

**Wellcome Trust Finance plc  
Annual Report and Financial Statements  
Year ended 30 September 2023**

## Wellcome Trust Finance plc Contents

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## **Wellcome Trust Finance plc Strategic Report For the year ended 30 September 2023**

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The directors of Wellcome Trust Finance plc (the “Company” and the “Directors”) present their strategic report for the year ended 30 September 2023 (the “Strategic Report”).

### **Strategy and objectives**

The principal activity of the Company is to meet its obligations relating to the bonds that it has previously issued and admitted to trading on the London Stock Exchange and to continue to lend the proceeds to other group entities.

### **Review of the business and future developments**

The Company has one tranche of bonds outstanding: £550 million issued on 25 July 2006 of 4.625% Guaranteed Bonds due July 2036. The Company loaned the proceeds from the Bonds to its parent company, the Wellcome Trust. The Company continues to receive interest on loans to the Wellcome Trust and to pay interest on the July 2036 Bond liabilities.

The Company has not issued any bonds during the year and does not expect to issue any bonds in the foreseeable future. Income of £29,102,488 (2022: £29,072,237) and cost of sales of £25,788,678 (2022: £25,772,755) are in line with prior year.

The Bonds are admitted to trading on the London Stock Exchange. The obligations of the Company in relation to the Bonds are governed by Trust Deeds between the Company, The Wellcome Trust Limited, as trustee of the Wellcome Trust, and Citicorp Trustee Company Limited, as the trustee for the holders of the Bonds. The payment of all amounts due in respect of the Bonds is unconditionally and irrevocably guaranteed pursuant to the terms of a guarantee given by The Wellcome Trust Limited, as corporate trustee of the Wellcome Trust; the guarantee is part of the Trust Deeds.

### **Results for the year**

The Company made an operating profit of £3,261,229 (2022: £3,251,574) during the year ended 30 September 2023. As at 30 September 2023 the Company had net assets of £135,550,291 (2022: £137,500,000) and cash of £3,664,988 (2022: £1,146). The Company has a policy to donate its taxable profits as Gift Aid to the Wellcome Trust. During the year the Board identified that there had been a failure to meet certain requirements under the Companies Act 2006 in respect of the interim Gift Aid donations paid in previous years, further details of this are included in the Directors’ Report on page 3.

### **Key performance indicators**

Due to the nature of the Company’s operations, the key performance measures are that the Company meets all its legal obligations to the Bond holders and that the Company achieves sufficient return on its assets to be profitable before any Gift Aid donations to the Wellcome Trust. During the year the Company met all its legal obligations to the Bond holders and made a net profit before Gift Aid donations to Wellcome Trust.

### **Financial risk management objectives and policies**

The Directors of the Company implement policies to manage the inherent risks relating to the financial assets and liabilities of the Company.

The Directors have assessed for each financial asset and liability: the market risk, currency risk, interest rate risk, liquidity risk, and credit risk exposure. The Company is not exposed to significant market risk or interest rate risk because the Company’s main financial assets have fixed redemption values, fixed interest rates and fixed maturity dates, which match those of its financial liabilities. The currency risk exposure is limited to the payment of one administrative expense amount per annum. The liquidity risk of the Company is mitigated by the matching of the cash flows from the Company’s financial assets and liabilities. Credit risk exposure of the Company’s loans is reduced by the Company only advancing loans to entities within the Group. Credit risk exposure of the Company’s remaining financial assets is reduced by stringent selection procedures for any external counterparties with which the Company transacts.

## Wellcome Trust Finance plc Strategic Report (continued) For the year ended 30 September 2023

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### Financial risk management objectives and policies (continued)

The Company's internal control and risk management, which includes consideration of the impact of inflation, higher interest rates and climate change are considered at a group level and documented within the Wellcome Trust Annual Report and Financial Statements 2023 which are available from Wellcome's website at ([wellcome.org/news-and-reports/reports](https://wellcome.org/news-and-reports/reports)).

The Company's internal control and risk management is undertaken as part of the Wellcome Trust's processes, which are detailed in the Wellcome Trust Annual Report and Financial Statements, available at [wellcome.org/news-and-reports/reports](https://wellcome.org/news-and-reports/reports). The key elements of this specifically applicable to the Company are:

- delegation: there is a clear organisational structure with documented lines of authority and responsibility for control and documented procedures for reporting decisions, actions and issues; and
- review: the Group Audit and Risk Committee reviews the effectiveness of the Company's internal control, its financial reporting process, the independence of its statutory auditors and its compliance with relevant statutory and finance regulations and advises the Directors of the Company of any relevant matters.

