

TRES CANTOS OPEN LAB FOUNDATION

England & Wales · Charity number 1142577

Details

| | |
|----------------|---|
| Status | Registered |
| Legal form | Charitable company |
| Company number | 07301222 |
| Registered | 2011-06-24 |
| Register | View on the Charity Commission register |

Contact

Address 3rd Floor
1 London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

Phone 01483307000

Website www.openlabfoundation.org

Activities

Objects: TO FUND AND OTHERWISE SUPPORT RESEARCH AT, OR IN COLLABORATION WITH, GSK FOR THE TREATMENT AND/OR PREVENTION OF DISEASES OF THE DEVELOPING WORLD INCLUDING, BUT NOT LIMITED TO, THOSE IDENTIFIED BY THE CHARITY IN SCHEDULE 1 HERETO, AND THE DISSEMINATION OF THE USEFUL RESULTS OF THAT RESEARCH.

Activities: TO FUND AND SUPPORT RESEARCH AT, OR IN COLLABORATION, WITH GSK'S R&D FACILITIES IN TRES CANTOS, SPAIN INTO MEDICINES FOR DISEASES OF THE DEVELOPING WORLD (INCLUDING, BUT NOT LIMITED TO MALARIA, TUBERCULOSIS, AND OTHER NEGLECTED DISEASES WHICH ARE IDENTIFIED BY THE CHARITY FROM TIME TO TIME).

Classification

- **How:** Makes Grants To Organisations, Sponsors Or Undertakes Research
- **What:** The Advancement Of Health Or Saving Of Lives
- **Who:** Other Defined Groups

Geography

- Spain

Finances

| Period end | Income | Expenditure | Assets | Employees |
|------------|------------|-------------|------------|-----------|
| 2024-12-31 | £951,586 | £1,755,516 | £2,080,329 | 0 |
| 2023-12-31 | £736,640 | £1,530,887 | £2,884,259 | 0 |
| 2022-12-31 | £343,478 | £2,360,015 | - | - |
| 2021-12-31 | £5,312,661 | £1,305,727 | £5,695,043 | 0 |
| 2020-12-31 | £323,824 | £2,624,062 | - | - |

Trustees

| Name | Role | Appointed |
|---|------|------------|
| Kenneth Duncan | | 2022-05-15 |
| PROFESSOR ALAN HUTCHINSON FAIRLAMB CBE | | 2014-11-20 |
| Professor Carl Francis Nathan | | 2016-11-10 |
| Steven Sheldon | | 2024-04-01 |
| Valerie Mizrahi | | 2024-10-08 |

TRES CANTOS OPEN LAB FOUNDATION

England & Wales - Charity number 1142577

Accounts

Tres Cantos Open Lab Foundation

ANNUAL REPORT AND
FINANCIAL STATEMENTS

for the year ended
31 December 2024

Company Registration No. 07301222
Charity Registration No. 1142577

Tres Cantos Open Lab Foundation

DIRECTORS AND OFFICERS

DIRECTORS

Professor Carl Nathan
Professor Alan Fairlamb
Kenneth Duncan
Steven Sheldon
Valerie Mizrahi

COMPANY NUMBER

07301222

REGISTERED CHARITY NUMBER

1142577

REGISTERED OFFICE

Third Floor, One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

AUDITOR

RSM UK Audit LLP
1st Floor, Platinum Building
St John's Innovation Park
Cowley Road
Cambridge
CB4 0DS

BANKERS

HSBC Bank Plc
Global Banking and Markets
Level 23
8 Canada Square
London
E14 5HQ

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

The Directors submit their report and the audited financial statements of the Tres Cantos Open Lab Foundation ("TCOLF") for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Charity's governing document, the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective 1 January 2019.

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details of the Charity, including details of its Directors (who are also the Charity Trustees) and its Advisers are given on page 1.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document and Constitution

Tres Cantos Open Lab Foundation is a company limited by guarantee (Company Number 07301222) incorporated on 1 July 2010 and registered as a charity in England and Wales on 24 June 2011, number 1142577.

The Tres Cantos Open Lab Foundation was established under a Memorandum of Association that established its objects and powers and is governed under its Articles of Association as updated on 10 November 2016.

Directors

The Directors (who are also the Trustees of the Charity) who held office during the year and up to the date of signing of the financial statements were as follows:

Professor Alan Fairlamb

Professor Carl Nathan

Audra Jane Halsey (Resigned 1 April 2024)

Kenneth Duncan

Steven Sheldon (Appointed 1 April 2024)

Valerie Mizrahi (Appointed 8 October 2024)

The Directors are advised by a Governing Board (GB) formed of renowned scientists worldwide.

Methods for Recruiting and Appointing New Directors

Following advice and consent by the Governing Board members, new Directors of the Charity, in accordance with the Articles of Association, are appointed by its sole member, Glaxo Group Limited (GGL). GGL is a subsidiary of GlaxoSmithKline (GSK). GSK action the official appointment at the Charities Commission and at Companies House. Diversity is a key criterion for election of the new Directors. There is no time limit on the length of service for the Directors due to the unique nature of the Charity. Membership of the Governing Board has a limit of 2 terms each lasting 3 years.

Policies for the Induction and Training of Directors

New Directors are provided with information from the Charity Commission regarding their duties as Directors of the TCOLF and are kept informed of any regulatory updates as and when required in the form of the circulation of information from the Charity Commission or third-party advisers. Additional training is provided if needed on an ad-hoc basis.

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

Objects and aims of the charity for the public benefit

The principal objects and aims of TCOLF are to fund and otherwise support research at, or in collaboration with, GSK for the treatment and/or prevention of diseases of the developing world (as defined in the Articles of Association), and the dissemination of the useful results of that research.

TCOLF is committed to helping transform the process of drug discovery for diseases of the developing world. TCOLF's funding and support aims to enable researchers to work in an open environment where the wider sharing of ideas and findings will drive collaborative innovation.

Organisation Structure and Decision Making

The Directors shall manage the business of the Charity and may exercise all the powers of the Charity unless they are subject to any restrictions imposed by the Companies Act, the Articles or any special resolution.

High-level decision making is made by the TCOLF Governing Board, formed by renowned scientists worldwide, including its appointed Directors. The members of the Governing Board evaluate the funding applications and provide advice on the programme development and progress towards objectives. The management and control of the activity is conducted in regular meetings, supported with four-monthly progress reports. The Governing Board meets usually two to three times a year, followed by a Directors' meeting to ratify the Governing Board decisions including the Annual General meeting (AGM).

Operational and finance support is provided by the GSK Open Lab team. This support was equivalent to 2.01 FTEs during 2024; (2.12 FTEs during 2023) and this support has responsibility for the day-to-day coordination and management including projects set up, portfolio progress monitoring and finance control.

The GSK team also provides regular reporting (scientific and financial) to the Directors and Governing Board for review.

Relationships with Other Organisations

TCOLF co-operates with several organisations in pursuit of its charitable objectives. These include GSK and the various Open Lab project grantees.

GSK is a related party by nature of being the owner of the Charity's sole member, GGL. As explained above, GSK provides operational and finance support to the Charity free of charge. The value of these services is recognised as donated services in kind in the Statement of Financial Activities.

A Director of the Charity, Steven Sheldon, is also an employee of GSK.

Objectives for the year to 31 December 2024

The objectives for the year were to carry on identifying and ensure the smooth implementation of 7 project extensions and 4 new high-quality projects suitable for Open Lab collaboration.

Significant Activities in the year

- 1 meeting of the Directors of the Charity (October) and the Governing Board who act in an advisory capacity to the Directors were held. 23 projects were active in 2024: 11 projects ongoing, 4 projects started, and 8 projects were completed during the period (in 2023: 12 projects ongoing, 7 projects started, and 5 projects were completed during the period).
- 4 new projects and 7 project extensions were selected for funding in 2024 (in 2023: 3 new projects and 3 project extensions were selected for funding).

Strategic priorities

During the Governing Board meeting held in October 2024, new areas where the Open Lab model could continue impacting the field of endemic infectious diseases were reviewed. The Governing Board agreed on the potential interest to include, in the remit of the Open Lab, drug discovery in PROTAC and depolymerases against infectious diseases disproportionately affecting LMIC (Low and Middle Income Countries).

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

During 2024, the TC316 (Depolymerases for the prevention and treatment of neonatal sepsis due to *Klebsiella* in LMICs) project was implemented and started. Also, a project from Dr Ram Iyer (TB Alliance) was discussed to explore the degradation of bacterial proteins by the host in macrophages, although it was not presented as he favoured other funding opportunities. Additionally, the team started to work in 2024 with Patrica Barbosa's group at Oxford to present a project on PROTACs in Wave 32.

The current diseases of interest remains the same, including now *Cryptococcus* infections and AMR (Anti-Microbial Resistance) disproportionately affecting LMIC, as agreed in June 2022. No changes in the operative model were discussed.

How the strategic priorities will be realised

Project selection:

- *Quantity:* Steady pipeline of 10 to 12 projects active in the Tres Cantos facilities adequately resourced projects at any one time, reducing from 14-16 in the first years. This reduction in the number of projects is based on:
 - *Focus on quality:* Identify projects where the TCOLF can truly act as a catalyst for success.
 - *Adequate resourcing and GSK support:* Commit the level of resource required to support projects to achieve success.
- *Type of projects:* Focus on projects with high impact potential for drug discovery.
 - *Early Stage Catalyst (ESC):* Drug discovery projects in which co-location is a key factor to be eligible. The governance process will continue as in the previous years. The allocated budget for an ESC project is expected to be an average of £250K including accommodation and open access for scientific dissemination (exceptions will always be considered e.g. when price of consumables or assays are extraordinarily high, if there is strong scientific rationale and high potential impact of the project).
 - *Back the Winners (BTW):* Due to the greater anticipated cost of these projects, the concept of "winner" will be restricted to advanced lead molecules (robust in vivo activity on relevant models with a clear developable profile), clinical candidates, and repurposing opportunities. Opportunities originated during a TCOLF funded project will be prioritized (e.g. ongoing project TC139 (Hit discovery for new antimicrobials against *Shigella* spp), has delivered Tebipenem pivoxil as a potential novel therapy to treat shigellosis). The allocated budget for a BTW project is expected to be ≤ £500K. Unlike an ESC project, co-location is not expected for this funding stream. However, the support will go beyond the financial provision from TCOLF as GSK will continue providing support (e.g. technical input). As for ESC projects funding will come from TCOLF but final implementation will be subjected to a research collaborative agreement between the applicant's institution and GSK.

Project implementation and operative model:

- Maximum project duration of 2 years for discovery projects. Renewable only under exceptional circumstances (successful milestones, unexpected delays or extension without funding to complete work plan) and after new work plan presentation. If and when extended, maximum project duration should not be longer than 3 years in total (excepting clinical projects).
- Clear definition of project deliverables to establish success or failure at the end of funding period.
- Ensure integration and joint planning between pharmaceutical and academic partner teams.
- Implementation of streamlined process for transnational mobility of scientists with a focus on individual talent.

Key areas of interest

After evaluation of the current trends in the field, the scientific opportunity, and the trend in submissions during the previous years, the following section describes the proposed focus areas within each of the disease areas (including what could be potentially game changing opportunities) where TCOLF investment could make a significant impact.

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

Anti-Microbial Resistance (AMR)

- Enteric infections are a key area for TCOLF due to the paediatric unmet medical need, high scientific opportunity and increasing interest from applicants and funders. In the past years TCOLF has invested in several open lab projects (such as TC257 and TC283) to explore new chemical diversity to treat Shigella infection and support a Phase II clinical trial to evaluate the efficacy of Tebipenem pivoxil for the treatment of Shigellosis. Taking into account the limitations in the field to diagnose Shigellosis and the lack of an effective mice model necessary to progress molecules to treat this disease, other enteric pathogens such as invasive non-typhoidal salmonella will be prioritized. Investments in AMR affecting LMIC could address one of the most pressing unmet Global Health needs within the wider anti-microbial agenda.
- In addition, Cryptococcal meningitis, an invasive fungal disease caused by Cryptococcus neoformans, disproportionately affects people in sub-Saharan Africa specially to immune-compromised patients (usually HIV-related). TCOLF has funded one open lab project in this disease area due to the urgent need for new drugs and the lack of early drug discovery efforts on-going in the field.

Malaria

In the past years TCOLF has invested in several open lab projects (such as TC267 and TC269) to develop assays platforms in order to explore new chemical diversity inhibiting liver stages. Taking into account the results of these projects (the complexity, the low throughput and the lack of robustness of the tools developed), this area will be deprioritized. The current trends in this disease indicate that exploring other type of interventions, such as targeting new mode of actions could be areas where TCOLF investment could make a significant impact.

Tuberculosis ("TB")

The high-burden and the scientific opportunity endorses the continuation of the TCOLF commitment to support drug discovery on TB with a similar level of budget allocation as in previous years. In 2024, 9 projects related to TB disease were active (TC281, TC285, TC290, TC301, TC302, TC304, TC312, TC316 and TC317) by TCOLF which reflect the commitment of TCOLF in this therapeutic area and is aligned with TB strategy of the Global Health Medicines R&D unit at GSK Tres Cantos. The active and new projects are focused on the development of new assays/platforms and in the discovery of new small molecules targeting the host or the bacteria.

Note: New proposals in Kinetoplastids mediated diseases will be precluded taking into account that there are not currently facilities available in this area in Tres Cantos to work.

Research areas include:

- The development of new platforms/tools to develop non-conventional antitubercular drug discovery programs focused on Host Pathogen Interactions.
- Development of tools to unveil the mode of action of host/virulence directed therapies.
- Target-based programs with a strong rational design component.
- To support the research on regimen selection and strategies for treatment shortening.

Performance in the year

- 23 projects were active in 2024: 11 projects ongoing, 4 projects started, and 8 projects were completed during the period.
- 4 new projects + 7 project extensions were selected (2 of them were cost extensions and 5 of them were no-cost extensions).
- 3 publications from TCOLF funded projects were published during 2024 in international peer-reviewed scientific journals (1 publication from projects TC261, TC281, TC287).

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

Performance in the year (continued)

| TCXXX | Disease | Project ID | Type of project | Project title | TCOLF grantee | Project status |
|-------|--------------|------------|---|---|--|-----------------|
| TC312 | TB | 54073 | Platform Development | Advancing Tuberculosis Translational Medicine through Humanized Mice Models | UC3M / Longwood / Genoway | Started in 2024 |
| TC316 | Gut health | 61599 | Platform Development / Screening | Depolymerases for the prevention and treatment of neonatal sepsis in low- and middle-income countries | Ghent University / Université Libre de Bruxelles | Started in 2024 |
| TC317 | TB | 61600 | Platform Development / Screening | Identification of potent MetX inhibitors | Albert Einstein College of Medicine | Started in 2024 |
| TC318 | TB | 61601 | Hit Identification / Screening | Identifying preliminary drug candidates and vulnerable drug targets in drug tolerant Mycobacterium tuberculosis glpK mutants using high-throughput compound screening | Rutgers University | Started in 2024 |
| TC314 | Malaria | 54075 | Platform Development | Evaluation of P450 humanized immune deprived mouse model (8HUM/Rag2 ^{-/-}) in efficacy screening of anti-malarials | University of Dundee | Ongoing 2024 |
| TC281 | TB | 61597 | Efficacy clinical study | Shortening and improving compliance to Buruli ulcer therapy- Four weeks daily triple betalactam | Research and Development Agency of Aragon (ARAID) Foundation | Ongoing 2024 |
| TC309 | Buruli Ulcer | 53967 | Screening & Candidate selection | In vitro screening-based selection and in vivo efficacy evaluation of bacteriophages as potential new assets in the topical treatment of Buruli Ulcer disease | University of Minho | Ongoing 2024 |
| TC308 | Gut health | 53965 | Platform Development / Screening | INNOLYSINS: Novel antibacterials against Salmonella | University of Copenhagen | Ongoing 2024 |
| TC310 | Cryptococcus | 53969 | Assay / Platform Development & Screening | Enabling cryptococcal meningitis drug discovery: development of Cryptococcus screening cascade and identification of high-quality starting points for drug discovery | University of Dundee | Ongoing 2024 |
| TC305 | Gut health | 53715 | Hit Identification / Screening | Investigating combination antimicrobial therapy for treating infection caused by invasive non-typhoidal Salmonella disease in sub-Saharan Africa | University of Cambridge | Ongoing 2024 |
| TC301 | TB | 53709 | Assay / Platform Development | BlaR, a Novel Virulence Target against Tuberculosis | NTNU | Ongoing 2024 |
| TC257 | Gut health | 52919 | Assay / Platform Development Hit Identification / Screening | High throughput small molecule screen for drugs that alter the shape of Campylobacter jejuni | University of Cambridge | Ongoing 2024 |
| TC302 | TB | 53711 | Platform Development / Screening | Therapeutic exploitation of autophagy modulators | University of Texas Medical Branch | Ongoing 2024 |
| TC283 | Gut health | 61598 | Efficacy clinical study | Tebipenem-pivoxil as an alternative to ceftriaxone for clinically non-responding children with shigellosis | International Centre for Diarrhoeal Disease Research | Ongoing 2024 |

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

| | | | | | | |
|-------|------------|-------|------------------------------------|--|--|-------------------|
| TC292 | Malaria | 53109 | Hit Identification / Screening | Malaria Lead Discovery Engine: A Fast track approach to identify novel antimalarial chemical classes with multi-stage activity | University of California, San Diego | Ongoing 2024 |
| TC295 | Malaria | 53287 | Assay / Platform Development | Addressing drug resistance in chemo prophylaxis | Harvard T.H. Chan School of Public Health | Completed in 2024 |
| TC290 | TB | 52917 | Assay / Platform Development | DnaJ-DnaK-GrpE complex as a selective drug target in Mycobacterium tuberculosis | Rhodes University | Completed in 2024 |
| TC298 | Gut health | 53291 | Assay / Platform Development | Development of a Drug Discovery Platform Targeting Salmonella Typhimurium Persister Cells | University of Dundee | Completed in 2024 |
| TC267 | Malaria | 52577 | Hit Identification / Screening | Antimalarial drug discovery targeting pre-erythrocytic stages of Plasmodium falciparum | University of South Florida (USF), WRAIR and NIH | Completed in 2024 |
| TC277 | Malaria | 52829 | H2L / Tool | Recapitulation of ATQ infection results using TCOL mosquitoes/parasites/facilities | Harvard T.H. Chan School of Public Health | Completed in 2024 |
| TC279 | Chagas | 52831 | Target Validation / Identification | Deconvoluting the mode of action of a suite of novel antimanials-GCFR | Global Network for Neglected Tropical Diseases | Completed in 2024 |
| TC304 | TB | 53713 | Target Validation / Identification | Exploiting p38 mitogen-activated protein kinase (MAPK) as a host directed target in Mycobacterium tuberculosis infection | University Hospital Cologne (Germany), Center for Molecular Medicine Cologne | Completed in 2024 |
| TC285 | TB | 52833 | Hit Identification / Screening | Optimisation of a screen for antimicrobials that enhance pyrazinamide activity against Mycobacterium tuberculosis | UK Health Security Agency | Completed in 2024 |

Progress on the Open Lab projects is being greatly enabled by the in-kind access to GSK's expertise and facilities. The Charity is committed to making the results from the research it funds available for broader public benefit.

The achievements during the year are in line with the objectives of the Charity.

FINANCIAL REVIEW

During the year, payments to Institutions for projects and other running costs of TCOLF were £1.8m (2023: £1.5m). The Directors are of the view that the financial position of the Charity remains strong with net assets of £2.1m (2023: £2.9m). The cash at bank at 31 December 2024 was £6.3m (2023: £7.5m). The net movement in funds for the year is: £0.8m deficit (2023: £0.8m deficit).

Policy on Reserves

Free reserves of the Charity are represented by its unrestricted funds and amounted to £2.1m (2023: £2.9m), the Charity will utilise the reserves to fund future grants in accordance with its charitable objectives, and to meet the general running costs of the Charity.

The Directors set a target to have a level of free reserves to be able to fund future grants and meet the general running costs, which are usually an amount of circa £500k per year.

At the end of year 2024 a total of £4.2m (2023: £4.6m) had been already committed for all the projects that will run through to their expected completion dates ranging from 2024 to 2025.

The Directors will monitor the level of free reserves available before committing to any future grants to ensure that all the committed projects will be funded through to completion.

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

Grant making policy

The Charity considers applications from a variety of research organisations for funding. Applications are reviewed and levels of grants payable are decided upon by the Directors with consultation of the Governing Board. Where grants, including overseas grants, are made for specified purposes, they are monitored by the Directors to ensure that those purposes are adhered to. This policy enables the Charity's aims and objectives to attract the best proposals and award funding to research groups worldwide to accelerate the discovery of novel treatments for TB, Malaria and AMR infections.

The Governing Board usually meets 1-3 times per year. The information about how to apply and the criteria for accepting new projects can be found on www.openlabfoundation.org

Principal funding sources

The Charity was established with a £5m donation from GGL in 2010.

The Charity received a further £5m donation from GGL in 2012 and further £5m donations from GSK were approved in 2018, 2021 and 2024 (note 15).

The Charity is exploring additional sources of funding to continue beyond 2027.

Fundraising

The Charity does not carry out fundraising activities other than those mentioned above and does not use any third-party fundraising agencies.

Going concern

The Directors are of the view that the Charity is a going concern given the level of reserves held at the reporting date of £2.1m (2023: £2.9m) and the sustainability of the model. At 31 December 2024, the bank account balance was £6.3m (2023: £7.5m) this amount will cover committed projects and expenses for the next 1.5 years, with the current level of project expenditure committed to of £4.2m (2023: £4.6m). Furthermore a £5m donation was received from GGL on 15 January 2025 significantly improving the cash position of TCOLF (note 15).

The Directors confirm that, at the time of approving the financial statements, there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for at least 12 months from the date of approving the financial statements. In arriving at this conclusion, the Directors have taken account of current and anticipated financial performance in the current economic conditions, and the Charity's reserves position.

Risk management

The Directors have assessed the risks to which the Charity may be exposed in the future and concluded that they are generally low given the nature and size of the Charity. This position is kept under constant review to ensure that this policy is appropriate. Principal risks and uncertainties are as follows:

Risk 1: TCOLF long term financial sustainability at risk due to the lack of additional funding after the initial commitment, causing the Open Lab being unable to select additional projects for funding.

Action plan: Discussion with potential donors and funders to attract additional funding and diversify funding sources.

Risk 2. Insufficient capacity at the Tres Cantos facilities to implement Open Lab projects due to an increased number of quality applications and overlapping of projects selected in different waves, causing delays in getting the results or need for extensions.

Action plan: 1. Rigorous review and selection of proposals; 2. Agreement on a steady state number of 10-12 active projects in the Tres Cantos facilities; 3. Schedule projects to make use of available capacity.

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

Risk 3. TCOLF perceived not to be independent of GSK because the company is the only major funder of TCOLF and no other pharmaceutical partners are currently involved, causing a perceived bias in selection and implementation of projects and perception that GSK is benefitting from the open lab program.

Action plan: 1. Meeting minutes reflect the independence of the Directors and Governing Board members in decision making; 2. Rigorous adherence to TCOLF conflict of interest policies. Capture these conflicts in all Board meeting minutes.

Plans for the future

The Openlab team is currently reviewing the 5-year strategy (2022 - 2027).

