

**QI PARTNERS**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**QI PARTNERS**  
**(A Company Limited by Guarantee)**

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**QI PARTNERS**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2020**

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<b>Trustees</b>	Dr Tim Brears (resigned 9 June 2020) Dr Paul Burrows (resigned 29 May 2020) Dr Celia Ann Caulcott (appointed 19 August 2020) Mark Davies (resigned 3 December 2019) Sam Higginson (appointed 3 December 2019) Dr Karen Jane Lewis (appointed 19 August 2020) Professor David Richardson
<b>Company registered number</b>	09604451
<b>Charity registered number</b>	1170105
<b>Registered office</b>	Quadram Institute Bioscience Norwich Research Park Colney Lane Norwich NR4 7UQ
<b>Company secretary</b>	David Foreman
<b>Independent auditors</b>	Larking Gowen LLP Chartered Accountants King Street House 15 Upper King Street Norwich NR3 1RB
<b>Bankers</b>	Barclays Bank Plc Norwich NR1 3QH

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**QI PARTNERS**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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The Trustees present their annual report together with the audited financial statements of QI Partners for the year 1 April 2019 to 31 March 2020. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective January 2015).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

### **About QI Partners**

QI Partners is a charitable company which was established in 2015 by four partners – UK Research and Innovation - Biotechnology and Biological Sciences Research Council (BBSRC), the Norfolk and Norwich University Hospitals NHS Foundation Trust (NNUH), Quadram Institute Bioscience (QIB) and the University of East Anglia (UEA).

The company was created to support the establishment of the Quadram Institute – a new multi-million pound food and health research institute completed in autumn 2018. The Quadram Institute is at the forefront of a new interface between food science, gut biology and health, developing solutions to worldwide challenges in food-related disease and human health.

### **About the Quadram Institute**

The four partners provided funding for the Quadram Institute building that has the capacity for 300 research staff and a further 100 staff supporting one of Europe's largest endoscopy facilities. It is engaged in fundamental and translational food and health research, alongside clinical studies, endoscopy and industry, working together to be a leading international hub for food and health research. It combines scientific excellence and clinical expertise, delivering patient care and accelerating innovation.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**Objectives and activities**

• **Objectives**

The objectives of the Charity are to facilitate:

- The advancement of education in food and health sciences for the public benefit by the provision of facilities for the conduct of charitable research into food and health sciences including the publication of the useful results of that research; and
- The advancement of health for the public benefit by the provision of facilities for the investigation, diagnosis and treatment of diseases and disorders and for research into diseases and disorders including the publication of the useful results of that research.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

**Achievements and performance**

• **Performance**

This year marked the first year under which the building has been operational and fully tenanted. During the year the Charity has:

- Undertaken additional building works;
- Replaced the QI management board with a QI Executive Group;
- Set up a QI Public Benefit Committee to monitor the activities of the tenants of the building;
- Agreed a set of KPIs which will be reported to both the QI Executive Group and the QI Partners' Board.

• **Plans for future periods**

The principal objectives for 2020/21 are to:

- Prepare an innovation agenda to ensure that objectives are being delivered;
- Re-tender the Facilities Management contract;
- Install additional energy metering;
- Develop a communications/engagement plan to encourage collaboration between researchers and clinicians;
- Schedule seminars/outreach activities to highlight microbiome research to clinicians;
- Recruit new Group Leaders and progress cross-QI appointments to support QI objectives for collaboration and innovation.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**Financial review**

● **Financial review**

The first full year of the operation of the Quadram Institute Building was completed this year. Service Charges to the tenants were rendered, and settled, amounting to £2.6m, representing a re-charge of all operational costs. After deducting depreciation and other costs there was a deficit for the year of £0.5m (2019: deficit £34.6m). The deficit, which is mainly due to depreciation on the non-tenanted areas of the QI building, is funded by restricted reserves.

Capital expenditure was £0.5m (2019: £4.8m), all covered by accruals made in 2019.

Total reserves at March 2020 were £24.1m (2019: £24.6m), all relating to restricted funds.

● **Reserves policy**

The Charity's restricted capital reserve represents the capital grant funding received to support the capital costs of the new building. Restricted capital reserves have reduced in the year in line with the depreciation of the retained parts of the building.