### Section 172 statement

The Board of Directors, in line with their duties under s172 of the Companies Act 2006, act 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, and in doing so have regard to a range of matters when making decisions for the long term.


The key stakeholders of the Company are considered to be Wellcome Trust (as the sole member), the other Wellcome Trust Group entities and the holders of the Bonds. We ensure that the requirements of s172(1) Companies Act 2006 are met and the interests of our stakeholder groups are considered through a combination of the following:

- The Board sets the Company's purpose and strategy which considers the long-term sustainable success of the Company and our impact on key stakeholders. The key purpose is discussed under Key performance indicators above.
- The Board's risks management procedures identify the principal risks facing the Company, and the mitigations in place to manage the impact of these risks. This is discussed under Financial risk management objectives and policies above.
- The Company has no employees and no carbon generating assets. The Wellcome Trust group's consideration of Social Responsibility, including climate change and energy transition is discussed in their Annual Report and Financial Statements.

### Corporate and social responsibility

Due to the nature of its activities the Company has a minimal environmental impact. The Group's approach to social responsibility is detailed in the Wellcome Trust Annual Report and Financial Statements, which are available at [wellcome.org/news-and-reports/reports](https://wellcome.org/news-and-reports/reports)

This report was approved by the Board of Directors and signed on 16 January 2024 on its behalf by:

DocuSigned by:  
  
6BD25B68DD2348E...  
Karen Chadwick  
Director  
16 January 2024

## **Wellcome Trust Finance plc Directors' Report For the year ended 30 September 2023**

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The Directors of Wellcome Trust Finance plc present their report and the audited Financial Statements for the year ended 30 September 2023.

### **Future developments**

These are discussed in the Strategic Report on page 1.

### **Going Concern and Viability**

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and to meet any commitments as they fall due for the foreseeable future, being at least 12 months from the date of signing the Financial Statements. The maturities of the loans to Parent undertaking will match the maturity of the July 2036 Bond liabilities, which will allow the Bonds to be repaid to investors on maturity. The interest from the loans with Wellcome Trust is sufficient to meet the fixed rate interest payment to bond holders. Accordingly, they continue to adopt the going concern basis in preparing the Financial Statements. The Directors have considered the impact of inflation and high interest rates on the Company and have concluded there are no material uncertainties related to these events or conditions that may cast doubt upon the Company's ability to continue as a going concern.

### **Employees**

There are no employees of the Company (2022: nil).

The administration of the Company is undertaken by staff from the Wellcome Trust. The Wellcome Trust has not incurred any incremental staff costs due to the administration of this Company.

### **Dividends and Gift Aid donations**

The Directors do not propose the payment of a dividend (2022: £nil). The Company has a policy to donate its taxable profits as Gift Aid to the Wellcome Trust. During the year the Board identified that the interim Gift Aid donations made by the Company to the Wellcome Trust during the financial years ending 30 September 2007 until 30 September 2022 had not been made in accordance with the requirements of the Companies Act 2006, because interim accounts had not been approved and filed at Companies House prior to each payment. The Board has provided for a tax liability related to these interim Gift Aid donations. The Board proposes to undertake rectification to return all parties so far as possible to the position they would have been in had the interim Gift Aid donations been made in full compliance with the Companies Act.

### **Financial risk management objectives and policies**

These are discussed in the Strategic Report on page 1.

### **Corporate Governance**

The Company is limited by shares. Its governing documents are its articles of association. The shareholder of the Company is The Wellcome Trust Limited, as trustee of the Wellcome Trust. The Company is a wholly owned subsidiary of the Wellcome Trust through its corporate trustee, The Wellcome Trust Limited. The Company is not subject to the requirements of the UK Corporate Governance Code. The governance policies of the Group and of the Wellcome Trust are included in the Wellcome Trust's Annual Report and Financial Statements for the year ended 30 September 2023.

The Group Audit and Risk Committee, the Investment Committee and the internal audit function of the Wellcome Trust oversee all group entities. The Company complies with all applicable filing and information requirements of the Financial Conduct Authority.

**Wellcome Trust Finance plc  
Directors' Report (continued)  
For the year ended 30 September 2023**

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**Directors and their interests**

The Directors of the Company who were in office during the year and up to the date of signing the Financial Statements were:

Karen Chadwick  
Nicholas Moakes  
Fabian Thehos

None of the Directors held any beneficial interest in the shares of the Company or any interest in its Parent undertaking the Wellcome Trust through its corporate trustee, The Wellcome Trust Limited.

Each of the Directors is an employee of the Group and receives remuneration from the Group as an employee. No remuneration is paid to any Director for their services as a Director.

