

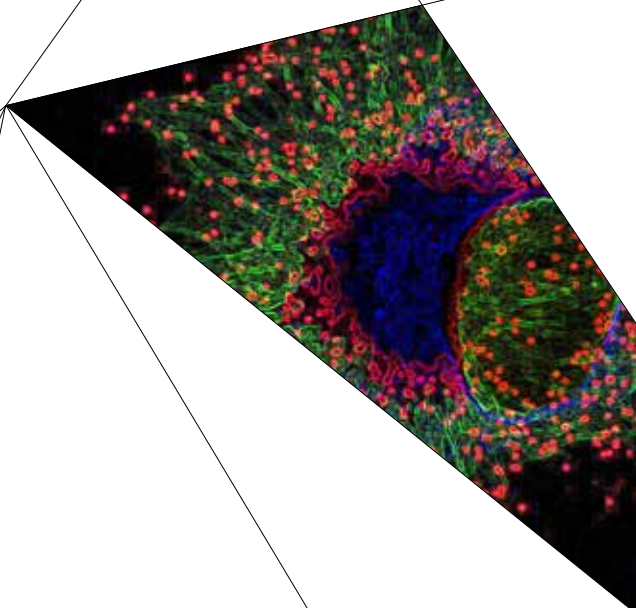


THE FRANCIS CRICK INSTITUTE LIMITED
A COMPANY LIMITED BY SHARES

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 March 2017

Charity registration number: 1140062
Company registration number: 6885462



The Francis Crick Institute is a biomedical discovery institute dedicated to understanding the fundamental biology underlying health and illness. Our work is helping to understand why disease develops and to translate this into new ways to prevent, diagnose and treat illnesses such as cancer, heart disease, strokes, infections, and neurodegenerative diseases.

For more information www.crick.ac.uk

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TRUSTEES' REPORT

(INCORPORATING THE STRATEGIC REPORT AND DIRECTORS' REPORT)

The trustees present their annual directors' report together with the consolidated financial statements for the charity and its subsidiary (together, 'the Group') for the year ended 31 March 2017, which are prepared to meet the requirements for a directors' report and financial statements for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS102) effective 1 January 2015 (Charity SORP).

The trustees' report includes the additional content required of larger charities.

REFERENCE AND ADMINISTRATIVE DETAILS

The Francis Crick Institute Limited ('the charity', 'the institute' or 'the Crick') is registered with the Charity Commission, charity number 1140062. The charity has operated and continues to operate under the name of the Francis Crick Institute. The Francis Crick Institute is a public benefit entity.

Charity number: 1140062
Company number: 6885462
Registered office: 1 Midland Road, London NW1 1AT

Advisers

Auditor	Deloitte LLP	Abbots House, Abbey Street, Reading RG1 3BD
Bankers	HSBC Bank plc	31 Holborn Circus, London EC1A 4DD
Solicitors	CMS Cameron McKenna LLP	Mitre House, 160 Aldersgate Street, London EC1A 4DD
	Herbert Smith Freehills LLP	Exchange House, Primrose Street, London EC2A 2EG
Internal auditor	KPMG LLP	15 Canada Square, London E14 5GL

Directors and trustees

The directors of the charitable company are its trustees for the purposes of charity law.

	Appointed	Resigned	Appointment
Sir David Cooksey (Chair)			Independent
Kate Bingham	8 May 2017		Independent
Professor Doreen Cantrell			Medical Research Council
Professor Margaret Dallman			Imperial College London
Dr Jeremy Farrar			Wellcome Trust
Dr Lynne Gailey		8 May 2017	Independent
Professor Peter Gruss			Independent
Sir Harpal Kumar			Cancer Research UK
Professor Sir Robert Lechler	7 July 2016		King's College London
Professor David Lomas			University College London
Christopher Mottershead		7 July 2016	King's College London
Lord Willetts			Independent
Philip Yea			Independent

Sir David Cooksey has indicated his intention to resign on 1 August 2017, and the institute expects to appoint Lord Browne as his successor.

Organisational management and responsibilities of the Board

The trustees are responsible for ensuring that the charity's aims are being met. The trustees set strategy, decide priorities, establish funding policies and allocate budgets. The trustees develop and agree the overall scientific strategy and policies related to biomedical research and innovation and monitor and review risk, progress and performance.

The Board has established sub-committees to assist with its responsibilities as follows:

Audit and Risk Committee

The Audit and Risk committee reviews matters of internal control, risk, compliance with reporting requirements, and liaison with, and monitoring of, internal and external auditors

Philip Yea (Chair)
Kate Bingham Appointed 8 May 2017
Dr Lynne Gailey Resigned 8 May 2017
Christopher Mottershead Resigned 7 July 2016; Reappointed 7 October 2016

TRUSTEES' REPORT CONTINUED

(INCORPORATING THE STRATEGIC REPORT AND DIRECTORS' REPORT)

Remuneration Committee

The Remuneration Committee reviews remuneration matters, setting the overall pay policy for the institute, setting pay for the Executive Committee, and deciding on overall annual salary increases.

Dr Lynne Gailey (Chair)
Sir David Cooksey
Dr Jeremy Farrar
Professor David Lomas
Lord Willetts

Nominations Committee

The Nominations Committee reviews and approves key non-executive appointments.

Sir David Cooksey (Chair)
Professor Margaret Dallman
Dr Jeremy Farrar
Lord Willetts

The executive team, led by the Chief Executive Officer, Sir Paul Nurse, reports directly to the trustees and is responsible for the day-to-day management of the charity's operations and activities.

Executive Committee

Sir Paul Nurse*	Chief Executive Officer
Dr David Roblin*	Chief Operating Officer and Director of Scientific Translation
Melanie Chatfield*	General Counsel
Jonathan Wood*	Director of Communications (Acting)
Dr Steven Gamblin*	Director of Science Operations
Professor Malcolm Irving	University Partner Liaison
Stéphane Maikovsky*	Chief Financial Officer
Sir Richard Treisman*	Research Director

* Key management personnel.

Dr David Roblin will step down from his executive role later in 2017, but will retain a role for two days a month as Senior Scientific Translation Fellow, advising the Board and the Executive Committee. Dr Samantha Barrell will join the Crick as his replacement as Chief Operating Officer.

There is a clear organisation structure, with documented lines of authority and responsibility for control. The trustees approve the annual budget and expenditure targets, and monitor actual and forecast budgets and cash flows.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is a charitable company limited by shares.

Governing document

The charity is governed by its Articles of Association originally adopted on 20 January 2011, revised on the accession of new shareholders on 14 October 2011, and again on 4 December 2015.

Trustees

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

Each of the charity's six shareholders nominates a trustee, and there are five independent trustees including the Chair. Independent trustees are chosen from a variety of backgrounds for their skills and experience. A tailored induction programme is provided for trustees on appointment. Trustees act on a voluntary basis and are not remunerated.

Related parties

The charity's shareholders are Cancer Research UK, the Medical Research Council, Wellcome Trust, University College London, Imperial College London and King's College London. The shareholders have entered into a Joint Venture Agreement which, inter alia, establishes the basis on which funding will be made available to the charity. The charity has a wholly owned subsidiary (UKCMRI Construction Limited) which exists to design and construct the building for the new institute, a project that is now in its final run-off stages.

Pay policy for key management

Key management are the members of the Executive Committee who are employees of the charity (as listed on page 2).

The overall remuneration packages for key management are set by the Remuneration Committee. When new members of the key management group are appointed, a benchmarking exercise is carried out by the institute's Human Resources team.

The overall policy is that the institute pay is set using the upper quartile of the Higher Education and Charity sectors and median to lower quartile of the Pharmaceuticals sector as benchmarks. The overall package is approved by the Remuneration Committee prior to a formal offer being made.

Individual pay awards for key management are then made annually by the Remuneration Committee based on a review of performance carried out by the Chief Executive Officer and Chief Operating Officer.

STRATEGIC REPORT

Objectives and activities

Charitable objects

The charity's objects, as set out in its Articles of Association, are:

The advancement of human health and education for the benefit of the public by the promotion and carrying out, directly or indirectly, of all aspects of biomedical research and innovation, which shall include in particular the following:

1. Establishing, operating and managing a centre for medical research and innovation;
2. Engaging in, encouraging and supporting:
 - i. Research into any of the biosciences,
 - ii. The discovery, invention, improvement and development and application of preventions, treatments, cures, diagnostics and other medical agents, methods and processes that may in any way prevent or relieve illness, disease or disorders of whatever nature (including, without limitation, all forms of cancer), and
 - iii. Developing and training scientists and supporting biomedical research endeavours.

