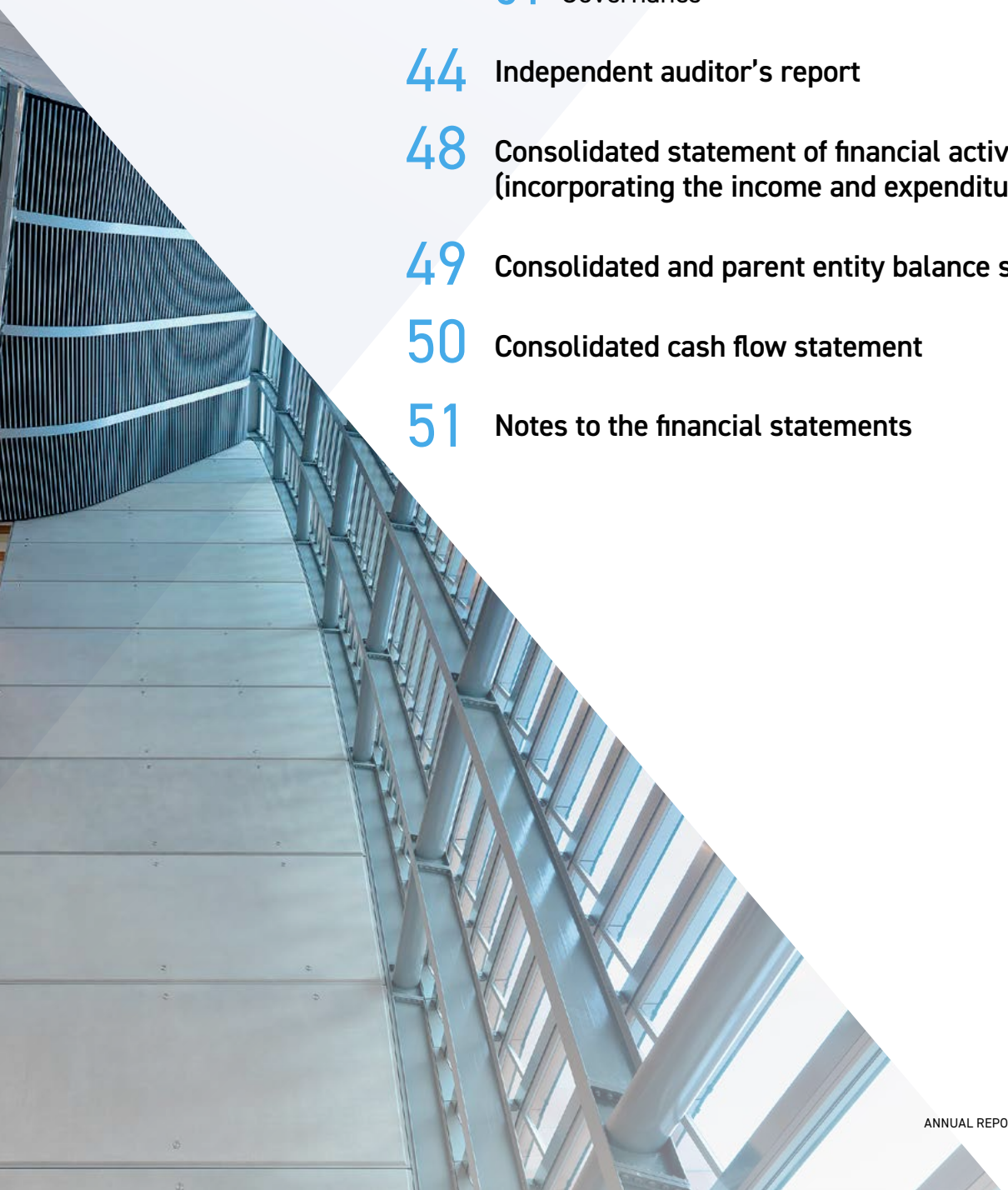
Annual Report and Financial Statements

THE FRANCIS CRICK INSTITUTE LIMITED
A COMPANY LIMITED BY SHARES

YEAR ENDED 31 MARCH 2023

Charity registration number: 1140062
Company registration number: 06885462

Contents



Chairman's letter

The Francis Crick Institute continues to pursue its 'Discovery Without Boundaries' strategy. This vision galvanises and guides the institute and our staff.

Our researchers continue to publish papers of the highest quality, and our participation at the leading edge of biomedical science is cementing the reputation of the Crick as a key centre for fundamental discovery. As always there are far too many important published papers to mention, but some highlights are included in this report. Our work continues to attract attention from science journalists in the international media.

We are committed to supporting the next generation of biomedical scientists. Our PhD programme for 2023 attracted more than 1,400 applicants for 42 positions, highlighting the popularity of the Crick for postgraduate education. In September 2022 we began two open calls for early career group leaders: one in all areas of biology and biomedicine and one for clinician scientists. This process attracted almost 500 applicants, demonstrating the strength of our reputation among those embarking on careers as principal investigators.

We hosted several high-profile scientific meetings during the year with perhaps the most high-profile being the Third International Summit on Human Genome Editing in March. This brought together leading scientists with patients and the public to discuss the difficult and sensitive issues associated with progress in the field. Our public exhibition 'Cut + Paste' ran alongside the meeting and continues to invite the public to consider the dilemmas that gene editing may present in the future, and share their thoughts about where we should 'draw the line'.

At the beginning of this financial year, we were awarded £1 billion of financial support for the next seven years from our three founding funders: the Medical Research Council (MRC) (part of UK Research and Innovation (UKRI)), Cancer Research UK and Wellcome. We are most grateful for their unstinting support. This funding has provided a very strong financial platform to enable us to make effective strategic choices. In order to operate sustainably we continue to need to address uncertainties in the global economy, including the effects of rising inflation and energy costs. To do that, we are generating additional revenue from philanthropy and from certain commercial activities. We are also reducing our energy needs thereby reducing costs and underpinning our ambition to reach net zero by 2040.

On behalf of the Board, I would like to congratulate Paul Nurse, who was made a member of the UK's Order of Merit. This special distinction recognises 'exceptionally meritorious service' in the military, the sciences, arts and literature, and has just 24 members at any one time.

I would like to thank our university founding partners, UCL (University College London), King's College London and Imperial College London, who provide outstanding support in so many ways. I would also like to thank all of our generous donors, in particular The Chris Banton Foundation.

Not only do Crick staff uphold the highest values of scientific excellence, but they are also building a supportive and inclusive community that will inspire others to join us in discovering how life works. On behalf of the Board of the Francis Crick Institute, I offer my thanks to all our staff for their hard work and dedication in the pursuit of excellence. I am hugely proud to be part of this institute.

Lord Browne of Madingley
Chairman

> **At the beginning of this financial year, we were awarded just over £1 billion of financial support** for the Crick for the next seven years from our three founding funders: the Medical Research Council, Cancer Research UK and Wellcome."

Director's introduction

We began the year with the Crick's biannual scientific retreat, a two-day meeting at Ashridge House in Berkhamsted which was a welcome opportunity for our group leaders and science technology platform (STP) leads to all get together to discuss their science for the first time in a residential setting since the COVID-19 pandemic began.

We announced at the meeting the funding package for the next seven years: a total of just over £1 billion, with Cancer Research UK, the Medical Research Council and Wellcome providing £432.1m, £405.8m, and £136.6m respectively, and the remainder being derived from philanthropic partnerships with our donors. One such partner, the Chris Banton Foundation, made available a fund of £50 million which will enable the Crick to turn its science into applications that benefit society and potentially generate further income for reinvestment.

There was good news in the form of scientific recognition as Crick group leaders Simon Boulton, Alex Gould and Carola Vinuesa were elected as Fellows of the Royal Society. More than 50% of the Crick's principal group leaders are now Royal Society Fellows. Mike Blackman became a Fellow of the Academy of Medical Sciences and Samra Turajlic was awarded this year's ESMO Award for Translational Research.

The institute's events programme has restarted, beginning with a celebration of the Crick's fifth birthday. Since then, our auditorium and conferencing facilities have been put to use by a wide variety of scientific events, including a panel discussion for World Immunology Day, and the 20th World Dementia Council summit. Other visitors welcomed to the Crick this year included the then UK Prime Minister, Boris Johnson; the President of the Republic of Uruguay, Luis Lacalle Pou; and His Excellency President Cyril Ramaphosa of the Republic of South Africa, who was joined by His Royal Highness Prince Edward the Earl of Wessex and various Government ministers. President Ramaphosa had an opportunity to find out about the Crick African Network – a partnership between the Crick and universities in Ghana, Senegal, The Gambia, Uganda and South Africa which funds and supports African scientists working towards becoming principal investigators.

We continue to pursue developing a positive culture for research, and this year have developed a strategy for equality, diversity and inclusion (EDI) which sets out steps towards enabling wider participation. One major change this year has been to the access criteria for our summer student programme, where we are restricting applications to students who are from non-Russell Group universities, who have a low household income or who are from a Black or mixed-race Black ethnicity. This step aims to help address some of the significant gaps we have identified in the diversity of our students applying to the summer programme.

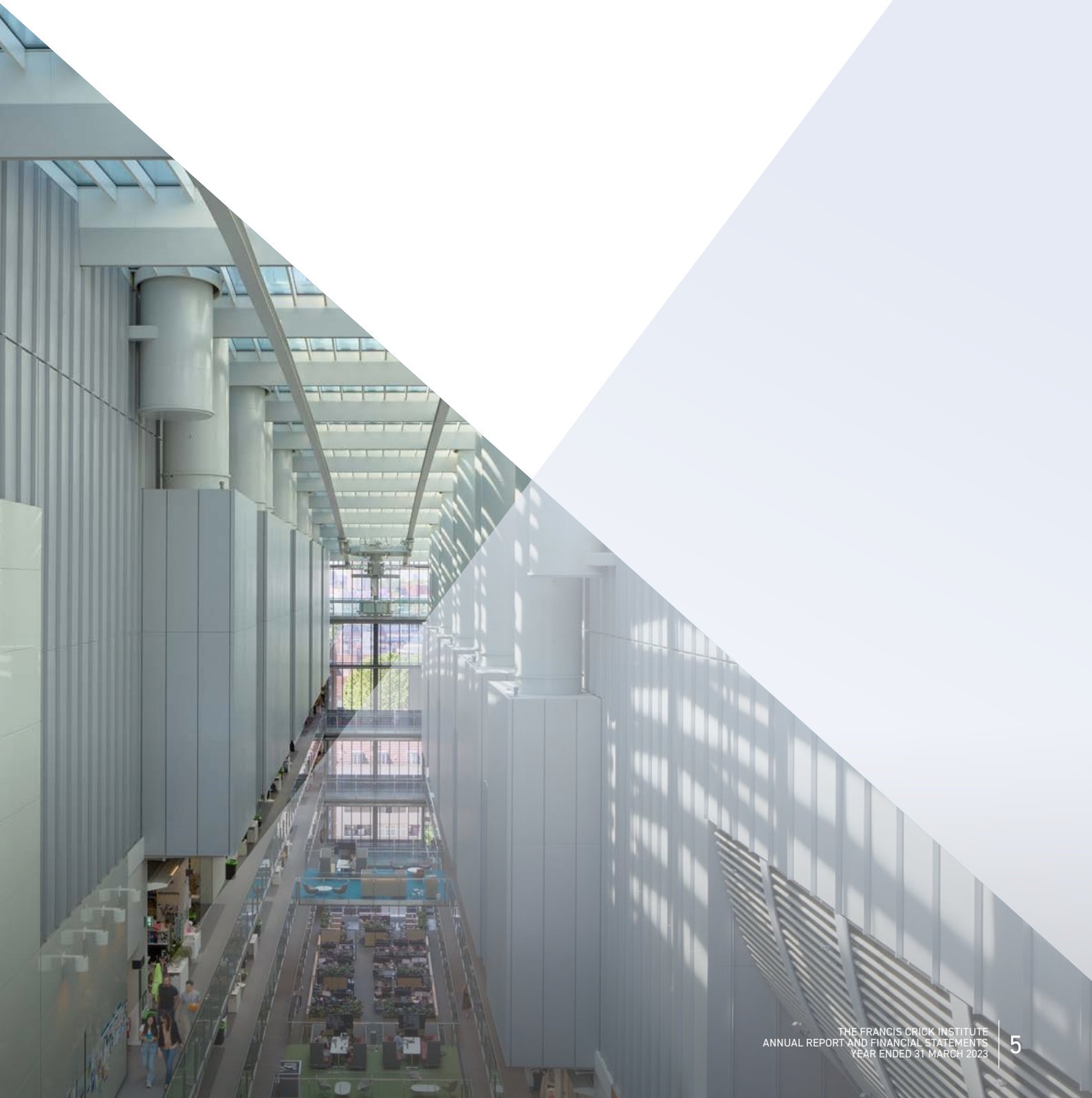
Our staff this year have proved themselves capable of extraordinary achievement, whether working in research or in the operations of this logistically complex institute. I thank them most sincerely for their leadership, positivity and support for one another as we embark on a new phase of the Crick's development as a place of scientific progress underpinned by a positive and supportive culture.

Paul Nurse
Director (CEO) of the Francis Crick Institute

"We continue to pursue developing a positive culture for research, and this year have developed a strategy for equality, diversity and inclusion (EDI) which sets out steps towards enabling wider participation."

Trustees' report

(INCORPORATING THE STRATEGIC REPORT
AND DIRECTORS' REPORT)



Strategic report

Objectives and activities

The Francis Crick Institute is a biomedical research institute which breaks down barriers between disciplines to create a space where talented and ambitious scientists can pursue big and bold ideas. We support them in an environment which fosters excellence with state-of-the-art infrastructure and a creative and curious culture.

The Crick is a place for collaboration, innovation and exploration. We are prepared to take risks on unusual, pioneering research that answers fundamental questions about human health and disease and, with the help of our partners, we aim to bridge the gap between research and application so that our discoveries can change lives for the better.

Charitable objects

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

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

Strategic priorities

The Crick's Discovery Without Boundaries (DWB) strategy, agreed by the Board and founders in 2013, was renewed in 2021 after consultation with Crick researchers and staff across the institute. It identifies five strategic priorities:

1. **Accelerate discovery through a culture of scientific excellence.**
2. **Support the biomedical research endeavour across the UK and beyond.**
3. **Drive benefits for human health.**
4. **Engage and inspire with discovery science.**
5. **Build capability for outstanding science support.**

Our key achievements for 2022/23 are presented in the achievements and performance section that follows.

Achievements and performance

2022/23 in numbers

567

scientific papers published

7

new group leaders appointed

More than

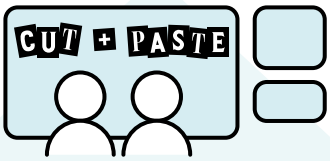
1,400

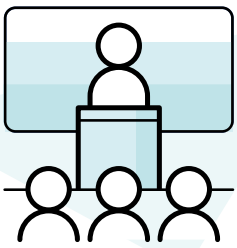
applications for 42 PhD positions starting in September 2023

Almost

4,000

people visited our genomics exhibition Cut + Paste in just two months

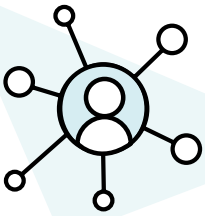




More than

25,000

attendees at scientific events in person and online, from more than 20 countries



The

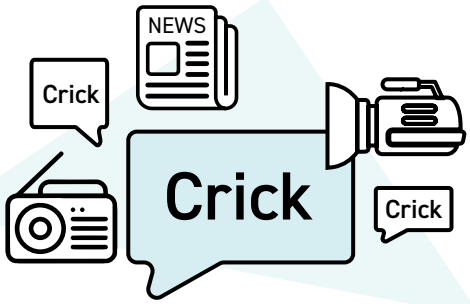
1,500th

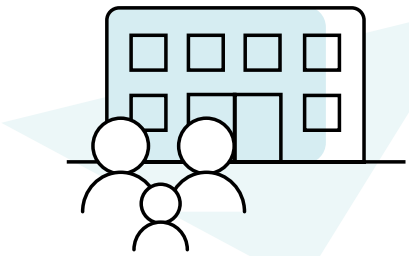
member joined our alumni network CrickConnect

Almost

10,000

mentions of the Crick in the media





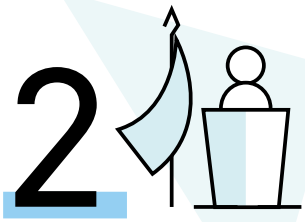
More than

15,000

people have visited the Living Centre, and 35 local people have been supported into work

14

Crick researchers and students have won awards



2

visits from heads of state

5

non-clinical Crick group leaders shadowed 11 hospital-based clinicians as part of the CrickMed scheme

1

new spin-out company formed

Crick science

Publications

The Crick aims to make discoveries that have the potential to change lives. Our scientists investigate the biology underlying human health to advance understanding and to improve the treatment, diagnosis and prevention of disease. Clinical engagement is also a key focus for the Crick.

In 2022/23, Crick scientists published 567 papers. Highlights included:

Core cell cycle control

The organisational principles of the eukaryotic cell cycle have previously been put down to two opposing models of enzyme activity. Researchers in the Nurse lab have developed proteomics assays that allow them to monitor the levels of enzymes in yeast that control the cell cycle. They found that the cell cycle is controlled through a hybrid of both models, although the contribution of one strongly outweighs the other. It is likely that these findings in yeast reflect core control principles shared by eukaryotes.

Basu, S., Greenwood, J., Jones, A.W., et al. (2022). *Nature*, **607**:381–386

Tracing the domestication of man's best friend

Researchers in the Skoglund lab published new findings showing that the ancestry of dogs can be traced to at least two populations of ancient wolves. The work moves us a step closer to uncovering the mystery of where dogs underwent domestication, one of the biggest unanswered questions about human prehistory.

Bergström, A., Stanton, D.W.G., Taron, U.H., et al. (2022). *Nature*, **607**:313–320

Untapped potential of stem cells could aid repair of spinal cord damage

Researchers in the Reis e Sousa lab have identified a group of latent stem cells that respond to injury in the central nervous system of mice. If a similar type of cell exists in humans, they could offer a new therapeutic approach to treat brain and spinal cord injuries. They found that these ependymal cells divided continuously over a long period of time, and were also able to differentiate into all three main cell types of the central nervous system: neurons, astrocytes and oligodendrocytes.