The Charity regularly reviews reserve levels alongside cost and income projections to ensure that it has sufficient working capital to support the operation of the QI building.

● **KPIs**

A benefits realisation plan has been developed which incorporates key performance indicators by which the Quadram Institute can monitor its performance. The KPIs include the number of engagement events/activities, the number of formal knowledge exchange activities and metrics on the volume of tenant activity such as research projects awarded, clinical research studies undertaken and number of endoscopies performed.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**Financial review (continued)**

• **Principal risks and uncertainties**

The Board of Trustees is responsible for ensuring there are effective and adequate risk management and internal control systems in place to manage the major risks to which the Charity is exposed. The Audit and Risk Committee reviews a full risk report at each meeting. The Board reviews a full risk report annually, including a 'heat map' tracking major risks.

The principal risks and uncertainties facing the Charity are considered to be:

<b>Risk area</b>	<b>Description of Risk</b>	<b>Management of Risk</b>
<b>Charitable benefits are not delivered</b>	<p>Quadram Institute does not deliver planned public benefits from research and health activities;</p> <p>Insufficient coordination between partners and facilities means benefits from co-location are not fully realised.</p>	<p>Over-arching governance structure agreed to ensure activities of partners are coordinated;</p> <p>Agreement by all partners of comprehensive benefits realisation plan;</p> <p>Multiple work streams established to develop cross-partner activities, such as science strategy, clinical research, innovation and engagement.</p>
<b>Problems with building facilities</b>	<p>Problems with building facilities prevent tenants from carrying out their operational activities.</p>	<p>A building services user committee has been created and processes are in place for reporting and resolving issues with the building facilities;</p> <p>A lifecycle maintenance plan has been prepared;</p> <p>Core building management policies and procedures have been developed to harmonise services for different users.</p>
<b>Financial sustainability</b>	<p>Building running costs are significantly higher than would be expected;</p> <p>Service charges are not received on a timely basis.</p>	<p>The Facilities Management contract is being re-tendered;</p> <p>Energy meters are being installed to understand energy usage and costs;</p> <p>Tenants are advised of budgeted service charges and the scheduled timing of service charge invoices.</p>
<b>Damage to charitable reputation</b>	<p>Culture, behaviour and activity of building service providers or tenants bring the charity into disrepute.</p>	<p>Performance of the building facilities service provider is actively monitored as part of their contractual obligations;</p> <p>Tenants have their own employment codes of practice and disciplinary procedures in place;</p> <p>Leases restrict tenants' activities to relevant charitable purposes.</p> <p>A QI Public Benefit Committee has been set up to monitor the activities of tenants.</p>

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**Structure, governance and management**

• **Organisation and governance**

QI Partners is a company limited by guarantee (registered number 09604451) and was first registered as charity (number 1170105) on 10 November 2016.

• **Members**

The members of QI Partners are:

- UK Research and Innovation - Biotechnology and Biological Sciences Research Council ("BBSRC");
- Quadram Institute Bioscience ("QIB");
- The University of East Anglia ("UEA"); and
- Norfolk and Norwich University Hospitals NHS Foundation Trust ("NNUH").

The Members are all guarantors of QI Partners, a company limited by guarantee and a registered charity, of an amount not exceeding £10.

• **Board of Trustees**

The Trustees who served during the year and up to the date of signing these financial statements were:

- Dr Tim Brears (QIB nomination) resigned on 9 June 2020
- Dr Paul Burrows (BBSRC nomination) resigned 29 May 2020
- Dr Celia Ann Caulcott (Chair - QIB nomination) appointed on 19 August 2020
- Mark Davies (NNUH nomination) resigned on 3 December 2019
- Sam Higginson (NNUH nomination) appointed on 3 December 2019
- Dr Karen Lewis (BBSRC nomination) appointed on 19 August 2020
- Professor David Richardson (UEA nomination)

• **Recruitment, induction and training of Trustees**

New trustees receive appropriate induction training, including meeting with key stakeholders to learn about the Quadram Institute and get more involved with the Charity's work.

All Trustees receive regular briefings on key issues facing the charity.

• **Trustee remuneration**

None of the Trustees received any remuneration in the year in respect of their role as Trustees.

• **Key management personnel**

There are no employees except the Trustees.

