

QUADRAM INSTITUTE BIOSCIENCE

Annual Report and Accounts

for the year ended 31 March 2020

Quadram Institute Bioscience is a company limited by guarantee and a registered charity: registered company number: 03009972; registered charity number: 1058499.

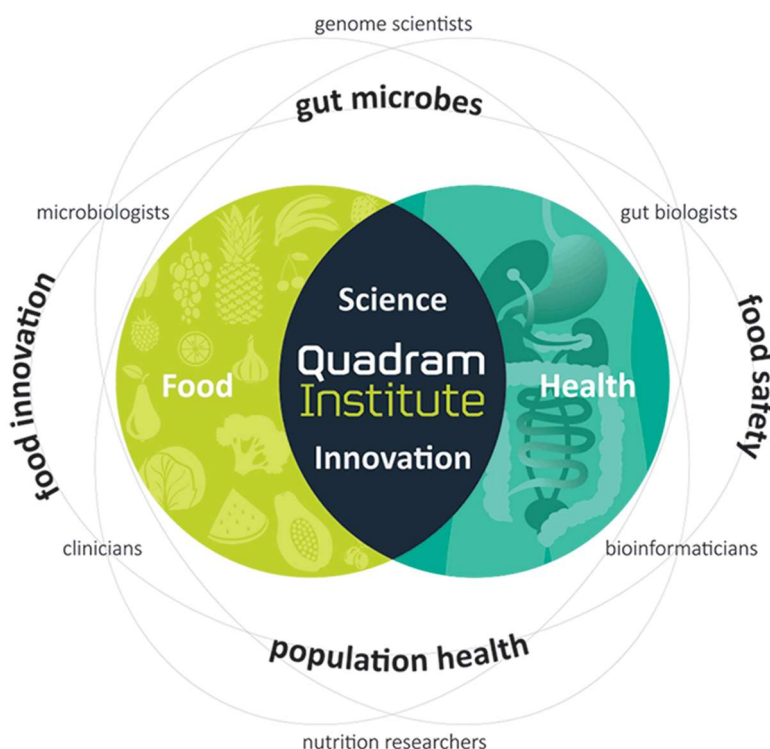
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THE QUADRAM INSTITUTE

Quadram Institute Bioscience is one of four founding partners in the establishment of the Quadram Institute – a new multi-million-pound food and health research centre that was 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. It brings together the Quadram Institute Bioscience research teams, the Norfolk and Norwich University Hospitals NHS Foundation Trust (NNUH) and the University of East Anglia (UEA), as well as NNUH's regional gastrointestinal endoscopy unit and a clinical research facility.



The new centre has been funded by the partners and the Biotechnology and Biological Sciences Research Council (BBSRC), part of UK Research and Innovation. The Quadram Institute has capacity for 300 research staff with 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 become a leading international hub for food and health research. It combines scientific excellence and clinical expertise, delivering patient care and accelerating innovation.

The Quadram Institute maximises the unique world-class bioscience cluster based at the Norwich Research Park, including excellent plant and microbial science at the John Innes Centre and The Sainsbury Laboratory and computational science and sequencing expertise at the Earlham Institute.

INTRODUCTION TO THE ANNUAL REPORT

The Quadram Institute Bioscience trustees (who are also directors in company law) are pleased to present their Annual Report together with the consolidated financial statements of the charity and its subsidiaries for the year ending 31 March 2020, which are also prepared to meet the requirements for a directors' report (incorporating a strategic report) and accounts for Companies Act purposes.

The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and with the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS102.

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT

QUADRAM INSTITUTE BIOSCIENCE

Quadram Institute Bioscience (QIB) is focussed on the relationship between food and health with an emphasis on the gut microbiota and the potentially pathogenic microorganisms that can be present in the food chain. QIB is delivering its vision of excellence, with an ambitious programme to increase the number of Research Leaders in the institute to 40 by 2024, attracting the best minds from around the world, funded by a combination of the Quadram Institute partners, other funding bodies and industry.

QIB will leverage BBSRC strategic funding to attract investment from other research councils, funding organisations and industry to become a world leading institute for food and health research. Moreover, it is forging links with other world-class academics to become a hub for national and international networks of related research organisations that promotes collaboration and training necessary to accelerate innovation and deliver solutions to UK and global food and health challenges.

REVIEW OF THE YEAR

This has been a very busy year for QIB. The laboratory moves from the old building were completed in time for the year start and its scientists hit the ground running. The PEARL and MOTION clinical studies have been among many to have been set up in the QI Clinical Research Facility and we have been delighted to be able to share our work with Sir John Kingman (Chair of UKRI) and Professor Chris Whitty (Chief Medical Officer) among others.

Just at year end QIB had to adapt to the UK being in lockdown as a result of the COVID-19 pandemic. However, QIB scientists, at the time of reporting, are playing significant roles in a number of UK COVID-19 response research projects and a number of researchers have been working in NHS laboratories to support testing.

Key milestones achieved in the year include:

- Launch of the NRP Biorepository;
- Completion of the BBSRC mid-term review of the QIB Institute Strategic Programme Grants;
- Recruitment to QIB of Group Leaders Professor Cynthia Whitchurch, Professor Martin Warren and Dr Nicol Janecko.

Scientific achievements during the year include:

- Fat levels in UK pork have dropped, as recorded by QIB's Food Databanks. The information was produced by the team in the first official testing for nearly 30 years. The study was co-funded by AHDB and Public Health England and the results reflect production changes including new pig breeds, changes in diet and supplementation, and newer cuts like pork medallions.
- QIB's Lindsay Hall has been part of a collaborative team that has been giving billions of live bacteria to boost the gut health of premature babies. The NNUH became one of the first hospitals in the UK to introduce daily probiotics dosing for Neonatal Intensive Care Unit babies on the back of growing evidence that adding live *Lactobacillus* and *Bifidobacterium* probiotic bacteria to milk reduces the number of cases of necrotising enterocolitis (NEC). A research report published by the team demonstrated how this may have helped halve the number of cases of NEC and sepsis, saving the lives of many vulnerable preterm babies.
- QIB researcher Simon Carding has initiated a new clinical study aimed at trialling a new way of treating Myalgic Encephalomyelitis (ME). The

study, called RESTORE-ME, is being funded thanks to the generous support of the charity Invest in ME Research. It will test the use of Faecal Microbiota Transplantation (FMT) to treat ME. There are around 250,000 people in the UK with ME. It causes widespread pain, extreme fatigue, an inability to concentrate and for a large proportion of people, gut disorders such as Irritable Bowel Syndrome (IBS). There is no cure and the causes of ME remain unknown. RESTORE-ME will transplant the microbiota from healthy donors into participants with ME who volunteer to take part.

- QIB scientist Stephen Robinson is studying whether certain antibiotics and probiotics could help prevent the spread of breast cancer. The Breast Cancer Now funded project is investigating whether using antibiotics or probiotics to change the composition of the bacteria in the gut could help prevent the disease spreading around the body, where it becomes incurable. It is hoped this research could influence which antibiotics are given to patients undergoing breast cancer treatment and identify whether probiotic drinks or supplements could be used to manipulate gut bacteria reducing the spread of breast cancer.
- QIB was pleased to support a roundtable event organised by the Think Tank Reform. Attended by QIB Director Ian Charles and chaired by Baroness Blackwood, Parliamentary Under-Secretary of State, Department Of Health And Social Care discussed 'The role of big data in transforming the NHS – practical steps forward.' The event explored the opportunities for government to work with leading universities and industry to realise the potential applications of Big Data in the NHS.
- Nathalie Juge and her group have uncovered a unique metabolic pathway that gives a *Ruminococcus gnavus*, a key member of the gut microbiota, a competitive advantage when colonising our bodies. As well as providing new information about the symbiotic relationship we have with our gut bacteria, uncovering this pathway may also provide new targets for biomarkers or therapies for conditions linked to imbalances in the microbiota.
- Tamas Korcsmaros led a team from QI and the Earlham Institute applying network analysis to organoids grown from human gut lining cells, to better understand the gene interactions that preserve the health of the gut lining. Organoids are a good model for understanding these complexities as they consist of different interacting cell types.
- QIB scientists have contributed to new research led by the University of East Anglia that shows how the human body powers its emergency response to Salmonella infection. Naiara Beraza was one of the researchers on the study, which reveals how blood stem cells respond in the first few hours following infection by acquiring energy from bone marrow support cells. It is hoped that the findings could help form new approaches to treating people with Salmonella and other bacterial illnesses.
- FOLIUM Science and QIB have joined forces in the fight against antimicrobial resistance Rob Kingsley and FOLIUM Science have worked together on an Innovate UK-funded project aimed at reducing pathogen contamination in livestock rearing. FOLIUM Science has developed unique technology, called Guided Biotics™, that can selectively remove undesirable and pathogenic bacteria from the food chain. The new collaboration is using bioinformatics to evaluate and optimise targeting of Guided Biotics™ to Salmonella.
- QIB is part of an international collaboration that is targeting *Salmonella enterica* serovar Typhi, the organism behind typhoid fever. They are using funding by Bill & Melinda Gates Foundation Global Grand Challenges Exploration fund to develop targeted improvements to sanitation to reduce transmission and burden of the disease on strained healthcare systems. Gemma Langridge and Alison Mather will investigate the impact of genome rearrangements on *S. Typhi* survival in water from high and low endemic regions in Fiji. The project will also address the significant challenge that *S. Typhi* cannot be cultured from water, hampering monitoring. Gemma Langridge and John Wain are also involved in a project investigating the persistence of *S. Typhi* in aquatic environments in Madagascar.
- Rob Kingsley is working with colleagues from the National Microbiology Reference Laboratory in Harare, Zimbabwe, to investigate the association between *S. Typhi* and minute single cell organisms called protists. The project will collect samples from areas with reduced drinking water quality and use sequencing techniques to study interactions between *S. Typhi* populations and protists to identify how survival strategies may have evolved.
- Quadram Institute is a partner in a new funding scheme that will train the scientists of the future. The first is the Norwich Research Park Biosciences Doctoral Training Partnership (NRPDTP), which has been awarded £12 million

to train the next generation of bioscientists. The funding award means the NRPDTP will be able to offer at least 32 PhD studentships per year for the next five years. The NRPDTP is one of 12 successful partnerships announced as part of a £170 million award from BBSRC, part of UK Research and Innovation.