**Directors' indemnity policy**

The Company is party to a Group-wide directors' and officers' liability insurance policy which provides cover to all the current Directors. There are no qualifying indemnity provisions (as defined in the Companies Act 2006) that benefit the Directors of the Company.

**Statement of disclosure of information to auditor**

Each Director in office at the date of approving this report confirms that:

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

**Independent auditors**

In accordance with Section 485 of the Companies Act 2006, a resolution dated 16 January 2024 was passed by the members re-appointing Deloitte LLP as auditors of the Company.

**Events after the end of the reporting period**

There have been no subsequent events requiring disclosure.

This report was approved by the Board of Directors and signed on its behalf on 16 January 2024 by:

DocuSigned by:  
  
6BD25B68DD2348E...  
Karen Chadwick  
Director

## **Wellcome Trust Finance plc Statement of Directors' Responsibilities For the year ended 30 September 2023**

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The Directors are responsible for preparing the Strategic Report, 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 prepared the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 the Financial Reporting Standards applicable in U.K. 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 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 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on its Parent undertaking's (Wellcome Trust's) website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

The Directors consider that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Each of the Directors, whose names are listed in the Directors' Report confirm that, to the best of their knowledge:

- the Financial Statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 the Financial Reporting Standards applicable in U.K. and Republic of Ireland, give a true and fair view of the assets, liabilities, financial position and result of the Company; and
- the Directors' Report contained in this section of the Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WELLCOME TRUST FINANCE PLC

## Report on the audit of the financial statements

### 1. Opinion

In our opinion the financial statements of Wellcome Trust Finance plc (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 September 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 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.

We have audited the financial statements which comprise:

- the statement of income and retained earnings;
- the statement of financial position; and
- the related notes 1 to 17.

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

### 2. 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 Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 3. Summary of our audit approach

#### Key audit matters

The key audit matters that we identified in the current year were:

- The amortisation of bond liabilities; and
- The collectability of intercompany loans.

Within this report, key audit matters are identified as follows:

 Similar level of risk



<b>Materiality</b>	The materiality that we used in the current year was £13.64m (2022: £13.73m) which was determined on the basis of 2% of total assets (2022: 2% of total assets).
<b>Scoping</b>	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
<b>Significant changes in our approach</b>	There are no significant changes in our approach.

#### 4. 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.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- We evaluated management's going concern assessment by reference to the company's current year performance and year-end position;
- We performed a subsequent events review up until the date of this audit report to assess whether any events have been identified that are relevant to company's going concern assessment; and
- Assessing the appropriateness of the going concern disclosures in the financial statements.

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.

#### 5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

##### 5.1. Amortisation of bond liabilities

<b>Key audit matter description</b>	<p>The company has external debt (bonds listed on the London Stock Exchange) of £550m (2022: £550m) as at 30 September 2023, which is repayable on 24 July 2036 at an interest rate of 4.625% per annum.</p> <p>These bonds are highly material to the company as they account for 99.9% of total liabilities of the company (2022: 99.7%).</p> <p>The bond liabilities are stated at amortised cost using the effective interest method and requires the calculation of the effective interest rate for their measurement on the balance sheet as at 30 September 2023. This is performed in an amortisation schedule prepared by management. This calculation has a material impact on the</p>
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carrying value of the bond liabilities. Amortisation of bond liabilities has been identified as the Key Audit Matter, as this had the largest impact on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

Bond liabilities are disclosed in note 10, as well as the accounting policies in note 1.

**How the scope of our audit responded to the key audit matter**

With regards to the bond liabilities, we:

- obtained the original bond prospectuses to assess whether the terms of the bonds agree to the inputs used by management to calculate the effective interest rate;
- recalculated the period to period effective interest and the carried forward balance of the bond liabilities until maturity;
- assessed the disclosures in the financial statements relating to bond liabilities as at 30 September 2023.

**Key observations**

As a result of our procedures, we concluded that the amortisation of bond liabilities was appropriately stated and their related disclosures are appropriately reported.

## 5.2. Collectability of intercompany loans

**Key audit matter description**

The company has loans to Group undertakings relating to intercompany loans totalling £676m (2022: £676m) due from its Parent, the Wellcome Trust.

These intercompany loans are highly material to the company as they account 99.4% of total assets of the company (2022: 98.5%).

The ability of the company to repay the external debt when it matures and pay the interest to the bond holders is dependent on the future financial performance of the Parent and their ability to repay the intercompany loans to the company. The basis for this collectability relies on accurate assumptions in the future forecasts of the Parent and a liquidity position which does not indicate the need for impairment. Collectability of intercompany loans has been identified as the Key Audit Matter, as this had the largest impact on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

Loans to group undertakings are disclosed in note 9, as well as the accounting policies in note 1.

