wellcome

2024

Annual Report and Financial Statements

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Report from Chair

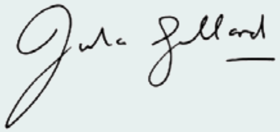
This year, John-Arne Røttingen quickly settled in as our Chief Executive Officer, bringing fresh clarity to our vision, mission and strategy. And it has been great to see several health interventions become available following Wellcome's support, as well as numerous discoveries – all contributing to our vision of a healthier future for everyone.

Cobenfy is a therapeutic developed using the first new pharmacological approach to treating schizophrenia in 50 years. Wellcome made social investments in the company that developed Cobenfy, funding phase 1 and 2 clinical trials. Since then, the company has taken the drug successfully through phase 3 trials and it was approved for use in the USA in September 2024 (see page 30).

Like so many medical advances, the development of Cobenfy built on decades of research by many scientists that opened up the possibility of this new approach, which targets specific neurotransmitter receptors. One of the first people to describe these receptors was Henry Dale, who shared the 1936 Nobel Prize in Physiology or Medicine for this work. In the same year, he became one of Wellcome's original Trustees, and later served as Wellcome's Chair from 1938 to 1960.

That we can retrospectively trace the impact of Dale's research through to a new schizophrenia treatment this year shows the invaluable role of fundamental research in opening up fields of research and opportunities for advancing health in the future. We cannot always predict the health impact of work we fund, but discoveries made this year by Wellcome-funded researchers – from liver regeneration to autoimmune disease – will almost certainly lead to better health in the short or long term.

In our work to address the devastating health impacts of climate change across the world, the focus is on generating research evidence to convince and support policy makers to take action. In December 2023, I was at the UN's annual climate change meeting, COP28, to help build the case for this approach. Wellcome worked with the organisers to launch the first ever Health Day at a COP – an opportunity for health ministers and officials to discuss the intersections of climate and health, and to commit to action that tackles climate change in ways that protect people's health (see page 33). The argument has not been won everywhere, so we will continue to advocate for an evidence-led approach.



Julia Gillard
Chair of Wellcome's Board of Governors

> There are huge health inequalities in the world that cannot be ignored if we are truly to support science to solve the urgent health challenges facing everyone and help build a healthier future for everyone.

Investments

Our investment portfolio returned +5.2% in pounds sterling (GBP) in the year to 30 September 2024 (2023: +0.9%), or +3.5% after inflation. After charitable cash expenditure of £1.1 billion, this led to an increase in total funds (the value of our investment portfolio less all liabilities) to £33.9 billion. Long-term growth in the portfolio has enabled us to dramatically increase the amount we spend on our mission. Over the past decade we have spent nearly £12 billion on charitable activities, equivalent to about 65 percent of our total assets at the start of that period.

The economic backdrop remains fragile as governments in developed economies are mostly running large fiscal deficits, resulting in rapidly growing public sector debt. Bond markets are absorbing this for now, but the UK's experience in 2022 shows that we cannot take stability for granted. Wellcome's Investments team is focused on ensuring that the portfolio is as resilient as possible in the event of tougher times ahead.

During the year, we concluded the succession arrangements for the Investment team made necessary by Nick Moakes's decision to retire as Chief Investment Officer at the end of March 2025. We appointed Lisha Patel and Fabian Thehos as Managing Partners from 1 October 2024 and they will step up to be Co-Chief Investment Officers from 1 April 2025. I want to extend my enormous thanks to Nick for his exceptional leadership of Wellcome's investment portfolio. I am pleased to say Nick will work with us beyond March as an emeritus partner. I also want to congratulate Lisha and Fabian on their appointment: the future of Wellcome's investments is in extremely capable hands.

Our investment portfolio is designed to fund our mission, not to be the mission. However, the Investment team manages the portfolio with careful regard to the social licence-to-operate of the assets and managers in which we invest. We are making steady progress towards our portfolio carbon net zero commitment (see page 59). We are active investors, using our votes and engaging robustly with companies and managers on issues of concern, either on our own account or alongside other like-minded investors.

Equity

In August 2024, I joined President Lazarus Chakwera of Malawi at the opening of a new building on the campus of the Malawi-Liverpool-Wellcome research programme. This is a 30-year partnership between Wellcome, two UK universities and Kamuzu University of Health Sciences in Malawi. The new building will increase research activity by 30 percent over the next 10 years, as well as supporting postgraduate medical studies, and community and policy engagement. It shows how Wellcome and other partners can not only fund excellent science in countries like Malawi, but also help to strengthen the national research ecosystem to attract further investments and deliver more impact.

Such partnerships are central to how Wellcome must work to achieve our vision and mission. There are huge health inequalities in the world that cannot be ignored if we are truly to achieve our mission of supporting science to solve the urgent health challenges facing everyone. This year, we have begun to more clearly articulate what Wellcome's commitment to equity in research and in health looks like for us in practice. Through this work, we are developing a framework to help guide and embed equity in all our work.

Governance

John-Arne Røttingen joined Wellcome in January 2024, taking over from our interim Chief Executive Officer Paul Schreier. My thanks to Paul for ensuring a successful handover, and for guiding Wellcome through a year or so of leadership transition. John-Arne introduces himself in the Chief Executive's report on page 6, so I will just say that his impact has been positive from the start, introducing a vision, clarifying our strategy and aligning our structure accordingly.

Wellcome's Board of Governors guides and oversees our mission, long-term strategy and priorities as sole trustee of The Wellcome Trust charity. This year, we have continued to develop our approach to environmental, social and governance (ESG) issues, both for ourselves and also the wider Wellcome Group, which includes our subsidiaries that either help maximise returns from our investments portfolio or deliver significant charitable activities. Each entity in the group has its own risk profile across ESG topics, but since these risks can interact the Board has adopted a strategic framework to manage ESG impacts, risks and opportunities across the group. The framework is supported by a group-level ESG committee as we look to strengthen connections across the group more widely (see page 80).

We know that our buildings generate most of our carbon emissions, and the Board has been discussing with management which course to take in mitigating the impact our buildings have on the environment. The detail is being worked through, focusing first on how we might upgrade our office building and Wellcome Collection, our free museum and library in London.

This year's spend on our charitable activities is lower than last year. This is due in part to the transition of leadership and in part to fewer major renewals of our largest funding commitments – the distribution of major renewals has a large effect on our annual spend, but overall our plan to spend £16 billion on our mission between 2022 and 2032 has not changed. We are now entering the third year of this 10-year plan with confidence and optimism.

