



UK Biobank Limited
(Limited by Guarantee)

Report and Consolidated Financial Statements
30 September 2019

Company Registration number 04978912
Registered Charity in England and Wales number 1101332
Registered Charity in Scotland number SC039230

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LEGAL AND ADMINISTRATIVE INFORMATION

REGISTRATIONS

Registered Charity in England and Wales number 1101332
Registered Charity in Scotland number SC039230
Registered Company number 04978912

REGISTERED OFFICE

1-2 Spectrum Way, Adswood, Stockport, Cheshire SK3 0SA

DIRECTORS AND TRUSTEES

Professor the Lord Kakkar - Chair (Appointed 10 January 2020)
Professor Martin Bobrow
Professor Ruth Gilbert
Professor Andrew Hattersley
Professor Anneke Lucassen
Professor Sir Alex Markham
Dr Sara Marshall
Dr Joe McNamara
Professor Bill Ollier
Sir Michael Rawlins (Resigned 10 January 2020)
Jonathan Tross CB

EXECUTIVE MANAGEMENT TEAM

Professor Sir Rory Collins - Chief Executive Officer and Principal Investigator
Professor Naomi Allen - Chief Scientist (Appointed 1 November 2019)
Chris Boulton - Chief Information Officer (Tendered resignation 29 June 2020)
Dr Mark Effingham - Chief Operating Officer
Gareth Gregory - Chief Finance Officer (Appointed 25 November 2019)
Rob McGeechan – Interim Chief Information Officer (Appointed 6 July 2020)
Grant Nash - Finance Director (Resigned 26 April 2019)
Jonathan Sellors - Company Secretary
Dr Simon Sheard - Operations Director
Professor Cathie Sudlow - Co-Chief Scientist (Resigned 31 October 2019)
Andrew Trehearne - Communications Officer (Tendered resignation 25 June 2020)

BANKERS

HSBC Bank plc
4 Hardman Square, 2nd Floor, Spinningfields, Manchester, M3 3EB
Barclays Bank plc
38 Market Street, Crewe, CW1 2ET
Lloyds Bank plc
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INDEPENDENT AUDITOR

KPMG LLP
1 St Peter's Square, Manchester, M2 3AE

SOLICITORS

Eversheds Sutherland (International) LLP
Eversheds House, 70 Great Bridgewater Street, Manchester, M1 5ES

STRATEGIC REPORT

The Directors have pleasure in presenting their Strategic Report for the Group which consists of the charitable company, UK Biobank Limited (“the Charity”) and its wholly owned trading subsidiary, UK Biocentre Limited, for the year ended 30 September 2019.

The report provides a review of the activities and business for the Group and outlines its development and performance for the financial year, the financial position at the end of the year and an outline of its plans for the future. The report also describes the risks facing the Group and how these risks are managed.

1. BUSINESS AND ACTIVITY REVIEW

1.1. Background

1.1.1. The Charity

The Charity was established in 2003. The Charity is a medical research project originally set up and funded by The Wellcome Trust (as Trustee of the Wellcome Trust) and the Medical Research Council.

1.1.2. Establishing a 500,000 Participant Cohort

The aim of the Charity is to improve the prevention, diagnosis and treatment of a wide range of serious and life-threatening illnesses. The Charity has recruited 500,000 people (‘participants’) aged, at the time of their recruitment, between 40-69 years, from across the country to take part in the project. The participants have undergone physical measures, provided blood, urine and saliva samples for future analysis and have shared detailed information about themselves. In addition, the participants have given permission for the Charity to be updated on their future health. Subsequent to these initial measures, the Charity has undertaken, and is continuing to undertake, significant projects that broaden and deepen the data held in respect of its participants. This provides a powerful resource, by creating a large prospective epidemiological study, which medical researchers are able to access at minimal cost to undertake a wide diversity of medical research.

Funding has been received by the Charity for both unrestricted and restricted purposes. The unrestricted ‘Core’ funding has enabled the recruitment of participants, the secure management of the consented data relating to these participants, the linkage of the resource to participant healthcare records and the opening of the resource to the research community for the purposes of health research. The restricted ‘Enhancement’ funding has enabled additional high value assays and assessments to be undertaken, which provide further data on the Charity’s participants for health-related research.

1.1.3. Core (unrestricted) funding and activities of the Charity

Core funding of £65,985,000 was initially received by the Charity for the recruitment of 500,000 participants between 2006 and 2010. This included funding for the development of a comprehensive ethical framework under which all data collected are stored, used and made available to researchers.

Subsequently the Charity was granted Core funding of £24,961,541 for the five-year period 2011 to 2015. This next stage of the project focused on further enhancing the resource and making it available to the medical research community. As part of the initial recruitment, participants gave their consent for the Charity to link to their past and future healthcare records. One of the principal, and most challenging, objectives of the project since recruitment was completed has been to establish these links into the primary and secondary healthcare systems, and then to review and categorise the outcomes of this linkage such that the medical data held on each participant are as comprehensive and detailed as possible.

In 2013, a repeat assessment was completed on 20,000 of the participants with the purpose of allowing scientists who use the resource to take account of changes in the health and lifestyle of the participants over time.

In 2015, the Charity was granted Core funding of £10,000,000 for the two years to end June 2017 so that it could continue to progress its objectives to maintain and develop the resource, and facilitate and promote access to researchers for the purposes of medical research. Additional data were collected via web-based questionnaires and from 100,000 participants wearing activity monitoring devices.

During 2017, the Charity was awarded £31,700,000 Core funding to cover the five-year period to 30 June 2022. This funding coincides with the transition of UK Biobank into a prospective phase whereby the relevance of participants’ characteristics recorded at the time of recruitment for the development of subsequent health outcomes can start to be investigated.

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Core (Unrestricted) Funding of the Charity as at 30 September 2019					
Funder	Recruitment Phase 2006 - 2010 £'000	5 years to 30 June 2015 £'000	2 years to 30 June 2017 £'000	5 years to 30 June 2022 £'000	Total £'000
The Medical Research Council	28,577	11,856	5,000	12,390	57,823
The Wellcome Trust	28,577	11,856	5,000	12,390	57,823
The Department of Health	6,596	1,250	-	-	7,846
The North West Development Agency	500	-	-	-	500
The Scottish Government	500	-	-	-	500
The Welsh Assembly	235	-	-	-	235
The British Heart Foundation	1,000	-	-	3,170	4,170
Cancer Research UK	-	-	-	2,500	2,500
The National Institute of Health Research	-	-	-	1,250	1,250
Total	65,985	24,962	10,000	31,700	132,647

Core (unrestricted) funding received during the year ended 30 September 2019 was £5,301,513 (2018: £5,859,292). In respect of this funding, the Charity acquired assets to the value of £397,052 (2018: £282,966) and incurred expenditure on staffing and other costs, excluding depreciation, of £8,507,610 (2018: £7,741,755).

1.1.4. Enhancement (restricted) funding and activities of the Charity

In 2013, the Charity received Enhancement funding of £21,000,000 to undertake genetic analysis on samples from all 500,000 participants. This project was completed in 2017 and resulted in genotyped data being added to the Charity's data resource for access by approved researchers.

Also in 2013, a further £9,365,000 of Enhancement funding was awarded to undertake Biomarker Analysis on samples from all 500,000 participants. This project was completed during 2018 and the related data has been added to the Charity's data resource.

In 2013, the Charity received Enhancement funding of £9,600,000 to establish an imaging facility in Stockport in which to conduct a pilot study of the feasibility of performing a large scale imaging study. This pilot proved highly successful and, in 2016, the Charity was awarded £32,967,679 Enhancement funding to establish two more imaging centres in Newcastle and Reading in order to extend this Imaging study to 100,000 participants and, alongside this, to perform a number of repeat assessments including the collection of physical samples (blood and urine). This study was further extended during 2018 with £8,500,000 additional Enhancement funding for the purpose of accelerating the imaging by opening a fourth assessment centre in Bristol. The Charity is also conducting the repeat imaging of up to 10,000 of the participants with the assistance of further funding of £2,500,000 from the charity Dementia Platforms UK.

In early 2018, the Charity was awarded £30,000,000 of Enhancement Funding Grant to undertake a vanguard Whole Genome Sequencing study across 50,000 participant DNA samples. This project commenced in the second half of 2018 and completed in early 2020. The sequencing is being undertaken by the Wellcome Sanger Institute in Cambridge. In November 2018, the Charity was awarded up to £4,800,000 of Enhancement Funding Grant for Vanguard Informatics for the processing and storage of the data generated from the vanguard Whole Genome Sequencing study. It is expected that this project will require £3,020,000 of this award due to cost savings achieved from a competitive tendering process. Completion of Whole Genome Sequencing in the whole cohort is being conducted as an access application (see section 1.2.2) and, as a part of that initiative, UK Biobank has been awarded a further Grant of £20,000,000 to establish a Data Platform with storage capacity for these data (Note 26).

STRATEGIC REPORT

Enhancement (Restricted) Funding of the Charity as at 30 September 2019						
Funder	Genetic Assays	Biochemical Assays	Imaging	Whole Genome Sequencing	Vanguard Informatics	Total
	£'000	£'000	£'000	£'000	£'000	£'000
The Medical Research Council	10,000	4,000	27,447	30,000	4,800	76,247
The Wellcome Trust	-	4,000	20,621	-	-	24,621
The Department of Health	10,000	-	-	-	-	10,000
The British Heart Foundation	1,000	1,000	3,000	-	-	5,000
Diabetes UK	-	365	-	-	-	365
Dementias Platform UK	-	-	2,570	-	-	2,570
Total	21,000	9,365	53,638	30,000	4,800	118,803

Enhancement (restricted) funding received during the year ended 30 September 2019 was £32,185,312 comprising of £8,036,019 on the Imaging project and £24,149,293 on the Whole Genome Sequencing vanguard project (2018: £10,574,600, comprising of £7,821,116 on the Imaging project and £2,753,484 on the Whole Genome Sequencing vanguard project). In respect of this funding the Charity acquired assets to the value of £1,148,747 (2018: £4,942,185) for these enhancement projects and incurred expenditure on staffing and other costs, excluding depreciation, of £27,201,347 (2018: £4,637,558).

1.1.5. Impact of the Core and Enhancement funding

The opportunities provided via the generous investments of its funders, is enabling the Charity to combine the following sets of data:

- i) Phenotypic data gathered at the initial recruitment visit.
- ii) Data gathered through interview, questionnaire and physical measures such as height, weight, blood pressure, heart rate etc.
- iii) Assay data extracted from samples provided by the participants during the recruitment phase (2006 to 2010), such as highly detailed analysis of the genetic code, biochemical constituents of blood and urine and metabolomic characteristics of the Charity's 500,000 participants.
- iv) Imaging data extracted via the Imaging project such as brain, cardiac, bone and abdominal organ measures.
- v) Health record linkage data extracted at regular intervals over time via participant health linkage at the points of both primary care (GP) and secondary care (hospital) as well as cancer and death registry data sets.

This combination of breadth and depth of data held on all, or a significant portion, of the 500,000 participants within the Charity is unparalleled and has resulted in the creation of one of the most powerful medical research resources in the world.

STRATEGIC REPORT

1.2. UK Biobank as a resource to medical researchers

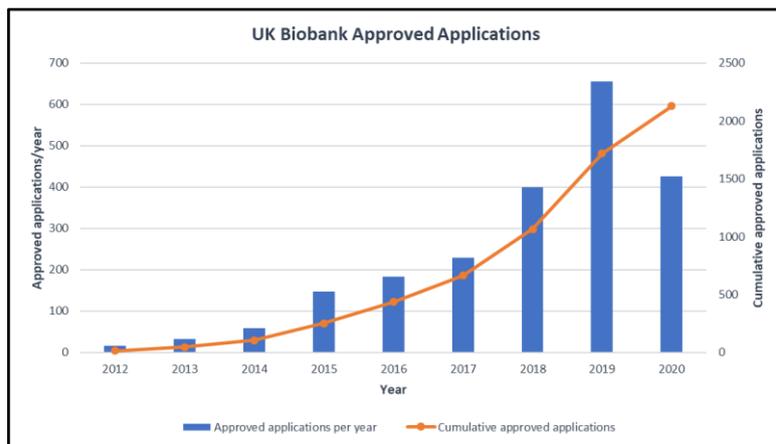
Access to the resource opened in 2012. The Charity’s access protocols are designed to ensure that data are released only to *bona fide* researchers for health-related research which is in the public interest. All participant data released to approved medical researchers are provided on a de-identified basis and, in addition, researchers are contractually prohibited under the Charity’s material transfer agreement from attempting to re-identify participants.