Public benefit statement

The Directors confirm that, in exercising their powers and fulfilling their responsibilities as Directors in pursuit of the areas described above, they have paid due regard to the guidance on public benefit published by the Charity Commission.

Auditor

RSM UK Audit LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to the auditor

The Directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Directors has confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemptions.

By order of the Governing Board

Steven Sheldon
Director



Electronically signed by: Steven Sheldon
Reason: I am signing for the reasons as stated in the document.
Date: Sep 2, 2025 15:01:20 GMT+1

Date: 02-Sep-2025

Tres Cantos Open Lab Foundation

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors (who are also Trustees of Tres Cantos Open Lab Foundation for the purposes of charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including the Financial Reporting Standard FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure, of the charitable company for that year.

In preparing those financial statements, the Directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. observe the methods and principles in the Charities (SORP);
- c. make judgements and accounting estimates that are reasonable and prudent;
- d. state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- e. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TRES CANTOS OPEN LAB FOUNDATION

Opinion

We have audited the financial statements of Tres Cantos Open Lab Foundation (the 'charitable company') for the year ended 31 December 2024 which comprise the Statement of Financial Activities (including Income and Expenditure Account), the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Directors' Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TRES CANTOS OPEN LAB FOUNDATION (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report, which includes the Directors' 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 Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Responsibilities of directors

As explained more fully in the Statement of Directors' responsibilities set out on page 10, the Directors (who are also the Trustees 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 Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the 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 Directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TRES CANTOS OPEN LAB FOUNDATION (continued)

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Directors' Report, remaining alert to any new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TRES CANTOS OPEN LAB
FOUNDATION (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.

Claire Sutherland

Claire Sutherland (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
1st Floor, Platinum Building
St John's Innovation Park
Cowley Road
Cambridge
CB4 0DS
Date 5 September 2025

Tres Cantos Open Lab Foundation
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
For the year ended 31 December 2024

| | Notes | Total Unrestricted Funds 2024 £ | Total Unrestricted Funds 2023 £ |
|--|-------|---|---|
| INCOME FROM: | | | |
| Donations and legacies | 1 | 657,685 | 454,901 |
| Interest receivable | | 293,901 | 281,739 |
| TOTAL | | <u>951,586</u> | <u>736,640</u> |
| EXPENDITURE ON: | | | |
| Charitable activities | 2 | (1,755,516) | (1,530,887) |
| TOTAL | | <u>(1,755,516)</u> | <u>(1,530,887)</u> |
| NET EXPENDITURE AND NET MOVEMENT IN FUNDS | 4 | (803,930) | (794,247) |
| RECONCILIATION OF FUNDS | | | |
| TOTAL FUNDS BROUGHT FORWARD | | <u>2,884,259</u> | <u>3,678,506</u> |
| TOTAL FUNDS CARRIED FORWARD | | <u><u>2,080,329</u></u> | <u><u>2,884,259</u></u> |

Tres Cantos Open Lab Foundation

BALANCE SHEET

As at 31 December 2024

Company Registration No. 07301222

| | Notes | 2024 £ | 2023 £ |
|--|-------|------------------|------------------|
| CURRENT ASSETS | | | |
| Debtors | 5 | 45,344 | 117,861 |
| Cash at bank and in hand | | 6,260,059 | 7,488,596 |
| | | <u>6,305,403</u> | <u>7,606,457</u> |
| CREDITORS: Amounts falling due within one year | 6 | (3,771,852) | (3,818,130) |
| NET CURRENT ASSETS | | <u>2,533,551</u> | <u>3,788,327</u> |
| CREDITORS: Amounts due after more than one year | 7 | (453,222) | (904,068) |
| NET ASSETS | | <u>2,080,329</u> | <u>2,884,259</u> |
| RESERVES | | | |
| Unrestricted funds | 8 | 2,080,329 | 2,884,259 |
| Total funds | | <u>2,080,329</u> | <u>2,884,259</u> |

These accounts are prepared in accordance with the provisions applicable to companies' subject to the small companies' regime.

The financial statements on pages 15 to 25 were approved by the Governing Board and authorised for issue on 02/09/2025 and are signed on its behalf by



Steven Sheldon
Director

Electronically signed by: Steven Sheldon
Reason: I am signing for the reasons as stated in the document.
Date: Sep 2, 2025 15:01:20 GMT+1

The notes on pages 18 to 25 form part of these financial statements.

Tres Cantos Open Lab Foundation
STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

| | Notes | 2024 £ | 2023 £ |
|---|-------|--------------------|------------------|
| OPERATING ACTIVITIES | | | |
| Cash used in operations | 13 | (1,522,438) | (1,246,228) |
| FINANCING ACTIVITIES | | | |
| Interest received | | 293,901 | 281,739 |
| DECREASE IN CASH AND CASH EQUIVALENTS IN THE YEAR | | <u>(1,228,537)</u> | <u>(964,489)</u> |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | | 7,488,596 | 8,453,085 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 14 | <u>6,260,059</u> | <u>7,488,596</u> |

Tres Cantos Open Lab Foundation

ACCOUNTING POLICIES

COMPANY INFORMATION

Tres Cantos Open Lab Foundation is a private company limited by guarantee (Company Number 07301222) incorporated on 1 July 2010 and registered as a charity in England and Wales on 24 June 2011, number 1142577. Details of the registered office address and principal place of business are given on page 1 of the accounts. The company's operations and principal activities are described in the Directors' Report.

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost basis of accounting, in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – Charities SORP (FRS102) and the Companies Act 2006.

The Charity constitutes a public benefit entity as defined by FRS 102.

FUNCTIONAL CURRENCY

The financial statements are presented in sterling which is also the functional currency of the Charity.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

GOING CONCERN

The Directors confirm that at the time of approving the financial statements, there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future for a period of at least 12 months from the date of the signing of these financial statements. In arriving at this conclusion, the Directors have taken account of current and anticipated financial performance in the current economic conditions, and the Charity's reserves position. The Directors have considered budgets and forecasts to satisfy themselves that the charitable company remains a going concern. Given the current level of reserves (£2.1m (2023: £2.9m)) and the sustainability of the model, at 31 December 2024 the bank account balance was £6.3m (2023: £7.5m), this amount will cover committed projects for the next 1.5 years, with the current level of project expenditure committed to of £4.2m. Furthermore a £5m donation was received by Glaxo Group Limited on 15 January 2025 significantly improving the cash position of TCOLF (note 15).

INCOME

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably. Income from grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred. Other income is interest received from the bank account and is recognised on receipt.

Services in kind are recognised as the cost of the employee benefits for the employees seconded to the Charity, on an accruals basis as donations in the Statement of Financial Activities at the best estimate of the value of the benefit to the Charity.

EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Grants payable are included in the Statement of Financial Activities when they have been approved for payment.

Tres Cantos Open Lab Foundation

ACCOUNTING POLICIES

An assessment of individual grant liabilities is made at the balance sheet date and any adjustments required (these may arise as a result of foreign currency movements or differences between budgeted and actual expenditure in grant applications) to grant liabilities are recognised as debits or credits in the Statement of Financial Activities in grant expenditure.

Expenditure on charitable activities comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. As there is only one charitable activity, all support and governance costs have been allocated against this activity.

FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the foundation and which have not been designated for other purposes.

CASH AT BANK AND IN HAND

Cash at bank and cash in hand includes cash.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments.

Financial assets

Basic financial assets, which include cash at bank and in hand and other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost.

Financial liabilities

Basic financial liabilities, which include accruals and grants payable, are initially measured at transaction price and subsequently measured at amortised cost.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

In the application of the Charity's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount 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.

The Directors do not consider that there are any critical estimates or areas of judgement that need to be brought to the attention of the readers of the financial statements.

Tres Cantos Open Lab Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

| 1 | INCOME FROM DONATIONS AND LEGACIES | Unrestricted | |
|------|--|----------------|------------------|
| | | 2024 £ | 2023 £ |
| | Services in kind | 657,685 | 454,901 |
| | | <u>657,685</u> | <u>454,901</u> |
| | | | |
| 2 | ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES | Unrestricted | |
| | | 2024 £ | 2023 £ |
| | Grants awarded: | | |
| | Yale University | - | 15,000 |
| | University of Antwerp | - | 212,569 |
| | Oxford University | 4,006 | - |
| | University of Texas Medical Branch (UTMB) | 37,175 | - |
| | University Libre de Bruxelles | - | 200,674 |
| | Quadram Institute - Gut Health | 214,174 | - |
| | University of London - Malaria | 162,002 | - |
| | University of Dundee | 34,075 | 163,369 |
| | Ghent University | - | 52,000 |
| | Harvard T.H. Chan School of Public health - Malaria | 233,267 | - |
| | University of California, San Diego | 74,351 | 59,148 |
| | Albert Einstein College of Medicina | - | 244,363 |
| | Rutgers University International Center of Public Health | - | 186,438 |
| | International Centre for Diarrhoeal Disease | - | 87,000 |
| | Clemson University - Cryptococcal Meningitis | 124,617 | - |
| | Fundacion Agencia Aragonesa Para La Inv Y El Desarrollo | - | 2,500 |
| | Carried forward | <u>883,667</u> | <u>1,223,061</u> |

Tres Cantos Open Lab Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES
(continued)

| | 2024 £ | 2023 £ |
|---|------------------|------------------|
| Brought forward | 883,667 | 1,223,061 |
| Grants rescinded: | | |
| Instituto de Medicina Molecular Portugal | (1,250) | (100) |
| INSERM | - | (227,567) |
| Fundacion Agencia Argonessa Para La Inv y El Desarrollo | (392) | - |
| Oxford University | - | (14,930) |
| University of Michigan | - | (94) |
| ARAID / University of Zaragaza | - | (25,935) |
| University of Dundee | (1,250) | (68,593) |
| University of South Florida | - | (2,500) |
| University Hospital Tubingen Germany | (1,875) | (39,484) |
| University of California | (1,750) | - |
| Sanger Institute | (1,250) | (16,950) |
| University of Dundee | (1,250) | - |
| | <u>(9,017)</u> | <u>(396,153)</u> |
| Total grants | 874,650 | 826,908 |
| Legal and professional fees | 5,601 | 3,380 |
| Open access fees | (36,125) | 2,500 |
| | <u>844,126</u> | <u>832,788</u> |
| Support costs: | | |
| Seconded staff | 657,685 | 454,901 |
| Indirect project costs | 174,974 | 184,693 |
| Governance costs: | | |
| Legal and professional fees | 38,074 | 29,203 |
| Office expenses | 13,425 | 4,423 |
| Insurance (Directors' and Officers' Indemnity Cover) | - | (5,219) |
| Audit fees | 26,220 | 24,210 |
| Bank charges | 1,012 | 888 |
| Sponsorships | - | 5,000 |
| | <u>1,755,516</u> | <u>1,530,887</u> |

The total number of new institutional grants made in the year were 4 (2023: 7), only 1 grant per institution was awarded, and 2 extensions were granted to ongoing projects (2023: only 1 grant per institution was awarded and 3 extensions were granted to ongoing projects). All grants were similar in nature and were to aid the causes identified in the Directors' Report. No grants to individuals were made in the year.

Tres Cantos Open Lab Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

3 EMPLOYEES

There were no employees during the year in the Charity (2023: none). Staff are seconded from GSK and costs relating to the secondment are included above. The Directors, who are the key management personnel of the Charity, received no remuneration for their work as Directors (2023: £nil). During the year, 2 Directors (2023: None) were reimbursed travel expenses amounting to £3,924 (2023: £nil).

| 4 NET EXPENDITURE | 2024 | 2023 |
|---|-------------------|-------------------|
| | £ | £ |
| Net expenditure is stated after charging the following: | | |
| Fees payable to the Charity's auditor and its associates (excluding VAT): | | |
| Audit fee | 21,850 | 20,900 |
| Accountancy services | 24,270 | 18,750 |
| Company secretarial | 7,447 | 5,575 |
| | <u> </u> | <u> </u> |

| 5 DEBTORS | 2024 | 2023 |
|---------------|---------------|----------------|
| | £ | £ |
| Other debtors | - | 63,182 |
| Prepayments | 45,344 | 54,679 |
| | <u>45,344</u> | <u>117,861</u> |

| 6 CREDITORS: Amounts falling due within one year | 2024 | 2023 |
|--|------------------|------------------|
| | £ | £ |
| Grants payable | 3,729,096 | 3,703,090 |
| Accruals | 42,756 | 115,040 |
| | <u>3,771,852</u> | <u>3,818,130</u> |

Tres Cantos Open Lab Foundation

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

| 7 | CREDITORS: Amounts falling due after more than one year | 2024 £ | 2023 £ |
|---|---|------------------|------------------|
| | Opening grant creditors | 4,607,158 | 4,752,519 |
| | Grants awarded during the year | 883,667 | 1,286,243 |
| | Grants rescinded | (46,493) | (396,153) |
| | | <u>837,174</u> | <u>890,090</u> |
| | Less: Grants paid during the year | (1,262,014) | (1,035,451) |
| | | <u>4,182,318</u> | <u>4,607,158</u> |
| | Included in current liabilities | (3,729,096) | (3,703,090) |
| | Grants payable in more than one year | <u>453,222</u> | <u>904,068</u> |

All grants payable will be paid from unrestricted funds.

| 8 | MOVEMENT IN FUNDS 2024 | | | | |
|---|---------------------------|------------------|------------------|-----------------------------|------------------|
| | At 1 January 2024 £ | Income £ | Expenditure £ | At 31 December 2024 £ | |
| | Unrestricted funds | | | | |
| | General funds | 2,884,259 | 951,586 | (1,755,516) | 2,080,329 |
| | Total funds | <u>2,884,259</u> | <u>951,586</u> | <u>(1,755,516)</u> | <u>2,080,329</u> |

MOVEMENT IN FUNDS 2023

| | At 1 January 2023 £ | Income £ | Expenditure £ | At 31 December 2023 £ | |
|--|---------------------------|------------------|------------------|-----------------------------|------------------|
| | Unrestricted funds | | | | |
| | General funds | 3,678,506 | 736,640 | (1,530,887) | 2,884,259 |
| | Total funds | <u>3,678,506</u> | <u>736,640</u> | <u>(1,530,887)</u> | <u>2,884,259</u> |

Tres Cantos Open Lab Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

9 ANALYSIS OF NET ASSETS BETWEEN FUNDS 2024

| | Total Unrestricted Funds £ |
|-------------------------|----------------------------------|
| Current assets | 6,305,403 |
| Current liabilities | (3,771,852) |
| Non-current liabilities | (453,222) |
| | <u>2,080,329</u> |

ANALYSIS OF NET ASSETS BETWEEN FUNDS 2023

| | Total Unrestricted Funds £ |
|-------------------------|----------------------------------|
| Current assets | 7,606,457 |
| Current liabilities | (3,818,130) |
| Non-current liabilities | (904,068) |
| | <u>2,884,259</u> |

10 LIABILITY OF MEMBERS

The company is limited by guarantee and does not have a share capital. In the event of the company being wound up, the maximum amount that each member is liable to contribute is £10. Glaxo Group Limited is the sole member of the company.

11 RELATED PARTY TRANSACTIONS

During the year to 31 December 2024, Glaxo Group Limited (the sole member, and a relevant legal entity exercising control) through its affiliate companies, did not pay any expenses or meet payments on behalf of TCOLF during the year (2023: none).

In the year Glaxo Group Limited provided £657,685 (2023: £454,901) of donated services to the Charity in the form of staff time spent on TCOLF activities.

During the year to 31 December 2024 TCOLF incurred fees payable to GSK amounting to £135,419 (2023: £148,031).

12 CORPORATION TAX

The Charity is exempt from tax on income and gains under sections 466 to 493 of the Corporation Tax Act 2010 to the extent that these are applied to its charitable objects.

Tres Cantos Open Lab Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

13 RECONCILIATION OF NET EXPENDITURE TO NET CASH GENERATED FROM OPERATIONS

| | 2024 £ | 2023 £ |
|--|--------------------|--------------------|
| NET EXPENDITURE FOR THE REPORTING PERIOD | (803,930) | (794,247) |
| Interest received | (293,901) | (281,739) |
| Decrease/(Increase) in debtors | 72,517 | (84,596) |
| (Decrease) in creditors | (497,124) | (85,646) |
| | <u>(1,522,438)</u> | <u>(1,246,228)</u> |
| NET CASH USED IN OPERATIONS | | |

14 RECONCILIATION OF NET FUNDS

| | 1 January 2024 £ | Cash Flows £ | 31 December 2024 £ |
|------|---------------------|--------------------|--------------------------|
| Cash | 7,488,596 | (1,228,537) | 6,260,059 |
| | <u>7,488,596</u> | <u>(1,228,537)</u> | <u>6,260,059</u> |

15 POST BALANCE SHEET EVENTS

On 15 January 2025 TCOLF received a £5m donation from Glaxo Group Limited.

TRES CANTOS OPEN LAB FOUNDATION

England & Wales - Charity number 1142577

Accounts

Tres Cantos Open Lab Foundation

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended
31 December 2023

Company Registration No. 07301222
Charity Registration No. 1142577

Tres Cantos Open Lab Foundation

DIRECTORS AND OFFICERS

DIRECTORS

Professor Carl Francis Nathan
Professor Alan Fairlamb
Ken Duncan
Steven Sheldon

COMPANY NUMBER

07301222

REGISTERED CHARITY NUMBER

1142577

REGISTERED OFFICE

Third Floor, One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

AUDITOR

RSM UK Audit LLP
Blenheim House
Newmarket Road
Bury St Edmunds
Suffolk
IP33 3SB

BANKERS

HSBC Bank Plc
Global Banking and Markets
Level 23
8 Canada Square
London
E14 5HQ

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

The Directors submit their report and the audited financial statements of the Tres Cantos Open Lab Foundation ("TCOLF") for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Charity's governing document, the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective 1 January 2019.

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details of the Charity, including details of its Directors (who are also the Charity Trustees) and its Advisers are given on page 1.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document and Constitution

Tres Cantos Open Lab Foundation is a company limited by guarantee (Company Number 07301222) incorporated on 1 July 2010 and registered as a charity in England and Wales on 24 June 2011, number 1142577.

The Tres Cantos Open Lab Foundation was established under a Memorandum of Association that established its objects and powers and is governed under its Articles of Association as updated on 10 November 2016.

Directors

The Directors (who are also the Trustees of the Charity) during the period were as follows:

Professor Alan Fairlamb

Professor Carl Francis Nathan

Audra Jane Halsey (Resigned 1 April 2024)

Ken Duncan

Steven Sheldon (Appointed 1 April 2024)

The Directors are advised by a Governing Board (GB) formed of renowned scientists worldwide.

Methods for Recruiting and Appointing New Directors

Following advice and consent by the Governing Board members, new Directors of the Charity, in accordance with the Articles of Association, are appointed by its sole member, Glaxo Group Limited (GGL). GGL is a subsidiary of GlaxoSmithKline (GSK). GSK action the official appointment at the Charities Commission and at Companies House. Diversity is a key criterion for election of the new Directors. There is no time limit on the length of service for the Directors due to the unique nature of the Charity. Membership of the Governing Board has a limit of 2 terms each lasting 3 years.

Policies for the Induction and Training of Directors

New Directors are provided with information from the Charity Commission regarding their duties as Directors of the TCOLF and are kept informed of any regulatory updates as and when required in the form of the circulation of information from the Charity Commission or third-party advisers. Additional training is provided if needed on an ad-hoc basis.

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

Objects and aims of the charity for the public benefit

The principal objects and aims of TCOLF are to fund and otherwise support research at, or in collaboration with, GSK for the treatment and/or prevention of diseases of the developing world (as defined in the Articles of Association), and the dissemination of the useful results of that research.

TCOLF is committed to helping transform the process of drug discovery for diseases of the developing world. TCOLF's funding and support aims to enable researchers to work in an open environment where the wider sharing of ideas and findings will drive collaborative innovation.

Organisation Structure and Decision Making

The Directors shall manage the business of the Charity and may exercise all the powers of the Charity unless they are subject to any restrictions imposed by the Companies Act, the Articles or any special resolution.

High-level decision making is made by the TCOLF Governing Board, formed by renowned scientists worldwide, including its appointed Directors. The members of the Governing Board evaluate the funding applications and provide advice on the programme development and progress towards objectives. The management and control of the activity is conducted in regular meetings, supported with four-monthly progress reports. The Governing Board meets usually two to three times a year, followed by a Directors' meeting to ratify the Governing Board decisions including the Annual General meeting (AGM).

Operational and finance support is provided by the GSK Open Lab team. This support was equivalent to 2.12 FTEs during 2023; (2.22 FTEs during 2022) and this support has responsibility for the day-to-day coordination and management including projects set up, portfolio progress monitoring and finance control.

The GSK team also provides regular reporting (scientific and financial) to the Directors and Governing Board for review.

Relationships with Other Organisations

TCOLF co-operates with several organisations in pursuit of its charitable objectives. These include GSK and the various Open Lab project grantees.

GSK is a related party by nature of being the owner of the Charity's sole member, GGL. As explained above, GSK provides operational and finance support to the Charity free of charge. The value of these services is recognised as donated services in kind in the Statement of Financial Activities.

A Director of the Charity, Steven Sheldon, is also an employee of GSK.

Objectives for the year to 31 December 2023

The objectives for the year were to carry on identifying and ensure the smooth implementation of 3 project extensions and 3 new high-quality projects suitable for Open Lab collaboration.

Significant Activities in the year

- 2 meetings of the Directors of the Charity (April and November) and the Governing Board who act in an advisory capacity to the Directors were held. 24 projects were active in 2023: 12 projects ongoing, 7 projects started, and 5 projects were completed during the period (in 2022: 13 projects ongoing, 2 projects started, and 7 projects were completed during the period).
- 3 new projects and 3 project extensions were selected for funding in 2023 (in 2022 6 new projects and 4 project extensions were selected for funding).

Strategic priorities

During the April 2023 Governing Board meeting, new areas where the Open Lab model could continue impacting the field of endemic infectious diseases were reviewed. The Governing Board agreed on the potential interest:

- To include drug discovery in PROTAC and depolymerases against infectious diseases disproportionately affecting LMIC in the remit of the Open Lab

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

The current diseases of interest remains the same, including now *Cryptococcus* infections and AMR (Anti-Microbial Resistance) disproportionately affecting LMIC, as agreed in June 2022. No changes in the operative model were discussed.

How the strategic priorities will be realised

Project selection:

- *Quantity:* Steady pipeline of 10 to 12 projects active in the Tres Cantos facilities adequately resourced projects at any one time, reducing from 14-16 in the first years. This reduction in the number of projects is based on:
 - *Focus on quality:* Identify projects where the TCOLF can truly act as a catalyst for success.
 - *Adequate resourcing and GSK support:* Commit the level of resource required to support projects to achieve success.
- *Type of projects:* Focus on projects with high impact potential for drug discovery.
 - *Early Stage Catalyst (ESC):* Drug discovery projects in which co-location is a key factor to be eligible. The governance process will continue as in the previous years. The allocated budget for an ESC project is expected to be an average of £250K including accommodation and open access for scientific dissemination (exceptions will always be considered e.g. when price of consumables or assays are extraordinarily high, if there is strong scientific rationale and high potential impact of the project).
 - *Back the Winners (BTW):* Due to the greater anticipated cost of these projects, the concept of “winner” will be restricted to advanced lead molecules (robust in vivo activity on relevant models with a clear developable profile), clinical candidates, and repurposing opportunities. Opportunities originated during a TCOLF funded project will be prioritized (e.g. ongoing project TC139 (Hit discovery for new antimicrobials against *Shigella* spp), has delivered Tebipenem pivoxil as a potential novel therapy to treat shigellosis). The allocated budget for a BTW project is expected to be ≤ £500K. Unlike an ESC project, co-location is not expected for this funding stream. However, the support will go beyond the financial provision from TCOLF as GSK will continue providing support (e.g. technical input). As for ESC projects funding will come from TCOLF but final implementation will be subjected to a research collaborative agreement between the applicant’s institution and GSK.