**How the scope of our audit responded to the key audit matter**

With regards to the collectability of the loans given to the Parent, we:

- performed a credit risk analysis by assessing the current net asset and liquidity position of the Parent;
- obtained the cash flow forecast of the Parent and assessed whether the assumptions in the forecast were reasonable;
- assessed whether the cash flow forecast and the liquidity position of the Parent suggested any indicators of impairment;
- assessed the disclosures in the financial statements relating to intercompany loans as at 30 September 2023.

**Key observations**

As a result of our procedures, we concluded that the collectability of intercompany loans was appropriately stated and their related disclosures are appropriately reported.

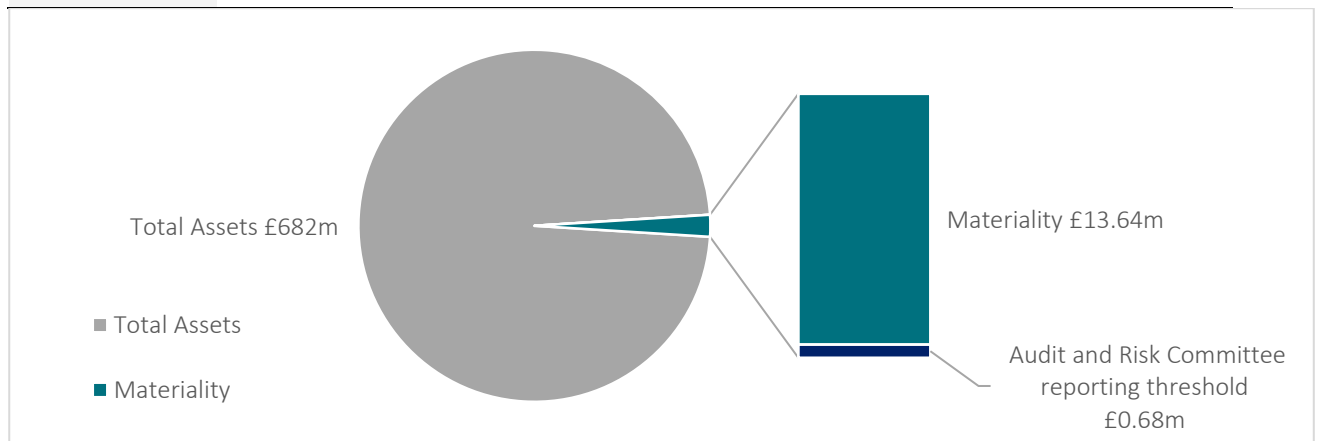
## 6. Our application of materiality

### 6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

<b>Materiality</b>	£13.64m (2022: £13.73m)
<b>Basis for determining materiality</b>	2% of total assets (2022: 2% of total assets)
<b>Rationale for the benchmark applied</b>	Total assets is considered as an appropriate benchmark, as the principal activity of the entity is to issue bonds on the London Stock Exchange to provide financing to the Wellcome Trust Group, and therefore it is the key area of interest for the users of the financial statements.



### 6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2023 audit (2022: 70%). In determining performance materiality, we considered the following factors:

- our risk assessment, including our assessment of the overall control environment; and
- our past experience of the audit, which has indicated a low number of corrected and uncorrected misstatements identified in prior periods.

### 6.3 Error reporting threshold

We agreed with the Audit and Risk Committee of the Wellcome Trust that we would report to the Committee all audit differences in excess of £682k (2022: £686k), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

## 7. An overview of the scope of our audit

### 7.1. Scoping

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. The audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

## 8. 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.

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.

## 9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## 10. 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## 11. Extent to which the audit was considered capable of detecting irregularities, including fraud

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

### 11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, directors and the Wellcome Trust's Audit and Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the company's sector;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including IT specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and Listing Rules for the company's listed bonds.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the regulatory requirements of the Charities Act 2011 and Gift Aid Rules, as the profit of the company for the year is paid under Gift Aid to the Parent entity, the Wellcome Trust, a registered charity.

**11.2. Audit response to risks identified**

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit and Risk committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

## Report on other legal and regulatory requirements

### 12. 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.

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

### 13. Matters on which we are required to report by exception

#### 13.1. Adequacy of explanations received and accounting records

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have nothing to report in respect of these matters.

#### 13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

### 14. Other matters which we are required to address

#### 14.1. Auditor tenure

Following the recommendation of the Audit and Risk Committee, we were appointed by the directors on 14 December 2015 to audit the financial statements for the year ending 30 September 2016 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 8 years, covering the years ending 30 September 2016 to 30 September 2023.

