notes to the financial statements (continued). Year ended 31 March 2022

9. Net expenditure for the year

	2022 £000	2021 £000
Net expenditure is stated after charging (crediting):		
. Depreciation of owned assets	38,876	38,605
. Amortisation of intangible fixed assets	15	15
. Operating lease rentals	253	414
. Foreign exchange (gains)/losses	(11)	51
. Profit on disposal of fixed assets	75	42
Auditor's remuneration:		
. Fees for the audit of the charity's annual financial statements	77	71
. Fees for taxation services to the group	11	11
. Fees for the audit of subsidiary companies	9	8

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

a. The average monthly number of employees was:

	2022 Total No.	2021 Total No.
Charitable activities	1,247	1,220
Support activities	212	217
	<u>1,459</u>	<u>1,437</u>

b. Their aggregate remuneration comprised:

	2022 Total £000	2021 Total £000
Wages and salaries	71,725	71,897
Redundancy and termination	945	564
Social security costs	6,970	6,787
Pension costs	6,460	6,308
	<u>86,100</u>	<u>85,556</u>

Remuneration includes stipends paid to PhD students of £4,029k (2021: £4,018k). PhD students are not employees of the Institute.

During the year, an ex gratia payment of £25,000 was made to a Crick employee in settlement of a claim made against the organisation. The settlement was covered under the Crick's insurance arrangements, enabling most of the cost to be recovered.

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:

	2022 Total No.	2021 Total No.
£60,000 - £69,999	59	62
£70,000 - £79,999	37	39
£80,000 - £89,999	29	29
£90,000 - £99,999	19	16
£100,000 - £109,999	21	14
£110,000 - £119,999	6	7
£120,000 - £129,999	5	7
£130,000 - £139,999	8	4
£140,000 - £149,999	6	10
£150,000 - £159,999	5	2
£160,000 - £169,999	1	2
£180,000 - £189,999	2	2
£190,000 - £199,999	1	1
£200,000 - £209,999	2	2
£210,000 - £219,999	—	1
£230,000 - £239,999	4	3
£250,000 - £259,999	1	1
£270,000 - £279,999	—	1
£280,000 - £289,999	2	2
£310,000 - £319,999	1	—
£420,000 - £429,999	1	1
	<u>210</u>	<u>206</u>

d. Key management personnel

The key management personnel of the charity and group are listed on page 40. The total remuneration (including pension contributions and employer's national insurance) of the key management personnel for the year totalled £2,358k (2021: £2,350k).

e. Trustees' remuneration

No trustees received remuneration during the current or prior year. Travel and subsistence expenses were claimed by one trustee this year for £436 (2021: £Nil).

The Charity has maintained throughout the year and prior year Trustees' and Officers' liability insurance for the benefit of the Charity and its trustees. The cost of this insurance for the year was £12,280 (2021: £10,232).

Notes to the financial statements (continued). Year ended 31 March 2022

11. Intangible fixed assets

Group and charity	Intellectual property £000
Cost	
At 1 April 2021 and 31 March 2022	<u>281</u>
Accumulated amortisation	
At 1 April 2021	208
Charge for the year	<u>16</u>
At 31 March 2022	<u>224</u>
Net book value	
At 31 March 2022	<u>57</u>
At 1 April 2021	<u>73</u>

Notes to the financial statements (continued). Year ended 31 March 2022

12. Tangible fixed assets

Group	Leasehold buildings £000	Fixtures, fittings, furniture £000	IT equipment and software £000	Scientific equipment £000	Assets under Construction £000	Total £000
Cost						
At 1 April 2021	572,217	20,210	22,337	81,383	4,039	700,186
Additions	—	2,765	734	13,988	2,556	20,043
Transfers	—	1,775	742	2,166	(4,683)	—
Disposals	(41)	(15)	(715)	(1,219)	—	(1,990)
At 31 March 2022	572,176	24,735	23,098	96,318	1,912	718,239
Accumulated Depreciation						
At 1 April 2021	102,768	9,758	18,614	58,786	—	189,926
Charge for the year	21,970	3,717	2,021	11,168	—	38,876
Disposals	(12)	—	(684)	(1,219)	—	(1,915)
At 31 March 2022	124,726	13,475	19,951	68,735	—	226,887
Net book value						
At 31 March 2022	447,450	11,260	3,147	27,583	1,912	491,352
At 1 April 2021	469,449	10,452	3,723	22,597	4,039	510,260