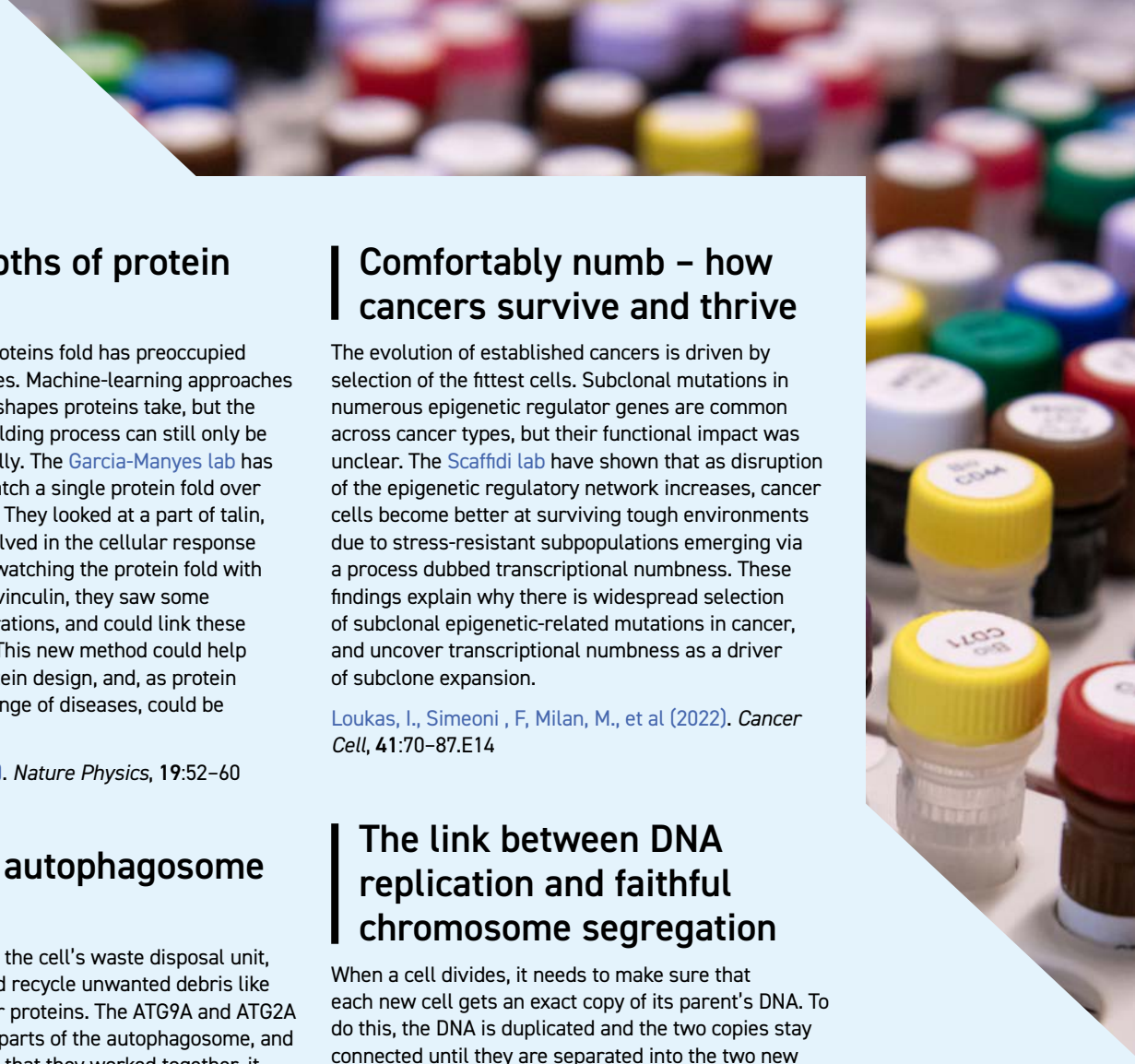
Frederico, B., Martins, I., Chapela, D., et al. (2022). *Developmental Cell*, **57**:1957–1975.E9

Insight into the earliest stages of Parkinson's disease

Researchers in the Gandhi lab published work detailing how, in the early stages of Parkinson's, clumps of the protein alpha-synuclein collect heavily on the surface of the mitochondria damaging its surface, causing holes to form on the membrane and interfering with the mitochondria's ability to create energy. Eventually, this leads to the mitochondria releasing signals that cause the neuron to die.

Choi, M.L., Chappard, A., Singh, B.P., et al. (2022). *Nature Neuroscience*, **25**:1134–1148

567
scientific papers published



Hidden depths of protein folding

Understanding how proteins fold has preoccupied researchers for decades. Machine-learning approaches can predict what final shapes proteins take, but the intermediates in the folding process can still only be observed experimentally. The Garcia-Manyes lab has found a new way to watch a single protein fold over days, instead of hours. They looked at a part of talin, a protein which is involved in the cellular response to external forces. By watching the protein fold with or without its partner vinculin, they saw some unknown rare configurations, and could link these to biological function. This new method could help improve synthetic protein design, and, as protein misfolding causes a range of diseases, could be clinically useful.

Tapia-Rojo et al. (2023). *Nature Physics*, **19**:52–60

Making an autophagosome grow

The autophagosome is the cell's waste disposal unit, helping to clean up and recycle unwanted debris like damaged organelles or proteins. The ATG9A and ATG2A proteins are essential parts of the autophagosome, and although it was known that they worked together, it was unclear how. Using structural analysis, the Tooze lab has proposed a molecular model that explains how the proteins interact to help create autophagosomes. This work sheds light on a vital biological machine with important roles in cancer, neurodegeneration and processes such as ageing.

van Vliet et al. (2022). *Molecular Cell*, **82**: 4324–4339.E8

Random cell fate switching revealed in early embryonic development

How complex organisms grow from simple embryos is a central problem of biology. When an embryo grows, different signals tell its cells what to become. One important signal is called Nodal, which was thought to tell cells to become endoderm or mesoderm depending on how much Nodal they were exposed to. The Hill lab has discovered that this model is inaccurate: Nodal does not push cells down a specific path, but creates a window of opportunity for cells to become endoderm; the remainder become mesoderm. The likelihood of a cell switching to endoderm is random and influenced by another protein, Fgf. The tissue is honed at later stages to create precisely sculpted endoderm.

Economou et al. (2022). *Developmental Cell*, **57**:2604–2622.E5

Comfortably numb – how cancers survive and thrive

The evolution of established cancers is driven by selection of the fittest cells. Subclonal mutations in numerous epigenetic regulator genes are common across cancer types, but their functional impact was unclear. The Scaffidi lab have shown that as disruption of the epigenetic regulatory network increases, cancer cells become better at surviving tough environments due to stress-resistant subpopulations emerging via a process dubbed transcriptional numbness. These findings explain why there is widespread selection of subclonal epigenetic-related mutations in cancer, and uncover transcriptional numbness as a driver of subclone expansion.

Loukas, I., Simeoni , F, Milan, M., et al (2022). *Cancer Cell*, **41**:70–87.E14

The link between DNA replication and faithful chromosome segregation

When a cell divides, it needs to make sure that each new cell gets an exact copy of its parent's DNA. To do this, the DNA is duplicated and the two copies stay connected until they are separated into the two new cells. This process is called 'sister chromatid cohesion', and it is controlled by a protein complex called cohesin. The Uhlmann lab in collaboration with the Diffley lab have now discovered that during DNA replication, certain transient structures called 'flaps' and 'nicks' help cohesin get into the right place to control sister chromatid cohesion. This discovery gives us new insight into how cells maintain the accuracy of their DNA copying process.

Minamino et al. (2023). *Cell*, **186**:837–849.E11

Young and old microbes work together to increase their lifespans

A collaboration led by the Ralser lab found that young and old yeast cells can work together and share resources, leading to an increase in the lifespan of all the cells in a mixed community. The team focused on how cells exchange metabolites, which are produced when cells make energy, and include amino acids. When young yeast cells released amino acids, older cells could take them up, and the entire community of cells lived longer. In particular, uptake of methionine changed the metabolism of older cells and led to the release of protective substances which could be taken up by other cells. If this sharing concept is applicable to higher organisms, these results could add a new dimension to studying cells in health and disease.

Correia-Melo et al. (2023). *Cell*, **186**:63–79.E21

Scientific events

Robust scientific discussion and exchange is an integral part of accelerating discovery science, and an important aspect of scientific discourse at the Crick. We use our event space to host a range of events, from smaller Crick-only discussions to large international conferences.

More than

25,000

attendees at scientific events in person and online, from more than 20 countries

All our Crick events are run on a hybrid basis. Although our in-person attendance is now usually higher than online, their hybrid nature makes our events accessible to global researchers who otherwise may not have been able to attend.

In 2022/23 we hosted more than 25,000 attendees from more than 20 countries in person and online.

One aim of our events programme is to showcase the broad range of research that takes place at the Crick. In June 2022 Crick group leaders Paola Bonfanti, Dominique Bonnet and Adrian Hayday hosted the 'Stemness, Regeneration and Immunity: from development to therapy' symposium. This was the first research meeting in this specialist area, featuring 15 international speakers including Nobel prize laureate Shinya Yamanaka, with more than 300 attendees from across the globe.

Two of our major biennial events occurred in October 2022: the 2nd Crick-Beddington Developmental Biology Symposium, hosted by Crick group leaders Nic Tapon, Alex Gould and Caroline Hill; and the 3rd London Infections and Immunity Symposium. More than 500 people attended in person and online across the two conferences, with talks, flash talks and poster sessions.

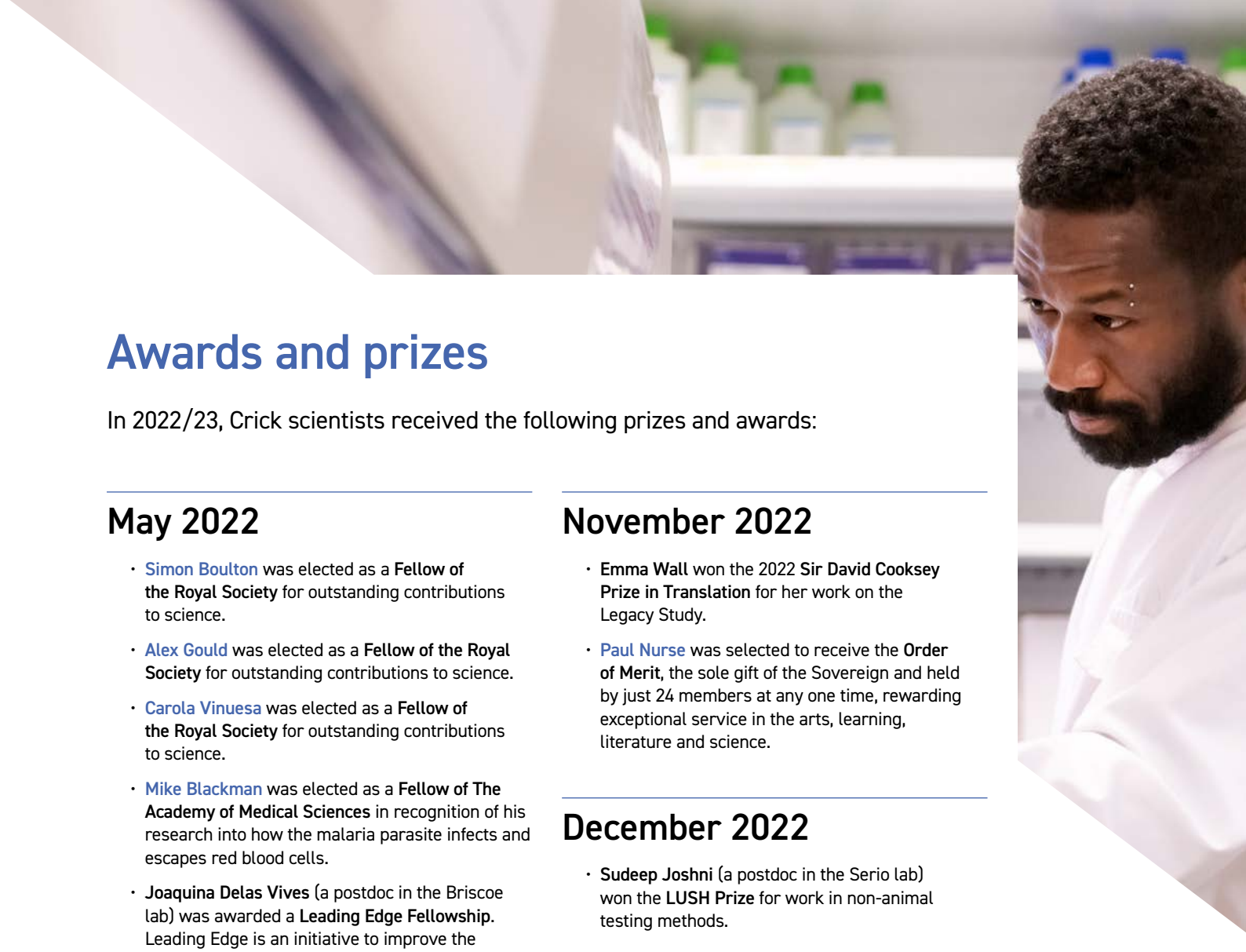
In November 2022 we held our annual Crick Autumn Science Meeting, an opportunity for people to get out of their labs and listen to talks from established and early career group leaders, university secondees, STP leads and a selection of PhD students and postdocs.

Our Medicine at the Crick series, aiming to bring together lab-based scientists and clinicians, continued this year with 'Escaping the antibiotic apocalypse' in March 2023.

We also welcomed several prestigious external speakers to deliver talks to the institute, including classicist and writer Dame Mary Beard; Director of the Institute of Cancer Research Kristian Helin; and Nobel laureate Randy Schekman of the University of Berkeley.

Third International Summit on Human Genome Editing

In March 2023 we hosted the Third International Summit on Human Genome Editing, organised by the Royal Society and chaired by Crick group leader Robin Lovell-Badge. This three-day meeting continued the global dialogue on somatic and germline human genome editing, including developments in clinical trials and genome editing tools such as CRISPR/Cas9, as well as the social, ethical and accessibility considerations of these scientific developments. We were joined by 300 in-person attendees and 280 online.



Awards and prizes

In 2022/23, Crick scientists received the following prizes and awards:

May 2022

- Simon Boulton was elected as a **Fellow of the Royal Society** for outstanding contributions to science.
- Alex Gould was elected as a **Fellow of the Royal Society** for outstanding contributions to science.
- Carola Vinuesa was elected as a **Fellow of the Royal Society** for outstanding contributions to science.
- Mike Blackman was elected as a **Fellow of The Academy of Medical Sciences** in recognition of his research into how the malaria parasite infects and escapes red blood cells.
- **Joaquina Delas Vives** (a postdoc in the Briscoe lab) was awarded a **Leading Edge Fellowship**. Leading Edge is an initiative to improve the gender diversity of life sciences faculty.

June 2022

- **Kevin Ng** (a postdoc in the Kassiotis lab) was awarded a **Schmidt Science Fellowship** to speed up the process of selecting promising vaccine candidates.

July 2022

- Samra Turajlic received the **ESMO Award for Translational Research**, presented annually to candidates who are internationally recognised for outstanding achievements in translational research.

August 2022

- Steve West was awarded the **Royal Society Royal Medal** for his research on DNA recombination and repair.

November 2022

- **Emma Wall** won the 2022 **Sir David Cooksey Prize in Translation** for her work on the Legacy Study.
- Paul Nurse was selected to receive the **Order of Merit**, the sole gift of the Sovereign and held by just 24 members at any one time, rewarding exceptional service in the arts, learning, literature and science.

December 2022

- **Sudeep Joshni** (a postdoc in the Serio lab) won the **LUSH Prize** for work in non-animal testing methods.

January 2023

- **Mohammed Shaaban** (a PhD student in the Enchev lab) was selected for the **MIT Technology Review's Innovators Under 35 in the Middle Eastern and North African region.**

14

Crick researchers and students have won awards

March 2023

- Pontus Skoglund won the **Finalist prize in the 2023 Blavatnik Awards** for 'Using ancient DNA to learn how to tackle medical challenges of the future'.
- **Derek Davies** won the **lifetime achievement award at the UKRI-sponsored Research Institute Technician Awards (RITA).**

Crick scientists

We have developed an approach to biomedical scientific training and recruitment that reflects our commitment to research excellence, dynamism and multidisciplinary activity. Our faculty recruitment has an emphasis on early career researchers, most of whom are taking up their first independent post. They develop their programmes for up to 12 years and then receive assistance to find a position elsewhere.

This, along with our comprehensive training programmes for students and postdoctoral fellows, means we are expanding the talent pool for biomedical science across the UK and internationally, helping to create the science leaders of the future.

Group leader recruitment

7

new group leaders appointed

Computational and theoretical biology group leaders

A recruitment round for computational and theoretical biology group leaders was held in 2022. From 117 applications, three candidates accepted offers and joined the Crick between September 2022 and March 2023.

Erika DeBenedictis, a former astronomer, has expertise in physics and synthetic biology. Her group, the Biodesign Laboratory, focuses on using computational design and evolution to engineer proteins and organisms.

James DiFrisco is a philosopher of science and theoretical biologist working on themes in developmental and evolutionary biology. His group at the Crick is dedicated to conceptual theoretical biology.

Fabian Fröhlich has expertise in the mathematical modelling of molecular processes, including experience in building, training and validating large-scale models and combining them with statistical and machine learning approaches.

Early career group leaders

A recruitment round for early career group leaders was held in late 2022 and early 2023. Of 459 applications received, three candidates went on to accept offers before the end of March 2023 and will join the Crick during 2023.

Ester Morreale has a background in chemical and structural biology. Her group, the Targeted Protein Degradation and Antibiotic Research Laboratory, studies the proteolytic (protein-degrading) complexes of pathogenic bacteria with the aim of discovering new antibiotics.

Michael Winding has expertise in systems neuroscience and connectomics, both of which are essential to uncover complex synaptic circuitry in the brain and understand the computations performed to generate behaviour. His group, the Social Circuits and Connectomics Laboratory, studies how neuronal circuits in the brain drive social interactions between animals.

Lukas Groschner has a background in biochemistry and cell biology. His group, the Brain Biophysics Laboratory, uses fruit flies as a model to study how different types of circuits in the brain depend on their structures to store the signals that determine behaviour.

Clinician scientist group leaders

One clinician scientist group leader was appointed to the Crick in the 2022/23 recruitment call before the end of March 2023. **Foad Rouhani**, jointly appointed with King's College London, is expected to join the Crick in September 2023. His research will focus on mechanisms of liver regeneration, including exploring the biological basis underlying the hepatocyte growth advantage to uncover fundamental mechanisms linking metabolism and proliferation.

Senior group leaders

In April 2022 **Gerard Evan** joined as a senior group leader at the Crick and Professor of Cancer Biology at Kings College London. He joined us from the University of Cambridge where he was Sir William Dunn Professor of Biochemistry and Head of Department of Biochemistry.

One of the Evan lab's principal interests is the enigmatic Myc protein, a master regulator of cell proliferation whose expression is misregulated in most, possibly all, cancers. Another key interest is the p53 protein which works in contrast to Myc by restraining cell proliferation and helping to suppress cancers. p53 is inactivated by mutation in almost all adult human cancers. By studying these shared cancer processes the Evan lab hopes to develop better, longer-lasting cancer therapies.

Developing our students, postdocs and technical staff

We are committed to providing high-quality training, development, networking and mentorship opportunities for our undergraduate and PhD students, postdocs and laboratory research scientists. These activities are aimed at supporting them in delivering our research strategy, and at developing their capabilities as future science leaders following careers within and beyond academia.

Undergraduate students

In July 2022 we welcomed 27 undergraduate students from UK universities onto our nine-week summer and year-long sandwich placement programmes. These schemes provide students with hands-on research experience and insight into what it's like to work in a biomedical research institute. Another 20 summer and 10 sandwich students will join our research groups and STPs in summer 2023.

Widening participation in our summer student programme

During 2022 we agreed changes to the eligibility criteria for the 2023 summer student programme, which we hope will widen participation and increase the diversity of this programme by targeting groups that are traditionally under-represented in science. This is in line with our objective to develop an inclusive culture that nurtures diverse talent. For the 2023 recruitment round, which opened in January 2023, applicants had to: be of Black ethnicity; or come from a household with an income of less than £25,000; or attend a university on the Crick's Summer Student Training Programme priority institutions list, which does not include Russell Group universities.

PhD students

A major element of our postgraduate training offering is our highly competitive PhD programme. In September 2022 we welcomed 48 new PhD students and six doctoral clinical fellows onto the 2022 programme. Alongside them, nine PhD students and three doctoral clinical fellows joined the Cancer Research UK City of London Centre PhD programme, which runs across the Crick, UCL, King's College London and Barts/Queen Mary University of London.

We opened recruitment for our 2023 PhD programme in October 2022, receiving more than 1,400 applications for 42 positions on the standard programme and 69 applications for five doctoral clinical fellowships. Thirty-six PhD students and five doctoral clinical fellows have already accepted positions and we are recruiting to 19 further PhD positions via our spring round of recruitment.

Over the last year, we have increased the PhD programme's focus on training and career development, to ensure that students review and discuss their training development with their supervisors and thesis committees at key points during their PhD. In addition, a new student support and wellbeing lead joined the academic training team, to implement proactive and reactive initiatives to support our PhD students and their supervisors through the challenges of carrying out a PhD.

Postdocs

In 2022/23, we received 1,350 applications for the postdoctoral positions that we advertised, and 68 new postdocs joined the Crick.

In 2021, the Crick signed the Researcher Development Concordat, which provides a framework for improving the work environment of early career researchers (postdocs) and their professional development opportunities. Since then, we have completed a gap analysis of our current practices versus the concordat's requirements, and have developed and started implementing an action plan for improving our practice in specific areas.

Laboratory research scientists

In October 2022, 22 of the Crick's laboratory research scientists (technical staff) from across our research groups and science technology platforms (STPs) were selected to participate in the Herschel Programme for Women in Technical Leadership, which provides tailored leadership and management training for the technical community. Ten Crick staff also attended the Research Institute Technician Symposium in March 2023, themed around building confidence and career planning.