The Trustees delegate management of the day-to-day activities of the charitable company to a QI Executive Group consisting of representatives from the four partners.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**Structure, governance and management (continued)**

● **Related parties**

*QIB*

QIB is a member of the charitable company. On 29 March 2019, QI Partners and QIB entered into lease agreements for accommodation in the new Quadram Institute building.

QIB has provided QI Partners with a loan facility of £5.4m, which is repayable between November 2018 and October 2024. As at 31 March 2020, £3.8m was owed by QI Partners in respect of this loan (2019: £5.1m). The loan has been provided on an arm's length basis and interest is payable on the loan at a rate of 3.0% pa.

QIB's parent undertaking and controlling party is UEA.

*UK Research and Innovation - UKRI*

UKRI is a member of the charitable company. UKRI provided QI Partners grant funding to support the construction of the QI building.

*UEA*

UEA is a member of the charitable company. UEA provided QI Partners grant funding to support the construction of the QI building.

*NNUH*

NNUH is a member of the charitable company. On 29 March 2019, QI Partners and NNUH entered into a lease agreement for space in the new Quadram Institute building to accommodate its regional gastrointestinal endoscopy unit and clinical research facility.

*NBI Partnership Limited*

QIB is a member of NBI Partnership Limited ("NBIP"). NBIP supplies support and administrative services to QI Partners alongside QIB and three other research organisations on the Norwich Research Park (John Innes Centre, Earlham Institute and The Sainsbury Laboratory).

● **Going concern**

The Trustees have reviewed whether it is appropriate for the financial statements to be prepared on a going concern basis. Having considered cash flow forecasts for the twelve months immediately after signing these accounts and longer term to March 2026 the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future.

The Trustees have considered the impacts of the Covid-19 pandemic and do not feel that this poses a risk to the continuing operations of the Charity. All tenants have been able to operate without significant disruption and therefore are expected to meet their service charge liabilities to the Charity as they become due.

The Trustees have therefore concluded that it remains appropriate to prepare the financial statements on a going concern basis.

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**QI PARTNERS**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**Statement of Trustees' responsibilities**

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. 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 Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102)
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

**Disclosure of information to auditors**

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**Public benefit**

The Trustees are satisfied they have complied with their duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission. Based on this guidance, and as described in this Trustees' report, the Trustees believe the activities of QI Partners to be charitable in nature.

**Insurance Disclosure**

QI Partners maintains liability insurance for its Trustees, with an annual aggregate cover limit for all claims against them in that capacity. The Trustees have also been granted a qualifying third party provision under section 233 of Companies Act 2006. Neither the Institute's indemnity nor insurance provides cover in the event that a trustee is proved to have acted fraudulently or dishonestly.

**Independent Auditors**

Larking Gowen LLP have been appointed as auditors and a resolution has been passed by the Board concerning their reappointment as auditors.

Approved by order of the members of the board of Trustees on 15 December 2020 and signed on their behalf by:



**Dr Celia Ann Caulcott**

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**QI PARTNERS**  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF QI PARTNERS**

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**Opinion**

We have audited the financial statements of QI Partners (the 'charity') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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).

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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**QI PARTNERS**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF QI PARTNERS (CONTINUED)**

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**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 Auditors' Report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

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

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

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**QI PARTNERS**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF QI PARTNERS (CONTINUED)**

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**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

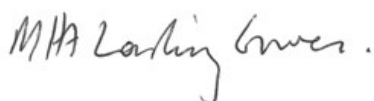
**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Anders Rasmussen FCA (Senior Statutory Auditor)**

for and on behalf of  
**Larking Gowen LLP**  
Chartered Accountants  
Statutory Auditors  
King Street House  
15 Upper King Street  
Norwich  
NR3 1RB