- Quadram Institute is also one of the partners on a £5 million programme to study benefits of a plant-based diet. Led by the University of East Anglia and funded by the Wellcome Trust the 'Edesia: Plants, Food and Health' project will see PhD researchers from across the Norwich Research Park work to unravel the complex relationship between plant-based foods, metabolism, gut microbiota and health.
- Alison Mather has been recognised by the Medical Research Foundation, which awarded her its Emerging Leaders Prize. The prize celebrates outstanding scientists who are making a significant impact in the fight against antimicrobial resistance (AMR).
- Lindsay Hall has received the Wain Medal from the University of Kent. The accolade is given to an outstanding UK-based young scientist doing research in biochemistry.
- A team of QIB researchers, led by Ian Charles and Mark Webber, has developed a new genetic sequencing platform, which is uncovering genomic adaptations to common household antibacterials. TraDIS-Xpress simultaneously assays all of an organism's genes, identifying those that are essential for growth and those whose up-or down-regulation promotes or inhibits growth under different stresses. TraDIS-Xpress was deployed to shed light on how bacteria become sensitised or resistant to the common household antibacterial triclosan, finding previously unidentified genes of interest. TraDIS-Xpress could be of great use in other studies into bacterial adaptation to stressful environments.
- Martin Warren has been appointed as lead for the QIB Food Innovation and Health Strategic Programme. Martin has established his research group at QIB studying biosynthetic pathways of complex small molecules such as vitamin B12.
- QIB has welcomed Cynthia Whitchurch and she has set up a research group investigating the lifestyles of bacteria, and how these make them more infectious or resistant to antimicrobials. Her research has focused on biofilms, which are complex communities that microorganisms form by coming together on a surface. It led to the

discovery that extracellular DNA is required for biofilm development, and that this facilitates bacterial self-organisation. This knowledge is vital in the search for new ways to prevent and treat infections.

- Justin O'Grady, a QIB researcher, has with UEA colleagues developed a new rapid test that can diagnose pneumonia and other lower respiratory infections. The new test can detect infections in hours rather than days, thus improving patient care and slowing the spread of antimicrobial resistance. The test can also determine if the pathogens are resistant to any of the antibiotics used to treat these infections. This allows rapid treatment with targeted antibiotics, resulting in improved patient outcomes whilst reducing the use of broad-spectrum antibiotics and helping in the fight against antimicrobial resistance.
- Evelien Adriaenssens from QIB has contributed her expertise in virus classification to a new system to classify automatically thousands of new viruses being discovered by modern genomics. Bacteriophages, or phages, are viruses that infect bacteria. They can have a massive impact on their environment, from killing bacteria in the ocean thereby recycling their nutrients, to treatment of antibiotic-resistant bacterial infections. vConTACT 2.0, the new network-based tool developed at Ohio State University, will be invaluable for future taxonomic classification. It will help to classify rapidly the many phages discovered that are new to science, and with their pivotal role in human health and the environment, we need to know more about what they do and how they interact with the virosphere and other microbes in the microbiome.
- QIB's Head of Informatics, Andrew Page, is leading the Norwich involvement in the COVID-19 Genomics UK Sequencing Consortium. The £20M project involves the NHS, Public Health Agencies, Wellcome Sanger Institute, and numerous academic institutions. It is delivering large scale, rapid sequencing of the cause of the disease and sharing intelligence with hospitals, regional NHS centres and the Government. Samples from patients with confirmed COVID-19 are being sent to sequencing centres, including QIB for Norwich. The QIB team analyse COVID-19 samples and take a targeted sequencing-based approach to the genetic material to help identify any changes in the virus. By looking at the whole virus genome in confirmed cases of COVID-19, scientists can monitor changes in the virus at a national scale to understand how the virus is spreading and whether different strains are emerging. This will help clinical care of patients and save lives.

Public engagement

This year 40% of QIB personnel, from all career stages, participated in 98 public engagement activities. Simon Carding hosted a series of dialogue events with patients at community surgeries, and with members of the public at the Institute. This was supported by BBSRC funding from the Gut Microbes and Health ISPG. Measured outcomes included recruitment of volunteers for the MOTION clinical trial, guidance on RESTORE-ME trial development, and increased awareness by participants about QIB's current research on the role of the gut microbiome in health. Cathrina Edwards participated in the last of these dialogue events and was able to use the discussion to promote healthy eating and to inquire about potential

consumer acceptability of a novel food ingredient she is developing.

The first QIB artist in residence, Jennie Pedley, investigated alternative ways in which QIB researchers can communicate their science and produced an interactive art installation at the Norwich Science Festival that was extremely popular.

QIB has welcomed numerous visitors to the new QI building and supported various national news media articles, on-line knowledge exchange, television and radio broadcasts. QIB personnel have also delivered educational activities in schools and at public events and festivals, which included effective collaborations with charities and other NRP research institutes.

PLANS FOR 2020/21

Key priorities

- Delivery of academic excellence;
- Further recruitment of world class scientists;
- Further development of clinical and science interactions within Quadram Institute.
- Development of Knowledge Exchange Strategy by incoming Chief Business Officer.
- Development of Institute Strategic Programme Grant proposals for 2022-2027.

Quadram Institute continues to offer an amazing environment in which clinicians and scientists are

working together to turn research and innovation into positive patient outcomes.

The COVID-19 pandemic has led to significant changes in the way QIB works and the main priority at the start of the 2020/21 reporting period will be ensuring staff and student safety as they return from lockdown. There will also be project delays to overcome. Planning has been underway for some time, however, and QIB is moving forward with plans to be an international centre of excellence for gut health and nutrition.

GOING CONCERN

The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons:

The Trustees have prepared cash flow forecasts for the period to March 2025 which indicate that, taking account of reasonable possible downsides and that the anticipated impact of COVID-19 on the operations and its financial resources, the Institute will have sufficient funds to meet its liabilities as they fall due for that period.

The Institute is reliant on its strategic programme funding from BBSRC, which was £9.7m in the year (2019: £9.7m). BBSRC confirmed continued strategic funding at this level for the year to March 2021 plus provisional funding for a further two years to March 2023 subject to the next government spending review. The Institute fully expects its funding for the two years to March 2023 to be confirmed in early 2021 based on feedback from BBSRC.

Like most research organisations, the Institute's activities have been impacted by covid-19 measures. From late March 2020 until June 2020, the Institute's facilities were closed to all staff and students, except for essential work and activity supporting covid-19-

related testing and research. During this period, QIB staff and students have been able to operate effectively from home and, with facilities being re-opened progressively since then, the Institute has been able to successfully maintain its research programmes and projects with minimal financial impact. The Institute has considered the potential financial impact of continued restrictions for the next 12 months, including the potential for a second lockdown. Taking into account experience to date, business continuity arrangements and financial projections, the Institute considers the risk of a significant financial impact from covid-19 to be low.

The Institute has prepared income, reserves and cash flow forecasts to March 2025. The forecasts indicate that the Institute will have significant cash headroom over the period, with cash balances of at least £8m for the 12 months from the signing date of this Annual Report.

Consequently, the Trustees are confident that the Institute will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have been prepared the financial statements on a going concern basis.

FINANCIAL REVIEW

Key performance indicators

QIB's key financial performance indicators during the year were as follows:

<i>Consolidated</i>	2020	2019
	£m	£m
Income excluding capital grants	13.8	14.7
Unrestricted general & designated strategic reserves	11.0	11.1
Cash	16.6	18.0
Value of grant submissions	20.6	17.4
Value of grant awards	2.6	3.0

The main indicator of non-financial performance is Institute publications in relevant scientific journals, as described in 'scientific achievements' above.

Income

Total incoming resources for the year were £15.1m (2019: £15.8m), including £1.2m of capital funding (2019: £1.1m). Income excluding capital grants was £13.8m (2019: £14.7m).

QIB's principal sponsor is the BBSRC, which contributed 75% of total incoming resources (2019: 78%). Other major sources of funding were the European Union, UK government agencies and charities. An analysis of grant income by principal sponsor is included in the notes to the financial statements.

Expenditure

Total resources expended for the year amounted to £16.4m (2019: £15.4m). Staff costs accounted for £7.6m (46%) (2019: £6.7m; 44%) of expenditure.

Subsidiaries

QIB's trading subsidiary – QIB Extra Limited - contributed an operating profit of £97,000 (2019: £177,000).