In July 2022, the 1,500th member joined CrickConnect, our online network for current and former staff and students, which continues to provide an excellent resource for those planning the next steps of their career.

More than

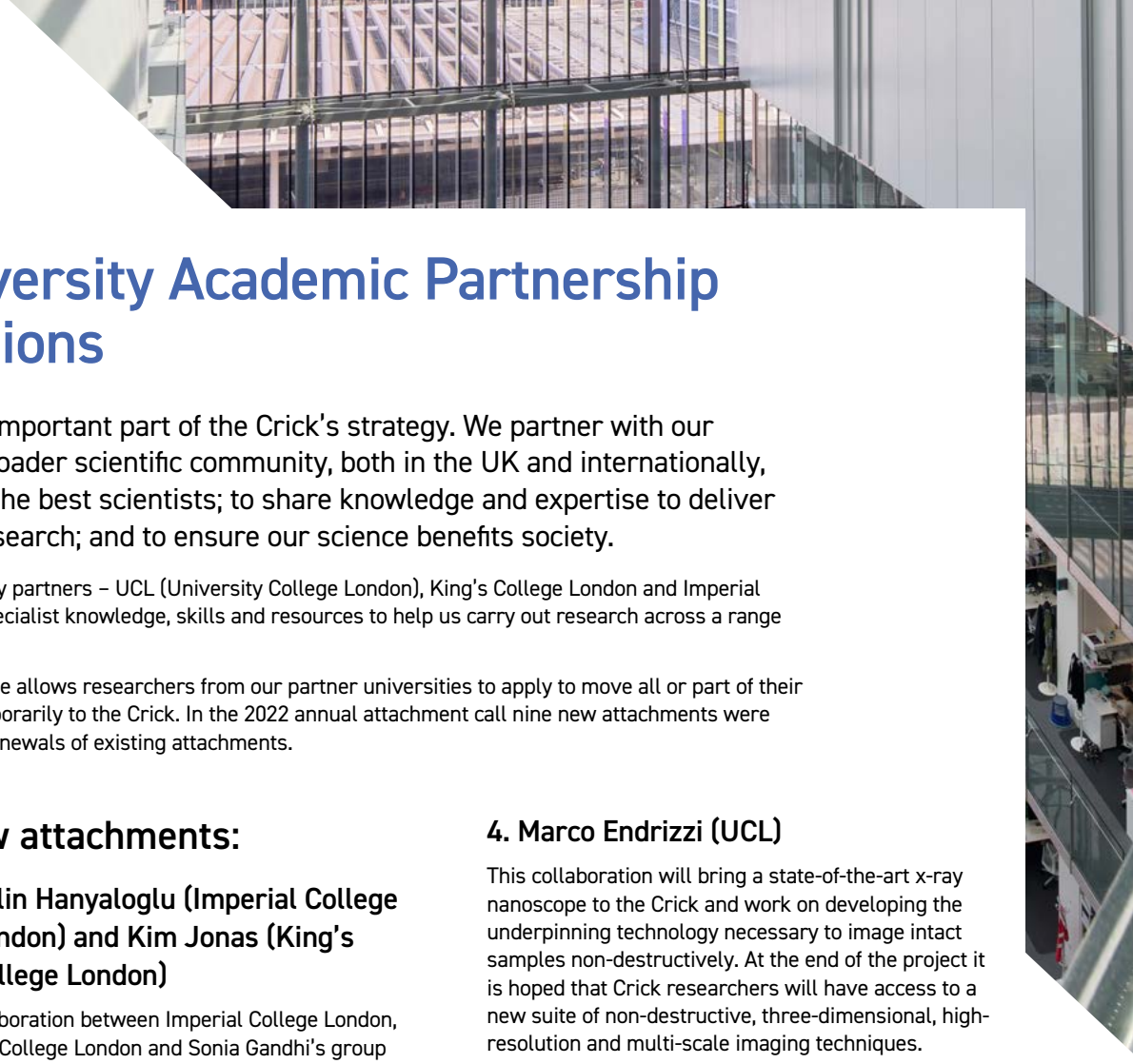
1,400

applications for 42 PhD positions starting in September 2023

The

1,500th

member joined our alumni network CrickConnect



Crick University Academic Partnership collaborations

Collaboration is an important part of the Crick's strategy. We partner with our founders and the broader scientific community, both in the UK and internationally, to recruit and train the best scientists; to share knowledge and expertise to deliver multidisciplinary research; and to ensure our science benefits society.

The Crick's three university partners – UCL (University College London), King's College London and Imperial College London – bring specialist knowledge, skills and resources to help us carry out research across a range of scientific disciplines.

Our attachment programme allows researchers from our partner universities to apply to move all or part of their research programme temporarily to the Crick. In the 2022 annual attachment call nine new attachments were approved, along with 10 renewals of existing attachments.

New attachments:

1. Aylin Hanyaloglu (Imperial College London) and Kim Jonas (King's College London)

A collaboration between Imperial College London, King's College London and Sonia Gandhi's group at the Crick, looking at new approaches in single-molecule imaging at the interface between physical and data sciences. This is the first joint attachment, involving two university partners, at the Crick.

2. Pietro Fratta (UCL)

A wide-ranging project working across multiple groups and STPs at the Crick focusing on the RNA-binding protein TDP-43 and the molecular mechanisms occurring in the neurodegenerative disease amyotrophic lateral sclerosis (ALS).

3. David Riglar (Imperial College London)

A wide collaboration with several groups at the Crick investigating the biogeography of host microbiome interactions in the gut. Collaborations will involve optimising gut tissue imaging and cryosection, investigating the microbiome's role in Aryl Hydrocarbon Receptor (AHR) signalling, and tissue analysis in inflammatory bowel disease.

4. Marco Endrizzi (UCL)

This collaboration will bring a state-of-the-art x-ray nanoscope to the Crick and work on developing the underpinning technology necessary to image intact samples non-destructively. At the end of the project it is hoped that Crick researchers will have access to a new suite of non-destructive, three-dimensional, high-resolution and multi-scale imaging techniques.

5. Jernej Ule (King's College London)

Professor Ule's work focuses on how RNA networks direct the workings of a cell by regulating gene expression and protein homeostasis. This attachment will focus on understanding the role of ribonucleoprotein particles (RNPs) in the development of nerve cells, how these roles have evolved over time, and how faulty RNPs lead to conditions affecting the nervous system, such as amyotrophic lateral sclerosis (ALS). Jernej Ule is the new director of the UK Dementia Research Institute (UK DRI) at King's College London, strengthening links between Crick and UK DRI.

6. Adam Celiz (Imperial College London)

A collaboration with Crick group leader Alberto Elosegui-Artola, this work will investigate cancer progression and the mechanics of the tumour microenvironment by using high-throughput screening of model tumours made from cancer cell-laden hydrogels.

7. Giulia Zanetti (UCL and Birkbeck)

This wide-ranging collaboration will work with multiple groups at the Crick to advance high-resolution cryo-EM imaging of cellular architecture by tomography and *in situ* approaches. It will specifically focus on the role and function of the COPI-II coat of the cell's endoplasmic reticulum.

8. Xiaodong Zhang (Imperial College London)

Xiaodong Zhang will come to the Crick on a secondment and work closely with the groups of Stephen West, Radoslav Enchev and John Diffley. The collaboration will focus on understanding the molecular mechanisms of DNA processing enzymes in two major cellular pathways: gene regulation and transcription initiation; and DNA damage signalling and repair.

9. Vahid Shahrezaei (Imperial College London)

Vahid Shahrezaei is an applied mathematician and will spend a year at Crick on a sabbatical. He will work with the group of Folkert van Werven on understanding the genetic network which controls cell fate decision mechanisms in yeast.

Partnerships in the Crick

Partnership is at the heart of the Crick's work. We develop long-term partnerships with organisations to work together in a variety of ways.

Co-location

Co-locating with our partners within the Crick building allows us to more easily share expertise, equipment and resources, and establish collaborative research projects. The presence of partners in the institute also strengthens the culture of translation that we are fostering at the Crick. The UK Dementia Research Institute, LifeArc and Cancer Research Horizons are three partners which have already moved existing labs into the Crick or established new labs in our building.

In July 2022, the Crick and DeepMind announced a multi-year partnership in which a DeepMind research lab will be set up at the Crick to bring together the Crick's expertise in the study of biology, health and disease with DeepMind's expertise in artificial intelligence and machine learning.

The DeepMind team will carry out work such as building machine learning models to understand and design biological molecules, the properties of which researchers will then be able confirm using the Crick's facilities. The lab will also explore projects in the field of genomics. The researchers will be able to test the biological hypotheses predicted by their models in the lab.

Inter-institutional partnerships

We have developed several institutional-level partnerships, some international, which offer the potential for engagement through collaborative research, translation, training and operations. The following inter-institutional activity was established or renewed in 2022/23:

The Legacy Study

Our partnership with UCLH (University College London Hospitals NHS Foundation Trust) has been strengthened through the Legacy project. Established in January 2021, Legacy is an observational cohort study that arose from the Crick's partnership with north London healthcare facilities, including UCLH, on the COVID-19 PCR testing pipeline. The study utilises a bank of coronavirus samples gathered at the Crick via the pipeline.

The study team has worked with the Crick COVID Surveillance Unit, UCLH staff and Crick group leaders across virology, immunology, cancer research and structural biology to understand the coronavirus, how it behaves in individuals, how it is transmitted between people, how later stages of the disease develop, and how the body's immune system attempts to control the virus.

The Crick and UCLH committed to a further five years of funding for the Legacy Study in November 2022.

Institut Pasteur

In March 2023 the Crick signed a memorandum of understanding (MoU) with the Institut Pasteur which aims to develop links between the two organisations in the areas of infection and immunity.

In November 2022 the Pasteur-Crick Infection and Immunity Workshop was held at the Institut Pasteur in Paris to enable networking and sharing of ideas. It featured talks from group leaders and postdocs from both institutes. A follow-up seminar on neuroscience and infection and immunity took place in June 2023 at the Crick. In March 2023, the Crick team convened a meeting between the Pasteur Network – which includes a number of African organisations – and the Crick African Network.

EMBL

The Crick renewed its MoU with the European Molecular Biology Laboratory (EMBL) in late 2022. The partnership brings together scientists from the two organisations and their networks across Europe, aiming to encourage new collaborations, support collaborative projects and sharing of facilities, access to technologies and expertise, and joint conferences.

CRUK City of London Centre

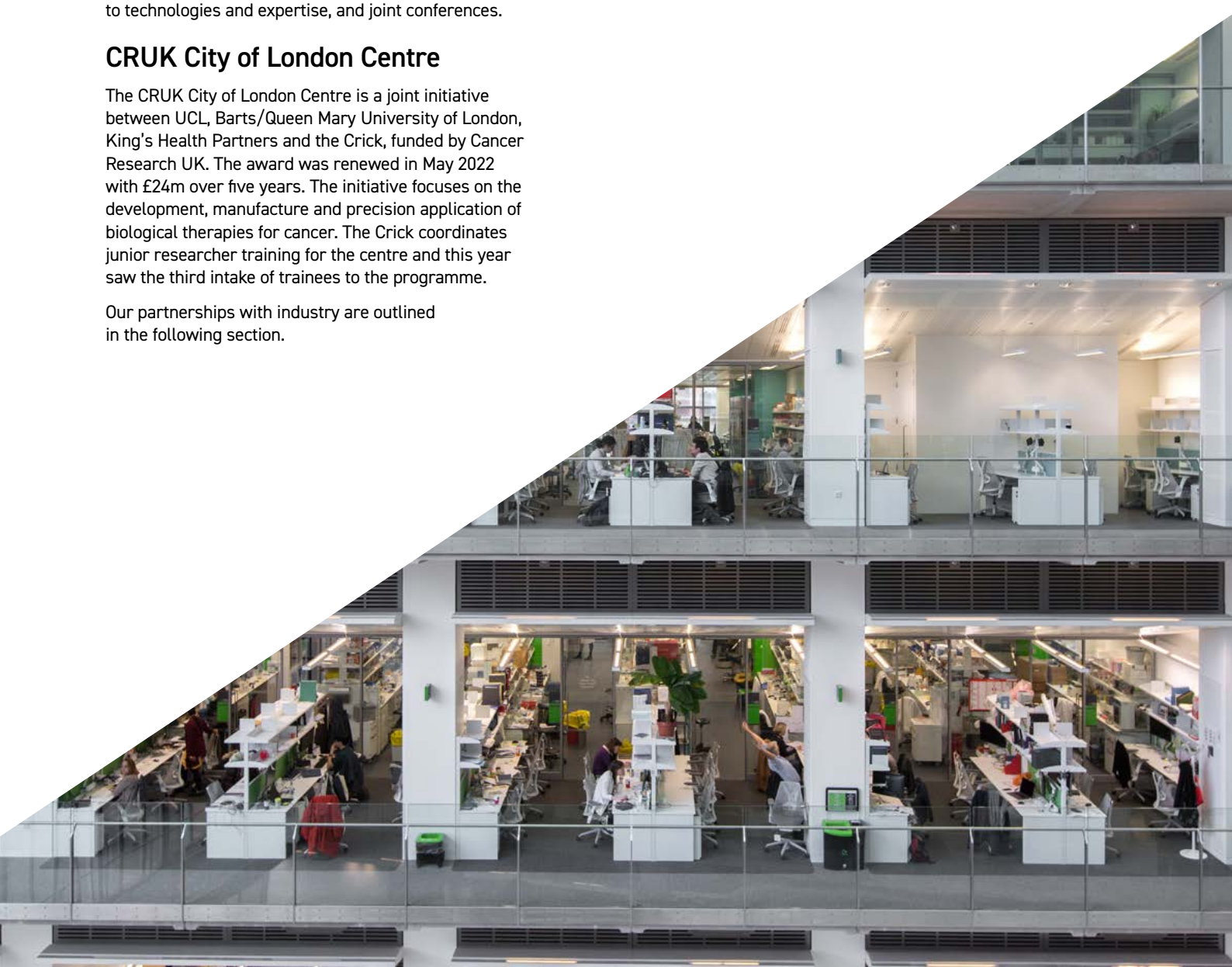
The CRUK City of London Centre is a joint initiative between UCL, Barts/Queen Mary University of London, King's Health Partners and the Crick, funded by Cancer Research UK. The award was renewed in May 2022 with £24m over five years. The initiative focuses on the development, manufacture and precision application of biological therapies for cancer. The Crick coordinates junior researcher training for the centre and this year saw the third intake of trainees to the programme.

Our partnerships with industry are outlined in the following section.

The WWW Consortium

The Legacy Study is now also part of a £3m Wellcome-funded initiative to compare three clinical cohorts – in London, West Africa and the West Indies – to understand mechanisms of heterogeneity in response to the coronavirus.

Crick group leader David Bauer and Emma Wall, Senior Clinical Research Fellow at the Crick and UCLH, are members of the consortium, named 'WWW' and spanning the Crick, the London School of Hygiene and Tropical Medicine, UCLH, the University of the West Indies and the University of Ghana.



Crick impact

Connecting the Crick to clinical medicine

The Crick is developing diverse links with the clinical medicine community in order to extend the scope of our discovery research, train a cadre of clinician scientists, develop an awareness of clinical medicine among scientists at the Crick and, ultimately, facilitate the application of Crick research for patient benefit.

5

non-clinical Crick group leaders shadowed 11 hospital-based clinicians as part of the CrickMed scheme

We have continued to host our Medicine at the Crick event series which aims to bring lab-based scientists and clinicians together to stimulate new ideas, form collaborations and bring research advances closer to the point where they can benefit patients. In March 2023 we held 'Medicine at the Crick: Escaping the antibiotic apocalypse' which had 160 in-person attendees (approximately 60 from the Crick and 102 external people) and 234 people joining virtually. There are two more events planned for 2023: 'The tumor microenvironment: looking beyond T-cells' and 'What development can tell us about disease'.

We are also delivering CrickMed where group leaders can spend a week in a clinical environment at our partner university hospitals, being exposed to different types of clinical activity and practice. The long-term goal of this scheme is for Crick scientists to interact with clinically active researchers to further promote collaboration and translational science. Five non-clinical group leaders at the Crick participated in the initiative in March 2023 and shadowed a total of 11 clinicians, and another CrickMed is planned for September 2023.

We are also continuing to hold 'clinical grand rounds' within the Crick's current interest group programmes. These include a clinical case presentation which will be a useful complement to the Medicine at the Crick events in providing patient-based illustrations of medical advances and medical needs to Crick investigators.

Training for clinicians

In addition to our group leader programme for clinician scientists (see p13), we also provide training for research-active clinicians at the doctoral and postdoctoral levels.

Six doctoral clinical fellows joined the Crick as part of the 2022 PhD programme intake. We received 69 applications for our 2023 Crick doctoral clinical fellows PhD programme. Interviews were held in January 2023 and five offers were made, all of which have been accepted. These fellows will join the Crick as part of the broader 2023 PhD cohort in September (see also Developing our students, postdocs and technical staff, page 14).

In 2022, six clinicians were interviewed for fully funded postdoctoral clinical fellow positions at the Crick. Following the interviews, four clinicians were offered positions and they all accepted. One of these fellows has now taken up their position at the Crick and the other fellows will take theirs up in the next few months. This period also saw two clinicians being offered positions as externally funded postdoctoral clinical fellows: one started in early 2023 and one is due to start in the next few months.

Translation

The Crick's Translation team works to provide our researchers with easy access to the expertise and mechanisms they need to convert their discoveries into applications.

The team made progress in a variety of areas during 2022/23.

Ideas to innovation (i2i) scheme

The Crick's ideas to innovation (i2i) scheme supports early-stage translational projects within the institute. It is funded by external grants from the Medical Research Council and medical research charity LifeArc. In December 2022, 10 projects received a total of £810k in areas as diverse as developing a potential treatment for the neglected disease schistosomiasis to improving drug toxicity testing. To date, more than £7.6m has been invested in a portfolio of 80 projects.

Crick core funding has also been used to create a scheme to support technology development (the Crick i2i technology funding initiative), which supported two new technologies in 2022/23 costing a total of £150k.

Prosperity Partnership programme

Our pre-competitive collaborations with big pharma partners (GSK, AstraZeneca, and MSD) continue to add value to our science. In December 2022, working with Imperial College London and AstraZeneca, the Crick received support from the Engineering and Physical Sciences Research Council's Prosperity Partnership programme.

The £11.2m of support over five years will fund a research programme based at the Crick led by Crick group leader Julian Downward, Ed Tate (Imperial) and Emanuela Cuomo (AstraZeneca). It will support a systematic approach to the development of molecular glue degraders – molecules which bind together proteins which don't usually combine – to unlock the biology and therapeutic potential of currently un-druggable targets.

In addition, the MRC agreed a £1m Industry Partnership Award to provide continued support for our existing research partnership with AstraZeneca. This was matched with £1m from AstraZeneca.

Industry partners

A core element of our translation work involves embedding industry scientists to work closely with Crick researchers and vice versa. These partnerships add value to the Crick's discovery science by capitalising on complementary expertise and technical capability. Many lead to publications, skills development and additional funding. Sixty-seven Crick and industry scientists have spent time in their reciprocal setting as part of these projects. In total, the Crick has supported 104 projects with 27 industry collaborators to date.

Spin-outs

In September 2022 Eliptica, a new proteomic spin-out company based on research in Markus Ralser's laboratory at the Crick, was launched. This brings the total number of spin-outs developed from Crick science to 11.

Eliptica's technology emerged from Ralser's research in yeast which has been translated for clinical application over the past five years, supported by the i2i scheme. Eliptica aims to deliver non-invasive, machine learning-based proteomic profiling for patient stratification, disease monitoring, drug screening and predictive biomarker discovery for clinical applications.

The 11 spin-out companies have created more than 500 jobs and raised more than US$1bn in investment. Through these spin-outs, Crick discovery science is making its way to the clinic: Artios Pharma, Achilles Therapeutics and Gamma Delta Therapeutics are all testing potential therapeutics in people.

1

new spin-out company formed

Entrepreneurship and inspiration

Another key aspect of our translation work is providing scientists with training and mentorship to translate their research into real-world solutions. Throughout 2022/23 translational lectures and workshops for Crick students and staff were delivered by members of the Crick's Translation team, the Crick Science Entrepreneur Network and industry partners.