UK Biobank's access procedures do not discriminate between academic, charitable or commercial applicants and nor do they discriminate between national or international applicants: all applicants are treated in the same way, are subject to the same access criteria and (with certain articulated exceptions for students and applicants for low/middle income countries) pay the same access fees. This strategy has led to substantial investment in enhancing the UK Biobank resource from industrial sources (e.g. as noted in section 1.2.2).

Access charges are based on cost recovery and, during the year, research access income of £2,231,672 (2018: £1,062,969) was received in respect of approved research access requests for data and samples held within the resource. Across the same period, the Charity incurred expenditure of £1,640,632 (2018: £1,106,964) in respect of these access applications.

1.2.1. Research Data Access applications

The large majority of research applications are for data held within the Charity’s data resource. Since the Charity opened its resource for researchers in 2012, the number of applications for data has increased rapidly. At the start of the financial year, 1,065 researchers had submitted full applications and been granted approval to receive data and/or samples from the resource. By the end of the financial year, these numbers had increased by 655 to 1,720 approved research applications cumulatively.



1.2.2. Research Sample Access applications

The criteria for accessing the Charity’s samples are more stringent, because of their depletable nature. There have been 11 approved research sample access applications since the resource was opened to researchers in 2012. These applications seek to access samples (blood, saliva, urine, DNA etc.) held by the resource with the purpose of performing research assays. Data created by these research assays are then returned to the Charity for provision to the wider research community via the Charity’s research data access procedures.

The Charity has implemented a sample access policy which sets out an explicit set of requirements that any proposed sample assay needs to meet: these are set out on the Charity’s website <https://www.ukbiobank.ac.uk>

During the financial year, the following significant research sample access projects were ongoing:

- (1) The University of Leicester has undertaken, with funding provided by the Medical Research Council, a study of telomere length in all 500,000 participants.
- (2) The Broad Institute in Boston, USA has undertaken, and funded, an exome sequencing study across approximately 13,500 participants.
- (3) A consortium of Regeneron pharmaceuticals Inc. (‘Regeneron’) and GlaxoSmithKline completed exome sequencing of 50,000 participants’ samples during the financial year. Following this, Regeneron formed a

STRATEGIC REPORT

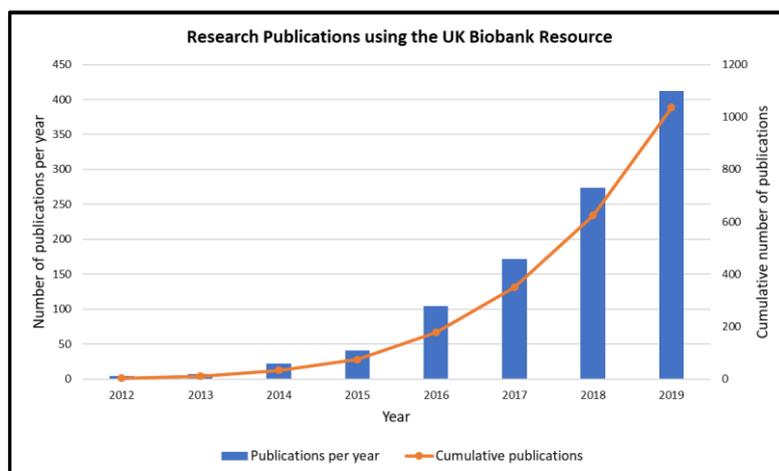
further consortium (including Abbvie, Alynlam, Astra Zeneca, Biogen, Pfizer and Takeda) to conduct exome sequencing of the remaining 450,000 participants' samples.

- (4) Nightingale have successfully applied to conduct, and fund, lipidomic analysis of plasma from all 500,000 participants' samples across 2018 to 2021.
- (5) Whole Genome Sequencing of the remaining 450,000 participant DNA samples over the course of the next 3 years is being conducted by the Wellcome Sanger Institute and deCODE genetics on behalf of an external Consortium of industry parties comprising of Amgen, AstraZeneca, GlaxoSmithKline and Johnson & Johnson (each committing £25,000,000) and additional Grant funding has been provided to the Consortium by the government's research and innovation agency, UK Research and Innovation (UKRI) (committing £50,000,000 in aggregate) and Wellcome (committing £50,000,000 in aggregate). This is anticipated to be completed in 2022/23.

All of the data resulting from the above sample access projects will be returned to the Charity for distribution to medical researchers under the Charity's access protocols after an agreed exclusivity period for research on the assay data combined with other UK Biobank data. This period depends on the individual application: the UK Biobank Access Sub-Committee has determined that a standard period of 9 months will apply for all applications that request an exclusivity period. These data will constitute significant enhancements to the data resource.

1.2.3. Publications resulting from research access to the Charity's resource

As a result of their access to the Charity's resource a total of 1,036 research papers have been published on-line (2018: 624). A full list of publications is available on the Charity's website <https://www.ukbiobank.ac.uk>.



1.3. UK Biocentre Limited

In 2011, UK Biocentre Limited was established, as a wholly owned trading subsidiary of the Charity. UK Biocentre Limited uses the expertise and skills developed by the Charity in order to provide biological sample processing, sample archiving and sample analysis services for studies undertaken by the broader medical research community. It extends the benefits brought to the medical research community as a result of the Charity's knowledge gains in the logistics of large scale population studies.

In 2014, the scope of services and available capacity provided by UK Biocentre Limited to support medical research was significantly extended by the opening of the National Institute for Health Research National Biosample Centre (NIHR NBC) in Milton Keynes and Oxford. The opening of this facility was supported by a Grant provided by the NIHR to Oxford University for the purchase and establishment of biorepository and sample processing infrastructure capable of servicing the NIHR-funded Biomedical Research Centres (BRCs) and other medical research bodies. UK Biocentre Limited was contracted by Oxford University to operate this site in March 2014.

In March 2020, the Department of Health and Social Care also asked UK Biocentre to provide swab PCR testing as part of the UK's COVID-19 National Testing Programme, and provided funding for the initiative. This testing programme continues as at the date of signing of these financial statements. To enable this national priority to proceed, existing research projects were paused, pending research organisations and UK Biocentre regaining the necessary capacity to restart these.

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At the financial year-end 2019, the site has been operational almost five years and has seen annual revenues increase by over 300% across this period. Significant institutes who are utilising the NIHR NBC include the 100,000 Genomes Study, the NIHR BioResource network, Bloodwise (a charity focussed on childhood leukaemia), the Universities of Oxford and Cambridge, Imperial College, UCL, Kings College London and the Charity itself.

1.4. Review of the financial year

During the financial year, the Charity has made significant progress in the further enhancement of the resource.

The consolidated financial position of the Group at the 30 September 2019 is shown in the Consolidated Balance Sheet (on page 24) which shows total Charity funds of £16,330,381 (2018: £14,116,459); £2,696,531 (2018: £3,942,045) held as unrestricted funds and £13,633,850 (2018: £10,174,414) as restricted funds. Of these funds £11,942,599 (2018: £12,566,957) is held as fixed assets.

The Consolidated Statement of Financial Activities (on page 22) shows expenditure during the year, before taxation of £41,631,190 (2018: £16,991,324) set against funding and other income received of £43,845,112 (2018: £20,733,346).

Detailed financial information relating specifically to UK Biocentre is included in the Consolidated Financial Statements at Note 14: Investments.

Specific activities undertaken during the year were:

1.4.1. Whole Genome Sequencing analysis:

Whole Genome Sequencing of 50,000 participant samples commenced during the year as a vanguard study of the feasibility of performing such a complex project at scale. By the end of the financial year, 36,728 samples had been sequenced at the Wellcome Sanger Institute in Cambridge.

1.4.2. Biomarker Analysis:

Data resulting from the analysis of thirty four biomarkers across urine, HbA1c and serum samples in all 500,000 participants has been subject to statistical checks and was released to the medical research community during 2019.

1.4.3. Imaging Analysis:

At the end of the financial year, over 43,000 participants had been imaged (2018: 28,000). The study has operational sites in Stockport, Reading and Newcastle and a fourth centre opened in Bristol in January 2020. Repeat assessments on up to 10,000 participants commenced during 2018 on participants who have already taken part in the Imaging project.

1.4.4. Linkage to secondary and primary healthcare records:

1.4.4.1. Secondary healthcare records:

The Charity now has complete participant coverage in respect of hospital admission data, death and cancer records. These linked records provide data on medical consultations and health conditions of the participants and are made available (on a de-identified basis) to medical researchers as part of the Charity's data resource.

1.4.4.2. Primary healthcare records:

Research access to primary care health-records remains a challenging process and the Charity is continuing its efforts to achieve primary care linkage for the great majority of its participants. In this regard, the Charity has received the benefit of constructive advice and input from the Information Commissioner's Office ('ICO'), NHS Digital and the Royal College of General Practitioners.

To ensure that the utility of these data is maximised, it is important that the specific details of any particular condition are accurately categorised. To achieve this, work has continued during the year to develop algorithms which allow the accurate and efficient categorisation of various health conditions.

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1.5. Future developments:

The next financial year will see the following Enhancement activities undertaken:

- i. The Imaging project was planned to accelerate further, and to support this, a fourth imaging centre in Bristol was opened in January 2020, to enable over 20,000 participants to be imaged annually once all four centres are operating at target participant throughputs. However, in March 2020 due to the uncertainty and concerns about COVID-19, the Charity closed its four centres with the intention of them re-opening when the prevailing situation permits.
- ii. The Whole Genome Sequencing 50,000 participant vanguard study was completed in early 2020. As referred to in section 1.2.2., following the success of this vanguard study of 50,000 participant samples, Whole Genome Sequencing of the remaining 450,000 participant samples commenced in the later part of 2019, funded through a Research Sample Access project, which is expected to be completed over the course of the next 3 years.
- iii. The Vanguard Informatics project that will process and store data arising from the Whole Genome Sequencing vanguard project will complete in 2020.

Further, applications for Enhancement funding were submitted (and approved) to support:

- i. The provision of a Managed Informatics Platform that will allow researchers to access and work with UK Biobank data in-situ, without the need to download these data to their own environments. With the increasing complexity and scale of data being generated by significant assay projects, this will become a critical capability to maximise utilisation of the data held within the Charity's resource. Grant funding of £20 million was awarded by Wellcome in October 2019.
- ii. A study on a proportion of the population who have been infected with the coronavirus that causes COVID-19 by measuring antibody levels in the UK population. A sub cohort of 20,000 of the Charity's participants and their adult children and grandchildren (aged over 18) are taking part in this study. Funding of £3 million was awarded by the Department of Health and Social Security in April 2020.

These activities will be in addition to those activities undertaken using Core funding which will include:

- i. Focussed efforts to increase coverage of linked medical records, particularly within primary care. Meanwhile the Charity will continue to receive regular updates from the hospital admission, death and cancer registries.
- ii. Issuing further web-based questionnaires to participants.
- iii. Maintain the infrastructure in place within the Charity, including the safeguarding of participant samples and data.

2. MEASURES OF ACTIVITY

2.1. Researcher access requests

The Charity's primary objective is to create a resource that furthers medical research opportunities and, in so doing, leads to improvements in population health. The number of requests by researchers to access the resource is an indicator of how much it is used. Details on use are outlined section 1.2. In future, as the resource matures and researchers publish an increasingly large number of papers of increasing importance, the numbers of citations to published research is likely to provide a better indicator of the Charity's contributions to improving the health of the public. The number of publications has, once again, risen significantly in the year (as shown in section 1.2.3).

2.2. Expenditure

Controls over expenditure are paramount to the Charity, due to the restrictions on available funds. There is very significant potential to further develop the Charity's resource and so carefully managing expenditure and prioritising appropriately the activities undertaken are critical to maximising the value of the resource. In the year, the Charity has reported expenditure of £36,939,227 (2018: £14,422,943). The Charity monitors expenditure via monthly management summaries and a formal quarterly reforecast and reporting process. Responsibility over expenditure is delegated to project and department managers who manage their projects/departments accordingly.

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2.3. Participant withdrawal

The Charity's success relies upon the continued support of its participants as, were large numbers to withdraw, there would be a significant impact on the breadth of the Charity's data resource, and therefore its likely impact on medical research opportunities. During the year, a total of 41 participants chose to withdraw from the project (2018: 72 withdrawals during the year) bringing the total to date to 993.

Overall, the total number of withdrawals represents only 0.2% of the participants and reflects the open and clear communication provided to participants on an ongoing basis by the Charity, and the high level of understanding of the participants of the benefits their participation can bring to health research. The Charity remains incredibly grateful for the continued philanthropic support provided by its dedicated participants.