Project implementation and operative model:

- Maximum project duration of 2 years for discovery projects. Renewable only under exceptional circumstances (successful milestones, unexpected delays or extension without funding to complete work plan) and after new work plan presentation. If and when extended, maximum project duration should not be longer than 3 years in total (excepting clinical projects).
- Clear definition of project deliverables to establish success or failure at the end of funding period.
- Ensure integration and joint planning between pharmaceutical and academic partner teams.
- Implementation of streamlined process for transnational mobility of scientists with a focus on individual talent.

Key areas of interest

After evaluation of the current trends in the field, the scientific opportunity, and the trend in submissions during the previous years, the following section describes the proposed focus areas within each of the disease areas (including what could be potentially game changing opportunities) where TCOLF investment could make a significant impact.

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

Anti-Microbial Resistance (AMR)

- Enteric infections are a key area for TCOLF due to the paediatric unmet medical need, high scientific opportunity and increasing interest from applicants and funders. In the past years TCOLF has invested in several open lab projects (such as TC257 and TC283) to explore new chemical diversity to treat Shigella infection and support a Phase II clinical trial to evaluate the efficacy of Tebipenem pivoxil for the treatment of Shigellosis. Taking into account the limitations in the field to diagnose Shigellosis and the lack of an effective mice model necessary to progress molecules to treat this disease, other enteric pathogens such as invasive non-typhoidal Salmonella will be prioritized. Investments in AMR affecting LMIC could address one of the most pressing unmet Global Health needs within the wider anti-microbial agenda.
- In addition, Cryptococcal meningitis, an invasive fungal disease caused by Cryptococcus neoformans, disproportionately affects people in sub-Saharan Africa specially to immune-compromised patients (usually HIV-related). TCOLF has funded one open lab project in this disease area due to the urgent need for new drugs and the lack of early drug discovery efforts on-going in the field.

Malaria

In the past years TCOLF has invested in several open lab projects (such as TC267 and TC269) to develop assays platforms in order to explore new chemical diversity inhibiting liver stages. Taking into account the results of these projects (the complexity, the low throughput and the lack of robustness of the tools developed), this area will be deprioritized. The current trends in this disease indicate that exploring other type of interventions, such as targeting new mode of actions could be areas where TCOLF investment could make a significant impact.

Tuberculosis

The high-burden and the scientific opportunity endorses the continuation of the TCOLF commitment to support drug discovery on TB with a similar level of budget allocation as in previous years. In 2023, 7 projects related to TB disease were active (TC262, TC285, TC290, TC297, TC301, TC302 and TC304) and 2 new projects were approved (TC317, TC318) by TCOLF which reflect the commitment of TCOLF in this therapeutic area and is aligned with TB strategy of the Global Health Medicines R&D unit at GSK Tres Cantos. The active and new projects are focused on the development of new assays/platforms and in the discovery of new small molecules targeting the host or the bacteria.

Note: New proposals in Kinetoplastids mediated diseases will be precluded taking into account that there are not currently facilities available in this area in Tres Cantos to work.

Research areas include:

- The development of new platforms/tools to develop non-conventional antitubercular drug discovery programs focused on Host Pathogen Interactions.
- Development of tools to unveil the mode of action of host/virulence directed therapies.
- Target-based programs with a strong rational design component.
- To support the research on regimen selection and strategies for treatment shortening.

Performance in the year

- 24 projects were active in 2023: 12 projects ongoing, 7 projects started, and 5 projects were completed during the period.
- 3 new projects + 3 project extensions were selected for funding.
- 5 publications from completed TCOLF funded projects were published during 2023 in international peer-reviewed scientific journals (1 publication from projects TC-111, TC-249, TC-287 and 2 publications from TC-297).

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

Performance in the year (continued)

| TCXXX | Disease | Project ID | Type of project | Project title | TCOLF grantee | Project status |
|-------|--------------|------------|--|--|--|-----------------|
| TC314 | Malaria | 54075 | Platform Development | Evaluation of P450 humanized immune deprived mouse model (8HUM/Rag2 ^{-/-}) in efficacy screening of anti-malarials | University of Dundee | Started in 2023 |
| TC309 | Buruli Ulcer | 53967 | Screening & Candidate selection | In vitro screening-based selection and in vivo efficacy evaluation of bacteriophages as potential new assets in the topical treatment of Buruli Ulcer disease | University of Minho | Started in 2023 |
| TC304 | TB | 53713 | Target Validation / Identification | Exploiting p38 mitogen-activated protein kinase (MAPK) as a host directed target in Mycobacterium tuberculosis infection | University Hospital Cologne (Germany), Center for Molecular Medicine Cologne | Started in 2023 |
| TC308 | Gut health | 53965 | Platform Development / Screening | INNOLYSINS: Novel antibacterials against Salmonella | University of Copenhagen | Started in 2023 |
| TC310 | Cryptococcus | 53969 | Assay / Platform Development & Screening | Enabling cryptococcal meningitis drug discovery: development of Cryptococcus screening cascade and identification of high-quality starting points for drug discovery | University of Dundee | Started in 2023 |
| TC305 | Gut health | 53715 | Hit Identification / Screening | Investigating combination antimicrobial therapy for treating infection caused by invasive non-typhoidal Salmonella disease in sub-Saharan Africa | University of Cambridge | Started in 2023 |
| TC301 | TB | 53709 | Assay / Platform Development | BlaR, a Novel Virulence Target against Tuberculosis | NTNU | Started in 2023 |
| TC302 | TB | 53711 | Platform Development / Screening | Therapeutic exploitation of autophagy modulators | The University of Texas Medical Branch | Ongoing 2023 |
| TC279 | Chagas | 52831 | Target Validation / Identification | Deconvoluting the mode of action of a suite of novel antimanials-GCFR | Global Network for Neglected Tropical Diseases | Ongoing 2023 |
| TC292 | Malaria | 53109 | Hit Identification / Screening | Malaria Lead Discovery Engine: A Fast track approach to identify novel antimalarial chemical classes with multi-stage activity | University of California, San Diego | Ongoing 2023 |
| TC295 | Malaria | 53287 | Assay / Platform Development | Addressing drug resistance in chemo prophylaxis | Harvard T.H. Chan School of Public Health | Ongoing 2023 |
| TC283 | Gut health | 61598 | Efficacy clinical study | Tebipenem-pivoxil as an alternative to ceftriaxone for clinically non-responding children with shigellosis | International Centre for Diarrhoeal Disease Research | Ongoing 2023 |
| TC290 | TB | 52917 | Assay / Platform Development | DnaJ-DnaK-GrpE complex as a selective drug target in Mycobacterium tuberculosis | Rhodes University | Ongoing 2023 |
| TC298 | Gut health | 53291 | Assay / Platform Development | Development of a Drug Discovery Platform Targeting Salmonella Typhimurium Persister Cells | University of Dundee | Ongoing 2023 |
| TC267 | Malaria | 52577 | Hit Identification / Screening | Antimalarial drug discovery targeting pre-erythrocytic stages of Plasmodium falciparum | University of South Florida (USF), WRAIR and NIH | Ongoing 2023 |

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

| | | | | | | |
|-------|------------|-------|---|--|--|-------------------|
| TC285 | TB | 52833 | Hit Identification / Screening | Optimisation of a screen for antimicrobials that enhance pyrazinamide activity against Mycobacterium tuberculosis | UK Health Security Agency | Ongoing 2023 |
| TC281 | TB | 61597 | Efficacy clinical study | Shortening and improving compliance to Buruli ulcer therapy- Four weeks daily triple betalactam | Research and Development Agency of Aragon (ARAID) Foundation | Ongoing 2023 |
| TC277 | Malaria | 52829 | H2L / Tool | Recapitulation of ATQ infection results using TCOL mosquitoes/parasites/facilities | Harvard T.H. Chan School of Public Health | Ongoing 2023 |
| TC257 | Gut health | 52919 | Assay / Platform Development Hit Identification / Screening | High throughput small molecule screen for drugs that alter the shape of Campylobacter jejuni | University of Cambridge | Ongoing 2023 |
| TC297 | TB | 52237 | Target Validation / Identification | Studies on Nucleophilic Cysteine Enzymes Involved in Bacterial Cell Wall Biosynthesis- iCASE | Oxford University | Completed in 2023 |
| TC262 | TB | 52441 | Hit Identification / Screening | TB antivirulence therapeutics: small molecule inhibitors against M. tuberculosis replication and persistence pathways as novel alternatives to classic antibiotics | University of Zaragoza | Completed in 2023 |
| TC273 | Gut health | 52663 | Hit Identification / Screening | Design of novel inhibitors of Shigella LpxC | University of Dundee | Completed in 2023 |
| TC288 | TB | 52915 | Clinical Candidate Profiling | Designing optimal regimes for tuberculosis therapy using one-step high content dynamic in vitro kill kinetic assay linked to hollow fiber studies | Research and Development Agency of Aragon (ARAID) Foundation | Completed in 2023 |
| TC266 | Malaria | 52537 | Assay / Platform Development | A chemogenomic overexpression screen to identify malaria liver stage targets | Sanger Institute | Completed in 2023 |

Progress on the Open Lab projects is being greatly enabled by the in-kind access to GSK's expertise and facilities. The Charity is committed to making the results from the research it funds available for broader public benefit.

The achievements during the year are in line with the objectives of the Charity.

FINANCIAL REVIEW

During the year, payments to Institutions for projects and other running costs of TCOLF were £1.5m (2022: £2.4m). The Directors are of the view that the financial position of the Charity remains strong with net assets of £2.9m (2022: £3.7m). The cash at bank at 31 December 2023 was £7.5m (2022: £8.5m). The net movement in funds for the year is a £0.8m deficit (2022: £2.0m deficit).

Policy on Reserves

Free reserves of the Charity are represented by its unrestricted funds and amounted to £2.9m (2022: £3.7m), the Charity will utilise the reserves to fund future grants in accordance with its charitable objectives, and to meet the general running costs of the Charity. The Directors set a target to have a level of free reserves to be able to fund future grants and meet the general running costs, which are usually an amount of circa £500k per year.

At the end of year 2023 a total of £4.6m (2022: £4.8m) had been already committed for all the projects that will run through to their expected completion dates ranging from 2024 to 2025. Additional funding of £5m was received in November 2021 and therefore the current level of reserves is higher than is needed and this will be reviewed at future strategy meetings.

The Directors will monitor the level of free reserves available before committing to any future grants to ensure that all the committed projects will be funded through to completion.

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

Grant making policy

The Charity considers applications from a variety of research organisations for funding. Applications are reviewed and levels of grants payable are decided upon by the Directors with consultation of the Governing Board. Where grants, including overseas grants, are made for specified purposes, they are monitored by the Directors to ensure that those purposes are adhered to. This policy enables the Charity's aims and objectives to attract the best proposals and award funding to research groups worldwide to accelerate the discovery of novel treatments for TB, Malaria and AMR infections.

The Governing Board usually meets 1-3 times per year. The information about how to apply and the criteria for accepting new projects can be found on www.openlabfoundation.org

Principal Funding Sources

The Charity was established with a £5m donation from GGL in 2010.

The Charity received a further £5m donation from GGL in 2012 and further £5m donations from GGL were approved in 2018 and in 2021.

The Charity is exploring additional sources of funding to continue beyond 2027.

Fundraising

The Charity does not carry out fundraising activities other than those mentioned above and does not use any third-party fundraising agencies.

Going concern

The Directors are of the view that the Charity is a going concern given the level of reserves held at the reporting date of £2.9m (2022: £3.7m) and the sustainability of the model. At 31 December 2023, the bank account balance was £7.5m (2022: £8.5m) this amount will cover projects and expenses for the next 5 years, with the current level of project expenditure committed to of £4.6m (2022: £4.8m).

The Directors confirm that, at the time of approving the financial statements, there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. In arriving at this conclusion, the Directors have taken account of current and anticipated financial performance in the current economic conditions, and the Charity's reserves position.

Risk Management

The Directors have assessed the risks to which the Charity may be exposed in the future and concluded that they are generally low given the nature and size of the Charity. This position is kept under constant review to ensure that this policy is appropriate. Principal risks and uncertainties are as follows:

Risk 1: TCOLF long term financial sustainability at risk due to the lack of additional funding after the initial commitment, causing the Open Lab being unable to select additional projects for funding.

Action plan: Discussion with potential donors and funders to attract additional funding and diversify funding sources.

Risk 2. Insufficient capacity at the Tres Cantos facilities to implement Open Lab projects due to an increased number of quality applications and overlapping of projects selected in different waves, causing delays in getting the results or need for extensions.

Action plan: 1. Rigorous review and selection of proposals; 2. Agreement on a steady state number of 10-12 active projects in the Tres Cantos facilities; 3. Schedule projects to make use of available capacity.

Risk 3. TCOLF perceived not to be independent of GSK because the company is the only major funder of TCOLF and no other pharmaceutical partners are currently involved, causing a perceived bias in selection and implementation of projects and perception that GSK is benefitting from the open lab program.

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

Action plan: 1. Meeting minutes reflect the independence of the Directors and Governing Board members in decision making; 2. Rigorous adherence to TCOLF conflict of interest policies. Capture these conflicts in all Board meeting minutes.

PLANS FOR THE FUTURE

At present the TCOLF strategy for the 5 years to 2027 is being reviewed.

PUBLIC BENEFIT STATEMENT

The Directors confirm that, in exercising their powers and fulfilling their responsibilities as Directors in pursuit of the areas described above, they have paid due regard to the guidance on public benefit published by the Charity Commission.

AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The Directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Directors has confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemptions.

By order of the Governing Board

Steven Sheldon
Director



*Electronically signed by: Steven Sheldon
Reason: I am signing for the reasons as
stated in the document.
Date: Jul 12, 2024 14:37 GMT+1*

Date: 12 Jul 2024

Tres Cantos Open Lab Foundation

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors (who are also Trustees of Tres Cantos Open Lab Foundation for the purposes of charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including the Financial Reporting Standard FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure, of the charitable company for that year.

In preparing those financial statements, the Directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. observe the methods and principles in the Charities (SORP);
- c. make judgements and accounting estimates that are reasonable and prudent;
- d. state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- e. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TRES CANTOS OPEN LAB FOUNDATION

Opinion

We have audited the financial statements of Tres Cantos Open Lab Foundation (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities (including Income and Expenditure Account), the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Directors' Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report, which includes the Directors' 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 Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Responsibilities of directors

As explained more fully in the Statement of Directors' responsibilities set out on page 10, the Directors (who are also the Trustees 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 Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the 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 Directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TRES CANTOS OPEN LAB FOUNDATION (continued)

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Directors' Report, remaining alert to any new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TRES CANTOS OPEN LAB
FOUNDATION (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.

Claire Sutherland

Claire Sutherland (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Blenheim House
Newmarket Road
Bury St Edmunds
Suffolk
IP33 3SB
Date 23 July 2024

Tres Cantos Open Lab Foundation
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
For the year ended 31 December 2023

| | Notes | Total Unrestricted Funds 2023 £ | Total Unrestricted Funds 2022 £ |
|--|-------|---|---|
| INCOME FROM: | | | |
| Donations and legacies | 1 | 454,901 | 305,168 |
| Interest receivable | | 281,739 | 38,310 |
| TOTAL | | <u>736,640</u> | <u>343,478</u> |
| EXPENDITURE ON: | | | |
| Charitable activities | 2 | (1,530,887) | (2,360,015) |
| TOTAL | | <u>(1,530,887)</u> | <u>(2,360,015)</u> |
| NET EXPENDITURE AND NET MOVEMENT IN FUNDS | 5 | (794,247) | (2,016,537) |
| RECONCILIATION OF FUNDS | | | |
| TOTAL FUNDS BROUGHT FORWARD | | 3,678,506 | 5,695,043 |
| TOTAL FUNDS CARRIED FORWARD | | <u><u>2,884,259</u></u> | <u><u>3,678,506</u></u> |

Tres Cantos Open Lab Foundation

BALANCE SHEET

As at 31 December 2023

Company Registration No. 07301222

| | <i>Notes</i> | 2023 £ | 2022 £ |
|--|--------------|------------------|------------------|
| CURRENT ASSETS | | | |
| Debtors | 6 | 117,861 | 33,265 |
| Cash at bank and in hand | | 7,488,596 | 8,453,085 |
| | | <u>7,606,457</u> | <u>8,486,350</u> |
| CREDITORS: Amounts falling due within one year | | | |
| | 7 | (3,818,130) | (4,043,214) |
| NET CURRENT ASSETS | | | |
| | | <u>3,788,327</u> | <u>4,443,136</u> |
| CREDITORS: Amounts due after more than one year | | | |
| | 8 | (904,068) | (764,630) |
| NET ASSETS | | | |
| | | <u>2,884,259</u> | <u>3,678,506</u> |
| RESERVES | | | |
| Unrestricted funds | 9 | 2,884,259 | 3,678,506 |
| Total funds | | <u>2,884,259</u> | <u>3,678,506</u> |

These accounts are prepared in accordance with the provisions applicable to companies' subject to the small companies' regime.

The financial statements on pages 15 to 25 were approved by the Governing Board and authorised for issue on and are signed on its behalf by

12-Jul-2024



*Electronically signed by: Steven Sheldon
Reason: I am signing for the reasons as
stated in the document.
Date: Jul 12, 2024 14:37 GMT+1*

Steven Sheldon
Director

The notes on pages 18 to 25 form part of these financial statements.

Tres Cantos Open Lab Foundation

STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

| | <i>Notes</i> | 2023 £ | 2022 £ |
|--|--------------|------------------|--------------------|
| OPERATING ACTIVITIES | | | |
| Cash used in operations | 14 | (1,246,228) | (1,682,284) |
| FINANCING ACTIVITIES | | | |
| Interest received | | 281,739 | 38,310 |
| DECREASE IN CASH AND CASH EQUIVALENTS IN THE YEAR | | <u>(964,489)</u> | <u>(1,643,974)</u> |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | | 8,453,085 | 10,097,059 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 15 | <u>7,488,596</u> | <u>8,453,085</u> |

Tres Cantos Open Lab Foundation

ACCOUNTING POLICIES

COMPANY INFORMATION

Tres Cantos Open Lab Foundation is a private company limited by guarantee (Company Number 07301222) incorporated on 1 July 2010 and registered as a charity in England and Wales on 24 June 2011, number 1142577. Details of the registered office address and principal place of business are given on page 1 of the accounts. The company's operations and principal activities are described in the Directors' Report.

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost basis of accounting, in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – Charities SORP (FRS102) and the Companies Act 2006.

The Charity constitutes a public benefit entity as defined by FRS 102.

FUNCTIONAL CURRENCY

The financial statements are presented in sterling which is also the functional currency of the Charity.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

GOING CONCERN

The Directors confirm that at the time of approving the financial statements, there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future for a period of at least 12 months from the date of the signing of these financial statements. In arriving at this conclusion, the Directors have taken account of current and anticipated financial performance in the current economic conditions, and the Charity's reserves position. The Directors have considered budgets and forecasts to satisfy themselves that the charitable company remains a going concern. Given the current level of reserves (£2.9m (2022: £3.7m)) and the sustainability of the model, At 31 December 2023 the bank account balance was £7.5m (2022: £8.5m), this amount will cover projects for the next 5 years, with the current level of project expenditure committed to of £4.6m.

INCOME

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably. Income from grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred. Other income is interest received from the bank account and is recognised on receipt.

Services in kind are recognised as the cost of the employee benefits for the employees seconded to the Charity, on an accruals basis as donations in the Statement of Financial Activities at the best estimate of the value of the benefit to the Charity.

EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Grants payable are included in the Statement of Financial Activities when they have been approved for payment.

An assessment of individual grant liabilities is made at the balance sheet date and any adjustments required (these may arise as a result of foreign currency movements or differences between budgeted and actual expenditure in grant applications) to grant liabilities are recognised as debits or credits in the Statement of Financial Activities in grant expenditure.

Expenditure on charitable activities comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those

Tres Cantos Open Lab Foundation

ACCOUNTING POLICIES

costs of an indirect nature necessary to support them.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. As there is only one charitable activity, all support and governance costs have been allocated against this activity.

FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the foundation and which have not been designated for other purposes.

CASH AT BANK AND IN HAND

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments.

Financial assets

Basic financial assets, which include cash at bank and in hand, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost.

Financial liabilities

Basic financial liabilities, which include accruals and grants payable, are initially measured at transaction price and subsequently measured at amortised cost.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

In the application of the Charity's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount 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.

The Directors do not consider that there are any critical estimates or areas of judgement that need to be brought to the attention of the readers of the financial statements.

Tres Cantos Open Lab Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

| 1 | INCOME FROM DONATIONS AND LEGACIES | 2023 | 2022 |
|---|------------------------------------|----------------|----------------|
| | | £ | £ |
| | Services in kind | 454,901 | 305,168 |
| | | <u>454,901</u> | <u>305,168</u> |

In 2023, the income from donations and legacies was £454,901 (2022: £305,168) of which £454,901 (2022: £305,168) was income from unrestricted funds.

| 2 | ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES | 2023 | 2022 |
|---|---|------------------|------------------|
| | | £ | £ |
| | Grants awarded: | | |
| | Yale University | 15,000 | - |
| | University of Antwerp | 212,569 | - |
| | University of Copenhagen | - | 262,335 |
| | Universidade do Minho | - | 360,031 |
| | Universidad CarlosIII de Madrid | - | 223,754 |
| | University Libre de Bruxelles | 200,674 | - |
| | University of Zaragoza, extn | - | 4,710 |
| | INSERM | - | 227,569 |
| | University of Dundee | 163,369 | 631,748 |
| | Ghent University | 52,000 | - |
| | Rhodes University (South Africa) | - | 35,000 |
| | University of California, San Diego | 59,148 | - |
| | Albert Einstein College of Medicina | 244,363 | - |
| | Rutgers Unv International Center of Public Health | 186,438 | - |
| | International Centre for Diarrhoeal Disease | 87,000 | - |
| | University of Cambridge | - | 109,094 |
| | Fundacion Agencia Aragonesa Para La Inv Y El Desarrollo | 2,500 | - |
| | University of Georgia | - | 123,363 |
| | University of Georgia + Bioaster | - | 7,239 |
| | Carried forward | <u>1,223,061</u> | <u>1,984,843</u> |

Tres Cantos Open Lab Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

| 3 CHARITABLE ACTIVITIES (continued) | 2023 £ | 2022 £ |
|--|------------------|------------------|
| Brought forward | 1,223,061 | 1,984,843 |
| Grants rescinded: | | |
| Instituto de Medicina Molecular Portugal | (100) | - |
| INSERM | (227,567) | - |
| Hospital for Tropical Diseases, Oxford University Clinical Research Oxford University | - | (6,180) |
| University of Michigan | (14,930) | - |
| ARAID / University of Zaragoza | (94) | - |
| University of Dundee | (25,935) | - |
| University of South Florida | (68,593) | - |
| University Hospital Tübingen Germany | (2,500) | - |
| EMBL | (39,484) | - |
| University of California | - | (30,516) |
| Sanger Institute | - | (61,997) |
| Rhodes University | (16,950) | (6,250) |
| | - | (6,000) |
| | <u>(396,153)</u> | <u>(110,943)</u> |
| Grants | 826,908 | 1,873,900 |
| Legal and professional fees | 3,380 | 30,155 |
| Open access fees | 2,500 | - |
| | <u>832,788</u> | <u>1,904,055</u> |
| Support costs: | | |
| Seconded staff | 454,901 | 305,168 |
| Indirect project costs | 184,693 | 93,673 |
| Governance costs: | | |
| Legal and professional fees | 29,203 | 30,052 |
| Office expenses | 4,423 | - |
| Insurance (Directors' and Officers' Indemnity Cover) | (5,219) | 1,898 |
| Audit fees | 24,210 | 23,940 |
| Bank charges | 888 | 1,229 |
| Sponsorships | 5,000 | - |
| | <u>1,530,887</u> | <u>2,360,015</u> |

The total number of new institutional grants made in the year were 7 (2022: 6), only 1 grant per institution was awarded, and 3 extensions were granted to ongoing projects (2022: only 1 grant per institution was paid except for the University of Dundee which received 2 grants and an extension). All grants were similar in nature and were to aid the causes identified in the Directors' Report. No grants to individuals were made in the year.

