

Genomics England Limited

Registered number: 08493132

Annual report

For the year ended 31 March 2023

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GENOMICS ENGLAND LIMITED

COMPANY INFORMATION

Directors

V Bajaj
Professor Sir J I Bell
Prof J F W Birney
N Blackwood-Bate
M Brown
R L E Campion
A Eland
Dr A M Jenkins
Dr A K Stewart
Sir J R Symonds
C M Wigley
Dr T G Ferris
N M R Perrin

Company secretary

N D Maltby

Registered number

08493132

Registered office

Level 21 One Canada Square
Canada Square
London
England
E14 5AB

Independent auditor

Mazars LLP
Chartered Accountants & Statutory Auditor.
30 Old Bailey
London
EC4M 7AU

GENOMICS ENGLAND LIMITED

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GENOMICS ENGLAND LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

Introduction

The directors present their Strategic report for the year ended 31 March 2023. The directors, in preparing this Strategic report, have complied with section 414C of the Companies Act 2006.

Business review

The Department of Health and Social Care first established Genomics England Limited in 2013 to deliver the 100,000 Genomes Project and, in partnership with Illumina Cambridge, the company established a genome-sequencing centre on the Wellcome Trust Genome Campus in Cambridge.

Data from the sequencing process is combined with data from a participant's medical records to create a ground-breaking resource for investigating disease causes, diagnosis and treatment. All data in the National Genomic Research Library (NGRL) within the company's research environment is pseudonymised, and the de-identified data is analysed within a secure, monitored environment. Analysis continues on the original data from the 100,000 Genomes Project.

The company also provides the analysis and infrastructure for the whole genome sequencing part of the world-leading NHS Genomic Medicine Service (NHS GMS). This is a live NHS service enabling the NHS to harness the power of genomic technology and science to improve the health of our population.

In addition to this core activity, the company launched three new initiatives in 2021, which have ramped up further during the last year:

- Newborn Genomes Programme - A world-first research study, working in partnership with the NHS, to explore the effectiveness of using whole genome sequencing to find and treat rare genetic diseases in newborn babies.
- Cancer 2.0 - An innovative cancer programme working in partnership with the NHS to evaluate cutting-edge genomic sequencing technology to improve the accuracy and speed of diagnosis for cancer patients and use artificial intelligence to analyse a person's DNA alongside other information such as routine scans.
- Diverse Data - Sequencing the genomes of up to 25,000 research participants of non-European ancestry to improve understanding of DNA and its impact on health outcomes and help ensure personalised medicine works for everyone in our society.

In December 2022, the UK government announced a funding boost of over £175 million for cutting-edge genomics research in a 3-year plan, bolstering Genomics England Limited's core company activity and each of the three initiatives above. The expectations for these initiatives from the multi-year government investment are detailed later in this report.

GENOMICS ENGLAND LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Business review (continued)

In partnership with the NHS and other key partners, the company has:

- Delivered a significant boost to the UK's international standing in the life sciences field. Following the completion of the 100,000 Genomes Project, the company has focused on developing and implementing the National Genomic Informatics Service (NGIS), conceived to meet the dual ambition of supporting test ordering in the NHS and developing the genomics database. NGIS is the term that describes the software modules that will create a single national platform integrated with existing and new services. The service will enable Genomics England to offer access to whole genome sequencing to research cohorts and other healthcare systems
- Delivered the largest whole genome dataset in direct use in healthcare, coupled with rich and growing clinical datasets, enabling a research environment with academics worldwide and industrial researchers generating many published research papers.
- Radically expanded the company's research offer and collaborations well beyond the realm of DNA + clinical data, and standing up collaborations with nine of the world's ten largest pharma companies as well as innovators like Insitro, resulting in novel insights and even drug target discoveries.
- Worked with the NHS Genomic Medicine Service to launch and maintain the world's first Whole Genome Sequencing (WGS) diagnostics service at a national scale (where the company has supported almost 25,000 patients and their families since launch and brought almost 4,000 doctors and teams into the world of WGS insights). Genomics England Limited and the NHS continue to provide the infrastructure, workforce, training, and expertise to interpret, validate and report the outcomes of WGS tests across the NHS.
- Launched the world's most extensive human sequencing programme to develop insights into the genetic biomarkers of COVID, with our Nature papers identifying the key locations on the genome associated with a severe response, as a complementary therapy to even further reduce mortality.
- Played a crucial role in attracting the investment of BioNTech into a UK R&D hub as part of the Cancer Vaccine Launch Pad.

During the year, the company consolidated its headquarters into a single office at 1 Canada Square, Canary Wharf and expanded its regional presence outside the Greater Southeast. To complement the Estates strategy, the company also launched a new blended working model enabling employees to combine office and working from home, either full or part-time.

GENOMICS ENGLAND LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Key performance indicators

Genomics England limited use the following key performance indicators ("KPIs") to monitor the core operational and research performance of the company:

| KPI | Reference | 2023 | 2022 |
|--|-----------|----------------------|----------------------|
| Uptime of National Genomic Informatics Service (NGIS), excluding planned outages | 1, 2 | 99.7% 1.6 working | 99.7% 1.9 working |
| Average Turnaround Time of bioinformatic pipelines for NIGIS – Cancer | 2 | days | days |
| Average Turnaround Time of bioinformatic pipelines for NIGIS – Rare Diseases | 2 | 1.2 working days | 1.6 working days |
| Number of Genomes in National Genomic Research Library (NGRL) | 3 | 140,568 | 112,058 |
| Distinct Users in our original Research Environment (RE) | 3 | 1,139 | 1,063 |

Reference 1 – FY2022 KPI excludes Log4J vulnerability (December 2021).