In September 2022, the fifth round of the Crick's KQ Labs accelerator programme began. KQ Labs aims to build a world-class ecosystem of data-driven health companies based in London's Knowledge Quarter around King's Cross. The programme is funded by LifeArc and participating companies are provided with a £40,000 convertible loan, training and mentorship, as well as introductions to investors and corporates over the course of the five-month programme. The 40 start-ups supported in the previous four cohorts have collectively raised more than £75m in funding since completing the programme, reflecting both the quality of the programme and the growth in the data-driven health ecosystem.

PULSE, the Programme for Up and coming Life Science Entrepreneurs, ran for its sixth year in March 2023. Developed by the Crick and the BioIndustry Association (BIA), PULSE is a three-day leadership and entrepreneurship training programme for early career stage entrepreneurs and new CEOs, most of whom come from an academic setting.

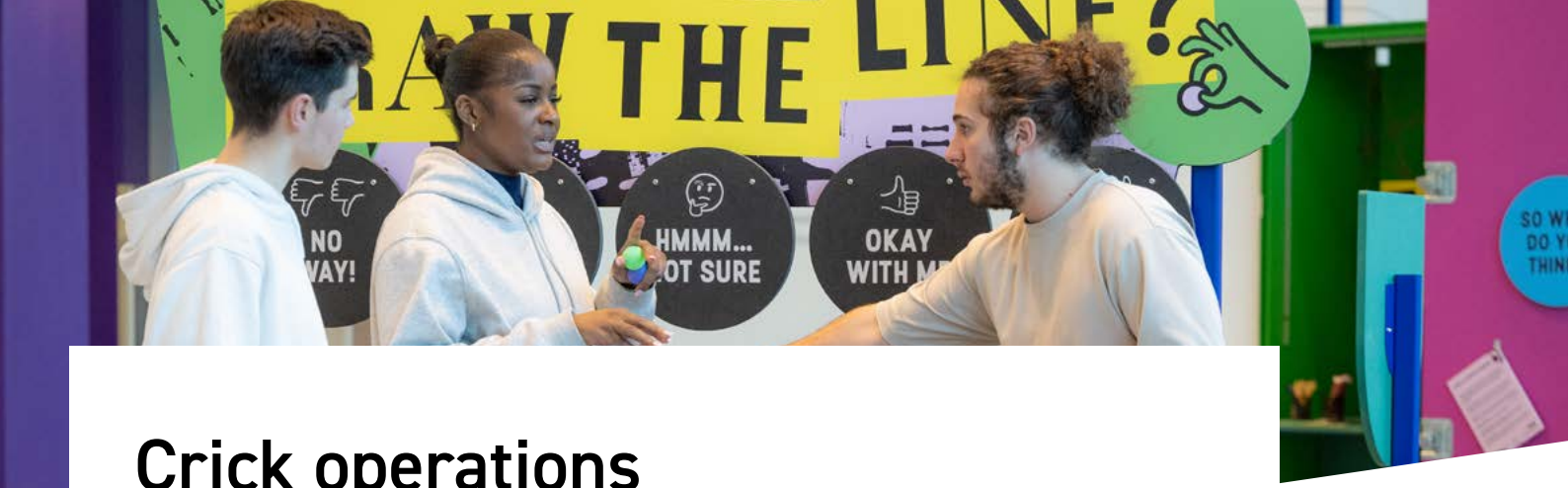
The Chris Banton Foundation Commercial Fund

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

The money will be used to fund Crick initiatives, with amounts drawn down to be repaid where a commercial return is generated. The amounts repaid are recycled back into the fund, meaning they are available for drawdown for future initiatives.

The first Translation Fund Board met in September 2022 and approved the first project, led by Crick group leaders Rickie Patani and Andrea Serio. Their project aims to develop a potential therapeutic for patients who suffer from ALS (amyotrophic lateral sclerosis), a devastating disease for which there is currently limited treatment.

This project represents the first and only project that has thus far drawn down on the available funding, and therefore is accounted for in the financial statements (a drawdown of £352k). For clarity, the rest of the available £50m funding does not appear in the 2022/23 financial statements, as no further projects have been commissioned.



Crick operations

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

Public engagement and education outreach

Our Public Engagement programme returned to full strength in 2022/23, with a busy programme of activities for a range of audiences.

Almost
4,000
people visited our genomics exhibition Cut + Paste in just two months

More than
15,000
people have visited the Living Centre, and 35 local people have been supported into work

In April 2022, we opened a new outdoor exhibition along Dangoor Walk, a pathway alongside our building, as part of the institute's five-year celebrations. Pathway to Discovery celebrates the scientific achievements of our founding institutes and gives passers-by an insight into the amazing research happening inside the institute today.

In December 2022, we closed our Outwitting Cancer exhibition which explored what cancer is, what scientists are doing to understand it and how patients experience it. Our first since the pandemic, the exhibition was open for 14 months, and was visited by 17,711 people. This number was slightly down on previous exhibitions, in line with lower audience numbers across the culture sector since the pandemic, and emphasises the ongoing challenge of adapting our engagement activities to people's changing behaviour.

Over 90% of visitors rated the exhibition as excellent (57%) or good (35%) and were extremely likely (52%) or likely (37%) to recommend it to others. Demographics of visitors indicate it was the youngest and most diverse audience we have ever had for an exhibition.

Outwitting Cancer was also the first Crick exhibition to have a bespoke accompanying online exhibition, featuring videos, imagery, animation and text. The online exhibition pages have been viewed 27,909 times by 16,330 online visitors during the run of the exhibition, with online exhibition visitor numbers almost equalling gallery visitors.

The Crick's latest exhibition, Cut + Paste, opened in February 2023 and will run until December 2023. The exhibition explores the ethical issues surrounding genome editing and its potential applications through a series of hands-on activities and provocative questions. Genome editing is a challenging topic to cover, and it is crucial to engage with diverse audiences on this topic, so we worked with an access consultant to ensure that this is our most inclusive and accessible exhibition to date. We welcomed 3,865 visitors in the first two months.

Our family Discovery Day returned in June 2022 after a two-year hiatus, and was our most well-attended public event ever, attracting around 2,500 visitors – up 60% from our last event in 2019. The event saw 70 Crick staff delivering inspiring hands-on activities.

Our Science on Screen event series returned in Autumn 2022, with more than 900 attendees over the four events, including 300 at a screening for local families. We also ran regular events for local families in school holidays, welcoming 1,090 people at 12 family events from April 2022 to March 2023.

Our Community Chest grant scheme continues to support vital local projects. This year we had 34 applications, the largest number yet, and supported seven community projects.

In February 2023, the Living Centre celebrated five years of essential work supporting the local community. This year more than 15,000 people accessed services run or supported by the centre, which is close to pre-pandemic levels. Other highlights include the successful application to the Mayor of London's Future Neighbourhood 2030 Programme, and the Job Hub at the Living Centre, which supported 35 people into work.

Our Education team is closer to its ambition of reaching every school child in Camden every year, with more than 13,000 engagements in the 2021/22 academic year, despite COVID -19 disruptions.

Evaluation of our education outreach programme

November 2022 saw the publication of an expert evaluation of the first five years of the education outreach programme. This evaluation, led by researchers at the University of Bristol, found the programme to be a 'valuable if not essential aspect of support and enrichment for Camden schools' science teaching and learning'.

Their report detailed evidence that the programme helped learners forge a connection with science, generating science capital and debunking misconceptions about scientists. One of the most positive impacts reported was on female pupils' aspirations as science learners. Evaluators also noted how the team's work with children who have special educational needs was an 'equaliser of opportunity; levelling a field of access for all children to be engaged in science, regardless of socio-economic status and/or physical and cognitive needs'.

Media and public affairs

In July 2022 we announced in excess of £1 billion of funding from partners for the Crick over the next seven years to expand our world-leading role and help secure the future of the UK as a scientific powerhouse. The announcement was accompanied by a visit from then Prime Minster Boris Johnson.

2022 also saw a return to a variety of Crick science stories being reported in the media. We recorded almost 10,000 individual mentions in the press and covered media stories about research from 27 Crick labs. Highlights included identifying a genetic cause of the autoimmune disease lupus; uncovering the location of the first domestication of dogs; progress towards a pan-coronavirus vaccine; and the first scientific evidence for how air pollution causes lung cancer in people who have never smoked.

We also continued to make the case for UK association to Horizon Europe with several high-profile policy and media interventions.

We organised a number of VIP visits to the institute. In November 2022, for example, we managed multiple national and international media for the visit of South African President Cyril Ramaphosa, HRH the Earl of Wessex, and Secretaries of State Grant Shapps and Steve Barclay. We secured almost 350 mentions in the press on the day of the visit alone.

The opening in February 2023 of the Crick's latest exhibition Cut + Paste, about genome editing, coincided with both the passing of the Government's Precision Breeding Act and the Third International Summit on Human Genome Editing. This led to a large amount of media interest in genome editing and ethical discussions in the press that mirrored the themes of the exhibition.

In March 2023, we worked with the Science Media Centre and the Department for Science, Innovation and Technology to announce the findings of Paul Nurse's review of the R&D landscape in the UK. It was widely covered in the national media including *The Times*, *The Guardian* and *the Financial Times*.

Almost

10,000

mentions of the Crick in the media

Facilities and infrastructure

World-class research needs an excellent supporting infrastructure. Our state-of-the-art research institute requires continual improvement to maintain our research performance.

In 2022/23 the Facilities and Infrastructure (F&I) team continued to provide improvements to the Crick's building and support services, driving efficiencies and optimising space, reducing carbon emissions, improving resilience, and enhancing the experience of staff at the Crick. This remit expanded with the Health and Safety team joining F&I during the second half of 2022.

Progress on projects to improve the resilience of the building infrastructure continues. New voltage optimisation equipment is now fully installed in the building to mitigate the effects of 'brown-outs', providing extra resilience for non-essential power systems and scientific equipment connected to them. The Building Management System (BMS) upgrade is in progress and in the first year of the three-year lifecycle works programme we have successfully updated Containment Level 3 (CL3) laboratories, and general and laboratory ventilation systems.

To support the Crick's carbon reduction goal of reducing Scope 1 and 2 emissions by 50% by 2030 and aiming for net zero by 2040, several energy-saving projects have been implemented. The projects completed this year include reduction in air change rates in the Biological Research Facility, upgrade to LED lighting in the stairwells, and improvements to equipment cooling in the Data Centre. Projects in progress include increasing ULT freezer temperatures from -80C to -70C, and the implementation of compensated ambient temperature control for the building which saves energy by enabling inside air temperature control to track outside temperature.

A new focus for this year is the eighth floor 'Skylab' project which will create 1,200m^2 of new space for five labs with separate write-up and amenity space. Construction work began in March 2023, and is expected to take just over a year to complete.

Health and wellbeing

There are pressures associated with working in a high-performing research environment, and individuals need support to respond to these pressures.

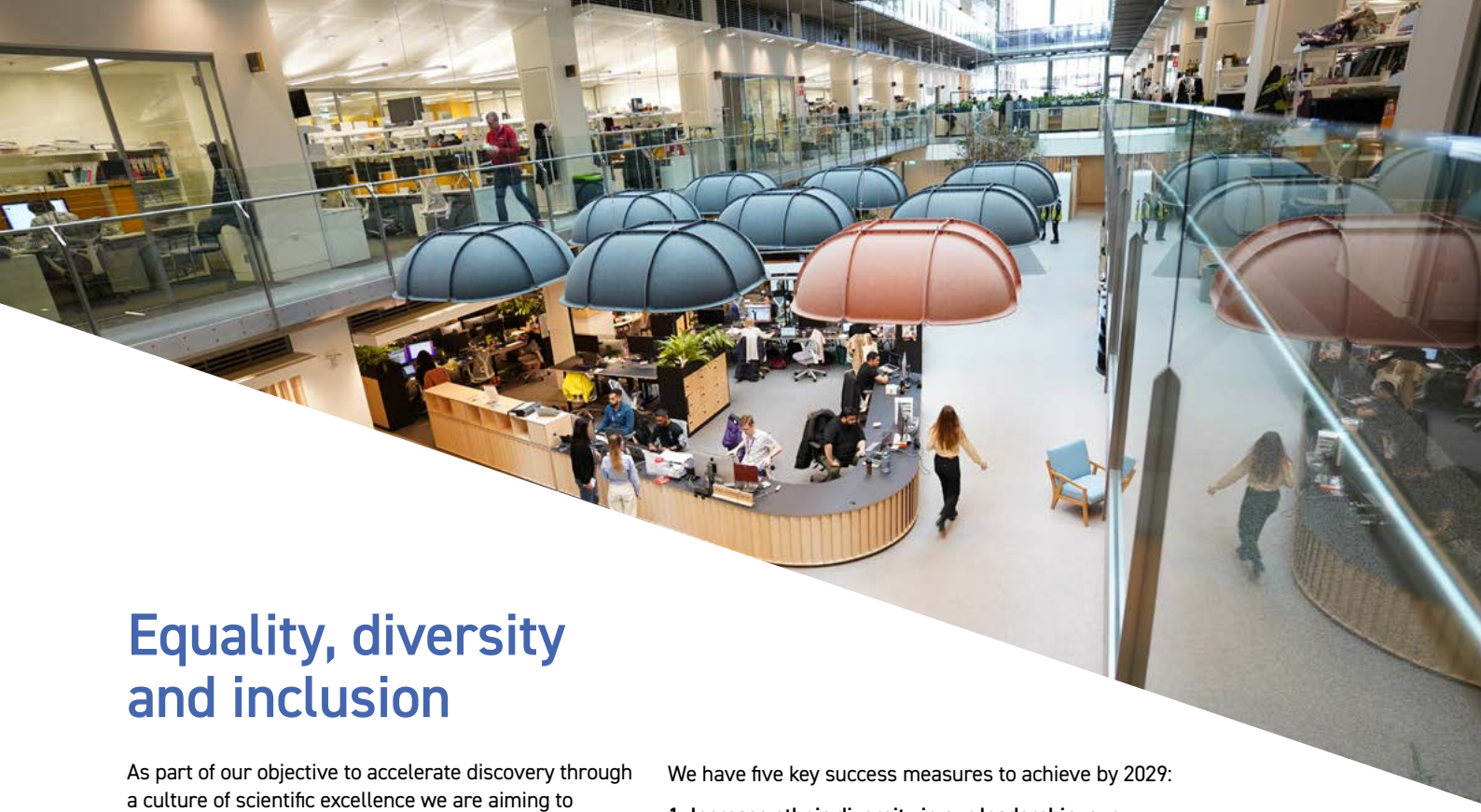
December 2022 saw the launch of our health and wellbeing strategy (2022–2025). Our vision is to enable and empower everybody at the Crick to improve their wellbeing by supporting individuals to create and sustain healthy behaviours. We aim to do this by fostering a culture of care and offering a variety of support to suit our varied population. We have identified musculoskeletal and mental health as key areas of focus.

We refreshed our Mental Health First Aid (MHFA) programme across 2022 to improve clarity regarding the roles, responsibilities and requirements for MHFAiders to ensure a consistent approach across the institute.

The benefit and wellbeing roadshow returned in May 2022 with multiple internal and external suppliers promoting their services and products to ensure better visibility across the Crick.

The Menopause Café continues to create a safe space for individuals to share experiences, support and to destigmatise the discussion on menopause. To raise further awareness of the topic, leading life course epidemiologist Diana Kuh delivered a lecture on the menopausal transition in September 2022.

During 2022/23 we reviewed our occupational health needs, leading to the appointment of a new provider that will join the Crick in April 2023.



Equality, diversity and inclusion

As part of our objective to accelerate discovery through a culture of scientific excellence we are aiming to develop an inclusive culture that nurtures diverse talent. We are doing so by building an environment where everyone feels welcome, individually valued and able to contribute to the best of their ability.

In line with this, and following feedback from our funders and internal stakeholders, we refreshed our inclusion strategy for 2023-29. It was endorsed by the Board in March 2023.

Our inclusion priorities 2023-29 are:

- **Recruitment and progression:** Improve our methods to maximise fairness and to attract, appoint and progress diverse talent across the organisation.
- **Inclusive culture:** Develop an environment where anyone with talent can thrive and progress, regardless of background or personal identities.
- **Inclusive research:** Highlight good practice in our research portfolio and increasing our engagement with existing frameworks.
- **Leadership on diversity and inclusion within UK science:** Build a reputation for developing inclusive science leaders, and for accelerating the careers of scientists from under-represented groups.

We have five key success measures to achieve by 2029:

1. **Increase ethnic diversity in our leadership: our Board and Executive Committee.**
2. **Maintain near parity of women and men in group leader appointments.**
3. **Increase intake of Black ethnicity PhD students:** from <1% (November 2022) to at least 2.5% of all PhDs in the period April 2023–March 2029.
4. **Improve the experience of disabled and neurodivergent staff,** measured by our staff survey.
5. **Improve the experience of ethnic minority staff, in particular Black, Mixed and Other ethnicities,** measured by our staff survey.

Gender pay gap

Our 2022/23 gender pay gap (at the 5 April 2022 snapshot date) is 11.4% (mean), lower than the UK average of 13.9% and significantly lower than the average for most higher education institutions (14.8%).

Disability policies and processes

In November 2022, 3.44% of Crick staff had declared a disability. Of these people, 65% were female, and 74% were in operations or laboratory research scientist (LRS) roles.

We trialled a disability awareness course in 2022 which will be delivered to all Crick managers during 2023/24. We also improved our reasonable adjustment policy and supporting documents, and refreshed our 'managing sickness' training.

We recruited new committee members for Enable, our network for disabled and neurodivergent staff. Enable is sponsored by our chief financial officer and delivered several events over the course of the year.

Our refreshed Inclusion Strategy 2023–2029 – which includes disability matters – will inform and guide our work.

Financial review

The trustees present their annual directors' report and strategic report together with the consolidated financial statements for the charity and its subsidiaries (together, 'the group') for the year ended 31 March 2023, which are prepared to meet the requirements for a directors' report and financial statements for Companies Act 2006 purposes.

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

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

Overview of performance

In 2022/23, the Crick has built upon the success of its first six years, concluding the first year of its new funding septennium in a strong position. It returned to 'the new normal' after the COVID-19 pandemic, establishing a hybrid working environment that encouraged research teams and operations staff to attend the office as often as possible. It also continued to develop the Workday ERP platform, moving from 'stabilisation' to 'optimisation' of the system with enhanced governance put in place to ensure best practice is implemented across its operational teams.

In terms of financial performance, the institute achieved an underlying surplus as planned, placing it in a strong position to handle the challenges of the global economic environment and high inflation. The circa £1bn funding settlement for the new septennium gives the Crick significant comfort and stability, but there remains a need for the Crick to supplement this income with grants, with philanthropic donations and by expanding upon its commercial revenue streams, and strategies are in place for all of these areas. The £50m fund from the Chris Banton Foundation further strengthens the Crick's position in seeking to maximise its impact and generate more commercial income to reinvest in discovery science.

Total income for the year was £213.2m (2022: £185.6m), of which £189.9m (2022: £161.5m) is from research grants (or similar) and core funding. Income was higher than the prior year due to an increase in the level of core funding in line with the new septennial award to £148.0m (2022: £128.6m), which included an additional £10m core funding award made by the MRC. There was also an increase in the level of grant funding to £42.0m (2022: £32.1m) as well in external commercial income to £7.0m (2022: £4.8m). These increases were offset by the loss of income from COVID testing and vaccination activities (2022: £1.5m).

Total expenditure of £210.3m (2022: £197.4m) is increased from the prior year. This has been driven by the ramp-up of scientific activity and associated travel costs arising from the return to work after the pandemic. Once again, Crick expenditure was tightly controlled throughout the period, with reporting and governance mechanisms in place to ensure research expenditure is in line with budget expectations.

The group's result was also affected by a small decrease in the value of investments during the year of £0.3m (2022: increase of £7.5m). The prior year increase was primarily driven by strong performance in our expendable endowment and a one-off gain of £4.5m arising from the sale of Crick's shares in a spin-out company, GammaDelta Therapeutics. In this financial year the macroeconomic environment has proven more challenging, and as a result the endowment has decreased slightly in value. This remains well within the group's tolerances and investment strategy as detailed below.

The group reflects an in-year accounting surplus of £1.9m (2022: deficit £9.4m) which will be held in the unrestricted general fund to support the balance sheet against future inflationary pressure. Net assets at 31 March 2023 were £567.9m (2022: £566.0m).