In 2023, the expenditure on charitable activities was £1,530,887 (2022: £2,360,015) of which £1,530,887 (2022: £2,360,015) was expenditure from unrestricted funds.

Tres Cantos Open Lab Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

4 EMPLOYEES

There were no employees during the year in the charity (2022: none). Staff are seconded from GSK and costs relating to the secondment are included above. The Directors, who are the key management personnel of the Charity, received no remuneration for their work as Directors (2022: £nil). No Directors (2022: None) were reimbursed expenses during the year (2022: £nil).

| 5 | NET EXPENDITURE | 2023 | 2022 |
|---|---|-----------------------------|-----------------------------|
| | | £ | £ |
| | Net expenditure is stated after charging the following: | | |
| | Statutory auditor's fees (including VAT): | | |
| | Audit fee | | |
| | - Current year | 25,080 | 23,940 |
| | Accountancy services | 22,500 | 24,559 |
| | Company secretarial | 6,703 | 5,458 |
| | | <u> </u> | <u> </u> |

| 6 | DEBTORS | 2023 | 2022 |
|---|---------------|-----------------------------|-----------------------------|
| | | £ | £ |
| | Other debtors | 63,182 | - |
| | Prepayments | 54,679 | 33,265 |
| | | <u> </u> | <u> </u> |
| | | <u>117,861</u> | <u>33,265</u> |

| 7 | CREDITORS: Amounts falling due within one year | 2023 | 2022 |
|---|--|-----------------------------|-----------------------------|
| | | £ | £ |
| | Grants payable | 3,703,090 | 3,987,889 |
| | Accruals | 115,040 | 55,325 |
| | | <u> </u> | <u> </u> |
| | | <u>3,818,130</u> | <u>4,043,214</u> |

Tres Cantos Open Lab Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

| | | | |
|---|---|------------------|------------------|
| 8 | CREDITORS: Amounts falling due after more than one year | 2023 £ | 2022 £ |
| | Opening grant creditors | 4,752,519 | 4,396,792 |
| | Grants awarded during the year | 1,286,243 | 1,849,531 |
| | Grants rescinded | (396,153) | (110,943) |
| | | <u>890,090</u> | <u>1,738,588</u> |
| | Less: Grants paid during the year | (1,035,451) | (1,382,861) |
| | | <u>4,607,158</u> | <u>4,752,519</u> |
| | Included in current liabilities | (3,703,090) | (3,987,889) |
| | Grants payable in more than one year | <u>904,068</u> | <u>764,630</u> |

All grants payable will be paid from unrestricted funds.

| | | | | | |
|---|------------------------|---------------------------|----------------|--------------------|-----------------------------|
| 9 | MOVEMENT IN FUNDS 2023 | | | | |
| | | At 1 January 2023 £ | Income £ | Expenditure £ | At 31 December 2023 £ |
| | Unrestricted funds | | | | |
| | General funds | 3,678,506 | 736,640 | (1,530,887) | 2,884,259 |
| | Total funds | <u>3,678,506</u> | <u>736,640</u> | <u>(1,530,887)</u> | <u>2,884,259</u> |

MOVEMENT IN FUNDS 2022

| | | | | | |
|--|--------------------|---------------------------|----------------|--------------------|-----------------------------|
| | | At 1 January 2022 £ | Income £ | Expenditure £ | At 31 December 2022 £ |
| | Unrestricted funds | | | | |
| | General funds | 5,695,043 | 343,478 | (2,360,015) | 3,678,506 |
| | Total funds | <u>5,695,043</u> | <u>343,478</u> | <u>(2,360,015)</u> | <u>3,678,506</u> |

Tres Cantos Open Lab Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

10 ANALYSIS OF NET ASSETS BETWEEN FUNDS 2023

| | Total Unrestricted Funds £ |
|-------------------------|----------------------------------|
| Current assets | 7,606,457 |
| Current liabilities | (3,818,130) |
| Non-current liabilities | (904,068) |
| | <hr/> |
| | 2,884,259 |
| | <hr/> <hr/> |

ANALYSIS OF NET ASSETS BETWEEN FUNDS 2022

| | Total Unrestricted Funds £ |
|-------------------------|----------------------------------|
| Current assets | 8,486,350 |
| Current liabilities | (4,043,214) |
| Non-current liabilities | (764,630) |
| | <hr/> |
| | 3,678,506 |
| | <hr/> <hr/> |

11 LIABILITY OF MEMBERS

The company is limited by guarantee and does not have a share capital. In the event of the company being wound up, the maximum amount that each member is liable to contribute is £10. Glaxo Group Limited is the sole member of the company.

12 RELATED PARTY TRANSACTIONS

During the year to 31 December 2023, Glaxo Group Limited (the sole member, and a relevant legal entity exercising control) through its affiliate companies, did not pay any expenses or meet payments on behalf of TCOLF during the year (2022: none).

In the year Glaxo Group Limited provided £454,901 (2022: £305,168) of donated services to the Charity in the form of staff time spent on TCOLF activities.

13 CORPORATION TAX

The Charity is exempt from tax on income and gains under sections 466 to 493 of the Corporation Tax Act 2010 to the extent that these are applied to its charitable objects.

Tres Cantos Open Lab Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

14 RECONCILIATION OF NET EXPENDITURE TO NET CASH GENERATED FROM OPERATIONS

| | 2023 £ | 2022 £ |
|--|--------------------|--------------------|
| NET EXPENDITURE FOR THE REPORTING PERIOD | (794,247) | (2,016,537) |
| Interest received | (281,739) | (38,310) |
| (Increase)/decrease in debtors | (84,596) | 299 |
| (Decrease)/increase in creditors | (85,646) | 372,264 |
| | <hr/> | <hr/> |
| NET CASH USED IN OPERATIONS | <u>(1,246,228)</u> | <u>(1,682,284)</u> |

15 RECONCILIATION OF NET FUNDS

| | 1 January 2023 £ | Cash Flows £ | 31 December 2023 £ |
|------|---------------------|-----------------|-----------------------|
| Cash | 8,453,085 | (964,489) | 7,488,596 |
| | <hr/> | <hr/> | <hr/> |

TRES CANTOS OPEN LAB FOUNDATION

England & Wales - Charity number 1142577

Accounts

Tres Cantos Open Lab Foundation

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended
31 December 2022

Company Registration No. 07301222
Charity Registration No. 1142577

Tres Cantos Open Lab Foundation

DIRECTORS AND OFFICERS

DIRECTORS

Audra Jane Halsey
Professor Carl Francis Nathan
Professor Alan Fairlamb
Ken Duncan

COMPANY NUMBER

07301222

REGISTERED CHARITY NUMBER

1142577

REGISTERED OFFICE

Third Floor, One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

AUDITOR

RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

BANKERS

HSBC Bank Plc
Global Banking and Markets
Level 23
8 Canada Square
London
E14 5HQ

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

The Directors submit their report and the audited financial statements of the Tres Cantos Open Lab Foundation ("TCOLF") for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Charity's governing document, the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective 1 January 2019.

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details of the Charity, including details of its Directors (who are also the Charity Trustees) and its Advisers are given on page 1.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document and Constitution

Tres Cantos Open Lab Foundation is a company limited by guarantee (Company Number 07301222) incorporated on 1 July 2010 and registered as a charity in England and Wales on 24 June 2011, number 1142577.

The Tres Cantos Open Lab Foundation was established under a Memorandum of Association that established its objects and powers and is governed under its Articles of Association as updated on 10 November 2016.

Directors

The Directors (who are also the Trustees of the Charity) during the period were as follows:
Professor Alan Fairlamb
Professor Carl Francis Nathan
Audra Jane Halsey
Ken Duncan (Appointed 15 May 2022)

The Directors are advised by a Governing Board (GB) formed of renowned scientists worldwide.

Third party indemnity provision for Directors

Qualifying third party indemnity provision is in place for the benefit of all Directors of the company. Insurance cover has been contracted to cover any unplanned costs incurred due to negligence or damage.

Methods for Recruiting and Appointing New Directors

Following advice and consent by the Governing Board members, new Directors of the Charity, in accordance with the Articles of Association, are appointed by its sole member, Glaxo Group Limited (GGL). GGL is a subsidiary of GlaxoSmithKline (GSK). GSK action the official appointment at the Charities Commission and at Companies House. Diversity is a key criterion for election of the new members. There is no time limit on the length of service for the Directors due to the unique nature of the Charity. Membership of the Governing Board has a limit of 2 terms each lasting 3 years.

Policies for the Induction and Training of Directors

New Directors are provided with information from the Charity Commission regarding their duties as Directors of the TCOLF and are kept informed of any regulatory updates as and when required in the form of the circulation of information from the Charity Commission or third-party advisers. Additional training is provided if needed on an ad-hoc basis.

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

Objects and aims of the charity for the public benefit

The principal objects and aims of TCOLF are to fund and otherwise support research at, or in collaboration with, GSK for the treatment and/or prevention of diseases of the developing world (as defined in the Articles of Association), and the dissemination of the useful results of that research.

TCOLF is committed to helping transform the process of drug discovery for diseases of the developing world. TCOLF's funding and support aims to enable researchers to work in an open environment where the wider sharing of ideas and findings will drive collaborative innovation.

Organisation Structure and Decision Making

The Directors shall manage the business of the Charity and may exercise all the powers of the Charity unless they are subject to any restrictions imposed by the Companies Act, the Articles or any special resolution.

High-level decision making is made by the TCOLF Governing Board, formed by renowned scientists worldwide, including its appointed Directors. The members of the Board evaluate the funding applications and provide advice on the programme development and progress towards objectives. The management and control of the activity is conducted in regular meetings, supported with four-monthly progress reports. The Board meets usually two to three times a year, followed by a Directors' meeting to ratify the Board decisions including the Annual General meeting (AGM).

Operational and finance support is provided by the GSK Open Lab team (2.22 FTEs during 2022, 2.71 during 2021) with responsibility for the day-to-day coordination and management including projects set up, portfolio progress monitoring and finance control.

The GSK team also provides regular reporting (scientific and financial) to the Directors and Governing Board for review.

Relationships with Other Organisations

TCOLF co-operates with several organisations in pursuit of its charitable objectives. These include GSK and the various Open Lab project grantees.

As explained above, GSK provides operational and finance support to the Charity free of charge. The value of these services is recognised as donated services in kind in the Statement of Financial Activities.

A Director of the Charity, Audra Halsey, is also an employee of GSK.

Objectives for the year to 31 December 2022

The objectives for the year were to carry on identifying and ensure the smooth implementation of 4-6 new high-quality projects suitable for Open Lab collaboration.

Significant Activities in the year

- Three meetings of the Directors of the Charity (March, June and November) and the Governing Board who act in an advisory capacity to the Directors were held. 22 projects were active in 2022: 13 projects ongoing, 2 projects started, and 7 projects were completed during the period (in 2021: 22 projects were active, 14 projects ongoing, 6 projects started, and 2 projects were completed during the period).
- 6 new projects and 4 project extensions were selected for funding in 2022. (In 2021 5 new projects and 2 project extensions were selected for funding.)

Strategic priorities

During the June 2022 Board meeting, new areas where the Open Lab model could continue impacting the field of endemic infectious diseases were reviewed. The Board agreed on:

- To include *Cryptococcus* infections in the remit of the Open Lab

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

- To extend the scope of bacterial infections from Gut Health (current) to antimicrobial resistance (AMR) in a broader sense. In particular, the proposal is to focus on technological development in AMR for pathogens disproportionately affecting LMIC

These new areas are in-addition to current areas of interest and not replacing any of them. No changes in the operative model were discussed.

How the strategic priorities will be realised

Project selection:

- *Quantity:* Steady pipeline of 10 to 12 projects active in the Tres Cantos facilities adequately resourced projects at any one time, reducing from 14-16 in the first years. This reduction in the number of projects is based on:
 - *Focus on quality:* Identify projects where the TCOLF can truly act as a catalyst for success.
 - *Adequate resourcing and GSK support:* Commit the level of resource required to support projects to achieve success.
- *Type of projects:* Focus on projects with high impact potential for drug discovery.
 - *Early Stage Catalyst (ESC):* Drug discovery projects in which co-location is a key factor to be eligible. The governance process will continue as in the previous years. The allocated budget for an ESC project is expected to be \leq £200K (exceptions will always be considered e.g. when price of consumables or assays are extraordinarily high, if there is strong scientific rationale and high potential impact of the project).
 - *Back the Winners (BTW):* Due to the greater anticipated cost of these projects, the concept of “winner” will be restricted to: advanced lead molecules (robust in vivo activity on relevant models with a clear developable profile), clinical candidates, and repurposing opportunities. Opportunities originated during a TCOLF funded project will be prioritized (e.g. ongoing project TC139 (Hit discovery for new antimicrobials against *Shigella* spp.), has delivered Tebipenem pivoxil as a potential novel therapy to treat shigellosis). The allocated budget for a BTW project is expected to be \leq £500K. Unlike an ESC project, co-location is not expected for this funding stream. However, the support will go beyond the financial provision from TCOLF as GSK will continue providing support (e.g. technical input). As for ESC projects funding will come from TCOLF but final implementation will be subjected to a research collaborative agreement between the applicant's institution and GSK.

Project implementation and operative model:

- Maximum project duration of 2 years for discovery projects. Renewable only under exceptional circumstances (successful milestones, unexpected delays or extension without funding to complete work plan) and after new work plan presentation.
- Clear definition of project deliverables to establish success or failure at the end of funding period.
- Ensure integration and joint planning between pharmaceutical and academic partner teams.
- Implementation of streamlined process for transnational mobility of scientists with a focus on individual talent.

Sustainable funding:

To identify and develop sustainable funding sources by exploring novel partnership with other funding agencies or stakeholders active in the endemic infectious diseases field.

Key areas of interest

After evaluation of the current trends in the field, the scientific opportunity, and the trend in submissions during the previous years, the following section describes the proposed focus areas within each of the disease areas (including what could be potentially game changing opportunities) where TCOLF investment could make a significant impact.

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

Gut health

- *Shigellosis and other enteric infections*: Enteric infections are a key area for TCOLF due to the paediatric unmet medical need, high scientific opportunity and increasing interest from applicants and funders. Investments in this area could address one of the most pressing unmet Global Health needs within the wider anti-microbial agenda.
- *Environmental enteric dysfunction (EED)*: EED has been recently identified as an area of opportunity in the Global Health field. Besides programmatic approaches to prevent EED development, the identification of treatments to mitigate/relieve symptoms are a clear need. However, several gaps exist on diseases understanding and availability of biological platforms to support drug discovery.

Kinetoplastids mediated diseases

TCOLF has invested in 3 kinetoplastids parasites: *Trypanosome brucei*, *Trypanosome cruzi* and *Leishmania donovani*. The new epidemiological data and the fact that a novel oral treatment for HAT was approved in 2018 preclude further investment in this disease.

Malaria

A relatively unexplored aspect on malaria research are the non-erythrocytic stages of the parasite. Currently there is a knowledge gap in the antimalarial community to effectively support drug discovery efforts in these stages. In particular, the development of translational biological assay platforms as well as identification of new chemical diversity inhibiting liver stages are areas where TCOLF envisages high impact.

Tuberculosis

50% of 2010-2018 funding has been focused on this disease. The high-burden and the scientific opportunity endorses the continuation of the TCOLF commitment to support drug discovery on this disease with a similar level of budget allocation.

Research areas include:

- The development of new platforms/tools to develop non-conventional antitubercular drug discovery programs focused on Host Pathogen Interactions
- Development of tools to unveil the mode of action of host/virulence directed therapies
- Target-based programs with a strong rational design component
- To support the research on regimen selection and strategies for treatment shortening

Performance in the year

- 22 projects were active in 2022: 13 projects ongoing, 2 projects started, and 7 projects were completed during the period.
- 6 new projects + 4 project extensions were selected for funding.
- 6 publications from completed TCOLF funded projects were published during 2022 in international peer-reviewed scientific journals (TC-239, TC-206, TC-164, TC246, TC-232, TC149). Also 2 publications about the model were published in the Journal of Experimental Medicine and Nature Reviews Drug Discovery.

| Disease | Project title | TCOLF grantee | Project status |
|---------|--|--|-----------------|
| TB | Therapeutic exploitation of autophagy modulators | The University of Texas Medical Branch | Started in 2022 |

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

| | | | |
|------------|--|--|-------------------|
| Chagas | Deconvoluting the mode of action of a suite of novel antimanials-GCFR | Global Network for Neglected Tropical Diseases | Started in 2022 |
| Malaria | Malaria Lead Discovery Engine: A Fast track approach to identify novel antimalarial chemical classes with multi-stage activity | University of California, San Diego | Ongoing 2022 |
| Malaria | Addressing drug resistance in chemo prophylaxis | Harvard T.H. Chan School of Public Health | Ongoing 2022 |
| Gut health | Tebipenem-pivoxil as an alternative to ceftriaxone for clinically non-responding children with shigellosis | International Centre for Diarrhoeal Disease Research | Ongoing 2022 |
| TB | DnaJ-DnaK-GrpE complex as a selective drug target in Mycobacterium tuberculosis | Rhodes University | Ongoing 2022 |
| Gut health | Development of a Drug Discovery Platform Targeting Salmonella Typhimurium Persister Cells | University of Dundee | Ongoing 2022 |
| TB | Studies on Nucleophilic Cysteine Enzymes Involved in Bacterial Cell Wall Biosynthesis- iCASE | Oxford University | Ongoing 2022 |
| Malaria | Antimalarial drug discovery targeting pre-erythrocytic stages of Plasmodium falciparum | University of South Florida (USF), WRAIR and NIH | Ongoing 2022 |
| TB | Optimisation of a screen for antimicrobials that enhance pyrazinamide activity against Mycobacterium tuberculosis | UK Health Security Agency Former Public Health England | Ongoing 2022 |
| TB | Shortening and improving compliance to Buruli ulcer therapy- Four weeks daily triple betalactam | Research and Development Agency of Aragon (ARAID) Foundation | Ongoing 2022 |
| Malaria | Recapitulation of ATQ infection results using TCOL mosquitoes/parasites/facilities | Harvard T.H. Chan School of Public Health | Ongoing 2022 |
| Gut health | High throughput small molecule screen for drugs that alter the shape of Campylobacter jejuni | University of Cambridge | Ongoing 2022 |
| TB | TB antivirulence therapeutics: small molecule inhibitors against M. tuberculosis replication and persistence pathways as novel alternatives to classic antibiotics | University of Zaragoza | Ongoing 2022 |
| Gut health | Design of novel inhibitors of Shigella LpxC | University Dundee | Ongoing 2022 |
| TB | Designing optimal regimes for tuberculosis therapy using one-step high content dynamic in vitro kill kinetic assay linked to hollow fiber | Research and Development Agency of Aragon (ARAID) | Completed in 2022 |

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

| | studies | Foundation | |
|---------------|--|--|-------------------|
| TB | Evaluation of P450 humanized mouse model (8HUM) as a tool to assess the impact of drug combinations on pharmacology | University of Dundee | Completed in 2022 |
| Malaria | Synthesis of Kalihinol Analogues with Improved Pharmacokinetic and Pharmacodynamic Profiles | University of California, Irvine | Completed in 2022 |
| Malaria | A chemogenomic overexpression screen to identify malaria liver stage targets | Sanger Institute | Completed in 2022 |
| Gut health | Microbiome modulators for the treatment of environmental enteric dysfunction (EED) and associated stunted childhood growth | University Tubingen | Completed in 2022 |
| Malaria | Generation, characterization and in vivo evaluation of a novel live malaria vaccine | IMM Lisboa | Completed in 2022 |
| Kinetoplastid | Trypanosoma cruzi bromodomains: druggable readers to look out! | IBR- CONICET_ UNR Instituto de Biología Molecular y Celular de Rosario | Completed in 2022 |

Feedback from the visiting scientists on their experiences in Tres Cantos continues to be positive. Progress on the Open Lab projects is being greatly enabled by the in-kind access to GSK's medicinal chemistry, in vitro/in vivo biology facilities and the screening technology platform. The Charity is committed to making the results from the research it funds available for broader public benefit. During 2022, 3 articles were published in peer-review scientific journals: Gold, B *et al.* ACS Infect. Dis. 2022; Fernández Álvaro, E *et al.* elife 2022; Johnson, R. C *et al.* Trials 2022)

The achievements during the year are in line with the objectives of the Charity.

FINANCIAL REVIEW

During the year, payments to Institutions for projects and other running costs of TCOLF were £2.36m (2021: £1.3m). The Directors are of the view that the financial position of the Charity remains strong with net assets of £3.7m (2021: £5.7m). The cash at bank at 31 December 2022 was £8.5m (2021: £10.1m).

Policy on Reserves

Free reserves of the Charity are represented by its unrestricted funds and amounted to £3.7m (2021: £5.7m), the Charity will utilise the reserves to fund future grants in accordance with its charitable objectives, and to meet the general running costs of the Charity. The Directors set a target to have a level of free reserves to be able to fund future grants and meet the general running costs, which are usually an amount of circa £500k per year,

At the end of year 2022 a total of £4.7m had been already committed for all the projects that will run through to their expected completion dates ranging from 2022 to 2024. Additional funding of £5m was received in November 2021 and therefore the current level of reserves is higher than is needed and this will be reviewed at future strategy meetings.

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

The Directors will monitor the level of free reserves available before committing to any future grants to ensure that all the committed projects will be funded through to completion.

Grant making policy

The Charity considers applications from a variety of research organisations for funding. Applications are reviewed and levels of grants payable are decided upon by the Directors. Where grants, including overseas grants, are made for specified purposes, they are monitored by the Directors to ensure that those purposes are adhered to. This policy enables the Charity's aims and objectives to attract the best proposals and award funding to research groups worldwide to accelerate the discovery of novel treatments for TB, Malaria and kinetoplastid infections.

The Board usually meets 2-3 times per year. The information about how to apply and the criteria for accepting new projects can be found on www.openlabfoundation.org

Principal Funding Sources

The Charity was established with a £5m donation from GGL in 2010.

The Charity received a further £5m donation from GGL in 2012 and further £5m donations from GGL were approved in 2018 and in 2021.