Reference 2 - represents the core operational performance of GEL's areas of operational responsibility as part of the NGIS service in providing the world's first national healthcare system to offer whole genome sequencing (WGS) in routine care.

Reference 3 – performance of the company's Research operation includes the size of the National Genomic Research library (NGRL) and growth in users in the Research Environment (RE1.0).

Principal risks and uncertainties

The directors regularly consider the principal risks and uncertainties which the company faces. Discussions are undertaken with particular reference to the status and primary objectives of the company as set out in the business review above, as well as the evolution of those objectives as the field of Genomic Informatics develops over time.

The company is wholly owned by the Secretary of State for Health and Social Care. Currently, it relies on continued funding from the Department of Health and Social Care (DHSC) to undertake its activities. In line with all of the UK Government, the company received confirmation of a 3-year financial funding settlement during the year covering financial years 2022-23 to end 2024-25.

As a consolidated member of the DHSC Group, the company directors consider the information set out in the DHSC's Governance Statement within their Annual Report and Accounts to provide sufficient and relevant information on the principal risks and uncertainties faced by the company.

The consolidated Annual Report and Accounts of The Department of Health and Social Care are available to the public and may be obtained via the publications section of the Gov.uk website: www.gov.uk.

GENOMICS ENGLAND LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Future developments

Genomics England, with the consent of participants and the support of the public, is creating a lasting legacy for patients, the NHS and the UK economy. Initially focused on sequencing 100,000 genomes, the company is now building on that foundation to enable faster, deeper genomic research, bringing the benefits of genomic medicine to all who need it.

Over the future years the company's main activity will focus on its core part of the UK long-term plan for personalised, predictive and preventative health. The company proposes to bring a new generation of genomic data and insights into the mainstream in the UK, by:

- Enabling NHS teams to achieve better patient outcomes sustainably via genomic insights that will inform more precise diagnoses through stratified therapeutics and personalised interventions.
- Generating efficiencies by leveraging national scale infrastructure and processes to drive down whole-genome sequencing costs, link and curate relevant UK datasets once for system-wide use and inform the use and optimisation of medicines in the NHS.
- Enhancing the UK's scientific research and innovation leadership by accelerating genomic research in our trusted environment and working in partnership to augment an ecosystem-wide approach to clinical trials, target discovery and therapeutic development.
- Working in partnership with NHS England and NHS Improvement (NHSE/I) to build the next generation of genomics technology infrastructure within a coherent clinical and research architecture, with new functionality, improving user experience, and increasing the number of cancers and rare diseases eligible for the WGS service diagnoses.
- Working in partnership with national NHS leadership (NHS England) to commence new programmes to address major health and research questions focusing on: newborn sequencing, diverse data, and trialling new technologies to diagnose cancer.

By the end of this 3-year financial funding settlement, Genomics England Limited aim to deliver the following outcomes from our three impact initiatives:

- **Newborns Genomes Programme** - the goal is to develop evidence on whether whole genome sequencing should be offered routinely to all newborn babies by running a research study – the Generation Study – that will sequence the genomes of 100,000 babies. The study will return actionable diagnoses for those with severe, highly penetrant conditions that are treatable early in childhood, support research and the development of new therapeutics, and explore life course benefit of genomic insights. Genomics England limited will be generating evidence that policymakers require and will have secured broad support from the public and experts.
- **Cancer 2.0** - the goal is to test and validate the use of long-read genome sequencing in the clinical setting, with sequencers in NHS Genomic Laboratory Hubs (GLHs) and central bioinformatics that augment the National Genomic Research Library with tens of thousands of clinical images of histopathology slides and radiology scans. The aim is to have long-read sequencers working in GLHs and to develop the infrastructure, knowhow and evidence that the NHS Genomic Test Evaluation Group is required to make decisions on the adoption and national scaling of long-read sequencing. Genomics England Limited expect to have several thousand images in the multimodal programme available with the right tooling in the National Genomic Research Library, with researchers using it to make new discoveries.

GENOMICS ENGLAND LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Future developments (continued)

- **Diverse Data** – the goal is to reduce health inequalities and improve patient outcomes in genomic medicine for under-represented communities by earning the trust of diverse communities in personalised medicine. Genomics England Limited will expand and improve research and diagnostic capabilities by sequencing between 15,000 and 25,000 participants from diverse communities and by developing tools to support the effective use of the data.

Directors' statement in accordance with Section 172 Companies Act 2006 requirements

The Board of directors of Genomics England Limited considers, both individually and together, they have acted in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Companies Act 2006) in the decisions taken during the year ended 31 March 2023.