2.4. UK Biocentre Limited

UK Biocentre Limited monitors expenditure closely and, in addition, carefully reviews customer project margins against budget expectations as well as revenue levels. Regular meetings assess the performance of the projects and ensure customer expectations are being met, with issues highlighted and, where appropriate, elevated for management review. This control framework underpins the delivery of projects at the standard expected while costs are managed and margins kept at a level sufficient to achieve long term sustainability whilst ensuring cost effectiveness for customers.

3. EMPLOYEE AND ENVIRONMENTAL MATTERS

3.1. Employee numbers and remuneration

The Group has established policies for recruitment, training and development of its personnel. It remains committed to achieving excellence in the areas of health, safety, welfare and protection of employees and their working environment and has introduced, over the last few years, improvements in employee benefits including parental leave and pay entitlements.

The Group seeks to ensure equal opportunities are available for all existing and potential staff and have procedures in place to support disabled staff or staff encountering circumstances which may require particular considerations in order to enable them, as far as possible, to perform their roles successfully. In addition, the organisation regularly reviews remuneration and benefits offered to employees to ensure that these remain competitive and in line with market trends.

As at the end of the financial year, the Group employed 185 staff (2018: 154)¹. Of these, 68 were employed as part of the Core project (2018: 59), with a further 81 employed on the Imaging project (2018: 71) and 36 employed within UK Biocentre (2018: 24).

The Charity has undertaken a review of the gender pay gap of its employees.² The Charity has more female employees in junior roles within the organisation relative to male employees, and more male employees on higher salaries in senior roles within the organisation relative to female employees (as shown in the table below). The Charity splits all employees into grades within the organisation, with employees in identical or equivalent roles with similar responsibilities levels allocated to grades A to H. An analysis of gender pay differences within each grade shows that there is a relative gender pay gap within the middle grades (D to F). This reflects that even though the number of men in each of these categories is less than females, there are a high number of Information Technology and specialist Laboratory Information Management System roles that fall into these groups with the majority being male with higher salaries due to the demand for these skills in the marketplace. The review reflects that no individual grade within the organisation shows a significant discrepancy in pay between male and female employees and that the gender pay gap is related to relative seniority/specialism of the roles performed by male and female employees. In particular, there are currently no female employees in the most senior (H) band.

¹ Excluding the 10 part-time non-executive directors reported on under section 4.2.

² This relates only to individuals employed directly by the Charity (excluding non-executive directors), and not those individuals who are either seconded or contracted to work with the Charity from other organisations or who are employed by UK Biocentre Limited.

STRATEGIC REPORT

Employee Grade	Average Salary £	Total Male Employees	Total Female Employees	Gender pay gap
A (Most Junior)	19,798	6	4	Female employees paid, on average, 6% more than male employees
B	22,437	2	27	Male employees paid, on average, 4% more than female employees.
C	25,166	4	10	Female employees paid, on average, 5% more than male employees
D	28,432	14	31	Male employees paid, on average, 11% more than female employees
E	39,605	7	11	Male employees paid, on average, 14% more than female employees
F	47,662	8	10	Male employees paid, on average, 8% more than female employees
G	56,357	3	7	Female employees paid, on average, 10% more than male employees
H (Most Senior)	108,912	5 (+1)	0 (+2)	No directly employed female employees in this salary band ³
Average	34,624	Total	49	100

The Charity has policies and procedures in place to ensure that all employees are treated equally. It ensures that all recruitment is done on a structured basis such as to minimise the risk of any unintentional or intentional bias towards one gender or the other. This includes the use of skills-based assessment tasks as part of the interview process and pre-determined interview questions adopted alongside pre-determined response grading criteria. The Charity has improved maternity and parental leave benefits as well as offering flexible working arrangements to employees. The Charity will keep the gender pay gap under review and will seek to reduce it, with the aim of removing it, over the coming years.

Further details on employees and remuneration are included in the financial statements at Note 9: Staff numbers and costs.

3.2. Director and executive remuneration

Until March 2020, it was the Charity's policy to pay certain Non-Executive Directors a fee in recognition of their role and responsibilities. Provisional sums of £58,000 (2018: £58,000) have been recognised in the financial statements for six directors to receive remuneration for all or part of the year (2018: six), as detailed in Note 11 to the financial statements. However, due to the provisions of the Charity Commission guidance, it may not prove possible to pay these amounts. None of the directors of the Charity receive any benefits other than this remuneration, where paid. The financial statements recognise remuneration for the highest paid director of £16,000 (2018:£16,000). With effect from March 2020 the policy changed and for the foreseeable future none of the Charity's Directors will be remunerated. At the end of the financial year the Charity's Board of directors included seven male directors and three female directors.

The senior management of the Charity receive remuneration as agreed by the Board. Details of their salaries are disclosed in Note 10 to the financial statements.

3.3. Pensions

The Charity does not have its own pension scheme but is a member of the Universities Superannuation Scheme ('USS'). The USS is a large defined benefit pension scheme which provides a pre-determined level of benefit to members of the scheme based on prescribed contributions made by both the employee and the employer. An actuarial valuation of the USS scheme was concluded during the financial year (the "2018 Valuation") which identified a deficit of £3.6bn in the scheme as at March 2018. Following the conclusion of the 2018 Valuation and in order to address the deficit in the short term, contribution rates

³ Employee Grade H is the Executive Management Team. This team includes two females and one male (in brackets in the table) who are not employed by the Charity, but are seconded to the Charity from the Universities of Oxford and Edinburgh.

STRATEGIC REPORT

were set at 30.7% of pay until October 2021 and 34.7% thereafter subject to a further valuation in 2020. There will be no change to the current benefits provided under the scheme until the 2020 valuation during which time options for reforms to put the scheme on a more sustainable footing for the long term will be investigated. The Charity, by being a member of the scheme, is exposed to the deficit which exists within the scheme in the same way that all other member institutions of the USS are exposed. This may result in future contributions being required to increase further in order to ensure that the scheme is able to meet its future obligations (see Note 25 of the financial statements).

3.4. Environmental Matters

The Group recognises that it has a responsibility to manage the impact that its operations have on the environment both now and in the future and is signed up to the Environmental Business Pledge with the aim of using the scheme as a means to reducing its carbon footprint and associated energy bills. By joining the Environmental Business Pledge scheme, the Group considers its environmental impact and has in place a focus on continuous improvements in this area.

During the financial year, the Charity extended its recycling facilities to allow all used printer cartridges to be returned to the supplier along with any unwanted electrical items such as mobile phones, PCs, laptops, cameras, cables and CDs/DVDs. Further arrangements with suppliers to collect packaging have also been extended so that it can be reused or recycled. Existing programs such as introduction of LED lighting continue with all new sites, including the new Imaging centre in Bristol, fitted throughout with LED lighting thereby reducing both waste and a lowering of energy usage.

4. RISKS AND UNCERTAINTIES

The principal concern of the Charity is to maintain its resource in a way that is secure, protects the confidentiality of the participants and maintains the data and samples in a form that is most useful to the scientific community. The Directors have examined the major risks around this area and have established strategies and systems which allow those risks to be mitigated to an acceptable level. A similar approach is adopted for UK Biocentre Limited. This risk review process is continued on an on-going basis each year.

The Charity and UK Biocentre are exposed to risks and uncertainties which fall into five main categories and are outlined below. These risks, and the actions taken to manage these, are reviewed on a quarterly basis by the Audit and Risk Committees of the Charity and UK Biocentre.

4.1. Financial risks

The Charity has received specific funding awards in respect of its core operations and in respect of separate enhancement projects. The funding for each project is agreed prior to the start of the project based on delivery of agreed goals and the estimated associated costs. The Charity is exposed to the risk that if the estimates of costs used were incorrect then it may have insufficient funds to complete some of its activities (or risks committing to spend it cannot fund).

To manage financial risk all core activities and major enhancement projects are re-forecast on a quarterly basis and are reviewed by the executive management team and Board. Where variances in costs are identified compared to expectation then the activities affected are reviewed to ensure that prescribed goals remain achievable. The regular review process ensures that variances are identified sufficiently early to allow them to be appropriately addressed.

UK Biocentre Limited is exposed to financial risks in the event of project costs being greater than anticipated. This risk is managed by detailed cost planning of potential projects, regular monitoring of the projects in operation and providing an open relationship with customers on the activities included within the pricing provided. In addition UK Biocentre Limited has a fixed cost base which it must manage via the generation of income through sales from customers. There is a risk that, if UK Biocentre Limited is unable to generate sufficient sales income, it will not be able to manage these fixed costs. A process of regular quarterly reports and updated forecasts as well as longer term performance and cash forecasts are provided to the executive management team and UK Biocentre Limited's Board to assess the current level of this risk and develop actions at the earliest opportunity in the event that concerns arise.

4.2. Operational and Personnel risks

The Charity is gathering research data across populations at an almost unique scale. Additionally, the samples collected are a single resource that cannot be replaced. As such, there are risks associated with the preservation of the samples in optimum conditions at all times. Furthermore, the size of the sample population means that in order to extract research data within reasonable timeframes, equipment must in some cases be run across extended hours seven days per week. This must all be done while ensuring the quality and consistency of the data extracted from participants and/or participant samples remain at

STRATEGIC REPORT

the highest standard. Ensuring that workflows and/or the samples themselves are not exposed to equipment failure or human error is therefore an important requirement for the Charity and for UK Biocentre.

The Charity manages these risks by putting in place significant infrastructure ensuring that loss of electric or nitrogen supply can be seamlessly managed without any impact on the samples via back-up supplies and on-site power generation capabilities. The Charity also splits sample collections across two sites meaning that, in the unlikely event of a catastrophic event at one site, the sample collections are not entirely lost. Additionally, all operating procedures are clearly documented and employees trained to ensure that protocols are followed to minimise the risk of operational failures. Clear protocols reflecting the Charity's ISO 9001 certification to the 2015 standard are documented and followed.

The Imaging project, in particular, presents a notable level of operational risk as, in order to achieve 100,000 participant images within the funding allocated and timescales targeted it must run its Imaging centres 12 hours per day, 7 days per week. Ensuring that operations are undertaken efficiently in centres remote from the main coordinating centre presents an operational challenge. Following the start of the COVID-19 pandemic in early 2020, this has become particularly acute, as it remains unclear when the centres will be able to be reopened at the expected level of throughput, and how the pandemic will impact on the levels of participation in the programme.

Further contributing to this challenge is the national shortage of radiographers (something that has been well documented in the press). The Charity operates a continuous recruitment campaign across all sites with the aim of attracting radiographers to the study and has introduced progression and training programmes with the aim of retaining employees. This risk will increase if redundancies are required on the programme in 2020 in light of the COVID-19 pandemic (see note 26 to the accounts for further information on post balance sheet events).

The Group manages personnel risk more generally by providing competitive salaries and an environment that encourages staff involvement. Salaries are appropriately benchmarked and investment is made in providing training to staff to encourage their development and growth within the organisation. At the same time, operating procedures are rigorously documented and staff cross-trained so that in the event of a sudden loss of a key staff member that the operations can continue with minimal interruption.

Finally, the Charity relies on agreements with other organisations, including the NHS, to maximise the value of its resource, for example in the area of data linkage. Whilst the Charity has all the necessary consents to link to the medical records of its participants, the wider environment and approaches to data protection have, in some instances, provided challenges to the Charity achieving linkage to medical records. This provides an operational risk that the value of the resource cannot be maximised.

To address this the Charity undertakes regular and ongoing discussions with key parties responsible for the safe-keeping of medical data to ensure that a full understanding is held of the Charity's participants' consent and the Charity's protocols which protect and secure data in a manner compliant with all relevant legislation (and its commitments to its participants).

4.3. Data protection risk

The Charity holds confidential personal clinical data on its 500,000 participants and UK Biocentre Limited also holds certain (much more limited) data in relation to its customers. An important potential risk exists in respect of the security protocols around these data and protecting these data from loss or malicious attack.

To manage this risk, the Group has protocols in place to back up and secure its data and to hold them in encrypted format secured by multiple levels of access checks to prevent mistaken or intentional data loss. The Group also subjects its data security measures to independent audits to ensure current best practice is being maintained. The Group undertakes exercises such as independent 'penetration' tests to, as far as is possible, ensure the Group is minimising the likelihood of a cyber-attack gaining access to the data.

All data that are made available to researchers are released in reverse-anonymised form (but only UK Biobank holds the technical means to be able to reverse the anonymization). In the (unlikely) event that the researcher were to fail to protect these data adequately (which is one of their explicit contractual undertakings under the Charity's material transfer agreement) then the researcher (or unauthorised third party) would have no direct facility to link the data back to the individual participants to which it relates. The Charity is certified with (and operates to) the ISO 27001:2013 information security standard.