The charity is exploring additional sources of funding to continue beyond 2027.

Fundraising

The Charity does not carry out fundraising activities other than those mentioned above and does not use any third-party fundraising agencies. No complaints about fundraising activities have been received (2021: Nil).

Going concern

The Directors are of the view that the Charity is a going concern given the level of reserves held at the reporting date (£3.7m) and the sustainability of the model. At 31 December 2022, the bank account balance was £8.5m, this amount will cover projects and expenses for the next 5 years, with the current level of project expenditure committed to of £4.7m.

The Directors confirm that at the time of approving the financial statements, there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. In arriving at this conclusion, the Directors have taken account of current and anticipated financial performance in the current economic conditions, and the Charity's reserves position.

Risk Management

The Directors have assessed the risks to which the Charity may be exposed in the future and concluded that they are generally low given the nature and size of the Charity. This position is kept under constant review to ensure that this policy is appropriate. Principal risks and uncertainties are as follows:

Risk 1: TCOLF long term financial sustainability at risk due to the lack of additional funding after the initial commitment, causing the Open Lab being unable to select additional projects for funding.

Action plan: Discussion with potential donors and funders to attract additional funding and diversify funding sources.

Risk 2. Insufficient capacity at the Tres Cantos facilities to implement Open Lab projects due to an increased number of quality applications and overlapping of projects selected in different waves, causing delays in getting the results or need for extensions.

Action plan: 1. Rigorous review and selection of proposals; 2. Agreement on a steady state number of 10-12 active projects in the Tres Cantos facilities; 3. Schedule projects to make use of available capacity.

Risk 3. TCOLF perceived not to be independent of GSK because the company is the only major funder

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

of TCOLF and no other pharmaceutical partners are currently involved, causing a perceived bias in selection and implementation of projects and perception that GSK is benefitting from the open lab program.

Action plan: 1. Meeting minutes reflect the independence of the Directors and Governing Board members in decision making; 2. Rigorous adherence to TCOLF conflict of interest policies. Capture these conflicts in all Board meeting minutes.

PLANS FOR THE FUTURE

At present the TCOLF strategy for the 5 years to 2027 is being reviewed. A strategy meeting was held in May 2023.

PUBLIC BENEFIT STATEMENT

The Directors confirm that, in exercising their powers and fulfilling their responsibilities as Trustees in pursuit of the areas described above, they have paid due regard to the guidance on public benefit published by the Charity Commission.

AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The Directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Directors has confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemptions.

By order of the board

Audra Jane Halsey
Director
Date:.....

A.J. Halsey

Electronically signed by: A.J.Halsey
Reason: I am signing for the reasons as stated in the document.
Date: Jul 31, 2023 14:59 GMT+1

31-Jul-2023

Tres Cantos Open Lab Foundation

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors (who are also Trustees of Tres Cantos Open Lab Foundation for the purposes of charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year, under company law the Directors 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 charitable company and of the income and expenditure of the charitable company for that period.

In preparing those financial statements, the Directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- c. make judgements and accounting estimates that are reasonable and prudent;
- d. state whether applicable United Kingdom accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- e. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TRES CANTOS OPEN LAB FOUNDATION

Opinion

We have audited the financial statements of Tres Cantos Open Lab Foundation (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities (including Income and Expenditure Account), the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Directors' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report, which includes the Directors' 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 Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Responsibilities of trustees

As explained more fully in the Statement of Directors' responsibilities set out on page 10, 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 determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Directors' Report, remaining alert to any new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Hannah Catchpool

Hannah Catchpool (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
Date 9 August 2023

Tres Cantos Open Lab Foundation
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
For the year ended 31 December 2022

| | Notes | Total Unrestricted Funds 2022 £ | Total Unrestricted Funds 2021 £ |
|------------------------------------|-------|---|---|
| INCOME FROM: | | | |
| Donations and legacies | 1 | 305,168 | 5,312,398 |
| Interest receivable | | 38,310 | - |
| TOTAL | | <u>343,478</u> | <u>5,312,398</u> |
| EXPENDITURE ON: | | | |
| Raising funds | 2 | - | 263 |
| Charitable activities | 3 | (2,360,015) | (1,305,727) |
| TOTAL | | <u>(2,360,015)</u> | <u>(1,305,464)</u> |
| NET (EXPENDITURE)/INCOME | 5 | <u>(2,016,537)</u> | <u>4,006,934</u> |
| RECONCILIATION OF FUNDS | | | |
| TOTAL FUNDS BROUGHT FORWARD | | <u>5,695,043</u> | <u>1,688,109</u> |
| TOTAL FUNDS CARRIED FORWARD | | <u><u>3,678,506</u></u> | <u><u>5,695,043</u></u> |

Tres Cantos Open Lab Foundation

BALANCE SHEET

As at 31 December 2022

Company Registration No. 07301222

| | <i>Notes</i> | 2022 £ | 2021 £ |
|--|--------------|------------------|-------------------|
| CURRENT ASSETS | | | |
| Debtors | 6 | 33,265 | 33,564 |
| Cash at bank and in hand | | 8,453,085 | 10,097,059 |
| | | <u>8,486,350</u> | <u>10,130,623</u> |
| CREDITORS: Amounts falling due within one year | | | |
| | 7 | (4,043,214) | (3,689,139) |
| NET CURRENT ASSETS | | | |
| | | <u>4,443,136</u> | <u>6,441,484</u> |
| CREDITORS: Amounts due after more than one year | | | |
| | 8 | (764,630) | (746,441) |
| NET ASSETS | | | |
| | | <u>3,678,506</u> | <u>5,695,043</u> |
| RESERVES | | | |
| Unrestricted funds | 9 | 3,678,506 | 5,695,043 |
| Total funds | | <u>3,678,506</u> | <u>5,695,043</u> |

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements on pages 14 to 23 were approved by the Board and authorised for issue on and are signed on its behalf by

31-Jul-2023

A.J.Halsey

Electronically signed by: A.J.Halsey
Reason: I am signing for the reasons as
stated in the document.
Date: Jul 31. 2023 14:59 GMT+1

.....
Audra Jane Halsey
Director

The notes on pages 17 to 23 form part of these financial statements.

Tres Cantos Open Lab Foundation

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

| | <i>Notes</i> | 2022 £ | 2021 £ |
|---|--------------|--------------------|-------------------|
| OPERATING ACTIVITIES | | | |
| Cash (used in)/generated from operations. | 14 | (1,682,284) | 3,954,097 |
| FINANCING ACTIVITIES | | | |
| Interest received | | 38,310 | - |
| (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS IN THE YEAR | | <u>(1,643,974)</u> | <u>3,954,097</u> |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | | 10,097,059 | 6,142,962 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | | <u>8,453,085</u> | <u>10,097,059</u> |

Tres Cantos Open Lab Foundation

ACCOUNTING POLICIES

COMPANY INFORMATION

Tres Cantos Open Lab Foundation is a private company limited by guarantee (Company Number 07301222) incorporated on 1 July 2010 and registered as a charity in England and Wales on 24 June 2011, number 1142577. Details of the registered office address and principal place of business are given on page 1 of the accounts. The company's operations and principal activities are described in the Directors' Report.

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by 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) and the Charities Act 2011.

The Charity constitutes a public benefit entity as defined by FRS 102.

FUNCTIONAL CURRENCY

The financial statements are presented in sterling which is also the functional currency of the charity.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

GOING CONCERN

The Directors confirm that at the time of approving the financial statements, there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future for a period of at least 12 months from the date of the signing of these financial statements. In arriving at this conclusion, the Directors have taken account of current and anticipated financial performance in the current economic conditions, and the Charity's reserves position. The Directors have considered budgets and forecasts to satisfy themselves that the charitable company remains a going concern. Given the current level of reserves (£3.7m) and the sustainability of the model, At 31 December 2022 the bank account balance was £8.5m, this amount will cover projects for the next 5 years, with the current level of project expenditure committed to of £4.6m.

INCOME

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably. Income from grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred. Other income is interest received from the bank account and is recognised on receipt.

Services in kind are recognised on an accruals basis as donations in the Statement of Financial Activities at the best estimate of the value of the benefit to the Charity.

EXPENDITURE

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Grants payable are included in the Statement of Financial Activities when they have been approved for payment.

An assessment of individual grant liabilities is made at the balance sheet date and any adjustments required (these may arise as a result of foreign currency movements or differences between budgeted and actual expenditure in grant applications) to grant liabilities are recognised as debits or credits in the Statement of Financial Activities in grant expenditure.

Expenditure on charitable activities comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis

Tres Cantos Open Lab Foundation

ACCOUNTING POLICIES

designed to reflect the use of the resource. As there is only one charitable activity, all support and governance costs have been allocated against this activity.

FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the foundation and which have not been designated for other purposes.

Restricted funds comprise monies where a restriction has been placed on their use by a donor (for a purpose which falls within, but is narrower than the general charitable objectives). Restricted funds are distributed in accordance with the terms of the original restriction.

CASH AT BANK AND IN HAND

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities.

Financial assets

Basic financial assets, which include other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost.

Financial liabilities

Basic financial liabilities, which include accruals and grants payable, are initially measured at transaction price and subsequently measured at amortised cost.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

In the application of the Charity's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount 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.

The Directors do not consider that there are any critical estimates or areas of judgement that need to be brought to the attention of the readers of the financial statements.

Tres Cantos Open Lab Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

| 1 | INCOME FROM DONATIONS AND LEGACIES | 2022 £ | 2021 £ |
|---|------------------------------------|----------------|------------------|
| | Grants received | - | 5,000,000 |
| | Services in kind | 305,168 | 312,398 |
| | | <u>305,168</u> | <u>5,312,398</u> |

In 2022, the income from donations and legacies was £305,168 (2022: £5,312,398) of which £305,168 (2021: £5,312,298) was income from unrestricted funds.

| 2 | RAISING FUNDS | 2022 £ | 2021 £ |
|---|---------------------------------|-----------|--------------|
| | (Gain)/Loss on foreign exchange | - | (263) |
| | | <u>-</u> | <u>(263)</u> |

| 3 | ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES | 2022 £ | 2021 £ |
|---|--|------------------|------------------|
| | Grants: | | |
| | Sanger Institute | - | 47,014 |
| | University of South Florida | - | 31,027 |
| | University of Copenhagen | 262,335 | - |
| | Universidade do Minho | 360,031 | - |
| | Universidad Carlos III de Madrid | 223,754 | - |
| | The IBRCONICET_UNR, Argentina - extn | - | 2,383 |
| | University of Zaragoza, extn | 4,710 | - |
| | INSERM | 227,569 | - |
| | University of Dundee | 631,748 | 5,214 |
| | ARAID (Spain) | - | 5,560 |
| | Rhodes University (South Africa) | 35,000 | 13,296 |
| | University of California, San Diego | - | 6,887 |
| | Harvard T.H. Chan School of Public Health | - | 4,267 |
| | Oxford University | - | 1,324 |
| | International Centre for Diarrhoeal Disease | - | 386,626 |
| | University of Cambridge | 109,094 | 198,571 |
| | Centre of Molecular infl res (CEMIR) | - | 93,841 |
| | University of Texas | - | 131,070 |
| | University Hospital Cologne | - | 65,173 |
| | Universidad nacional de San Martin (UNSAM) | - | 245,944 |
| | University of Georgia | 123,363 | - |
| | Univ Georgia + Bioaster | 7,239 | - |
| | Carried forward | <u>1,984,843</u> | <u>1,238,197</u> |

Tres Cantos Open Lab Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

| 3 | CHARITABLE ACTIVITIES (continued) | 2022 £ | 2021 £ |
|---|--|------------------|------------------|
| | Brought forward | 1,984,843 | 1,238,197 |
| | Grants rescinded: | | |
| | University of Alabama at Birmingham | - | (37,644) |
| | Biomedical Primate Research Centre | - | (5,313) |
| | Hospital for Tropical Diseases, Oxford University Clinical Research Oxford University | (6,180) | (4,509) |
| | University of Michigan - extn | - | (7,253) |
| | ARAID / Univ Zaragaza | - | (10,689) |
| | University of Washington | - | (12,722) |
| | University of South Florida | - | (90,662) |
| | Universidad nacional de San Martin (UNSAM) | - | (4,579) |
| | EMBL | - | (245,944) |
| | University of California | (30,516) | - |
| | Sanger Institute | (61,997) | - |
| | Rhodes University | (6,250) | - |
| | | (6,000) | - |
| | Legal and professional fees | 30,155 | 1,295 |
| | | <u>1,904,055</u> | <u>820,177</u> |
| | Support costs: | | |
| | Seconded staff and office overheads | 305,168 | 312,398 |
| | Indirect project costs | 93,673 | 119,170 |
| | Marketing and website | - | 3,012 |
| | Governance costs: | | |
| | Legal and professional fees | 30,052 | 24,660 |
| | Insurance (Directors' and Officers' Indemnity Cover) | 1,898 | 1,898 |
| | Audit fees | 23,940 | 24,202 |
| | Bank charges | 1,229 | 210 |
| | | <u>2,360,015</u> | <u>1,305,727</u> |

The total number of new institutional grants made in the year was 6 (2021: 5), only one grant per institution was paid except for the University of Dundee which received two grants and an extension (2021: only one grant per institution was paid). 4 (2021:9) extensions were granted to ongoing projects. All grants were similar in nature and were to aid the causes identified in the Directors' Report. No grants to individuals were made in the year (2021: None)

In 2022, the expenditure on charitable activities was £2,360,015 (2021: £1,305,727) of which £2,360,015 (2021: £1,305,727) was expenditure from unrestricted funds and £nil (2021: £nil) was from restricted funds.

Tres Cantos Open Lab Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

4 EMPLOYEES

There were no employees during the year (2021: none). The Directors, who are the key management personnel of the Charity, received no remuneration for their work as Directors (2021: £nil). No Directors (2021: None) were reimbursed expenses during the year (2021: £nil).

| 5 | NET (EXPENDITURE)/INCOME | 2022 | 2021 |
|---|--|-------------------|-------------------|
| | Net (expenditure)/income is stated after charging/(crediting) the following: | £ | £ |
| | Statutory auditor's fees: | | |
| | Audit fee (including VAT) | | |
| | - Current year | 23,940 | 19,932 |
| | - Prior year | - | 4,270 |
| | Accountancy services | 24,559 | 20,599 |
| | Company secretarial | 5,458 | 3,992 |
| | Foreign exchange (gain)/loss | - | (263) |
| | | <u> </u> | <u> </u> |

| 6 | DEBTORS | 2022 | 2021 |
|---|-------------|-------------------|-------------------|
| | | £ | £ |
| | Prepayments | 33,265 | 33,564 |
| | | <u> </u> | <u> </u> |
| | | <u>33,265</u> | <u>33,564</u> |

| 7 | CREDITORS: Amounts falling due within one year | 2022 | 2021 |
|---|--|-------------------|-------------------|
| | | £ | £ |
| | Grants payable | 3,987,889 | 3,650,351 |
| | Accruals | 55,325 | 38,788 |
| | | <u> </u> | <u> </u> |
| | | <u>4,043,214</u> | <u>3,689,139</u> |

| 8 | CREDITORS: Amounts falling due after more than one year | 2022 | 2021 |
|---|--|-------------------|-------------------|
| | | £ | £ |
| | Opening grant creditors | 4,396,792 | 4,515,202 |
| | Grants awarded during the year | 1,849,531 | 1,238,196 |
| | Grants rescinded | (110,943) | (419,314) |
| | Less: Grants paid during the year (net of forex movements) | (1,382,861) | (937,292) |
| | | <u> </u> | <u> </u> |
| | | <u>4,752,519</u> | <u>4,396,792</u> |
| | Included in current liabilities | (3,987,889) | (3,650,351) |
| | | <u> </u> | <u> </u> |
| | Grants payable in more than one year | <u>764,630</u> | <u>746,441</u> |

All grants payable will be paid from unrestricted funds.

Tres Cantos Open Lab Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

9 MOVEMENT IN FUNDS 2022

| | At 1 January 2022 £ | Income £ | Expenditure £ | At 31 December 2022 £ |
|--------------------|---------------------------|----------------|--------------------|-----------------------------|
| Unrestricted funds | | | | |
| General funds | 5,695,043 | 343,478 | (2,360,015) | 3,678,506 |
| Total funds | <u>5,695,043</u> | <u>343,478</u> | <u>(2,360,015)</u> | <u>3,678,506</u> |

MOVEMENT IN FUNDS 2021

| | At 1 January 2021 £ | Income £ | Expenditure £ | At 31 December 2021 £ |
|--------------------|---------------------------|------------------|--------------------|-----------------------------|
| Unrestricted funds | | | | |
| General funds | 1,688,109 | 5,312,398 | (1,305,464) | 5,695,043 |
| Total funds | <u>1,688,109</u> | <u>5,312,398</u> | <u>(1,305,464)</u> | <u>5,695,043</u> |

10 ANALYSIS OF NET ASSETS BETWEEN FUNDS 2022

| | Total Unrestricted Funds £ |
|-------------------------|----------------------------------|
| Current assets | 8,486,350 |
| Current liabilities | (4,043,214) |
| Non-current liabilities | (764,630) |
| | <u>3,678,506</u> |

ANALYSIS OF NET ASSETS BETWEEN FUNDS 2021

| | Total Unrestricted Funds £ |
|-------------------------|----------------------------------|
| Current assets | 10,130,623 |
| Current liabilities | (3,689,139) |
| Non-current liabilities | (746,441) |
| | <u>5,695,043</u> |

11 LIABILITY OF MEMBERS

The company is limited by guarantee and does not have a share capital. In the event of the company being wound up, the maximum amount that each member is liable to contribute is £10. Glaxo Group Limited is the sole member of the company.

Tres Cantos Open Lab Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

12 RELATED PARTY TRANSACTIONS

During the year to 31 December 2022, Glaxo Group Limited (the sole member, and a relevant legal entity exercising control) through its affiliate companies, paid expenses or met payments on behalf of TCOLF amounting to £nil (2021: £nil) which was paid during the year.

At 31 December 2022, £nil (2021: £nil) was owed by Glaxo Group Limited, as included in other debtors (note 6). During the year, the company received £nil (In 2021 £5,000,000 was received) from Glaxo Group Limited. (In 2021 the remaining balance of £55,647 was written off. No interest was charged on this balance.

In the year Glaxo Group Limited provided £305,168 (2021: £312,398) of donated services to the Charity in the form of staff time spent on TCOLF activities.

13 CORPORATION TAX

The Charity is exempt from tax on income and gains under sections 466 to 493 of the Corporation Tax Act 2010 to the extent that these are applied to its charitable objects.

14 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH GENERATED FROM OPERATIONS

| | 2022 £ | 2021 £ |
|---|--------------------|------------------|
| NET (EXPENDITURE)/INCOME FOR THE REPORTING PERIOD | (2,016,537) | 4,006,934 |
| Interest received | (38,310) | - |
| Decrease in debtors | 299 | 62,064 |
| Increase/(Decrease) in creditors | 372,264 | (114,901) |
| | <hr/> | <hr/> |
| NET CASH (USED IN)/GENERATED BY OPERATIONS | <u>(1,682,284)</u> | <u>3,954,097</u> |

TRES CANTOS OPEN LAB FOUNDATION

England & Wales - Charity number 1142577

Accounts

Tres Cantos Open Lab Foundation

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended
31 December 2021

Company Registration No. 07301222
Charity Registration No. 1142577

Tres Cantos Open Lab Foundation

DIRECTORS AND OFFICERS

DIRECTORS

Audra Jane Halsey
Professor Carl Francis Nathan
Professor Alan Fairlamb

COMPANY NUMBER

07301222

REGISTERED CHARITY NUMBER

1142577

REGISTERED OFFICE

Third Floor, One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

AUDITOR

RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

BANKERS

HSBC Bank Plc
Global Banking and Markets
Level 23
8 Canada Square
London
E14 5HQ

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

The Directors submit their report and the audited financial statements of the Tres Cantos Open Lab Foundation ("TCOLF") for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Charity's governing document, the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective 1 January 2019.

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details of the Charity, including details of its Directors (who are also the Charity Trustees) and its Advisers are given on page 1.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document and Constitution

Tres Cantos Open Lab Foundation is a company limited by guarantee (Company Number 07301222) incorporated on 1 July 2010 and registered as a charity in England and Wales on 24 June 2011, number 1142577.

The Tres Cantos Open Lab Foundation was established under a Memorandum of Association that established its objects and powers and is governed under its Articles of Association as updated on 10 November 2016.

Directors

The Directors (who are also the Trustees of the Charity) during the period were as follows:

Professor Alan Fairlamb
Professor Carl Francis Nathan
Audra Jane Halsey

The Directors are advised by a Governing Board (GB) formed by renowned scientists worldwide.

Third party indemnity provision for Directors

Qualifying third party indemnity provision is in place for the benefit of all Directors of the company. Insurance cover has been contracted to cover any unplanned costs incurred due to negligence or damage.

Methods for Recruiting and Appointing New Directors

Following advice and consent by the Governing Board members, new Directors of the Charity, in accordance with the Articles of Association, are appointed by its sole member, Glaxo Group Limited (GGL). GGL is a subsidiary of GlaxoSmithKline (GSK). New Directors are proposed and agreed by the Governing Board. GSK then validate this decision and action the official appointment at the Charities Commission and a Companies House. Diversity (skills, geography, gender) is a key criterion for election of the new members. There is no time limit on the length of service for the Directors due to the unique nature of the Charity. Membership of the Governing Board has a limit of 2 terms each lasting 3 years.

Policies for the Induction and Training of Directors

New Directors are provided with information from the Charity Commission regarding their duties as Directors of the Tres Cantos Open Lab Foundation and are kept informed of any regulatory updates as and when required in the form of the circulation of information from the Charity Commission or third-party advisers. Additional training is provided if needed on an ad-hoc basis.

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

Objects and aims of the charity for the public benefit

The principal objects and aims of TCOLF are to fund and otherwise support research at, or in collaboration with, GSK for the treatment and/or prevention of diseases of the developing world (as defined in the Articles of Association), and the dissemination of the useful results of that research.

TCOLF is committed to helping transform the process of drug discovery for diseases of the developing world. TCOLF's funding and support aims to enable researchers to work in an open environment where the wider sharing of ideas and findings will drive collaborative innovation.

Organisation Structure and Decision Making

The Directors shall manage the business of the Charity and may exercise all the powers of the Charity unless they are subject to any restrictions imposed by the Companies Act, the Articles or any special resolution.

High-level decision making is made by the TCOLF Governing Board, formed by renowned scientists worldwide, including its appointed Directors. The members of the Board evaluate the funding applications and provide advice on the programme development and progress towards objectives. The management and control of the activity is conducted in regular meetings, supported with four-monthly progress reports. The Board meets usually two to three times a year by teleconference and once a year face-to-face (Annual General Meeting), followed by a Directors' meeting to ratify the Board decisions.

Operational and finance support is provided by the GSK Open Lab team (2.71 FTEs during 2021, 2.77 during 2020) with responsibility for the day-to-day coordination and management including projects set up, portfolio progress monitoring and finance control.

The GSK team also provides regular reporting (scientific and financial) to the Directors and Governing Board for review.

Relationships with Other Organisations

TCOLF co-operates with several organisations in pursuit of its charitable objectives. These include GSK and the various Open Lab project grantees.

As explained above, GSK provides operational and finance support to the Charity free of charge. The value of these services is recognised as donated services in kind in the Statement of Financial Activities.