Activities

2016/17 was the Crick's second year of operation, following the transfer of staff from the predecessor institutes (the National Institute of Medical Research (NIMR) and the London Research Institute (LRI)) on 1 April 2015. This second year of operation has been one of transition, as work previously conducted across multiple sites (the former NIMR site at Mill Hill, the former LRI

sites at Clare Hall and Lincoln's Inn Fields, and offices at the Wellcome Trust) has migrated to the Crick's new 80,000 m² state-of-the-art scientific building in the heart of London. Migration was completed in December 2016.

The Crick's Discovery Without Boundaries (DWB) strategy was agreed by the Board and Founders in 2013. It has five strategic priorities:

1. Pursue discovery without boundaries
2. Create future science leaders
3. Collaborate creatively to advance UK science and innovation
4. Accelerate translation for health and wealth
5. Engage and inspire the public.

To support the implementation of DWB, the Crick has created a strategic programme which focuses on deliverables in 2018.

Achievements and performance

DWB MISSION 1: PURSUE DISCOVERY WITHOUT BOUNDARIES

The Crick aims to discover the basic biology underlying human health and disease, taking an approach to biomedical research that fosters excellence, breaks down barriers between disciplines, and works across institutions.

We created an important new group during the year, adding world-leading research management expertise to the Crick while also providing improved oversight. Our new Scientific Advisory Board comprises 14 internationally renowned scientific leaders, including three Nobel prize winners, with extensive experience of running research institutes worldwide. The board will advise in developing and implementing our scientific strategy and operations, will support our aim to undertake biomedical research of the highest quality and reinforce the value of collaboration and a multidisciplinary approach.

The year saw us step up our search for early-career bioscientists with leadership potential. Following a rigorous selection process, we shortlisted 18 candidates from almost 400 applications. The coming year 2017-18 will see the successful few form their own research groups at the Crick.

An extensive scientific discourse programme was launched in autumn 2016. This programme of seminars and lectures encourages the communication between researchers that is fundamental to the scientific process. It provides a platform for discovery and debate, enabling Crick scientists to interact with one another and with the wider scientific community.

DWB MISSION 2: CREATE FUTURE SCIENCE LEADERS

The Crick aims to develop an approach to biomedical scientific training that maximises research excellence, dynamism and multidisciplinary activity, and in doing so to fulfil our national role by expanding the talent pool for biomedical research across the UK.

The Crick aims to establish a global reputation as the place where the finest minds can do their best work. We want to encourage talented scientists to join us or collaborate with us, and also to nurture and train those individuals – enabling them to progress to become science leaders within the UK biomedical research endeavour.

TRUSTEES' REPORT CONTINUED

(INCORPORATING THE STRATEGIC REPORT AND DIRECTORS' REPORT)

Our PhD programme continues to train students in skills within and beyond research. For recruitment to the PhD programme starting in September 2016, we had more than 1700 applications, with 52 students subsequently joining us. As well as receiving scientific training, students are encouraged to attend non-scientific skills development courses both at the Crick and at their university.

During the year we recruited to our new sandwich and summer student programmes for the first time, both of which form part of our commitment to creating the next generation of scientists. Eight undergraduate students from 197 applicants will join our sandwich student programme and 16 of 389 applicants will join our Crick-Calleva summer student programme in summer 2017. Both programmes are aimed at bright, undergraduates who are considering a future in biomedical research, and are designed to give them the opportunity to gain insight into life in a research institute as well as valuable lab-based work experience.

Diversity is an important issue for all sectors of society and at the Crick we are committed to creating equality of opportunity and inclusivity for all, with several initiatives underlining this commitment during 2016/17. For example, around 40 people attended the launch of our black and minority ethnic (BAME) network, where guest Shami Chakrabarti, former director of Liberty, gave an inspiring and passionate talk. In autumn 2016 we launched a new training programme to raise awareness of the unconscious bias that can have a negative impact on behaviour and decision-making.

DWB MISSION 3: COLLABORATE CREATIVELY TO ADVANCE UK SCIENCE AND INNOVATION

The Crick aims to develop and promote novel forms of partnership, both with its founders and the broader UK scientific community.

Attachments and satellite programmes encourage the multidisciplinary that can stimulate novel approaches to the investigation of biological systems. A total of 14 groups from our three university partners have now commenced their attachments. In March 2017, we launched our third call for expressions of interest for university attachments and at the same time also invited Crick Group Leaders to establish satellite laboratories in the partner universities.

Following an executive governance review, we have established the University and Academic Partnerships Committee (UAPC) to maximise the value of links between the Crick and our academic partners. Led by Professor Malcolm Irving FRS of King's College London and the Crick, the UAPC will coordinate and advise on a number of areas of academic collaboration including university attachments, strategic joint appointments, interdisciplinary research interfaces, and interactions with the Wellcome Trust Sanger Institute and other UK universities.

A partnership of seven institutions led by the Crick and UCL, eMedLab benefited from the addition of a new state-of-the-art cloud computing environment during the year. eMedLab is funded by the Medical Research Council (MRC) and brings together clinician scientists and bioinformaticians to research advanced informatics methods in order to mine clinically relevant genomic, imaging and electronic health record data.

Collaborations have been initiated with the Alan Turing Institute and with industrial partners Intel, IBM and Stratified Medical.

The Crick is involved in the new 4ward North Clinical PhD Academy, an initiative established by the universities of Manchester, Leeds, Sheffield and Newcastle, and funded by Wellcome. Academy students will benefit from our mentorship, advice and placements during their doctorate – and on completion of their PhDs, fellows may also have the opportunity to undertake a one-year postdoctoral programme at the Crick.

Our collaborations continue to deliver cutting-edge science. A study led by Newcastle University saw Crick Group Leader Kathy Niakan perform pioneering analysis of the gene expression of embryos for a preclinical analysis of mitochondrial replacement therapy. The research took the field closer to clinical application in preventing mitochondrial diseases being passed from mother to child.

DWB MISSION 4: ACCELERATE TRANSLATION FOR HEALTH AND WEALTH

The Crick conducts discovery science that is open to translation. We focus on maximising the impact that can be generated from our science, measured in terms of improvements to people's lives and in economic opportunities.

The process of translation involves taking scientific discoveries and translating them into practical treatments. The Crick has set up structures to identify a pipeline of research projects ripe for translation with seed funding available to carry out pilot investigations of ideas, and to accelerate their progression with partners in academic and commercial sectors to take them one step closer to patients.

We created a new Translation Advisory Group to provide external peer review of the translation projects at the Crick, as well as advice and support across a range of translational activities.

The Translation team was awarded £500,000 this year through the MRC Confidence in Concept award and philanthropic donations, and this will be used to fund our Idea to Innovation (i2i) initiative. i2i provides funding and support to early stage translational projects, enabling researchers to address scientific questions that, if successful, would allow continued translational development funded by external grants or with commercial partners. Over the last 18 months, 13 projects have received funding. These range from understanding potential therapeutic targets in oncology to technology developments in neuronal recordings, with all projects having received clinical and industry input to accelerate their progression.

The first spinout companies based on Crick research were launched in October 2016. Both Achilles Therapeutics and Gamma Delta Therapeutics received investment that will see them develop new cancer therapies that aim to prime the body's own immune system to attack tumours. Crick Group Leader Simon Boulton was also appointed Vice President Science Strategy at the start up company Artios Pharma Ltd.

Early in 2017, almost 150 researchers from the Crick and GSK gathered together at the first GSK LinkLabs symposium. The Crick/GSK LinkLabs collaboration was established in 2015 to provide a unique opportunity for scientists to work side-by-side on exploratory biology projects of relevance to human disease. It matches GSK's capabilities and expertise with the Crick's deep biological insights and provides a rich training environment for both industry and academic scientists to develop new skills. The symposium gave our scientists the opportunity to explore and discuss 12 projects from the LinkLabs portfolio.

DWB MISSION 5: ENGAGE AND INSPIRE THE PUBLIC

The Crick aims to engage the wider world with its science through inspirational education, public and community engagement programmes, and through engaging in public dialogue about biomedical research.