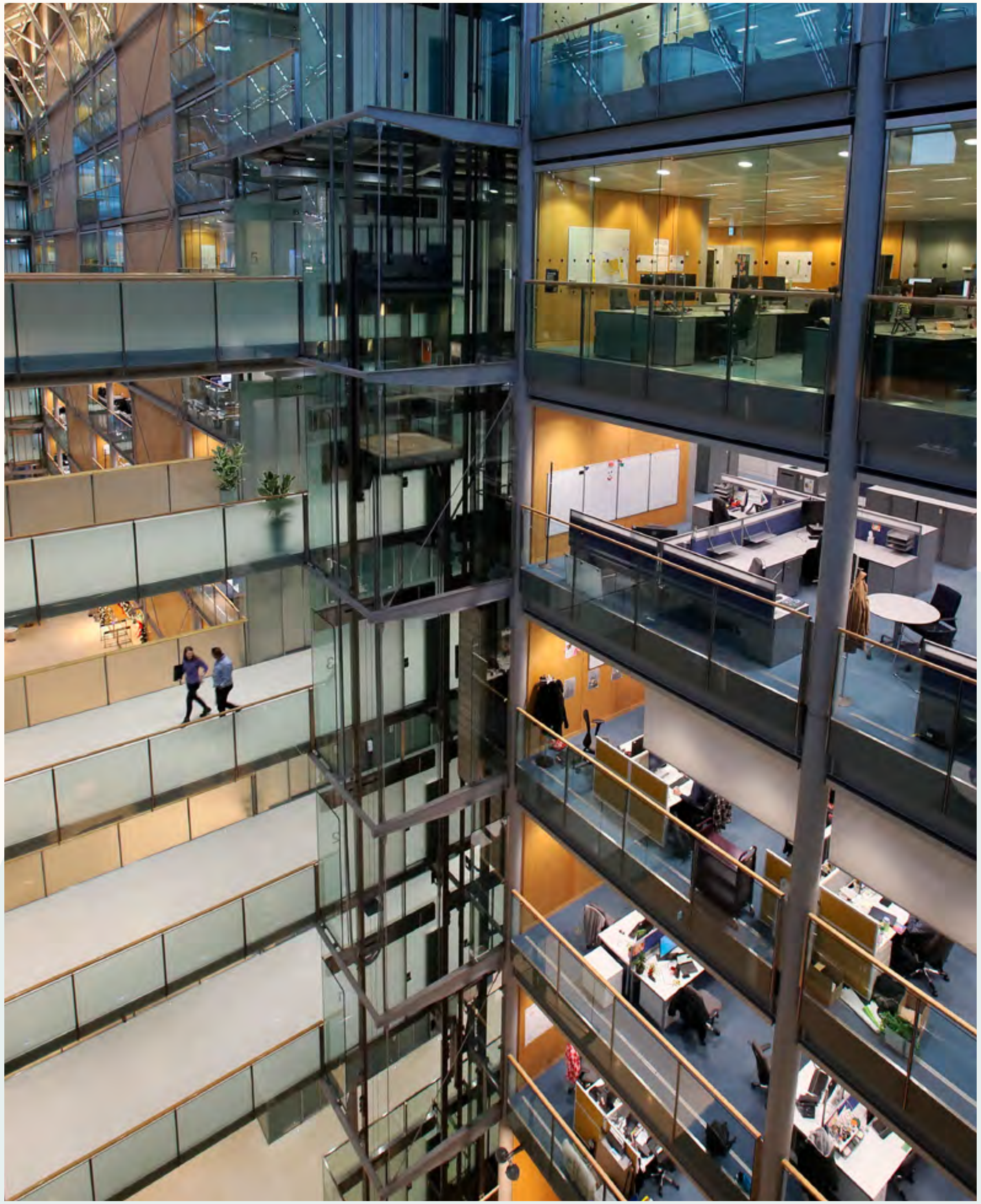


Image: View from the 5th floor of the Gibbs Building, Wellcome's main office.
Photography: Jiri Rezac / Wellcome

John-Arne Røttingen
Chief Executive Officer, Wellcome

Report from Chief Executive

A story that stands out for me in this year's Annual Report came a few weeks before I joined Wellcome: in November 2023, the world's first ever chikungunya vaccine was approved. Our role in achieving this milestone for global health was not direct but shows how a proactive approach by Wellcome and partners can change the world.

In 2017 Wellcome, together with the Bill and Melinda Gates Foundation and the governments of Germany, Japan and Norway, launched CEPI (the Coalition for Epidemic Preparedness Innovations) to develop vaccines faster, and before an outbreak of infectious disease made the need even more urgent. I was CEPI's interim chief executive before Richard Hatchett was appointed in 2018.

Much of the motivation for CEPI came from the 2014-16 Ebola outbreak in West Africa. The first Ebola vaccine was evaluated and found to be effective during that epidemic and helped to contain the last phase in Guinea. But 11,000 lives had been lost and huge social and economic impacts followed, especially in Guinea, Liberia and Sierra Leone. The new vaccine had been in development for more than a decade but stopped short of essential clinical trials because demand was low and came from countries that would not be able to afford it. This experience showed the desperate need for a new approach.

Chikungunya is less deadly than Ebola but spreads more quickly. In Brazil, where the virus is endemic, an outbreak caused 400,000 cases and over 180 deaths in 2024. There is no specific treatment for chikungunya and, until this year, no vaccine. A partnership between CEPI, the European Union and vaccine company Valneva funded development, manufacture and marketing of the new vaccine, which has been approved in North America and Europe (see page 24). With further research ongoing, I hope to see access expand so that the vaccine is available everywhere it is needed.

Chikungunya is spread by mosquitoes - as environmental change enables mosquitoes to survive in new parts of the world, diseases like chikungunya will spread with them. That's why the impact of climate change is also one of the two key themes in Wellcome's Infectious Disease programme (see page 24).

Alignment

Wellcome's support for CEPI was driven by a belief in the power of science to build a healthier future for everyone. I have shared this belief throughout my career, from biomedical researcher to Wellcome's Chief Executive Officer.

I started as a scientist, studying calcium signalling in cells. I was motivated by the same kind of curiosity that Wellcome supports through our Discovery Research programme or that brings visitors to Wellcome Collection, our free museum and library. Curiosity about how life works, at all scales from cells to society. This is a large and crucial side of Wellcome's strategy –

we invest in research, expecting not a monetary return but public goods like new knowledge and new opportunities to improve health.

After training as a medical doctor, I moved into infectious disease epidemiology and global health. These experiences resonate with the other side of Wellcome's strategy – making sure that research doesn't stop at knowledge but gets used to have a positive impact in people's lives and their health. This drives our solutions programmes in climate and health, infectious disease, and mental health.

Motivated by my belief in the impact research can have, I later moved into health services and implementation research, evidence synthesis and health technology assessment when founding the Norwegian Knowledge Centre for the Health Services, an agency responsible for informing health policy and clinical practice. This speaks to the influencing and engagement work Wellcome does to facilitate health impact and health equity.

After helping to establish CEPI, I was chief executive of the Research Council of Norway and then ambassador for global health in the Norwegian government. And in January 2024, I started at Wellcome. My thanks to Paul Schreier, whose time as interim Chief Executive Officer overlapped with my arrival and allowed for a very smooth handover.

My first year has focused on clarifying our existing strategy, including a simple but profound vision: a healthier future for everyone. Then, we aligned our structures with our strategy. Wellcome's existing structure was not making the most of our strategy or fully enabling our people to deliver impact in health and in research. We needed to become more aligned with our two modes of working - Discovery and Solutions - and our methods of investing in research, engaging people and influencing change (see page 10). As such, we created new departments to cover our work in Discovery, Solutions, Engagement, Influence, and Equity. This last reflects the clear commitment in both our vision and mission to advance equitable health outcomes through our work so that everybody can share in a healthier future.

Image: The Organisation of Sierra Leonean Healthcare Professionals Abroad (TOSHPA) raising hygiene awareness in schools and communities.
Photographer: Susan Smart Photography / Wellcome

The new departmental structure required some changes in roles across the organisation. This process was supported by consultation with employees and Wellcome's recognised trade union, Prospect. We rolled in other changes that were already in train so that people at risk of redundancy might have more opportunities to stay with Wellcome in a different role. Around 65 people were put at risk of redundancy through this process, and a similar number of new roles were created.