A Director of the Charity, Audra Halsey, is also an employee of GSK.

Objectives for the year to 31 December 2021

The objectives for the year were to carry on identifying and ensure the smooth implementation of 4-6 new high-quality projects suitable for Open Lab collaboration.

Significant Activities in the year

- Three meetings of the Directors of the Charity (March, June and November) and two of the Governing Board (March and June) who act in an advisory capacity to the Directors were held. 22 projects were active in 2021: 14 projects ongoing, 6 projects started, and 2 projects were completed during the period (in 2020: 24 projects were active, 7 projects ongoing, 6 projects started, and 11 projects were completed during the period).
- 5 new projects + 2 project extensions were selected for funding in 2021. (In 2020 6 new projects and 9 project extensions were selected for funding.)

Strategic priorities (2019-2022)

During the April 2019 Board meeting, the new business plans for the 2019-2022 period were approved. A strategy meeting is planned in June 2022 to decide the strategy for the 2022-2027 period. A longer period than before due to further £5m of funding received during the year from GGL.

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

The strategy for the 2019-2022 comprises two pillars, “Early Stage Catalyst” for catalysing innovation in areas at the early drug discovery stage, and “Back the Winners” to enable the progression of advanced lead molecules or clinical assets.

The focus will continue to be malaria, tuberculosis, chagas disease, leishmaniasis, enteric infections and environmental enteric dysfunction (EED).

How the strategic priorities will be realised

Project selection:

- *Quantity:* Steady pipeline of 10 to 12 projects active in the Tres Cantos facilities adequately resourced projects at any one time, reducing from 14-16 in the first years. This reduction in the number of projects is based on:
 - *Focus on quality:* Identify projects where the TCOLF can truly act as a catalyst for success.
 - *Adequate resourcing and GSK support:* Commit the level of resource required to support projects to achieve success.
- *Type of projects:* Focus on projects with high impact potential for drug discovery.
 - *Early Stage Catalyst (ESC):* This funding stream is a continuation of the original TCOLF model (discovery projects in which co-location is a key factor to be eligible) aligned with scientific priorities. The governance process will continue as in the previous years. The allocated budget for an ESC project is expected to be \leq £200K (exceptions will always be considered e.g. when price of consumables or assays are extraordinarily high, if there is strong scientific rationale and high potential impact of the project).
 - *Back the Winners (BTW):* Due to the greater anticipated cost of these projects, the concept of “winner” will be restricted to: advanced lead molecules (robust in vivo activity on relevant models with a clear developable profile), clinical candidates, and repurposing opportunities. Opportunities originated during a TCOLF funded project will be prioritized (e.g. ongoing project TC139 (Hit discovery for new antimicrobials against *Shigella* spp.), has delivered Tebipenem pivoxil as a potential novel therapy to treat shigellosis). The allocated budget for a BTW project is expected to be \leq £500K. Unlike an ESC project, co-location is not expected for this funding stream. However, the support will go beyond the financial provision from TCOLF as GSK will continue providing support (e.g. technical input). As for ESC projects funding will come from TCOLF but final implementation will be subjected to a research collaborative agreement between the applicant’s institution and GSK.

Project implementation and operative model:

- Maximum project duration of 2 years for discovery projects. Renewable only under exceptional circumstances (successful milestones, unexpected delays or extension without funding to complete work plan) and after new work plan presentation.
- Clear definition of project deliverables to establish success or failure at the end of funding period.
- Ensure integration and joint planning between pharmaceutical and academic partner teams.
- Implementation of streamlined process for transnational mobility of scientists with a focus on individual talent.

Sustainable funding:

To identify and develop sustainable funding sources by exploring novel partnership with other funding agencies or stakeholders active in the endemic infectious diseases field.

Key areas of interest

After evaluation of the current trends in the field, the scientific opportunity and the trend in submissions during the previous years, the following section describes the proposed focus areas within each of the disease areas (including what could be potentially game changing opportunities) where TCOLF investment could make a significant impact.

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

Gut health

- *Shigellosis and other enteric infections*: Enteric infections are a key area for TCOLF due to the paediatric unmet medical need, high scientific opportunity and increasing interest from applicants and funders. Investments in this area could address one of the most pressing unmet Global Health needs within the wider anti-microbial agenda.
- *Environmental enteric dysfunction (EED)*: EED has been recently identified as an area of opportunity in the Global Health field. Besides programmatic approaches to prevent EED development, the identification of treatments to mitigate/relieve symptoms are a clear need. However, several gaps exist on diseases understanding and availability of biological platforms to support drug discovery.

Kinetoplastids mediated diseases

TCOLF has invested in 3 kinetoplastids parasites: *Trypanosome brucei*, *Trypanosome cruzi* and *Leishmania donovani*. The new epidemiological data and the fact that a novel oral treatment for HAT was approved in 2018 preclude further investment in this disease.

Malaria

A relatively unexplored aspect on malaria research are the non-erythrocytic stages of the parasite. Currently there is a knowledge gap in the antimalarial community to effectively support drug discovery efforts in these stages. In particular, the development of translational biological assay platforms as well as identification of new chemical diversity inhibiting liver stages are areas where TCOLF envisages high impact.

Tuberculosis

50% of 2010-2018 funding has been focused on this disease. The high-burden and the scientific opportunity endorses the continuation of the TCOLF commitment to support drug discovery on this disease with a similar level of budget allocation.

Research areas include:

- The development of new platforms/tools to develop non-conventional antitubercular drug discovery programs focused on Host Pathogen Interactions
- Development of tools to unveil the mode of action of host/virulence directed therapies
- Target-based programs with a strong rational design component
- To support the research on regimen selection and strategies for treatment shortening

Performance in the year

- 22 projects were active in 2021: 14 projects ongoing, 6 projects started, and 2 projects were completed during the period.
- 5 new projects + 2 project extensions were selected for funding.
- 6 publications from completed TCOLF funded projects were published during 2021 in international peer-reviewed scientific journals (TC-239, TC-206, TC-164, TC246, TC-232, TC149). Also 2 publications about the model were published in the Journal of Experimental Medicine and Nature Reviews Drug Discovery.

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

| Disease | Project ID | Type of project | Project title | TCOLF grantee | Project status |
|-------------|----------------|--|---|--|------------------|
| Malaria | 53287 | Assay / Platform Development | Addressing drug resistance in chemo prophylaxis | Harvard T.H. Chan School of Public Health | Starting in 2021 |
| Malaria | 53109 | Hit Identification / Screening | Malaria Lead Discovery Engine: A Fast track approach to identify novel antimalarial chemical classes with multi-stage activity | University of California, San Diego | Starting in 2021 |
| Shigellosis | TBD – TC283 | Efficacy clinical study | Tebipenem-pivoxil as an alternative to ceftriaxone for clinically non-responding children with shigellosis | International Centre for Diarrhoeal Disease Research | Starting in 2021 |
| TB | 52917 | Assay / Platform Development | DnaJ-DnaK-GrpE complex as a selective drug target in Mycobacterium tuberculosis | Rhodes University | Starting in 2021 |
| EED | 53291 | Assay / Platform Development | Development of a Drug Discovery Platform Targeting Salmonella Typhimurium Persister Cells | University of Dundee | Starting in 2021 |
| TB | 52237 | Target Validation / Identification | Studies on Nucleophilic Cysteine Enzymes Involved in Bacterial Cell Wall Biosynthesis- iCASE | Oxford University | Starting in 2021 |
| TB | 52915 | Clinical Candidate Profiling | Designing optimal regimes for tuberculosis therapy using one-step high content dynamic in vitro kill kinetic assay linked to hollow fibre studies | Research and Development Agency of Aragon (ARAID) Foundation | Ongoing 2021 |
| TB | 52913 | Platform Development / Screening | Evaluation of P450 humanized mouse model (8HUM) as a tool to assess the impact of drug combinations on pharmacology | University of Dundee | Ongoing 2021 |
| TB | 52833 | Hit Identification / Screening | Optimisation of a screen for antimicrobials that enhance pyrazinamide activity against Mycobacterium tuberculosis | Public Health England | Ongoing 2021 |
| TB | NP-CDP 2000031 | Clinical Research | Shortening and improving compliance to Buruli ulcer therapy- Four weeks daily triple betalactam | Research and Development Agency of Aragon (ARAID) Foundation | Ongoing 2021 |
| Malaria | 52829 | H2L / Tool | Recapitulation of ATQ infection results using TCOL mosquitoes/parasites/facilities | Harvard T.H. Chan School of Public Health | Ongoing 2021 |
| Shigellosis | 52919 | Assay / Platform Development Hit Identification /Screening | High throughput small molecule screen for drugs that alter the shape of Campylobacter jejuni | University of Cambridge | Ongoing 2021 |

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

| Disease | Project ID | Type of project | Project title | TCOLF grantee | Project status |
|---------------|------------|--------------------------------|---|--|-------------------|
| TB | 52441 | Hit Identification / Screening | TB antivirulence therapeutics: small molecule inhibitors against <i>M. tuberculosis</i> replication and persistence pathways as novel alternatives to classic antibiotics | University of Zaragoza | Ongoing 2021 |
| Malaria | 52803 | H2L / Tool | Synthesis of Kalihinol Analogues with Improved Pharmacokinetic and Pharmacodynamic Profiles | University of California, Irvine | Ongoing 2021 |
| Malaria | 52537 | Assay / Platform Development | A chemogenomic overexpression screen to identify malaria liver stage targets | Sanger Institute | Ongoing 2021 |
| Shigella | 52663 | Hit Identification / Screening | Design of novel inhibitors of Shigella LpxC | University Dundee | Ongoing 2021 |
| EED | 52665 | Other | Microbiome modulators for the treatment of environmental enteric dysfunction (EED) and associated stunted childhood growth | University Tubingen | Ongoing 2021 |
| Malaria | 52577 | Hit Identification / Screening | Antimalarial drug discovery targeting pre-erythrocytic stages of <i>Plasmodium falciparum</i> | University of South Florida (USF), WRAIR and NIH | Ongoing 2021 |
| Malaria | 52661 | Late Lead Identification | Generation, characterization and in vivo evaluation of a novel live malaria vaccine | IMM Lisboa | Ongoing 2021 |
| Kinetoplastid | 52445 | Hit Identification / Screening | <i>Trypanosoma cruzi</i> bromodomains: druggable readers to look out! | IBR-CONICET_UNR Instituto de Biología Molecular y Celular de Rosario | Ongoing 2021 |
| TB | 52237 | Hit Identification / Screening | Structural biology and assays enabling β -lactams that target <i>Mycobacteria tuberculosis</i> | Oxford University | Completed in 2021 |
| Malaria | 52145 | Hit Identification / Screening | High throughput screening to identify selective proteasome inhibitors as new antimalarials with a novel mode of action. | University of Melbourne | Completed in 2021 |

Feedback from the visiting scientists on their experiences in Tres Cantos continues to be positive. Progress on the Open Lab projects is being greatly enabled by the in-kind access to GSK's medicinal chemistry, in vitro/in vivo biology facilities and the screening technology platform. The Charity is committed to making the results from the research it funds available for broader public benefit.

The Charity reviewed and approved funding for 5 projects and 9 cost extension for previous projects.

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

The achievements during the year are in line with the objectives of the Charity.

FINANCIAL REVIEW

During the year, payments to Institutions for projects and other running costs of TCOLF were £1.3m (2020: £2.6m). The Directors are of the view that the financial position of the Charity remains strong with net assets of £5.7m (2020: £1.7m). The cash at bank at 31 December 2021 was £10.1m (2020: £6.1m) and has increased due to £5m received from GGL in the year.

Policy on Reserves

Free reserves of the Charity are represented by its unrestricted funds and amounted to £5.7m (2020: £1.7m), the Charity will utilise the reserves to fund future grants in accordance with its charitable objectives, and to meet the general running costs of the Charity. The Directors set a target to have a level of free reserves to be able to fund future grants and meet the general running costs, which are usually an amount of circa £500k per year,

At the end of year 2021 a total of £4.3m had been already committed for all the projects that will run through to expected completion dates ranging from 2021 to 2024. The additional funding of £5m was received in November 2021 and therefore the current level of reserves is higher than is needed and this will be reviewed at a strategy meeting due to be held in June 2022.

The Directors will monitor the level of free reserves available before committing to any future grants to ensure that all the committed projects will be funded through to completion.

Grant making policy

The Charity considers applications from a variety of research organisations for funding. Applications are reviewed and levels of grants payable are decided upon by the Directors. Where grants, including overseas grants, are made for specified purposes, they are monitored by the Directors to ensure that those purposes are adhered to. This policy enables the Charity's aims and objectives to attract the best proposals and award funding to research groups worldwide to accelerate the discovery of novel treatments for TB, Malaria and kinetoplastid infections.

The Board usually meets 2-3 times per year. The information about how to apply and the criteria for accepting new projects can be found on www.openlabfoundation.org

Principal Funding Sources

The Charity was established with a £5m donation from GGL in 2010.

The Charity received a further £5m donation from GGL in 2012 and further £5m donations from GGL were approved in 2018 and in 2021. By 31 December 2021 the charity had received all the funding due from GGL to date.

The charity is exploring additional sources of funding to continue beyond 2027.

In early 2020, the existence of COVID-19 was confirmed which has since spread across a significant number of countries leading to disruption to economic activity and global markets. Living in a period of considerable political and economic uncertainty poses very real challenges to the Charity. In particular, the continued lock-down period is having an impact on the Charity due to the laboratory-based nature of the projects. It was expected that milestones would not be committed in the time frame approved and requests for extensions are likely to be submitted. COVID-19 impact reports were prepared and presented to the Directors in March 2021 and June 2021 and proposed extensions are considered on a case by case basis.

Fundraising

The Charity does not carry out fundraising activities other than those mentioned above and does not use any third-party fundraising agencies. No complaints about fundraising activities have been received (2020: Nil).

Going concern

The Directors are of the view that the Charity is a going concern given the level of reserves held at the reporting date (£5.7m) and the sustainability of the model. At 31 December 2021, the bank account balance was £10.1m,

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

this amount will cover projects and expenses for the next 5 years, with the current level of project expenditure committed to of £4.4m.

The Directors confirm that at the time of approving the financial statements, there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. In arriving at this conclusion, the Directors have taken account of current and anticipated financial performance in the current economic conditions, and the Charity's reserves position. The full impact of the COVID-19 outbreak cannot presently be estimated yet, but the stress testing of the Charity's financial position has satisfied the Directors that it has adequate reserves and mitigation strategies available to deal with the impact of the outbreak as it unfolds.

Risk Management

The Directors have assessed the risks to which the Charity may be exposed in the future and concluded that they are generally low given the nature and size of the Charity. This position is kept under constant review to ensure that this policy is appropriate. Principal risks and uncertainties are as follows:

Risk 1: TCOLF long term financial sustainability at risk due to the lack of additional funding after the initial commitment, causing the Open Lab being unable to select additional projects for funding.

Action plan: Discussion with potential donors and funders started to attract additional funding and diversify funding sources.

Risk 2. Insufficient capacity at the Tres Cantos facilities to implement Open Lab projects due to an increased number of quality applications and overlapping of projects selected in different waves, causing delays in getting the results or need for extensions.

Action plan: 1. Rigorous review and selection of proposals; 2. Agreement on a steady state number of 10-12 active projects in the Tres Cantos facilities; 3. Schedule projects to make use of available capacity.

Risk 3. TCOLF perceived not to be independent of GSK because the company is the only major funder of TCOLF and no other pharmaceutical partners are currently involved, causing a perceived bias in selection and implementation of projects and perception that GSK is benefitting from the open lab program.

Action plan: 1. Meeting minutes reflect the independence of the Directors and Governing Board members in decision making; 2. Rigorous adherence to TCOLF conflict of interest policies. Capture these conflicts in all Board meeting minutes.

PLANS FOR THE FUTURE

At present the TCOLF strategy for the 5 years to 2027 is being reviewed. A strategy meeting is planned for June 2022.

PUBLIC BENEFIT STATEMENT

The Directors confirm that, in exercising their powers and fulfilling their responsibilities as Trustees in pursuit of the areas described above, they have paid due regard to the guidance on public benefit published by the Charity Commission.

AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The Directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Directors has confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemptions.

By order of the board

A.J. Halsey

Electronically signed by
A. J. Halsey
Reason I am signing for the
reasons set stated in the
document
Date: 16/05/2022 19:50
GMT+1

Audra Jane Halsey
Director

Date: 23-May-2022

Tres Cantos Open Lab Foundation

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors (who are also Trustees of Tres Cantos Open Lab Foundation for the purposes of charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year, under company law the Directors 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing those financial statements, the Directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- c. make judgements and accounting estimates that are reasonable and prudent;
- d. state whether applicable United Kingdom accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- e. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TRES CANTOS OPEN LAB FOUNDATION

Opinion

We have audited the financial statements of Tres Cantos Open Lab Foundation (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities (including Income and Expenditure Account), the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report, which includes the Directors' 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 Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Responsibilities of trustees

As explained more fully in the Statement of Directors' responsibilities set out on page 11, 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 determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to any new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

RSM UK Audit LLP

Hannah Catchpool (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
Date 12/07/22

Tres Cantos Open Lab Foundation
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
For the year ended 31 December 2021

| | Notes | Total Unrestricted Funds 2021 £ | Total Unrestricted Funds 2020 £ |
|------------------------------------|-------|---|---|
| INCOME FROM: | | | |
| Donations and legacies | 1 | 5,312,398 | 323,824 |
| TOTAL | | <u>5,312,398</u> | <u>323,824</u> |
| EXPENDITURE ON: | | | |
| Raising funds | 2 | 263 | (723) |
| Charitable activities | 3 | (1,305,727) | (2,623,339) |
| TOTAL | | <u>(1,305,464)</u> | <u>(2,624,062)</u> |
| NET INCOME/ (EXPENDITURE) | 5 | <u>4,006,934</u> | <u>(2,300,238)</u> |
| RECONCILIATION OF FUNDS | | | |
| TOTAL FUNDS BROUGHT FORWARD | | <u>1,688,109</u> | <u>3,988,347</u> |
| TOTAL FUNDS CARRIED FORWARD | | <u><u>5,695,043</u></u> | <u><u>1,688,109</u></u> |

Tres Cantos Open Lab Foundation

BALANCE SHEET

As at 31 December 2021

Company Registration No. 07301222

| | Notes | 2021 £ | 2020 £ |
|--|-------|-------------------|------------------|
| CURRENT ASSETS | | | |
| Debtors | 6 | 33,564 | 95,628 |
| Cash at bank and in hand | | 10,097,059 | 6,142,962 |
| | | <u>10,130,623</u> | <u>6,238,590</u> |
| CREDITORS: Amounts falling due within one year | | | |
| | 7 | (3,689,139) | (3,799,764) |
| NET CURRENT ASSETS | | | |
| | | <u>6,441,484</u> | <u>2,438,826</u> |
| CREDITORS: Amounts due after more than one year | | | |
| | 8 | (746,441) | (750,717) |
| NET ASSETS | | | |
| | | <u>5,695,043</u> | <u>1,688,109</u> |
| RESERVES | | | |
| Unrestricted funds | 9 | 5,695,043 | 1,688,109 |
| Total funds | | | |
| | | <u>5,695,043</u> | <u>1,688,109</u> |

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements on pages 15 to 24 were approved by the Board and authorised for issue on 23-May-2022..... and are signed on its behalf by

A.J. Halsey

Electronically signed by
A J Halsey
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purpose of stating in the
document
Date: May 23, 2022 19:50
GMT+1

.....
Audra Jane Halsey
Director

The notes on pages 18 to 24 form part of these financial statements.

Tres Cantos Open Lab Foundation
STATEMENT OF CASH FLOWS
For the year ended 31 December 2021

| | <i>Notes</i> | 2021 £ | 2020 £ |
|---|--------------|-------------------|------------------|
| OPERATING ACTIVITIES | | | |
| Cash generated from operations. | 14 | 3,954,097 | 1,005,894 |
| INCREASE IN CASH AND CASH EQUIVALENTS IN THE YEAR | | <u>3,954,097</u> | <u>1,005,894</u> |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | | 6,142,962 | 5,137,068 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | | <u>10,097,059</u> | <u>6,142,962</u> |

Tres Cantos Open Lab Foundation

ACCOUNTING POLICIES

COMPANY INFORMATION

Tres Cantos Open Lab Foundation is a private company limited by guarantee (Company Number 07301222) incorporated on 1 July 2010 and registered as a charity in England and Wales on 24 June 2011, number 1142577. Details of the registered office address and principal place of business are given on page 1 of the accounts. The company's operations and principal activities are described in the Directors' Report.

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by 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) and the Charities Act 2011.

The Charity constitutes a public benefit entity as defined by FRS 102.

FUNCTIONAL CURRENCY

The financial statements are presented in sterling which is also the functional currency of the charity.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

GOING CONCERN

The Directors confirm that at the time of approving the financial statements, there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. In arriving at this conclusion, the Directors have taken account of current and anticipated financial performance in the current economic conditions, and the Charity's reserves position. The stress testing of the Charity's financial position has satisfied the Directors that it has adequate reserves and mitigation strategies available to deal with the impact of the outbreak as it unfolds.

INCOME

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably. Income from grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Services in kind are recognised on an accruals basis as donations in the Statement of Financial Activities at the best estimate of the value of the benefit to the Charity.

EXPENDITURE

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Grants payable are included in the Statement of Financial Activities when they have been approved for payment.

An assessment of individual grant liabilities is made at the balance sheet date and any adjustments required (these may arise as a result of foreign currency movements or differences between budgeted and actual expenditure in grant applications) to grant liabilities are recognised as debits or credits in the Statement of Financial Activities in grant expenditure.

Expenditure on charitable activities comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. As there is only one charitable activity, all support and governance costs have been allocated against this activity.

Tres Cantos Open Lab Foundation

ACCOUNTING POLICIES

FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the foundation and which have not been designated for other purposes.

Restricted funds comprise monies where a restriction has been placed on their use by a donor (for a purpose which falls within, but is narrower than the general charitable objectives). Restricted funds are distributed in accordance with the terms of the original restriction.

CASH AT BANK AND IN HAND

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities.

Financial assets

Basic financial assets, which include other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost.

Financial liabilities

Basic financial liabilities, which include accruals and grants payable, are initially measured at transaction price and subsequently measured at amortised cost.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

In the application of the Charity's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount 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.

The Directors do not consider that there are any critical estimates or areas of judgement that need to be brought to the attention of the readers of the financial statements.