Committed to playing an active role in our local neighbourhood, we have opened a brand new community space for people living close to the institute. The St Pancras and Somers Town Living Centre is a 450 m² facility within the Crick that aspires to improve health and wellbeing locally. Services include a job hub, activities for under-fives, courses in English as a second language, employability workshops, Citizens Advice services and healthy living classes.

We also launched our work experience programme during the year, with six young people having already spent time with our teams across the institute and another 51 due to come to the Crick before the end of the academic year. The programme aims to increase the aspirations of young people, improve their levels of scientific literacy and give them a useful insight into the world of work as well as an opportunity to develop transferable skills.

This initiative runs alongside our formal Education programme, which aims to increase the number of young people going into careers involving science, technology, engineering and maths (STEM). The beginning of 2017 saw the first school groups come to a new dedicated space just for them inside the Francis Crick Institute – the Weston Discovery Lab.

Public events are now increasingly important parts of our engagement work. In October, more than 400 people filled the auditorium to participate in a joint Crick and BBC World Service debate on the possibilities, clinical applications and ethical issues arising from advances in genomic medicine. The debate was just one of a week-long series of programmes about the institute broadcast to the World Service's 372m weekly listeners.

The following month saw members of the public visit our gallery for the first time to explore our exhibition titled 'How do we look?' This initial exhibition explored the what, why and how of scientific imaging through the eyes and thoughts of Crick researchers with a collection of images and videos created by our scientists to help solve a research problem.

SCIENTIFIC ACHIEVEMENTS IN 2016/17

Crick scientists published more than 450 new scientific papers in 2016/17 and have won a number of awards during the year, highlighting the calibre of their work. These, along with other key scientific achievements included:

- A study led by Tony Holder identified a gene that lets monkey malaria infect humans – an increasing problem in South East Asia, with 80% of malaria incidences in Malaysia in 2014 being infections from monkeys. The discovery could open a new route to developing a vaccine to protect people from the disease in the long term.
- An antibody that has promise as a potential treatment for influenza A – the source of seasonal and pandemic flu outbreaks – has been discovered by researchers led by John Skehel and Steve Gamblin. The findings have implications for the design of a universal influenza vaccine.
- A new biochemical pathway has been identified that controls how T cells move between, and adhere to, lymph nodes. The research, led by Victor Tybulewicz, revealed that an enzyme called WNK1 plays an important role by controlling the movement of salt ions across the cell membrane.
- Research led by Adrian Hayday found that people who have a rare autoimmune disorder called autoimmune polyendocrine syndrome type 1 produce antibodies that appear to be linked to reduced occurrence of type 1 diabetes. The study suggests these antibodies could limit immune-related diseases and may have therapeutic potential.
- A protein that could help to stop our brains declining as they age has been identified through a study led by Francois Guillemot.
- Research led by Peter Rosenthal has visualised how the influenza virus fuses with the membrane of a host cell – an essential step in the virus's lifecycle. The findings could lead to new approaches to preventing infection.
- Brain cells linked to anxiety are inactivated by eating, found a study led by Denis Burdakov, helping to explain why we feel satisfied after eating and why we eat more when stressed.
- Researchers led by Andreas Wack and Brigitta Stockinger discovered that chemicals found in car exhaust fumes and cigarette smoke disrupt genetic factors that make cilia – the brush-like structures that sweep mucus, dirt and bacteria out of the lung.
- People who show no symptoms of tuberculosis (TB) infection may still go on to develop the full disease showed a study led by Robert Wilkinson. The findings could help predict which infected individuals will develop TB disease and transmit it to others, offering hope in controlling the spread of disease.
- The process of how the immune system deals with the prolific Toxoplasma parasite has been discovered by researchers led by Eva Frickel. They revealed that a protein called ubiquitin 'tags' Toxoplasma in its hiding place in human cells, enabling the cell's acidification system to identify and destroy it.
- Researchers led by Sir Paul Nurse have resolved a long-standing debate in the field of cell cycle science, revising the 'textbook explanation' for how the process of cell division is controlled by a protein called CDK – the 'master regulator' of cell division.

TRUSTEES' REPORT CONTINUED

(INCORPORATING THE STRATEGIC REPORT AND DIRECTORS' REPORT)

- The genetics of particular cancer cells that can go on to form secondary tumours in other parts of the body have been tracked in a study led by Peter Van Loo. The findings suggest that there could be a longer window than previously thought for cancer to be diagnosed and treated before it spreads.
- Research led by Jernej Ule suggested that the interactions between glial cells, brain cells with a supporting role that change most as we age, and neuronal cells, the nerve cells active in mental function and forming memories, should be a focus of future dementia, Alzheimer's and Parkinson's disease research.
- New insights into sex chromosome disorders which typically cause infertility, such as Turner syndrome and Klinefelter, have been revealed by a study led by James Turner.
- Research led by Frank Uhlman proposed an explanation for the timing of action of CDK.
- Eating cruciferous vegetables – including broccoli, kale and cauliflower – helps the immune system to fight intestinal pathogens found a study led by Brigitta Stockinger. The research has potential implications for people with inflammatory bowel diseases.
- Researchers led by Jesper Svejstrup revealed that when the DNA in a cell is damaged, it responds not only by activating specific genes to protect its genome, but also by shutting down the vast majority of its other genes.
- The ability of malaria parasites to persist in the body for years is linked to the expression of a set of genes from the *pir* gene family, discovered researchers led by Jean Langhorne.
- A study led by Markus Ralser found that a set of biochemical processes crucial to cellular life on Earth could have originated in chemical reactions taking place four billion years ago, potentially explaining an important step in how life developed on Earth.
- Adrian Hayday became a Fellow of the Royal Society, in recognition of his work on epithelial immune cells.
- Jernej Ule, a Group Leader at the Crick seconded from UCL (University College London), was elected to the EMBO membership.
- The National Academy of Sciences of the USA elected Steve West as a Foreign Associate for his contributions to the fields of DNA recombination and repair.
- Richard Treisman, Research Director, was knighted in the Queen's Birthday Honours for services to biomedical science and to cancer research.
- Jean Langhorne, who heads the Malaria Immunology Laboratory, was awarded the Lifetime Achievement Award at the 2016 Biology and Pathology of the Malaria Parasite (BioMalPar) conference.
- Sir Peter Ratcliffe, Clinical Research Director, won the 2016 Lasker Award for basic medical research.
- Charlie Swanton was awarded the Royal Society Napier Research Professorship to further his study of the evolution of cancer cells within tumours. He also received the Biochemical Society's 2016 GlaxoSmithKline Award. The award is given in recognition of research leading to new advances in medical science and is specifically intended to recognise mid-career biochemists who completed their PhD less than 20 years ago.
- Group Leader and former Research Director Jim Smith was knighted for services to medical research and science education.
- Caetano Reis e Sousa won the 2017 Louis-Jeantet Prize for Medicine.
- Tomas Lindahl, Nobel prize-winner and emeritus scientist at the Crick, and Karen Vousden, Crick Group Leader and Cancer Research UK's chief scientist, were named as Fellows of the American Association for Cancer Research (AACR) Academy.

Public benefit

The trustees confirm that they have paid due regard to the public benefit guidance published by the Charity Commission and have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing their aims and objectives and in planning future activities. In particular, the trustees have considered how planned activities will contribute to the aims and objectives they have set.

In addition to the public benefits anticipated from the operation of science established at the Francis Crick Institute, the charity has also set out to deliver a broad spectrum of investment in engagement with the public, as described above under 'Discovery Without Boundaries Mission 5: Engage and inspire the public'.

FUTURE PLANS

Science is now underway in earnest in the Crick's new laboratory building, following the culmination of work by the Crick and its six founding partner organisations to move around 1,200 researchers to the new site.

2017/18 will be an important year for cementing the early successes that have been achieved and continuing the rapid pace of progress demonstrated by all parts of the institute. Key areas of focus during the year ahead will be:

- The Scientific Advisory Board (SAB) will hold its first meeting in November 2017. The SAB will advise the Director on all aspects of the development and implementation of the institute's scientific strategy.
- Following a successful recruitment drive, which attracted 381 applications, it is anticipated that up to four outstanding early career Group Leaders will be appointed in 2017. A further joint search with the three partner universities will aim to recruit researchers working in the physical sciences with relevance to biomedicine.
- Dr Samantha Barrell will take up her role as the new Chief Operating Officer of the Crick this autumn, replacing David Roblin who is departing for the biotech company Summit.
- Building on the comprehensive scientific discourse programme already underway at the Crick, the inaugural Crick Cancer Symposium will be held in September 2017, followed by a joint Crick-Dundee University Life Sciences Symposium on signal transduction in health and disease.
- The programme for 2017 Group Leader reviews has been developed and planning is underway. The robust, independent review process is benchmarked against the highest international standards.