Charity	Leasehold buildings £000	Fixtures, fittings, furniture £000	IT equipment and software £000	Scientific equipment £000	Assets under Construction £000	Total £000
Cost						
At 1 April 2021	572,525	20,210	22,337	81,383	4,039	700,494
Additions	—	2,765	734	13,988	2,535	20,022
Transfers	—	1,775	742	2,166	(4,683)	—
Disposals	(41)	(15)	(715)	(1,219)	—	(1,990)
At 31 March 2022	572,484	24,735	23,098	96,318	1,891	718,526
Accumulated Depreciation						
At 1 April 2021	102,798	9,758	18,614	58,786	—	189,956
Charge for the year	21,977	3,717	2,021	11,168	—	38,883
Disposals	(12)	—	(684)	(1,219)	—	(1,915)
At 31 March 2022	124,763	13,475	19,951	68,735	—	226,924
Net book value						
At 31 March 2022	447,721	11,260	3,147	27,583	1,891	491,602
At 1 April 2021	469,727	10,452	3,723	22,597	4,039	510,538

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 (2021: £4) and £1 for Francis Crick Trading Limited (2021: £1).

13. Fixed asset investments (continued)

A summary of UKCMRI Construction Limited's results is shown below.	2022 Total £000	2021 Total £000
Profit & loss account		
Operating costs	(5)	(5)
Operating loss	(5)	(5)
Other interest receivable and similar income	—	—
	(5)	(5)
Tax	(5)	(5)
Distribution payable (qualifying charitable donation)	—	—
Retained loss for the year	(5)	(5)
Opening shareholder's deficit funds	(51)	(46)
Closing shareholder's deficit	<u>(56)</u>	<u>(51)</u>
Balance sheet		
Current assets	63	71
Current liabilities	(119)	(122)
Total net liabilities	<u>(56)</u>	<u>(51)</u>
A summary of Francis Crick Trading Limited's results is shown below.	2022 Total £000	2021 Total £000
Profit & loss account		
Turnover	6,374	6,394
Cost of sales	(6,205)	(6,458)
Gross (loss)/profit	169	(64)
Operating costs	(10)	(12)
Operating (loss)/profit	159	(76)
Tax	—	—
	159	(76)
Distribution payable (qualifying charitable donation)	—	(46)
Retained profit/(loss) for the year	159	(122)
Opening shareholder's funds	(62)	60
Closing shareholder's funds	<u>97</u>	<u>62</u>
Balance sheet		
Fixed assets	21	—
Current assets	1,254	6,242
Current liabilities	(1,178)	(6,304)
Total net assets	<u>97</u>	<u>62</u>

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.

	2018 Holding	2022 Proportion held %	2021 Proportion held %
GammaDelta Therapeutics Ltd	157,667	2.28%	2.29%
Achilles Therapeutics Ltd	36,697	0.09%	0.09%
Metacognis Limited	470	19.03%	19.03%
Adaptate Biotherapeutics Ltd	2,282	0.04%	0.09%
Mendelian Ltd	7,766	0.60%	0.62%
Myricx Ltd	26,750	0.49%	0.52%
Okulo Ltd	16,730	0.94%	0.99%
Pexxi	922	0.40%	0.40%
Vivan (previously My Personal Therapeutics)	1,213	0.75%	0.85%
Quin Technology	9,132	0.65%	0.65%
Cortirio	12,894	1.12%	1.12%
Sano Genetics	7,672	0.31%	0.43%
Adendra Therapeutics	250,000	5.66%	—
Pharmanable	20,000	1.04%	1.04%
Jiva.ai	313	1.13%	—
BaseImmune	8,000	1.44%	—
Zetta Genomics	1,417	0.59%	—
Oxford Cancer Analytics (OXcan)	1,000	0.76%	—
Bold Health	TBC	0.55%	—
ConcR	23,465	1.53%	—
Charco Neurotech	11,560	0.34%	—
Little Journey	1,380	1.38%	—
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 £520k into 13 companies using convertible loan instruments, increasing the total investment in this program to £1,480k. The Crick will not charge interest on these loans and the repayment date will be 31 December 2022, 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, GammaDelta Therapeutics Ltd, Adaptate Biotherapeutics Ltd, Okulo Ltd, and BaseImmune. 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.