Net Movement in Reserves

QIB recorded a net decrease in unrestricted reserves of £0.1m (2019: decrease of £0.4m).

Restricted reserves decreased by £1.2m (2019: increased by £0.9m) principally due to a transfer to unrestricted reserves on fulfilment of capital grant conditions.

Cash

Group cash at March 2019 was £16.6m (2019: £18.0m).

QIB deposits its cash with UK registered financial institutions that meet its credit rating policy and are subject to agreed counter-party limits. Investment income from cash deposits in the year was £165,000 (2019: £153,000).

Reserves position

Total group reserves decreased by £1.4m in the year to £35.3m (2019: increased by £0.4m to £36.7m).

Restricted reserves decreased by £1.2m to £4.1m (2019: increased by £0.9m), of which £1.6m relates to capital grant funding from BBSRC that may only be utilised on completion of performance conditions.

Unrestricted reserves decreased by £0.2m in the year to £31.1m (2019: £31.3m). Unrestricted reserves include the following:

- A building reserve of £4.4m has been designated to cover the outstanding loan advances to QI Partners (£3.8m) and planned expenditure in connection with the new building (£0.6m);
- A strategic reserve of £6.9m has been designated to cover planned strategic programme investment to support the development of the Quadram Institute. This reserve is anticipated to be mainly used between 2019 and 2022; and
- A general reserve of £4.1m (2019: £4.3m).

Reserves policy

QIB's reserves are held to support financial solvency, manage uncertainty and fund future activities. The level of reserves required by QIB is therefore determined by reference to:

- Future operational and capital expenditure requirements in the Business Plan to March 2025;
- Potential financial risks identified in the Business Plan and Risk Register;
- Potential funding required for strategic investments not included in the Business Plan;
- Working capital / liquidity requirements.

As noted above, £4.4m has been designated in connection with QIB's loan commitments and planned expenditure in respect of the new Quadram Institute building. A further £6.9m has been designated in connection with planned investment in science programmes.

The general reserve of £4.1m (2019: £4.3m) is above the minimum general reserves target of £3.0m set by the Trustees.

RISK ASSESSMENT AND MANAGEMENT

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 Institute is exposed. The Audit and Risk Committee agrees an annual risk-based internal audit plan which covers major risks identified by management and Trustees. It receives reports from internal auditors on the effectiveness of internal controls, progress against the internal audit plan and progress on recommendations made in reports. The Board reviews a full risk report annually, including a 'heat map' tracking major risks.

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

Risk area	Description of Risk	Management of Risk
Future BBSRC research funding	<ul style="list-style-type: none"> ➤ BBSRC strategic funding for institutes is reduced due to budgetary pressures. ➤ BBSRC strategic funding is reduced due to scientific performance. 	<ul style="list-style-type: none"> ➤ Regular monitoring of scientific performance against strategic programme objectives. ➤ Regular communication with BBSRC to report performance and ensure strategic alignment of research programmes.
Research income and sponsor diversification	<ul style="list-style-type: none"> ➤ QIB is unable to generate sufficient grant and commercial research income to support the costs of its research activities and infrastructure 	<ul style="list-style-type: none"> ➤ Investment in new research leader positions in progress. ➤ Communication Strategy being developed to increase sponsor awareness of the Quadram Institute.
Staff retention and recruitment	<ul style="list-style-type: none"> ➤ QIB is unable to retain or attract suitably skilled staff to enable it to deliver its science strategy. ➤ In addition to scientific impact, this risk area could also have an impact on the level of funding the Institute is able to attract. 	<ul style="list-style-type: none"> ➤ Strategy and action plans in place, aligned to development of Quadram Institute. ➤ Career development programmes in place to support high potential staff. ➤ Performance Management processes in place.
New Quadram Institute	<ul style="list-style-type: none"> ➤ Strategy for the new Quadram Institute is not agreed between the partners. ➤ The new Quadram Institute is not able to attract suitably skilled staff to enable it to deliver its strategy. ➤ Benefits from the project are not delivered. 	<ul style="list-style-type: none"> ➤ Governance arrangements in place. ➤ Strategy agreed and communicated. ➤ Recruitment plans in progress. ➤ Project plan in place, with identified work streams, terms of reference and appropriate partner representation. ➤ Project assurance framework in place.
New Building	<ul style="list-style-type: none"> ➤ QI facilities management arrangements are poor value for money. ➤ Inadequate investment leads to facilities that are not fit for purpose. ➤ QI building is not used by partners in line with QI mission. 	<ul style="list-style-type: none"> ➤ Building Services Committee established to monitor facilities management arrangements and tenant coordination. ➤ Building operating costs regularly reviewed and remedial actions agreed. ➤ Lifecycle maintenance plan agreed by the partners.
Technology investment	<ul style="list-style-type: none"> ➤ QIB is unable to keep pace with developments in technology underpinning its science. ➤ Funding is inadequate to sustain and improve technology facilities necessary to deliver scientific objectives. 	<ul style="list-style-type: none"> ➤ Technology strategy has been updated alongside strategy for the Quadram Institute. ➤ Capital funding awarded for the period to March 2022 as part of institute strategic grant award.
Compliance with sponsor funding requirements	<ul style="list-style-type: none"> ➤ QIB fails to comply with sponsor grant requirements resulting in a material financial impact. 	<ul style="list-style-type: none"> ➤ QIB is subject to regular reviews of its grant compliance processes from sponsors and the internal auditors.
Impact of leaving EU	<ul style="list-style-type: none"> ➤ QIB is not able to access EU programme funding or participate in EU research collaborations. ➤ QIB is not able to recruit or retain researchers from EU member countries. 	<ul style="list-style-type: none"> ➤ Regular dialogue with staff, BBSRC, EU partners and other key stakeholders on risks and emerging issues with respect to potential changes in arrangements.
COVID-19	<ul style="list-style-type: none"> ➤ Loss of research activity due to staff becoming ill, or not being able to attend work due to the COVID-19. ➤ Loss of income or additional costs incurred as a result of the impact of Covid-19 on activity. ➤ Failure of supply chain. 	<ul style="list-style-type: none"> ➤ Building has been reopened subject to strict H&S/risk management protocols. ➤ Business Continuity Group established to implement policies and oversee arrangements. ➤ UKRI funding received to mitigate impact on grants and studentships.

TRUSTEES' REPORT

GOVERNANCE AND MANAGEMENT

Organisation and governance

Quadram Institute Bioscience (referred to as "QIB", the "Institute", the "Charity" or the "Company") is a company limited by guarantee (registered number 03009972) and a registered charity (number 1058499). During the year, QIB was governed by its Memorandum and Articles of Association adopted on 31 July 2018.

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Board of Trustees

The Board of Trustees comprises an independent Chair, up to seven independent members and up to nine UEA-appointed members. The Trustees who served during the year and up to the date of signing these financial statements were:

Trustees	Sub-committees	Changes during the period
<i>At date of Report:</i>		
Dr C Caulcott (Chair)	Remuneration & Nomination Committee	-
Dr E Blair	Audit & Risk Committee; Remuneration & Nomination Committee	Appointed 14 May 2020
Prof F Lettice	Science Innovation & Advisory Committee (Chair)	Appointed 22 January 2020
Prof P Morgan	Remuneration & Nomination Committee (Chair)	-
Mr G Potter	Audit & Risk Committee	Appointed 14 May 2020
Dr E Robertson	Science Innovation & Advisory Committee	Appointed 14 May 2020
Mrs J Waterfield	Audit & Risk Committee (Chair)	Appointed 13 February 2020
<i>Served during the year:</i>		
Dr T Brears (Chair)	Remuneration & Nomination Committee	Resigned 14 May 2020
Prof G Dougan	-	Resigned 13 February 2020
Prof S Feast	Audit & Risk Committee	Resigned 28 November 2019
Prof S Walker	Audit & Risk Committee; Remuneration & Nomination Committee	Resigned 2 July 2020

The Board has established sub-committees to assist in exercising their company and charity stewardship responsibilities. The Audit and Risk Committee oversees internal controls, risk management and audit. The Remuneration and Nominations Committee considers remuneration, nominations, talent and succession.

The Science Innovation and Advisory Committee assists the development and maintenance of QIB's science in relation to direction, balance, strategy and quality.

Members

The Members are all guarantors of QIB, a company limited by guarantee and a registered charity, of an amount not exceeding £1. The Members of QIB during the year were:

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

UEA is entitled to appoint a majority of the members of the Board of Trustees and accordingly is deemed to be the company's parent undertaking and controlling party. BBSRC, UEA and NNUH each have the right to nominate an "observer" to attend Board meetings. Observers are not entitled to vote and do not hold any authorities.

Recruitment, induction and training of Trustees

The Remuneration and Nominations Committee leads the process for Board appointments and makes recommendations to the Board for the appointment of the Chair and Board Trustees. The appointment to Chair is made in agreement with the Members. The Committee makes recommendations to the Board on the Board's composition ensuring that the Board has an appropriate balance of skills, capabilities, expertise, experience and diversity to allow it to meet its strategic and organisational objectives.

The Institute advertises nationally for prospective Trustees to ensure appropriate expertise on the Board is maintained. The Institute will also approach individuals thought to have the right skills.

New Board Trustees are invited to spend time with members of the executive team. This is a chance to learn about the Institute and get more involved with the institute's work. In addition to the five formal meetings, all Trustees receive regular presentations from QIB's scientists and briefings on key issues.