In particular, by reference to our business plan for the period ending March 2023:

- We remain a purpose-driven government-owned company, with the Secretary of State for Health and Social Care as our only shareholder. We do not focus on revenue as a goal in and of itself, instead focussing on the clinical and research impact we can have for patients and the public by contributing to a wider ecosystem that drives investment and growth in the UK.
- The company's strategic 3-year plans and ways of working are designed to contribute to our mission of enabling genomic healthcare and research by providing great services to the NHS and the ecosystem. These plans aim to achieve our vision of a world where everyone benefits from genomic healthcare.
- The company's working model is service-based, ensuring that all multidisciplinary teams build products and deliver services with end-users in mind. The company continues to operate within all relevant regulatory requirements and seeks to maintain high governance standards alongside strong budgetary controls. The company has improved its internal infrastructure this year to ensure dedicated governance forums exist for its core services and major initiatives.
- Genomics England Limited employees are key to delivering the company's 3-year strategic plans. The company virtues are Speed, Empathy, Connection, Integrity, Focus, Impact and Curiosity, and we work with our people to make these a reality in our day-to-day work. We routinely and regularly canvass our employees to measure satisfaction and feed results back to the Executive Leadership Team and Board. The actions from the Annual Staff Survey are identified, discussed with our Connexions group (Connexions is a cross-company staff engagement group), and taken forward in partnership with the workforce. We also invest in our people's health, safety and welfare via a range of employee benefits, our flexible blended working model, and our employee support offer. We ensure all our employees are appropriately trained on data security and management as this is central to building and maintaining data trust, which is central to our reputation within our ecosystem. This year we have prioritised leadership development by setting up an in-house leadership programme for our emerging leaders. We also provide a broad development and training programme which helped us develop the capability and capacity of our people in line with our career frameworks.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

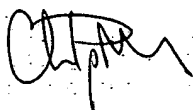
Directors' statement in accordance with Section 172 Companies Act 2006 requirements (continued)

- As a Public Sector Body, Genomics England Limited is subject to the Public Contracts Regulations 2015 (PCR15) when buying supplies, services or works and must adhere to regulations and policies related to procurement. The over-riding procurement policy requirement must be based on value for money, defined as "the best mix of quality and effectiveness for the least outlay over the period of the good and service". In implementing this overriding principle of value, we align to legal and policy frameworks both domestically and internationally to meet EU Treaty principles and apply more general principles of law regarding open competition, transparency, accountability, equal treatment and proportionality. Our fully resourced, qualified, experienced and capable Commercial Procurement Team holds Genomics England Limited to appropriate standards within a Commercial Strategy & Standards Framework (CSSF) built around four strategic priorities and the standards required to meet our legal and policy obligations. These are Accountability and Governance, Supplier Partnerships, Capability and Planning, and Data and Insights. This year, we have concentrated on relationships with key suppliers within a developing Strategic Supplier Partnership Programme (2S2P) emphasising better contractual outcomes and better management and planning of commercial activities within a pipeline of work from across the company. Additionally, increasing the commercial capability of colleagues involved in spending their budgets has been a priority.
- Genomics England Limited engage proactively with stakeholders across the genomics ecosystem in the UK, and part of the company's mission is to support UK Government's life sciences agenda by helping to support and attract life sciences investment, manufacturing and jobs. Our key partner in healthcare delivery is the NHS, particularly the national genomics team at NHS England and the GLHs around the country. We engage with our NHS colleagues on a daily basis to deliver our healthcare services, and we use our shared Programme Executive Group to maintain shared governance and make joint decisions.
- We have invested heavily in building a more sustainable company and have made significant progress on reducing our carbon footprint this year by consolidating our London headquarters from three offices in Farringdon (EC1M) with variable energy efficiency into a single modern and efficient space at 1 Canada Square in Canary Wharf for which we are the lead tenant. We strive to reduce single-use items, especially plastics, by moving away from disposable to re-useable items.
- Regarding the broader Corporate Social Responsibility (CSR) agenda, we have taken steps forward in considering priorities set out in the National Procurement Policy Statement (NPPS). By including social value within award criteria when making procurement decisions, encompassing social value within our contractual relationships, and ensuring that contractual outcomes specifically relate to social wellbeing and welfare, creating new jobs and new skills, and improving supplier diversity, we are balancing the need to deliver the core purpose of the contract against our responsibilities as a public sector funded body, where relevant.
- As a Board of Directors, we intend to behave responsibly, in line with company virtues, and ensure the business operates responsibly and sustainably. The company operates in a highly regulated environment and consistently complies with ISO Standards and Regulations and good governance standards. Our goal is to ensure that the organisation is trustworthy – as played out through our actions and behaviours – and that our work is informed and shaped by meaningful engagement with our partners, participants, and patients. Our participants, users and the wider public express confidence in our trustworthiness as custodians of sensitive data and in our ability to deliver excellence in our services and research initiatives. We have a Participant Panel that plays a role in our wider governance alongside our independent committee overseeing access to the data we hold. We are working with the Panel on updated processes and recruitment of new members, including participants from the Genomic Medicine Service. This work is led by our Director of Ethics and by our teams focused on ethics, engagement, and data protection

GENOMICS ENGLAND LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

This report was approved by the board and signed on its behalf by:



C M Wigley
Director

Date:

19/07/2023

GENOMICS ENGLAND LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report and the audited financial statements for the year ended 31 March 2023.