Ambition

I have also spent a lot of the year visiting Wellcome-funded sites and getting to know the people whose work we support, particularly in the UK, Kenya, Malawi, South Africa, Thailand and Vietnam. I joined Wellcome's delegations at the World Health Assembly in May and the UN General Assembly in September, where we advocated for meaningful action on the issue of antimicrobial resistance, which is driving an increasing number of drug-resistant infections in the world. We were pleased with the outcomes (see page 23), and will continue to press for a more ambitious approach.

One of the first exhibitions to open at Wellcome Collection since I joined is called 'Hard Graft' (see page 41). It is a deeply thoughtful look at relationships between work and health, which is of great relevance to our health challenge areas of mental health and climate and health. Having social, cultural and creative lenses sitting alongside our biomedical, clinical and other scientific lenses helps us to keep in mind people's different experiences of health, both in determining our priorities and in the research we fund. It is a great privilege to work at an organisation with such a breadth of approaches and resources, the independence to take action when it is needed, and a vision that will improve quality of life all over the world.

Working together

Science is not enough to change the world – it must be allied with collaborative action across society. And Wellcome must work with the public and private sectors, as well as with other philanthropies. In May 2024, we announced an initial three-year, US$300 million agreement between Wellcome, the Gates Foundation and the Novo Nordisk Foundation. It brings together the three biggest foundations in the world, all with investing in health research at our core, to combine resources in the areas of climate and health, infectious disease, and interactions between immunity, development and disease. For me, this partnership represents the collaborative, cooperative approach needed to build healthier futures and for society to thrive.

Wellcome's portfolio of financial assets and investments around the world has given us the financial security to pursue our mission in ambitious ways. Nick Moakes, our Chief Investment Officer, takes a lot of credit for that position through outstanding leadership over many years. In September, Nick announced he would be retiring at the end of March 2025 and after a global succession review, we are confident that Lisha Patel and Fabian Thehos – currently our Managing Partners – are the best people to take on the leadership of Wellcome's investments. As of 1 April 2025, Lisha and Fabian will be our Co-Chief Investment Officers.

Finally, I would like to thank all my colleagues at Wellcome, the researchers I've met this year, the members of our advisory committees, and the people and communities we work with. Working together with a shared vision of a healthier future for everyone is how we will change the world.

Part 1

Trustee's report

A laboratory technician at Gadjah Mada University, Indonesia, sorts mosquitoes for analysis as part of the Wellcome-funded World Mosquito Program.

Photographer: Yoppy Pieter / Wellcome

What we do

Our mission

Wellcome supports science to solve the urgent health challenges facing everyone.

Our values

Transformative
We always strive to make a significant difference.

Thoughtful
We care about our impact on people and the environment.

Inclusive
We respect people and value difference.

Brave
We stand by our beliefs and push boundaries.

Our beliefs

- We believe in the power of science to build a healthier future for everyone.
- We believe science has its greatest benefits through collaborative action across society.
- We believe diversity of people and expertise leads to richer understanding and more impactful discoveries.
- We believe everyone's experience of health matters, and everyone should be able to benefit from science.
- We believe we should take on risks and tough challenges – especially when others aren't.

Wellcome is a charitable foundation supporting researchers around the world to make discoveries and build a healthier future for everyone. We support science to solve the urgent health challenges facing everyone, by investing in research, engaging people and influencing change.

Between 2022 and 2032, we plan to spend £16 billion on our mission, funded by returns from our portfolio of financial investments. We see our charitable activities as investing in research, usually through making grants or social investments that we expect will generate public goods like new knowledge or new opportunities to improve health. To drive equitable health outcomes, we advance inclusive practices that broaden the range of people leading, participating in and benefiting from science.

We use two overlapping and interacting modes to focus our work: Discovery and Solutions. In Discovery, we fund people generating new knowledge, insights and understanding of life, health and wellbeing. In Solutions, we bring together people with the experience and expertise needed to achieve our strategic goals.

> Our vision is a healthier future for everyone

Our strategic programmes

- **Discovery Research**
  Targeted support and flexible funding for research in any field relating to health.
- **Infectious Disease**
  Accelerating interventions that reduce the impact of infectious diseases.
- **Mental Health**
  Driving new and better interventions for anxiety, depression and psychosis.
- **Climate and Health**
  Putting health at the heart of climate change action.
- **Wellcome Collection**
  Free museum and library for exploring what health is and what

Year at a glance

£1,577 million

2023: £1,702mn

Wellcome's charitable expenditure, supporting science to solve the urgent health challenges facing everyone.

See page 65

Over 150

Organisations in the Wellcome Leap network, representing 1.5 million researchers in 28 countries across 6 continents.

See page 36

5.2% GBP

2023: 0.9% GBP

Annual return from Wellcome's investment portfolio, which funds everything we do.

See page 44

45,000

People protected by "Friendly" mosquitoes in Brazil

See page 25

3.8 million

Species of fungus in the world - less than 10% have been scientifically described.

See page 15

500

Babies and their families recruited to a study of links between the microbiome and mental health.

See page 30

36%

Extent to which available cholera vaccine doses met global demand for 100 million doses in 2023

See page 25

8th

Lancet Countdown report monitoring the impacts of climate change on health.

See page 33

50 million

Synapses in the adult fruit fly brain.

See page 22

480,000

Number of visitors to Wellcome Collection this year. **80%** felt their visit made them think more deeply about science or health.

See page 41.

Image: 'Hard Graft' exhibition at Wellcome Collection.
Photographer: David Sandison / Wellcome

Review of Charitable Activities

This year's spend on our charitable activities is lower than last year. This is due in part to the leadership transition and in part to fewer major renewals of our largest funding commitments - the distribution of major renewals has a large effect on our annual spend, but overall our plan to spend £16 billion on our mission between 2022 and 2032 has not changed.

Discovery Research

£910mn **2023: £955mn**

Transform understanding of life, health and wellbeing through research, including the Wellcome Sanger Institute.

Infectious Disease

£181mn **2023: £239mn**

Reduce the risks and impacts of infectious diseases.

Mental Health

£90mn **2023: £108mn**

Drive a step-change in early interventions for anxiety, depression and psychosis.

Climate and Health

£131mn **2023: £127mn**

Put health research at the heart of climate action.

Wellcome Leap

£132mn **2023: £111mn**

Deliver breakthroughs in human health over 5 to 10 years.

Cross-mission activity

£135mn **2023: £163mn**

Support the mission as a whole, including Wellcome Collection.

Overview

An innovative treatment, a much-needed vaccine and a groundbreaking advocacy event were among three 'firsts' achieved this year. Scientific advances made by researchers funded by Wellcome included increasing understanding of liver regeneration, inflammatory bowel disease and melioidosis, a neglected infectious disease. Together, these achievements demonstrate the range of impact we can have through supporting science to solve health challenges.

A treatment for schizophrenia, developed using the first new pharmacological approach in 50 years, was approved in September 2024 (see page 30). Wellcome made social investments in Karuna Therapeutics 10 years ago to support early trials of their novel combined drug therapy. The therapy was successful through all phases of clinical trials, and Karuna was bought by Bristol Myers Squibb in March 2024, as the global biopharmaceutical company looked to re-enter the field of neuropsychiatry. As well as being a new treatment option for people living with schizophrenia, we believe this advance also heralds a new wave of investment into mental health innovations.