Trustee remuneration

QIB remunerates Trustees where the Board considers payment is necessary to attract Trustees with specialist skills and experience. The power to remunerate Trustees is included in QIB's Articles of Association and has been approved by the Charities Commission. In 2019, Mr Steve West received remuneration of £2,175 in relation to his role as Chair of the QIB Audit Committee and assisting QIB Extra. No other Trustees received remuneration in the year in respect of their role as trustee director (2019: none). Four members of the Board of Trustees were reimbursed for travel expenses incurred during the year (2019: six). The total amount reimbursed was £690 (2019: £3,964).

Key Management Personnel

The Trustees delegate management of the day-to-day activities of the charitable company to the Institute Director and Executive Board, who are considered to be the key management personnel for the institute. The Executive Board (EB) works to support the Institute Director in developing scientific, financial, business and administrative policy and strategy. EB will monitor policy implementation and ensure that such policy is embedded in the day-to-day working of the Institute. EB is supported by the executive Science Strategy Board and the Management Forum.

EB membership during the year was as follows:

- Institute Director (EB Chair)
- Director of Operations
- Chief Business Officer
- Finance Director
- Leader Gut Health & Food Safety ISP
- Leader Microbes in the Food Chain ISP
- Leader Food and Health ISP
- Head of HR
- Head of Research Grants & Contracts
- Directorate Manager

Employees

QIB staff that joined before 1 October 2011 were employed by BBSRC up to 1 October 2017, when they transferred employment to the Institute under TUPE.

Transferred employees retain their membership of the Research Councils Pension Scheme (RCPS), where applicable, with QIB becoming an admitted employer in the scheme. The RCPS is a defined benefit scheme funded from annual grant-in-aid on a pay-as-you-go basis. The RCPS Pension Scheme is a multi-employer scheme and QIB is unable to identify its share of the underlying assets and liabilities. QIB therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Liabilities for the payment of future benefits are the responsibility of the RCPS and accordingly are not included in these Financial Statements.

QIB has recruited all new staff from October 2011 on its own terms and conditions, covering basic pay and allowances, contractual payments, tax, NI, and liabilities for pension contributions and redundancy. Such staff are eligible to join a defined contribution scheme.

QIB employs a number of group leaders jointly with UEA. Staff are employed under QIB terms & conditions, but are eligible to join The University Superannuation Scheme (USS). QIB is obliged to pay the prevailing employer contribution rate for staff in the USS, however it has no liability for scheme funding deficits.

Communication

QIB provides all staff with relevant information and seeks their views on matters of common concern through their representatives and through line managers. Priority is given to ensuring that employees are aware of all significant matters affecting QIB's position and any significant organisational changes

Equality and Diversity

It is the Institute's policy to provide equal opportunities to job applicants and employees of any race, nationality, ethnic origin, marital status, religion or belief, gender, disability, sexual orientation, age or employment status. The Institute does not condone or tolerate any form of discrimination in its recruitment or employment practices. All employees and applicants are treated on merit, fairly, with respect and dignity, recognised as individuals and valued for the contribution they make, provided fair and equal access to training, development, reward and progression opportunities and are accountable for the impact of their own behaviour and actions. All the Institute's policies follow these principles.

RELATED PARTIES

Subsidiaries

QIB's subsidiaries in the year were as follows:

- QIB Extra Limited (contract research);
- IFR Enterprises Limited (not trading);
- IFR NRP Capital Limited (dormant).

NBI Partnership

QIB has a 25% interest in NBI Partnership Limited ("NBIP"). NBIP supplies support and administrative services to QIB and the other Norwich Institutes (John Innes Centre, Earlham Institute and The Sainsbury Laboratory) on a not-for-profit basis. NBIP fully recharges its costs to the four research organisations and accordingly it generates no profit or loss.

QI Partners

QIB is a member of QI Partners along with BBSRC, UEA and NNUH. QI Partners has been established for the purposes of constructing and managing the new Quadram Institute building and providing such facilities for charitable use. QIB does not have any significant influence on QI Partners' financial and operating policies.

On 29 March 2019, QIB entered into a lease agreement for accommodation in the new Quadram Institute building from QI Partners.

QIB has agreed to provide QI Partners with a loan facility of £5.4m, which is repayable between November 2018 and August 2022. As at 31 March 2020, £3.8m of the facility was drawn down by QI Partners (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.

University of East Anglia (UEA)

University of East Anglia is a member of the charitable company. UEA is entitled to appoint a majority of the members of the Board of Trustees and accordingly is deemed to be the company's parent undertaking and controlling party. The majority of QIB PhD students are registered with the UEA.

Norfolk and Norwich University Hospitals NHS Foundation Trust (NNUH)

NNUH is a member of the charitable company. NNUH is entitled to appoint an observer to attend, speak and provide information to meetings of the Board of Trustees, however such observers have no right to vote at any such meeting.

Anglia Innovation Partnership LLP (AIP LLP)

QIB is a member of Anglia Innovation Partnership LLP (formerly Norwich Research Partners LLP) through its 100% subsidiary, IFR NRP Capital Limited. The objective of AIP LLP is to develop and sustain the

Norwich Research Park as an international centre for food, health, plant, microbial and environmental research, innovation and enterprise. QIB is entitled to receive a share of certain profits generated by AIP LLP, however it has no liability for losses or in the event of insolvency. AIP LLP has not yet generated any profits.

BBSRC

BBSRC is a member of the charitable company. BBSRC is entitled to appoint an observer to attend, speak and provide information to meetings of the Board of Trustees, however such observers have no right to vote at any such meeting.

QIB is strategically funded, along with seven other institutes, by BBSRC. BBSRC supports QIB via strategic programme funding programmes, competitively won project grants and capital funding for infrastructure and technology investments. The principal terms and conditions under which BBSRC provides its funding are set out in the Institute Grant Agreement. Key conditions include:

- BBSRC and the Institute shall meet at least annually to review and discuss the implementation and progress of the Institute's business, including strategic and financial plans.
- The Institute shall submit a draft Business Plan, covering a period of at least five years, for discussion.
- The Institute will demonstrate appropriate plans for the maintenance, renewal and development of the estate through a rolling 10-year Institute Estates Strategy covering capital projects, long term and routine maintenance.

BBSRC is part of UK Research and Innovation (UKRI), an organisation that brings together the UK's seven research councils, Innovate UK and Research England.

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES OF QUADRAM INSTITUTE BIOSCIENCE IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The trustees 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. Under that law they have are required to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 charitable company and of the group's excess of income over expenditure for that period. In preparing each of the group and charitable company financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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
- assess the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine

is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

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 Quadram Institute Bioscience to be charitable in nature.

Insurance Disclosure

The Institute 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

KPMG LLP have been appointed as auditors and a resolution has been passed by the Board, concerning their appointment as auditors.

On behalf of the Board of Trustees



Dr C Caulcott, Trustee Chair
11th December 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUADRAM INSTITUTE BIOSCIENCE

Opinion

We have audited the financial statements of Quadram Institute Bioscience ("the charitable company") for the year ended 31 March 2020 which comprise the [list primary statements using the titles used by the client] and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the charitable company or to cease their operations, and as they have concluded that the group and charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the trustees' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and charitable company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the charitable company will continue in operation.

Other information

The trustees are responsible for the other information, which comprises Trustees' report incorporating the strategic review. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company 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

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 3, 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group's and 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 they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.



Stephanie Beavis (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Dragonfly House
2 Gilders Way
Norwich
NR3 1UB
Date: 17 December 2020

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2020

(Incorporating an income and expenditure account)

	Note	Unrestricted funds £000	Restricted general funds £000	Restricted capital funds £000	Total 2020 £000	Total 2019 £000
Incoming resources						
<i>Income from Charitable activities</i>						
Grant income		-	12,143	-	12,143	11,780
Capital and maintenance grants		-	92	1,210	1,302	1,458
Other charitable income		313	190	-	503	1,374
<i>Income from other trading activities</i>						
Trading income		798	-	-	798	910
<i>Investment income</i>						
		312	-	-	312	316
Total income	2	1,423	12,425	1,210	15,058	15,838
Expenditure						
Charitable activities		(2,261)	(12,482)	(804)	(15,547)	(14,521)
Raising funds		(172)	-	-	(172)	(138)
Trading expenditure		(711)	-	-	(711)	(739)
Total expenditure	3	(3,144)	(12,482)	(804)	(16,430)	(15,398)
<i>Transfers</i>						
Capital transfers		1,645	-	(1,645)	-	-
Other transfers		(57)	57	-	-	-
Net income/(expenditure) and net movement in funds for the year		(133)	-	(1,239)	(1,372)	440
Funds brought forward	19	31,283	-	5,430	36,713	36,273
Funds carried forward	19	31,150	-	4,191	35,341	36,713

The Consolidated Statement of Financial Activities ("SoFA") includes all gains and losses recognised in the year. All incoming resources and expenditure relates to continuing activities.

The accompanying notes form part of these financial statements.