Date: 22 December 2020

**QI PARTNERS**  
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2020**

	<b>Note</b>	<b>Unrestricted funds 2020 £000</b>	<b>Restricted funds 2020 £000</b>	<b>Total funds 2020 £000</b>	<i>Total funds 2019 £000</i>
<b>Income from:</b>					
Donations and legacies	3	-	297	297	1,070
Charitable activities	4	2,688	-	2,688	1,171
Investments	5	10	-	10	21
<b>Total income</b>		<b>2,698</b>	<b>297</b>	<b>2,995</b>	<b>2,262</b>
<b>Expenditure on:</b>					
Charitable activities	6	2,698	803	3,501	36,923
<b>Total expenditure</b>		<b>2,698</b>	<b>803</b>	<b>3,501</b>	<b>36,923</b>
<b>Net movement in funds</b>		<b>-</b>	<b>(506)</b>	<b>(506)</b>	<b>(34,661)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		-	24,646	24,646	59,307
Net movement in funds		-	(506)	(506)	(34,661)
<b>Total funds carried forward</b>		<b>-</b>	<b>24,140</b>	<b>24,140</b>	<b>24,646</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 16 to 29 form part of these financial statements.

**QI PARTNERS**  
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**REGISTERED NUMBER: 09604451**

**BALANCE SHEET**  
**AS AT 31 MARCH 2020**

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Tangible assets	10	24,632	25,299
<b>Current assets</b>			
Debtors	11	3,446	5,457
Cash at bank and in hand		1,211	2,513
		<u>4,657</u>	<u>7,970</u>
Creditors: amounts falling due within one year	12	(2,358)	(4,848)
<b>Net current assets</b>		<u>2,299</u>	<u>3,122</u>
<b>Total assets less current liabilities</b>		<u>26,931</u>	<u>28,421</u>
Creditors: amounts falling due after more than one year	13	(2,791)	(3,775)
<b>Total net assets</b>		<u><u>24,140</u></u>	<u><u>24,646</u></u>
<b>Charity funds</b>			
Restricted funds	14	24,140	24,646
<b>Total funds</b>		<u><u>24,140</u></u>	<u><u>24,646</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 15 December 2020 and signed on their behalf by:

**Dr Celia Ann Caulcott**



The notes on pages 16 to 29 form part of these financial statements.



**QI PARTNERS**  
(A Company Limited by Guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	<b>2020</b> <b>£000</b>	<b>2019</b> <b>£000</b>
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	<b>133</b>	<b>(20,269)</b>
<b>Cash flows from investing activities</b>		
Dividends, interests and rents from investments	<b>10</b>	<b>21</b>
Proceeds from the sale of tangible fixed assets (lease premiums receivable)	<b>-</b>	<b>21,290</b>
Purchase of tangible fixed assets	<b>-</b>	<b>(5,917)</b>
Capital grants received	<b>-</b>	<b>1,070</b>
<b>Net cash provided by investing activities</b>	<b>10</b>	<b>16,464</b>
<b>Cash flows from financing activities</b>		
Cash outflows from loan repayments	<b>(1,300)</b>	<b>(325)</b>
Interest payable	<b>(145)</b>	<b>(160)</b>
<b>Net cash used in financing activities</b>	<b>(1,445)</b>	<b>(485)</b>
<b>Change in cash and cash equivalents in the year</b>	<b>(1,302)</b>	<b>(4,290)</b>
Cash and cash equivalents at the beginning of the year	<b>2,513</b>	<b>6,803</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,211</b>	<b>2,513</b>

The notes on pages 16 to 29 form part of these financial statements

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**1. General information**

QI Partners is a limited liability company incorporated in England and Wales, registration number 09604451. The registered office is Quadram Institute Bioscience, Norwich Research Park, Colney Lane, Norwich, NR4 7UQ.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

QI Partners 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.

The accounts are presented in Sterling (£) which is the functional currency of the Charity and rounded to the nearest £'000.

**2.2 Company status**

The Company is a company limited by guarantee incorporated in England and Wales, registration number 09604451. The members of the company are those named on page 6. In the event of the Company being wound up, the liability in respect of the guarantee is limited to £10 per member of the Company.

The registered office address is Quadram Institute Bioscience, Norwich Research Park, Colney lane, Norwich, NR4 7UQ.

**2.3 Going concern**

The Trustees have reviewed whether it is appropriate for the financial statements to be prepared on a going concern basis. Having considered cash flow forecasts for the twelve months immediately after signing these accounts and longer term to March 2026 the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future.

The Trustees have considered the impacts of the Covid-19 pandemic and do not feel that this poses a risk to the continuing operations of the Charity. All tenants have been able to operate without significant disruption and therefore are expected to meet their service charge liabilities to the Charity as they become due.