In November 2023, US regulators approved the world's first chikungunya vaccine (see page 24) following investment from the Coalition for Epidemic Preparedness Innovations (CEPI), which was co-founded by Wellcome in 2017. Chikungunya is a viral disease spread by mosquitoes, causing hundreds of thousands of reported infections each year and significant impact on economies and health systems. A vaccine is particularly welcome because there is no specific treatment for the disease. The next step will be to make sure the vaccine is accessible to people living in countries where chikungunya is endemic.

The first ever Health Day at the UN climate change conference (see page 33) powerfully highlighted the need for increasing investment in climate action to protect health, and in research to generate evidence for policy change. Wellcome's support for the Health Day reflects our goal of putting health at the heart of climate change action. As a major funder of climate and health research, we want to ensure that scientific evidence is available and used to understand the health impacts when policy makers – at global, national and local scales – are deciding how to mitigate climate change and adapt to hotter climatic conditions.

All of these firsts – as well as many other advances included in this Annual Report – can be traced back to fundamental discoveries about life, health and wellbeing. For example, the new schizophrenia treatment stems from research into receptors for the neurotransmitter acetylcholine. The 1936 Nobel Prize in Physiology or Medicine was shared between Otto Loewi and Henry Dale for their studies of nerve impulses and acetylcholine.

Dale could not have imagined when he first described muscarinic acetylcholine receptors that those insights would underpin the development of a treatment for schizophrenia 100 years later. The path from discovery to solution was not always intentional, not inevitable, and certainly not linear. It shows perfectly, though, how research led by curiosity about how life works can go on to have completely unforeseen applications that benefit people's lives.

That is why Wellcome, in our mission supporting science to solve the urgent health challenges facing everyone, continues to support a very broad range of research focused on expanding understanding, and opening up new possibilities for discovery (see page 15). We do not know which insights from this research will go on to have most impact, but we are confident that many of them will help to solve health challenges, whether today or in the future.

For example, a Wellcome-funded team in Edinburgh published research this year that not only provided a detailed understanding of the genes and cells involved in liver regeneration, but also uncovered a new cell type that helps to close wounds to the liver (see page 19).

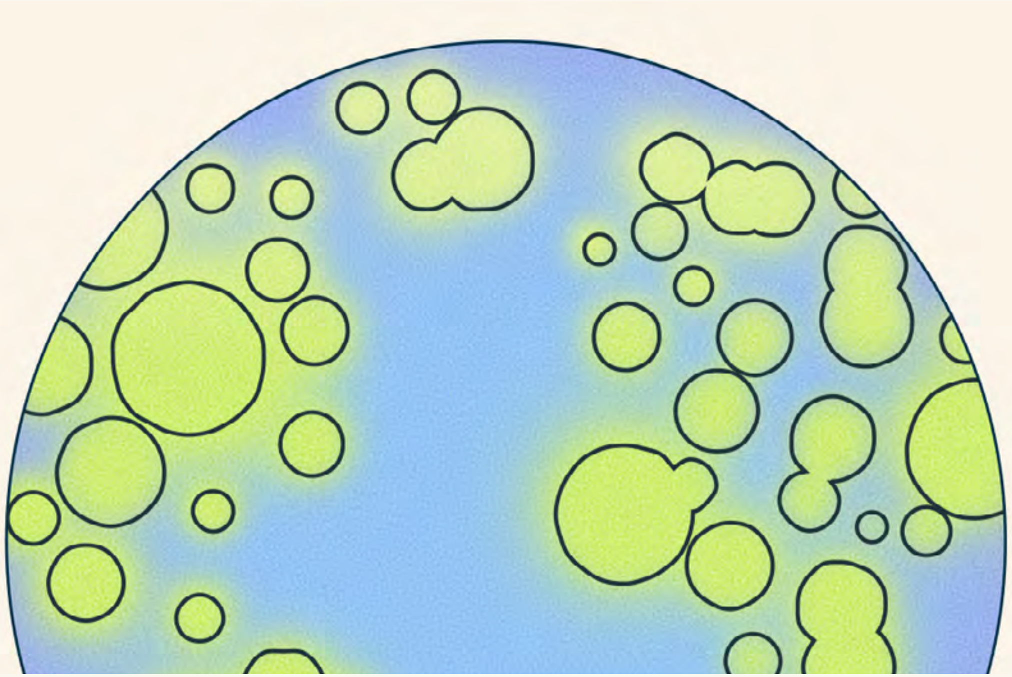
At the Francis Crick Institute, co-funded by Wellcome, researchers discovered a new biological pathway that drives inflammatory bowel disease and could be a target for treatments (see page 20). And a collaboration between the Wellcome Sanger Institute and our research programme in Thailand identified a genetic target specific to bacteria that cause melioidosis, a neglected infectious disease that kills almost 90,000 people a year worldwide. They used this target to develop a rapid diagnostic tool so that infections can be quickly identified and treated accordingly (see page 20).

Outlook

In our Discovery Research programme, we've been considering where the opportunities are for science to take a leap forward, to inspire and enable research at the boundaries of knowledge. Two areas identified this year were bioimaging and genomics, and we are working to remove barriers and accelerate those opportunities (see page 16). We are strengthening our horizon-scanning activities so we can continue to anticipate where Wellcome can make a difference in new or expanding fields.

Artificial intelligence (AI) is quickly becoming an everyday tool, including in research and health. The 2024 Nobel Prizes for Physics and Chemistry were awarded for work in the fields of machine learning and AI-based protein structure prediction respectively (Demis Hassabis, who shared half of the Chemistry Nobel, is a former Wellcome grantholder), so while the extent of the impact that AI will have on Wellcome's work is not known, we assume it will be substantial. There will be opportunities, such as larger datasets for scientists to explore, as well as risks, not least in terms of how the benefits of AI will be shared across the world. This year, we have decided to expand the scope of our Data for Science and Health team to focus more on AI and how Wellcome might be able to shape its course towards benefiting health in equitable ways.

Strategic programme



Description: An illustration of the world, with land masses represented as fungal growth in a petri dish.
Illustrator: Jack Cole / Wellcome

Discovery Research

In our Discovery Research programme, we aim to push at the boundaries of scientific understanding, open up new fields for research, and support researchers to explore research questions that matter to them.

In the mid-1990s, Wellcome funded – with others – research at University College London investigating NaV1.8, an unusual sodium channel found on damage-sensing nerves. In 1999, the group found that turning off the gene for NaV1.8 stopped pain in mice; in 2006, they found that a drug to block the NaV1.8 channel also stopped pain.

This year, an NaV1.8 inhibitor developed by pharmaceutical company Vertex has successfully completed phase 3 trials as a non-opioid treatment for acute pain, with results looking promising for neuropathic pain as well. The drug has the potential to be the first new class of pain medicine in more than two decades. But we would not be this close to transforming pain medicine today without researchers asking, 'What does the NaV1.8 channel do?' nearly 30 years ago.

We do not expect every project we support to yield breakthroughs like a new class of pain medicine. We do have to be persuaded, however, that they have the potential to generate significant shifts in knowledge and understanding, whether through the pursuit of open research questions or the development of tools and technologies. Examples of just some of the scientific advances and new projects we funded this year are on pages 19 to 20.

Creating new opportunities

Fungal infections pose a significant threat to human health but research into fungi has barely scratched the surface of understanding their biology and roles within ecosystems. It's estimated there could be up to 3.8 million species of fungus, of which less than 10 percent have been scientifically described. Wellcome sees this as a rich opportunity to expand knowledge and potentially lead to better tools to manage fungal infections.