Results and dividends

The loss for the year, after taxation, amounted to £86,949,380 (2022: loss of £76,155,370).

The directors do not recommend the payment of a dividend for the year (2022: £nil).

Principal activity

The principal activity of the company is helping the NHS Genomic Medicine Service (GMS) to deliver genome sequencing (WGS) to patients. This involves providing the infrastructure to facilitate this, including the sequencing of whole human genomes from patients with cancer or rare diseases and the construction of a database which can be used for diagnosis and for the development of new treatments.

The company provide approved researchers with secure access to genomic data, and their research can lead to new scientific discoveries in rare conditions and cancer. In turn, those insights can enable more precise diagnoses and personalised interventions for NHS patients.

Directors

The directors who served during the year and to the date of this report were:

V Bajaj
Professor Sir J I Bell
Prof J F W Birney
N Blackwood-Bate
M Brown
R L E Campion
A Eland
Dr A M Jenkins
Professor M J Parker (resigned 31 July 2022)
Dr A K Stewart
Sir J R Symonds
C M Wigley
Dr T G Ferris (appointed 12 September 2022)
N M R Perrin (appointed 18 July 2022)

Chris Wigley has resigned as of 16 May 2023 and remains in function until the new CEO is appointed and settled. The board is running a compliant process to search for and select the next CEO.

GENOMICS ENGLAND LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 company and of the profit or loss of the company for that period.

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

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

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

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report. No claim or notice of claim in respect of these indemnities has been received in the year.

GENOMICS ENGLAND LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including cash flow risk and credit risk.

Cash flow risk

The financial risks the company's activities are exposed to are limited to inflationary pressures, changes in foreign currency exchange rates and/or interest rates. Regular cash flow reporting to the company shareholder and agreed Utilisation Protocol with shareholder to trigger provision of equity, ensures adequate mitigation of cash flow risk.

Interest-bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The company's principal financial assets are bank balances and cash and receivables.

The company's credit risk is primarily attributable to its amounts owed by group undertakings. The amounts presented in the Statement of financial position are net of allowances for doubtful debtors. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk on financial instruments is limited because the counterparties' are group undertakings which have support from the group's financing structure.

Going concern

The company's shareholder has approved the company's business plan and the investment level required to complete its current mission through 2025. The directors believe sufficient funds to maintain a positive cash flow will be made available by the shareholder via the UK Government Spending Review 2021 – further validated by shareholder approval of a Utilisation Protocol agreed upon during the year ending March 2023. The directors have assessed the ability of the Department of Health and Social Care to provide the support and accordingly the financial statements have been prepared on a going concern basis.

GENOMICS ENGLAND LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

An excellent employer

The company has grown materially over the prior year to support continued company ambition, increasing staff numbers from 397 to 509. These figures include permanent and fixed-term employees, secondees and contractors.

To measure overall satisfaction, the company seek regular feedback through monthly Pulse Surveys, which provide an overview of key topics across the year. By March 2023, the Genomics England Limited People team observed increase in employees agreeing that their priorities were clear and they knew how to do their job well. The majority of responses to survey questions also saw an overall decrease in responses with disagree or strongly disagree.

The company also encourages employee feedback through various mechanisms, including Your Voice- a confidential reporting tool in the HR portal- monthly All Staff and weekly Ask Me Anything engagement sessions with the CEO and Executive Leadership Team. Queries from these forums have directly led the organisation to consider and report back on a variety of themes, engendering a culture of openness, curiosity and transparency as far as possible.

Equality, diversity and inclusion (EDI) remain a priority, resulting in establishing a company EDI network. This group have established themselves with representatives across the organisation, each bringing unique contributions from their own lived experience. In addition to developing their own focus areas, this group has been supporting the People team by reviewing and inputting into new HR policies and, where relevant, training courses. We have rolled out EDI training as part of our new Operational Leaders course for managers and leaders. We are now working on additional EDI content, which will be mandatory for all employees to reinforce our commitment in this area.

It is recognised that ensuring equal opportunities for disabled people may involve reasonable adjustments being made during the interview process or to the working environment or other employment arrangements, such as promotions and development.

Reasonable adjustments can be requested at any stage of the individual's contact with Genomics England Limited starting at the interview stage. Each adjustment requested depends on the condition and how this would affect the applicant in an interview. We recognise that if people have a disability or long-term health condition that may be a barrier to performing to the best of their ability at the interview. These adjustments will be made wherever reasonable, within a reasonable time frame and in consultation with the candidate/employee.

In the last year, the company took steps to improve further our annual Performance Development Review (PDR) process and built on this with the addition of Career Frameworks, which for the first time showed each GEL employee the route to develop within the role and made visible potential career paths across the organisation. We took extensive feedback on the introduction of Career Frameworks and had been using this to improve further and iterate these key processes.

In late 2022, GEL launched its first Blended Working Policy, bringing various guidance together in one space. This has been an important way to ensure consistent standards around our new blended model and how we can support both flexibility and team performance. In addition, we've been able to explain our approach to hybrid better working to our candidates and new starters, which we believe has enhanced our employment offering.

Employees should inform the organisation if they believe they have a disability that may disadvantage them or need accommodation. Managers are responsible for being alert to the possibility that an employee may have a disability and that it may be necessary to make reasonable adjustments. The People team have allocated a specific centralised budget for reasonable adjustment costs, where necessary.