#### 14.2. Consistency of the audit report with the additional report to the audit and risk committee

Our audit opinion is consistent with the additional report to the Audit and Risk Committee we are required to provide in accordance with ISAs (UK).

## 15. Use of our 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.

DocuSigned by:

J Hodges

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Jessica Hodges, ACA (Statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

16 January 2024



**Wellcome Trust Finance plc**  
**Statement of Income and Retained Earnings**  
**For the year ended 30 September 2023**

	Note	Year ended 30 September 2023 £	Year ended 30 September 2022 £
Income	3	29,102,488	29,072,237
<b>Operating income</b>		<b>29,102,488</b>	<b>29,072,237</b>
Cost of sales	4	(25,788,678)	(25,772,755)
Administrative expenses	5	(52,581)	(47,908)
<b>Operating profit</b>		<b>3,261,229</b>	<b>3,251,574</b>
Taxation	8	(1,949,709)	-
<b>Profit after taxation</b>		<b>1,311,520</b>	<b>3,251,574</b>
Charitable donation - relating to current year	16	(3,261,229)	(3,251,574)
<b>(Loss)/retained results for the financial year</b>		<b>(1,949,709)</b>	<b>-</b>
Opening shareholder's funds		137,500,000	137,500,000
Retained earnings brought forward		-	-
Retained (loss)/profit for the year		(1,949,709)	-
Dividends declared and paid or payable during the year		-	-
<b>(Losses)/retained earnings carried forward</b>		<b>(1,949,709)</b>	<b>-</b>
<b>Closing shareholder's funds</b>		<b>135,550,291</b>	<b>137,500,000</b>

All results are derived from continuing activities.

The Company has no gains or losses other than the results for the financial year as set out above, and therefore no separate Statement of comprehensive income or Statement of changes in equity have been presented.

The notes on pages 17 to 22 form part of these Financial Statements.

**Wellcome Trust Finance plc**  
**Statement of Financial Position**  
**As at 30 September 2023**

	Note	As at 30 September 2023 £	As at 30 September 2022 £
<b>Fixed assets</b>			
Loans to Group undertakings	9	676,000,000	676,000,000
<b>Current assets</b>			
Amounts owed by Parent undertaking		3,742,690	5,145,081
Accrued interest on loans		5,415,548	5,415,548
Prepayments		7,933	9,240
Cash at bank and in hand		3,664,988	1,146
		<b>12,831,159</b>	<b>10,571,015</b>
<b>Total assets</b>		<b>688,831,159</b>	<b>686,571,015</b>
<b>Creditors: amounts falling due within one year</b>	10	(9,952,980)	(6,094,306)
<b>Net current assets</b>		<b>2,878,179</b>	<b>4,476,709</b>
<b>Total assets less current liabilities</b>		<b>678,878,179</b>	<b>680,476,709</b>
<b>Creditors: amounts falling due after more than one year</b>	10	(543,327,888)	(542,976,709)
<b>Net assets</b>		<b>135,550,291</b>	<b>137,500,000</b>
<b>Capital and reserves</b>			
Called up share capital	12	137,500,000	137,500,000
(Losses)/retained earnings		(1,949,709)	-
<b>Total shareholders' funds</b>	11	<b>135,550,291</b>	<b>137,500,000</b>

The Company has no changes in equity during the year as set out above and therefore no separate statement of changes in equity has been presented.

The Financial Statements on pages 15 to 22 were approved by the Board of Directors and authorised for issue on 16 January 2024 and signed on its behalf by:

DocuSigned by:  
  
 6BD25B68DD2348E...

Karen Chadwick  
 Director  
 16 January 2024

Wellcome Trust Finance Plc  
 Company Number 5857955

## Wellcome Trust Finance plc

### Notes to the Financial Statements

### For the year ended 30 September 2023

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#### 1. ACCOUNTING POLICIES

The Financial Statements are prepared in accordance with applicable United Kingdom law and United Kingdom accounting standards. The accounting policies which have been adopted consistently in the current and prior year are described below.

##### (a) Statement of compliance

The Company, a public limited company, is incorporated in England and Wales, United Kingdom under the Companies Act. The address of the registered office is given on page 22. The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 1.

The Company is a wholly owned subsidiary undertaking of the Wellcome Trust through its corporate trustee, The Wellcome Trust Limited, and is included in the Consolidated Financial Statements of the Wellcome Trust, which are publicly available.

The Financial Statements have been prepared on a going concern basis as well as in accordance with applicable UK accounting standards (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102"). Refer to the Directors' report for more information.