Notes to the financial statements (continued). Year ended 31 March 2022

13. Fixed asset investments (continued)

Group & Charity	2022 Total £000	2021 Total £000
Convertible loans	800	640
Quoted investments	82	482
Unquoted investments	6,820	991
	<u>7,702</u>	<u>2,113</u>

Movements	2022 Total £000	2021 Total £000
At 1 April	2,113	800
Additions	520	160
Disposals	(40)	—
Net gains	5,109	1,153
At 31 March 2022	<u>7,702</u>	<u>2,113</u>

c. Financial investments

Group & Charity	2022 Total £000	2021 Total £000 Restated
Investments:		
i) Investments at market value		
Conventional gilts	828	833
Corporate bonds	20,638	17,175
Overseas fixed interest	799	585
UK equities	9,950	10,715
Overseas equities	14,825	13,116
Property	1,979	1,257
Alternative assets	3,524	2,339
Treasury bills	583	249
Supernationals & agencies	330	45
Mortgage backed securities	1,717	1,834
Cash	<u>18,006</u>	<u>10,602</u>
	<u>73,179</u>	<u>58,750</u>

ii) Investments over 5% of the portfolio

	2022 Total £000	2021 Total £000 Restated
Royal London Asset Management Short Term Fixed Income Enhanced Fund	21,192	14,908
Royal London Asset Management Short Term Fixed Income Fund	<u>13,247</u>	<u>11,307</u>

iii) Movements

	2022 Total £000	2021 Total £000 Restated
At 1 April 2021	58,750	50,475
Additions	63,528	44,322
Disposal proceeds	(52,699)	(41,083)
Net movements in cash and short-term deposits	1,258	(301)
Net realised investment gains/(losses)	495	(394)
Net unrealised investment gains	<u>1,847</u>	<u>5,731</u>
At 31 March 2022	<u>73,179</u>	<u>58,750</u>

iv) The historical cost of the Group and Charity investments at 31 March 2022 was £68,744k (2021: £56,139k).

Notes to the financial statements (continued). Year ended 31 March 2022

14. Debtors

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Trade debtors	3,110	6,016	2,241	1,986
Prepayments and accrued income	9,013	10,679	9,013	10,148
Amounts owed by group undertakings (note 22b)	—	—	3,156	5,603
Amounts owed by related parties (note 22b)	14,406	23,124	14,061	22,267
Other debtors	334	237	334	237
	<u>26,863</u>	<u>40,056</u>	<u>28,805</u>	<u>40,241</u>

15. Creditors: amounts falling due within one year

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Trade creditors	6,691	5,335	6,691	5,332
Accruals	7,409	9,284	7,280	9,157
Deferred Income	14,808	10,955	14,781	10,002
Other creditors	2,986	3,995	2,973	3,924
Amounts owed to related parties (note 22b)	11,500	19,135	11,500	19,135
Amounts owed to group undertakings (note 22b)	—	—	2,086	396
	<u>43,394</u>	<u>48,704</u>	<u>45,311</u>	<u>47,946</u>

Analysis of deferred income

	Group Total £000	Charity Total £000
At 1 April 2021	10,955	10,002
Recognised as income in year	(5,766)	(4,839)
Deferred in year	9,619	9,619
At 31 March 2022	<u>14,808</u>	<u>14,782</u>

The total £14.8m at 31 March 2022 (2021: £11m) relates to research grant income received in advance.

16. Called up share capital

	2022 Total £000	2021 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 2022

17. Movement in funds

Group	1 April 2021 £000	Income £000	Expenditure £000	Gains On Investments £000	Transfers between funds £000	31 March 2022 £000
Unrestricted funds						
General funds	(120,163)	149,123	(172,036)	(350)	(2,323)	(145,749)
Restricted funds						
Crick Lab set-up	242	—	(218)	—	—	24
Research	15,498	28,472	(23,861)	19	2,323	22,451
Other	4,395	6,210	(1,144)	—	—	9,461
	20,135	34,682	(25,223)	19	2,323	31,936
Endowment funds						
Permanent funds	33,108	1,000	—	—	(33,108)	1,000
Expendable funds	—	825	(119)	2,664	33,108	36,478
	33,108	1,825	(119)	2,664	—	37,478
Share capital – par	629,566	—	—	—	—	629,566
Share premium	12,751	—	—	—	—	12,751
	642,317	—	—	—	—	642,317
Total funds	575,397	185,630	(197,378)	2,333	—	565,982
Charity	1 April 2021 £000	Income £000	Expenditure £000	Gains On Investments £000	Transfers between funds £000	31 March 2022 £000
Unrestricted funds						
General funds	(119,769)	149,014	(172,049)	(350)	(2,323)	(145,477)
Restricted funds						
Crick Lab set-up	242	—	(218)	—	—	24
Research	15,498	28,432	(23,860)	19	2,323	22,412
Other	4,395	6,210	(1,144)	—	—	9,461
	20,135	34,642	(25,222)	19	2,323	31,897
Endowment funds						
Permanent funds	33,108	1,000	—	—	(33,108)	1,000
Expendable funds	—	825	(119)	2,664	33,108	36,478
	33,108	1,825	(119)	2,664	—	37,478
Share capital – par	629,566	—	—	—	—	629,566
Share premium	12,751	—	—	—	—	12,751
	642,317	—	—	—	—	642,317
Total funds	575,791	185,481	(197,390)	2,333	—	566,215