Tres Cantos Open Lab Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

| 1 | INCOME FROM DONATIONS AND LEGACIES | 2021 | 2020 |
|---|------------------------------------|------------------|----------------|
| | | £ | £ |
| | Grants received | 5,000,000 | - |
| | Services in kind | 312,398 | 323,824 |
| | | <u>5,312,398</u> | <u>323,824</u> |

In 2021, the income from donations and legacies was £5,312,398 (2020: £323,824) of which £5,312,398 (2020: £323,824) was income from unrestricted funds.

| 2 | RAISING FUNDS | 2021 | 2020 |
|---|---------------------------------|--------------|------------|
| | | £ | £ |
| | (Gain)/Loss on foreign exchange | (263) | 723 |
| | | <u>(263)</u> | <u>723</u> |

| 3 | ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES | 2021 | 2020 |
|---|---|------------------|------------------|
| | | £ | £ |
| | Grants: | | |
| | London School of Hygiene & Tropical Medicine | - | 3,532 |
| | University of Michigan - extn | - | 11,511 |
| | Sanger Institute | 47,014 | - |
| | University of South Florida | 31,027 | - |
| | Harvard Medical School & Institut de Biologie Structurale de Grenoble | - | 16,744 |
| | University of Washington | - | 2,099 |
| | ARAID/University of Zaragoza - extn | - | 26,640 |
| | The IBRCONICET_UNR, Argentina - extn | 2,383 | 12,544 |
| | University of Zaragoza, extn | - | 32,229 |
| | University of California, Irvine - extn | - | 34,783 |
| | Fundacion Agencia Aragonesa Para La Inv Y El Desarrollo | - | 507,601 |
| | University of Dundee | 5,214 | 449,338 |
| | ARAID (Spain) | 5,560 | 174,142 |
| | Rhodes University (South Africa) | 13,296 | 173,030 |
| | University of California, San Diego | 6,887 | 372,746 |
| | Harvard T.H. Chan School of Public Health | 4,267 | 225,312 |
| | Oxford University | 1,324 | 27,350 |
| | International Centre for Diarrhoeal Disease | 386,626 | 115,874 |
| | University of Cambridge | 198,571 | - |
| | Centre of Molecular infl res (CEMIR) | 93,841 | - |
| | University of Texas | 131,070 | - |
| | University Hospital Cologne | 65,173 | - |
| | Universidad nacional de San Martin (UNSAM) | 245,944 | - |
| | Carried forward | <u>1,238,197</u> | <u>2,185,475</u> |

Tres Cantos Open Lab Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

| 3 CHARITABLE ACTIVITIES (continued) | 2021 £ | 2020 £ |
|--|------------------|------------------|
| Brought forward | 1,238,197 | 2,185,475 |
| Grants rescinded: | | |
| University of Alabama at Birmingham | (37,644) | - |
| Biomedical Primate Research Centre | (5,313) | - |
| Hospital for Tropical Diseases, Oxford University Clinical Research | (4,509) | - |
| Oxford University | (7,253) | - |
| University of Michigan - extn | (10,689) | - |
| ARAID / Univ Zaragaza | (12,722) | - |
| University of Washington | (90,662) | - |
| University of South Florida | (4,579) | - |
| Universidad nacional de San Martin (UNSAM) | (245,944) | - |
| University of Melbourne | - | (6,125) |
| Legal and professional fees | 1,295 | 7,654 |
| | <u>820,177</u> | <u>2,187,004</u> |
| Support costs: | | |
| Seconded staff and office overheads | 312,398 | 323,824 |
| Indirect project costs | 119,170 | 67,051 |
| Marketing and website | 3,012 | 3,879 |
| Governance costs: | | |
| Legal and professional fees | 24,660 | 23,855 |
| Insurance (Directors' and Officers' Indemnity Cover) | 1,898 | 1,898 |
| Audit fees | 24,202 | 14,840 |
| Bank charges | 210 | 987 |
| | <u>1,305,727</u> | <u>2,623,339</u> |

The total number of new institutional grants made in the year was 5 (2020: 9), only one grant per institution was paid (2020: only one grant per institution was paid except for University of Dundee). 9 (2020:8) extensions were granted to ongoing projects. All grants were similar in nature and were to aid the causes identified in the Directors' Report. No grants to individuals were made in the year (2020: None)

In 2021, the expenditure on charitable activities was £1,305,727 (2020: £2,623,339) of which £1,305,727 (2020: £2,623,339) was expenditure from unrestricted funds and £nil (2020: £nil) was from restricted funds.

Tres Cantos Open Lab Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

4 EMPLOYEES

There were no employees during the year (2020: nil). The Directors, who are the key management personnel of the Charity, received no remuneration for their work as Directors (2020: £nil). No Directors (2020: None) were reimbursed expenses during the year (2020: £nil).

Tres Cantos Open Lab Foundation
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 December 2021

| 5 | NET INCOME/(EXPENDITURE) | 2021 | 2020 |
|---|--|-------------------|-------------------|
| | | £ | £ |
| | Net income/(expenditure) is stated after charging/(crediting) the following: | | |
| | Statutory auditor's fees: | | |
| | Audit fee (including VAT) | | |
| | - Current year | 19,932 | 14,840 |
| | - Prior year | 4,270 | - |
| | Accountancy services | 24,591 | 23,855 |
| | Foreign exchange (gain)/loss | (263) | 723 |
| | | <u> </u> | <u> </u> |
| 6 | DEBTORS | 2021 | 2020 |
| | | £ | £ |
| | Other debtors (see note 12) | - | 55,647 |
| | Prepayments | 33,564 | 39,981 |
| | | <u> </u> | <u> </u> |
| | | <u>33,564</u> | <u>95,628</u> |
| 7 | CREDITORS: Amounts falling due within one year | 2021 | 2020 |
| | | £ | £ |
| | Grants payable | 3,650,351 | 3,764,485 |
| | Accruals | 38,788 | 35,279 |
| | | <u> </u> | <u> </u> |
| | | <u>3,689,139</u> | <u>3,799,764</u> |
| 8 | CREDITORS: Amounts falling due after more than one year | 2021 | 2020 |
| | | £ | £ |
| | Opening grant creditors | 4,515,202 | 3,210,518 |
| | Grants awarded during the year | 1,238,196 | 2,185,475 |
| | Grants rescinded | (419,314) | (6,125) |
| | Less: Grants paid during the year (net of forex movements) | (937,292) | (874,666) |
| | | <u> </u> | <u> </u> |
| | | 4,396,792 | 4,515,202 |
| | Included in current liabilities | (3,650,351) | (3,764,485) |
| | Grants payable in more than one year | <u> </u> | <u> </u> |
| | | 746,441 | 750,717 |

All grants payable will be paid from unrestricted funds.

Tres Cantos Open Lab Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

9 MOVEMENT IN FUNDS 2021

| | At 1 January 2021 £ | Income £ | Expenditure £ | At 31 December 2021 £ |
|--------------------|---------------------------|------------------|--------------------|-----------------------------|
| Unrestricted funds | | | | |
| General funds | 1,688,109 | 5,312,398 | (1,305,464) | 5,695,043 |
| Total funds | <u>1,688,109</u> | <u>5,312,398</u> | <u>(1,305,464)</u> | <u>5,695,043</u> |

MOVEMENT IN FUNDS 2020

| | At 1 January 2020 £ | Income £ | Expenditure £ | At 31 December 2020 £ |
|--------------------|---------------------------|----------------|--------------------|-----------------------------|
| Unrestricted funds | | | | |
| General funds | 3,988,347 | 323,824 | (2,624,062) | 1,688,109 |
| Total funds | <u>3,988,347</u> | <u>323,824</u> | <u>(2,624,062)</u> | <u>1,688,109</u> |

10 ANALYSIS OF NET ASSETS BETWEEN FUNDS 2021

| | |
|-------------------------|----------------------------------|
| | Total Unrestricted Funds £ |
| Current assets | 10,130,623 |
| Current liabilities | (3,689,139) |
| Non-current liabilities | (746,441) |
| | <u>5,695,043</u> |

ANALYSIS OF NET ASSETS BETWEEN FUNDS 2020

| | |
|-------------------------|----------------------------------|
| | Total Unrestricted Funds £ |
| Current assets | 6,238,590 |
| Current liabilities | (3,799,764) |
| Non-current liabilities | (750,717) |
| | <u>1,688,109</u> |

11 LIABILITY OF MEMBERS

The company is limited by guarantee and does not have a share capital. In the event of the company being wound up, the maximum amount that each member is liable to contribute is £10. Glaxo Group

Tres Cantos Open Lab Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

Limited is the sole member of the company.

12 RELATED PARTY TRANSACTIONS

During the year to 31 December 2021, Glaxo Group Limited (the sole member, and a relevant legal entity exercising control) through its affiliate companies, paid expenses or met payments on behalf of TCOLF amounting to £nil (2020: £nil) which was paid during the year.

At 31 December 2021, £nil (2020: £55,647) was owed by Glaxo Group Limited, as included in other debtors (note 6). During the year, the company received £5,000,000 (In 2020 £2,000,000 was received in settlement of a previous debtor) from Glaxo Group Limited and the outstanding amount of £55,647 was written off. No interest was charged on this balance.

In the year Glaxo Group Limited provided £312,398 (2020: £323,824) of donated services to the Charity in the form of staff time spent on TCOLF activities.

13 CORPORATION TAX

The Charity is exempt from tax on income and gains under sections 466 to 493 of the Corporation Tax Act 2010 to the extent that these are applied to its charitable objects.

14 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH GENERATED FROM OPERATIONS

| | 2021 £ | 2020 £ |
|--|-------------|-------------|
| NET INCOME/ (EXPENDITURE) FOR THE REPORTING PERIOD | 4,006,934 | (2,300,238) |
| ADJUSTMENTS FOR: | | |
| Decrease in debtors | 62,064 | 1,992,154 |
| (Decrease)/Increase in creditors | (114,901) | 1,313,978 |
| | <hr/> | <hr/> |
| NET CASH GENERATED BY OPERATIONS | 3,954,097 | 1,005,894 |
| | <hr/> <hr/> | <hr/> <hr/> |

TRES CANTOS OPEN LAB FOUNDATION

England & Wales - Charity number 1142577

Accounts

Tres Cantos Open Lab Foundation

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended
31 December 2020



Company Registration No. 07301222
Charity Registration No. 1142577

Tres Cantos Open Lab Foundation

DIRECTORS AND OFFICERS

DIRECTORS

Audra Jane Halsey
Professor Carl Francis Nathan
Professor Alan Fairlamb

COMPANY NUMBER

07301222

REGISTERED CHARITY NUMBER

1142577

REGISTERED OFFICE

Third Floor, One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

AUDITOR

RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

BANKERS

HSBC Bank Plc
Global Banking and Markets
Level 23
8 Canada Square
London
E14 5HQ

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

The Directors submit their report and the audited financial statements of the Tres Cantos Open Lab Foundation ("TCOLF") for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Charity's governing document, the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective 1 January 2019.

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details of the Charity, including details of its Directors (who are also the Charity Trustees) and its Advisers are given on page 1.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document and Constitution

Tres Cantos Open Lab Foundation is a company limited by guarantee (Company Number 07301222) incorporated on 1 July 2010 and registered as a charity in England and Wales on 24 June 2011, number 1142577.

The Tres Cantos Open Lab Foundation was established under a Memorandum of Association that established its objects and powers and is governed under its Articles of Association as updated on 10 November 2016.

Directors

The Directors (who are also the Trustees of the Charity) during the period were as follows:

Professor Alan Fairlamb
Professor Carl Francis Nathan
Audra Halsey (appointed 18 December 2020)
Mr Jose Maria Romero Rodriguez (resigned 17 December 2020)
Professor Baron Peter Piot (resigned 17 December 2020)

The directors are advised by a Governing Board formed by renowned scientists worldwide.

Third party indemnity provision for Directors

Qualifying third party indemnity provision is in place for the benefit of all Directors of the company. An insurance cover has been contracted to cover any unplanned costs incurred due to negligence or damage.

Methods for Recruiting and Appointing New Directors

Following advice and consent by the Governing Board members, new Directors of the Charity, in accordance with the Articles of Association, are appointed by its sole member, GlaxoSmithKline (GSK). New Directors are proposed and agreed by the Governing Board. GSK then validate this decision and action the official appointment at the Charities Commission. Diversity (skills, geography, gender) is a key criterion for election of the new members. There is no time limit on the length of service for the Directors due to the unique nature of the Charity. Membership of the Governing Board has a limit of 2 terms each lasting 3 years. Glaxo Group Limited (GGL) is a subsidiary of GSK.

Policies for the Induction and Training of Directors

New Directors are provided with information from the Charity Commission regarding their duties as Directors of the Tres Cantos Open Lab Foundation and are kept informed of any regulatory updates as and when required in the form of the circulation of information from the Charity Commission or third-party advisers. Additional training is provided if needed on an ad-hoc basis.

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

Objects and aims of the charity for the public benefit

The principle objects and aims of TCOLF are to fund and otherwise support research at, or in collaboration with, GSK for the treatment and/or prevention of diseases of the developing world (as defined in the Articles of Association), and the dissemination of the useful results of that research.

TCOLF is committed to helping transform the process of drug discovery for diseases of the developing world. TCOLF's funding and support aims to enable researchers to work in an open environment where the wider sharing of ideas and findings will drive collaborative innovation.

Organisation Structure and Decision Making

The Directors shall manage the business of the Charity and may exercise all the powers of the Charity unless they are subject to any restrictions imposed by the Companies Act, the Articles or any special resolution.

High-level decision making is made by the TCOLF Governing Board (GB), formed by renowned scientists worldwide, including its appointed Directors. The members of the Board evaluate the funding applications and provide advice on the programme development and progress towards objectives. The management and control of the activity is conducted in regular meetings, supported with four-monthly progress reports. The Board meets usually two to three times a year by teleconference and once a year face-to-face (Annual General Meeting), followed by a Directors meeting to ratify the Board decisions.

Operational and finance support is provided by the GSK Open Lab team (2.77 FTEs during 2020, 2.71 during 2019) with responsibility for the day-to-day coordination and management including projects set up, portfolio progress monitoring and finance control.

The GSK team also provides regular reporting (scientific and financial) to the Directors and Governing Board for review.

Relationships with Other Organisations

The Tres Cantos Open Lab Foundation co-operates with several organisations in pursuit of its charitable objectives. These include GSK and the various Open Lab project grantees.

As explained above, GSK provides operational and finance support to the Charity free of charge. The value of these services is recognised as donated services in kind in the Statement of Financial Activities.

A Director of the Charity, Audra Halsey, is also an employee of GSK.

Objectives for the year to 31 December 2020

The objectives for the year were to carry on identifying and ensure the smooth implementation of 6-9 new high-quality projects suitable for Open Lab collaboration.

Significant Activities in the year

- Three meetings of the Directors of the Charity and the Governing Board who act in an advisory capacity to the Directors were held (March, June and November). 24 projects were active in 2020: 7 projects ongoing, 6 projects started, and 11 projects were completed during the period.
- 9 new projects + 8 project extensions were selected for funding in 2020. (In 2019 6 new projects and 3 project extensions were selected for funding.)

Strategic priorities (2019-2022)

During the April 2019 Board meeting, the new business plans for the 2019-2022 period were approved.

The new strategy comprises two pillars, "Early Stage Catalyst" for catalysing innovation in areas at the early drug discovery stage, and "Back the Winners" to enable the progression of advanced lead molecules or clinical assets. The focus will continue to be malaria, tuberculosis, chagas disease, leishmaniasis, enteric infections and environmental enteric dysfunction (EED).

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

How the strategic priorities will be realised

Project selection:

- **Quantity:** Steady pipeline of 10 to 12 projects active in the Tres Cantos facilities adequately resourced projects at any one time, reducing from 14-16 in the first years. This reduction in the number of projects is based on:
 - **Focus on quality:** Identify projects where the TCOLF can truly act as a catalyst for success.
 - **Adequate resourcing and GSK support:** Commit the level of resource required to support projects to achieve success.
- **Type of projects:** Focus on projects with high impact potential for drug discovery.
 - **Early Stage Catalyst (ESC):** This funding stream is a continuation of the original TCOLF model (discovery projects in which co-location is a key factor to be eligible) aligned with scientific priorities. The governance process will continue as in the previous years. The allocated budget for an ESC project is expected to be \leq £200K (exceptions will always be considered e.g. when price of consumables or assays are extraordinarily high, if there is strong scientific rationale and high potential impact of the project).
 - **Back the Winners (BTW):** Due to the greater anticipated cost of these projects, the concept of "winner" will be restricted to: advanced lead molecules (robust in vivo activity on relevant models with a clear developable profile), clinical candidates, and repurposing opportunities. Opportunities originated during a TCOLF funded project will be prioritized (e.g. ongoing project TC139 (Hit discovery for new antimicrobials against *Shigella* spp.), has delivered Tebipenem pivoxil as a potential novel therapy to treat shigellosis). The allocated budget for a BTW project is expected to be \leq £500K. Unlike an ESC project, co-location is not expected for this funding stream. However, the support will go beyond the financial provision from TCOLF as GSK will continue providing support (e.g. technical input). As for ESC projects funding will come from TCOLF but final implementation will be subjected to a research collaborative agreement between the applicant's institution and GSK.

Project implementation and operative model:

- Maximum project duration of 2 years for discovery projects. Renewable only under exceptional circumstances (successful milestones, unexpected delays or extension without funding to complete work plan) and after new work plan presentation.
- Clear definition of project deliverables to establish success or failure at the end of funding period.
- Ensure integration and joint planning between pharmaceutical and academic partner teams.
- Implementation of streamlined process for transnational mobility of scientists with a focus on individual talent.

Sustainable funding:

To identify and develop sustainable funding sources by exploring novel partnership with other funding agencies or stakeholders active in the endemic infectious diseases field.

Key areas of interest

After evaluation of the current trends in the field, the scientific opportunity and the trend in submissions during the previous years, the following section describes the proposed focus areas within each of the disease areas (including what could be potentially game changing opportunities) where TCOLF investment could make a significant impact.

Gut health

- **Shigellosis and other enteric infections:** Enteric infections are a key area for TCOLF due to the paediatric unmet medical need, high scientific opportunity and increasing interest from applicants and funders. Investments in this area could address one of the most pressing unmet Global Health needs within the wider anti-microbial agenda.

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

- *Environmental enteric dysfunction (EED)*: EED has been recently identified as an area of opportunity in the Global Health field. Besides programmatic approaches to prevent EED development, the identification of treatments to mitigate/relieve symptoms are a clear need. However, several gaps exist on diseases understanding and availability of biological platforms to support drug discovery.

Kinetoplastids mediated diseases

TCOLF has invested in 3 kinetoplastids parasites: *Trypanosome brucei*, *Trypanosome cruzi* and *Leishmania donovani*. The new epidemiological data and the fact that a novel oral treatment for HAT was approved in 2018 preclude further investment in this disease.

Malaria

A relatively unexplored aspect on malaria research are the non-erythrocytic stages of the parasite. Currently there is a knowledge gap in the antimalarial community to effectively support drug discovery efforts in these stages. In particular, the development of translational biological assay platforms as well as identification of new chemical diversity inhibiting liver stages are areas where TCOLF envisages high impact.

Tuberculosis

50% of 2010-2018 funding has been focused on this disease. The high-burden and the scientific opportunity endorses the continuation of the TCOLF commitment to support drug discovery on this disease with a similar level of budget allocation.

Research areas include:

- The development of new platforms/tools to develop non-conventional antitubercular drug discovery programs focused on Host Pathogen Interactions
- Development of tools to unveil the mode of action of host/virulence directed therapies
- Target-based programs with a strong rational design component
- To support the research on regimen selection and strategies for treatment shortening

Performance in the year

- 24 projects were active in 2020: 7 projects ongoing, 6 projects started, and 11 projects were completed during the period.
- 9 new projects + 8 project extensions were selected for funding.
- 9 publications from completed TCOLF funded projects were published during 2020 in international peer-reviewed scientific journals (TC-004, TC-028, TC-164, TC-167, TC-181, TC-189, TC-217, TC-246, TC-247).

| Disease | Type of project | Project title | TCOLF grantee | Project status |
|---------|--------------------------------|---|--|-----------------|
| TB | Clinical Candidate Profiling | Designing optimal regimes for tuberculosis therapy using one-step high content dynamic in vitro kill kinetic assay linked to hollow fiber studies | Research and Development Agency of Aragon (ARAID) Foundation | Started in 2020 |
| TB | Platform Development/Screening | Evaluation of P450 humanized mouse model (8HUM) as a tool to assess the impact of drug combinations on pharmacology | University of Dundee | Started in 2020 |

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

| Disease | Type of project | Project title | TCOLF grantee | Project status |
|---------------|---|--|---|-------------------|
| TB | Hit Identification / Screening | Optimisation of a screen for antimicrobials that enhance pyrazinamide activity against Mycobacterium tuberculosis | Public Health England | Started in 2020 |
| TB | Clinical Research | Shortening and improving compliance to Buruli ulcer therapy – Four weeks daily triple betalactam | Research and Development Agency of Aragon (ARAID) Foundation | Started in 2020 |
| Malaria | H2L/Tool | Recapitulation of ATQ infection results using TCOL mosquitoes/parasites/facilities | Harvard T.H Chan School of Public Health | Started in 2020 |
| Shigellosis | Assay/Platform Development Hit Identification / Screening | High throughput small molecule screen for drugs that alter the shape of Campylobacter jejuni | University of Cambridge | Started in 2020 |
| TB | Hit Identification / Screening | TB antivirulence therapeutics: small molecule inhibitors against M. tuberculosis replication and persistence pathways as novel alternatives to classic antibiotics | University of Zaragoza | Ongoing 2020 |
| Malaria | H2L/Tool | Synthesis of Kalihinol Analogues with Improved Pharmacokinetic and Pharmacodynamic Profiles | University of California, Irvine | Ongoing 2020 |
| Malaria | Assay/Platform Development | A chemogenic overexpression screen to identify malaria liver stage targets | Sanger Institute | Ongoing 2020 |
| Shigella | Hit Identification / Screening | Design of novel inhibitors of Shigella LpxC | University of Dundee | Ongoing 2020 |
| EED | Other | Microbiome modulators for the treatment of environmental enteric dysfunction (EED) and associated stunted childhood growth | University Tubingen | Ongoing 2020 |
| Malaria | Hit Identification / Screening | Antimalarial drug discovery targeting pre-erythrocytic stages of Plasmodium falciparum | University of South Florida (USF), WRAIR and NIH | Ongoing 2020 |
| Malaria | Late Lead Identification | Generation, characterization and in vivo evaluation of a novel live malaria vaccine | IIM Lisboa | Ongoing 2020 |
| Kinetoplastid | Hit Identification / Screening | Trypanosoma cruzi bromodomains: druggable readers to look out! | IBRCONICET_UNR Instituto de Biología Molecular y Celular de Rosario | Completed in 2020 |

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

| Disease | Type of project | Project title | TCOLF grantee | Project status |
|---------------|--|--|---|-------------------|
| Shigella | Assay / Platform Development Hit Identification /Screening | High throughput Screening for Inhibitors of Shigella Virulence Determinants | University of Washington | Completed in 2020 |
| TB | Hit Identification / Screening | Self-poisoning of Mycobacterium tuberculosis by inhibiting siderophore secretion | University of Alabama at Birmingham | Completed in 2020 |
| Shigella | Hit Identification / Screening | Targeting Virulence Regulators as a Novel Approach to Antibiotics for Shigellosis | University of Michigan | Completed in 2020 |
| Shigella | Hit Identification / Screening | Hit discovery for new antimicrobials against Shigella spp. | Oxford University Clinical Research Unit | Completed in 2020 |
| TB | Hit Identification / Screening | Structural biology and assays enabling β -lactams that target Mycobacteria tuberculosis | Oxford University | Completed in 2020 |
| Shigella | Assay / Platform Development | PK/PD modelling for anti-Shigella drug candidates | University of Washington | Completed in 2020 |
| Kinetoplastid | H2L / Tool | Chagas AABLO (Chagas AcylAminoBenzothiazol Lead Optimization) | University of Georgia + Bioaster | Completed in 2020 |
| Shigella | Assay / Platform Development | Unravelling new combinatorial therapies against Shigellosis | EMBL | Completed in 2020 |
| TB | H2L / Tool | Predicting optimal dosing schedules and clinical outcomes of beta-lactams for TB therapy using PKPD and mechanistic models Carbapenem vs. cephem: the beta-lactam paradigm | Research Agency of Aragon (ARAID) & University of Zaragoza (UNIZAR) | Completed in 2020 |
| Malaria | Hit Identification / Screening | High throughput screening to identify selective proteasome inhibitors as new antimalarials with a novel mode of action. | University of Melbourne | Completed in 2020 |

Feedback from the visiting scientists on their experiences in Tres Cantos continues to be positive. Progress on the Open Lab projects is being greatly enabled by the in-kind access to GSK's medicinal chemistry, in vitro/in vivo biology facilities and the screening technology platform. The Charity is committed to making the results from the research it funds available for broader public benefit.