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

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

	2023 £m	2022 £m
Statutory result for the year	1.9	(9.4)
Endowment investment losses/(gains)	1.0	(2.7)
Endowment investment income	(0.9)	(0.8)
Building depreciation	17.7	22.0
Other depreciation	15.9	16.9
Capital expenditure funded from annual grants and donated assets	(21.6)	(21.9)
Fair value adjustments	(0.1)	(4.8)
Adjustment for income at risk*	(10.0)	–
Other	(0.4)	0.3
Non-statutory underlying result for the year	3.5	(0.4)

*This adjustment is only made in the Crick's management reporting and does not meet the accounting requirements to recognise a provision. It relates to £10m of additional core funding awarded in year by the MRC. Under the terms of this award, the full amount may be offset against future core funding across the septennium, and thus this reporting adjustment has been made.

Reserves policy

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

The charity's ongoing operational mission is funded via grants from both shareholders and external grant providers, although it seeks to diversify income streams where possible, with increased levels of commercial, philanthropic and investment income contributing to the current year results.

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

The Crick's reserves are defined by the Crick and its trustees as its underlying free reserves plus the Crick's long-term growth holdings. Underlying free reserves are assumed to equate to the value of net current assets, plus cash invested in immediately accessible investment funds, less the following adjustments:

- funds carried forward against future deficit budgets;
- restricted funds held within net current assets;
- prior year capital commitments;
- amounts drawn down from shareholders for capital projects not yet spent;
- long-term growth holdings; and
- other adjustments.

In addition to its underlying free reserves, the Crick has two long-term growth holdings. One is an endowment fund initially created following amounts received from the MRC. Cash of £30m was received during 2019/20, with investments commencing in December 2019, and the closing value of £35.7m (2022: £35.9m) is included in the reserves of the Crick.

The Crick also has a fund for investment of prizes and philanthropic donations, with a closing value of £1.1m at the end of 2023 (2022: £1.1m).

There are restrictions on the use of the endowment fund, with the initial capital investment plus an agreed uplift to reflect inflation being maintained until December 2029. The Crick Board is permitted to approve access to the endowment in the case of a material adverse event; while access is restricted, the endowment therefore provides considerable security in the case of severe liquidity issues.

The trustees have regard to the information contained in Charity Commission guidance note CC19, 'Charity Reserves: Building Resilience', and in particular the guidance on ensuring the maintenance of beneficiary services and the risks of unplanned closure associated with the charity's business model. As such, the trustees believe that the charity should target access to reserves equivalent to three months' core funding income (being £33m compared with actuals at year-end of £66.8m), including a minimum of £10m in cash or immediately accessible investment funds.

The Crick's current reserve holdings are in excess of these amounts, but this is considered appropriate given the inflationary pressures that will have an impact on the Crick throughout the current funding septennium, which may necessitate the deployment of some of these reserves to mitigate future deficits.

In line with this, the reserves strategy considers the combined value of both underlying free reserves and the long-term growth holdings, which the trustees consider to be satisfactory.

Investment policy

For the management of short-term liquid funds, the investment objective remains to achieve diversified investment of excess cash resources. Under the policy, assets are safeguarded by investing only with approved counterparties. Investments are risk-averse and non-speculative, and the charity places no income reliance on interest earned. Investments are selected to ensure security, liquidity and diversification and with providers who have ethical screening procedures in place. The charity's investment return objective is to ensure that investments earn a market rate of interest.

The MRC endowment is professionally managed by a third party on behalf of the Crick. This third party is operating in line with an agreed investment policy that incorporates the ethical screening requirements and restrictions of the MRC agreement, together with guideline allocations between different holdings. The policy is managed on a medium risk appetite basis, with active diversification by industry and geography and a strong emphasis on equity investments in reputable and ethical organisations in order to optimise returns at manageable levels of risk.

	2023 £m	2022 £m
Net current liabilities	(1.0)	(6.3)
Cash invested in immediately accessible investment funds by Royal London Asset Management	32.3	36.1
Cash invested in immediately accessible investment funds held by Investec	15.0	—
Restricted funds held within net current assets	(6.9)	(6.9)
Unexpended building project funds	(0.2)	(0.2)
Capital commitments from prior year*	(8.6)	(4.8)
Underlying free reserve position	30.6	17.9
Expendable endowment – grant from MRC	36.2	35.9
Reserves including MRC expendable endowment	66.8	53.8
Special investment fund for restricted donations and prize income	1.1	1.1

*All capital commitments from prior year are expected to be spent in the first quarter of the new financial year.

The drop in value at the start of the pandemic-related market crisis emphasises the underlying risk in this type of investment from market volatility. The subsequent strong recovery reflects the approach of our investment managers to hold diversified portfolios and to continually monitor the companies, sectors and geographies in which our investments are held. With a focus on sustainable and ethical companies with strong environmental, social and governance credentials and long-term potential, the trustees remain confident that the approach remains appropriate for an optimal long-term return.

In addition to the endowment fund, the Crick has established two other funds with the same investment manager. One is a long-term growth holding designed for the investment of prize monies and donations made to the institute and its researchers, as detailed above.

The other is a new fund established during the financial year, designed to manage the Crick's medium-term cash reserves (the accumulated reserves arising from prior year surpluses which the Crick does not have immediate need to draw down upon). This fund is liquid and low risk, targeting a return of inflation +1%. The value at the end of the year was £15.0m, the amount initially invested.

In addition to these liquid investments, the Crick holds programme-related investments in spin-out organisations from Crick research and equity participations that have evolved from the KQ Labs programme. This portfolio is now valued at £1.1m (2022: £1.0m).

Fundraising

Crick fundraising is conducted through an arrangement with Cancer Research UK (CRUK), which has enabled the Crick to develop its fundraising operations. We only actively engage in philanthropic fundraising, and as such, we rely on CRUK to comply with the requirements of The Charities (Protection and Social Investment) Act 2016. In the period under review there were no complaints. There was continued strong performance with a total of £14.0m pledged in the financial year (2021/22: £55.8m including the £50m Chris Banton funding). This money is pledged only and will be recognised as income when the appropriate recognition criteria has been met.

All philanthropic donations are managed through the CRUK team, with a fundraising committee in place to monitor and oversee the approach and performance of the Crick philanthropy programme. This committee comprises a combination of Crick and CRUK staff and meets once a quarter. The ethical approach is separately monitored by the Crick Ethics Committee.

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

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

Going concern

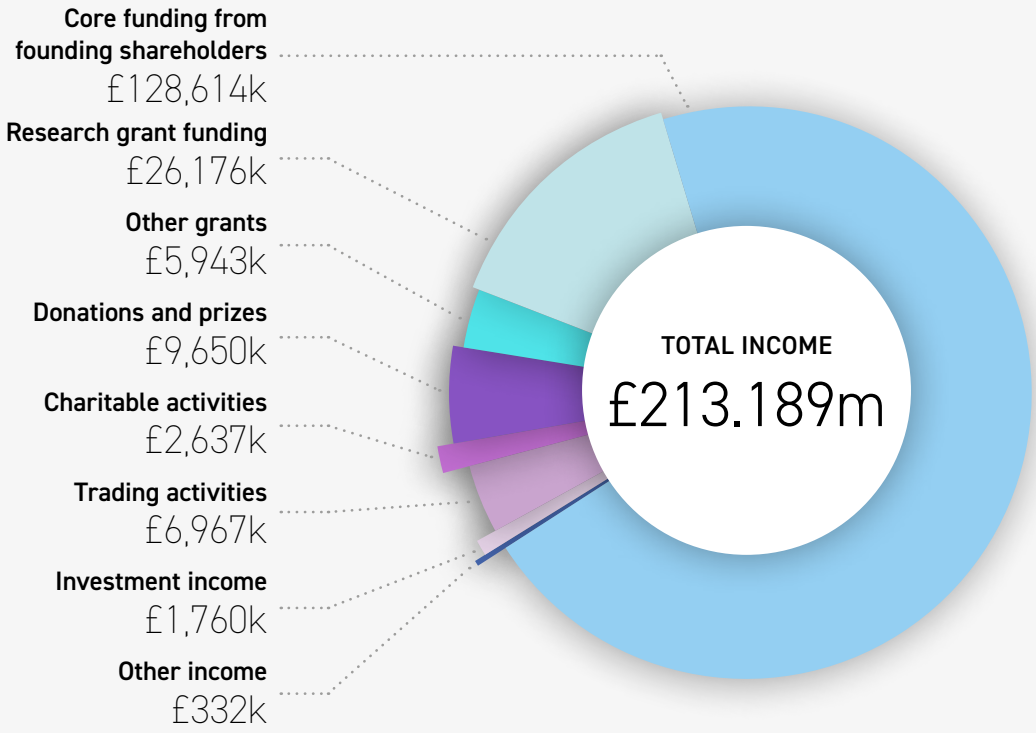
Following the successful outcome of the quinquennial review concluded in 2022, the agreement of a new seven-year funding package totalling circa £1bn, and as the impact of COVID -19 on the Crick and its funders continues to lessen and the ongoing war in Ukraine has not had a significant impact on the Crick's operations or financial position, the trustees consider that the charity has adequate resources to continue in operational existence for the foreseeable future. They have reached this position after having made appropriate enquiries including the review of cash flow forecasts covering the 12-month period subsequent to the date of signature of these accounts, and having confirmed support from the shareholders. The trustees additionally consider that the charity will continue to have adequate resources through shareholders' committed funding to cover all existing capital commitments.

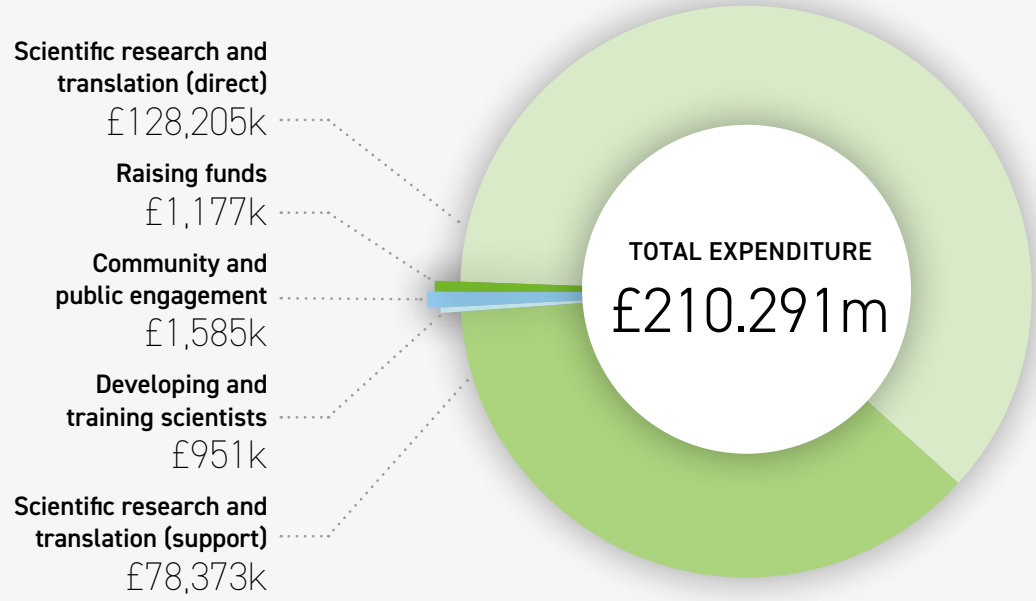
Accordingly, the trustees have concluded that there are no material uncertainties relating to going concern and continue to adopt the going concern basis in preparing these financial statements.

As detailed in note 13 and following a reclassification in 2021/22, investments in unit funds held by the Crick (investments of cash balances held with Royal London Asset Management) are classified as fixed asset investments rather than cash at bank and in hand. This has given rise to a reported net current liabilities position in the balance sheet. The trustees are, however, satisfied that the Crick is able to meet its short-term liabilities given the highly liquid, low-risk nature of these unit fund investments.

Income and expenditure

YEAR ENDED 31 MARCH 2023





Future plans

Over the past five years, the Crick has become established as an important and dynamic part of the UK scientific research landscape. Looking forward, our priorities remain aligned to our vision, Discovery Without Boundaries. In the next phase of development, there will be an emphasis on translation and the application of science, for which we will need to develop commercial partnerships. We will also continue to develop our clinical research programme and make progress in developing a positive and inclusive culture.

Translating scientific discovery for societal benefit

Our strategy is to invest in and facilitate translation of scientific discoveries in order to accelerate the speed with which society benefits. The Crick has developed partnerships with commercial research organisations such as MSD, DeepMind and GSK which have significant mutual benefits. We plan to capitalise on these in the future by expanding their scope and strength.

A new 'Skylab' is under construction on the roof space of the institute and will provide 11,800 square feet of specialised life sciences laboratory space. The first partners to occupy this space will be MSD and their scientists are expected to move in as early as April 2024. Partnering with industry in this way brings complementary expertise, experience and resources to address scientific problems. For example, Crick and MSD scientists are working together to understand age-related diseases, including building models of Parkinson's disease using state-of-the-art stem cell technologies to study the onset of neurodegeneration.

As well as hosting our own accelerator KQ Labs, which supports start-ups in digital health tech, the Crick has benefited from £50m made available by the Chris Banton Foundation. This has been used to create a Commercial Fund, providing funding to explore the commercial possibilities of Crick discoveries at their earliest stage. Through this fund, we plan to spin out more start-ups and exploit the income opportunities of our highly specialised technical expertise. Several applications have been made to the fund by Crick research groups and the first was approved last year.

Options for identifying further additional laboratory space at the Crick to support commercial research are being assessed, with a view to developing this element of the institute's strategy without disrupting our core discovery research mission.

Developing our clinical research programme

Clinical academics make a core contribution to the Crick's strategy, particularly our strategic objective to drive benefits for human health. As well as offering an open call for clinical academic group leaders, we plan to strengthen technical support for research using human tissue and samples with the creation of a human biology science technology platform (STP). This will bring together a range of technical and legal expertise to ensure that clinical academics can access, process and work with human material using the latest cellular and molecular biological techniques.

Research culture

Research culture is a major focus for the Crick and we take a broad view of this to encompass areas such as research integrity and ethics alongside our commitment to improving equality, diversity and inclusion. Early career group leaders continue to be recruited and the gender balance of the Crick's group leaders, while still below target, is significantly better than that found in comparable organisations.

Public engagement

The Crick seeks opportunities for the public to engage with our science and bring a wide variety of perspectives to the future direction of our research. The latest exhibition 'Cut + Paste' is the first of its type to seek views directly from members of the public about where scientists should 'draw the line' with gene editing. Accessibility was built in as a founding principle of this installation and new techniques for supporting the widest possible participation in the exhibition have generated important learning for the future. Looking forward in public engagement, the Crick has ambitious plans for bringing our work to much wider and larger audiences using digital channels, and this vision is being generously supported by a donation from the Dangoor Foundation.

Principal risks

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

Risk category	Risks	Management of risk
Funding	Impact of inflation on the cost of supplies, energy and salaries for the Crick.	The Crick's long-term budgeting and forecasting cycle incorporates prudent assumptions in relation to inflationary cost pressures. The institute also manages long-term cash reserves to ensure that the risk of inflationary erosion is mitigated via appropriate investments in line with its investment strategy. The Crick has mitigated the rising costs of energy through negotiations with the providers and the pre-purchase of electricity and gas. In addition, the Facilities and Infrastructure team has implemented demand-reduction measures in the building to save energy costs without disrupting science.
Infrastructure	Supply chain resilience issues affecting the Crick's ability to perform its scientific activities.	The Crick continues to monitor the resilience of its supply chain, unavoidably affected by the pandemic, the fallout of Brexit and the war in Ukraine. An action plan, including working closely with strategic suppliers together with the identification and use of alternative suppliers, is in place to anticipate and prevent any supply disruption and ensure the uninterrupted delivery of critical scientific supplies.
Infrastructure	Disruption to science from noise, vibrations and electromagnetic interference from the British Library development and the construction and operation of Crossrail 2.	While the potential disruption from Crossrail 2 would be greater, the impact is increasingly likely to be many years down the line. The more immediate focus for 2023/24 remains the British Library development which is an extensive construction programme. Current mitigations include technical analyses and ongoing engagement with all relevant internal and external stakeholders (for instance the British Library, Camden Council, the Planning Committee and the Crick's landlords).
Safe working environment	Failure to demonstrate compliance with statutory health and safety obligations.	Given the nature of the Crick's activities, this area is always a key priority. Management is satisfied with the current processes, but operational improvements are continuously implemented and reported on.

Risk category	Risks	Management of risk
People	The Crick's compensation packages and salary levels may not remain sufficiently competitive to attract and retain staff in a difficult labour market.	The Crick's approach to rewards and recognition is under constant review to ensure staff benefits and remuneration policy remains aligned with the market median. The Crick is prudent with its pay reviews but regularly adjusts pay scales to retain its competitiveness in the market. These mitigations help the institute to retain and continue to attract talent in all areas, including scientists as well as operational support staff.
Funding Reputation Scientific discovery	Continuing fallout of Brexit which, despite recent positive developments, could jeopardise the UK and the Crick's ability to participate fully in, and obtain funding from, the EU Horizon programme and other EU-led schemes.	The longer-term impact of Brexit remains unclear but the Crick's reputation and funding do not appear to have been negatively affected.
People	Succession planning for key roles.	The Crick has a long-term staged plan in place for the recruitment of leadership roles. It also has an interim plan if there was an unexpected absence of critical senior roles in the Science Management Committee or Executive Committee. The institute is also proactively identifying and developing individuals who have the potential for succession to key scientific or executive roles, by giving broader management experience. Consideration has also been given to the structure of the Operations team and support functions to ensure stability and continuity in the administrative running of the Crick if there was a gap in any critical leadership roles.
Infrastructure	Planned construction works to develop part of the Crick's roof space into a new 8th floor to house additional lab space.	A specific risk register has been developed to address the risks associated with the 8th floor project including project costs and funding, reputation, project design and completion, procurement, security and safety. Several risks (including construction delays) were identified as requiring management attention, but no risks are believed to be significant or above the institute's risk appetite at this stage.
Miscellaneous	External events such as pandemics, natural disasters, terrorist activity or cyber attacks.	The Risk Management team reviews the evolution of these risks on a quarterly basis.

All these risks continue to receive a strong focus from functional leads and the Risk Management team, to ensure they are being appropriately and adequately identified, managed and controlled.

The Crick integrates its risk management approach with its outsourced internal audit function (which is asked to provide assurance on certain risks) and its insurance portfolio (to transfer some of the risks if possible and appropriate).

The Crick's trustees have considered the major risks which the charity is exposed to and satisfied themselves that systems or procedures are established in order to manage those risks.

Governance

Management structure

Our structure

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

Subsidiaries

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

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

Our trustees

The articles of association of the charity provide for the appointment of directors, who also act as trustees. The directors of the charity are its trustees for the purposes of charity law, and throughout this report are collectively referred to as the trustees.

Each of the charity's six shareholders nominates a trustee. In addition, there are currently six independent trustees including the chairman. A tailored induction programme is provided for trustees on appointment. The two-part induction covers the legal and regulatory responsibilities of a trustee and director of the Crick. The second section is led by the needs and interests of the trustee, in gaining awareness of the key issues surrounding our scientific endeavour, activities and risks of the institution and meetings with fellow trustees and key staff. Trustees act on a voluntary basis and are not remunerated.

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

During the year and up to the date of approval of this annual report, there was a qualifying third-party indemnity in place for directors as allowed by section 234 of the Companies Act 2006.

Biographies of our trustees can be found on our website.

Board effectiveness

A Board evaluation is carried out regularly as a key measure of its effectiveness. A 'light touch' evaluation will be carried out in 2023. When recruiting independent directors, the Board will specify appropriate skillsets and experience, and ensure potential trustees are sourced from a diverse pool of candidates.

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

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

At June 2023, 18% of the Board's trustees were women. The Board is committed to increasing its diversity both in terms of gender and wider characteristics. When vacancies for independent directors arise, these are filled by the Board as a whole searching from the widest pool possible, while maintaining our reputation for excellence. When founder-appointed vacancies arise, the chairman encourages the founders to do the same.