STRATEGIC REPORT

4.4. Regulatory risk

The Group is subject to legislative regulation, much of which is common across all organisations. In addition, the Group handles human tissue and uses equipment which, if used inappropriately, poses significant risk to the health and safety of its operatives. As such, the Group is exposed to potential risks associated with failing to meet regulatory requirements in regards specific operational legislation and, in doing so, exposing its employees or contractors to harm.

The Group is licensed with the Human Tissue Authority (HTA) and is required to follow strict protocols to ensure that all biological samples are appropriately collected, processed, stored, used and, if necessary, disposed and that appropriate documentation exists to allow this to be audited on a regular basis.

The Group undertakes high standards of training and ensuring that it at all times complies with criteria laid down by its various licences. The Group ensures statements of operational procedure are followed and regularly reviewed to address health and safety risks. The Group reports on health and safety to its Board on a quarterly basis.

4.5. Reputational risk

The Group, and particularly the Charity, is subject to reputational risk. The Charity is reliant on the ongoing goodwill and enthusiasm of the participants who have given, and continue to give of, their time to the organisation's research ambitions and allow the research community to access data collected from or about them. Any event which damages the reputation of the Charity would put the ongoing goodwill of the participants at risk, which could lead to an increased level of participant withdrawal from the project.

To address this risk the Charity seeks to keep its participants informed of all its key activities, of the research being performed using the resource and to provide the full implications of any further requests made of them. The Charity also aims to ensure that the highest possible ethical standards are applied to all of its activities and reports on its current and proposed activities to its Board.

UK Biocentre Limited is also subject to this risk; since, if its customers became concerned with the actions or performance of the company then this has potentially significant consequences for its ongoing sustainability and ability to deliver its objectives. UK Biocentre Limited manages this risk by maintaining the quality of its work as its core objective and regularly reports against the progress of all projects to executive management to ensure any issues or challenges can be shared with the customer at the earliest possible stage.

APPRECIATIONS

The Directors acknowledge the role of Charity's main funders, the Medical Research Council and Wellcome (as Trustee of The Wellcome Trust) and also the Department of Health, British Heart Foundation, Cancer Research UK and the National Institute for Health Research for their ongoing (and generous) funding of the resource and the various enhancements described. The scale of their long-term commitment is directly reflected in these consolidated financial statements. In addition, the Charity remains indebted to the extensive network of advisors in the academic community, both within the UK and internationally, who give their time and expertise freely. The Directors also acknowledge the important role of the Group's collaborators who supply key services at the Universities of Oxford and Cardiff. Most important, the Charity wishes to acknowledge the altruism of the participants and to thank them for their ongoing contributions to this unique resource.

Approved by the Board of Directors on 28 September 2020 and signed on its behalf by:



Professor the Lord Kakkar,
Chair

28 September 2020

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the consolidated financial statements of the charitable company, UK Biobank Limited ("the Charity"), for the year ended 30 September 2019.

1. DIRECTORS AND TRUSTEES

The Directors of the Charity are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Directors.

The Directors who served during the year are listed in the Legal and Administrative information on page 2.

None of the Directors who held office at the end of the period had any disclosable interest in the shares of group companies.

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

2.1. Status

UK Biobank Limited is a charity operating as a company limited by guarantee. It was incorporated in England and Wales on 28 November 2003 and registered as a charity in England and Wales on 30 December 2003 and in Scotland on 5 February 2008.

UK Biobank Limited is established under a Memorandum of Association setting out its objects and powers and is governed under its Memorandum and Articles of Association. The two Members of the Charity are the Medical Research Council and The Wellcome Trust Limited (as Trustee of The Wellcome Trust).

2.2. Recruitment of Directors

Under UK Biobank Limited's Articles, Directors may be appointed either by the Members or by the Board. Under the terms of a contract entered into by the Charity, the Members are entitled to appoint one Director each and they are jointly entitled to appoint additional Directors.

2.3. Training and induction

All new Directors receive a briefing on their legal obligations under charity and company law and, if necessary, on the background and aims of the Charity, as well as meeting with the Chair, other Directors and the Chief Executive. In line with recommended best practice, new Directors receive a comprehensive reference manual containing copies of the previous year's annual report and accounts, recent Board minutes, the current business plan, the scientific protocol for the creation of the UK Biobank Limited resource and other key documentation. In addition, training is available to all Directors.

2.4. Organisational structure

The Directors are responsible for the overall management and operation of the Charity with the day to day running of the Charity being delegated to Professor Sir Rory Collins, the Chief Executive Officer and Principal Investigator. He is supported by an executive management team which contains the appropriate range of skills to ensure the competent management of the Charity. The Directors meet at least four times a year.

The Charity has three Board Committees:

- The Audit and Risk Committee, which was chaired during the year by Mr Jonathan Tross, is responsible for advising the Board on financial and accounting issues, the relationship with external auditors and risk assessment.
- The Access Sub-Committee, which was chaired during the year by Professor Martin Bobrow, is responsible for advising the Board on resource access applications received from the research community. Further information can be found on the Charity's website <https://www.ukbiobank.ac.uk>
- The Ethics Advisory Committee, which was chaired during the year by Professor Anneke Lucassen. This committee advises the Board on ethical considerations in respect of the Charity.

The Directors are included within a Directors and Officers liability insurance policy purchased by the Charity at an annual premium of £5,421 (2018: £4,840).

DIRECTORS' REPORT

2.5. Relationships with other organisations

The Charity has arrangements with employees of the following institutions who constitute the membership of the Charity's scientific Steering Committee. No remuneration is paid in respect of this membership:

- European Bioinformatics Institute
- Imperial College London
- London School of Hygiene and Tropical Medicine
- University of Bristol
- University of Cambridge
- University of Glasgow
- University of Oxford

In addition, institutions with which the Charity has significant relationships include:

- Cardiff University, which provides the Participant Resource Centre.
- The University of Oxford, which provides epidemiological expertise, IT services, data management, storage and enhancements support.
- The University of Edinburgh, which during the year provided scientific and epidemiological expertise as well as leading the Charity's activities in respect of linkage to medical healthcare records. These responsibilities transferred fully to the University of Oxford in early 2020.

These services are provided under agreements with the Charity. Directors or senior management who have involvement with these institutions are:

- Professor Sir Rory Collins, the Chief Executive and Principal Investigator, who is an employee of the University of Oxford and Head of the Nuffield Department of Population Health and BHF Professor of Medicine and Epidemiology.
- Professor Cathie Sudlow, who was the Co-Chief Scientist during the year, is an employee of the University of Edinburgh where she is the Chair of Neurology and Clinical Epidemiology at the Centre for Clinical Brain Sciences.
- Professor Naomi Allen, who was the Co-Chief Scientist during the year, is an employee of the University of Oxford at the Nuffield Department of Population Health.
- Jonathan Sellors, who is a Senior Fellow at the Nuffield Department of Population Health.

Full details of Related Party Transactions are included at Note 24 of the Financial Statements.

3. OBJECTIVE AND ACTIVITY

3.1. Objects

The Charity's main objects, as set out in the Charity's Memorandum of Association, are to protect, preserve and advance the health and welfare of human beings and to advance and promote knowledge and education.

3.2. Aims, objective and strategy to achieve the Charity's objective

The Charity's principal objective is to establish and promote a resource for research with the aim of improving the prevention, diagnosis and treatment of illness and promoting health throughout society for public benefit.

3.3. Public benefit

The Directors have given careful consideration to the Charity Commission's general guidance on public benefit and have complied with the duty in section 17 of the Charities Act 2011.

4. GOING CONCERN

4.1. Charity

The Charity has committed funding in place to cover its activities until 30 June 2022. The Directors have therefore been able to satisfy themselves that the Charity is able to continue as a going concern.

DIRECTORS' REPORT

4.2. Subsidiary undertaking: UK Biocentre Limited

Notwithstanding net liabilities of £852,406 at 30 September 2019, UK Biocentre's financial statements have been prepared on a going concern basis which UK Biocentre's directors consider to be appropriate for the following reasons.

UK Biocentre's directors have prepared cash flow forecasts for a period of 18 months from the date of approval of its financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds for the going concern period. Sensitivity analysis has been conducted simulating the effect of COVID-19 impact and other potential phasing scenarios relating to return of business-as-usual activities. Considering even a worst case scenario, UK Biocentre is capable of maintaining operations and cash flow to continue to meet its liabilities for at least 12 months from the date of approval of the financial statements.

UK Biocentre's directors have considered the risks and opportunities presented by the impact of the COVID-19 pandemic. This assessment has considered the uncertainties in projecting revenue streams beyond mid-2021, given that the additional grant funding of £2,300,000 extends to June 2021 only, and the COVID-19 virus testing is currently contracted to run until the end of April 2021 (and could finish earlier depending on the national testing capacity requirements). Forecasts show that in the event of no further grant funding, a cessation of COVID testing in April 2021 and only a limited return in business-as-usual activities (i.e. a severe but plausible downside scenario), there is a downward cash trajectory from June 2021, however this scenario still demonstrates UK Biocentre's ability to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

UK Biocentre's directors consider the risk of this downside scenario arising to be highly unlikely and that the opportunities around continued or new activities beyond this point will mitigate this position. The pandemic is expected to generate new research, testing and storage requirements that could increase the demand for the services provided by the Company in the future, and directors are confident that some of these increases in activity will be agreed before June 2021. Finally, as a condition of the extended £2,300,000 Grant, the Company and NIHR have agreed to jointly commission an independent review of the facility to consider options around its future use. This is expected to be completed in the second half of 2020, providing ample opportunity to implement the outcomes prior to 30 June 2021. Based on present activities and the key importance of the Company in responding to the pandemic, UK Biocentre's Directors are confident the public and research value of the facility and its activities will continue to be recognised as part of this review, and they are therefore confident of the Company's value and existence beyond 2021.

Consequently, UK Biocentre's directors are confident that the company 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 consequently have prepared the financial statements on a going concern basis

5. AUDIT INFORMATION

The Directors who were in office at the date of approval of these financial statements have confirmed that, as far as they can reasonably ensure, all relevant audit information has been provided to the Group's auditors; and the Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

6. INVESTMENTS

The Charity made no investments during the year.

7. RESERVES POLICY

Monies are drawn down by the Charity from the Members as required, in line with budgets reviewed both by the Board of Directors and by the Members. In these circumstances there is no requirement for the Charity to maintain any free reserves. However, the Directors are satisfied that there are sufficient arrangements for the provision of funding for the Charity to continue to operate for the foreseeable future. This is based on the requirement for the Charity to present budgets which reflect not only anticipated spend for the coming twelve months but in addition provide a detailed forecast to the end of the current funding period so that comfort can be gained that all anticipated costs are manageable within agreed funding.

DIRECTORS' REPORT

8. AUDITORS

KPMG LLP are the auditors of the Group and have expressed their willingness to continue in this role.

Approved by the Board of Directors on 28 September 2020 and signed on its behalf by:



Professor the Lord Kakkar,
Chair

28 September 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors (who are also trustees of UK Biobank Limited) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

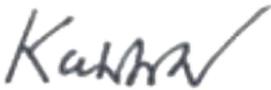
Company and charity law requires the Directors to prepare financial statements for each financial year. Under that law they have are required to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice),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

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of the excess of income over expenditure for that period. In preparing each of the group and charitable company financial statements, the Directors 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the charitable company will continue its activities.

The Directors are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the group and charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the group and charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and charitable company and to prevent and detect fraud and other irregularities.

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



Professor the Lord Kakkar
 Chair

28 September 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UK BIOBANK LIMITED

Opinion

We have audited the group and parent charitable company financial statements of UK Biobank Limited (“the charitable company”) for the year ended 30 September 2019 which comprise the Group and Parent Charitable Company Statements of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group and Parent Charitable Company Cash Flow Statements and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the group’s and charitable company’s affairs as at 30 September 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with 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, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We have been appointed as auditor under section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 and charitable company 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 directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or charitable company or to cease their operations, and as they have concluded that the group’s 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 directors’ conclusions, we considered the inherent risks to the group’s and charitable company’s business model and analysed how those risks might affect the group’s 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 and charitable company will continue in operation.

Strategic report and directors’ report

The directors are responsible for the strategic report and the directors’ report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors’ report 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 strategic report and the directors’ report;
- in our opinion the information given in those reports that 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UK BIOBANK LIMITED

Matters on which we are required to report by exception

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

- the group or charitable company has not kept adequate and proper accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the group or charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 19, the directors 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 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 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 group's and charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's directors, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the group's and charitable company's members and the directors 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 group and charity, its members as a body and its directors as a body, for our audit work, for this report or for the opinions we have formed.