GENOMICS ENGLAND LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

It may be necessary to request a medical, vocational or functional assessment of the employee in relation to disability. If a medical report is requested from the employee's GP or consultant, the organisation will explain the employee's rights under the Access to Medical Reports Act 1988. GEL may also make use of Occupational Health if necessary, with the employee's consent.

The Equality Act 2010 prohibits discrimination because of a number of protected characteristics, one of which is disability. Both direct and indirect disability discrimination are unlawful, as is discrimination arising from a disability, discrimination based on association or perception, harassment and victimisation. A failure to make reasonable adjustments also amounts to disability discrimination.

Disciplinary action will be taken against any employee who is found to have committed an act of disability discrimination. Any serious breaches of this policy or harassment of a disabled person for a reason related to their disability will be treated as gross misconduct.

The organisation will ensure that individuals' personal data, including data relating to their health, is handled in accordance with its data protection policy/policy on processing special categories of personal data. Any breach of confidentiality will be treated very seriously and dealt with under the organisation's disciplinary procedure.

The Equity, Diversity and Inclusivity survey introduced in 2022-23 for which responses are anonymous- suggests that of the 50% of GEL who completed the survey, 20% of respondents live with a Mental Health Condition and 17% live with an impairment, disability or long-term health condition.

As a result of the feedback from the survey, we have been developing training for leaders, including Operational Leaders, which launched in February 2023. We are developing additional training, which will be mandatory for all leaders, with support from the EDI group. The EDI group have been starting to meet regularly, feeding into new policies and developing their strategy and areas of focus.

Greenhouse gas emissions, energy consumption and energy efficiency action

| | 2023 |
|---|------------------|
| Energy consumption used to calculate emissions (kWh) | |
| Gas consumption | 1,887,769 |
| Purchased electricity | 1,650,700 |
| Energy consumption break down (kWh) | 3,538,469 |
| Scope 1 emissions (metric tonnes CO2e) | |
| Gas consumption | 377.6 |
| Scope 2 emissions (metric tonnes CO2e) | |
| Purchased electricity | 319.2 |
| Scope 3 emissions (metric tonnes CO2e) | |
| Reimbursed mileage | 1.9 |
| Total gross emissions (metric tonnes CO2e) | 698.7 |
| Intensity ratio (metric tonnes CO2e per FTE) | 1.7 |

GENOMICS ENGLAND LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Greenhouse gas emissions, energy consumption and energy efficiency action (continued)

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions of CO₂e in metric tonnes per Average Full Time Employee.

Measures taken to improve energy efficiency

We have invested heavily in building a more sustainable company and have made significant progress on reducing our carbon footprint this year by consolidating our London headquarters from three offices in Farringdon (EC1M) with variable energy efficiency, into a single modern and efficient space at 1 Canada Square in Canary Wharf for which we are the lead tenant. We strive to reduce single-use items, especially plastics, by moving away from disposable to re-useable items.

Further to the above, Wellcome Genome Campus, a genome and biodata research campus where Genomics England operate labs, released a sustainability update in 2023, where they detailed the following measures:

- Encouraging reusable cups and returning stationary to reduce the number of single-use items.
- Implementation of an energy efficiency survey for labs.
- Kick-starting a pilot project with the Lab Efficiency Assessment Framework (LEAF) to support and guide sustainability improvements on a laboratory level.
- On-site composting.

We will continue to embed energy efficiency actions, and further initiatives will be reported in the next financial year.

Comparative figures

As this is the first-year reporting on this disclosure, there are no comparative figures included in the table above.

Matters covered in the Strategic report

The company has chosen in accordance with Companies Act 2006, s414C(11) to set out in the company's Strategic report information required by Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. Certain matters which are required to be disclosed in the Directors' report, including future developments, have been omitted as they are included in the Strategic report.

Disclosure of information to the auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

GENOMICS ENGLAND LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

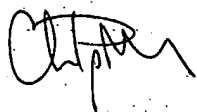
Post balance sheet events

On 15 May 2023, the company issued 50,000,000 ordinary shares with a nominal value of £1 each for a consideration of £50,000,000.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:



C M Wigley
Director

Date:

19/07/2023

GENOMICS ENGLAND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENOMICS ENGLAND LIMITED

Opinion

We have audited the financial statements of Genomics England Limited (the 'company') for the year ended 31 March 2023 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

GENOMICS ENGLAND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENOMICS ENGLAND LIMITED

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENOMICS ENGLAND LIMITED

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

GENOMICS ENGLAND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENOMICS ENGLAND LIMITED

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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

Yuvan Deena

Yuvan Deena (Senior statutory auditor)
For and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
30 Old Bailey
London
EC4M 7AU

Date: Jul 25, 2023

GENOMICS ENGLAND LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

| | Note | 2023 £ | 2022 £ |
|--|------|---------------------|---------------------|
| Turnover | 4 | 23,136,006 | 21,683,588 |
| Gross profit | | <u>23,136,006</u> | <u>21,683,588</u> |
| Administrative expenses | 5 | (114,294,271) | (100,421,583) |
| Other operating income | 6 | 4,208,885 | 2,582,625 |
| Operating loss and loss before taxation | 7 | <u>(86,949,380)</u> | <u>(76,155,370)</u> |
| Tax on loss | 10 | - | - |
| Loss for the financial year | | <u>(86,949,380)</u> | <u>(76,155,370)</u> |

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

There was no other comprehensive income for the current and prior year.