Board and committee composition

Board trustees	Appointed to the Board	Committees				
		Audit & Risk	Chairman's	Development	Ethics	Nominations, Remuneration & Governance
Lord Browne of Madingley (Chairman)	August 2017		●	●		●
Dame Kate Bingham	May 2017	○	○			○
Professor Sir Adrian Bird	January 2021					○
Professor Margaret Dallman	October 2011				○	
Isabelle Ealet	February 2019	○		○	○	
Dr Iain Foulkes	September 2018		○			○
Dr Brian Gilvary*	September 2018	●	○			
Professor John Iredale	February 2022					
Professor David Lomas	August 2015				○	
Professor Sir Mene Pangalos	December 2018				●	○
Professor Mary Ryan	August 2023					
Dr Paul Schreier	January 2020		○			
Professor Richard Trembath	September 2020					
Non-trustee committee members						
Lord Neuberger of Abbotsbury					○	
Ali Bailey**				○		
Dr Samantha Barrell**					○	
Professor Sir Leszek Borysiewicz				○		
Stéphane Maikovsky**					○	
Chris Mottershead		○				
Sir Paul Nurse**				○		
Michelle Shuttleworth**				○		

Key: * Senior independent director ** Crick employee ● Chairman ○ Member

The following changes have taken place:

- Stéphane Maikovsky stepped down from the Ethics Committee on 9 June 2022.
- Professor Sir Adrian Bird was appointed to the Nominations, Remuneration and Governance Committee on 7 October 2022.
- Professor Margaret Dallman stepped down from the Board on 22 June 2023. Professor Dallman has been a trustee of the Crick for more than 11 years; she has been a staunch supporter of our endeavours and the Board is grateful for her service.
- Professor Mary Ryan, Vice Provost for Research and Enterprise and the Armourers' and Brasiers' Chair for Material Science, became the Imperial College London-nominated trustee from 22 August 2023.
- Professor David Lomas, Vice Provost (Health), Head of UCL Medical School and Academic Director of the UCL Partners Academic Health Sciences Centre, resigned from the Board on 31 August 2023. Professor Lomas joined the Board in 2015 as the UCL-nominated trustee. The Board thanks him for his service. The Crick Board looks forward to welcoming his replacement when nominated by UCL.

The Board met four times during the year. Certain matters are reserved to the Board for approval, including changes to strategy and budget, adoption of scientific and innovation strategy and risk appetite. There is a clear organisational structure, with documented delegations of authority and responsibility for control. The trustees approve the annual budget and expenditure targets, and monitor actual forecasts and cash flows.

Board committees

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

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

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

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

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

Development Committee: in December 2022 the Board approved a new committee to have oversight of (a) the charity's fundraising strategy and activities and (b) the development of long-term financial resources for the charity.

Executive Committee

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

The committee members are:

Sir Paul Nurse*	Director (CEO)
Dr Samantha Barrell*	Deputy Chief Executive Officer
Ali Bailey*	Director of Communications and Public Engagement
Dan Fitz*	General Counsel and Company Secretary
Dr Steve Gamblin*	Director of Research Infrastructure
Professor Malcolm Irving	Associate Research Director (University Partner Liaison)
Stephen Mayhew*	Chief Business Officer
Fiona Roberts*	Chief People Officer
Michelle Shuttleworth*	Chief Financial Officer
Dr Richard Treisman*	Research Director

*Key management personnel

The following changes to the Executive Committee have taken place:

- Ali Bailey joined the Crick on 23 April 2022 as Director of Communications and Public Engagement.
- Michelle Shuttleworth joined the Crick on 16 May 2022 as Chief Financial Officer.
- Stéphane Maikovsky, Chief Financial Officer, left the Crick on 9 June 2022.
- Stephen Mayhew joined the Crick on 6 February 2023 as Chief Business Officer.

Related parties

The Crick's shareholders are UK Research and Innovation (formerly known as the Medical Research Council), Cancer Research UK, Wellcome, UCL (University College London), King's College London, and Imperial College London. The shareholders have entered into a joint venture agreement which, inter alia, establishes the basis on which funding will be made available to the charity.

Pay policy for key management

Key management are the members of the Executive Committee who are employees of the charity (as shown in the Executive Committee members list). The overall remuneration packages for key management are set by the Nominations, Remuneration and Governance Committee.

When new members of the key management group are appointed, a salary benchmarking exercise is carried out by the Crick's People team.

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

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

Reference and administrative details

Advisers

External auditor	BDO LLP	55 Baker Street, London W1U 7EU
Bankers	HSBC Bank plc	60 Queen Victoria Street, London EC4N 4TR
Solicitors	Bristows LLP	100 Victoria Embankment, London EC4Y 0DH
	CMS Cameron McKenna Nabarro Olswang LLP	Cannon Place, 78 Cannon Street, London EC4N 6AF
	DLA Piper	160 Aldersgate Street, Barbican, London EC1A 4HT
	FT Legal	1 Mango Drive, Porters, St. James, Barbados BB24033
	Mills and Reeve LLP	24 King William Street, London EC4R 9AT
	Saville Notaries LLP	11 Old Jewry, London EC2R 8DU
	Shoosmiths LLP	100 Avebury Boulevard, Milton Keynes MK9 1FH
	Smith Stone Walters Limited	Lygon House, 50 London Road, Bromley, Kent BR1 3RA
	Town Legal LLP	10 Throgmorton Avenue, London EC2N 2DL
	Veale Wasbrough Vizards LLP	Narrow Quay House, Narrow Quay, Bristol BS1 4QA
	Withers LLP	20 Old Bailey, London EC4M 7AN
Internal auditor	RSM UK	170 Midsummer Boulevard, Milton Keynes MK9 1BP
Investment advisors	Investec	30 Gresham Street, London EC2V 7QP

Risk management and principal risks advisers

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

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

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

While risk management is encouraged and conducted at all levels in the organisation, the focus is achieved by separating potential exposures by risk category, with each category headed by a nominated executive coordinator. The coordinators are responsible for identifying risks with risk owners (usually functional heads), developing action plans to manage the risk and monitoring progress against actions. They also maintain a risk register, and together, the coordinators form the Crick's Risk Management team.

All risks are reviewed on a quarterly basis with the Risk Management team focusing its attention on the risks that are above the Crick's appetite level. The main risks and a summary of the risk management reviews are reported to the Executive Committee, the Audit and Risk Committee, and the Board.

Sustainability and carbon reporting

Streamlined Energy and Carbon Reporting

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 implemented the government's policy on Streamlined Energy and Carbon Reporting (SECR). These regulations require quoted and large unquoted companies that have consumed (in the UK), more than 40,000 kWh of energy in the reporting period to include energy and carbon information within their directors' (trustees') report, for any period beginning on or after 1 April 2019.

In accordance with these regulations, we have appointed sustainability consultants HDR to prepare applicable energy and emissions data for the period 1 April 2022 to 31 March 2023. This information is presented below:

Table 1: Greenhouse gas (GHG) emissions

Metric	Units	2022/23	2021/22	2020/21	2019/20	2018/19
Scope 1 emissions	tCO2e	10,163	12,471	12,621	11,091	10,961
Scope 2 (electric – market based)	tCO2e	706	445	0	0	0
Scope 2 (electric – location based)	tCO2e	4,261	4,964	6,118	7,379	8,379
Scope 3 emissions	tCO2e	8.90	8.75	1.87	2.88	2.31
Total emissions (market based)*	tCO2e	10,878	12,926	12,623	11,094	10,964
Change year-on-year	%	-16	2	14	1	-
Carbon intensity***	$tCO2e/m^2$	0.146	0.173	0.169	0.149	0.149
Total emissions (location based)**	tCO2e	14,434	17,444	18,741	18,473	19,343
Change year-on-year	%	-17	-7	1	-4	-
Carbon intensity	$tCO2e/m^2$	0.194	0.234	0.251	0.248	0.262

*A market-based method reflects the amount of energy from electricity that is purposefully chosen.

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

***Total floorspace area is 74,551m^2

Table 2: Energy data

Metric	Units	2022/23	2021/22	2020/21	2019/20	2018/19
Natural gas	kWh	49,555,828	60,622,497	61,282,911	59,354,837	58,140,130
Diesel	kWh	326,149	561,492	639,865	661,253	984,174
LPG	kWh	4,348	4,348	892	1,214	1,684
Acetylene	kWh	0	0	0	0	0
Electricity imported	kWh	22,036,421	23,376,614	26,240,240	28,868,074	29,601,456
Solar PV	kWh	180,458	127,567	147,721	93,257	142,000
Mileage	kWh	36,077	35,579	7,557	12,007	9,598
Total energy	kWh	72,139,282	84,728,098	88,319,186	88,990,642	88,879,042
Change year-on-year	%	-14.9	-4.1	-0.8	0.1	-
Energy intensity	kWh/m^2	968	1,137	1,185	1,194	1,204
Energy from renewables	kWh	18,566,305	21,406,178	26,387,961	28,961,331	29,743,456
Energy from renewables	%	26	25	30	33	33

Methodology for preparing greenhouse gas emissions data

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

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

Emissions have been calculated using BEIS 2021 and 2022 emissions factors with a materiality threshold of 5% of total emissions. The reporting period is 1 April 2022 to 31 March 2023.

The emissions scopes are as follows:

· Scope 1: direct GHG emissions from our controlled operations (for example, natural gas, LPG and diesel).

· Scope 2: indirect GHG emissions related to purchased electricity, electricity generated from Solar PV and from the Camden CHP.

· Scope 3: indirect GHG emissions related to mileage claims for business travel.

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

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

Progress statements from the Crick

Sustainability Strategy development

The Crick is in the process of approving and launching a new Sustainability Strategy in 2023/24. This will be framed around six key themes: energy, waste, water, travel, materials and nature. These themes form the basis for how the Crick will drive sustainable practices to help reduce Scope 3 related emissions. The Carbon Reduction Programme continues to focus on reducing Scope 1 and 2 related emissions.

The Crick took part in LEAF (Laboratory Efficiency Assessment Framework) for the first time this year and, for the third year running, also participated in the Green Impact programme. Staff at the Crick have achieved 24 awards across these two programmes by implementing initiatives such as:

- including sustainability standards in lab inductions for all new starters;
- sharing lab equipment to improve efficiency; and
- using online services to book any shared equipment, rather than buying from new.

Progress on net zero carbon targets

The Crick has set the following net zero targets against a 2019/20 baseline year:

- 50% reduction in Scope 1 and 2 emissions by 2030
- Achieve net zero by 2040.

The location-based carbon emissions for 2022/23 are down 17% compared with the previous year, and down 21% on our net zero carbon baseline year 2019/20. This has been made possible by implementing carbon reduction measures (CRMs), highlighted below.

External consultants RSM UK completed an audit of the Carbon Reduction Programme in March 2023. The audit reported 'substantial assurance' which demonstrated that the programme is "suitably designed, consistently applied and effective". The audit also concluded there is sound project governance and close oversight by the Carbon Reduction and Sustainability Programme Board.

Energy efficiency

During the year 2022/23, the Crick made continued energy efficiency improvements, reducing total energy use by 14.9% versus 2021/22. This reduction was made possible due to a number of effective CRMs, including:

- optimising the operation of the steam boilers;
- reducing of Biological Research Facility laboratory ventilation;
- Containment Level 3 air change reduction and pressure setpoint optimisation;
- reducing of hot water temperatures; and
- implementing out-of-hours setbacks on various ventilation systems.

Future ambitions

Plans are being finalised to launch the Sustainability Strategy to target Scope 3 emissions. Initial projects are likely to include:

- reviewing procurement-related emissions;
- food waste tracking;
- educational awareness training; and
- a study on opportunities to reuse water.

The Crick will continue to deliver the Carbon Reduction Programme, implementing existing CRMs and developing new measures to meet the net zero carbon targets on Scope 1 and 2 emissions. Projects include:

- Biological Research Facility ventilation reduction phase II;
- -80 freezer temperature change; and
- smart motors.

The focus in the coming year is also to complete engineering studies to determine the feasibility of the deep retrofit CRMs which require significant and long-term planning.

Policies relating to employees, social, community and human rights issues

Our primary focus after the pandemic has been to support staff and students to return to the Crick, and to refocus work activity, with more interest in flexible working and requests for team building.

HR support, training and development

Supporting recruitment, reward, people management and staff engagement continued as key priorities for the People team, which aims to enable people in a collaborative, inclusive environment which allows our community to thrive. The Crick staff survey reported high engagement levels. Investment in professional and leadership skills development continues to build a strong base of leadership excellence, and to create the science leaders of the future.

Leaders in the Crick are encouraged to develop knowledge and skills for every career stage, including setting up and running successful teams and laboratories, contributing more broadly to the institute and wider science community, and eventually moving on to future leadership roles within the institute or elsewhere. Scientific and operational leaders are encouraged to work together to continuously improve integration across teams and functions, and harness the advantages that come from diversity and networking.

Culture at the Crick

The Crick became a signatory to the Researcher Development Concordat in March 2021, committing ourselves as an institution, and our postdocs and group leaders (managers of postdocs), to implementing the concordat principles in our policies, day-to-day activities and behaviours. The refreshed Crick strategy, and our values, core principles and objectives, align well with those of the concordat.

Our ethos and values, supported by our code of conduct, identify how we treat each other at the Crick. We have embedded these principles into our employee life cycle from recruitment to induction, probation to performance management. Together with our staff forum we have developed mechanisms to support staff. We are confident we provide a culture and environment that enables our people to thrive and have designed our management and leadership programmes to equip and enable our people to be good people managers and science leaders.

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

Engagement and collaboration with our partners, stakeholders, staff and local community informs our decision making.

How our Board makes decisions

Our trustees fulfil their duties through a governance framework that delegates day-to-day decision making to the chief executive and executive management team. Other methods used by the trustees to perform their duties include:

- an annual meeting with representatives of all six founder shareholders to which the founders and the Crick can invite senior staff and subject matter experts to attend;
- a risk management framework that identifies the potential risks and consequences of decisions so that mitigation plans can be put in place (see pages 35–37);
- setting and keeping the Crick strategy under review;
- receiving assurance from our external and internal independent auditors and other external advisers as required;
- regular reports and presentations including health and safety, risk, translation, security, people and equality, diversity and inclusion; and
- reports from the chief executive, chief financial officer and company secretary on strategy, operations, governance and compliance matters are presented at each Board meeting. This provides the Board with the oversight, insight and foresight to make timely and informed decisions.

When making decisions, our trustees must have due regard to delivering the strategic objectives of the organisation for the public benefit. In addition, each director on the Crick Board must act in a way they consider to be in good faith, and which would most likely promote the success of the company in achieving its purposes as set out in its articles of association. They must also have due regard to:

· The likely consequences of any decision in the long term.

The Board is responsible for setting and keeping our strategic direction under review and ensuring that it aligns with our charitable purposes. All major decisions likely to affect the Crick in the long term are discussed at Board meetings and the relevant sub-committee.

· The interests of Crick employees.

The trustees recognise that the Crick's experienced and diverse workforce is key to our ability to operate effectively and achieve our vision. Colleague engagement is measured through surveys and feedback from the Crick Staff Consultative Forum. The Board receives a regular report from the chief people officer, supplemented by an annual report which provides a snapshot of progress towards the ambition to 'attract and develop outstanding scientists and create future leaders in an environment that enables collaboration, inclusivity and allows our community to thrive'.

In October 2022 the Board received a report on the staff survey showing progress made since 2015 that also identified areas, such as inclusion, wellbeing and recognition, where the Crick has more to do in pursuit of being world class. The People Annual Report, presented to the Board in March 2023, identified significant progress made in achieving these goals.

Information to and feedback from staff is provided and received through a variety of media, including the staff intranet, a weekly staff newsletter, faculty and other departmental meetings and periodic all-staff 'town hall' meetings.

· **Building relationships with suppliers and other stakeholders.**

Our sourcing team has developed a strategy to foster business relationships with suppliers, customers and others, as well as metrics to routinely collect feedback to be taken into account when making decisions which may affect them. As a charity it is particularly important that the Crick is able to achieve and demonstrate value for money in its activities and procurement. We work with our suppliers to ensure that the charity receives good value, service and quality in line with legislation and Crick policy.

In 2022/23 the Crick spent £100m on third party goods and services, dominated by science with a spend of circa £40 million. It is important to the Board therefore, that we have excellent relationships with our suppliers to ensure that we get the best value, service and quality for this significant spend. A key focus has been liaising with suppliers to mitigate the impact of the inflationary pressures as a result of supply and labour shortages in the wake of the war in Ukraine.

This was experienced particularly in key IT hardware and scientific consumables, but close attention to costs and collaboration with our supplier partners enabled us to maintain continuity of supplies without any major disruption to operations and to contain cost increases on average at half the rate of inflation.

· **The impact of the company's operations on our local community and the environment.**

The Crick engages closely with the local community, in particular, encouraging an interest in science and science careers in schoolchildren in Camden. More details of the charity's public engagement activities can be found on pages 23 and 24.

The Board received an annual report in June 2023 on progress with our sustainability strategy in 2022/23. The Crick is using the recommended UK Green Building Council (UKGBC) Net Zero Carbon Buildings Framework to meet our net zero carbon targets. As an example of progress, compared to the baseline year of 2019/20, the Crick generated 21% fewer carbon emissions in 2022/23 (14,904 vs 18,832 tCO2e). For more detail please see pages 38 and 39.

· **Desirability of the company maintaining a reputation for high standards of business conduct.**

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

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

Each of our six founding members is represented on the Board and engagement with them is through Board meetings, and through a 'funders' group and a university partners group. Engagement, collaboration and partnership with them is an ongoing process.

Case study

The following example of a significant decision taken in 2022/23 illustrates the approach taken by the Board to strategic decision-making with regard to its obligations under s.172(1).

Philanthropy and Board oversight

Following a successful review by our core funders of the Crick's first five years, the MRC, CRUK and Wellcome agreed to provide the Crick with core funding of £974.5m over seven years. Notwithstanding this generous settlement, it is evident that higher fuel and other costs with continued economic uncertainty could imperil our ambitious plans for the institute over the period.

Recognising that philanthropy could help mitigate this risk, the trustees approved a new Fundraising Strategy in December 2022. Philanthropy is delivered in collaboration with CRUK which has a team embedded at the Crick to enable them to understand the organisation and develop networks of potential donors, while remaining attached to CRUK for professional support and operational policies, procedures and ways of working.

· **Need to act fairly as between members of the company.**

The new fundraising strategy was jointly prepared by the Crick executive team and the CRUK philanthropy team and presented to the Crick Board for approval. In keeping with best practice, CRUK's representative Board member did not participate in the deliberations and decisions that followed.

· **Likely consequences of any decisions in the long term, and need to foster the company's relationships with others.**

Given the increased ambition for philanthropy and its potential importance in enabling the institute's ambitious plans, the Board agreed to establish a new Development Committee to oversee and support the philanthropy programme. The Board also recognised that there were potential longer-term issues to be managed such as branding, collaboration and decision making with our founding partners and other collaborators, to minimise the potential of competing approaches to major funders of, and donors to, UK science.

Statement of trustees' responsibilities

The trustees (who are also directors of The Francis Crick Institute Limited for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

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

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

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

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

Disclosure of information to the auditor

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

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

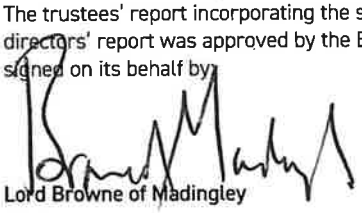
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

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

Approval

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



Lord Browne of Madingley
Chairman
Date: 28 September 2023

Independent auditor's report

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

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2023 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Francis Crick Institute Limited ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities (incorporating the income and expenditure account), the Balance sheets, the Consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of trustees' responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was capable of detecting irregularities, including fraud

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the sector in which it operates;
- Discussion with management and those charged with governance (including General Counsel and the Audit & Risk Committee); and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to be the applicable accounting framework, Companies Act 2006, Charities Act 2011, Fundraising Regulations and UK tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be Employment Law, Health & Safety Legislation, the Animals (Scientific procedures) Act 1986 and Amended Regulations 2012 (A(SP)A) and Data Protection.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations; and
- Review of financial statement disclosures and agreeing to supporting documentation;

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance (including the Audit & Risk Committee and the internal auditors) regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:

- Detecting and responding to the risks of fraud; and
- Internal controls established to mitigate risks related to fraud.

- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override through accounting estimates and inappropriate journal entries.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Challenging assumptions made by management in their significant accounting estimates, in particular the useful economic lives of tangible fixed asset, valuation of gifts in kind and valuation of programme related investments.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:
Fiona Condron
BC8C15A11E97446...

Fiona Condron (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick, UK
Date: 29 September 2023

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

Financial statements

Consolidated statement of financial activities (incorporating the income and expenditure account)

YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2023 £000	Total 2022 £000
Income from						
Donations and legacies	3	158,760	42,733	—	201,493	170,383
Charitable activities	5	1,757	880	—	2,637	4,051
Other trading activities	6	6,967	—	—	6,967	4,809
Investment income		847	28	885	1,760	995
Other income		332	—	—	332	5,392
		168,663	43,641	885	213,189	185,630
Expenditure on						
Raising funds		1,177	—	—	1,177	531
Charitable activities	7	171,687	37,310	117	209,114	196,847
Total expenditure		172,864	37,310	117	210,291	197,378
Net (losses)/gains on investments		40	(39)	(1,002)	(1,001)	2,333
Income/(expenditure) before transfers		(4,161)	6,292	(234)	1,897	(9,415)
Transfers between funds	18	263	(263)	—	—	—
Net movement in funds		(3,898)	6,029	(234)	1,897	(9,415)
Reconciliation of funds						
Total funds at 1 April 2022		496,568	31,936	37,478	565,982	575,397
Total funds at 31 March 2023	18	492,670	37,965	37,244	567,879	565,982

All results are from continuing operations.

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

Notes 1 to 27 on pages 51 to 74 form part of these financial statements.

Consolidated and parent entity balance sheets

31 MARCH 2023

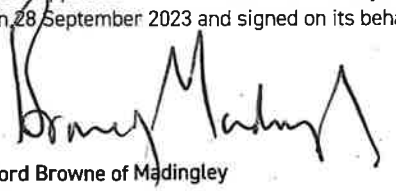
	Notes	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Fixed assets					
Intangible assets	11	42	57	42	57
Tangible assets	12	482,799	491,352	482,630	491,602
Programme-related investments	13	2,343	7,702	2,343	7,702
Investments	13	84,031	73,179	84,031	73,179
		569,215	572,290	569,046	572,540
Current assets					
Debtors	14	56,805	26,863	59,175	28,805
Cash at bank and in hand		11,640	10,223	11,005	10,181
		68,445	37,086	70,180	38,986
Liabilities					
Creditors falling due within one year	15	(69,447)	(43,394)	(71,335)	(45,311)
Net current (liabilities)		(1,002)	(6,308)	(1,155)	(6,325)
Creditors: amounts falling due after more than one year	16	(334)	–	(334)	–
Net assets		567,879	565,982	567,557	566,215
Funds					
Unrestricted funds					
Called up share capital	17	629,566	629,566	629,566	629,566
Share premium	17	12,751	12,751	12,751	12,751
General funds	18	(149,647)	(145,749)	(149,930)	(145,477)
Restricted funds					
Restricted funds	18	37,965	31,936	37,926	31,897
Endowment funds					
Expendable endowment funds	18	36,244	36,478	36,244	36,478
Permanent endowment funds	18	1,000	1,000	1,000	1,000
		567,879	565,982	567,557	566,215

Notes 1 to 27 form part of these financial statements.

A separate statement of financial activities and income and expenditure account for the charity has not been presented as the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

The consolidated statement of financial activities is for the group as a whole. Total income for the charity was £212.6m (2022: £185.6m) and net losses on investments were £1.0m (2022: gains £2.3m). Total expenditure for the year was £210.3m (2022: £197.4m). The net income for the year of the charity was £1.3m (2022: net expenditure £9.4m).

The financial statements of the Francis Crick Institute Limited were approved and authorised for issue by the Board of Trustees on 28 September 2023 and signed on its behalf by:



Lord Browne of Madingley
Chairman
Company registration number: 6885462

Consolidated cash flow statement

YEAR ENDED 31 MARCH 2023

	Notes	2023 £000	2022 £000
Cash flows generated by operating activities	23	**24,879**	**27,522**
Cash flows from investing activities:			
Investment income		789	159
Interest expense		(1)	(1)
Proceeds from sale of equipment		54	—
Proceeds from sale of programme-related investments		5,896	89
Proceeds from sale of investments		43,500	47,000
Investment additions		(54,500)	(58,380)
Purchase of programme-related investments		(480)	(520)
Purchase of tangible fixed assets		(19,054)	(18,495)
Net cash flows used in investing activities		(23,796)	(30,148)
Cash flows from financing activities:			
Cash inflows from new borrowing		352	—
Repayments of borrowing		(18)	—
Net cash flows used in financing activities		334	—
Net increase in cash and cash equivalents		1,417	(2,626)
Cash and cash equivalents at beginning of year		10,223	12,849
Cash and cash equivalents at the end of the year		11,640	10,223

Analysis of changes in net cash:

	At 1 April 2022 £000	Cash flows £000	Other non-cash changes £000	At 31 March 2023 £000
Cash and cash equivalents				
Cash	3,123	1,517	—	4,640
Cash equivalents	7,100	(100)	—	7,000
	10,223	1,417	—	11,640
Borrowings				
Debt due after one year	—	(352)	18	(334)
Total	10,223	1,065	18	11,306

Notes 1 to 27 form part of these financial statements.

1. Accounting policies

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

a. ***Basis of preparation***

The Francis Crick Institute Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The charity's registered office is shown on page 32.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP 2nd Edition (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available to qualifying entities:

- No cash flow statement or net debt reconciliation has been presented for the parent company;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

b. ***Going concern***

Following the successful outcome of the quinquennial review concluded in 2022, the agreement of a new seven-year funding package totalling £1bn, and as the impact of the COVID -19 pandemic on the Crick and its funders continues to lessen and the ongoing war in Ukraine has not had a significant impact on the Crick's operations or financial position, the trustees consider that the charity has adequate resources to continue in operational existence for the foreseeable future. They have reached this position after having made appropriate enquiries including the review of cash flow forecasts covering the 12-month period subsequent to the date of signature of these accounts, and having confirmed support from the shareholders. The trustees additionally consider that the charity will continue to have adequate resources through shareholders' committed funding to cover all existing capital commitments.

Accordingly, the trustees have concluded that there are no material uncertainties relating to going concern and continue to adopt the going concern basis in preparing these financial statements.

c. ***Group financial statements***

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

d. ***Fund accounting***

Unrestricted funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the Francis Crick Institute Limited. Restricted funds are funds that have been donated or granted for a specific use. These funds are expended in accordance with the requirements of the donor or grantor. Endowment funds are funds that have been donated to the charity to be invested and retained by the charity. The use of capital or income generated from these funds may be either restricted or unrestricted depending on the wishes of the donor.

e. ***Income***

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

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

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

Donations and grants with donor-imposed restrictions are recognised in income when the institute is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions. Donations and grants with no restrictions are recognised in income when the institute is entitled to the funds. Where the donor has requested that the charity invest or retain the donation or grant for future use an endowment is recognised. Income from that endowment will then be used in accordance with the requirements imposed by the donor.

1. Accounting policies (continued)

In the case of the endowment created from funds received from the MRC, then the terms and conditions stipulate that some underlying capital should be protected, but that income and surplus gains can be used to fund direct science projects that further the Crick's objectives. On a regular basis, at least annually, the Finance Committee reviews the level of funds held in the endowment and agrees the amounts that should be withdrawn and the activities that will be funded, whether these are core science operations or very specific science projects.

Trading income is recognised when the significant risks and rewards are considered to have been transferred. The supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date, income represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

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

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

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

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

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

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

h. ***Allocation of costs***
Institute departments are classed either wholly or in part as directly charitable (on a time basis), or as support to the institute.

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

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

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

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

i. ***Pension costs***
The charity participates in both defined benefit and defined contribution pension schemes.

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

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

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

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

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

1. **Accounting policies (continued)**

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

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

The period over which assets are depreciated is as follows:

• IT equipment and software:	3 years
• Corporate systems	7 years
• Fixtures, fittings, furniture	5 years
• Scientific equipment	5 years
• Vehicles	5 years
• Leasehold buildings (fabric)	Term of the lease
• Building plant and infrastructure	3–50 years

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

An asset donated during the period and held for sale is not subject to depreciation as it is anticipated to be sold in the subsequent period at the current balance sheet value.

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

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

The charity has also made investments in the form of convertible loans to further its translational science objectives. These programme-related loans are initially recognised at the amount paid, with the carrying amount adjusted to reflect any repayments. The charity does not charge interest on the loans. The repayment date will be 31 December 2023, unless there is a conversion event. Once converted, then as for spin-out organisations, values will be maintained at cost until there is a publicly available, relevant and reliable market value based on a share issue for the same category of shares held by the Crick, or alternatively, a clear indicator of impairment.

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

n. ***Taxation***
As a registered charity, the Francis Crick Institute Limited is exempt from taxation on its income and gains falling within chapter 3 of part 11 to the Corporation Taxes Act 2010 and section 256 Taxation of Chargeable Gains Act 1992, to the extent that these are applied to charitable purposes.

The trading subsidiaries do not generally pay UK corporation tax because their policy is to donate distributable profits to the charity as a qualifying charitable donation.

o. ***Operating leases***
Rentals under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term.

p. ***Financial instruments***
Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of managed investments which are held at fair value and gains and losses recognised in the statement of financial activities. Convertible loans are initially carried at cost, however, the loans will be measured at fair value should appropriate information become available.

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

2. Critical accounting judgements and key sources of estimation uncertainty

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

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

Management considers that the following are its critical accounting estimates.

Tangible fixed assets
Tangible fixed assets represent a significant proportion of the institute's total assets.

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

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

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

Programme-related investments
All of the spin-out investments and share participations have arisen from relevant research activity or investments through the KQ Labs initiative and are supported as part of our strategic objectives for translational activity, and this has driven their recognition as programme-related investments. They have been reviewed in line with our policy to determine whether an updated fair value could be reliably measured. In most cases, this has not been possible as the entities are very early in their development lifecycle, and there was insufficient public information to establish a revised fair value, with three exceptions. Achilles Therapeutics Ltd is publicly listed and is therefore valued at the market price at 31 March 2023, resulting in a loss in year of £54k. Following an issue of shares shortly before the end of the financial year, shares in Jiva AI Ltd and Vivan Therapeutics Ltd have been valued at this price, resulting in a gain in the year of £118k and £59k respectively. These valuations are based on external information, and the trustees are therefore comfortable with the fair values that have been recognised.

Donated assets held for sale
Assets held for sale relate to the donation of a property in Barbados, which is valued at £433k in line with an initial independent valuation, and is on the market to be sold by the group (currently marketed at a higher value with any gain realised upon sale to be reported in the 2023/24 accounts).

3. Analysis of income from donations and legacies

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2023 Total £000
Core funding from founding shareholders	147,110	899	—	148,009
Research grant funding	125	32,524	—	32,649
Other grants	1,245	8,064	—	9,309
Total grant income	148,480	41,487	—	189,967
Donated services and facilities	8,354	—	—	8,354
Donations	1,513	1,236	—	2,749
Donated assets	413	—	—	413
Prizes	—	10	—	10
	158,760	42,733	—	201,493

The total donated services and facilities of £8,354k represent gifts in kind.

3. Analysis of income from donations and legacies (continued)

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2022 Total £000
Core funding from founding shareholders	127,520	1,094	—	128,614
Research grant funding	2	26,174	—	26,176
Other grants	264	5,679	—	5,943
Total grant income	127,786	32,947	—	160,733
Donated services and facilities	7,133	—	—	7,133
Donations	932	335	1,000	2,267
Prizes	—	250	—	250
	135,851	33,532	1,000	170,383

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

4. Analysis of grant income by funder type

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2023 Total £000
Research councils	71,066	13,807	—	84,873
UK-based charities	71,445	12,555	—	84,000
UK-based higher education institutions	5,624	5,218	—	10,842
UK-based government bodies	45	223	—	268
UK-based industry, commerce and public corporations	169	1,237	—	1,406
EU government bodies	—	5,234	—	5,234
Other overseas grants	94	3,174	—	3,268
Other grants	37	39	—	76
	148,480	41,487	—	189,967

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

5. Analysis of group income from charitable activities

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2023 Total £000
Research grants	—	878	—	878
Research conferences	664	2	—	666
Staff restaurant	821	—	—	821
Building letting	249	—	—	249
Contract research	23	—	—	23
	1,757	880	—	2,637

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

6. Analysis of group income from trading activities activities

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2023 Total £000
Premises licence and service charges	6,503	—	—	6,503
IT service contracts	314	—	—	314
Consultancy	150	—	—	150
	6,967	—	—	6,967

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

7. Analysis of group expenditure on charitable activities

	Direct costs £000	Support costs £000	2023 Total £000
Community and public engagement	1,012	573	1,585
Scientific research and translation	128,205	78,373	206,578
Developing and training scientists	607	344	951
	129,824	79,290	209,114

	Direct costs £000	Support costs £000	2022 Total £000
Community and public engagement	899	547	1,446
Scientific research and translation	120,970	73,613	194,583
Developing and training scientists	509	309	818
	122,378	74,469	196,847

8. Analysis of support costs

	Community and public engagement £000	Scientific research and translation £000	Developing and training scientists £000	2023 Total £000
Governance	5	687	3	695
Finance	29	3,951	17	3,997
Information technology and services	88	12,071	53	12,212
Human resources	43	5,896	26	5,965
Building services	383	52,353	230	52,966
Communications and public engagement	25	3,415	15	3,455
	573	78,373	344	79,290

	Community and public engagement £000	Scientific research and translation £000	Developing and training scientists £000	2022 Total £000
Governance	5	658	3	666
Finance	23	3,133	13	3,169
Information technology and services	93	12,468	52	12,613
Human resources	36	4,801	20	4,857
Building services	370	49,825	210	50,405
Communications and public engagement	20	2,728	11	2,759
	547	73,613	309	74,469

9. Net expenditure for the year activities activities

	2023 £000	2022 £000
Net expenditure is stated after charging (crediting):		
Depreciation of owned assets	33,616	38,876
Amortisation of intangible fixed assets	15	15
Operating lease rentals	232	253
Foreign exchange losses/(gains)	60	(11)
Profit on disposal of fixed assets	(35)	(75)
Auditor's remuneration:		
Fees for the audit of the charity's annual financial statements	96	77
Fees for taxation services to the group	12	11
Fees for the audit of subsidiary companies	14	9

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

a. The average number of employees was:

	2023 Total No.	2022 Total No.
Charitable activities	1,255	1,247
Support activities	258	212
	1,513	1,459

b. Their aggregate remuneration comprised:

	2023 Total £000	2022 Total £000
Wages and salaries	80,181	71,725
Redundancy and termination	1,234	945
Social security costs	7,963	6,970
Pension costs	6,784	6,460
	96,162	86,100

Remuneration includes stipends paid to PhD students of £4,710k (2022: £4,029k). PhD students are not employees of the institute.

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

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

	2023 Total No.	2022 Total No.
£60,000 - £69,999	66	59
£70,000 - £79,999	38	37
£80,000 - £89,999	33	29
£90,000 - £99,999	20	19
£100,000 - £109,999	15	21
£110,000 - £119,999	8	6
£120,000 - £129,999	4	5
£130,000 - £139,999	6	8
£140,000 - £149,999	6	6
£150,000 - £159,999	5	5
£160,000 - £169,999	4	1
£180,000 - £189,999	2	2
£190,000 - £199,999	3	1
£200,000 - £209,999	–	2
£210,000 - £219,999	3	–
£230,000 - £239,999	2	4
£240,000 - £249,000	3	–
£250,000 - £259,999	–	1
£280,000 - £289,999	1	2
£290,000 – £299,999	1	–
£310,000 - £319,999	–	1
£360,000 - £369,999	1	–
£420,000 - £429,999	1	1
	222	210

d. Key management personnel

The key management personnel of the charity and group are listed on page 34. The total remuneration (including pension contributions and employer's national insurance) of the key management personnel for the year totalled £2,576k (2022: £2,358k).

e. Trustees' remuneration

No trustees received remuneration during the current or prior year. Travel and subsistence expenses were claimed by one trustee this year for £645 (2022: £436).

The charity has maintained throughout the year and prior year trustees' and officers' liability insurance for the benefit of the charity and its trustees. The cost of this insurance for the year was £14k (2022: £12k).

11. Intangible fixed assets

Group and charity	Intellectual property £000
Cost	
At 1 April 2022 and 31 March 2023	281
Accumulated amortisation	
At 1 April 2022	224
Charge for the year	15
At 31 March 2023	239
Net book value	
At 31 March 2023	42
At 1 April 2022	57

12. Tangible fixed assets

Group	Leasehold buildings £000	Donated asset held for sale	Fixtures, fittings, furniture £000	IT equipment and software £000	Scientific equipment £000	Assets under construction £000	Total £000
Cost							
At 1 April 2022	572,176	—	24,735	23,098	96,318	1,912	718,239
Additions	—	412	3,785	5,488	12,395	3,018	25,098
Transfers	—	21	178	(50)	1,244	(1,393)	—
Disposals	(54)	—	—	(854)	(2,040)	—	(2,948)
At 31 March 2023	572,122	433	28,698	27,682	107,917	3,537	740,389
Accumulated depreciation							
At 1 April 2022	124,726	—	13,475	19,951	68,735	—	226,887
Charge for the year	17,686	—	3,741	1,702	10,487	—	33,616
Disposals	(18)	—	—	(855)	(2,040)	—	(2,913)
At 31 March 2023	142,394	—	17,216	20,798	77,182	—	257,590
Net book value							
At 31 March 2023	429,728	433	11,482	6,884	30,735	3,537	482,799
At 1 April 2022	447,450	—	11,260	3,147	27,583	1,912	491,352

Charity	Leasehold buildings £000		Fixtures, fittings, furniture £000	IT equipment and software £000	Scientific equipment £000	Assets under construction £000	Total £000
Cost							
At 1 April 2022	572,484		24,735	23,098	96,318	1,891	718,526
Additions	—		3,785	5,488	12,395	3,018	24,686
Transfers	—		178	(50)	1,244	(1,372)	—
Disposals	(54)		—	(854)	(2,040)	—	(2,948)
At 31 March 2023	572,430		28,698	27,682	107,917	3,537	740,264
Accumulated depreciation							
At 1 April 2022	124,763		13,475	19,951	68,735	—	226,924
Charge for the year	17,693		3,741	1,702	10,487	—	33,623
Disposals	(18)		—	(855)	(2,040)	—	(2,913)
At 31 March 2023	142,438		17,216	20,798	77,182	—	257,634
Net book value							
At 31 March 2023	429,992		11,482	6,884	30,735	3,537	482,630
At 1 April 2022	447,721		11,260	3,147	27,583	1,891	491,602

13. Fixed asset investments

a) Investments in subsidiaries

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

Francis Crick Trading Limited's key objective is to carry out various trading activities within the premises owned by The Francis Crick Institute Limited. The shares are held at cost, being £4 for UKCMRI Construction Limited (2021: £4) and £1 for Francis Crick Trading Limited (2021: £1).

A summary of UKCMRI Construction Limited's results is shown below.	2023 Total £000	2022 Total £000
Profit & loss account		
Operating costs	(6)	(5)
Operating loss	(6)	(5)
Other interest receivable and similar income	—	—
	(6)	(5)
Tax	—	—
	(6)	(5)
Distribution payable (qualifying charitable donation)	—	—
Retained loss for the year	(6)	(5)
Opening shareholder's deficit funds	(56)	(51)
Closing shareholder's deficit	(62)	(56)
Balance sheet		
Current assets	58	63
Current liabilities	(120)	(119)
Total net liabilities	(62)	(56)

A summary of Francis Crick Trading Limited's results is shown below.	2023 Total £000	2022 Total £000
Profit & loss account		
Turnover	6,990	6,374
Cost of sales	(6,722)	(6,205)
Gross (loss)/profit	268	169
Operating costs	(56)	(10)
Operating (loss)/profit	212	159
Other income	413	—
Tax	—	—
	625	159
Distribution payable (qualifying charitable donation)	(73)	—
Retained profit for the year	553	159
Opening shareholder's funds	97	(62)
Closing shareholder's funds	649	97
Balance sheet		
Fixed assets	—	21
Current assets	1,035	1,254
Non-current assets	433	—
Current liabilities	(819)	(1,178)
Total net assets	649	97

13. Fixed asset investments (continued)

b) Programme-related investments
At the balance sheet date, the group and charity held the following early stage investments which are all classified as programme-related investments.