CONSOLIDATED AND CHARITABLE COMPANY BALANCE SHEETS

AS AT 31 MARCH 2020

		Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
	Note				
<i>Fixed assets</i>					
Tangible assets	9	18,364	15,881	18,363	15,880
Intangible assets	10	12	61	12	61
Total fixed assets		18,376	15,942	18,375	15,941
<i>Current assets</i>					
Stocks	12	-	32	-	32
Debtors	13	6,508	7,247	6,519	7,335
Cash at bank and in hand	14	16,595	17,999	16,385	17,551
		23,103	25,278	22,904	24,918
<i>Current liabilities</i>					
Creditors: amounts falling due within one year	15	(6,102)	(4,256)	(5,989)	(4,057)
Total net current assets		17,001	21,022	16,915	20,861
Total assets less current liabilities		35,377	36,964	35,290	36,802
Provisions for liabilities and charges	17	(36)	(251)	(36)	(251)
Total net assets	18	35,341	36,713	35,254	36,551
Funds of the charity					
<i>Unrestricted funds</i>					
Fixed assets reserve	19	15,746	14,196	15,739	14,189
Designated strategic reserves	19	6,921	6,781	6,921	6,781
Designated building reserves	19	4,375	6,025	4,375	6,025
General reserve	19	4,108	4,281	4,022	4,120
Total unrestricted funds		31,150	31,283	31,057	31,115
<i>Restricted funds</i>					
Fixed assets reserve	19	2,630	1,746	2,636	1,752
Capital reserve	19	1,561	3,684	1,561	3,684
Total restricted funds		4,191	5,430	4,197	5,436
Total charity funds	19	35,341	36,713	35,254	36,551

The financial statements on pages 15 to 31 were approved by the Board of Trustees on 11th December 2020 and were signed on its behalf by:



Dr C Caulcott, Trustee Chair

The accompanying notes form part of these financial statements.

Company registration number: 03009972

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Total 2020 £000	Total 2019 £000
Cash flow from operating activities		
Operating (deficit)/surplus	(1,372)	440
Interest receivable	(312)	(316)
Depreciation	804	711
Capital grants received	(1,302)	(1,458)
Loss/(Profit) on disposal of tangible assets	4	(34)
Decrease/(Increase) in stocks	32	(32)
Decrease in debtors	(561)	14,828
Increase/(Decrease) in creditors	1,846	(277)
(Decrease)/Increase in provisions	(215)	116
Net cash provided by operating activities	(1,076)	13,978
Cash flow from investing activities		
Interest received	312	316
Repayment/(Advance) of loan	1,300	325
Purchase of tangible assets	(3,242)	(15,103)
Purchase of Intangible assets	-	-
Disposal Proceeds	-	43
Capital grants received	1,302	1,458
Net cash used in investing activities	(328)	(12,961)
Cash flow from financing activities		
Prepayment of lease premium	-	-
Net cash used in financing activities	-	-
Change in cash and cash equivalents in the reporting period	(1,404)	1,017
Cash and cash equivalents at the beginning of the reporting period	14	17,999
Cash and cash equivalents at the end of the reporting period	14	16,595

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

a. Basis of preparation

The group accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and with the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS102.

The principal accounting policies adopted in these financial statements, which have been consistently applied, are as follows:

b. Basis of consolidation

The consolidated financial statements incorporate the financial statements of Quadram Institute Bioscience ("QIB") and all its subsidiary undertakings in accordance with Financial Reporting Standard ("FRS") 102 "Accounting for Subsidiary Undertakings".

The financial statements of all group undertakings and associates are made up to 31 March 2020.

QIB is one of four members of QI Partners ("QIP"). QIP is accounted for as an investment rather than an associate and has not been consolidated in the QIB financial statements on the basis that QIB does not have significant influence over QIP financial and operating policies.

QIB is one of four members of NBIP Partnership Limited ("NBIP"). The group accounts for NBIP as an associate, although in practice the company makes no profit or loss and has net assets of NIL, therefore has no impact on the Group financial statements.

A separate income and expenditure account has not been presented for QIB as this is exempted by Section 408 of the Companies Act 2006. The loss after tax of QIB was £1,297,000 (2019: profit of £544,000).

c. Going concern

The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons:

The Trustees have prepared cash flow forecasts for the period to March 2024 which indicate that, taking account of reasonable possible downsides and that the anticipated impact of COVID-19 on the operations and its financial resources, the Institute will have sufficient funds to meet its liabilities as they fall due for that period.

The Institute is reliant on its strategic programme funding from BBSRC, which was £9.7m in the year (2019: £9.7m). BBSRC has confirmed continued strategic funding at this level for the year to March 2021 plus provisional funding for a further two years to March 2023 subject to the next government spending review. The Institute fully expects its funding for the two years to March 2023 to be confirmed in early 2021 based on feedback from BBSRC.

Like most research organisations, the Institute's activities have been impacted by covid-19 measures. From late March 2020 until June 2020, the Institute's facilities were closed to all staff and students, except for essential work and activity supporting covid-19-related testing and research. During this period, EI staff and students have been able to operate effectively from home and, with facilities being re-opened progressively since then, the Institute has been able to successfully maintain its research programmes and projects with minimal financial impact. The Institute has considered the potential financial impact of continued restrictions for the next 12 months, including the potential for a second lockdown. Taking into account experience to date, business continuity arrangements and financial projections, the Institute considers the risk of a significant financial impact from covid-19 to be low.

The Institute has prepared income, reserves and cash flow forecasts to March 2024. The forecasts indicate that the Institute will have significant cash headroom over the period, with cash balances of at least £8m for the 12 months from the signing date of this Annual Report.

Consequently, the Trustees are confident that the Institute will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have been prepared the financial statements on a going concern basis.

d. Judgements in applying accounting policies and key sources of estimation

Preparation of the financial statements require management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- Depreciation, which has been charged in line with the accounting policy below. The amount of depreciation charged and net book value of the assets is included in Note 9.
- Intangible assets have been amortised in line with the accounting policy below and the net book value of the assets is included in Note 10.

e. Incoming resources

Charitable grant income represents grants received and receivable in the year from outside granting bodies and other miscellaneous income. Grants that provide core funding are recognised in the year in which entitlement passes. Grant funding received to undertake research is recognised in the year in which the obligation is fulfilled. Grant funding is released to match expenditure incurred during the year together with any related contributions towards overhead costs.

Trading income relates to the non-charitable services undertaken by QIB Extra Limited ("QIBX") and is recognised in accordance with the terms of the contracts entered into, reflecting the point at which the obligations of the company have been satisfied.

Investment income relates to interest receivable from treasury deposits and related party loans. The interest is recognised in the year in which it is earned.

Capital grants are recognised in the Consolidated Statement of Financial Activities ("SoFA") when entitlement passes, which is typically on receipt.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

Where income has been received in advance of conditions being met, the income is deferred until those conditions have been fully satisfied.

f. Resources expended

Expenditure on charitable activities represents the full cost of the research performed. It includes the cost of direct staff, consumable stocks and indirect costs apportioned on the basis of use.

Costs of generating funds represent the cost of obtaining funds for research, preparing grant applications and raising the profile of QIB. Costs incurred in preparing grant applications, which primarily comprise staff costs, have been approximated based upon a sample review of time taken to prepare the detailed applications.

Governance costs represent the necessary cost of compliance with statutory and constitutional requirements and any other costs which are not direct charitable expenditure.

Support costs have been wholly allocated to charitable activity expenditure based upon activity as indicated in note 4 to the financial statements.

g. Restricted funds

Where research at QIB is funded by grants with conditions attached to them, these are shown as restricted. Capital grants received and receivable together with other restricted funds received and receivable and used to purchase tangible assets are included within restricted funds.

A restricted fixed assets reserve has been established representing the net book value of fixed assets purchased from capital grants. The reserve is shown as restricted due to continuing conditions in connection with the capital grants and assets purchased.

Restricted reserves include a designated capital reserve of £1,561,000 (2019: £3,684,000) in connection with funding received from BBSRC, which may only be utilised on completion of performance conditions.

h. Unrestricted funds

These include the strategic programme grants from the Biotechnology and Biological Sciences Research Council ("BBSRC") and any other grants which do not have specific conditions attached to them.

A fixed assets reserve has been established within unrestricted reserves representing the net book value of fixed assets funded from unrestricted reserves.

Unrestricted reserves that have been designated by the Board for specific purposes are shown in separate designated reserves. As at March 2020, £11.3m (2019: £12.8m) of unrestricted reserves have been designated in relation to planned capital and science investment associated with the development of the Quadram Institute.

i. Capital Transfers

A transfer from unrestricted to restricted reserves equal to the depreciation charge for assets purchased from unrestricted reserves is made as a capital transfer.

A transfer from restricted to unrestricted reserves is made following the completion of performance conditions in connection with restricted capital grant activity.

j. Other Transfers

A transfer from restricted to unrestricted reserves is made following the completion of performance conditions in connection with restricted non-capital grant activity.

k. Tangible fixed assets and depreciation

Tangible assets are shown at cost or valuation less accumulated depreciation. The cost of tangible assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated to write off the cost or valuation less the estimated residual value of tangible assets by equal instalments over their estimated useful economic lives as follows:

Leasehold land and buildings	over lease term or useful life, if shorter;
Plant and machinery	5 years
Scientific apparatus and equipment	5 to 10 years
Motor vehicles	4 years
Other apparatus and equipment	3 to 5 years

The leasehold improvements have been depreciated over the shorter of their estimated economic life and the remainder of the lease period.

Tangible assets under construction are not depreciated until the asset is in full use.

l. Intangible fixed assets and amortisation

Computer Software development costs are recognised as intangible fixed assets at cost less amortisation and any provision for impairment. Intangible assets are amortised over the estimated life of the asset acquired less any residual value.