The notes on pages 22 to 36 form part of these financial statements.

GENOMICS ENGLAND LIMITED
REGISTERED NUMBER: 08493132

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

| | Note | 2023 £ | 2022 £ |
|---|------|-------------------|-------------------|
| Fixed assets | | | |
| Tangible assets | 11 | 5,611,120 | 5,570,751 |
| | | <u>5,611,120</u> | <u>5,570,751</u> |
| Current assets | | | |
| Debtors: amounts falling due after more than one year | 12 | 267,495 | - |
| Debtors: amounts falling due within one year | 12 | 21,876,654 | 16,690,909 |
| Cash at bank and in hand | 13 | 25,409,610 | 23,328,886 |
| | | <u>47,553,759</u> | <u>40,019,795</u> |
| Creditors: amounts falling due within one year | 14 | (29,645,715) | (25,122,002) |
| Net current assets | | <u>17,908,044</u> | <u>14,897,793</u> |
| Total assets less current liabilities | | <u>23,519,164</u> | <u>20,468,544</u> |
| Net assets | | <u>23,519,164</u> | <u>20,468,544</u> |
| Capital and reserves | | | |
| Called up share capital | 15 | 500,200,001 | 410,200,001 |
| Profit and loss account | 16 | (476,680,837) | (389,731,457) |
| Total equity | | <u>23,519,164</u> | <u>20,468,544</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



C M Wigley
Director

Date:

19/07/2023

The notes on pages 22 to 36 form part of these financial statements.

GENOMICS ENGLAND LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

| | Called up share capital | Profit and loss account | Total equity |
|--|------------------------------------|------------------------------------|---------------------|
| | £ | £ | £ |
| At 1 April 2021 | 350,200,001 | (313,576,087) | 36,623,914 |
| Comprehensive loss for the year | | | |
| Loss for the year | - | (76,155,370) | (76,155,370) |
| Other comprehensive income for the year | - | - | - |
| Total comprehensive loss for the year | - | (76,155,370) | (76,155,370) |
| Shares issued during the year | 60,000,000 | - | 60,000,000 |
| Total transactions with owners | 60,000,000 | - | 60,000,000 |
| At 1 April 2022 | 410,200,001 | (389,731,457) | 20,468,544 |
| Comprehensive loss for the year | | | |
| Loss for the year | - | (86,949,380) | (86,949,380) |
| Other comprehensive income for the year | - | - | - |
| Total comprehensive loss for the year | - | (86,949,380) | (86,949,380) |
| Shares issued during the year | 90,000,000 | - | 90,000,000 |
| Total transactions with owners | 90,000,000 | - | 90,000,000 |
| At 31 March 2023 | 500,200,001 | (476,680,837) | 23,519,164 |

The notes on pages 22 to 36 form part of these financial statements.

GENOMICS ENGLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. General information

Genomics England Limited (the 'company') is a private company limited by shares incorporated in England and Wales. The company's registered number is 08493132. The address of the company's registered office is Level 21 One Canada Square, Canada Square, London, England, E14 5AB.

The principal activity of the company is helping the NHS Genomic Medicine Service (GMS) to deliver genome sequencing (WGS) to patients. This involves providing the infrastructure to facilitate this, including the sequencing of whole human genomes from patients with cancer or rare diseases and the construction of a database which can be used for diagnosis and for the development of new treatments.

The company provide approved researchers with secure access to genomic data, and their research can lead to new scientific discoveries in rare conditions and cancer. In turn, those insights can enable more precise diagnoses and personalised interventions for NHS patients.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the company operates and is rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The Department of Health and Social Care as at 31 March 2023 and these financial statements may be obtained from 39 Victoria Street, London, SW1H 0EU.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.3 Going concern

The company's shareholder has approved the company's business plan and the investment level required to complete its current mission through 2025. The directors believe sufficient funds to maintain a positive cash flow will be made available by the shareholder via the UK Government Spending Review 2021– further validated by shareholder approval of a Utilisation Protocol agreed upon during the year ending March 2023. The directors have assessed the ability of the Department of Health and Social Care to provide the support and accordingly the financial statements have been prepared on a going concern basis.

2.4 Foreign currency translation

Functional and presentation currency

The company's functional and presentation currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'administrative expenses'.

2.5 Turnover

Turnover represents the costs incurred in supporting the GMS for which the company charges the NHS in addition to the fees charged for participation in a consortium which will develop a framework for researchers to acquire access, rights and obligations for the 100,000 Genome data base. The company charged for the sequencing, analysis and storage of devolved nations patient data.

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.6 Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Research and development

Research expenditure is written off as incurred.

2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.9 Other operating income

Other operating income represents tax credits in relation to research expenditure, as well as government grants.