We already support a range of important fungal research, including the Tree of Life project at the Wellcome Sanger Institute which aims to sequence the genome of every species of fungus as well as animals, plants and protists. Over the next two years, we'll take steps to galvanise the field and increase our funding through Discovery Research and also through our Infectious Disease and Climate and Health programmes. An example of fungal research funded through a Discovery Award is on page 21.

Our rolling Discovery Research funding schemes invite researchers to set the agenda for their own research, as long as it relates to life, health and wellbeing. You can read about just a few examples of research we funded this year on page 19.

Applications are also assessed on the contribution to a positive research culture, and our decisions take into account the specific context in which the research is being done. We know, however, that access to our funding schemes is not as equitable as we would like.

To start to address this in the UK context, we launched our first round of Accelerator Awards in January 2024. These awards support researchers from Black, Bangladeshi or Pakistani heritage in the UK by funding activities that the applicant has identified would help them to make the next step up in their research career. Read more about this scheme on page 39.

It is not always possible to predict where the next important discovery will come from, which is why we fund individuals and teams of researchers across a wide range of fields and disciplines. But Wellcome is also able to create opportunities and remove barriers at a more systematic scale. Knowing where and when to act at scale can be challenging, and we have begun work to strengthen both our horizon-scanning and impact-monitoring activities within the Discovery Research programme.

An area of focus for us over recent years has been expanding the use of cryo-electron microscopy, which is used to investigate biological samples at very low temperatures. This innovation allows scientists to look at samples in their natural state, rather than having to prepare them in ways that can distort the sample. It also enables larger samples – including whole biological systems – to be studied. Wellcome funded cryo-electron microscopy infrastructure and equipment at many research institutions, including at the University of Leeds where, for example, it has been used to analyse brain samples from people with Alzheimer's disease.

Two proteins are particularly associated with Alzheimer's, but it had not previously been possible to work out their structure in the brain. Research published in July 2024 by a team at the University of Leeds showed the true structures of these proteins in the brain for the first time. This work was not directly supported by Wellcome but used equipment and infrastructure we funded.

Similarly, at the University of Oxford, Wellcome-funded researchers used cryo-electron microscopy to show for the first time the structure of chromatin inside a cell. Chromatin is necessary to compress the two metres of human DNA into a nucleus 10 micrometres across, and has a vital role in regulating gene activity and repair. Separately, a team – also funded by Wellcome – at the Laboratory for Molecular Biology in Cambridge combined cryo-electron microscopy with other techniques to understand how a particular protein complex is involved in repairing DNA.

This year, we made targeted interventions to accelerate progress in two specific research areas building on Wellcome's existing strengths in bioimaging and genomics.

Bioimaging

Visualising biological structures and processes is vital to understanding health and disease. Bioimaging technologies help to reveal complex mechanisms at every scale from individual atoms to entire organisms, and underpin much of the work we fund in Discovery Research.

Wellcome has invested substantially in bioimaging over the years. Examples include our support for cryo-electron microscopy described above, the electron bioimaging centre at Diamond Light Source, a whole-organ imaging initiative as part of UK Biobank, and facilitating initiatives in electron microscopy such as FlyWire (see page 22). Many of these large contributions support bioimaging at the molecular or human level – to date, we have not found as many opportunities to support bioimaging cells and tissues, although researchers we fund often focus their studies at this scale of life.

We reflected on how the field could move forward and how we could help to address barriers being flagged to us by the bioimaging research community. We worked with Technopolis Group to run a global landscape analysis, which captured responses from more than 500 people in over 40 countries. It showed two broad categories of barriers: infrastructural and scientific.

The high costs of imaging technology, limited and inequitable access to imaging facilities, and lack of expertise to work with complex imaging data were the main infrastructural barriers, all of which had a greater negative impact on research in low- and middle-income countries.

Scientific barriers included limitations in spatial and temporal resolution, challenges of analysing very large datasets, and difficulties around standardisation of methods and data format. Only a few research groups are capable of running the most complex modern imaging experiments, raising questions around reproducibility as well as equity.

Rather than try to take on everything ourselves, we focused on technical innovation and supporting equitable access to bioimaging facilities. We partnered with the Global Bioimaging consortium, whose reach and expertise will boost support for bioimaging researchers in low-resource settings through a new programme called Imaging for All. Its first funding call opened in October 2024 and will support access to facilities within the consortium's network to acquire data, as well as access to training courses for technical staff and users.

On the technical innovation side, there are many potential avenues to progress. Rather than pick one, we have this year seed-funded 17 teams combining technologists and users to explore various approaches. The awards cover different aspects of light and electron microscopy, with several looking at integrating different modalities. In 2026, we will assess which approaches have most potential to scale up, and invite those groups to apply for longer-term funding.

Given the importance of bioimaging methods across Discovery Research, we will continue to work with bioimaging researchers to identify new, accessible methodologies that could significantly enhance research around the world.

Genomics

We have taken a similar approach to thinking about the future of genomics research, and what might be impeding the next leap forward here. Again, Wellcome has a strong record in genomics, including founding the Wellcome Sanger Institute in 1993 to help sequence the first human genome. Today, the institute is a global hub for world-leading genomics research (see page 18).

From our position within a wide network of genomics researchers, we knew that diversity is an issue in this area. European and North American ancestries are over-represented in genomics data (GWAS Diversity Monitor reports 94.5% of participants in genome-wide association studies are of European ancestry, compared to 0.2% of participants being of African ancestry), which will skew the benefits of genomic research to people in these regions. Wellcome is helping to address this imbalance, building on past and current partnerships in Africa, such as Human Heredity and Health in Africa (H3Africa), co-funded by Wellcome and the US National Institutes of Health, and the African Population Cohort Consortium, which is working to ensure African researchers can lead scientific discovery and develop health solutions based on genomic data generated in Africa.

This year, we partnered with the Chan-Zuckerberg Initiative to establish the African Bioinformatics Institute at the University of Cape Town. The process of establishing the new institute began on 1 October 2024 – its aims will include developing sustainable infrastructure for genomics in Africa. This will not only enable local or regional research in response to health threats like infectious diseases or cancer, it will also help to advance the field of genomics across the continent and the world.

Another aspect of genomics research diversity is the largely untapped potential in sequencing a broader range of species, including more invertebrates, fungi and plants. We are working with the Novo Nordisk Foundation to explore genomics of ancient ecosystems, particularly in the context of how climate change will impact crops and food security around the world.

Perhaps the greatest scientific opportunity lies in thinking beyond sequences. Researchers want to explore possibilities in synthetic genomics – not reading a DNA sequence or editing a gene, but designing and building entire genomes to investigate how they work as a whole. Technological limitations mean this is not possible at the scale of human genomes at the moment, so this year we made discretionary awards to develop the necessary tools, alongside a programme of social science research that will keep step with ethical issues arising from this work.

Wellcome Sanger Institute

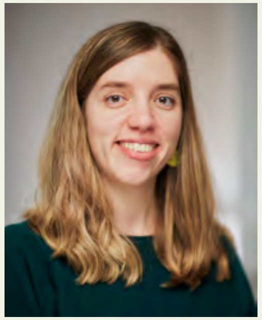
The Wellcome Genome Campus, including the Wellcome Sanger Institute, is managed by a UK subsidiary of Wellcome in the UK. It is a world-leading centre for genomic research, working with partners around the world on scientific, business, cultural and educational activities emanating from genomics and biodata.