Amortisation is calculated to write off the cost or valuation less the estimated residual value of intangible assets by equal instalments over their estimated useful economic lives as follows:

Computer Software	3 to 5 years
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Intangible assets under construction are not amortised until the asset is in full use.

m. Cash balances held as grant co-ordinator

Cash balances held on behalf of the European Union in the charitable company's capacity as grant co-ordinator are included within cash on the charitable company's balance sheet, and details are disclosed in note 23 to the financial statements.

n. Stocks

Stocks are stated at the lower of cost and net realisable value. Provision is made, where necessary, for slow moving or obsolete stock.

o. Debtors

Debtors are non-interest bearing (excluding loan balances) and are stated at their nominal value, as reduced by appropriate allowances for estimated irrecoverable amounts.

Included in debtors is a loan (£3.8m) provided to QI Partners, which is repayable between November 2018 and August 2022. 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.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

p. Trade creditors

Trade creditors are non-interest bearing and are stated at their nominal value.

q. Provisions

A provision is recognised in the financial statements where there is a legal or constructive obligation to transfer economic benefit to a third party.

r. Staff and Pensions

All staff employed by QIB (formerly Institute of Food Research) on 30 September 2011 became BBSRC employees on 1 March 2012 and were deployed back to the Institute under conditions set out in the Deployment Agreement (the "Deployed Employees"). The Deployed Employees remained with the Institute on an exclusive and full-time basis and day-to-day direction and line management of the Deployed Employees was delegated to QIB, subject to the terms of the BBSRC Employment Contract. QIB retained responsibility for paying employment costs in relation to the Deployed Employees, including basic pay and allowances, contractual payments, tax, NI and pension contributions.

On 1 October 2017, Deployed Employees transferred employment to the Institute under TUPE.

Deployed Employees retain their membership of the Research Councils Pension Scheme (RCPS), where applicable, with QIB becoming an admitted employer in the scheme. The RCPS is a defined benefit scheme funded from annual grant-in-aid on a pay-as-you-go basis. The RCPS Pension Scheme is a multi-employer scheme and QIB is unable to identify its share of the underlying assets and liabilities. QIB therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Liabilities for the payment of future benefits are the responsibility of the RCPS and accordingly are not included in these Financial Statements.

QIB staff that joined after 30 September 2011 are eligible to join a defined contribution scheme.

The Company employs some staff jointly with the University of East Anglia. Staff are employed under QIB terms & conditions, but are eligible to join The University Superannuation Scheme (USS). QIB is obliged to pay the prevailing employer contribution rate for staff in the USS, however it has no liability for scheme funding deficits. Accordingly, these arrangements have been accounted for as defined contribution scheme.

s. Termination benefits

Redundancy payments are recognised as a liability and an expense only when the event is demonstrably committed to by either: a. termination of the employment of an employee or group of employees before the normal retirement date, or b. provision of termination benefits as a result of an offer made in order to encourage voluntary redundancy.

t. Operating Leases

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

u. Foreign currency transactions

The functional and reporting currency of the charity is pounds sterling.

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at year end exchange rates.

All gains and losses are taken to the Statement of Financial Activities in the year to which they relate.

v. Financial instruments

Financial assets and financial liabilities are recognised upon becoming a party to the contractual provisions of the instrument.

The group only enters into basic financial instrument transactions that result in financial assets and liabilities like trade and other accounts receivable and payable.

NOTES TO THE ACCOUNTS

2. ANALYSIS OF INCOMING RESOURCES

	Research activities £000	Other activities £000	Total 2020 £000	Total 2019 £000
Grant income				
BBSRC	10,017	-	10,017	10,059
Other government departments	471	-	471	496
European Union	403	-	403	368
Other grants	1,252	-	1,252	857
Total grant income	12,143	-	12,143	11,780
Capital and maintenance grants				
BBSRC				
Repairs & maintenance	-	-	-	-
Capital expenditure	1,302	-	1,302	1,458
Total capital grants	1,302	-	1,302	1,458
Other charitable income				
BBSRC	-	-	-	828
Miscellaneous income	-	503	503	546
Total other charitable income	-	503	503	1,374
Trading income				
QIB Extra	-	798	798	910
Total trading income	-	798	798	910
Investment income				
Interest receivable on cash deposits	-	165	165	153
Other interest receivable	-	147	147	163
Total investment income	-	312	312	316
Total incoming resources	13,445	1,613	15,058	15,838

QIB's activities consist principally of scientific research in the United Kingdom.

Included within income is income for restricted general funds of £12,425k (2019: £13,143k), and income for restricted capital funds of £1,210k (2019: £1,120k). All other income is unrestricted.

NOTES TO THE ACCOUNTS

3. ANALYSIS OF RESOURCES EXPENDED

	Note	Research activities £000	Student activities £000	Other activities £000	Total 2020 £000	Total 2019 £000
Direct charitable expenditure						
Staff costs		6,592	-	-	6,592	5,592
Direct costs		2,651	490	-	3,141	2,962
Depreciation		804	-	-	804	711
Repairs and maintenance of buildings		190	-	-	190	391
Governance costs		-	-	44	44	49
Support costs	4	4,534	242	-	4,776	4,816
Expenditure on charitable activities		14,771	732	44	15,547	14,521
Raising funds		-	-	172	172	138
Trading expenditure		-	-	711	711	739
Total resources expended		14,771	732	927	16,430	15,398

Included within expenditure is restricted general expenditure of £12,482k (2019: £11,965k), and restricted capital expenditure (depreciation) of £804k (2019: £711k). All other expenditure is unrestricted.

Staff costs are allocated based on time spent by staff. Depreciation is allocated based on the usage of assets. Other costs are allocated on the basis of their nature.

Analysis of governance costs	Total 2020 £000	Total 2019 £000
Staff costs	18	24
Other costs	26	25
Total governance costs	44	49

4. ALLOCATION OF SUPPORT COSTS

	Research activities £000	Student activities £000	Total 2020 £000	Total 2019 £000	Basis of Allocation
Lab management	142	8	150	86	Headcount
Institute management	590	33	623	565	Headcount
Scientific services	404	23	427	381	Headcount
Facilities management and utilities*	1,710	97	1,807	1,859	Headcount
Finance and Purchasing*	440	25	465	530	Headcount
Computing and Library*	427	24	451	408	Headcount
Human Resources*	152	9	161	124	Headcount
Public engagement	305	17	322	503	Headcount
Health and Safety*	99	6	105	94	Headcount
Other support services*	265	-	265	266	Headcount
Total support costs	4,534	242	4,776	4,816	

*Includes services supplied by NBI Partnership Limited (see note 22).

NOTES TO THE ACCOUNTS

5. TAXATION

Quadram Institute Bioscience is an exempt charity within the meaning of the Charities Act 2011 and as such is a charity within the meaning of section 506(1) of the Income and Corporation Taxes Act 1988 and is not subject to corporation tax in respect of its charitable activities.

The trading activities of the subsidiary companies are subject to corporation tax; however profits in the year are gifted to the charitable company resulting in a £nil (2019: £nil) tax charge payable.

There is no provision for deferred tax on fair value adjustments because any chargeable gains are applied to charitable objectives so no tax liability arises.

6. OPERATING SURPLUS/(DEFICIT)

Operating surplus/(deficit) is stated after charging/(crediting):

	Total 2020 £000	Total 2019 £000
Audit services:		
Fees payable for the audit of the charitable company and consolidated financial statements	22	21
Fees payable for the audit of the charitable company's subsidiaries pursuant to legislation	2	2
Non-audit services:		
Other fees payable to the charitable company's auditors	-	6
Depreciation	804	711
Hire of plant and equipment	48	45
Loss/(Profit) on disposal of tangible assets	4	(34)
(Gain)/Loss on foreign exchange translations	(21)	2

7. REMUNERATION OF THE BOARD OF TRUSTEES

QIB has been given approval by the Charities Commission to remunerate Trustees where the Board considers that payment is necessary to attract Trustees with specialist skills and experience. The power to remunerate Trustees is included in the QIB's Articles of Association.

No member of the Board of Trustees received remuneration from the group during the year for duties as a trustee (2019: one, Mr Steve West). Total trustee remuneration in the year was £nil (2019: £2,175).

Four members of the Board of Trustees were reimbursed for expenses incurred during the year (2019: Six). The total amount reimbursed was £690 (2019: £3,964).

NOTES TO THE ACCOUNTS

8. EMPLOYEE INFORMATION

The average monthly number of persons employed by or deployed to the group during the year, analysed by category, was as follows:

Group	2020 Number	2019 Number
Scientific	138	135
Office management and services	29	24
Total	167	159

The aggregate payroll costs of these persons were:

	2020 £000	2019 £000
	Note	
Wages and salaries	5,982	5,284
Redundancy payments	126	84
Social security costs	620	553
Other pension costs	21 843	761
Total	7,571	6,682

As required by the Statement of Recommended Practice applicable to charities, an analysis has been provided below of the number of staff who fall within staff cost bands (excluding pension cost) from £60,000 upwards:

Group and charitable company	2020 Number	2019 Number
£60,000 - £69,999	9	7
£70,000 - £79,999	7	5
£80,000 - £89,999	1	2
£90,000 - £99,999	1	1
£100,000 - £109,999	1	2
£110,000 - £119,999	2	1
£120,000 - £129,999	1	-
£150,000 - £159,999	-	1
Total	22	19

The number of staff with emoluments greater than £60,000 who are also members of the Research Councils' Pension Schemes was 5 (2019: 7). Six staff with emoluments greater than £60,000 are members of a Defined Contribution Pension Scheme (2019: six).