2.10 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in other creditors as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

GENOMICS ENGLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)**2.11 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | |
|---------------------------|-------------------|
| Leasehold improvements | - 8-10 years |
| Fixtures and fittings | - 3 years |
| Computer equipment | - 3 years |
| Assets under construction | - Not depreciated |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.12 Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced to below its carrying amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

If at the end of the reporting period, there is objective evidence of impairment (including observable data about loss events), the company recognises an impairment loss in profit or loss immediately. For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

2.13 Debtors

Short-term debtors are measured at transaction price, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.16 Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are offset in the Statement of financial position when, and only when, there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.16 Financial instruments (continued)

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the company's accounting policies

There are no critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key source of estimation uncertainty - impairment of intangible assets

FRS102.18 states that an entity may recognise an intangible asset during the development phase of a project if, and only if, it can meet all of the applicable criteria. The company has not capitalised expenditure costs incurred in the development of the NGIS database as the future economic benefits of the database remain uncertain and consequently do not meet all of the applicable criteria for capitalisation. Management continue to review the expected future economic benefits of the project as the development of the platform moves forward.

GENOMICS ENGLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

4. Turnover

An analysis of turnover by class of business is as follows:

| | 2023 £ | 2022 £ |
|------------------|------------|------------|
| Sale of services | 23,136,006 | 21,683,588 |

Analysis of turnover by country of destination:

| | 2023 £ | 2022 £ |
|-------------------|------------|------------|
| United Kingdom | 21,451,383 | 19,121,273 |
| Rest of Europe | 730,000 | 1,066,665 |
| Rest of the world | 954,623 | 1,495,650 |
| | 23,136,006 | 21,683,588 |

Included in rest of the world sales are sales to the United States of America of £829,623 (2022: £897,984), Japan of £100,000 (2022: £597,666) and Republic of Korea of £25,000 (2022: £nil). Turnover data for Europe does not include any payments made to Russian suppliers.

5. Administrative expenses

The analysis of the company's administrative expenses is as follows:

| | 2023 £ | 2022 £ |
|--|-------------|-------------|
| Sequencing | 19,209,083 | 23,219,148 |
| Healthcare and research infrastructure | 46,837,476 | 40,004,964 |
| Workforce total - of which: | - | - |
| - Employed | 39,222,450 | 24,896,511 |
| - Seconded | 723,499 | 1,153,891 |
| - Contract | 1,688,372 | 4,625,121 |
| Administration | 3,228,545 | 2,332,724 |
| Depreciation | 3,384,846 | 4,189,224 |
| | 114,294,271 | 100,421,583 |

GENOMICS ENGLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

6. Other operating income

| | 2023 £ | 2022 £ |
|--------------------------|------------------|------------------|
| Research and development | 1,765,948 | 760,289 |
| Government grants | 2,442,937 | 1,822,336 |
| | <u>4,208,885</u> | <u>2,582,625</u> |

Research and development relates to tax credits receivable in regard to research and development.

Government grants relate to grants received by the company in relation to various science and clinical projects.

7. Operating loss

The operating loss is stated after charging/(crediting):

| | 2023 £ | 2022 £ |
|---|-------------|-----------|
| Research and development tax credits | (1,765,948) | (760,289) |
| Foreign exchange losses | 27,445 | 870 |
| Operating lease rentals | 1,315,723 | 930,137 |
| Depreciation of tangible fixed assets | 3,384,846 | 4,189,224 |
| Profit on disposal of tangible fixed assets | (915) | (86,433) |
| Impairment of trade receivables | 13,743 | 750 |
| | <u></u> | <u></u> |

8. Auditor's remuneration

| | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Fees payable to the company's auditor for the audit of the company's financial statements | 45,000 | 35,000 |
| | <u></u> | <u></u> |
| Fees payable to the company's auditor in respect of: | | |
| All other services | 8,415 | 3,550 |
| | <u></u> | <u></u> |

GENOMICS ENGLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

9. Employees

Staff costs, including the directors' remuneration, were as follows:

| | 2023 £ | 2022 £ |
|-------------------------------------|-------------------|-------------------|
| Wages and salaries | 32,573,104 | 20,921,266 |
| Social security costs | 3,912,188 | 2,255,671 |
| Cost of defined contribution scheme | 2,737,158 | 1,719,575 |
| | <u>39,222,450</u> | <u>24,896,512</u> |

The average monthly number of employees, including the directors, during the year was as follows:

| | 2023 No. | 2022 No. |
|--|-------------|-------------|
| Administration, support and engagement | 50 | 29 |
| Finance | 11 | 6 |
| Healthcare and research | 407 | 253 |
| Commercial and partnerships | 13 | 5 |
| | <u>481</u> | <u>293</u> |

Included in wages and salaries above is the remuneration paid to 10 directors (2022: 10 directors) amounting to £651,624 (2022: £559,558).

The highest paid director received aggregate remuneration of £361,812 (2022: £350,000).

During the year £nil retirement benefits were accruing to the directors (2022: £nil) in respect of defined contribution pension schemes.