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

The Charity reviewed and approved funding for 9 projects and 8 cost extension for previous projects.

The achievements during the year are in line with the objectives of the Charity.

FINANCIAL REVIEW

During the year, payments to Institutions for projects and other running costs of TCOLF were £2.6m (2019: £1.6m). The Directors are of the view that the financial position of the Charity remains strong with net assets of £1.7m (2019: £3.9m). The cash at bank at 31 December 2020 was £6.1m (2019: £5.1m).

Policy on Reserves

Free reserves of the Charity are represented by its unrestricted funds and amounted to £1.7m (2019: £3.9m), the Charity will utilise the reserves to fund future grants in accordance with its charitable objectives, and to meet the general running costs of the Charity. The Directors set a target to have a level of free reserves to be able to fund future grants and meet the general running costs, which are usually an amount of circa £500k per year. The directors will monitor the level of free reserves available before committing to any future grants to ensure that all the committed projects will be funded through to completion.

Grant making policy

The Charity considers applications from a variety of research organisations for funding. Applications are reviewed and levels of grants payable are decided upon by the Directors. Where grants, including overseas grants, are made for specified purposes, they are monitored by the Directors to ensure that those purposes are adhered to. This policy enables the Charity's aims and objectives to attract the best proposals and award funding to research groups worldwide to accelerate the discovery of novel treatments for TB, Malaria and kinetoplastid infections.

The Board usually meets 2-3 times per year. The information about how to apply and the criteria for accepting new projects can be found on www.openlabfoundation.org

Principal Funding Sources

The Charity was established with a £5m donation from Glaxo Group Limited (GGL) in 2010.

The Charity received a further £5m donation from GGL in 2012 and a further £5m donation from GGL was approved in September 2018. By 31 December 2020 the charity had received the majority of this funding from GGL.

At the end of year 2020 a total of £4.5m had been already committed for all the projects that will run through to expected completion dates ranging from 2021 to 2023.

The charity is exploring additional sources of funding to continue beyond 2023.

In early 2020, the existence of COVID-19 was confirmed which has since spread across a significant number of countries leading to disruption to economic activity and global markets. Living in a period of considerable political and economic uncertainty poses very real challenges to the Charity. In particular, the continued lock-down period is having an impact on the Charity due to the laboratory-based nature of the projects. It was expected that milestones would not be committed in the time frame approved and requests for extensions are likely to be submitted. COVID-19 impact reports were prepared and presented to the directors in March 2021 and June 2021 and proposed extensions are considered on a case by case basis.

Fundraising

The Charity does not carry out fundraising activities other than those mentioned above and does not use any third-party fundraising agencies.

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

Going concern

The Directors are of the view that the Charity is a going concern given the level of reserves held at the reporting date (£1.7m) and the sustainability of the model. At 31 December 2020, the bank account balance was £6.1m, this amount will cover projects and expenses for the next 4 years, with the current level of project expenditure committed to of £4.5m. The directors will continue to monitor the level of free reserves available before committing to any future grants to ensure that all the committed projects will be funded through to completion. Allowing for the current rate of expenditure and reserves, the Charity should be able to carry on selecting projects until September 2022 and operating until those are completed. Further funding is expected towards the end of 2021 and the charity is exploring additional sources of funding to continue beyond 2023. The impact of COVID-19 has been considered and enough cash is being held to meet these future commitments.

Risk Management

The Directors have assessed the risks to which the Charity may be exposed in the future and concluded that they are generally low given the nature and size of the Charity. This position is kept under constant review to ensure that this policy is appropriate. Principal risks and uncertainties are as follows:

Risk 1: TCOLF long term financial sustainability at risk due to the lack of additional funding after the initial commitment, causing the Open Lab being unable to select additional projects for funding.

Action plan: Discussion with potential donors and funders started to attract additional funding and diversify funding sources.

Risk 2: Insufficient capacity at the Tres Cantos facilities to implement Open Lab projects due to an increased number of quality applications and overlapping of projects selected in different waves, causing delays in getting the results or need for extensions.

Action plan: 1. Rigorous review and selection of proposals; 2. Agreement on a steady state number of 10-12 active projects in the Tres Cantos facilities; 3. Schedule projects to make use of available capacity.

Risk 3: TCOLF perceived not to be independent of GSK because the company is the only major funder of TCOLF and no other pharmaceutical partners are currently involved, causing a perceived bias in selection and implementation of projects and perception that GSK is benefitting from the open lab program.

Action plan: 1. Meeting minutes reflect the independence of the Directors and Governing Board members in decision making; 2. Rigorous adherence to TCOLF conflict of interest policies. Capture these conflicts in all Board meeting minutes. 3.

Allowing for the current rate of expenditure and reserves, the Charity should be able to carry on selecting projects until September 2022 and operating until those are completed.

PLANS FOR THE FUTURE

At present the TCOLF strategy for the next years is being reviewed. Future opportunities could include a modality agnostic approach where vaccines and biologicals might be included in the scope. This will need to be ratified by the Directors in due course.

PUBLIC BENEFIT STATEMENT

The Directors confirm that, in exercising their powers and fulfilling their responsibilities as Trustees in pursuit of the areas described above, they have paid due regard to the guidance on public benefit published by the Charity Commission.

Tres Cantos Open Lab Foundation

DIRECTORS' REPORT

AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The Directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Directors has confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemptions.

By order of the board

A.J. Halsey

Audra Jane Halsey
Director

Date:..... 24-Sep-2021

Tres Cantos Open Lab Foundation

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors (who are also Trustees of Tres Cantos Open Lab Foundation for the purposes of charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year, under company law the Directors 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing those financial statements, the Directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- c. make judgements and accounting estimates that are reasonable and prudent;
- d. state whether applicable United Kingdom accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- e. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TRES CANTOS OPEN LAB FOUNDATION

Opinion

We have audited the financial statements of Tres Cantos Open Lab Foundation (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities (including Income and Expenditure Account), the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report, which includes the Directors' 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 Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 11, 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 determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to any new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

RSM UK Audit LLP

Hannah Catchpool (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

Date 29 September 2021

Tres Cantos Open Lab Foundation
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
For the year ended 31 December 2020

| | Notes | Total Unrestricted Funds 2020 £ | Total Unrestricted Funds 2019 £ |
|------------------------------------|-------|---|---|
| INCOME FROM: | | | |
| Donations and legacies | 1 | 323,824 | 371,876 |
| TOTAL | | <u>323,824</u> | <u>371,876</u> |
| EXPENDITURE ON: | | | |
| Raising funds | 2 | (723) | 3,637 |
| Charitable activities | 3 | (2,623,339) | (1,556,509) |
| TOTAL | | <u>(2,624,062)</u> | <u>(1,552,872)</u> |
| NET EXPENDITURE | 5 | <u>(2,300,238)</u> | <u>(1,180,996)</u> |
| RECONCILIATION OF FUNDS | | | |
| TOTAL FUNDS BROUGHT FORWARD | | <u>3,988,347</u> | <u>5,169,343</u> |
| TOTAL FUNDS CARRIED FORWARD | | <u><u>1,688,109</u></u> | <u><u>3,988,347</u></u> |

Tres Cantos Open Lab Foundation

BALANCE SHEET

As at 31 December 2020

Company Registration No. 07301222

| | <i>Notes</i> | 2020 £ | 2019 £ |
|--|--------------|------------------|------------------|
| CURRENT ASSETS | | | |
| Debtors | 6 | 95,628 | 2,087,782 |
| Cash at bank and in hand | | 6,142,962 | 5,137,068 |
| | | <u>6,238,590</u> | <u>7,224,850</u> |
| CREDITORS: Amounts falling due within one year | | | |
| | 7 | (3,799,764) | (2,778,339) |
| NET CURRENT ASSETS | | | |
| | | <u>2,438,826</u> | <u>4,446,511</u> |
| CREDITORS: Amounts due after more than one year | | | |
| | 8 | (750,717) | (458,164) |
| NET ASSETS | | | |
| | | <u>1,688,109</u> | <u>3,988,347</u> |
| RESERVES | | | |
| Unrestricted funds | 9 | 1,688,109 | 3,988,347 |
| Total funds | | | |
| | | <u>1,688,109</u> | <u>3,988,347</u> |

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements on pages 15 to 25 were approved by the Board and authorised for issue on 24-Sep-2021 and are signed on its behalf by

A.J. Halsey

.....
Audra Jane Halsey
Director

The notes on pages 18 to 25 form part of these financial statements.

Tres Cantos Open Lab Foundation
STATEMENT OF CASH FLOWS
For the year ended 31 December 2020

| | <i>Notes</i> | 2020 £ | 2019 £ |
|--|--------------|-------------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net cash generated by operating activities. | 14 | 1,005,894 | 3,190,555 |
| INCREASE IN CASH AND CASH EQUIVALENTS IN THE YEAR | | <u>1,005,894</u> | <u>3,190,555</u> |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | | 5,137,068 | 1,946,513 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | | <u><u>6,142,962</u></u> | <u><u>5,137,068</u></u> |

Tres Cantos Open Lab Foundation

ACCOUNTING POLICIES

COMPANY INFORMATION

Tres Cantos Open Lab Foundation is a private company limited by guarantee (Company Number 07301222) incorporated on 1 July 2010 and registered as a charity in England and Wales on 24 June 2011, number 1142577. Details of the registered office address and principal place of business are given on page 1 of the accounts. The company's operations and principal activities are described in the Directors' Report.

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by 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) and the Charities Act 2011.

The Charity constitutes a public benefit entity as defined by FRS 102.

FUNCTIONAL CURRENCY

The financial statements are presented in sterling which is also the functional currency of the charity.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

GOING CONCERN

The Directors confirm that at the time of approving the financial statements, there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. In arriving at this conclusion, the Directors have taken account of current and anticipated financial performance in the current economic conditions, and the Charity's reserves position. Since the significance of the economic impacts of the COVID-19 outbreak have become apparent, the Directors have reviewed in detail the Charity's position and the appropriate basis on which to prepare the financial statements. The Directors anticipate that there will be delays in the science in keeping with the fraction of scientists that work in the laboratories. The Directors have considered budgets and forecasts for a period of at least 12 months from the date of approval of the financial statements to satisfy themselves that the Charity remains a going concern. The full impact of the COVID-19 outbreak cannot presently be estimated with any certainty, but the stress testing of the Charity's financial position has satisfied the Directors that it has adequate reserves and mitigation strategies available to deal with the impact of the outbreak as it unfolds. Whilst the Directors recognise that 2021 will be a challenging year and that it may be necessary to draw on some of the Charity's reserves, some of which have been specifically established to provide financial resilience, they have concluded that it remains appropriate to prepare the financial statements of the Charity on the going concern basis.

INCOME

Donations and grants are recognised when the SORP income recognition criteria of entitlement, probability and measurement have been met.

Services in kind are recognised on an accruals basis as donations in the Statement of Financial Activities at the best estimate of the value of the benefit to the Charity.

EXPENDITURE

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Grants payable are included in the Statement of Financial Activities when they have been approved for payment.

An assessment of individual grant liabilities is made at the balance sheet date and any adjustments required (these may arise as a result of foreign currency movements or differences between budgeted and actual expenditure in grant applications) to grant liabilities are recognised as debits or credits in the Statement of Financial Activities in grant expenditure.

Expenditure on charitable activities comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Tres Cantos Open Lab Foundation

ACCOUNTING POLICIES

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. As there is only one charitable activity, all support and governance costs have been allocated against this activity.

FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the foundation and which have not been designated for other purposes.

Restricted funds comprise monies where a restriction has been placed on their use by a donor (for a purpose which falls within, but is narrower than the general charitable objectives). Restricted funds are distributed in accordance with the terms of the original restriction.

CASH AT BANK AND IN HAND

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities.

Financial assets

Basic financial assets, which include other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost.

Financial liabilities

Basic financial liabilities, which include accruals and grants payable, are initially measured at transaction price and subsequently measured at amortised cost.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

In the application of the Charity's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount 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.

The Directors do not consider that there are any critical estimates or areas of judgement that need to be brought to the attention of the readers of the financial statements.

Tres Cantos Open Lab Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

| | | | |
|---|------------------------------------|----------------|----------------|
| 1 | INCOME FROM DONATIONS AND LEGACIES | 2020 | 2019 |
| | | £ | £ |
| | Services in kind | 323,824 | 356,337 |
| | Unspent grants returned | - | 15,539 |
| | | <u>323,824</u> | <u>371,876</u> |

In the year to 31 December 2020, £Nil (2019: £nil) of the voluntary income was from outside of the United Kingdom. Unspent grants returned of £Nil (2019; £15,539) relates to funding previously awarded from the European Commission. This funding was previously recognised in full because it was expected that the total amount would be utilised. The programmes relating to this funding have now all been completed, and remaining funds have been returned to the European Commission.

In 2020, the income from donations and legacies was £323,824 (2019: £371,876) of which £323,824 (2019: £371,876) was income from unrestricted funds.

| | | | |
|---|---------------------------------|------------|----------------|
| 2 | RAISING FUNDS | 2020 | 2019 |
| | | £ | £ |
| | Loss/(Gain) on foreign exchange | 723 | (3,637) |
| | | <u>723</u> | <u>(3,637)</u> |

Tres Cantos Open Lab Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

| 3 | ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES | 2020 | 2019 |
|---|---|------------------|------------------|
| | | £ | £ |
| | Grants: | | |
| | London School of Hygiene & Tropical Medicine | 3,532 | 1,660 |
| | University of Alabama at Birmingham | - | 50,295 |
| | Hospital for Tropical Diseases, Oxford University Clinical Research | - | 59,283 |
| | University of Michigan - extn | 11,511 | 8,750 |
| | Sanger Institute | - | 15,000 |
| | University of South Florida | - | 48,746 |
| | Instituto de Medicina Molecular Portugal | - | 147,121 |
| | University of Dundee | - | 295,509 |
| | University Hospital Tubingen Germany | - | 222,242 |
| | Harvard School of Public Health | - | 281,838 |
| | Durham University | - | 301,151 |
| | Public Health England | - | 95,787 |
| | Harvard Medical School & Institut de Biologie Structurale de Grenoble | 16,744 | - |
| | University of Washington | 2,099 | - |
| | ARAID/University of Zaragoza - extn | 26,640 | - |
| | The IBRCONICET_UNR, Argentina - extn | 12,544 | - |
| | University of Zaragoza, extn | 32,229 | - |
| | University of California, Irvine - extn | 34,783 | - |
| | Fundacion Agencia Aragonesa Para La Inv Y El Desarrollo | 507,601 | - |
| | University of Dundee | 245,045 | - |
| | ARAID (Spain) | 174,142 | - |
| | Rhodes University (South Africa) | 173,030 | - |
| | University of California, San Diego | 372,746 | - |
| | Harvard T.H. Chan School of Public Health | 225,312 | - |
| | Oxford University | 27,350 | - |
| | International Centre for Diarrhoeal Disease | 115,874 | - |
| | University of Dundee | 204,293 | - |
| | Carried forward | <u>2,185,475</u> | <u>1,527,382</u> |

Tres Cantos Open Lab Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

| 3 | CHARITABLE ACTIVITIES (continued) | 2020 £ | 2019 £ |
|---|--|------------------|------------------|
| | Brought forward | 2,185,475 | 1,527,382 |
| | Grants rescinded: | | |
| | Northeastern University/Instituto de Biomedicina y Parasitologia | - | (99,100) |
| | Structural Genomics Consortium | - | (8,073) |
| | Structural Genomics Consortium | - | (28,703) |
| | University of British Columbia | - | (3,309) |
| | Harvard Medical School & Institut do Biologie Str. De Gren | - | (29,467) |
| | ETH Zurich | - | (18,627) |
| | University of Birmingham | - | (18,424) |
| | University of Birmingham | - | (26,793) |
| | University of Georgia | - | (109,119) |
| | University of Birmingham + Texas A&M University | - | (21,724) |
| | LSHTM | - | (2,440) |
| | Utrecht University | - | (13,001) |
| | Utrecht University | - | (7,478) |
| | University of Washington | - | (89,445) |
| | University of Melbourne | (6,125) | - |
| | Legal and professional fees | 7,654 | 11,041 |
| | | <u>2,187,004</u> | <u>1,062,720</u> |
| | Support costs: | | |
| | Seconded staff and office overheads | 323,824 | 356,337 |
| | Indirect project costs | 67,051 | 73,763 |
| | Marketing and website | 3,879 | 5,762 |
| | Governance costs: | | |
| | Board meeting expenses | - | 15,304 |
| | Legal and professional fees | 23,855 | 24,710 |
| | Insurance (Directors' and Officers' Indemnity Cover) | 1,898 | 1,898 |
| | Audit fees | 14,840 | 14,850 |
| | Bank charges | 987 | 1,165 |
| | | <u>2,623,339</u> | <u>1,556,509</u> |

The total number of new institutional grants made in the year was 9 (2019: 9), apart from the University of Dundee who received two grants this year only one grant per institution was paid (2019: only one grant per institution was paid). 8 extensions were granted to ongoing projects. All grants were similar in nature and were to aid the causes identified in the Directors' Report.

In 2020, the expenditure on charitable activities was £2,640,111 (2019: £1,556,509) of which £2,640,111 (2019: £1,556,509) was expenditure from unrestricted funds and £Nil (2019: £nil) was from restricted funds.

Tres Cantos Open Lab Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

4 EMPLOYEES

There were no employees during the year (2019: nil). The Directors, who are the key management personnel of the Charity, received no remuneration for their work as Directors (2019: £nil). No directors (2019: None) were reimbursed expenses during the year (2019: £nil).

| | | | |
|---|---|-------------------|-------------------|
| 5 | NET EXPENDITURE | 2020 | 2019 |
| | Net expenditure is stated after charging/(crediting) the following: | £ | £ |
| | Statutory auditor's fees: | | |
| | Audit fee (including VAT) | | |
| | - Current year | 14,840 | 14,850 |
| | Accountancy services | 23,855 | 20,383 |
| | Foreign exchange loss/(gain) | 723 | (3,637) |
| | | <u> </u> | <u> </u> |

6 DEBTORS

| | | | |
|--|-----------------------------|-------------------|-------------------|
| | | 2020 | 2019 |
| | | £ | £ |
| | Other debtors (see note 12) | 55,647 | 2,055,647 |
| | Prepayments | 39,981 | 32,135 |
| | | <u> </u> | <u> </u> |
| | | <u>95,628</u> | <u>2,087,782</u> |

7 CREDITORS: Amounts falling due within one year

| | | | |
|--|----------------|-------------------|-------------------|
| | | 2020 | 2019 |
| | | £ | £ |
| | Grants payable | 3,764,485 | 2,752,354 |
| | Accruals | 35,279 | 25,985 |
| | | <u> </u> | <u> </u> |
| | | <u>3,799,764</u> | <u>2,778,339</u> |

8 CREDITORS: Amounts falling due after more than one year

| | | | |
|--|--|-------------------|-------------------|
| | | 2020 | 2019 |
| | | £ | £ |
| | Opening grant creditors | 3,210,518 | 3,132,864 |
| | Grants awarded during the year net of grants rescinded | 2,179,350 | 1,051,681 |
| | Less: Grants paid during the year | (874,666) | (974,027) |
| | | <u> </u> | <u> </u> |
| | | <u>4,515,202</u> | <u>3,210,518</u> |
| | Included in current liabilities | (3,764,485) | (2,752,354) |
| | Grants payable in more than one year | <u>750,717</u> | <u>458,164</u> |

All grants payable will be paid from unrestricted funds.

Tres Cantos Open Lab Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

9 MOVEMENT IN FUNDS 2020

| | At 1 January 2020 £ | Income £ | Expenditure £ | At 31 December 2020 £ |
|--------------------|---------------------------|----------------|--------------------|-----------------------------|
| Unrestricted funds | | | | |
| General funds | 3,988,347 | 323,824 | (2,624,062) | 1,688,109 |
| Total funds | <u>3,988,347</u> | <u>323,824</u> | <u>(2,624,062)</u> | <u>1,688,109</u> |

MOVEMENT IN FUNDS 2019

| | At 1 January 2019 £ | Income £ | Expenditure £ | At 31 December 2019 £ |
|--------------------|---------------------------|----------------|--------------------|-----------------------------|
| Unrestricted funds | | | | |
| General funds | 5,169,343 | 371,876 | (1,552,872) | 3,988,347 |
| Total funds | <u>5,169,343</u> | <u>371,876</u> | <u>(1,552,872)</u> | <u>3,988,347</u> |

10 ANALYSIS OF NET ASSETS BETWEEN FUNDS 2020

| | |
|-------------------------|----------------------------------|
| | Total Unrestricted Funds £ |
| Current assets | 6,238,590 |
| Current liabilities | (3,799,764) |
| Non-current liabilities | (750,717) |
| | <u>1,688,109</u> |

ANALYSIS OF NET ASSETS BETWEEN FUNDS 2019

| | |
|-------------------------|----------------------------------|
| | Total Unrestricted Funds £ |
| Current assets | 7,224,850 |
| Current liabilities | (2,778,339) |
| Non-current liabilities | (458,164) |
| | <u>3,988,347</u> |

11 LIABILITY OF MEMBERS

The company is limited by guarantee and does not have a share capital. In the event of the company being wound up, the maximum amount that each member is liable to contribute is £10. Glaxo Group Limited is the sole member of the company.

Tres Cantos Open Lab Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

12 RELATED PARTY TRANSACTIONS

During the year to 31 December 2020, Glaxo Group Limited (the sole member, and a relevant legal entity exercising control) through its affiliate companies, paid expenses or met payments on behalf of TCOLF amounting to £nil (2019: £nil) which was paid during the year.

At 31 December 2020, £55,647 (2019: £2,055,647) was owed by Glaxo Group Limited, as included in other debtors (note 6). During the year, the company also received £2,000,000 (2019: £4,500,000) from Glaxo Group Limited towards the existing debtor. No interest is charged on this balance.

In the year Glaxo Group Limited provided £323,824 (2019: £356,337) of donated services to the Charity in the form of staff time spent on TCOLF activities.

13 CORPORATION TAX

The Charity is exempt from tax on income and gains under sections 466 to 493 of the Corporation Tax Act 2010 to the extent that these are applied to its charitable objects.

14 RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2020 | 2019 |
|--|------------------|------------------|
| | £ | £ |
| NET (EXPENDITURE) FOR THE REPORTING PERIOD | (2,300,238) | (1,180,996) |
| ADJUSTMENTS FOR: | | |
| Decrease in debtors | 1,992,154 | 4,497,868 |
| Increase/(Decrease) in creditors | 1,313,978 | (126,317) |
| | <hr/> | <hr/> |
| NET CASH (USED IN)/GENERATED BY OPERATING ACTIVITIES | <u>1,005,894</u> | <u>3,190,555</u> |