The Human Cell Atlas is an international initiative to map every cell type in the human body. Many researchers at the Wellcome Sanger Institute are involved in projects as part of the initiative, which is continually adding scientific knowledge about cells and human genetics. For example, in June 2024, a team including researchers from the Wellcome Sanger Institute published the most comprehensive timeline to date of how the immune system responds to infection by the virus that causes Covid-19. By tracking the course of infection in 36 volunteers, they discovered previously unreported immune responses and a genetic difference between people who immediately cleared the virus and those who developed a sustained infection. This opens up new possibilities for treatments and vaccines.

Another Human Cell Atlas project, published in August 2024, mapped the endometrium – the inner lining of the womb. It uncovered a range of cell types and detailed how they change and interact throughout the menstrual cycle. As well as generating insights into how the endometrium works – a long-neglected part of human biology – the research could help to understand and possibly treat conditions such as endometriosis in the future.

Image: Data centre servers at the Wellcome Genome Campus.
Photographer: Phil Mynott / Wellcome Sanger Institute

Connecting neurons



Dr Clémence Bernard *Photographer: Graham Trott / Wellcome*

As more is discovered about the regulation of RNA and the roles of specialised ribosomes, new opportunities for research are emerging. An exciting example is Clémence Bernard's research at the University of Exeter, studying how mRNA modifications and ribosome specialisation are regulated in different types of nerve cells. With a Career Development Award, Dr Bernard is examining how neurons make specific connections with each other during development, and the impact of these mechanisms on how the brain develops and functions.

Understanding stroke in Black people

Dr Joseph Kamtchum Tatuene *Photographer: Chris J Ratcliffe / Wellcome*

Joseph Kamtchum Tatuene, a consultant neurologist and clinical research fellow at the University of Oxford, has received an Early-Career Award to study risk factors and the role of atherosclerosis in stroke for people of African descent in the UK and Cameroon. Dr Tatuene's research will also examine how sociocultural and environmental factors affect the outcome of stroke for people in Africa. Black African populations are under-represented in existing research, so this study has the potential to improve guidance on the prevention and treatment of stroke for Black people.

> "My future goal is to reinvest the expertise and knowledge gained to establish a stroke programme in Africa."
>
> **Joseph Kamtchum Tatuene**, University of Oxford

Regenerating liver

The liver is the only human organ capable of regenerating itself, a feature that researchers have long wanted to understand and harness to help reduce deaths from acute liver failure. Neil Henderson, Wellcome Senior Research Fellow and professor of tissue repair and regeneration at the University of Edinburgh, has led a multidisciplinary team of researchers to create a detailed atlas of human liver regeneration.

In research published in May 2024, they presented new aspects of the process, including a new type of liver cell that emerges during regeneration. Acute liver failure occurs when the liver has been severely injured by causes such as viral infection, drug use and hepatitis. The liver cell type discovered by the team plays a role in closing wounds caused by injury, and could open up new possibilities in regenerative medicine.

Drivers of autoimmune disease

Inflammatory bowel disease (IBD) refers to two autoimmune diseases – Crohn's disease and ulcerative colitis – that affect over half a million people in the UK. Current treatments do not work for everyone, and new treatments are held back by an incomplete understanding of the causes. Research led from the Francis Crick Institute (co-funded by Wellcome) and published in June 2024 identified a new biological pathway that appears to be a principal driver of inflammatory bowel disease.

In an area of DNA that does not code for genes but is associated with autoimmune diseases, the team found an enhancer that boosts activity of a gene called *ETS2*. Switching this gene off with a drug reduced inflammation both in cells and in samples from people with inflammatory bowel disease. Because the drug they used has side-effects in other organs, they are now working on how to turn this discovery into a new treatment.

Life-saving test

Melioidosis is a neglected tropical disease causing around 90,000 deaths a year. It often affects rural fieldworkers because it is caused by bacteria in soil and water that infect people through wounds, or in water or air. While there is no vaccine, it can be treated with antibiotics – but as symptoms can be highly variable, it is difficult to diagnose and many patients die before the right treatment has been identified.

A team of researchers at the Mahidol-Oxford Tropical Medicine Research Unit (MORU), Chiang Mai University and the Vidyasirimedhi Institute of Science and Technology (VISTEC) in Thailand, the Cambodia-Oxford Medical Research Unit (COMRU), and the Wellcome Sanger Institute in the UK has now developed a test for melioidosis. The test uses a DNA sequence called Crispr-BP34 to detect the bacteria and research published in March 2024 showed it has 93 percent sensitivity. This rapid, easy-to-use diagnostic test has the potential to radically reduce the impact of melioidosis around the world.

From left to right: Phum Boonklang (MORU), Mathurada Patchung (VISTEC), Sukritpong Pakdeerat (MORU), Sar Poda (COMRU), Cheav Voleak (COMRU), and Somsakul Pop Wongpalee (Chiang Mai).

Credit: Claire Chewapreecha / MORU

Hidden fungi

Rebecca Hall, based at the University of Kent, has received an eight-year Discovery Award to identify different ways in which the fungal pathogen *Candida albicans* evades the human immune system. In collaboration with Rebecca Drummond at the University of Birmingham, the research aims to discover novel mechanisms by studying the effects on the fungus of different environmental conditions in the host. Both Dr Hall and Dr Drummond are being directly funded by Wellcome for the first time and at a relatively early career stage for an award at this scale. Their research has potential to take fungal research into a new area and could identify new opportunities to develop treatments for candida infections from thrush to life-threatening systemic disease.

Inequality and infection

Like many infectious diseases, tuberculosis (TB) is associated with poverty and social inequality. Kelly Blevins, a postdoctoral research associate at the University of Durham, has received an Early-Career Award to find out whether inequality has shaped the evolution of the bacteria that causes TB. Dr Blevins will gather ancient bacterial and skeletal evidence from samples dating back over the past 5,000 years, and use modern gene sequencing technology to answer this fundamental question in evolutionary medicine.

Alzheimer's insights

Dr Mahmoud Bukar Maina
Photography: Eszter Bonyi / Wellcome

In Nigeria, neuroscientist Mahmoud Bukar Maina is setting up the first open-access African stem cell biobank as part of a Career Development Award. This resource, as well as stimulating new avenues of research, will support Dr Maina's research to understand the genetics of Alzheimer's disease in African populations. The basis for this work will be a cohort of people with Alzheimer's. The characteristics of the condition in each participant will be used alongside molecular biology to better understand the role that a protein called apolipoprotein E plays in the disease. Dr Maina is based at the University of Sussex, UK, and Yobe State University, Nigeria.

Melting metropolises

Led by Chris Pearson, professor of environmental history at the University of Liverpool, the Melting Metropolis project seeks to investigate how citizens of London, New York and Paris have experienced high temperatures since 1945. Considering the way these cities' inhabitants have embraced heat or sought to protect themselves, the project team is exploring if differences in behaviour are linked to gender, class, race or disability, as well as looking at historical debates around climate change. The project is funded by a six-year Discovery Award, which has enabled both a large interdisciplinary team working together and the time to build in-depth relationships with communities and create a legacy.