Timothy Cutler (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
 1 St Peter's Square,
 Manchester,
 M2 3AE

Date: 28 September 2020

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including Consolidated Income and Expenditure Account)

For the year ended 30 September 2019

	Notes	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
INCOME:					
Funding					
<i>Income from charitable activities</i>		5,301,513	32,185,312	37,486,825	16,433,892
Access fees	4	2,231,672	-	2,231,672	1,062,696
<i>Income from trading activities</i>					
Commercial trading operations	4	4,002,130	-	4,002,130	2,710,057
Investments	5	81,970	-	81,970	28,335
Other	4	36,279	6,236	42,515	498,366
TOTAL INCOME		11,653,564	32,191,548	43,845,112	20,733,346
EXPENDITURE					
Charitable activities	7	(9,088,010)	(28,595,212)	(37,683,222)	(14,143,662)
Commercial trading operations	14	(3,947,968)	-	(3,947,968)	(2,847,662)
Other					
Other operating income	8	-	873,837	873,837	633,000
Other operating expenditure	8	-	(873,837)	(873,837)	(633,000)
TOTAL EXPENDITURE		(13,035,978)	(28,595,212)	(41,631,190)	(16,991,324)
NET (EXPENDITURE) / INCOME BEFORE TAX FOR THE FINANCIAL YEAR	6	(1,382,414)	3,596,336	2,213,922	3,742,022
Taxation	12	-	-	-	33,893
NET (EXPENDITURE) / INCOME FOR THE FINANCIAL YEAR BEFORE TRNASFERS		(1,382,414)	3,596,336	2,213,922	3,775,915
Transfers	20	136,900	(136,900)	-	-
NET (EXPENDITURE) / INCOME FOR THE FINANCIAL YEAR AFTER TRNASFERS		(1,245,514)	3,459,436	2,213,922	3,775,915
RECONCILIATION OF FUNDS					
Total funds brought forward	20	3,942,045	10,174,414	14,116,459	10,340,544
TOTAL FUNDS CARRIED FORWARD	20	2,696,531	13,633,850	16,330,381	14,116,459

No separate Consolidated Statement of Changes in Equity has been presented as all such gains and losses have been included in the Consolidated Statement of Financial Activities for the year

All income and expenditure are derived from continuing activities.

The notes on pages 28 to 53 form part of these financial statements.

CHARITY STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)
For the year ended 30 September 2019

	Notes	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
INCOME:					
Funding		5,301,513	32,185,312	37,486,825	16,433,892
<i>Income from charitable activities</i>					
Access fees	4	2,231,672	-	2,231,672	1,062,696
Investments	5	55,788	-	55,788	14,616
Other	4	173,006	6,236	179,242	664,778
TOTAL INCOME		7,761,979	32,191,548	39,953,527	18,175,982
EXPENDITURE					
Charitable activities	7	(9,379,428)	(28,595,212)	(37,974,640)	(14,422,943)
TOTAL EXPENDITURE		(9,379,428)	(28,595,212)	(37,974,640)	(14,422,943)
NET (EXPENDITURE) / INCOME FOR THE FINANCIAL YEAR BEFORE TRANSFERS					
Transfers	20	112,885	(112,885)	-	-
NET (EXPENDITURE) / INCOME FOR THE FINANCIAL YEAR AFTER TRANSFERS		(1,504,564)	3,483,451	1,978,887	3,753,039
RECONCILIATION OF FUNDS					
Total funds brought forward	20	5,064,458	10,149,442	15,213,900	11,460,861
TOTAL FUNDS CARRIED FORWARD	20	3,559,894	13,632,893	17,192,787	15,213,900

No separate Charity Statement of Changes in Equity has been presented as all such gains and losses have been included in the Statement of Financial Activities for the year

All income and expenditure are derived from continuing activities

The notes on pages 28 to 53 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
 At 30 September 2019

	Notes	2019		2018	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	13		11,942,599		12,566,957
CURRENT ASSETS					
Inventories	15	581,552		139,559	
Debtors	16	4,504,661		2,880,377	
Cash at bank and in hand		13,379,149		8,970,161	
		<u>18,465,362</u>		<u>11,990,097</u>	
CREDITORS: amounts falling due within one year	17	(9,727,663)		(7,622,593)	
NET CURRENT ASSETS			<u>8,737,699</u>		<u>4,367,504</u>
TOTAL ASSETS LESS CURRENT LIABILITES			<u>20,680,298</u>		<u>16,934,461</u>
CREDITORS: amounts falling due after more than one year	18		(2,666,490)		(2,174,652)
PROVISION FOR LIABILITES AND CHARGES	19		(1,683,427)		(643,350)
NET ASSETS			<u><u>16,330,381</u></u>		<u><u>14,116,459</u></u>
<i>Represented by:</i>					
ACCUMULATED FUNDS OF THE GROUP					
Unrestricted funds	20		2,696,531		3,942,045
Restricted funds	20		13,633,850		10,174,414
TOTAL GROUP FUNDS			<u><u>16,330,381</u></u>		<u><u>14,116,459</u></u>

The notes on pages 28 to 53 form part of these financial statements.

The financial statements on pages 22 to 53 were approved by the Board of Directors and authorised for issue on 28 September 2020 and are signed on its behalf by:



Professor the Lord Kakkar
 Chair

28 September 2020

Company registration number 04978912
 Registered Charity number in England and Wales 1101332
 Registered Charity number in Scotland SC039230

CHARITY BALANCE SHEET

At 30 September 2019

	Notes	2019	2018
		£	£
FIXED ASSETS			
Tangible fixed assets	13	11,339,869	12,166,072
Investments	14	10,000	10,000
		11,349,869	12,176,072
 CURRENT ASSETS			
Inventories	15	148,012	3,664
Debtors	16	2,584,101	1,837,648
Cash at bank and in hand		9,341,262	4,945,990
		12,073,375	6,787,302
CREDITORS: amounts falling due within one year	17	(4,547,030)	(3,106,124)
 NET CURRENT ASSETS		7,526,345	3,681,178
 TOTAL ASSETS LESS CURRENT LIABILITIES		18,876,214	15,857,250
PROVISIONS FOR LIABILITIES AND CHARGES	19	(1,683,427)	(643,350)
 NET ASSETS		17,192,787	15,213,900
 <i>Represented by:</i>			
ACCUMULATED FUNDS OF THE CHARITY			
Unrestricted funds	20	3,559,894	5,064,458
Restricted funds	20	13,632,893	10,149,442
 TOTAL CHARITY FUNDS		17,192,787	15,213,900

The notes on pages 28 to 53 form part of these financial statements.

The financial statements on pages 22 to 53 were approved by the Board of Directors and authorised for issue on 28 September 2020 and are signed on its behalf by:



Professor the Lord Kakkar
Chair

28 September 2020

Company registration number 04978912
Registered Charity number in England and Wales 1101332
Registered Charity number in Scotland SC039230

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 September 2019

	2019		2018	
	£	£	£	£
CASHFLOWS FROM OPERATING ACTIVITIES				
Net movement in funds as per the Statement of Financial Activities		2,213,922		3,775,915
<i>Adjustments for:</i>				
Interest paid	262		1,011	
Interest received	(81,970)		(28,335)	
Depreciation charge	2,404,996		2,166,517	
Release of contributions for the purchase of tangible fixed assets	(50,421)		(51,729)	
Loss on sale of tangible fixed assets	2,319		-	
Taxation	-		(33,893)	
(Increase) in stocks	(441,993)		(88,325)	
(Increase) in debtors	(1,658,177)		(890,354)	
Increase in creditors	3,514,920		4,154,068	
CASH FROM OPERATIONS		3,689,936		5,228,960
Interest paid	(262)		(1,011)	
Taxation received	33,893		31,246	
		33,631		30,235
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES		5,937,489		9,035,110
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales	104,000		-	
Interest received	81,970		28,335	
Payments to acquire tangible fixed assets	(1,886,957)		(5,253,616)	
Net cash flow from investing activities		(1,700,987)		(5,225,281)
CASH FLOWS FROM FINANCING ACTIVITIES				
Contributions for the purchase of tangible fixed assets	172,486		-	
Net cash used in financing activities		172,486		-
Increase (decrease) in cash and cash equivalents		4,408,988		3,809,829
Cash and cash equivalents at beginning of year		8,970,161		5,160,332
Cash and cash equivalents at end of year		13,379,149		8,970,161

The notes on pages 28 to 53 form part of these financial statements.

CHARITY CASH FLOW STATEMENT
For the year ended 30 September 2019

	2019		2018	
	£	£	£	£
CASHFLOWS FROM OPERATING ACTIVITIES				
Net movement in funds as per the Statement of Financial Activities		1,978,887		3,753,039
<i>Adjustments for:</i>				
Interest received	(55,788)		(14,616)	
Depreciation charge	2,265,683		2,043,630	
Loss on sale of tangible fixed assets	2,319		-	
(Increase) decrease in stocks	(144,348)		22,292	
(Increase) in debtors	(746,453)		(351,217)	
Increase in creditors	2,480,983		2,146,374	
	<hr/>	3,802,396	<hr/>	3,846,463
CASH FROM OPERATIONS				
NET CASH (OUTFLOW) INFLOW FROM OPERATING ACTIVITIES		5,781,283		7,599,502
		<hr/>		<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from the disposal of tangible fixed assets	104,000		-	
Interest received	55,788		14,616	
Payments to acquire tangible fixed assets	(1,545,799)		(5,225,151)	
	<hr/>	(1,386,011)	<hr/>	(5,210,535)
Net cash flow from investing activities				
(Decrease) increase in cash and cash equivalents		4,395,272		2,388,967
Cash and cash equivalents at beginning of year		4,945,990		2,557,023
		<hr/>		<hr/>
Cash and cash equivalents at end of year		9,341,262		4,945,990
		<hr/> <hr/>		<hr/> <hr/>

The notes on pages 28 to 53 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTSFor the year ended 30 September 2019

1 STATUTORY INFORMATION

UK Biobank Limited (“the Charity”) is a limited company incorporated in England, limited by guarantee, number 04978912. The registered office is Units 1-2 Spectrum Way, Adswold, Cheshire SK3 0SA

UK Biobank Limited (“the Charity”) is a Registered Charity, registered in England and Wales number 1101332 and in Scotland number SC03230.

2 ACCOUNTING POLICIES**Basis of preparation**

The Charity’s financial statements have been prepared in accordance with Financial Reporting Standard 102 (“FRS 102”) applicable in the United Kingdom and the Republic of Ireland (effective 1 January 2015) and with the Statement of Recommended Practice “Accounting and Reporting by Charities” FRS 102 as revised in 2015 (“the SORP 2015”) together with the reporting requirements of the Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2015 and the Charities Accounts (Scotland) Regulations 2006. The Charity has adapted the Companies Act formats to reflect the SORP 2015 and the nature of the Charity’s activities.

The financial statements have been prepared on the historical cost convention and in sterling which is the functional currency of the Charity, rounded to the nearest £.

Basis of consolidation

The financial statements of the Charity and its wholly owned subsidiary undertaking, UK Biocentre Limited are consolidated on a line by line basis. In the consolidated accounts uniform accounting policies have been used. The consolidated entity is referred to as “the Group”.

All inter-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

Going concern

The Board have considered the Charity’s ability to continue as a going concern, as part of this assessment the Board have reviewed and approved budgets for future periods and consider that there are no material uncertainties about the Charity’s ability to continue operating. Factors specifically considered as part of the assessment of going concern are outlined in the Directors’ Report on page 16; as such the financial statements have been prepared on a going concern basis.

Public benefit

The Charity meets the definition of a public benefit entity under FRS 102.

Critical accounting judgements and estimations

Judgements and estimations are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In making these estimates the Charity makes assumptions concerning the future.

The judgements and estimations made that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are as follows:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

2 ACCOUNTING POLICIES (CONTINUED)

Pension Scheme of the Charity – Universities Superannuation Scheme (“USS”)

FRS 102 makes the distinction between a Group Plan and a multi-employer scheme. A Group Plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in profit or loss. The directors are satisfied that the scheme provided by USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

In addition, because the USS scheme is in deficit and a funding plan has been agreed section 28 of FRS 102 requires individual employers to recognise a liability for the contributions payable that arise from the agreement to fund the scheme (to the extent that they relate to the deficit) and the resulting expense in the Statement of Financial activities. A deficit modeller was utilised to produce the provision estimates with a discount rates and estimates of staff numbers.

Income

Income receivable is recognised when the Group has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Income not meeting these criteria is deferred.

Funding

Funding income, including monies for the purchase of tangible fixed assets, is recognised in full in the Statement of Financial Activities in the year in which it is received.

Incoming resources from charitable activities

Incoming resources from charitable activities includes income for the use of the Charity’s resource and is recognised as earned. Income is deferred when fees have been received in advance.