Transfers between general funds and restricted funds of £2.3m (2021: £95k) consist of the release of excess funds received of £80k (2021: £173k), in line with the terms and conditions of the individual funders, and the financing of a deficit of £126k (2021: £268k) on 45 completed grants (2021: 97 completed grants) as well as an adjustment to recognise restricted donation income paid via core funding of £2,277k (2021: £NIL).

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 endowments totalling £37.5m without distinction between capital and income, applying them in furtherance of the charity's objectives. Best endeavours will ensure that an agreed level of indexed capital is protected

Notes to the financial statements (continued). Year ended 31 March 2022

17. Movement in funds (continued)

There are restrictions on the use of this endowment fund, with the initial capital investment plus an agreed uplift to reflect inflation being maintained until December 2029. Changes during the financial year have softened these restrictions, allowing for the Crick Board to approve access to the endowment in the case of a material adverse event. As a result, the endowment is now reported as an expendable rather than a permanent endowment.

Group	1 April 2020 £000	Income £000	Expenditure £000	Gains On Investments £000	Transfers between funds £000	31 March 2021 £000
Unrestricted funds						
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
	8,667	36,552	(25,179)	—	95	20,135
Endowment funds						
Permanent funds	27,344	789	(79)	5,054	—	33,108
Share capital – par	629,566	—	—	—	—	629,566
Share premium	12,751	—	—	—	—	12,751
	642,317	—	—	—	—	642,317
Total funds	582,250	174,941	(188,000)	6,206	—	575,397
Charity	1 April 2020 £000	Income £000	Expenditure £000	Gains On Investments £000	Transfers between funds £000	31 March 2021 £000
Unrestricted funds						
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
	8,667	36,552	(25,179)	—	95	20,135
Endowment funds						
Permanent funds	27,344	789	(79)	5,054	—	33,108
Share capital – par	629,566	—	—	—	—	629,566
Share premium	12,751	—	—	—	—	12,751
	642,317	—	—	—	—	642,317
Total funds	582,529	175,072	(188,016)	6,206	—	575,791

Notes to the financial statements (continued). Year ended 31 March 2022

18. Analysis of assets and liabilities between funds

<u>Current year</u>	Unrestricted funds, non- charitable trading funds and share capital £000	Restricted funds £000	Endowment funds £000	31 March 2022 £000
	Group			
Intangible fixed assets	57	—	—	57
Tangible fixed assets	469,182	22,170	—	491,352
Investments	42,192	2,782	35,907	80,881
Current assets	1,518	33,968	1,600	37,086
Current liabilities	(16,381)	(26,984)	(29)	(43,394)
Total Net Assets	496,568	31,936	37,478	565,982

	Unrestricted funds and share capital £000	Restricted funds £000	Endowment funds £000	31 March 2022 £000
	Charity			
Intangible fixed assets	57	—	—	57
Tangible fixed assets	469,432	22,170	—	491,602
Investments	42,192	2,782	35,907	80,881
Current assets	3,457	33,929	1,600	38,986
Current liabilities	(18,298)	(26,984)	(29)	(45,311)
Total Net Assets	496,840	31,897	37,478	566,215

<u>Prior year</u>	Unrestricted funds, non- charitable trading funds and share capital £000	Restricted funds £000	Endowment funds £000	31 March 2021 £000
	Group			
	Restated	Restated	Restated	Restated
Intangible fixed assets	73	—	—	73
Tangible fixed assets	494,287	15,973	—	510,260
Investments	27,368	960	32,535	60,863
Current assets	31,085	21,220	600	52,905
Current liabilities	(30,659)	(18,018)	(27)	(48,704)
Total Net Assets	522,154	20,135	33,108	575,397