- A new research collaboration agreement with AstraZeneca (AZ) will bring together the Crick's discovery science knowledge and the applied expertise of AZ. The partnership will support precompetitive projects at the discovery or early translational phase.
- The Crick will hold its first 'Late' event, giving members of the public the opportunity to take part in interactive activities and hear first-hand from Crick scientists at a packed evening of pop-up science.

FINANCIAL REVIEW

The institute's second full year of operations see it generating total income of £160.6m (2016: £148.6m), of which the large majority, £159.9m (2016: £148.1m), comes from research grants (or similar types of income) from its various funders. This funding includes a total of £6.6m (2016: £18.8m) of donated assets in the form of scientific equipment, and donated services and facilities of £9m (2016: £9.7m). Core funding is secured from funders for the next three years.

Total expenditure of £168.8m (2016: £128.5m) means that the institute shows a deficit of £8.2m (2016: surplus of £20.1m). This includes the expenditure reflection of the £9m (2016: £9.7m) of donated services and facilities. The deficit position is in part driven by depreciation charge (£15.6m, 2016: £nil) now made to the Statement of Financial Activities following occupation and commencement of use of the new building.

Net assets at 31 March 2017 are £633.5m (2016: £640.3m). This is primarily represented by fixed assets, and those assets primarily represented by the new laboratory building.

The statutory position includes:

- non-recurring costs that relate to the costs of the set-up of the institute, and the project management of construction and costs of moving to its new laboratory building;
- the costs of depreciation of the building, funded at the outset by share capital from the institute's founders, and in future by a lifecycle costs funding arrangement that is part of the overall joint venture agreement;
- capital expenditure managed against and funded by annual core grants.

The Crick's longer term financial planning includes a review of its underlying and recurring result, which on a non-statutory basis is:

	2017 £m	2016 £m
Statutory result for the year	(7.6)	20.1
Building depreciation	14.0	-
Other depreciation	13.4	7.6
Capital expenditure funded from annual grants and donated assets	(29.2)	(33.8)
Building project revenue costs	8.8	14.0
Premises rent paid in kind (Clare Hall)	3.3	1.5
Recognition timing differences	-	5.0
Other non-cash statutory adjustments	-	(0.2)
Non-statutory underlying result relating to annual grants for the year	2.7	14.2

Reserves policy

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

The charity's ongoing operational mission is funded via grants from both shareholders and external grant providers.

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

Free reserves of a charity are often defined in relation to the level of unrestricted funds. The expected deficit on unrestricted funds means the charity must take a slightly different approach, and the Crick defines its free reserves as equal to the value of net current assets, less:

- any restricted funds held as net current assets;
- any amounts drawn down from shareholders in relation to the building project and not yet expended;
- deficit budget plans;
- other contracted capital commitments;
- other relevant adjustments.

The trustees have regard to the information contained in Charity Commission guidance note CC19, "Charity Reserves: Building Resilience", and in particular the guidance on ensuring the maintenance of beneficiary services and the risks of unplanned closure associated with the charity's business model.

Free reserves under this definition are:

	2017 £m	2016 £m
Net current assets	29.6	47.2
Restricted funds held within net current assets	(2.1)	(2.0)
Unexpended building project funds	(6.5)	(17.1)
Reserves to be used in deficit budget plan	(6.2)	(9.0)
Other relevant adjustment	-	(3.3)
	14.8	15.8

The "other relevant adjustment" relates to the value remaining on lease of a satellite facility exchanged for share capital in the previous year. The trustees did not consider this amount to be convertible to a form freely expendable by the charity.

The trustees believe that the charity should have access to reserves equivalent to three months' core funding income in order to maintain the viability of the institute, being approximately £30m.

TRUSTEES' REPORT CONTINUED

(INCORPORATING THE STRATEGIC REPORT AND DIRECTORS' REPORT)

A £20m standby facility (corresponding to approximately two month's expenditure) will be made available by the shareholders. If free reserves held in cash are less than three months' expenditure, should a material adverse event occur that threatens the charity's overall liquidity, the charity will be able to call on this facility to support its operations. Heads of Terms have been agreed for the facility, with the final agreement to be signed shortly.

The remaining £10m will be made up of amounts held by the institute, and the current position means that the charity is operating at a level slightly above the target, which the trustees consider to be satisfactory.

Investment policy

At this stage of the establishment of the institute, the investment policy continues to be confined to the management of short-term liquid funds. The investment principle is to achieve the secure investment of excess cash resources of a short-term nature, diversified to ensure limited concentration of investment. This principle has been achieved during 2016/17.

Assets are safeguarded by investing only with approved counterparties. Investments are risk-averse and non-speculative, and the charity places no income reliance on interest earned. Investments are selected to ensure security, liquidity and diversification. The charity's investment return objective is to ensure that investments earn a market rate of interest consistent with its income principle.

Risk management and principal risks

The Board takes an active role in the management of risk, and undertakes a risk review every six months. The Board is responsible for ensuring that the Crick has an appropriate risk management policy. It approves the Crick's risk appetite across the organisation, and reviews this on an annual basis. The Board is also responsible for ensuring that the Crick has an appropriate risk-reward balance and risk management culture, and that the Executive has made or is making the necessary changes to remedy any significant failings or weaknesses identified in the risk management and internal control systems as advised by the Audit and Risk Committee.

The Board delegates to the Executive the day-to-day management of risk, and members of the Executive are responsible for the development of risk assessment, for setting and implementing risk management policies, implementing and maintaining effective risk management and internal control systems in the manner which has been approved by the Board, making necessary changes to remedy any significant failings or weaknesses identified in the risk management and internal control systems, making disclosures relating to risk management and internal control systems, and ensuring that appropriate risk mitigation is being undertaken and that the appropriate staff are involved.

A Risk Management Team has been established to monitor and mitigate risks throughout the Institute. The team has identified fourteen risks for which the impact assessment exceeds risk appetite levels. The two most significant of the risks identified are:

- The risk of disruption to science due to noise, vibration and electromagnetic interference during the construction and operation of Crossrail 2. Engineering and technical analyses have been commissioned to determine possible mitigation measures and agree actions with the Crossrail 2 project team.
- The risk that the extent to which the institute's Discovery Without Boundaries strategy cannot be delivered with the funding available. As parts of the building infrastructure and support services are still in set-up mode there is a degree of uncertainty as to whether the funding at the Crick's disposal will be sufficient to deliver all components of its strategy. We expect this risk to reduce over time as set-up is achieved, the cost of running a fully-operational building becomes more certain and new sources of potential income are identified.

The institute continues to monitor potential risks arising from the cessation of the United Kingdom's membership of the European Union and other related supranational agreements. In the short-term, the institute has continued to win new European research funding grants, and has retained advisors to help international staff investigate their potential options for compliance with potential future changes to UK immigration rules.

Other areas of risk include credit and liquidity risks. Credit risk exposure is reduced by procurement selection procedures for any significant supply contracts entered into by the charity. The liquidity risk which the charity may be exposed to is managed by the provision of funding from the shareholders and cash flow management.

Going concern

The trustees consider that the charity has adequate resources available to it to continue in operational existence for the foreseeable future having made appropriate enquiries, reviewed contracts and confirmed support from the shareholders. The trustees additionally consider that the charity will continue to have adequate resources through shareholders' committed funding to cover all existing capital commitments. Shareholders have committed funding for operational spending which is sufficient to deliver a balanced budget. Accordingly, trustees have adopted the going concern basis in preparing the financial statements.

EMPLOYEE POLICIES

Employment of disabled persons

The Crick recognises that one in three of the UK population is either disabled or close to someone who is, and one in five of the UK workforce is likely to have a disability, with those disabilities being either visible (for example, a mobility issue or visual impairment) or invisible, such as dyslexia or depression.

The Crick also recognises that to recruit and retain the best people, it must concentrate on ability, rather than disability, to maximise talent pools and utilise key skills. By focusing on key skills and competencies, the Crick can minimise bias and employ the best person for the job.