The functional and presentational currency of the Company is pounds Sterling. Most of transactions undertaken by the Company are denominated in pounds Sterling.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to financial instruments, the presentation of a Statement of Cash Flows and the Related Party disclosures. The equivalent disclosures relating to the exemptions have been included in the Consolidated Financial Statements of the Wellcome Trust at [wellcome.org/news-and-reports/reports](https://www.wellcome.org/news-and-reports/reports).

##### (b) Summary of significant accounting policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

##### Basis of preparation

The Financial Statements have been prepared under the historical cost convention. The preparation of Financial Statements in conformity with FRS 102 requires the use of certain significant accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving more judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in note 2.

##### (i) Income

Income is interest derived from loans to Wellcome Trust. Income is calculated using the effective interest rate method and is recognised on an accruals basis. Interest is earned on amounts due from the Parent undertaking which are repayable on demand or repayable on agreement between the Company and Wellcome Trust.

##### (ii) Cost of sales

Expenditure is the effective interest on the Bond liabilities (as described in Bond Liabilities section below) and is recognised on an accruals basis and recognised in the statement of income and retained earnings.

##### (iii) Gift Aid

The amount of Gift Aid donation recognised for each period is equal to the estimated taxable profits of the Company for that period at the time of the approval of the Financial Statements. Gift Aid donation payments made within nine months after the balance sheet date are equal to the estimated taxable profits of the Company for the period at the time of payment less any interim donations made in the year. Any difference between the Gift Aid donation accrued and Gift Aid donations paid is recognised at the time of payment.

##### (iv) Taxation

Although subject to taxation, the Company does not pay UK Corporation Tax because its policy is to donate taxable profits as Gift Aid to the Wellcome Trust. Subject to the above, current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Wellcome Trust Finance plc**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 September 2023**

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**1. ACCOUNTING POLICIES (continued)**

**(v) Financial assets and liabilities**

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. Financial assets and financial liabilities are recognised when the Group 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. All financial assets and liabilities are initially measured at transaction price (including transaction costs), and subsequently at amortised cost.

Financial assets which qualify as basic financial instruments as laid out in FRS 102 paragraph 11.8, including trade and other receivables and cash and bank balances, are subsequently valued at amortised cost and assessed for impairment at the end of each reporting period. Financial assets and liabilities are only offset in the Statement of Financial Position when, and only when, a legally enforceable right exists to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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.

*Loans to Parent undertakings*

The loans are not quoted in an active market. The loans were recognised initially at fair value and after initial recognition are measured at amortised cost using the effective interest method.

*Bond Liabilities*

The initial measurement of the liability is equal to the proceeds of issue less all transaction costs directly attributable to the issue for each Bond. After initial recognition the liability is measured at amortised cost using the effective interest method. The Company is not required to, and therefore does not, recognise any adjustment to fair value in the Statement of Financial Position and Statement of Income and Retained Earnings.

**2. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Estimates and judgements 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.

**Accounting judgements**

The Company has made no significant accounting judgements in the application of the Company's accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**Significant accounting estimates and assumptions**

The Company has made no significant accounting estimates and assumptions in the application of the Company's accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**Wellcome Trust Finance plc**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 September 2023**

**3. TURNOVER**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Interest receivable on loans to Parent undertaking	29,068,750	29,068,750
Interest receivable on cash deposits	33,738	3,487
<b>Total turnover</b>	<b>29,102,488</b>	<b>29,072,237</b>

Interest receivable on loans to Parent undertakings in the UK (see note 9) is the effective interest on:

- Loan A to Wellcome Trust at a fixed rate of 4.75%;
- Loan C to Wellcome Trust at fixed rate of 4.00%; and
- Loan D to Wellcome Trust at fixed rate of 4.125%.

All income is derived from the United Kingdom.

**4. COST OF SALES**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Interest payable on bond liabilities	25,788,678	25,772,755
<b>Total cost of sales</b>	<b>25,788,678</b>	<b>25,772,755</b>

**5. ADMINISTRATIVE EXPENSES**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Auditor's remuneration	31,980	27,744
Rating agency fees	18,084	17,520
Tax compliance	2,400	2,554
Other	117	90
<b>Total administrative expenses</b>	<b>52,581</b>	<b>47,908</b>

Auditor's remuneration is solely in relation to the statutory audit of the Financial Statements.

**6. EMPLOYEE INFORMATION**

The Company has no employees (2022: nil). Employees of The Wellcome Trust Limited (acting as trustee of the Wellcome Trust) undertake the administration of the Company at no incremental cost to the Wellcome Trust.