18. Analysis of assets and liabilities between funds (continued)

Charity	Unrestricted funds and share capital £000	Restricted funds £000	Endowment funds £000	31 March 2021 £000
	Restated	Restated	Restated	Restated
Intangible fixed assets	73	—	—	73
Tangible fixed assets	494,565	15,973	—	510,538
Investments	27,368	960	32,535	60,863
Current assets	30,443	21,220	600	52,263
Current liabilities	(29,901)	(18,018)	(27)	(47,946)
Total Net Assets	522,548	20,135	33,108	575,791

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 £5,656k, of which £775k was paid from restricted funds (2021: £5,460k, including £760k paid from restricted funds). The balance outstanding at the year-end was £785k, of which £85k was payable from restricted funds (2021: £786k, including £83k 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 16.9% (2021: 15.9%) of pensionable earnings to the Scheme. The amount paid in employer contributions to the defined benefit scheme was £800k, of which £31k was paid from restricted funds (2021: £848k, including £32k paid from restricted funds). The Institute is indemnified against an employer contribution rate in excess of 16.9% (2021: 15.9%), under an agreement whereby the Medical Research Council would reimburse the Institute for costs incurred at any future rate greater than 16.9%. The balance outstanding at the year-end was £96k, none of which payable from restricted funds (2021: £94k, including £1k payable from restricted funds).

Notes to the financial statements (continued). Year ended 31 March 2022

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%

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 separately identify underlying assets and liabilities or to allocate them to individual employers. As a result this is treated as a defined contribution scheme by the charity.

20. Financial commitments

Operating lease commitments

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

	2022		2021	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Group and charity				
Within one year	216	18	213	49
Between one and five years	604	7	814	—
After five years	—	—	—	—
	820	25	1,027	49

Capital commitments

The Francis Crick Institute Limited had unprovided capital contractual commitments of £4,822,983 at 31 March 2022 (2021: £1,283,861). This expenditure is anticipated to be incurred in the subsequent financial year, funded by a combination of core funding and grants.

Notes to the financial statements (continued). Year ended 31 March 2022

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

	Group 2022 £000	Group 2021 £000
Net (expenditure) for the year	(9,415)	(6,853)
Depreciation and disposal adjustments	38,951	38,647
Amortisation of intangible fixed assets	16	15
Funding received for programme related investments	—	580
Investment income	(995)	(1,278)
Investment management charges	118	—
Investments (gains)	(7,492)	(6,206)
Interest payable	1	1
	<u>21,184</u>	<u>24,906</u>
Decrease/(Increase) in debtors	13,193	(13,512)
(Decrease)/Increase in creditors	(6,855)	12,975
Cash generated by operating activities	<u>27,522</u>	<u>24,369</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 the Medical Research Council), Wellcome, UCL, 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.

b. Other transactions

	Year ended 31 March 2022			
	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)	(54)	65,706	3,352	(4,896)
Cancer Research UK	(2)	41,500	1,013	(4,222)
Wellcome	—	33,222	3,261	(3)
UCL	(1,132)	3,688	3,811	(923)
Imperial College London	(778)	1,982	1,290	(451)
King's College London	(788)	2,426	1,679	(1,005)
	<u>(2,754)</u>	<u>148,524</u>	<u>14,406</u>	<u>(11,500)</u>

Notes to the financial statements (continued). Year ended 31 March 2022

22.Related party transactions (continued)

	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	47	21,947	2,134	(302)
UCL	(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>

These balances do not include transactions related to the UKRI (formerly known as the Medical Research Council) pension scheme which are disclosed in note 19.

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

	Year ended 31 March 2022			
	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	—	6,226	3,143	(2,012)
UKCMRI Construction Limited	—	—	13	(74)
	<u>—</u>	<u>6,226</u>	<u>3,156</u>	<u>(2,086)</u>

	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 2022

22. Related party transactions (continued)

c. Donated services and facilities

	2022	2021
	Total	Total
	£000	£000
Services	5,608	4,746
Land	1,525	1,525
	<u>7,133</u>	<u>6,271</u>

Donated services, included in both income and expenditure, for seconded staff relating to university attachments are estimated based on the charity's salary bandings for equivalent posts.

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, Wellcome and UCL. A gift in kind of £1,524,545 (2021: £1,524,545) has been recognised, the estimated market value of the annual rent.

Cancer Research UK incurred costs on behalf of the Francis Crick Institute Limited, which it has recharged, totalling £2,405 (2021: £NIL) in hospitality charges and providing seconded staff. Philanthropy team staff have been seconded to the Crick at nil cost, a gift in kind of £490,277 (2021: £205,743) has been recognised for these services. Income received included £38,000,000 (2021: £50,782,336) core funding, £777,676 (2021: £1,350,000) donation income and £2,722,800 (2021: £3,760,940) research grant funding and other income.