On learning that an applicant or an employee has a disability, the Crick will consider making reasonable adjustments. Detailed guidance has been produced and is available to managers in helping them determine what adjustments might be needed and whether those adjustments are reasonable.

Employee engagement

The Crick is committed to ensuring that its employees are engaged with and enthusiastic about working at the Crick and contributing to Discovery Without Boundaries.

This takes a number of forms:

- The front page of the Crick intranet is a key source of news about Crick events, Crick achievements and Crick in the news.
- Regular all-staff "town hall" events are held in which employees are able to talk to and raise questions with the Chief Executive Officer and Chief Operating Officer.
- A Staff Consultative Forum has been set up, and any planned changes that will affect staff are discussed with the forum at formal meetings.
- An externally conducted and benchmarked staff survey is carried out annually and the results acted on at a senior level.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of the Francis Crick Institute Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of 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 United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DISCLOSURE OF INFORMATION TO THE AUDITOR

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

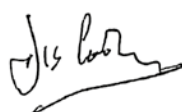
- there is no relevant audit information of which the charity's auditor is unaware; and
- each trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant information and to establish that the charity's auditor is aware of that information.

AUDITOR

Deloitte LLP have held office as company auditor following appointment by resolution of the Board on 4 February 2011, and have indicated their willingness to be reappointed for another term.

APPROVAL

The trustees' report incorporating the Strategic Report and Directors' report was approved by the Board of Trustees and signed on its behalf by:



SIR DAVID COOKSEY

Chairman
20 July 2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS AND TRUSTEES OF THE FRANCIS CRICK INSTITUTE LIMITED

We have audited the financial statements of the Francis Crick Institute Limited for the year ended 31 March 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated and Charity Cash Flow Statements and the related notes 1 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland".

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 company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2017 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report (incorporating the strategic report and directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report (incorporating the strategic report and directors' report) has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees' Report (incorporating the strategic report and directors' report).

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept by the parent charity or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity 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 of the information and explanations we require for our audit.



SUSAN BARRATT BA, ACA (SENIOR STATUTORY AUDITOR)

for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
20 July 2017

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted funds £000	Restricted funds £000	Total 2017 £000	Total 2016 £000
Income from					
Core and related funding	3	144,103	533	144,636	136,042
Research grant funding		–	15,294	15,294	12,111
Charitable activities	5	370	–	370	159
Investment income		231	–	231	280
Other income		78	–	78	44
		144,782	15,827	160,609	148,636
Expenditure on					
Charitable activities	6	154,271	13,898	168,169	128,464
		154,271	13,898	168,169	128,464
Net (expenditure) income before transfers		(9,489)	1,929	(7,560)	20,172
Transfers between funds	18	762	(762)	–	–
Net (expenditure) income		(8,727)	1,167	(7,560)	20,172
Reconciliation of funds					
Share capital issued and subscribed	17	1,423	–	1,423	72,975
Share premium	17	–	–	–	1,940
Net movement in funds		(7,304)	1,167	(6,137)	95,087
Total funds at 1 April		637,330	3,015	640,345	545,258
Total funds at 31 March	18	630,026	4,182	634,208	640,345

All results are from continuing operations.

Notes 1 to 25 form part of these financial statements.

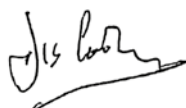
A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented as the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The results for the charity are disclosed in note 13.

BALANCE SHEETS

31 MARCH 2017

	Notes	Group 2017 £000	Group 2016 £000	Charity 2017 £000	Charity 2016 £000
Fixed assets					
Intangible assets	11	180	223	180	223
Tangible assets	12	604,387	592,905	604,707	593,193
Investments	13	-	-	-	-
		604,567	593,128	604,887	593,416
Current assets					
Debtors	14	16,762	10,895	16,426	23,513
Cash and cash equivalents		39,740	60,391	39,373	52,059
		56,502	71,286	55,799	75,572
Liabilities					
Creditors falling due within one year	15	(26,861)	(24,069)	(26,140)	(28,339)
Net current assets		29,641	47,217	29,659	47,233
Net assets		634,208	640,345	634,546	640,649
Funds					
Called up share capital	17	629,566	628,143	629,566	628,143
Share premium	17	12,751	12,751	12,751	12,751
Unrestricted funds	18	(12,291)	(3,564)	(11,953)	(3,260)
Restricted funds	18	4,182	3,015	4,182	3,015
		634,208	640,345	634,546	640,649

The financial statements of the Francis Crick Institute Limited were approved and authorised for issue by the Board of Trustees on 20 July 2017 and signed on its behalf by:



SIR DAVID COOKSEY

Chairman

Company registration number: 6885462

CASH FLOW STATEMENTS

YEAR ENDED 31 MARCH 2017

	Notes	Group 2017 £000	Group 2016 £000	Charity 2017 £000	Charity 2016 £000
Cash flows generated by operating activities	22	15,649	28,282	23,854	35,364
Cash flows from investing activities:					
Interest received		231	280	212	225
Proceeds from sale of equipment		38	-	38	-
Purchase of tangible fixed assets		(37,992)	(69,092)	(38,213)	(69,128)
Net cash flows used in investing activities		(37,723)	(68,812)	(37,963)	(68,903)
Cash flows from financing activities:					
Cash proceeds from issuing shares		1,423	70,115	1,423	70,115
Net cash flows from financing activities		1,423	70,115	1,423	70,115
Net (decrease) increase in cash and cash equivalents		(20,651)	29,585	(12,686)	36,576
Cash and cash equivalents at beginning of year		60,391	30,806	52,059	15,483
Cash and cash equivalents at the end of the year		39,740	60,391	39,373	52,059
Reconciliation to cash at bank and in hand:					
Cash at bank and in hand		39,740	60,391	39,373	52,059
Cash equivalents		-	-	-	-
Cash and cash equivalents		39,740	60,391	39,373	52,059

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES

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

a. Basis of preparation

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

The Francis Crick Institute Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

As described in the Trustees' Report, the trustees consider that the Francis Crick Institute Limited has adequate resources available to it to continue in operational existence for the foreseeable future having made appropriate enquiries, reviewed contracts and confirmed support from the shareholders. Accordingly they have adopted the going concern basis in preparing the financial statements.

b. Group financial statements

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

c. Fund accounting

Unrestricted funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the Francis Crick Institute Limited.

Restricted funds are funds that have been donated or granted for a specific use. These funds are expended in accordance with the requirements of the donor or grantor.

d. Incoming resources

Income is recognised in line with the SORP requirements for entitlement, probability and measurement.

The charity's core funding is in the form of multi-period but time-limited grants which are subject to annual renewal from funders based on a review of science and the agreement of annual budgets. These grants are recognised on an annual basis.

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

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

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

e. Gifts in kind

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

f. Expenditure and irrecoverable VAT

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

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

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

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

g. Allocation of costs

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

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

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

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

h. Pension costs

The charity participates in both defined benefit and defined contribution type pension schemes.

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

The defined benefit scheme that the charity participates in is a multi-employer pension scheme and is unable to allocate underlying assets and liabilities to individual employees. Contributions are accounted for on the same basis as for a defined contribution scheme.

i. Intangible fixed assets

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

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

j. Tangible fixed assets

Tangible fixed assets are held at cost less accumulated depreciation.

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

The period over which assets are depreciated is as follows:

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

Buildings under construction are design and construction costs and were not depreciated until brought into use.

k. Fixed asset investments

The charity's investment in its trading subsidiary is stated at cost, measured by reference to the nominal value only of the shares issued.

The charity invests in 'spin-out' companies, used to further its translational science objectives. Unlisted investments in early stage "spin-out" companies will be valued at cost less impairment, unless a reliable fair value basis is available.

The trustees are of the opinion that it is not possible to establish a fair value for early-stage spin-out companies until an exit is agreed or is in the process of being agreed as measures based on levels of seed investment or underlying assets are unlikely to be sufficiently reliable.

l. Heritage assets

Heritage assets are books, manuscripts, specimens, objects or other assets that have historic, scientific, artistic, technological, geophysical or environmental qualities and are held and maintained principally for the contribution to knowledge and culture.