The Trustees have therefore concluded that it remains appropriate to prepare the financial statements on a going concern basis.

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**QI PARTNERS**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**2. Accounting policies (continued)**

**2.4 Income**

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Charitable grant income represents grants received and receivable in the year from outside granting bodies and other miscellaneous income. Capital grants are recognised in the Statement of Financial Activities ("SOFA") when entitlement passes, which is typically on receipt.

Grant funding is released to match expenditure incurred during the year together with any related contributions towards overhead costs.

Donated services or facilities are recognised when the Company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Company of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Company which is the amount the Company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Lease premium income is recognised at the commencement of the lease term. When income has been received in advance of the commencement of the lease term, the income is deferred.

Other income represents bank interest received.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

**2.5 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Depreciation charges are allocated on the portion of the asset's use.

Charitable activities and Governance costs are costs incurred on the Company's operations, including support costs and costs relating to the governance of the Company apportioned to charitable activities.

**2.6 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**2. Accounting policies (continued)**

**2.7 Tangible fixed assets and depreciation**

Tangible fixed assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Long-term leasehold property	- 60 years
Fixtures and fittings	- 10 years
Soft furnishings	- 5 years

Short term creditors are measured at the transaction price. They are non-interest bearing and are stated at their nominal value.

Other financial liabilities, including loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.8 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.9 Cash at bank and in hand**

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

**2.10 Creditors**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

**2.11 Financial instruments**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**2. Accounting policies (continued)**

**2.12 Fund accounting**

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**3. Income from donations and legacies**

	<b>Restricted funds 2020 £000</b>	<b>Total funds 2020 £000</b>
Grants and donations	297	297

	<i>Restricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Grants and donations	1,070	1,070

**4. Income from charitable activities**

	<b>Unrestricted funds 2020 £000</b>	<b>Total funds 2020 £000</b>
Advancement of education in food and health sciences and the advancement of health	2,688	2,688

**QI PARTNERS**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**4. Income from charitable activities (continued)**

	<i>Unrestricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Advancement of education in food and health sciences and the advancement of health	1,171	1,171

**5. Investment income**

	<b>Unrestricted funds 2020 £000</b>	<b>Total funds 2020 £000</b>
Other interest receivable	10	10

	<i>Unrestricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Other interest receivable	21	21

**6. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2020 £000</b>	<b>Restricted funds 2020 £000</b>	<b>Total funds 2020 £000</b>
Advancement of education in food and health sciences and the advancement of health	2,698	803	3,501

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**6. Analysis of expenditure on charitable activities (continued)**

**Summary by fund type (continued)**

	<i>Unrestricted funds 2019 £000</i>	<i>Restricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Advancement of education in food and health sciences and the advancement of health	1,192	35,731	36,923

**7. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2020 £000</b>	<b>Total funds 2020 £000</b>
Advancement of education in food and health sciences and the advancement of health	3,501	3,501

	<i>Activities undertaken directly 2019 £000</i>	<i>Total funds 2019 £000</i>
Advancement of education in food and health sciences and the advancement of health	36,923	36,923

**QI PARTNERS**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**7. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Total funds 2020 £000</b>	<i>Total funds 2019 £000</i>
Depreciation	<b>667</b>	-
Audit and accountancy	<b>28</b>	29
Equipment	<b>19</b>	1,408
Loan interest	<b>145</b>	160
Relocation costs	-	151
Other	<b>3</b>	-
Catering subs	<b>61</b>	87
Telephone, fax & internet	<b>15</b>	15
Utilities	<b>563</b>	274
Insurance	<b>59</b>	50
Rent and rates	<b>135</b>	74
Intelligent client	<b>45</b>	41
Facilities maintenance	<b>1,445</b>	971
Tenant only costs	<b>5</b>	3
Lease of building to related parties	-	33,660
Security	<b>311</b>	-
	<b>3,501</b>	36,923

**8. Auditors' remuneration**

	<b>2020 £000</b>	<i>2019 £000</i>
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	<b>4</b>	6
Fees payable to the Charity's auditor in respect of:		
All non-audit services not included above	<b>1</b>	1



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**9. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 March 2020, no Trustee expenses have been incurred (2019 - £NIL).