All staff employed by QIB on 30 September 2011 became BBSRC employees on 1 March 2012 and were deployed back to the Institute under conditions set out in the Deployment Agreement (the "Deployed Employees"). On 1 October 2017, Deployed Employees transferred employment to the Institute under TUPE. Transferring employees retain their membership of the Research Councils Pension Scheme, where applicable, with QIB becoming an admitted employer in the scheme.

QIB staff that joined after 30 September 2011 are employed under QIB terms & conditions.

The key management personnel of the parent charity, Quadram Institute Bioscience, comprise of the trustees and the members of the Executive Board. The total employee benefits of the key management personnel of the charity were £565,488 (2019: £730,178).

The key management personnel of the group comprise those of the charity and the key management personnel of the wholly owned subsidiary, QIB Extra Ltd. The key management personnel of QIB Extra Ltd are the Director of Operations and the Head of QIB Extra Operations. The costs of the key management personnel to QIB Extra was £45,737 (2019: £46,860). No staff costs were recharged in respect of this.

The employee benefits of the key management personnel for the group was £611,225 (2019: £777,038).

NOTES TO THE ACCOUNTS

9. TANGIBLE ASSETS

Group	Leasehold land and buildings £000	Plant, machinery and equipment £000	Apparatus and equipment £000	Assets under construction £000	Total £000
Cost/Valuation					
At 1 April 2019	14,140	-	9,367	654	24,161
Transfer	-	-	649	(649)	-
Additions	469	-	2,047	726	3,242
Disposals	-	-	(472)	(4)	(476)
At 31 March 2020	14,609	-	11,591	727	26,927
Accumulated Depreciation					
At 1 April 2019	-	-	8,280	-	8,280
Charge for the year	240	-	515	-	755
Disposals	-	-	(472)	-	(472)
At 31 March 2020	240	-	8,323	-	8,563
Net book value at 31 March 2020	14,369	-	3,268	727	18,364
Net book value at 31 March 2019	14,140	-	1,087	654	15,881

Charitable company	Leasehold land and buildings £000	Plant, machinery and equipment £000	Apparatus and equipment £000	Assets under construction £000	Total £000
Cost/Valuation					
At 1 April 2019	14,140	-	9,270	654	24,064
Transfer	-	-	649	(649)	-
Additions	469	-	2,047	726	3,242
Disposals	-	-	(472)	(4)	(476)
At 31 March 2020	14,609	-	11,494	727	26,830
Accumulated Depreciation					
At 1 April 2019	-	-	8,184	-	8,184
Charge for the year	240	-	515	-	755
Disposals	-	-	(472)	-	(472)
At 31 March 2020	240	-	8,227	-	8,467
Net book value at 31 March 2020	14,369	-	3,267	727	18,363
Net book value at 31 March 2019	14,140	-	1,086	654	15,880

All of the tangible assets of the charitable company are used for charitable purposes.

Assets under construction represent capital items which are not yet in full economic use.

NOTES TO THE ACCOUNTS

10. INTANGIBLE ASSETS

Group and charitable company	Software development £000	Total £000
Cost/Valuation		
At 1 April 2019	147	147
Additions	-	-
Disposals	-	-
At 31 March 2020	147	147
Accumulated Depreciation		
At 1 April 2019	86	86
Charge for the year	49	49
Disposals	-	-
At 31 March 2020	135	135
Net book value at 31 March 2020	12	12
Net book value at 31 March 2019	61	61

The intangible asset relates to internally generated research software.

11. INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

Subsidiaries

The following are the operating subsidiary undertakings in which the charitable company has an interest:

Subsidiary Undertaking	Registration number	Country of registration	Principal activity	Class and percentage of shares held
QIB Extra Limited	06500711	England	Contract research	100% ordinary shares
IFR Enterprises Limited	03398534	England	Dormant	100% ordinary shares
IFR NRP Capital Limited	0813248	England	Dormant	100% ordinary shares

The charitable company owns 100% of the ordinary share capital of IFR Enterprises Limited (cost: £3), QIB Extra Limited (cost: £100) and IFR NRP Capital Limited (cost: £1), all of which are incorporated in England. The subsidiaries are used for trading activities.

The companies' results for the year were as follows:

	IFR Enterprises Limited £000	QIB Extra Limited £000	IFR NRP Capital Limited £000	Total 2020 £000	Total 2019 £000
Profit and loss account					
Turnover	-	808	-	808	916
Cost of sales	-	(477)	-	(477)	(549)
Gross profit	-	331	-	331	367
Administrative expenses	-	(234)	-	(234)	(190)
Operating profit retained in subsidiary	-	97	-	97	177

In addition to the above, £172,059 (2019: £280,776) in Gift Aid was paid to the charitable company in the year.

The charitable company has committed to provide financial support to QIB Extra Limited ("QIBX"), and not demand repayment of amounts due to it, in order to enable QIBX to meet its liabilities as they fall due – but only to the extent that money is not otherwise available to the company to meet such liabilities – for a period of at least 12 months from the signing of the financial statements of QIBX for the year ended 31 March 2020.

IFR NRP Capital Limited is a member of Anglia Innovation Partnership LLP, which is responsible for the management and development of the Norwich Research Park (NRP) estate and for the furtherance of the NRP Enterprise Vision. IFR NRP Capital Limited did not trade during the year.

NOTES TO THE ACCOUNTS

12. STOCK

Group and charitable company	Total 2020 £000	Total 2019 £000
Raw materials and consumables	-	32
Total	-	32

13. DEBTORS

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
	Note			
<i>Grants receivable:</i>				
from government bodies		548	164	548
from other sources		963	678	963
Trade debtors		84	247	11
Amounts owed by subsidiary undertakings		-	-	89
Amounts owed by other related parties	22	4,347	5,385	4,346
Other debtors		178	84	178
Prepayments and accrued income		388	689	384
Total amounts falling due within one year		6,508	7,247	6,519

Included in the above amounts is £3,775k (2019: £5,075k) unsecured loan to QI Partners, of which £2,150k is repayable in over one year. Interest is payable on the loan at a rate of 3.0% per annum.

14. CASH AT BANK AND IN HAND

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Cash at bank	16,593	17,996	16,383	17,548
Cash in hand	2	3	2	3
Total	16,595	17,999	16,385	17,551

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
	Note			
<i>Grants received in advance:</i>				
from government bodies		793	1,171	793
from other sources		1,485	543	1,473
Amounts owed to subsidiary undertakings		-	-	-
Amounts owed to other related parties	22	853	314	853
Trade creditors		498	297	486
Other creditors		1,106	840	1,100
Accruals and deferred income		1,206	966	1,123
Taxation and social security		161	125	161
Total amounts falling due within one year		6,102	4,256	5,989

NOTES TO THE ACCOUNTS

16. RECONCILIATION OF MOVEMENT IN GRANTS RECEIVABLE

Group	Note	Total 2020 £000	Total 2019 £000
Grants receivable	13	1,511	842
Grants received in advance	15	(2,278)	(1,714)
Net grants received in advance		(767)	(872)
Net grants received in advance at beginning of year		(872)	(586)
Grant monies received during the year		(12,541)	(13,440)
Grant money released to SOFA during the year		12,646	13,154
Net grants received in advance at end of year		(767)	(872)

17. PROVISIONS FOR LIABILITIES AND CHARGES

Group and charitable company	Dilapidations provision £000	Total 2020 £000	Total 2019 £000
Provision at beginning of year	251	251	135
(Credit)/Charge in the year	(34)	(34)	116
Utilised	(181)	(181)	-
Provision at end of year	36	36	251

The dilapidations provision relates to expected remedial costs to be incurred by QIB when it relocated to the Quadram Institute in 2019.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Fixed assets £000	Net current assets £000	Creditors over one year and provisions £000	Total 2020 £000
<i>Unrestricted:</i>				
Fixed assets reserve	15,746	-	-	15,746
Designated strategic reserve	-	6,921	-	6,921
Designated building reserve	-	4,375	-	4,375
General	-	4,144	(36)	4,108
<i>Restricted:</i>				
Fixed assets reserve	2,630	-	-	2,630
Capital reserve	-	1,561	-	1,561
Net assets	18,376	17,001	(36)	35,341
Charitable company				
<i>Unrestricted:</i>				
Fixed assets reserve	15,739	-	-	15,739
Designated strategic reserves	-	6,921	-	6,921
Designated building reserves	-	4,375	-	4,375
General	-	4,058	(36)	4,022
<i>Restricted:</i>				
Fixed assets reserve	2,636	-	-	2,636
Capital reserve	-	1,561	-	1,561
Net assets	18,375	16,915	(36)	35,254

The unrestricted fixed assets reserve relates to the net book value of fixed assets purchased from unrestricted funds. The restricted fixed assets reserve relates to the net book value of fixed assets purchased from capital grants.

NOTES TO THE ACCOUNTS

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

The unrestricted designated strategic reserve relates to funds designated by the Board for use in relation to planned science investment associated with the new Quadram Institute. The designated building reserve represents the loan advances to QI Partners (£3.8m) and planned building expenditure (£0.6m).