The Crick holds heritage assets inherited from its predecessor institutes (National Institute for Medical Research and London Research Institute) comprising mainly of objects and artefacts of scientific and historical interest. The collection is held in storage on site at the Crick lab with the intention to place some of the collection on permanent display. These assets have not been capitalised as there is no reliable information concerning their cost and the cost of valuation would be disproportionate to the benefit of the resultant information.

m. Taxation

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

The trading subsidiary does not generally pay UK corporation tax because its policy is to donate distributable profits to the Charity as Gift Aid. A tax charge has arisen in 2017, see note 10.

n. Operating leases

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES CONTINUED

o. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

The charity and group only have financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of managed investments which are held at fair value and gains and losses recognised in the SOFA.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

The trustees consider that the most significant critical judgements or sources of estimation uncertainty relate to the valuation of donated facilities and fixed asset depreciation terms.

3. ANALYSIS OF INCOME FROM CORE AND RELATED ACTIVITIES

	Unrestricted funds £000	Restricted funds £000	2017 Total £000	2016 Total £000
Core funding from founding shareholders	116,918	–	116,918	90,764
Other grants	11,519	33	11,552	16,267
Prizes	–	500	500	450
Donated services and facilities	9,000	–	9,000	9,728
Donated assets	6,631	–	6,631	18,828
Donations	35	–	35	5
	144,103	533	144,636	136,042

4. ANALYSIS OF GRANT INCOME BY FUNDER TYPE

	Unrestricted funds £000	Restricted funds £000	2017 Total £000	2016 Total £000
Research Councils	57,263	2,485	59,748	56,331
UK based charities	68,736	6,215	74,951	55,841
UK based higher education institutions	2,319	61	2,380	258
UK based government bodies	6	122	128	125
UK based industry, commerce and public corporations	5	425	430	739
EU government bodies	–	4,917	4,917	4,275
Other overseas grants	55	1,089	1,144	1,160
Other grants	53	13	66	413
	128,437	15,327	143,764	119,142

5. ANALYSIS OF INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £000	Restricted funds £000	2017 Total £000	2016 Total £000
Research conferences	46	–	46	89
Staff restaurant	314	–	314	–
Building letting	10	–	10	–
Sale of cell lines	–	–	–	70
	370	–	370	159

6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct costs £000	Support costs £000	2017 Total £000	2016 Total £000
Crick Lab set-up	6,750	2,625	9,375	13,360
Scientific research and translation	113,756	44,243	157,999	114,373
Developing and training scientists	572	223	795	731
	121,078	47,091	168,169	128,464

7. ANALYSIS OF SUPPORT COSTS

	Crick Lab set-up £000	Scientific research and translation £000	Developing and training scientists £000	2017 Total £000
Governance	15	256	1	272
Finance	138	2,322	12	2,472
Information Technology & Services	470	7,925	40	8,435
Human Resources	146	2,440	12	2,598
Building Services	1,738	29,298	147	31,183
Communications and Public Engagement	119	2,002	10	2,131
	2,626	44,243	222	47,091

	Crick Lab set-up £000	Scientific research and translation £000	Developing and training scientists £000	2016 Total £000
Governance	48	358	2	408
Finance	248	1,852	13	2,113
Information Technology & Services	676	5,040	34	5,750
Human Resources	318	2,370	16	2,704
Building Services	252	1,882	13	2,147
Communications and Public Engagement	100	748	5	853
	1,642	12,250	83	13,975

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

YEAR ENDED 31 MARCH 2017

8. NET INCOME (EXPENDITURE) FOR THE YEAR

	2017 Total £000	2016 Total £000
Net (expenditure) income is stated after charging (crediting):		
• Depreciation of owned assets	27,386	7,560
• Amortisation of intangible fixed assets	43	58
• Operating lease rentals	952	1,535
• Foreign exchange losses (gains)	30	(225)
• Disposals of fixed assets	14	–
Auditor's remuneration:		
• Fees for the audit of the charity's annual financial statements	50	51
• Fees for other services to the group	19	19
• Fees for the audit of subsidiary companies	8	12

9. ANALYSIS OF STAFF COSTS, TRUSTEE EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

a. The average monthly number of employees was:

	2017 Total No.	2016 Total No.
Charitable activities	1,093	1,066
Support	167	111
	1,260	1,177

b. Their aggregate remuneration comprised:

	2017 Total £000	2016 Total £000
Wages and salaries	55,459	49,908
Redundancy and termination	980	424
Social security costs	5,205	4,515
Pension costs	5,430	5,313
	67,074	60,160

Remuneration includes stipends paid to Phd students of £3,916k (2016: £3,735k). Phd students are not employees of the institute.

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

	2017 Total No.	2016 Total No.
£60,000 – £69,999	58	46
£70,000 – £79,999	29	19
£80,000 – £89,999	11	17
£90,000 – £99,999	16	16
£100,000 – £109,999	7	4
£110,000 – £119,999	5	4
£120,000 – £129,999	3	5
£130,000 – £139,999	6	5
£140,000 – £149,999	3	2
£150,000 – £159,999	1	1
£160,000 – £169,999	2	4
£170,000 – £179,999	2	–
£180,000 – £189,999	2	1
£210,000 – £219,999	1	1
£220,000 – £229,999	1	–
£260,000 – £269,999	1	1
£340,000 – £349,999	–	1
£370,000 – £379,999	1	–
	149	127

d. Key management personnel

The key management personnel of the charity are listed on page 2. The total remuneration (including pension contributions and employer's national insurance) of the key management personnel for the year totalled £1,743k (2016: £1,588k).

The Crick carried out a review of governance (conducted by an external consultant) in the year, with one recommendation of that review being to reduce the overall size of the Executive Committee. The definition of Key Management Personnel remains members of Executive Committee, and the calculation of their remuneration is amended accordingly.

e. Trustees' remuneration

No trustees received remuneration during the current or prior year. Total travel and subsistence expenses of £1,565 were paid to two trustees (2016: £3,043, two trustees).

10. TAX ON PROFIT ON ORDINARY ACTIVITIES OF TRADING SUBSIDIARY

The actual tax charge for the year differs from the standard rate for the following reasons:

	2017 Total £000	2016 Total £000
Profit on ordinary activities	19	67
Profit multiplied by standard rate of United Kingdom corporation tax of 20%	4	13
Adjustment for prior year tax charge	1	
Effect of:		
• Expenses not deductible for tax purposes	5	6
• Deduction of distributions (Gift Aid)	-	(19)
Total tax charge for the year	10	-

In 2015, the Institute of Chartered Accountants in England & Wales obtained a QC's opinion on the treatment of gift aid donations by charitable trading companies to their parent charities. The opinion stated that the payments must be considered as distributions under UK company law, and not simply donations. This means that such trading companies may now only make such payments out of distributable reserves, and to the extent that they have incurred expenditure disallowed for tax purposes, may now incur tax charges.

11. INTANGIBLE FIXED ASSETS

Group and charity	Intellectual property £000
Cost	
At 1 April 2016 and 31 March 2017	281
Amortisation	
At 1 April 2016	58
Charge for the year	43
At 31 March 2017	101
Net book value	
At 31 March 2017	180
At 31 March 2016	223

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

YEAR ENDED 31 MARCH 2017

12. TANGIBLE FIXED ASSETS

Group	Fixtures, fittings, furniture £000	IT equipment and software £000	Scientific equipment £000	Buildings £000	Buildings under construction £000	Total £000
Cost						
At 1 April 2016	3,116	4,946	26,162	-	566,433	600,657
Additions	4,648	2,986	21,614	-	9,640	38,888
Transfers	-	7,793	128	568,152	(576,073)	-
Disposals	(146)	(63)	(72)	-	-	(281)
At 31 March 2017	7,618	15,662	47,832	568,152	-	639,264
Depreciation						
At 1 April 2016	179	886	6,687	-	-	7,752
Charge for the year	1,360	3,843	8,159	14,024	-	27,386
Transfers	-	118	(118)	-	-	-
Disposals	(143)	(51)	(67)	-	-	(261)
At 31 March 2017	1,396	4,796	14,661	14,024	-	34,877
Net book value						
At 31 March 2017	6,222	10,866	33,171	554,128	-	604,387
At 31 March 2016	2,937	4,060	19,475	-	566,433	592,905

Charity	Fixtures, fittings, furniture £000	IT equipment and software £000	Scientific equipment £000	Buildings £000	Buildings under construction £000	Total £000
Cost						
At 1 April 2016	2,970	4,884	26,162	-	566,744	600,760
Additions	4,648	2,985	21,614	-	9,653	38,900
Transfers	-	7,793	128	568,476	(576,397)	-
Disposals	-	-	(72)	-	-	(72)
At 31 March 2017	7,618	15,662	47,832	568,476	-	639,588
Depreciation						
At 1 April 2016	39	841	6,687	-	-	7,567
Charge for the year	1,357	3,837	8,159	14,028	-	27,381
Transfers	-	118	(118)	-	-	-
Disposals	-	-	(67)	-	-	(67)
At 31 March 2017	1,396	4,796	14,661	14,028	-	34,881
Net book value						
At 31 March 2017	6,222	10,866	33,171	554,448	-	604,707
At 31 March 2016	2,931	4,043	19,475	-	566,744	593,193

13. FIXED ASSET INVESTMENTS

The Francis Crick Institute Limited owns the entire issued share capital of UKCMRI Construction Limited, a company incorporated in the United Kingdom and registered in England & Wales with its registered office at 1 Midland Road, London NW1 1AT, which provides design and construction services to the Francis Crick Institute Limited. The shares are held at cost, being £4 (2016: £4).