Commercial trading operations

Income from commercial trading operations is recognised at the fair value of the consideration received or receivable for sale of goods and/or services in the ordinary nature of the business. Where the goods and/or services are to be provided in a future period the income is deferred. Turnover represents goods sold and services provided to external customers, net of Value Added Tax.

Interest receivable

Interest income and interest receivable includes bank interest which is recognised in the Statement of Financial activities on an accruals basis.

Other income

Other income is recognised in the year in which it is received or receivable.

Expenditure

Expenditure is recognised as soon as there is a legal or constructive obligation committing the Group to the expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

Charitable activities

Charitable activities expenditure is in relation to the Charity’s projects and both the direct costs and support costs relating to these activities. Expenditure is summarised under functional headings on a direct cost basis.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

2 ACCOUNTING POLICIES (CONTINUED)

Commercial trading operations

Cost of generating funds comprises those costs incurred in commercial trading activities.

Interest payable

Interest payable and similar charges including bank interest and intercompany interest payable is recognised in the Statement of Financial activities on an accruals basis.

Fund accounting

Unrestricted funds: General funds

General funds are unrestricted funds which are expendable for furtherance of the objectives of the Charity without further specified purposes.

Unrestricted funds: Non charitable trading funds

Non charitable trading funds are unrestricted funds, which are expendable for furtherance of the objectives of the Charity's group undertaking, UK Biocentre Limited, without further specified purposes.

Restricted funds

Restricted funds are to be used for specific purposes laid down by the Donor. Expenditure for those purposes is charged to the fund.

Tangible fixed assets and depreciation

Tangible fixed assets are capitalised, including purchase price and any costs of bringing the assets to working condition for their intended use.

Depreciation is provided in order to write off the cost of tangible fixed assets on a straight-line basis over their estimated useful lives, as follows:

Leasehold improvements	over the life of the lease
Computer systems	25% - 33% straight line
Laboratory and clinic equipment	10% - 33% straight line
Fixtures, fittings and other equipment	20% - 25% straight line
Sample storage and infrastructure	4% - straight line or over the life of the lease
Motor vehicles	20% - straight line

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment is recognised in the Statement of Financial Activities.

Repairs, maintenance and inspection costs of tangible fixed assets are charged to the Statement of Financial Activities as incurred.

Inventories

Inventories consist of stock and work in progress, where work in progress represents costs associated with uninvoiced customer contracts at the year-end. Stocks and work in progress are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location. Net realisable value is based on the estimated selling price less costs expected to be incurred as part of the sale.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

2 ACCOUNTING POLICIES (CONTINUED)**Accruals and deferred income: contributions for the purchase of tangible fixed assets**

Contributions for the purchase of tangible fixed assets are from external customers. They are credited to a deferral account and are released to the Statement of Financial Activities in equal annual amounts over the expected useful life of the asset to which they relate as follows:

Leasehold improvements	over the period of the lease
Sample storage and processing equipment	4% - 20% straight line
Computer systems	20% - 33% straight line
Fixtures, fittings and equipment	20% - 25% straight line
Motor vehicles	20% straight line

Financial instruments

The Company has chosen to adopt Section 11 and Section 12 of FRS 102 in respect of financial instruments,

Basic financial instruments**Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits.

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Other financial instruments

Other financial instruments are those not considered to be Basic financial instruments.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling on the time of the transaction. Foreign currency balances are translated into sterling at the exchange rate at the balance sheet date. Resulting gains or losses are included in the Statement of Financial Activities.

Leases

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

Rent free periods or other incentives received for entering into a lease are accounted for over the period of the lease so as to spread the benefit received over the lease term.

Research and development

Research and development expenditure is written off to the Statement of Financial Activities as it is incurred.

Investments

Investment in the subsidiary is held at cost less accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTSFor the year ended 30 September 2019

2 ACCOUNTING POLICIES (CONTINUED)**Pension scheme****Charity**

The Charity participates in Universities Superannuation Scheme. With effect from 1 October 2017, the scheme changed from a defined benefit only pension scheme to a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The Charity is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the Charity therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Statement of Financial Activities (including the income and expenditure accounts) represents the contributions payable to the scheme. Since the Charity has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the Charity recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

Subsidiary undertaking: UK Biocentre Limited

UK Biocentre Limited operates a defined contributions scheme for the benefit of its employees. Contributions are recognised in the Statement of Financial Activities when due.

Taxation**Charity**

The Charity is a registered charity and therefore it is exempt from income and corporation tax on income and gains falling within chapter 3 Part 11 Corporation Tax Act 2010 or S256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

Subsidiary undertaking: UK Biocentre Limited

The subsidiary undertaking, UK Biocentre Limited, is liable to corporation tax on its income and gains. Gift Aid payments paid to the Charity will reduce the taxable income and gains.

Tax on the profit or loss for the year comprises current and deferred tax.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous years. Taxable income or loss for the year differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax. Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the associated balance sheet date. Deferred tax balances are not discounted. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

3 MEMBERS' LIABILITY

The liability of the Members is limited to a maximum of £1 each.

4 INCOME

The analysis of income by activity and geographical area is as follows:

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Unrestricted Funds				
<i>Income from charitable activities</i>				
Access fees	2,231,672	1,062,696	2,231,672	1,062,696
<i>Income from trading activities</i>				
Commercial trading operations (Note 14)	4,002,130	2,710,057	-	-
Other	36,279	479,656	173,006	646,068
	<u>6,270,081</u>	<u>4,252,409</u>	<u>2,404,678</u>	<u>1,708,764</u>
Restricted Funds				
<i>Income from trading activities</i>				
Other	6,236	18,710	6,236	18,710
	<u>6,276,317</u>	<u>4,271,119</u>	<u>2,410,914</u>	<u>1,727,474</u>

A geographical analysis of this income is as follows:

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Unrestricted Funds				
United Kingdom	4,604,056	3,395,651	738,653	852,006
Rest of Europe	287,708	121,044	287,708	121,044
Rest of the world	1,378,317	735,714	1,378,317	735,714
	<u>6,270,081</u>	<u>4,252,409</u>	<u>2,404,678</u>	<u>1,708,764</u>
Restricted Funds				
United Kingdom	6,236	18,710	6,236	18,710
	<u>6,276,317</u>	<u>4,271,119</u>	<u>2,410,914</u>	<u>1,727,474</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

5 INVESTMENTS

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
<i>Unrestricted Funds</i>				
Bank interest received	81,970	28,335	55,405	14,004
Interest on amounts due to the Charity from its subsidiary undertaking	-	-	383	612
	81,970	28,335	55,788	14,616
Total	81,970	28,335	55,788	14,616

6 NET MOVEMENT OF FUNDS FOR THE FINANCIAL YEAR

Net movement of funds for the financial year is stated:

	Group		Charity	
	2019	2018	2019	2018
	£	£		
<i>After charging:</i>				
Auditor's remuneration – Statutory audit services	28,600	27,150	20,100	19,150
Depreciation and impairment of owned tangible fixed assets:				
The Charity	2,265,683	2,043,630	2,265,683	2,043,630
The subsidiary undertaking	139,313	122,887		-
Loss on disposal of tangible fixed assets	2,319	-	2,319	-
Operating leases rentals:				
Hire of plant and machinery	234,531	217,925	13,656	15,488
Land and buildings	724,757	613,307	338,645	227,195
	50,421	51,729	-	-
<i>After crediting:</i>				
Release of contributions for the purchase of tangible fixed assets (Note 18)	50,421	51,729	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

7 EXPENDITURE: CHARITABLE ACTIVITIES

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
<i>Unrestricted Funds</i>				
Staff costs	4,020,225	2,997,737	4,020,225	2,997,737
Depreciation	871,818	964,408	871,818	964,408
Other costs	4,195,967	4,464,736	4,487,385	4,744,017
	9,088,010	8,426,881	9,379,428	8,706,162
<i>Restricted Funds</i>				
Staff costs	3,634,948	2,487,120	3,634,948	2,487,120
Depreciation	1,393,865	1,079,222	1,393,865	1,079,222
Other costs	23,566,399	2,150,439	23,566,399	2,150,439
	28,595,212	5,716,781	28,595,212	5,716,781
Total	37,683,222	14,143,662	37,974,640	14,422,943

8 EXPENDITURE: OTHER
Group
Restricted Funds
Department of Health and Social Care
2019

In March 2019, UK Biocentre Limited was awarded a Grant of £1,700,000 by the Department of Health and Social Care for the 18 month period from 1 October 2018 to 31 March 2020. This funding is restricted to be used in respect of specific expenditure defined within the Grant Award agreement.

The amount shown as Other Operating Income in 2019 of £873,837 is the restricted Grant income which covers costs incurred during the period from 1 October of an equivalent amount, as shown as Other Operating Expenditure.

Included within Contributions for the purchase of tangible fixed assets (Note 18) is restricted Grant income of £165,445 which covers the costs of assets included within the Grant Award agreement.

2018

In December 2017 UK Biocentre Limited, was awarded a Grant of £633,000 by the Department of Health and Social Care for the year ended 30 September 2018. This funding is restricted to use in respect of specific expenditure defined within the Grant Award agreement.

The amount shown as Other Operating Income in 2018 of £633,000 is the restricted Grant income received which covers costs incurred during 2018 of an equivalent amount, as shown as Other Operating Expenditure.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

9 STAFF NUMBERS AND COSTS

The average number of persons employed by the Charity and the Group, including Directors, during the year analysed by category and by those full-time and part-time was as follows:

Group

	2019			2018		
	Full-time No.	Part-time No.	Total No.	Full-time No.	Part-time No.	Total No.
Directors of the Charity	-	10	10	-	10	10
Directors of the subsidiary undertaking	-	6	6	-	7	7
Management	8	1	9	7	1	8
Charity's projects	126	10	136	103	10	113
Sample storage personnel	24	-	24	17	-	17
Total	158	27	185	127	28	155

Charity

	2019			2018		
	Full-time No.	Part-time No.	Total No.	Full-time No.	Part-time No.	Total No.
Directors	-	10	10	-	10	10
Management	5	1	6	4	1	5
Charity's projects	126	10	136	103	10	113
Total	131	21	152	107	21	128

The aggregate payroll costs of these persons, which include Directors were as follows:

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Wages and salaries	6,426,513	5,313,473	5,315,557	4,385,259
Social security costs	665,323	544,210	552,464	451,608
Pension contributions	894,852	682,122	760,585	582,133
Pension deficit provision	1,026,567	65,857	1,026,567	65,857
	9,013,255	6,605,662	7,655,173	5,484,857
Represented by:				
<i>Unrestricted Funds</i>	5,378,307	4,118,542	4,020,255	2,997,737
<i>Restricted Funds</i>	3,634,948	2,487,120	3,634,948	2,487,120
Total	9,013,255	6,605,662	7,655,203	5,484,857

Charity

Staff costs are included in "Expenditure: Charitable activities" as shown in Note 7.

Group

Staff costs for the Charity are included in "Expenditure: Charitable activities" as shown in Note 7 and those for the subsidiary undertaking are included in "Expenditure: Commercial trading operations" as shown in Note 14.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

9 STAFF NUMBERS AND COSTS (CONTINUED)

The number of employees whose remuneration, excluding pension contributions, exceeded £60,000 during the year was as follows:

	Group		Charity	
	2019 No.	2018 No.	2019 No.	2018 No.
£60,000 to £70,000	6	2	5	2
£70,001 to £80,000	4	3	3	2
£80,001 to £90,000	-	2	-	2
£90,001 to £100,000	2	1	2	-
£100,001 to £110,000	2	-	1	-
£110,001 to £120,000	1	1	-	1
£120,001 to £130,000	-	1	-	-
£130,001 to £140,000	-	1	-	1
£140,001 to £150,000	-	-	-	-
£150,001 to £160,000	1	-	1	-

All of these employees accrued pension benefits during the year.

Included in "Expenditure" for the Group and the Charity are costs relating to staff who are not employed directly by the Charity or the Group as follows:

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
<i>Unrestricted Funds</i>	558,899	332,605	401,894	299,930
<i>Restricted Funds</i>	-	-	-	-
Total	558,899	332,605	401,894	299,930

Details of these costs are as follows:

- The Group incurred costs of £264,474 (2018: £49,707) and the Charity incurred costs of £107,469 (2018: £17,032) for the use of temporary staff and other seconded staff during the year.
- Professor Sir Rory Collins, who is the Chief Executive Officer and Principal Investigator for the Charity, is an employee of the University of Oxford but is not an employee of the Charity. Professor Collins is seconded to the Charity for 60% of his time respectively pursuant to agreements entered into between the Charity and the University of Oxford. The cost during the year of his secondment from the University of Oxford was £112,665 (2018: £109,277).
- Professor Cathie Sudlow, who was the Co-Chief Scientist for the Charity during the year, is an employee of the University of Edinburgh but is not an employee of the Charity. She is seconded to the Charity for 40% of her time pursuant to an agreement entered into between the Charity and the University of Edinburgh. The cost during the year of her secondment from the University of Edinburgh was £93,640 (2018: £87,229).
- Professor Naomi Allen, who was the Co-Chief Scientist for the Charity during the year, is an employee of the University of Oxford but is not an employee of the Charity. Professor Allen is seconded to the Charity for 75% of her time respectively pursuant to agreements entered into between the Charity and the University of Oxford. The cost during the year of her secondment from the University of Oxford was £88,120 (2018: £86,392).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

10 KEY MANAGEMENT PERSONNEL

Key Management Personnel of the Charity is defined as being a member of the Executive Management Team who are listed under “Legal and administrative information” on page 2.