> "Urban heat is an ever more troubling aspect of climate breakdown. My hope is that this project will help cities and communities confront this challenge."
>
> **Chris Pearson**, principal investigator, Melting Metropolis

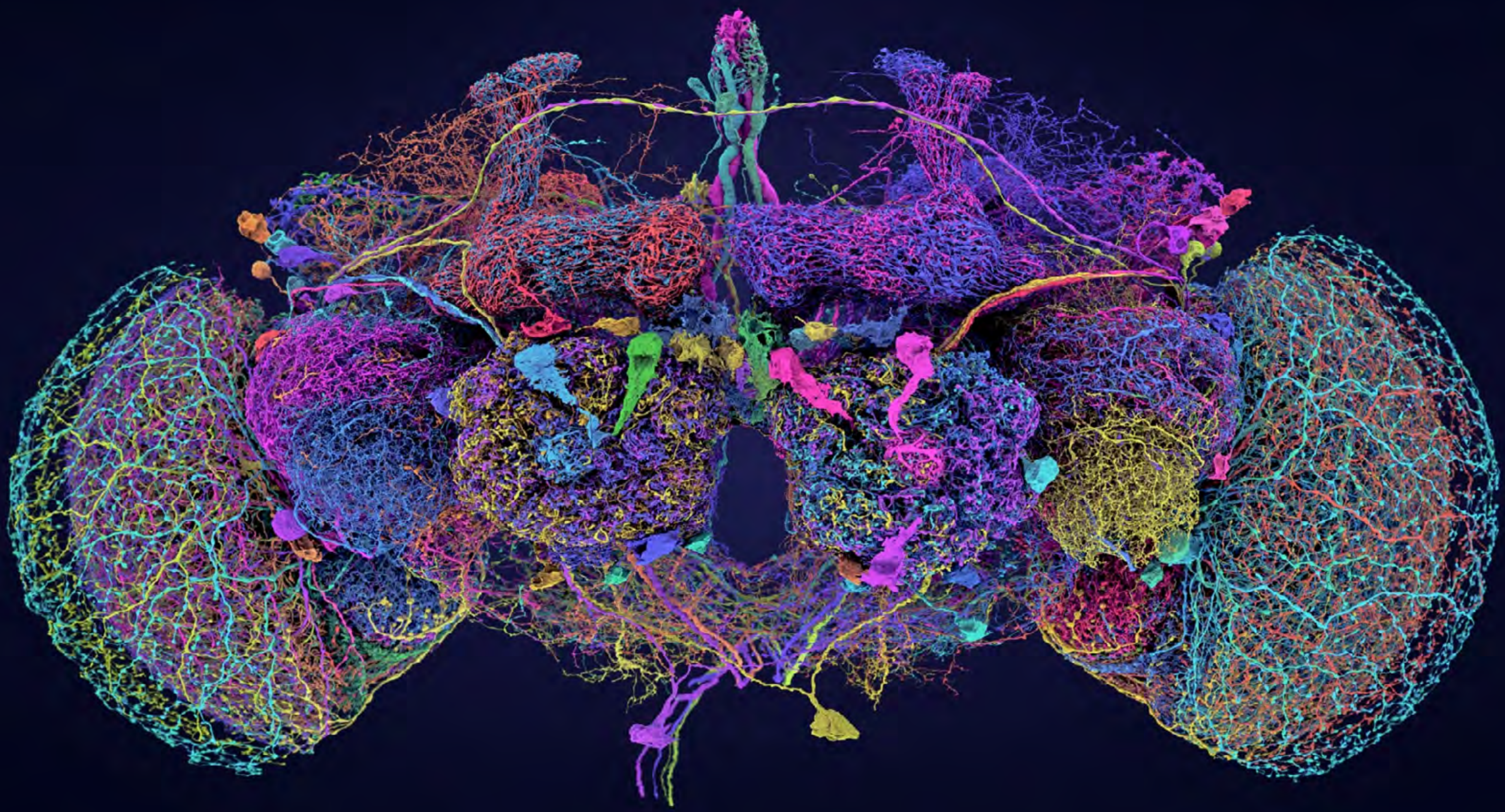


Image: In October 2024, the FlyWire consortium published the first complete connectome of an adult fruit fly. It shows how almost 140,000 neurons in the fly's brain are connected through 50 million synapses. Wellcome was among the funders of the work, which used electron microscopy and neural networks to build the map.

Credit: Tyler Sloan and Amy Sterling for FlyWire at Princeton University (CC)

Strategic programme

Infectious diseases remain one of the greatest challenges in global health. With independence to act and resources to fund at scale, Wellcome can often take a longer-term perspective and take on risks that others might not.

Infectious Disease

From now to 2050, an estimated 169 million deaths will be attributable to antimicrobial resistance (AMR) unless collective global action is urgently taken. This prediction comes from the Global Research on Antimicrobial Resistance study (GRAM-2), co-funded by Wellcome and the UK Department of Health and Social Care.

Image: A child in Kalundu, in the Democratic Republic of the Congo, receives a cholera vaccine.
Photographer: Esther Nsapu / Wellcome

Despite notable progress in some areas over the last 15 years, the response to antimicrobial resistance has been slow and global access to antibiotics remains one of the biggest challenges. From now to 2050, an estimated 169 million deaths will be attributable to antimicrobial resistance (AMR) unless collective global action is urgently taken.

We used this prediction from the Global Research on Antimicrobial Resistance study (GRAM-2), co-funded by Wellcome and the UK Department of Health and Social Care, to underline the urgency of this challenge ahead of a high-level meeting on antimicrobial resistance at the UN General Assembly in September 2024. Publication of the results led to 9,000 pieces of media coverage, with particularly strong interest from East Asia, South Asia, North America and Western Europe.

Wellcome, working with partners, advocated three recommendations for the high-level meeting to deliver a more ambitious and globally coherent approach to tackling antimicrobial resistance: set a bold, unifying goal for reducing the global burden of antimicrobial resistance; initiate a panel for scientific evidence and action; and establish a mechanism to review progress, update targets and maintain political momentum.

The UN declaration passed with an agreed - albeit more modest than we would like - set of targets that included a 10 percent reduction in human deaths by 2030, as well as agreement for an evidence panel. We will continue to press for a mechanism to monitor progress against these commitments and for greater ambition, and we will review where Wellcome's focus should be on this issue in the future.

Vaccines

Vaccines are the most effective way to control transmission of infectious diseases, yet we do not have vaccines for some of the most challenging infections. This is sometimes because of the properties of the pathogen that causes a particular disease, or because of scientific and technological barriers. But often it is also due to underfunding, especially for infectious diseases that mostly affect people living in poverty.

Two new vaccines were approved or launched this year following Wellcome support. In August 2024, a new oral cholera vaccine was launched by Bharat Biotech having been developed under licence from Hilleman Laboratories – a research organisation established in 2009 by Wellcome and the pharmaceutical company MSD ("Merck" in the USA and Canada). International reports of cholera cases and deaths are high this year, doubling the demand for oral vaccine doses. The new oral vaccine, called HillChol, will help meet the global shortage of cholera vaccines (see page 25).

> "The global stockpile of oral cholera vaccines deploys around 40 million doses per year but more than 100 million are needed."
>
> **Jan Holmgren**, University of Gothenburg

Ixchiq, the world's first chikungunya vaccine, was approved in the USA in November 2023, and in Canada and Europe in June 2024. Chikungunya is a viral disease spread by mosquitoes and rapidly expanding into new areas as climate change extends mosquito habitats. It causes hundreds of thousands of reported infections around the world each year and significantly impacts economies and health systems. There is no specific treatment for chikungunya, so this vaccine is an important advance towards preventing infections. Trials to determine the vaccine's effectiveness are underway in Brazil, where chikungunya is endemic and an outbreak in 2024 caused 400,000 infections and more than 180 deaths.