**10. Tangible fixed assets**

	Freehold property £000	Fixtures and fittings £000	Soft furnishings £000	Total £000
<b>Cost or valuation</b>				
At 1 April 2019	23,188	1,421	690	25,299
At 31 March 2020	23,188	1,421	690	25,299
<b>Depreciation</b>				
Charge for the year	387	142	138	667
At 31 March 2020	387	142	138	667
<b>Net book value</b>				
At 31 March 2020	22,801	1,279	552	24,632
At 31 March 2019	23,188	1,421	690	25,299

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**NOTES TO THE FINANCIAL STATEMENTS  
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**11. Debtors**

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
<b>Due after more than one year</b>		
Trade debtors	<b>1,900</b>	<i>3,200</i>
	<b>1,900</b>	<i>3,200</i>
<b>Due within one year</b>		
Trade debtors	<b>1,306</b>	<i>2,219</i>
Other debtors	<b>117</b>	<i>-</i>
Prepayments and accrued income	<b>123</b>	<i>38</i>
	<b>3,446</b>	<i>5,457</i>

**12. Creditors: Amounts falling due within one year**

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Amounts owed to related parties	<b>984</b>	<i>1,300</i>
Trade creditors	<b>656</b>	<i>660</i>
Other taxation and social security	<b>-</b>	<i>803</i>
Accruals and deferred income	<b>718</b>	<i>2,085</i>
	<b>2,358</b>	<i>4,848</i>
	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Deferred income at 1 April 2019	<b>624</b>	<i>15,873</i>
Resources deferred during the year	<b>29</b>	<i>6,041</i>
Amounts released from previous periods	<b>(624)</b>	<i>(21,290)</i>
	<b>29</b>	<i>624</i>

**13. Creditors: Amounts falling due after more than one year**

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Other loans	<b>2,791</b>	<i>3,775</i>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**14. Statement of funds**

**Statement of funds - current year**

	Balance at 1 April 2019 £000	Income £000	Expenditure £000	Balance at 31 March 2020 £000
<b>Unrestricted funds</b>				
General Funds	-	2,698	(2,698)	-
<b>Restricted funds</b>				
Other capital grants	24,646	297	(803)	24,140
<b>Total of funds</b>	<u>24,646</u>	<u>2,995</u>	<u>(3,501)</u>	<u>24,140</u>

**Statement of funds - prior year**

	Balance at 1 April 2018 £000	Income £000	Expenditure £000	Balance at 31 March 2019 £000
<b>Unrestricted funds</b>				
General Funds	-	1,192	(1,192)	-
<b>Restricted funds</b>				
Other capital grants	59,307	1,070	(35,731)	24,646
<b>Total of funds</b>	<u>59,307</u>	<u>2,262</u>	<u>(36,923)</u>	<u>24,646</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**15. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	<b>Unrestricted funds 2020 £000</b>	<b>Restricted funds 2020 £000</b>	<b>Total funds 2020 £000</b>
Tangible fixed assets	-	24,632	24,632
Debtors due after more than one year	-	1,900	1,900
Current assets	29	2,728	2,757
Creditors due within one year	(29)	(2,329)	(2,358)
Creditors due in more than one year	-	(2,791)	(2,791)
<b>Total</b>	<b>-</b>	<b>24,140</b>	<b>24,140</b>

**Analysis of net assets between funds - prior period**

	<i>Unrestricted funds 2019 £000</i>	<i>Restricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Tangible fixed assets	-	25,299	25,299
Debtors due after more than one year	-	3,200	3,200
Current assets	629	4,141	4,770
Creditors due within one year	(629)	(4,219)	(4,848)
Creditors due in more than one year	-	(3,775)	(3,775)
<b>Total</b>	<b>-</b>	<b>24,646</b>	<b>24,646</b>

**QI PARTNERS**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**16. Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Net expenditure for the period (as per Statement of Financial Activities)	<b>(506)</b>	<b>(34,661)</b>
<b>Adjustments for:</b>		
Depreciation charges	<b>667</b>	<b>-</b>
Dividends, interests and rents from investments	<b>(10)</b>	<b>(21)</b>
Lease of building to related parties	<b>-</b>	<b>33,660</b>
Decrease/(increase) in debtors	<b>2,011</b>	<b>(5,399)</b>
Decrease in creditors	<b>(2,174)</b>	<b>(12,938)</b>
Capital grants receivable	<b>-</b>	<b>(1,070)</b>
Interest payable	<b>145</b>	<b>160</b>
<b>Net cash provided by/(used in) operating activities</b>	<b>133</b>	<b>(20,269)</b>