The restricted capital reserve is not an endowment fund, but represents capital funding received, from BBSRC, that may only be utilised on fulfilment of certain grant conditions.

19. ANALYSIS OF FUNDS MOVEMENTS

	Unrestricted fixed assets	Unrestricted designated strategic	Unrestricted designated building	Unrestricted general	Restricted fixed assets	Restricted capital	Total 2020
	£000	£000	£000	£000	£000	£000	£000
Group							
At 1 April 2019	14,196	6,781	6,025	4,281	1,746	3,684	36,713
Deficit for the year	-	(1,239)	-	(539)	406	-	(1,372)
Designated reserve transfers	-	1,300	(1,300)	-	-	-	-
Depreciation transfer	(689)	-	-	-	689	-	-
Capital transfers	2,239	350	(350)	95	(211)	(2,123)	-
Other transfers	-	(271)	-	271	-	-	-
At 31 March 2020	15,746	6,921	4,375	4,108	2,630	1,561	35,341
Charitable company							
At 1 April 2019	14,189	6,781	6,025	4,120	1,752	3,684	36,551
Deficit for the year	-	(1,239)	-	(464)	406	-	(1,297)
Designated reserve transfers	-	1,300	(1,300)	-	-	-	-
Depreciation transfer	(689)	-	-	-	689	-	-
Capital transfers	2,239	350	(350)	95	(211)	(2,123)	-
Other transfers	-	(271)	-	271	-	-	-
At 31 March 2020	15,739	6,921	4,375	4,022	2,636	1,561	35,254

Capital transfers include a movement between unrestricted to restricted reserves equal to the depreciation charge for assets purchased from unrestricted reserves and a transfer from restricted to unrestricted reserves following the completion of performance conditions in connection with restricted capital grant activity.

The designated reserve transfer relates to costs incurred in the year that have been set against the designated strategic reserve.

“Other transfers” relates to the transfer from restricted to unrestricted funds following the completion of performance conditions in connection with restricted non-capital grant activity.

20. COMMITMENTS

	Total 2020	Total 2019
	£000	£000

Capital commitments at the end of the financial year for which no provision has been made:

Contracted	66	896
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Amounts due under other operating leases for plant and machinery:

Within one year	-	1
Between one and two years	-	1
Between two and five years	-	3
	-	5

NOTES TO THE ACCOUNTS

21. PENSION SCHEMES

All staff employed by QIB on 30 September 2011 became BBSRC employees on 1 March 2012 and were deployed back to the Institute under conditions set out in the Deployment Agreement (the "Deployed Employees"). On 1 October 2017, Deployed Employees transferred employment to the Institute under TUPE.

Deployed Employees retain their membership of the Research Councils Pension Scheme (RCPS), where applicable, with QIB becoming an admitted employer in the scheme. The RCPS is a defined benefit scheme funded from annual grant-in-aid on a pay-as-you-go basis. The RCPS Pension Scheme is a multi-employer scheme and QIB is unable to identify its share of the underlying assets and liabilities. QIB therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Liabilities for the payment of future benefits are the responsibility of the RCPS and accordingly are not included in these Financial Statements. The employer contribution rate during the year was 26% (2019: 26%).

QIB employees that joined after 30 September 2011 are eligible to join a defined contribution scheme.

The Company employs some staff jointly with the University of East Anglia. Staff are employed under QIB terms & conditions but are eligible to join The University Superannuation Scheme (USS). QIB is obliged to pay the prevailing employer contribution rate for staff in the USS, however it has no liability for scheme funding deficits. Accordingly, these arrangements have been accounted for as defined contribution scheme.

The total pension charge for the year was £843,702 (2019: £761,105), with outstanding contributions at the year-end of £66,651 (2019: £31,889).

22. RELATED PARTY TRANSACTIONS

The charitable company has taken advantage of the exemption under FRS102, not to disclose transactions and balances with its wholly owned subsidiaries.

Biotechnology and Biological Science Research Council (Member)

The charitable company is strategically funded by BBSRC along with seven other Institutes. QIB charged BBSRC £324,351 (2019: £65,530) for staff redundancy costs incurred during the year.

Grants received from BBSRC are detailed in note 2.

As at 31 March 2020, BBSRC owed £455,513 (2019: £163,996) to QIB, and QIB owed BBSRC £29,998 (2019: £1,451,172).

BBSRC is part of UK Research and Innovation (UKRI), an organisation that brings together the UK's seven research councils, Innovate UK and Research England.

University of East Anglia (Member)

University of East Anglia ("UEA") is a member of the charitable company. UEA is entitled to appoint a majority of the members of the Board of Trustees and accordingly is deemed to be the company's parent undertaking and controlling party.

UEA invoiced QIB £1,058,413 (2019: £1,028,588) for salaries and other charges and QIB invoiced UEA £264,286 (2019: £113,991) for services.

As at 31 March 2020, the UEA owed QIB £435,874 (2019: £136,910) and QIB owed UEA £318,736 (2019: £160,479).

Norfolk and Norwich University Hospitals NHS Foundation Trust (Member)

Norfolk and Norwich University Hospitals NHS Foundation Trust (NNUH) is a member of the charitable company.

During the year NNUH invoiced QIB £687,321 for services and capital costs (2019: £8,409) and QIB invoiced £30,470 (2019: £75,125) for grant related costs. As at 31 March 2020, NNUH owed QIB £10,457 (2019: £53,944) and QIB owed NNUH £357,505 (2019: £253).

NBI Partnership Limited (Associate)

The charitable company is one of four members and guarantors of NBI Partnership Limited ("NBIP"), a company limited by guarantee. QIB has provided short-term loans to NBIP to enable NBIP to manage its cash requirements. At 31 March 2020, QIB had a loan balance with NBIP of £92,000 (2019: £113,000).

During the year, QIB received services totalling £1,400,196 (2019: £1,796,366), received interest from NBIP of £1,840 (2019: £2,260) and invoiced NBIP £nil (2019: £211) for other services. As at 31 March 2020, QIB owed NBIP £123,141 (2019: £153,563) and NBIP owed QIB £1,840 (2019: £nil).

NOTES TO THE ACCOUNTS

22. RELATED PARTY TRANSACTIONS (CONTINUED)

QI Partners (Associate)

The charitable company is one of four members and guarantors of QI Partners, a charitable company limited by guarantee.

QIB has agreed to provide QI Partners with a loan facility of £5,400,000, which is repayable between November 2018 and August 2022. As at 31 March 2020, £3,775,000 of the facility has been drawn down by QI Partners (2019: £5,075,000). Interest is payable on the loan at a rate of 3.0% pa.

During the year, QIB invoiced QI Partners £47,733 (2019: £nil) for the transfer of the benefits in, and the recharge of the costs of the supplies received by QIB in respect of the Quadram Institute building. QIB also invoiced QI Partners £145,249 (2019: £160,407) for interest on its loan. As at 31 March 2020, QI Partners owed QIB £31,617 (2019: £nil).

QI Partners has invoiced QIB for service charges totalling £1,305,553 (2019: £1,103,912) in relation to the new accommodation. As at 31 March 2020, QIB owed QI Partners £nil (2019: £nil).

QIB does not have any significant influence on QI Partners' financial and operating policies.

Anglia Innovation Partnership LLP

QIB is a member of Anglia Innovation Partnership LLP ("AIP LLP") through its 100% subsidiary, IFR NRP Capital Limited. AIP LLP is responsible for the management and development of the Norwich Research Park (NRP) estate and for the furtherance of the NRP Enterprise Vision. During the year, QIB was charged £23,783 (2019: £55,864) for estate costs and services and QIB charged AIP £29,225 for utility costs (2019: £nil). As at 31 March 2020, QIB owed AIP LLP £23,783 (2019: £nil).

23. CASH HELD AS EUROPEAN GRANT CO-ORDINATOR

The charitable company holds cash on behalf of the European Union in its capacity as project co-ordinator on a number of projects. It acts as an intermediary only and does not control the risks and rewards associated with the cash balances. Cash balances of £854,522 (2019: £670,728) in relation to this are included within the balance sheet.

24. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The trustees consider that the ultimate parent undertaking and controlling party is the University of East Anglia, by virtue of its right under the Articles of Association to appoint a majority of the company's directors.

QIB is the parent undertaking of the smallest group of undertakings to consolidate these financial statements, and the University of East Anglia is the parent undertaking of the largest group of undertakings to consolidate these financial statements.

REFERENCE AND ADMINISTRATIVE DETAILS

Directors and Trustees

Dr C Caulcott	Chair – Board
Dr E Blair	
Prof F Lettice	Chair – Science Innovation and Advisory Committee
Prof P Morgan	Chair – Remuneration and Nomination Committee
Mr G Potter	
Dr E Robertson	
Mrs J Waterfield	Chair – Audit and Risk Committee

Director of the Institute Professor I Charles

Company Secretary Mr D Foreman

Key Management Personnel

Prof I Charles
Mr G Brown
Prof S Carding
Mr D Foreman
Dr P Hart
Mr B Morrison
Ms A O'Halleron
Prof J Wain
Prof M Warren
Dr R Wilson

Registered charity number 1058499

Registered company number 03009972

Registered office and principal office of the charity

Norwich Research Park
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Independent auditors

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Chartered Accountants and Statutory Auditors
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St James Place
Norwich
NR3 1UB

Bankers

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54 Lombard Street
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EC3V 9EX