Income received from the Wellcome Trust included £26,692,985 (2021: £16,430,104) core funding and £6,528,799 (2021: £5,516,645) research grant funding and other income. UKRI (formerly known as the Medical Research Council) incurred costs on behalf of the Francis Crick Institute Limited, which it has recharged, of £53,804 (2021: £NIL) in providing seconded staff and lab consumables. Income received included £59,534,308 (2021: £48,972,156) core funding and £6,170,667 (2021: £7,722,422) research grant funding.

Imperial College London incurred costs on behalf of the Francis Crick Institute Limited, which it has recharged, of £778,384 (2021: £1,013,818) 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 £654,962 (2021: £429,811) has been recognised for these services. Income received included £1,389,720 (2021: £1,452,000) core funding and £592,319 (2021: £255,392) research grant funding.

UCL incurred costs on behalf of the Francis Crick Institute Limited, which it has recharged, of £1,132,094 (2021: £979,794) 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 £2,211,652 (2021: £2,379,379) has been recognised for these services. Income received included £1,525,400 (2021: 1,452,000) core funding and £2,163,143 (2021: £1,373,630) research grant funding.

22. Related party transactions (continued)

King's College London incurred costs on behalf of the Francis Crick Institute Limited, which it has recharged, of £787,872 (2021: £824,981) in providing seconded staff and lab consumables. Research lab staff have been seconded to the Crick at nil cost, a gift in kind of £2,251,109 (2021: £1,731,111) has been recognised for these services. Income received included £987,128 core funding (2021: £1,452,000) and £1,438,967 (2021: £459,743) research grant funding.

Trustees' expenses are disclosed in note 9e.

A member of the trustees has donated £200,000 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 38. These trustees or their employers may be involved in projects with the Crick and/or funding the operations of the Crick. 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 £110,000. 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. The guarantee expired post year end.

Notes to the financial statements (continued). Year ended 31 March 2022

24. Prior period adjustment

The financial statements have been restated to correct an error where investments in unit funds that should have been disclosed as a fixed asset investment were incorrectly classified as cash at bank and in hand at 31 March 2021. This change does not impact the net result or the opening/closing funds balance as it is a balance sheet reclassification.

Summary of the prior year accounting impact:

	Group 2021 Previously reported £000	Group 2021 Restatement £000	Group 2021 Restated £000	Charity 2021 Previously reported £000	Charity 2021 Restatement £000	Charity 2021 Restated £000
Balance sheet						
Cash at bank and in hand	39,064	(26,215)	12,849	38,237	(26,215)	12,022
Fixed asset investments	32,535	26,215	58,750	32,535	26,215	58,750
				2021 Previously reported £000	2021 Restatement £000	2021 Restated £000
Cash flow statement						
Interest received	489	(284)	205			
Proceeds from sale of equipment	75	—	75			
Proceeds from sale of investments	—	34,700	34,700			
Investment additions	—	(37,500)	(37,500)			
Purchase of programme related investments	(160)	—	(160)			
Purchase of tangible fixed assets	(16,037)	—	(16,037)			
Net cash flows used in investing activities	(15,633)	(3,084)	(18,717)			
Net increase in cash and cash equivalents	8,736	(3,084)	5,652			
Cash and cash equivalents at beginning of year	30,328	(23,131)	7,197			
Cash and cash equivalents at the end of the year	39,064	(26,215)	12,849			
Reconciliation to cash at bank and in hand:						
Cash at bank and in hand	39,064	(26,215)	12,849			
Cash and cash equivalents	39,064	(26,215)	12,849			
Analysis of changes in net cash/(debt):						
Net Cash at 1 April	30,328	(23,131)	7,197			
Net Cash inflow	8,736	(3,084)	5,652			
Net Cash at 31 March	39,064	(26,215)	12,849			

25. Post balance sheet events

On 5th April 2022, Francis Crick Institute Ltd sold its shares in the spin-out company GammaDelta Therapeutics Ltd after Takeda exercised its right to buy. This valuation was therefore used to value the Crick's investment in the company at the 31 March 2022, resulting in a recognised gain of £4.5m.

In April 2022, a £50million pledge was secured from the Chris Banton Foundation which will be used to enable the setting up of a research fund, dedicated to accelerating the translation of Crick discoveries and ideas into societal benefit, including the prevention, diagnosis and treatment of human disease.