A summary of UKCMRI Construction Limited's results is shown below.

	2017 Total £000	2016 Total £000
Profit & loss account		
Turnover	9,803	40,249
Cost of sales	(9,791)	(40,216)
Gross profit	12	33
Operating costs	(12)	(21)
Operating profit	-	12
Other interest receivable and similar income	19	55
	19	67
Tax on ordinary activities	(10)	-
	9	67
Distribution payable (Gift Aid)	(35)	(67)
Retained (loss)/profit for the year	(26)	-
Opening shareholder's funds	7	7
Closing shareholder's funds	(19)	7
Balance sheet		
Tangible fixed assets	-	25
Current assets	4,541	16,521
Current liabilities	(4,560)	(16,539)
Total net assets	(19)	7

A summary of the results of the parent charity is set out below:

	2017 Total £000	2016 Total £000
Total incoming resources	160,625	148,648
Total outgoing resources	(168,151)	(128,442)
Net movement in funds	(7,526)	20,206

Investments in unlisted companies:

	Holding £	Proportion held %
Gammadelta Therapeutics Ltd	157	6.9%
AchillesTx	2	2.8%

14. DEBTORS

	Group 2017 £000	Group 2016 £000	Charity 2017 £000	Charity 2016 £000
Trade debtors	3,854	805	785	252
Prepayments and accrued income	6,794	7,042	6,794	6,555
Amounts owed by group undertakings	-	-	3,043	13,812
Amounts owed by related parties	5,215	2,697	5,215	2,635
Other debtors	899	351	589	259
	16,762	10,895	16,426	23,513

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

YEAR ENDED 31 MARCH 2017

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2017 £000	Group 2016 £000	Charity 2017 £000	Charity 2016 £000
Trade creditors	6,940	11,573	6,131	11,341
Accruals and deferred income	11,121	8,492	10,805	12,734
Other creditors	2,586	2,151	2,419	2,109
Amounts owed to related parties	6,214	1,853	6,117	1,775
Amounts owed to group undertakings	–	–	668	380
	26,861	24,069	26,140	28,339

16. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000
Income from			
Core and related funding	135,069	973	136,042
Research grant funding	–	12,111	12,111
Charitable activities	159	–	159
Investment income	280	–	280
Other income	44	–	44
Total	135,552	13,084	148,636
Expenditure on			
Charitable activities	117,728	10,736	128,464
Total	117,728	10,736	128,464
Net income (expenditure)	17,824	2,348	20,172
Reconciliation of funds			
Share capital issued and subscribed	72,975	–	72,975
Share premium	1,940	–	1,940
Net movement in funds	92,739	2,348	95,087
Total funds at 1 April	544,591	667	545,258
Total funds at 31 March	637,330	3,015	640,345

17. CALLED UP SHARE CAPITAL

	2017 Total £000	2016 Total £000
Allotted, called up and fully paid		
Ordinary shares of £1 each	629,566	628,143
Share premium account	12,751	12,751
	642,317	640,894

A total of 1,422,750 ordinary shares were issued at par during the year for a consideration of £1,422,750.

18. MOVEMENTS IN FUNDS

Group	1 April 2016 £000	Share issues £000	Income £000	Expenditure £000	Transfers between funds £000	31 March 2017 £000
Unrestricted funds						
General funds	(3,564)	-	144,782	(154,271)	762	(12,291)
Restricted funds						
Crick Lab set-up	1,079	-	-	(69)	(762)	248
Research grants	1,902	-	15,817	(13,827)	-	3,892
Other	34	-	10	(2)	-	42
	3,015	-	15,827	(13,898)	(762)	4,182
Share capital – par	628,143	1,423	-	-	-	629,566
Share premium	12,751	-	-	-	-	12,751
	640,894	1,423	-	-	-	642,317
Total funds	640,345	1,423	160,609	(168,169)	-	634,208
Charity						
	1 April 2016 £000	Share issues £000	Income £000	Expenditure £000	Transfers between funds £000	31 March 2017 £000
Unrestricted funds						
General funds	(3,260)	-	144,798	(154,253)	762	(11,953)
Restricted funds						
Crick Lab set-up	1,079	-	-	(69)	(762)	248
Research grants	1,902	-	15,817	(13,827)	-	3,892
Other	34	-	10	(2)	-	42
	3,015	-	15,827	(13,898)	(762)	4,182
Share capital – par	628,143	1,423	-	-	-	629,566
Share premium	12,751	-	-	-	-	12,751
	640,894	1,423	-	-	-	642,317
Total funds	640,649	1,423	160,625	(168,151)	-	634,546

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

YEAR ENDED 31 MARCH 2017

18. MOVEMENTS IN FUNDS CONTINUED

Group	1 April 2015 £000	Share issues £000	Income £000	Expenditure £000	Transfers between funds £000	31 March 2016 £000
Unrestricted funds						
General funds	(21,388)	-	135,552	(117,728)	-	(3,564)
Restricted funds						
Crick Lab set-up	608	-	513	(42)	-	1,079
Research grants	-	-	12,561	(10,659)	-	1,902
Other	59	-	10	(35)	-	34
	667	-	13,084	(10,736)	-	3,015
Share capital – par	55,168	72,975	-	-	-	628,143
Share premium	10,811	1,940	-	-	-	12,751
	565,979	74,915	-	-	-	640,894
Total funds	545,258	74,915	148,636	(128,464)	-	640,345

Charity	1 April 2015 £000	Share issues £000	Income £000	Expenditure £000	Transfers between funds £000	31 March 2016 £000
Unrestricted funds						
General funds	(21,118)	-	135,564	(117,706)	-	(3,260)
Restricted funds						
Crick Lab set-up	608	-	513	(42)	-	1,079
Research grants	-	-	12,561	(10,659)	-	1,902
Other	59	-	10	(35)	-	34
	667	-	13,084	(10,736)	-	3,015
Share capital – par	55,168	72,975	-	-	-	628,143
Share premium	10,811	1,940	-	-	-	12,751
	565,979	74,915	-	-	-	640,894
Total funds	545,528	74,915	148,648	(128,442)	-	640,649

Transfers between general funds and restricted funds of £762k consist of grant funding of the Paradigm sculpture now available for the use of the institute as an unrestricted asset.

The shareholders have provided funds to the Charity for the purpose of establishing the institute. Restricted funds relate to public artwork, scientific computing, and individual scientific projects.

19. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

Group	Unrestricted funds, non-charitable trading funds and share capital £000	Restricted funds £000	31 March 2017 £000
Intangible fixed assets	180	–	180
Tangible fixed assets	602,286	2,101	604,387
Current assets	47,520	8,982	56,502
Current liabilities	(19,960)	(6,901)	(26,861)
At 31 March 2017	630,026	4,182	634,208

Charity	Unrestricted funds and share capital £000	Restricted funds £000	31 March 2017 £000
Intangible fixed assets	180	–	180
Tangible fixed assets	602,606	2,101	604,707
Current assets	46,817	8,982	55,799
Current liabilities	(19,239)	(6,901)	(26,140)
At 31 March 2017	630,364	4,182	634,546

Group	Unrestricted funds, non-charitable trading funds and share capital £000	Restricted funds £000	31 March 2016 £000
Intangible fixed assets	223	–	223
Tangible fixed assets	591,841	1,064	592,905
Current assets	64,753	6,533	71,286
Current liabilities	(19,487)	(4,582)	(24,069)
At 31 March 2016	637,330	3,015	640,345

Charity	Unrestricted funds and share capital £000	Restricted funds £000	31 March 2016 £000
Intangible fixed assets	223	–	223
Tangible fixed assets	592,129	1,064	593,193
Current assets	69,039	6,533	75,572
Current liabilities	(23,757)	(4,582)	(28,339)
At 31 March 2016	637,634	3,015	640,649

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

YEAR ENDED 31 MARCH 2017

20. EMPLOYEE RETIREMENT BENEFITS

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

New employees are entitled to join the defined contribution pension scheme. Employer contribution rates vary according to the contribution rates of individual employees. The amount paid in employer contributions to the defined contribution scheme was £3,393,492 (2016: £2,864,988).