**7. REMUNERATION OF DIRECTORS**

The Directors of the Company received no remuneration from the Company for their services. There were no Directors for whom retirement benefits provided by the Company are accruing under a money purchase or defined benefit scheme. The Company does not issue share options or offer any long-term incentive schemes, so there were no Directors who exercised share options during the year or became entitled to shares under a long-term incentive scheme.

**Wellcome Trust Finance plc**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 September 2023**

**8. TAX ON RESULT**

The profits of the Company for the year will be paid under Gift Aid to the Wellcome Trust, a charity registered in England under the UK Charities Act 2011 (registered charity number 210183). There is no difference between retained profit/(loss) and taxable profits, so there is no provision required for deferred tax.

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Profit before tax	3,261,229	3,251,574
<b>Current tax charge for the year:</b>		
Tax on profit on ordinary activities at standard corporation tax rate of 22% (2022: 19%)	717,738	617,799
Tax relief on gift aid donations	(717,738)	(617,799)
Adjustment to tax charge in respect of previous periods	1,949,709	-
<b>Total current tax</b>	<b>1,949,709</b>	<b>-</b>

The standard rate of corporation tax applied to taxable profit is 22% per cent (2022: 19%). The corporation tax rate increased to 25% (effective 1 April 2023) following the substantive enactment of Finance Act 2021. Subject to recognition criteria, all deferred tax assets and liabilities are recognised at a rate of 25%.

As per the tax note above, Wellcome Trust Finance plc generated accounting profits of £3,261,229 in the year. Following adjustments for corporation tax purposes, any current year taxable profits have been extinguished to £nil due to qualifying charitable donations ("Gift Aid") to be paid to Wellcome Trust. During the year the Board identified that the interim Gift Aid donations made by the Company in prior years had not been made in accordance with the requirements of the Companies Act 2006, current tax has been recognised in relation to these interim Gift Aid donations.

**9. LOANS TO PARENT UNDERTAKING**

	<b>Principal amount</b>	<b>Interest rate per annum</b>	<b>Loan anniversary date</b>	<b>Amortised cost 2023</b>	<b>Amortised cost 2022</b>
	<b>£</b>	<b>%</b>		<b>£</b>	<b>£</b>
<b>Non Current Assets</b>					
Loan A	245,500,000	4.750	25 July	245,500,000	245,500,000
Loan C	280,500,000	4.000	25 July	280,500,000	280,500,000
Loan D	150,000,000	4.125	25 July	150,000,000	150,000,000
	<b>676,000,000</b>			<b>676,000,000</b>	<b>676,000,000</b>

Loans to Parent undertakings are loans (the "Loans") to Wellcome Trust (Loan A, Loan C and Loan D). The principal under Loan A is repayable on demand by the Company. The principal under Loan C and Loan D is repayable on agreement between the Company and Wellcome Trust. The Loans have an agreed repayment date on 25 July 2036 (Loan A, Loan C and Loan D). Each Loan has a fixed redemption value equal to the principal amount and a fixed interest rate.

**Wellcome Trust Finance plc**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 September 2023**

**10. CREDITORS**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Accruals	3,001	2,540
Gift Aid due to the Wellcome Trust	3,261,229	1,352,725
Bond liabilities	4,739,041	4,739,041
Corporation tax	1,949,709	-
<b>Total creditors: amounts falling due within one year</b>	<b>9,952,980</b>	<b>6,094,306</b>
Bond liabilities	543,327,888	542,976,709
<b>Falling due after five years</b>	<b>543,327,888</b>	<b>542,976,709</b>
<b>Total creditors: amounts falling due after one year</b>	<b>543,327,888</b>	<b>542,976,709</b>

The Bond liabilities are stated at the amortised cost using the effective interest method for the £550 million 4.625% Guaranteed Bonds due July 2036 (“£550 million Bonds”), issued by the Company on 25 July 2006. The Bond liabilities falling due within one year are the unpaid coupon interest accrued for the year to 30 September 2023. The interest payment to the Bond holders is at a fixed rate of 4.625% per annum (£550 million Bonds) and is paid in arrears on 25 July each year until repayment of the Bond principal. The bond repayment and amounts receivable from group companies are aligned in timing for liquidity management. Effective interest on bond liabilities is shown as Cost of Sales in the Statement of Income and Retained Earnings.

The obligation of the Company on the Bonds is governed by a Trust Deed dated 25 July 2006 (£550 million Bonds) between the Company, The Wellcome Trust Limited, as trustee of the Wellcome Trust, and Citicorp Trustee Company Limited, as the trustee for the holders of the Bonds (the “Trust Deed”). The payment of all amounts due in respect of the Bonds is unconditionally and irrevocably guaranteed pursuant to the terms of a guarantee given by The Wellcome Trust Limited, as corporate trustee of the Wellcome Trust; the guarantee is part of the Trust Deed.