The Executive Management Team are employees of the Charity or seconded to the Charity from other organisations. The total employment benefits, including employer pension contributions, of those members who are employed was £773,555 (2018: £722,023) and the amount paid for those seconded was £301,356 (2018: £282,898).

11 DIRECTORS’ REMUNERATION AND EXPENSES

Until March 2020, it was the Charity’s policy to pay certain Non-Executive Directors a fee in recognition of their role and responsibilities. During the year aggregate remuneration of £58,000 (2018: £58,000) was recognised in respect of six Directors of the Charity; Sir Michael Rawlins, Professor Martin Bobrow, Professor Ruth Gilbert, Professor Andrew Hattersley, Professor Sir Alexander Markham and Mr Jonathan Tross. However, due to the provisions of the Charity Commission guidance, it may not prove possible to pay these amounts. None of the directors of the Charity receive any benefits other than this remuneration, where paid. With effect from March 2020 the policy changed and for the foreseeable future none of the Charity’s Directors will be remunerated.

The Charity has met individual travel and subsistence expenses totalling £2,778 in the year (2018: £2,753) incurred by five Directors (2018: six) in attending Board, Committee and other meetings.

12 TAXATION

Unrestricted Funds: Taxation arises from commercial trading activities.

(a) Tax on loss on ordinary activities

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Current taxation				
UK Corporation tax @ 19% (2018: 19%)	-	-	-	-
Adjustment in respect of prior periods	-	(33,893)	-	-
Total current tax credit	-	(33,893)	-	-
Deferred taxation				
Originating and reversal of timing differences	41,306	(1,324)	-	-
Adjustments in respect of prior periods	(1,666)	-	-	-
Timing differences not recognised	(39,640)	1,324	-	-
Total deferred tax credit	-	-	-	-
Taxation on loss on ordinary activities	-	(33,893)	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

12 TAXATION (CONTINUED)

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (19%). The difference is explained below:

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Current taxation reconciliation				
Loss on ordinary activities before taxation	235,035	(11,017)	-	-
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%)	44,657	(2,093)	-	-
<i>Effects of</i>				
Expenses not deductible for tax purposes	1,003	614	-	-
Income not taxable for tax purposes	(112)	(112)	-	-
Fixed assets ineligible depreciation	617	112	-	-
Adjustment to tax charge in respect of previous periods for:				
Deferred taxation	(1,666)	-	-	-
Corporation tax	-	(33,893)	-	-
Deferred taxation not recognised	(39,640)	1,324	-	-
Adjustment for deferred taxation to average rate of 19% (2018: 19%)				
Closing deferred taxation	14,981	19,840	-	-
Opening deferred taxation	(19,840)	(19,685)	-	-
Taxation credit	-	(33,893)	-	-

(c) Deferred tax

The deferred tax included in the balance sheet is as follows:

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Included in debtors (Note 16)	84,628	84,628	-	-
Fixed asset timing differences	(56,884)	(37,854)	-	-
Short term timing differences	1,944	1,876	-	-
Losses and other deductions	182,280	204,624	-	-
Deferred tax asset not recognised	(42,712)	(84,018)	-	-
Provision for deferred tax	84,628	84,628	-	-
At the beginning of the year	84,628	84,628	-	-
Charge to the Statement of Financial Activities	-	-	-	-
At end of the year	84,628	84,628	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

14 INVESTMENTS
Charity
**Shares in Group
undertaking
£
10,000**

As at 1 October 2018 and 30 September 2019

The investment relates to the Charity's subsidiary undertaking, UK Biocentre Limited.

UK Biocentre Limited was incorporated in England on 4 May 2011 and commenced to trade on that date. The nature of its business is the provision of sample storage and processing services for biomedical research studies. Its share capital consists of ordinary shares which are 100% owned by the Charity.

A reconciliation of the results of UK Biocentre Limited with the amounts shown in the group financial statements is as follows:

	2019		2018	
	£	£	£	£
Turnover: Commercial trading operations		4,293,548		2,989,338
Consolidation adjustment		(291,418)		(279,281)
		4,002,130		2,710,057
Expenditure: Commercial trading operations				
Cost of sales	(2,096,972)		(1,175,847)	
Administration costs	(1,987,461)		(1,837,216)	
Interest payable	(645)		(1,623)	
Consolidation adjustments	137,110		167,024	
		(3,947,968)		(2,847,662)
Interest receivable		26,565		14,331
Expenditure: Other				
Other operating Income (Note 8)	873,837		633,000	
Other operating Expenses (Note 8)	(873,837)		(633,000)	
		-		-
Net (loss) reported in group financial statements		80,727		(123,274)
Add consolidation adjustments		154,308		112,257
Net profit (loss) for the period reported in UK Biocentre Limited.		235,035		(11,017)
Taxation		-		33,893
Retained in UK Biocentre Limited		235,035		22,876

Income and expenditure relating to commercial trading operations are attributable to the one principal activity of UK Biocentre Limited.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

14 INVESTMENTS (CONTINUED)

At the balance sheet date, the aggregate amounts of UK Biocentre Limited's assets, liabilities, share capital and reserves were as follows:

	2019	2018
	£	£
Fixed assets	602,730	400,885
Current assets	6,393,493	5,209,636
Creditors: amounts falling due within one year	(5,182,139)	(4,523,310)
Creditors: amounts falling due after more than one year	(2,666,490)	(2,174,652)
	(852,406)	(1,087,441)
<i>Represented by:</i>		
Share capital and reserves	(852,406)	(1,087,441)

15 INVENTORIES

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Raw materials and consumables	581,552	72,197	148,012	3,664
Work in progress	-	67,362	-	-
	581,552	139,559	148,012	3,664

16 DEBTORS

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	2,250,883	828,313	993,005	198,982
Other taxation and social security costs	804,021	794,772	739,564	677,026
Deferred tax asset (Note 12)	84,628	84,628	-	-
Corporation tax	-	33,893	-	-
Other debtors	283,751	284,794	283,751	284,794
Prepayments and accrued income	1,081,378	853,977	567,781	676,846
	4,504,661	2,880,377	2,584,101	1,837,648

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

16 DEBTORS (CONTINUED)

Total debtors include the following which are due after more than one year.

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Other debtors	283,751	283,751	283,751	283,751
Deferred tax asset (Note 12)	84,628	84,628	-	-
	<u>368,379</u>	<u>368,379</u>	<u>283,751</u>	<u>283,751</u>

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	2,436,459	2,155,334	1,675,835	1,665,783
Amounts owed by group undertakings	-	-	1,506	6,841
Other taxation and social security costs	-	2,703	-	-
Accruals and deferred income	7,291,204	5,464,556	2,869,689	1,433,500
	<u>9,727,663</u>	<u>7,622,593</u>	<u>4,547,030</u>	<u>3,106,124</u>

18 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Accruals and deferred income	2,666,490	2,174,652	-	-

Accruals and deferred income of the Group include £270,789 (2018: £148,724) for contributions for the purchase of tangible fixed assets which are analysed as follows:

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
At beginning of year	148,724	200,453	-	-
Received in year	172,486	-	-	-
Released to the Statement of Financial Activities	(50,421)	(51,729)	-	-
	<u>270,789</u>	<u>148,724</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

19 PROVISION FOR LIABILITIES AND CHARGES

	Group and Charity £
Pension liability	
At beginning of year	643,350
Charge in the year to the Statement of Financial Activities	1,040,077
At the end of the year	<u>1,683,427</u>

20 ANALYSIS OF FUNDS

	At beginning of year £	Income £	Expenditure £	Transfer £	At end of year £
Group					
<i>Unrestricted funds</i>					
General	4,436,895	7,651,434	(9,088,010)	136,900	3,137,219
Non charitable trading funds	(494,850)	4,002,130	(3,947,968)	-	(440,688)
	<u>3,942,045</u>	<u>11,653,564</u>	<u>(13,035,978)</u>	<u>136,900</u>	<u>2,696,531</u>
<i>Restricted funds</i>					
Biomarkers Enhancement Project	158,254	-	(21,354)	(136,900)	-
Imaging Enhancement Project	7,954,015	8,042,255	(6,970,527)	-	9,025,743
Whole Genome Sequencing Project	2,062,145	24,149,293	(21,603,331)	-	4,608,107
	<u>10,174,414</u>	<u>32,191,548</u>	<u>(28,595,212)</u>	<u>(136,900)</u>	<u>13,633,850</u>
Total	<u>14,116,459</u>	<u>43,845,112</u>	<u>(41,631,190)</u>	<u>-</u>	<u>16,330,381</u>
Charity					
<i>Unrestricted funds</i>					
General	5,064,458	7,761,979	(9,379,428)	112,885	3,559,894
<i>Restricted funds</i>					
Biomarkers Enhancement Project	134,239	-	(21,354)	(112,885)	-
Imaging Enhancement Project	7,953,058	8,042,255	(6,970,527)	-	9,024,786
Whole Genome Sequencing Project	2,062,145	24,149,293	(21,603,331)	-	4,608,107
	<u>10,149,442</u>	<u>32,191,548</u>	<u>(28,595,212)</u>	<u>(112,885)</u>	<u>13,632,893</u>
Total	<u>15,213,900</u>	<u>39,953,527</u>	<u>(37,974,640)</u>	<u>-</u>	<u>17,192,787</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

20 ANALYSIS OF FUNDS (CONTINUED)

Details of the restricted funds for the Group and the Charity are as follows:

Biomarkers Enhancement Project

The Biomarker Enhancement Project was to undertake large-scale analysis of biomarkers from the entire cohort of the Charity. This work has been completed and the project is now closed. The fund balance of £112,885 for the Charity (£136,900 for the Group) represents the fixed assets acquired and used by the project which are now held for general purposes. The funds have therefore been transferred from restricted funds to unrestricted funds.

Imaging Enhancement Project

Funding of £53,637,679 has been secured to undertake an imaging study across 100,000 participants as well as a series of repeat assessments on these same participants, including 10,000 repeat imaging assessments:

	Total funding
	£
Medical Research Council	27,446,340
The Wellcome Trust Limited (as Trustee of The Wellcome Trust)	20,621,339
The British Heart Foundation	3,000,000
Dementias Platform UK	2,570,000
	53,637,679

Administrators of this funding are as follows:

- The Wellcome Trust Limited (as Trustee of the Wellcome Trust) £42,567,679,
- The Medical Research Council £8,500,000, and
- Dementias Platform UK £2,570,000.

As at 30 September 2019 £31,878,745 (2018: £23,842,726) of these funds had been received by the Charity.

Whole Genome Sequencing Project

Funding of £30,000,000 was secured in March 2018 to undertake whole Genome Sequencing Project of 50,000 samples. In November 2018, further funding of £4,800,000 was awarded for informatics and data storage relating to the sequencing of these 50,000 participant genomes.

	Total funding
	£
Medical Research Council	34,800,000
	34,800,000

The Medical Research Council administers this funding. As at 30 September 2019 £26,902,777 (2018: £2,753,484) of these funds had been received by the Charity.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

21 ALLOCATION OF THE CHARITY'S NET ASSETS

The net assets are held as follows:

	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £	Total 2018 £
Group				
Fixed assets	5,287,069	6,655,530	11,942,599	12,566,957
Net current assets less current liabilities	1,229,998	7,507,701	8,737,699	4,367,504
Accruals and deferred income	(2,666,490)	-	(2,666,490)	(2,174,652)
Provisions for liabilities and charges	(1,154,046)	(529,381)	(1,683,427)	(643,350)
	<u>2,696,531</u>	<u>13,633,850</u>	<u>16,330,381</u>	<u>14,116,459</u>
Charity				
Fixed assets	4,694,339	6,655,530	11,349,869	12,176,072
Net current assets less current liabilities	19,601	7,506,744	7,526,345	3,681,178
Provisions for liabilities and charges	(1,154,046)	(529,381)	(1,683,427)	(643,350)
	<u>3,559,894</u>	<u>13,632,893</u>	<u>17,192,787</u>	<u>15,213,900</u>

22 COMMITMENTS

- a) There was capital expenditure of £591,889 (2018: £nil) for the Group and £405,464 (2018: £nil) for the Charity, contracted for but not provided for in the financial statements at the end of the financial year.
- b) The total future minimum payments under non-cancellable operating leases are as follows:

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Not later than one year	1,201,479	284,298	338,419	284,298
Later than one year and not more than five years	4,762,731	4,488,252	1,349,458	1,096,304
Later than five years	8,482,261	9,350,294	1,516,036	1,536,082
	<u>14,446,471</u>	<u>14,122,844</u>	<u>3,203,913</u>	<u>2,916,684</u>

The operating lease payments charged to the Statement of Financial Activities during the year in respect of these non-cancellable operating leases was £959,288(2018: £831,232) for the Group and £352,301 (2018: £242,683) for the Charity.