**17. Analysis of cash and cash equivalents**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Cash in hand	<b>1,211</b>	<b>2,513</b>
<b>Total cash and cash equivalents</b>	<b>1,211</b>	<b>2,513</b>

**18. Analysis of changes in net debt**

	<b>At 1 April</b>	<b>Cash flows</b>	<b>Other non-</b>	<b>At 31 March</b>
	<b>2019</b>	<b>£000</b>	<b>cash</b>	<b>2020</b>
	<b>£000</b>		<b>changes</b>	<b>£000</b>
Cash at bank and in hand	<b>2,513</b>	<b>(1,302)</b>	<b>-</b>	<b>1,211</b>
Debt due within 1 year	<b>(1,300)</b>	<b>1,300</b>	<b>(984)</b>	<b>(984)</b>
Debt due after 1 year	<b>(3,775)</b>	<b>-</b>	<b>984</b>	<b>(2,791)</b>
	<b>(2,562)</b>	<b>(2)</b>	<b>-</b>	<b>(2,564)</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**19. Operating lease commitments**

At 31 March 2020 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Not later than 1 year	<b>100</b>	<i>100</i>
Later than 1 year and not later than 5 years	<b>399</b>	<i>399</i>
Later than 5 years	<b>1,814</b>	<i>1,914</i>
	<hr/> <b>2,313</b> <hr/>	<hr/> <i>2,413</i> <hr/>

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Operating lease rentals	<hr/> <b>100</b> <hr/>	<hr/> <i>66</i> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**20. Related party transactions**

Quadram Institute Bioscience

The Quadram Institute Bioscience (QIB) is a related party by virtue of being a member of the charity. During the year, no further loan amount was drawn down (2019: £Nil). The loan is unsecured, and interest is charged at 3% per annum. During the year, interest of £145,249 was charged (2019: £160,407). The loan balance owed to QIB at the year end was £3,775,000 (2019: £5,075,000). Other purchases from QIB totalling £47,733 (2019: £Nil) were made during the year. Service charge income from QIB of £1,423,296 was received during the year (2019: £649,503). A further £99,000 (2019: £Nil) was received during the year in relation to post-completion costs for the QI building. At 31 March 2020 £31,617 (2019: £Nil) was owed to QIB by the charitable company.

UK Research and Innovation - Biotechnology and Biological Sciences Research Council ("BBSRC")

UK Research and Innovation - Biotechnology and Biological Sciences Research Council ("BBSRC") is a related party by virtue of being a member of the charity. During the year, QI Partners received capital grants of £Nil (2019: £1,070,000) from BBSRC. The balance owed to the charitable company by BBSRC at the period end is £nil (2019: £nil).

University of East Anglia

The University of East Anglia (UEA) is a related party by virtue of being a member of the charity. During the year, QI Partners received a grant of £99,000 (2019: £Nil) in relation to post-completion costs for the QI building. Other sales to UEA totalling £Nil (2019: £8,333) were made during the year. The balance owed to the charitable company by UEA at the year end was £nil (2019: £nil). Charges of £416,582 (2019: £84,237) were incurred during the year relating to the provision of intelligent client, security and cafe services. The balance owed to UEA at year end was £33,637 (2019: £nil).

Norfolk and Norwich University Hospital

The Norfolk and Norwich University Hospital (NNUH) is a related party by virtue of being a member of the charity. During the year, QI partners recognised lease premium payments from NNUH of £Nil (2019: £5,416,667) and service charges of £1,207,857 (2019: £482,900). A further £99,000 (2019: £Nil) was received during the year in relation to post-completion costs for the QI building. The balance owed to the charitable company by NNUH at the period end is £3,200,000 (2019: £5,419,120) in relation to lease premiums and service charges invoiced in advance. Purchases of £120,200 (2019: £Nil) were made from NNUH by the charitable company. At 31 March 2020 £Nil (2019: £Nil) was owed to NNUH.