**11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER’S FUNDS**

	<b>Called-up share capital</b>	<b>(Losses)/retained Earnings</b>	<b>Shareholder's Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
As at 30 September 2022	137,500,000	-	137,500,000
Retained loss for the year	-	(1,949,709)	(1,949,709)
<b>As at 30 September 2023</b>	<b>137,500,000</b>	<b>(1,949,709)</b>	<b>135,550,291</b>

**12. CALLED UP SHARE CAPITAL**

		<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>£</b>	<b>£</b>
Issued and fully paid ordinary shares of £1 each	137,500,000	137,500,000	137,500,000

**13. RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemption contained in FRS 102 Section 33 paragraph 33.1A3 “Related Party Disclosures”, which exempts it from disclosing details of transactions with the Wellcome Trust and its subsidiary undertakings, as the Company and its related undertakings with whom it may have transactions are wholly owned subsidiaries of the Wellcome Trust through its corporate trustee, The Wellcome Trust Limited. There are no other related party transactions requiring disclosure.

## **Wellcome Trust Finance plc Notes to the Financial Statements (continued) For the year ended 30 September 2023**

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### **14. FINANCIAL INSTRUMENTS**

The Company's financial instruments comprise the loans to Parent undertaking and the liability arising from the issue of the Bonds. The Company's loans are non-derivative financial assets with fixed payments which are not available for sale. The Bond liability is a non-derivative financial liability with a fixed redemption value, fixed interest rate and fixed maturity date. The Company has not undertaken any trading in financial instruments during the year.

The financial instruments issued by, or held by, the Company are Sterling denominated and at fixed interest rates and carry no foreign exchange risk or interest rate risk.

The key risks relating to the financial instruments held by the Company are the credit risk and liquidity risk of the counterparty Wellcome Trust. These risks are in respect of the Wellcome Trust's ability to meet the interest and principal payments as they fall due. The total value exposed to credit risk as at 30 September 2023 is £688.8 million (2022: £686.6 million), which comprises the value of the loans to Parent undertaking, amounts owed by the Parent undertaking, accrued interest on loans and cash at bank and in hand. The liquidity risk of the Company is mitigated by the exact matching of the cash flows from the Company's loans to the Parent undertaking to those arising on the Bond Liabilities.

Credit risk exposure of the Company's loans is reduced by the Company only advancing loans to its Parent undertaking. Credit risk exposure of the Company's remaining financial assets is reduced by stringent selection procedures for any external counterparties with which the Company transacts.

### **15. COMMITMENTS**

The Company has no outstanding commitments to make further investments at 30 September 2023 (2022: £nil).

### **16. GIFT AID DONATIONS**

During the year the Board identified that the interim Gift Aid donations made by the Company to the Wellcome Trust (the Company's ultimate parent undertaking and controlling party, see note 17) during the financial years ending 30 September 2007 until 30 September 2022 had not been made in accordance with the requirements of the Companies Act 2006, because interim accounts had not been approved and filed at Companies House prior to each payment. The Board proposes to undertake rectification to return all parties so far as possible to the position they would have been in had the interim Gift Aid donations been made in full compliance with the Companies Act.

### **17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The Company is a company limited by shares. Its sole shareholder is the Wellcome Trust through its corporate trustee, The Wellcome Trust Limited, whose place of business is Gibbs Building, 215 Euston Road, London, United Kingdom. The Company is considered a wholly owned subsidiary undertaking of the Wellcome Trust for accounting purposes and its assets and liabilities have been consolidated with those of the Wellcome Trust as required by section 9 of FRS 102.

The ultimate parent undertaking and controlling party of the Company is the Wellcome Trust, which is the parent undertaking of the smallest and largest group to consolidate these Financial Statements.

Copies of the Wellcome Trust Annual Report and Financial Statements 2022 are available from Wellcome's website ([wellcome.org/news-and-reports/reports](https://wellcome.org/news-and-reports/reports)) or from the Company Secretary.

### **18. EVENTS AFTER THE END OF THE REPORTING PERIOD**

There have been no subsequent events requiring disclosure.



**Wellcome Trust Finance plc**  
**Administrative Details**  
**As at 30 September 2023**

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**Directors**

Karen Chadwick  
Nicholas Moakes  
Fabian Thehos

**Company Secretary**

Christopher Bird

**Registered Company Number**

5857955

**Registered Office**

Gibbs Building  
215 Euston Road  
London  
NW1 2BE

**Independent Auditor**

Deloitte LLP  
Statutory Auditor  
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London  
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**Banker**

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