

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.

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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

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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.

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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

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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

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	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.

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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

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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:.....

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

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

	Notes	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)

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	(6,180)	(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)
	EMBL	(30,516)	-
	University of California	(61,997)	-
	Sanger Institute	(6,250)	-
	Rhodes University	(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)

6	DEBTORS	2022	2021
		£	£
	Prepayments	33,265	33,564
		<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>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>4,752,519</u>	<u>4,396,792</u>
	Included in current liabilities	(3,987,889)	(3,650,351)
	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	(1,682,284)	3,954,097
	<hr/>	<hr/>