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

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

Members pay contributions of between 6.0% and 6.5% of pensionable earnings to the Scheme. The Francis Crick Institute Limited pays contributions of 14.9% of pensionable earnings to the Scheme. The amount paid in employer contributions to the defined benefit scheme was £1,997,192 (2016: £2,358,734). The institute is indemnified against an employer contribution rate in excess of 14.9%, under an agreement whereby the Medical Research Council would reimburse the Institute for costs incurred at any future rate greater than 14.9%.

The required contribution rates are assessed every three years in accordance with the advice of the Government Actuary. The latest finalised actuarial assessment of the MRCPS was 31 December 2013. The latest assessment at 31 December 2016 is currently in progress.

	2013 valuation £m	2010 valuation £m
Market value of assets	1,054	884
Actuarial scheme liabilities	(894)	(802)
Surplus	160	82
Scheme funding level	118%	110%

The current financial assumptions used to calculate scheme liabilities are:

	2017 %	2016 %
Rate of increase of salaries	3.3	2.9
Rate of increase of pension payments	2.3	1.9
Discount rate	2.5	3.4
Inflation rate	2.3	1.9
Expected return on equities	2.5	3.4
Expected return on bonds	2.5	3.4
Expected return on overall fund	2.5	3.4

21. FINANCIAL COMMITMENTS

Operating lease commitments

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

	2017		2016	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Group				
Within one year	1,544	509	3,518	3
Between one and five years	805	964	780	-
After five years	780	-	925	-
	3,129	1,473	5,223	3
Charity				
Expiring within one year	1,544	509	3,518	-
Between one and five years	805	964	780	-
Expiring after five years	780	-	925	-
	3,129	1,473	5,223	-

The Francis Crick Institute Limited had unprovided capital contractual commitments of £7,185,930 at 31 March 2017 (2016: £12,029,369).

22. RECONCILIATION OF NET INCOME/EXPENDITURE TO CASH GENERATED BY OPERATING ACTIVITIES

	Group 2017 £000	Group 2016 £000	Charity 2017 Total £000	Charity 2016 Total £000
Net (expenditure)/income for the year	(7,560)	20,172	(7,526)	20,206
Depreciation and disposal adjustments	27,125	7,618	27,314	7,590
Donated assets adjustment	(6,631)	(18,828)	(6,631)	(18,828)
Amortisation of lease	3,323	1,477	3,323	1,477
Interest receivable	(231)	(280)	(212)	(225)
Operating cash flow before movement in working capital	16,026	10,159	16,268	10,220
(Increase) decrease in debtors	(9,191)	5,896	3,765	41,173
Increase (decrease) in creditors	8,814	12,227	3,821	(16,029)
Cash generated by operating activities	15,649	28,282	23,854	35,364

23. RELATED PARTY TRANSACTIONS

Advantage has been taken of exemptions under FRS102 33.1. A not to disclose balances or transactions between the parent charity and the wholly-owned subsidiary.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

YEAR ENDED 31 MARCH 2017

23. RELATED PARTY TRANSACTIONS CONTINUED

a. Funding from shareholders including shares allotted

	New funding received £000	Shares allotted £000
2017		
Medical Research Council	–	–
Cancer Research UK	721	(721)
Wellcome Trust	542	(542)
University College London	160	(160)
Imperial College London	–	–
King's College London	–	–
	1,423	(1,423)
2016		
Medical Research Council	1,279	(1,279)
Cancer Research UK	33,255	(33,255)
Wellcome Trust	21,777	(21,777)
University College London	6,436	(6,436)
Imperial College London	6,084	(6,084)
King's College London	6,084	(6,084)
	74,915	(74,915)

Loans are provided by shareholders to finance the Francis Crick Institute Limited's establishment of a medical research centre before conversion to share capital. Whilst in place, loans are unsecured, interest free and have no repayment date. Shares allotted are detailed in note 17.

b. Other transactions

	Year ended 31 March 2017		Year ended 31 March 2017	
	Purchases from related parties £000	Income and recharges from and to related parties £000	Amounts due from related parties £000	Amounts due to related parties £000
Medical Research Council	(4,706)	57,789	942	(792)
Cancer Research UK	(967)	54,087	1,116	(4,893)
Wellcome Trust	(249)	20,436	2,350	(123)
University College London	(206)	797	741	(70)
Imperial College London	(306)	744	11	(128)
King's College London	(520)	987	55	(208)
	(6,954)	134,839	5,215	(6,214)

	Year ended 31 March 2016		Year ended 31 March 2016	
	Purchases from related parties £000	Income and recharges from and to related parties £000	Amounts due from related parties £000	Amounts due to related parties £000
Medical Research Council	(6,571)	55,543	455	(1,452)
Cancer Research UK	(55)	51,242	420	(53)
Wellcome Trust	(485)	4,052	1,765	(140)
University College London	(455)	156	57	(60)
Imperial College London	(147)	199	–	(53)
King's College London	(438)	–	–	(95)
	(8,151)	111,192	2,697	(1,853)

c. Donated services and facilities

	2017 Total £000	2016 Total £000
Services	903	42
Premises	6,572	8,161
Land	1,525	1,525
	9,000	9,728

d. Other related party transactions

The land on which the Francis Crick Institute laboratory has been built has been made available at nil cost by the Medical Research Council, Cancer Research UK, the Wellcome Trust and University College London. A gift in kind of £1,524,545 (2016: £1,524,545) has been recognised, the estimated market value of the annual rent.

The Wellcome Trust incurred costs on behalf of the Francis Crick Institute Limited, which it has recharged, totalling £248,714 (2016: £485,244) including the cost of the secondment of staff and a premises licence fee. The premises were made available at below market cost. A gift in kind of £366,465 (2016: £837,545) for the donated element of these premises has been recognised.

Cancer Research UK incurred costs on behalf of the Francis Crick Institute Limited, which it has recharged, of £966,941 (2016: £54,927) including the cost of providing seconded staff, hospitality charges and building rent. Until December 2016, premises of the Lincoln's Inn Fields and Clare Hall laboratories were made available at nil cost. A gift in kind of £6,206,546 (2016: £7,324,443) has been recognised.

The Medical Research Council incurred costs on behalf of the Francis Crick Institute Limited, which it has recharged, of £4,706,454 (2016: £6,571,240) in providing seconded staff and a service charge for the Mill Hill premises.

Imperial College London incurred costs on behalf of the Francis Crick Institute Limited, which it has recharged, of £306,430 (2016: £147,169) in providing seconded staff.

University College London incurred costs on behalf of the Francis Crick Institute Limited, which it has recharged, of £206,024 (2016: 455,315) for student tuition fees and seconded staff. Research lab staff have been seconded to the Crick at nil cost, a gift in kind of £454,399 (2016: £NIL) has been recognised for these services.

King's College London incurred costs on behalf of the Francis Crick Institute Limited, which it has recharged, of £520,090 (2016: £438,320) in providing seconded staff. Research lab staff have been seconded to the Crick at nil cost, a gift in kind of £448,256 (2016: £NIL) has been recognised for these services.

24. CONTINGENT LIABILITIES

The Crick has entered into a guarantee with HSBC Bank PLC in favour of the Environment Agency for the value of €95,000. The guarantee was required in order to obtain a license to dispose of radioactive sources used by an item of scientific equipment.

25. POST BALANCE SHEET EVENTS

There are no relevant post balance sheet events to report.



The Francis Crick Institute Limited is a registered charity in England and Wales no. 1140062 and a company registered in England and Wales no.06885462, with its registered office at 1 Midland Road, London NW1 1AT.



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