GENOMICS ENGLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

10. Taxation

| | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Total current tax | | |
| Deferred tax | | |
| Total deferred tax | - | - |
| Taxation on loss on ordinary activities | - | - |

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022: higher than) the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:

| | 2023 £ | 2022 £ |
|---|--------------|--------------|
| Loss on ordinary activities before tax | (86,949,380) | (76,155,370) |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022: 19%) | (16,520,382) | (14,469,520) |
| Effects of: | | |
| Expenses not deductible for tax purposes | 5,725 | 2,443 |
| Capital allowances for year in excess of depreciation | - | (144,455) |
| Deferred tax not recognised | 16,514,657 | 14,611,532 |
| Total tax charge for the year | - | - |

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

A deferred tax asset relating to the tax losses carried forward has not been recognised due to the uncertainty of timing of future taxable profits.

GENOMICS ENGLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. Tangible fixed assets

| | Short-term leasehold property £ | Fixtures and fittings £ | Computer equipment £ | Assets under construction £ | Total £ |
|---------------------------|--|-------------------------------|----------------------------|--------------------------------------|------------|
| Cost | | | | | |
| At 1 April 2022 | 233,515 | 371,414 | 17,734,065 | 114,615 | 18,453,609 |
| Additions | 2,164,168 | - | 1,261,048 | - | 3,425,216 |
| Disposals | (233,515) | (72,737) | (58,447) | - | (364,699) |
| Transfers between classes | 114,615 | - | - | (114,615) | - |
| At 31 March 2023 | 2,278,783 | 298,677 | 18,936,666 | - | 21,514,126 |
| Depreciation | | | | | |
| At 1 April 2022 | 198,315 | 72,737 | 12,611,806 | - | 12,882,858 |
| Charge for the year | 104,394 | 99,559 | 3,180,894 | - | 3,384,847 |
| Disposals | (233,515) | (72,737) | (58,447) | - | (364,699) |
| At 31 March 2023 | 69,194 | 99,559 | 15,734,253 | - | 15,903,006 |
| Net book value | | | | | |
| At 31 March 2023 | 2,209,589 | 199,118 | 3,202,413 | - | 5,611,120 |
| At 31 March 2022 | 35,200 | 298,677 | 5,122,259 | 114,615 | 5,570,751 |

Assets under construction are not depreciated.

GENOMICS ENGLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

12. Debtors

| | 2023 £ | 2022 £ |
|-------------------------------------|-----------|-----------|
| Due after more than one year | | |
| Other debtors | 267,495 | - |

Other debtors relates to a rent deposit linked to the company's new headquarters at 1 Canada Square in Canary Wharf.

| | 2023 £ | 2022 £ |
|--------------------------------|-------------------|-------------------|
| Due within one year | | |
| Trade debtors | 7,910,491 | 5,679,704 |
| Other debtors | 20,943 | 801,352 |
| Prepayments and accrued income | 10,725,811 | 6,334,259 |
| VAT recoverable | 3,219,409 | 3,875,594 |
| | <u>21,876,654</u> | <u>16,690,909</u> |

13. Cash and cash equivalents

| | 2023 £ | 2022 £ |
|--------------------------|-------------------|-------------------|
| Cash at bank and in hand | <u>25,409,610</u> | <u>23,328,886</u> |

14. Creditors: Amounts falling due within one year

| | 2023 £ | 2022 £ |
|------------------------------------|-------------------|-------------------|
| Trade creditors | 11,907,445 | 14,100,538 |
| Other taxation and social security | 1,472,540 | 1,197,026 |
| Other creditors | 425,647 | 750 |
| Accruals and deferred income | 15,840,083 | 9,823,688 |
| | <u>29,645,715</u> | <u>25,122,002</u> |

GENOMICS ENGLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

15. Called up share capital

| | 2023 £ | 2022 £ |
|--|-------------|-------------|
| Allotted, called up and fully paid | | |
| 500,200,001 (2022: 410,200,001) ordinary shares of £1 each | 500,200,001 | 410,200,001 |

The company has one class of shares; each share is entitled to one vote in any circumstances.

On 25 April 2022, the company issued 30,000,000 ordinary shares with a nominal value of £1 each for a consideration of £30,000,000.

On 23 September 2022, the company issued 30,000,000 ordinary shares with a nominal value of £1 each for a consideration of £30,000,000.

On 30 January 2023, the company issued 30,000,000 ordinary shares with a nominal value of £1 each for a consideration of £30,000,000.

16. Reserves**Profit and loss account**

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

17. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £2,737,158 (2022: £1,719,575). Contributions totalling £419,543 (2022: £319,519) were payable to the fund at the reporting date and are included in creditors.

18. Commitments under operating leases

At 31 March 2023 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | 2023 £ | 2022 £ |
|--|------------------|----------------|
| Not later than 1 year | 1,243,636 | 305,872 |
| Later than 1 year and not later than 5 years | 3,671,248 | - |
| Later than 5 years | 76,979 | - |
| | <u>4,991,863</u> | <u>305,872</u> |

GENOMICS ENGLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

19. Related party transactions

The company has taken advantage of the exemption under paragraph 33.1A of Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

20. Post balance sheet events

On 15 May 2023, the company issued 50,000,000 ordinary shares with a nominal value of £1 each for a consideration of £50,000,000.

21. Controlling party

Genomics England Limited is a private limited company, wholly owned by the Secretary of State for Health, making it the company's ultimate controlling party.

The largest and smallest group which the results of the company are consolidated is that headed by the Department of Health and Social Care and its principal place of business address is 39 Victoria, London, SW15 0EU. Copies of the consolidated financial statements are available from this address.