	Holding	2023 Proportion held %	2022 Proportion held %
GammaDelta Therapeutics Ltd	—	0.00%	2.28%
Achilles Therapeutics Ltd	36,697	0.09%	0.09%
Metacognis Limited	470	19.03%	19.03%
Adaptate Biotherapeutics Ltd	—	0.00%	0.04%
Mendelian Ltd	7,766	0.60%	0.60%
Myricx Ltd	26,750	0.49%	0.49%
Okko Health Ltd (formerly Okulo Ltd)	16,730	0.80%	0.94%
Tuune (formerly Pexxi)	922	0.35%	0.40%
Vivan	1,213	0.64%	0.75%
Quin Technology	—	0.00%	0.65%
Cortirio	12,894	1.12%	1.12%
Sano Genetics	7,672	0.31%	0.31%
Adendra Therapeutics	250,000	5.66%	5.66%
Pharmenable	20,000	0.70%	1.04%
Jiva.ai	313	1.13%	1.13%
BaseImmune	8,000	1.44%	1.44%
Zetta Genomics	1,417	0.59%	0.59%
Oxford Cancer Analytics (OXcan)	1,000	0.62%	0.76%
Bold Health	973	0.66%	0.55%
ConcR	23,465	1.53%	1.53%
Charco Neurotech	11,560	0.28%	0.34%
Little Journey	1,380	0.63%	1.38%
Eliptica	263,000	10.23%	—
Enara Bio	150,000	Warrants	Warrants

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

As part of the KQ Labs programme the Crick has invested another £480k into 12 companies (2022: £520k, 13 companies) using convertible loan instruments, increasing the total investment in this programme to £1,960k. The Crick will not charge interest on these loans and the repayment date will be 31 December 2023, unless there is a conversion event. No loans were converted to equity during the year (2022: eight loans, totalling £320k).

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

Investments in GammaDelta Therapeutics Ltd and Adaptate Biotherapeutics Ltd were disposed during the year. Proceeds of disposal were £5,848k and £48k respectively.

13. Fixed asset investments (continued)

Group & charity	2023 Total £000	2022 Total £000
Convertible loans	1,280	800
Quoted investments	28	82
Unquoted investments	1,035	6,820
	2,343	7,702

Movements	2023 Total £000	2022 Total £000
At 1 April	7,702	2,113
Additions	480	520
Disposals	(5,962)	(40)
Net gains	123	5,109
At 31 March 2023	2,343	7,702

c) Financial investments group & charity

i) Investments at market value

	2023 Total £000	2022 Total £000
Conventional gilts	1,280	828
Corporate bonds	18,050	20,638
Overseas fixed interest	1,982	799
UK equities	9,838	9,950
Overseas equities	18,720	14,825
Property	1,837	1,979
Alternative assets	4,969	3,524
Treasury bills	1,264	583
Supernationals & agencies	238	330
Mortgage-backed securities	1,123	1,717
Cash	24,730	18,006
	84,031	73,179

ii) Investments over 5% of the portfolio

	2023 Total £000	2022 Total £000
Royal London Asset Management Short Term Fixed Income Enhanced Fund	16,043	21,192
Royal London Asset Management Short Term Fixed Income Fund	10,328	13,247
Royal London Asset Management Short Term Money Market	5,883	—
Goldman Sachs Sterling Liquid Reserves Fund	5,300	—
	37,554	34,439

13. Fixed asset investments (continued)

iii) Movements

	2023 Total £000	2022 Total £000
At 1 April 2022	73,179	58,750
Additions	63,434	63,528
Disposal proceeds	(50,369)	(52,699)
Net movements in cash and short-term deposits	(1,212)	1,258
Net realised investment (losses)/gains	(814)	495
Net unrealised investment (losses)/gains	(187)	1,847
At 31 March 2023	84,031	73,179

iv) The historical cost of the group and charity investments at 31 March 2023 was £79,750k (2022: £68,744k).

14. Debtors

Group & charity	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Trade debtors	1,826	3,110	1,531	2,241
Prepayments and accrued income	13,128	9,013	13,058	9,013
Amounts owed by group undertakings (note 25b)	—	—	2,773	3,156
Amounts owed by related parties (note 25b)	41,463	14,406	41,425	14,061
Other debtors	450	334	450	334
Provision for doubtful debts	(62)	—	(62)	—
	56,805	26,863	59,175	28,805

15. Creditors: amounts falling due within one year

Group & charity	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Trade creditors	4,330	6,691	4,330	6,691
Accruals	15,150	7,409	15,017	7,280
Deferred income	16,690	14,808	16,664	14,781
Deferred income – related parties (note 25b)	27,096	8,775	27,096	8,775
Other creditors	2,831	2,986	2,792	2,973
Amounts owed to related parties (note 25b)	3,350	2,725	3,350	2,725
Amounts owed to group undertakings (note 25b)	—	—	2,086	2,086
	69,447	43,394	71,335	45,311

15. Creditors: amounts falling due within one year (continued)

Analysis of deferred income

	Group £000	Charity £000
At 1 April 2022	14,808	14,781
Recognised as income in year	(7,326)	(7,326)
Deferred in year	9,209	9,209
At 31 March 2023	16,691	16,664

The total £16.7m at 31 March 2023 (2022: £14.8m) relates to research grant income received in advance.

Analysis of deferred income – related parties

	Group £000	Charity £000
At 1 April 2022	8,775	8,775
Recognised as income in year	(3,658)	(3,658)
Deferred in year	21,979	21,979
At 31 March 2023	27,096	27,096

£19.1m (2022: £NIL) of the total deferred income from related parties relates to core funding received in advance and £8m (2022: £8.8m) relates research grant income received in advance.

16. Creditors: amounts falling due after more than one year

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Chris Banton Foundation Commercial Fund	334	—	334	—
	334	—	334	—

The Chris Banton Foundation Commercial Fund is a loan arrangement, provided with zero interest, that makes a total of £50m available to the Crick to invest in translational research projects and/or commercial projects (such as spin-out company start-ups). The termination date for this agreement is 31 December 2037.

If a commercial return is generated by any of these projects, it will be used to repay the amounts loaned. All amounts repaid may be recycled back into the fund and made available to the Crick for future drawdown. Where commercial returns are insufficient to repay amounts loaned, these amounts will be written off by the Chris Banton Foundation.

The creditor balance reported therefore represents amounts loaned which have not yet been expended by the Crick. When the expenditure occurs the loan amounts will either be written off or be repaid via commercial returns.

17. Called up share capital

	Charity 2023 £000	Charity 2022 £000
Allotted, called up and fully paid		
Ordinary shares of £1 each	629,566	629,566
Share premium account	12,751	12,751
	642,317	642,317

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

18. Movements in funds

Group	1 April 2022 £000	Income £000	Expenditure £000	Gains on investments £000	Transfers between funds £000	31 March 2023 £000
Unrestricted funds						
Share capital – par	629,566	—	—	—	—	629,566
Share premium	12,751	—	—	—	—	12,751
	642,317	—	—	—	—	642,317
General funds	(145,749)	168,663	(172,864)	40	263	(149,647)
Restricted funds						
Crick Lab set-up	24	—	—	—	—	24
Research	22,451	37,493	(34,683)	(39)	(260)	24,962
Other	9,461	6,148	(2,627)	—	(3)	12,979
	31,936	43,641	(37,310)	(39)	(263)	37,965
Endowment funds						
Permanent funds	1,000	—	—	—	—	1,000
Expendable funds	36,478	885	(117)	(1,002)	—	36,244
	37,478	885	(117)	(1,002)	—	37,244
Total funds	**565,982**	**213,189**	**(210,291)**	**(1,001)**	**—**	**567,879**

Charity	1 April 2022 £000	Income £000	Expenditure £000	Gains on investments £000	Transfers between funds £000	31 March 2023 £000
Unrestricted funds						
Share capital – par	629,566	—	—	—	—	629,566
Share premium	12,751	—	—	—	—	12,751
	642,317	—	—	—	—	642,317
General funds	(145,477)	168,078	(172,834)	40	263	(149,930)
Restricted funds						
Crick Lab set-up	24	—	—	—	—	24
Research	22,412	37,493	(34,683)	(39)	(260)	24,923
Other	9,461	6,148	(2,627)	—	(3)	12,979
	31,897	43,641	(37,310)	(39)	(263)	37,926
Endowment funds						
Permanent funds	1,000	—	—	—	—	1,000
Expendable funds	36,478	885	(117)	(1,002)	—	36,244
	37,478	885	(117)	(1,002)	—	37,244
Total funds	**566,215**	**212,604**	**(210,261)**	**(1,001)**	**—**	**567,557**

Transfers between general funds and restricted funds of £263k (2022: £2.3m) consist of the release of excess funds received of £724k (2022: £80k), in line with the terms and conditions of the individual funders, and the financing of a deficit of £513k (2022: £126k) on 119 completed grants (2022: 45 completed grants) as well as an amendment to adjust misallocated income received in prior years of £51k (2022: £2,277k core funding).

The shareholders provided funds to the charity for the purpose of establishing the institute. Restricted funds relate to scientific computing and individual scientific projects. Included within the table above, the institute holds endowments totalling £37.2m without distinction between capital and income, applying them in furtherance of the charity's objectives. Best endeavours will ensure that an agreed level of indexed capital is protected and maintained in the fund, with any surplus income and capital gains to be used to fund science activities.

18. Movement in funds (continued)

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

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

19. Analysis of assets and liabilities between funds

Current year Group	Unrestricted funds, non-charitable trading funds and share capital £000	Restricted funds £000	Endowment funds £000	31 March 2023 £000
Intangible fixed assets	42	—	—	42
Tangible fixed assets	453,514	29,285	—	482,799
Investments	48,609	2,091	35,674	86,374
Current assets	29,109	37,737	1,600	68,445
Current liabilities	(38,605)	(30,814)	(30)	(69,447)
Non-current liabilities	—	(334)	—	(334)
Total net assets	**492,670**	**37,965**	**37,244**	**567,879**

Charity	Unrestricted funds and share capital £000	Restricted funds £000	Endowment funds £000	31 March 2023 £000
Intangible fixed assets	42	—	—	42
Tangible fixed assets	453,346	29,285	—	482,630
Investments	48,609	2,091	35,674	86,375
Current assets	30,883	37,698	1,600	70,181
Current liabilities	(40,493)	(30,813)	(30)	(71,336)
Non-current liabilities	—	(334)	—	(334)
Total net assets	**492,386**	**37,927**	**37,245**	**567,558**

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

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

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

20. Employee retirement benefits

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

New employees are entitled to join the defined contribution pension scheme. Employer contribution rates vary according to the contribution rates of individual employees. The amount paid in employer contributions to the defined contribution scheme was £6,150k, of which £922k was paid from restricted funds (2022: £5,656k, including £775k paid from restricted funds). The balance outstanding at the year-end was £NIL (2022: £785k, including £85k payable from restricted funds).

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

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

Members pay contributions of between 6.0% and 6.5% of pensionable earnings to the scheme. The Francis Crick Institute Limited pays contributions of 16.9% (2022:16.9%) of pensionable earnings to the scheme. The amount paid in employer contributions to the defined benefit scheme was £635k, of which £35k was paid from restricted funds (2022: £800k, including £31k paid from restricted funds). The institute is indemnified against an employer contribution rate in excess of 16.9% (2022:16.9%), under an agreement whereby the Medical Research Council would reimburse the institute for costs incurred at any future rate greater than 16.9%. The balance outstanding at the year-end was £70k, of which £2k was payable from restricted funds (2022: £96k, including £NIL payable from restricted funds).

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

The results above are for the fund as a whole and do not reflect the institute's share as there is insufficient information available to separately identify underlying assets and liabilities or to allocate them to individual employers. As a result, this is treated as a defined contribution scheme by the charity.

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

21. Financial commitments

Operating lease commitments

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

Group and charity	2023		2022	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Within one year	244	5	216	18
Between one and five years	451	1	604	7
After five years	—	—	—	—
	695	**6**	**820**	**25**

Capital commitments

The Francis Crick Institute Limited had unprovided capital contractual commitments of £8,572k at 31 March 2023 (2022: £4,823k). This expenditure is anticipated to be incurred in the subsequent financial year, funded by a combination of core funding and grants.

22. Financial instruments

The carrying values of the Group and Company's financial assets measured at fair value through profit or loss are summarised by category below. The Group has no financial liabilities measured at fair value through profit or loss.

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Fixed asset investments				
Investments at market value (note 13c)	84,031	73,179	84,031	73,179
Interest income				
Total interest income for financial assets at amortised cost (SoFA)	1,760	995	1,760	995
Fair value (losses)/gains				
On financial assets measured at fair value through profit or loss (SoFA)	(1,001)	2,333	(1,001)	2,333

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

	Group 2023 £000	Group 2022 £000
Net (expenditure) for the year	1,897	(9,415)
Depreciation and disposal adjustments	33,597	38,951
Amortisation of intangible fixed assets	15	16
Funding received from financing activities	(18)	—
Investment income	(1,760)	(995)
Investment management charges	134	118
Investments losses/(gains)	944	(7,492)
Interest payable	1	1
	34,810	21,184
(Increase)/decrease in debtors	(29,941)	13,193
Increase/(decrease) in creditors	20,010	(6,855)
Cash generated by operating activities	**24,879**	**27,522**

24. Comparative consolidated statement of financial activities

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

25. Related party transactions

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

The charity also has two wholly owned subsidiaries:
- UKCMRI Construction Limited
- Francis Crick Trading Limited

a. Funding from shareholders including shares allotted
No shares were allotted during the year.

25. Related party transactions (continued)

b. Other transactions

	Year ended 31 March 2023			
	Purchases from related parties £000	Income and recharges from and to related parties £000	Amounts due from related parties £000	Amounts due to related parties (including deferred income) £000
UKRI (formerly known as the Medical Research Council)	(65)	75,784	28,012	(17,839)
Cancer Research UK	(163)	63,695	1,358	(9,242)
Wellcome	(12)	25,195	5,149	(163)
University College London	(2,288)	3,693	2,253	(974)
Imperial College London	(1,191)	2,767	2,385	(803)
King's College London	(1,100)	3,043	2,306	(1,427)
	(4,820)	**174,177**	**41,463**	**(30,447)**

Income received from the MRC includes £10m of additional core funding awarded in the year. Under the terms of this award, the full amount may be offset against future core funding across the septennium.

	Year ended 31 March 2022			
	Purchases from related parties £000	Income and recharges from and to related parties £000	Amounts due from related parties £000	Amounts due to related parties (including deferred income) £000
UKRI (formerly known as the Medical Research Council)	(54)	65,706	3,352	(4,896)
Cancer Research UK	(2)	41,500	1,013	(4,222)
Wellcome	—	33,222	3,261	(3)
UCL	(1,132)	3,688	3,811	(923)
Imperial College London	(778)	1,982	1,290	(451)
King's College London	(788)	2,426	1,679	(1,005)
	(2,754)	**148,524**	**14,406**	**(11,500)**

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

25. Related party transactions (continued)

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

	Year ended 31 March 2023			
	Purchases from related parties £000	Income and recharges from and to related parties £000	Amounts due from related parties £000	Amounts due to related parties £000
Francis Crick Trading Limited	—	6,746	2,753	(2,012)
UKCMRI Construction Limited	—	—	20	(74)
	—	**6,746**	**2,773**	**(2,086)**

	Year ended 31 March 2022			
	Purchases from related parties £000	Income and recharges from and to related parties £000	Amounts due from related parties £000	Amounts due to related parties £000
Francis Crick Trading Limited	—	6,226	3,143	(2,012)
UKCMRI Construction Limited	—	—	13	(74)
	—	**6,226**	**3,156**	**(2,086)**

c. Donated services and facilities

	2023 Total £000	2022 Total £000
Services	6,829	5,608
Land	1,525	1,525
	8,354	**7,133**

Donated services, included in both income and expenditure, for seconded staff relating to university attachments are estimated based on the charity's salary bandings for equivalent posts and also includes Philanthropy team staff seconded from Cancer Research UK. Details are included in note 24d below.

25. Related party transactions (continued)

d. Other related party transactions

The land on which the Francis Crick Institute laboratory has been built has been made available at nil cost by the Medical Research Council, Cancer Research UK, Wellcome and UCL. A gift in kind of £1,525k (2022: £1,525k) has been recognised, the estimated market value of the annual rent.

Cancer Research UK incurred costs on behalf of the Francis Crick Institute Limited, which it has recharged, totalling £162k (2022: £2k) in hospitality charges and providing seconded staff. Philanthropy team staff have been seconded to the Crick at nil cost, a gift in kind of £1,125k (2022: £490k) has been recognised for these services. Income received included £58,558k (2022: £38,000k) core funding, £NIL (2022: £778k) donation income and £5,137k (2022: £2,723k) research grant funding and other income.

The Wellcome Trust incurred costs on behalf of the Francis Crick Institute Limited, which it has recharged, for £12k (2022: £NIL) for training costs. Income received included £18,684k (2022: £26,693k) core funding and £6,511k (2022: £6,529k) research grant funding and other income.

UKRI (formerly known as the Medical Research Council) incurred costs on behalf of the Francis Crick Institute Limited, which it has recharged, of £65k (2022: £54k) in providing seconded staff and lab consumables. Income received included £65,829k (2022: £59,534k) core funding and £9,955k (2022: £6,171k) research grant funding.

Imperial College London incurred costs on behalf of the Francis Crick Institute Limited, which it has recharged, of £1,191k (2022: £778k) in providing seconded staff, lab consumables and course fees. Research lab staff have been seconded to the Crick at nil cost, a gift in kind of £1,556k (2022: £655k) has been recognised for these services. Income received included £1,388k (2022: £1,390k) core funding and £1,379k (2022: £592k) research grant funding.

UCL incurred costs on behalf of the Francis Crick Institute Limited, which it has recharged, of £2,288k (2022: £1,132k) for student tuition fees, lab consumables and seconded staff. Research lab staff have been seconded to the Crick at nil cost, a gift in kind of £2,166k (2022: £2,212k) has been recognised for these services. Income received included £1,550k (2022: £1,525k) core funding and £2,143k (2022: £2,163k) research grant funding.

King's College London incurred costs on behalf of the Francis Crick Institute Limited, which it has recharged, of £1,100k (2022: £788k) in providing seconded staff and lab consumables. Research lab staff have been seconded to the Crick at nil cost, a gift in kind of £1,982k (2022: £2,251k) has been recognised for these services. Income received included £1,834k core funding (2022: £987k) and £1,209k (2022: £1,439k) research grant funding.

Trustees' expenses are disclosed in note 10e. Consistent with 2021/22, Dame Kate Bingham is a director of Enara Bio in which the Crick holds warrants over ordinary shares. The warrants are not currently considered to have a value to the Crick as no consideration was paid and there is currently no publicly available, relevant or reliable market value on which to value the investment; the trustee was not involved in the investment decision.

Two trustees donated a total of £632k (2022: one trustee, £200k) during the year, of which £622k (2022: £200k) was shared equally between the institute and CRUK in line with the fundraising agreement.

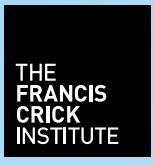
Six trustees represent the founders. These trustees or their employers may be involved in projects with the Crick and/or funding the operations of the Crick. The Crick has a policy for managing potential conflicts of interest that may arise in any decision making.

26. Contingent liabilties

The Crick has entered into a guarantee with HSBC Bank PLC in favour of the Environment Agency for the value of £110k. The guarantee was required in order to obtain a licence to dispose of radioactive sources used by an item of scientific equipment.

27. Post balance sheet events

The Crick has decided to develop additional lab space on its currently unused 8th floor. The cost of this development is estimated at up to £20m, the majority of which will be funded by a single philanthropic donation which was committed in May 2023 and is wholly restricted for use on this project. A contract in excess of £10m in value with a construction partner has also been signed after 31 March 2023.



The Francis Crick Institute
1 Midland Road
London NW1 1AT

Telephone: +44 (0)20 3796 0000
Email: info@crick.ac.uk

www.crick.ac.uk