23 GUARANTEES

The Charity is party to a group registration for Value Added Tax ("VAT") purposes. As a representative member the Charity is jointly and severally liable for any VAT liabilities of UK Biocentre Limited, the Company's subsidiary company which is part of the same VAT registration.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

24 RELATED PARTY TRANSACTIONS

Related party transactions are detailed below. There have been no provisions made against any of the transactions at the year-end and no amounts have been written off in respect of these transactions during the year.

Medical researchers access to the Charity's resource

During the year medical researchers have requested and obtained access to the Charity's resource with sales as follows:

	2019	2018
	£	£
Research data access	1,095,780	589,800
Research sample access	1,135,892	472,896
	2,231,672	1,062,696

Research data access

The medical researchers who have had access to the data generated from the charity's resource may or may not be related parties but as the amounts charged by the Charity are typically £1,750 to £2,250, before value added tax, and are based on a standard pricing policy, they have not been separately disclosed. The amount owing at the year-end in respect of these sales was £89,641 (2018: £71,650) with sales in advance of £82,191 (2018: £65,500).

Research sample access

These sales relate to bespoke work for medical researchers using the Charity's resource. The amount owing at the year-end in respect of these sales was £838,527 (2018: £nil) with sales in advance of £2,083,936 (2018: £667,868). Related party sales within this category are included in the analysis below.

The Wellcome Trust Limited (as Trustee of The Wellcome Trust) and the Medical Research Council

The Wellcome Trust Limited (as Trustee of The Wellcome Trust) and the Medical Research Council are both Members of the Charity and entitled to appoint a Director to the Board.

Unrestricted funds

In February 2017, it was agreed to extend the projects funding by five further years from 1 July 2017 to 30 June 2022 with a total grant award of £31,700,000 to cover this period. This funding was provided by The Wellcome Trust Limited (as Trustee of the Wellcome Trust) and the Medical Research Council and also included funding contributions from the National Institute of Health Research, the British Heart Foundation and Cancer Research UK.

The objectives of this funding remain consistent with those laid out within the Strategic report on pages 3 to 14.

Funding received during the year was as follows:

	2019	2018
	£	£
The Wellcome Trust Limited (as Trustee of The Wellcome Trust)	2,067,590	2,285,124
Medical Research Council	2,067,590	2,285,124
National Institute of Health Research	212,061	234,372
British Heart Foundation	530,151	585,929
Cancer Research UK	424,121	468,743
	5,301,513	5,859,292

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

24 RELATED PARTY TRANSACTIONS (CONTINUED)

Restricted funds

Specific enhancement projects referred to in detail in Note 20 are based on agreements as follows:

- The Wellcome Trust Limited (as Trustee of The Wellcome Trust), the Medical Research Council and the Charity will entered into Variation Agreements to the Joint Venture Agreement, entered into in January 2004. The Wellcome Trust Limited (as Trustee of the Wellcome Trust) administers the funding pertaining to these agreements, and
- The Medical Research Council will enter directly into agreements with the Charity, who administer this funding.

Funding received by the Charity during the year for these projects are as follows:

	2019	2018
	£	£
Imaging Enhancement Project		
Medical Research Council	3,267,889	3,668,338
The Wellcome Trust Limited (as Trustee of The Wellcome Trust)	1,968,945	3,611,858
British Heart Foundation	290,437	540,920
Dementias Platform UK	2,508,748	-
	8,036,019	7,821,116
 Whole Genome Sequencing Project		
Medical Research Council	24,149,293	2,753,484
 Total	32,185,312	10,574,600

In addition the Charity is able to use the facilities of The Wellcome Trust Limited (as Trustee of The Wellcome Trust) for meetings and related services. The charge during the year for the use of these facilities was £11,777 (2018: £10,493) and the amount owing to The Wellcome Trust Limited (as Trustee of The Wellcome Trust) at the year-end was £10,768 (2018: £10,768).

The University of Oxford

Professor Sir Rory Collins, who is the Chief Executive and Principal Investigator of the Charity, is and employee of University of Oxford where he holds the positions of Head of the Nuffield Department of Population Health and BHF Professor of Medicine and Epidemiology

During the year the services provided and the charges to or by the Charity for those services were as follows:

	2019	2018
	£	£
<i>Sales</i>		
Research sample access - Cardiac monitoring	248,476	-
Cardiac monitoring pilot study and support costs	65,604	470,010
Recharge of salaries	29,499	28,356
	343,579	498,366

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

24 RELATED PARTY TRANSACTIONS (CONTINUED)

	2019	2018
	£	£
<i>Purchases</i>		
Developing, producing, delivering and maintaining the Charity's data and Access IT Systems and supporting researcher access to the resource	1,015,038	927,165
Expert consultants advice	107,944	94,264
Data Storage and equipment	-	227,000
Recharge of salaries	144,604	121,417
Recharge of travel costs and consumables	8,616	3,561
	<u>1,276,202</u>	<u>1,373,407</u>

The amount owing to the University of Oxford at the year-end was £8,324 (2018: £152,721) with accrued costs of £39,191 (2018: £Nil) and prepaid costs of £Nil (2018: £8,334).

The amount owing by the University of Oxford at the year-end was £3,282 (2018: £48,213) with a sales provision of £nil (2018: £59,367).

The University of Edinburgh

Professor Cathie Sudlow, who was the Co-Chief Scientist of the Charity during the year, is an employee of the University of Edinburgh where she holds the position of Chair of Neurology and Clinical Epidemiology.

During the year the services provided by the University of Edinburgh and the charges to the Charity for those services were as follows:

	2019	2018
	£	£
Outcomes groups		-
Recharge of salaries and support costs	403,046	405,604
Recharge of travel costs and consumables	29,815	22,278
	<u>432,861</u>	<u>427,882</u>

The amount owing to the University of Edinburgh at the year-end was £186,330 (2018: £7,267) with accrued costs of £81,031 (2018: £67,471).

25 PENSIONS

Charity

The contributions paid by the Charity and included in expenditure in the Statement of Financial Activities are £760,585 (2018: £582,133) as shown in Note 9.

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2018 (the valuation date), which was carried out using the projected unit method. The valuation as at 31 March 2020 is underway but not yet complete.

Since the institution cannot identify its share of USS Retirement Income Builder assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

25 PENSIONS (CONTINUED)

The 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the Scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Years 1-10: CPI + 0.14% reducing linearly to CPI - 0.73% Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21 Years 21 +: CPI + 1.55%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2018 valuation
Mortality base table	<p>Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.</p> <p>Post retirement: 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females.</p>
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females.

The current life expectancies on retirement at age 65 are:

	2018	2017
Males currently aged 65 (years)	24.4	24.6
Females currently aged 65 (years)	25.9	26.1
Males currently aged 45 (years)	26.3	26.6
Females currently aged 45 (years)	27.7	27.9

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2019 deficit liability reflects this plan. The figures have been produced using the following assumptions as at 30 September 2018 and 2019:

	2019	2018
Discount rate	1.35%	2.10%
Pensionable salary growth	2.00%	2.00%

Group

The total pension cost for the Group was £894,852 (2018: £682,122). The outstanding contributions at the 30 September 2019 were £15,818 (2018: £12,875).

NOTES TO THE FINANCIAL STATEMENTSFor the year ended 30 September 2019

26 POST BALANCE SHEET EVENTS**Charity**

After the financial year-end, the Charity secured further funding awards to enable it to further develop its research data resource as follows:

Research Analysis Platform

As part of the initiative to complete Whole Genome Sequencing in the whole cohort, the Charity has been awarded a grant of £20,000,000 to establish a Research Analysis Platform and Storage Capacity for these data. As a result of this initiative, it is anticipated that the Charity's data resource will grow to over 15 Petabytes of data. In the medium term, the data resource will likely be further enhanced (although there are no firm plans as yet in place) by various large-scale omics assays (such as proteomics and/or metabolomics). The Charity therefore requires a new approach to data storage and access, which allows researchers to bring their analyses to the data through implementation of a Research Analysis Platform. On 19 June 2020, a contract was awarded for the provision of the platform to DNAnexus Inc over an initial three-year period, with implementation of the initial phase expected to be completed in 2020.

Serology Study

In April 2020, the Department of Health and Social Care awarded £3,000,000 to the Charity to carry out a Serology study on a proportion of the population who have been infected with the coronavirus that causes COVID-19 by measuring antibody levels in the UK population. A sub cohort of 20,000 of the Charity's participants and their adult children and grandchildren (aged over 18) are taking part in this study. As at the date of signing these financial statements, the study is progressing to plan.

The following events also took place following the Charity's balance sheet date.

Primary Care Data

On 23 March 2020, the Secretary of State for Health and Social Care issued a notice to all General Practitioner practices in England (using The Phoenix Partnership or EMIS Health systems) which requires the General Practitioner practices to release primary care data to the Charity, for the purpose of research into COVID-19. Data was received from The Phoenix Partnership in June 2020 and from EMIS Health Systems in July 2020. On 12 August 2020, primary care records of approximately 190,000 UK Biobank participants were made available by UK Biobank to researchers who have approval to use the resource and are undertaking COVID-19 related research, with further data releases to follow in the coming months.

Imaging Enhancement Project

In March 2020 due to the uncertainty and concerns about COVID-19, the Charity temporarily closed its imaging centres in Bristol, Reading, Cheadle and Newcastle with the intention of them re-opening when the situation improved. Unfortunately, COVID-19 continues to seriously impact the UK and therefore in early August 2020, the decision was taken to keep these imaging centres closed for the foreseeable future. Regrettably, this means that the Charity will be pausing the Imaging Enhancement Project for an unspecified period, until these centres can be reopened safely and operating at full capacity. The staff employed on the Imaging Enhancement Project are therefore at risk of redundancy, however a number of alternatives are currently being considered to minimise this outcome.

Data Incident

On 16 June 2020, the Charity became aware that information submitted via feedback forms on its website had become externally accessible via an unprotected file. As soon as the Charity was made aware of the existence of this unprotected file, it was removed. The individuals who were affected have been notified and the Charity has reported the matter to the Information Commissioner's Office. The website is entirely separate from all of UK Biobank's other data (including databases containing detailed information about the 500,000 study participants), which are held internally behind secure firewalls. Further information is available on our website (<https://www.ukbiobank.ac.uk>).

NOTES TO THE FINANCIAL STATEMENTSFor the year ended 30 September 2019

26 POST BALANCE SHEET EVENTS (CONTINUED)**Subsidiary undertaking: UK Biocentre Limited**

After the financial year-end the Charity's subsidiary undertaking, UK Biocentre Limited, secured funding as follows:

- In March 2020, the Department of Health and Social Care awarded the UK Biocentre Limited a Grant of £2,300,000 for the 15-month period from 1 April 2020 to 30 June 2021. This Grant strengthens the UK Biocentre Limited's financial position, enabling it to continue to provide research and storage related activities at the NIHR National Biosample Centre for the benefit of researchers.
- In March 2020, the Department of Health and Social Care also asked the UK Biocentre Limited to provide virus testing as part of the UK's COVID-19 National Testing Programme. This testing programme continues as at the date of signing of these financial statements. To enable this national priority to proceed, existing research projects were paused, pending research organisations and UK Biocentre Limited having the capacity to restart these.

In May 2020, Diagnostics.ai Limited issued proceedings against UK Biocentre Limited (and the Secretary of State for Health and Social Care and the Medicines Discovery Catapult) for breach of the public procurement rules and for Judicial Review in relation to the procurement of automated software for use in the PCR swab testing that UK Biocentre Limited is conducting (under its contract with the Secretary of State for Health and Social Care) at Milton Keynes. Diagnostics.ai allege that they should be awarded the automated software contract. UK Biocentre Limited is vigorously defending the proceedings. The trial, which is set down for 5/6 days, is scheduled to come on in the High Court towards the end of September 2020.