Specialist vaccine company Valneva developed this vaccine with funding from the Coalition for Epidemic Preparedness Innovations (CEPI) and the European Union. Their partnership will continue to support expanding access to include children and pregnant people. Wellcome co-founded CEPI in 2017, along with the governments of Germany, Japan and Norway and the Bill & Melinda Gates Foundation, recognising the need for coordinated international cooperation to develop and deploy new vaccines to prevent epidemics.

When progress of the M72 tuberculosis vaccine candidate stalled for lack of funding, Wellcome and the Gates Foundation invested to enable large-scale clinical trials. The first of 20,000 participants was enrolled in South Africa this year – enrolment is due to be completed early next year, ahead of schedule. The results will become available after two years of follow-up and, if positive, this vaccine will be a transformative tool in addressing tuberculosis worldwide.

Wellcome's role

This year, we have further refined the goals for our Infectious Disease programme, beyond the wide range and depth of research we support in this area through Discovery Research (see page 15). To have real impact we have focused our efforts on two of the biggest threats to the control of infectious disease: the emergence of drug-resistant infections, and the dramatic effect of environmental change driven by climate and other factors. Our aim is to accelerate the development of interventions for the infectious diseases affected by these two big challenges. We will prioritise interventions for impact in Africa and South and South-East Asia, where people currently experience the highest levels of illness and deaths from infectious disease.

To reduce the burden and support prevention of often neglected infectious diseases, we will accelerate the discovery and development of products, interventions and strategies, including new and improved vaccines, diagnostics, therapeutics and other tools. We will also invest in research to understand how infectious diseases emerge or escape control, in order to develop the best prevention strategies.

“Friendly” protective mosquitoes

Dengue is a rising threat around the world and conventional vector control tools are failing due to insecticide resistance in mosquito populations. Oxitec is a UK-based company using self-limiting, genetically modified mosquitoes to combat vectors of dengue and other diseases. In the city of Indaiatuba, Brazil, Oxitec’s Friendly™ mosquitoes suppressed the local population of the primary dengue vector by more than 80 percent, protecting approximately 45,000 people. Insecticide resistance was also reversed in treated communities, suggesting the approach might restore the effectiveness of conventional vector control. Wellcome supported early validation of this work from 2009 to 2016, and its scale-up from 2020 to 2024; the Friendly mosquito solution is now serving governments and communities across Brazil.

Path to a new cholera vaccine

In 2009, Wellcome and MSD (“Merck” in the USA and Canada) entered a joint partnership to establish a research organisation focusing on developing affordable vaccines against infectious diseases prevalent in low- and middle-income countries. The organisation – named Hilleman Laboratories after Maurice Hilleman, a pioneer of vaccine development in the 20th century – was initially based in India; its headquarters moved to Singapore in 2021.

Cholera is an acute diarrhoeal disease transmitted through contaminated food or water and causing tens of thousands of deaths from severe cases each year. Extreme weather events contributed to the increasing number of outbreaks in 2023 and 2024. Global demand for cholera vaccines exceeds 100 million doses, but in 2023 only 36 million doses were available, leaving many vulnerable communities unprotected.

Image: Mosquitoes land on the photographer’s hand to feed.
Photographer: Yoppy Pieter / Wellcome

In 2014, Hilleman Laboratories began a collaboration with Jan Holmgren, who had developed the world’s first effective oral cholera vaccine, aiming to develop a second-generation product. In 2019, after successful phase 2 clinical trials, Hilleman Laboratories licensed the vaccine candidate – called HillChol – to Bharat Biotech for development and manufacture. This year, Bharat Biotech launched the vaccine, which has been approved by India’s national regulatory authority. The new vaccine uses many components of the first-generation oral vaccines but is easier to produce in large quantities at a low price. Critically it will help fill the gap in global demand for cholera vaccines.

Image: During a government-led vaccination campaign in the Democratic Republic of the Congo, members of the vaccination team engage with the community.
Photographer: Esther Nsapu / Wellcome

Strategic programme

This year, several mental health interventions have become available for clinical use after support from Wellcome over many years.

Image: In AVATAR therapy, the person who hears voices works with a therapist to build an avatar – a digital representation of the voice they hear. The avatar is programmed to sound and look like the voice they hear.
Photographer: Chris Ratcliffe / Wellcome

Mental Health

To have a new therapy approved for treating psychosis in schizophrenia, using the first new pharmacological approach in half a century, is a major milestone. Wellcome played a key role in funding early trials of the therapy, de-risking investment at an early stage making it possible for commercial investors to follow. Less than 10 years later, Cobenfy is now a treatment option (see page 30).

Online cognitive therapies for social anxiety, panic disorder and post-traumatic stress disorder (PTSD) have been licensed and rolled out in parts of the UK's National Health Service (NHS). The therapies are based on current first-line treatments, which were themselves developed through 30 years of Wellcome-funded research, including the work to develop versions that could be delivered over the internet. The online therapies are as effective as face-to-face interventions but can be completed in sessions of three to five minutes, meaning up to 70 percent less therapist time is needed.

Two more non-pharmacological interventions have been recommended pending further evaluation in the UK this year. SlowMo helps people with paranoia to notice upsetting worries and fast thinking habits, and provides tips to slow down and take in other information. It was developed by an interdisciplinary team led by the Institute of Psychiatry, Psychology and Neuroscience at King's College London. After clinical trials showed the therapy was effective, Wellcome funded the team in 2023 to optimise the software and implement it in three NHS Trusts across England.

Avatar therapy helps to control distressing auditory hallucinations in the form of voices. Patients create a computer simulation, or avatar, of the speaker of the distressing voice. A therapist then facilitates a conversation between the patient and the avatar, with the therapist speaking for the avatar as well as themselves. This approach was first developed at University College London, and then Wellcome funded clinical trials run by researchers at University College London. Results published in October 2024 showed significant reductions in distress for participants.

Each of these interventions shows the huge potential for science to advance new treatment options for people, in line with our Mental Health programme's mission of driving a step change in early interventions for anxiety, depression and psychosis.

Investment to impact

The examples above also show the necessity for sustained investment over many years, and the role of working collaboratively across sectors of society to achieve real-world impact. Cobenfy, the schizophrenia therapy, was developed by Karuna Therapeutics, which was bought in March 2024 by Bristol Myers Squibb, a multinational pharmaceutical company able to market therapies at scale. The online cognitive therapies are being rolled out by Koa Health, a private company specialising in digital mental health.

Recognising the scale of investment required to ensure uptake of new and improved interventions, and the huge gap in that funding currently, Wellcome was a founding member of the Coalition for Mental Health Investment, alongside the Clinton Global Initiative, McKinsey Health Institute and Kokoro. Scientific research is building a pipeline of treatments and solutions that have the potential to change the lives of hundreds of millions of people, but science alone will not achieve that potential. We need to help catalyse actions that will allow for equitable global uptake.

> At Wellcome, we expect to see new and better products reaching the market within the next five years, and to only accelerate beyond that.
>
> **Julia Gillard**, Chair of Wellcome

For decades, mental health has been overlooked, underfunded and misunderstood. Our coalition, which launched in September 2024, aims to convince potential private and philanthropic investors that now is the time to commit to mental health, and to support research-based interventions to reach the scale needed for global impact.

Mental health science

We are optimistic that a new wave of mental health interventions is gathering momentum. We also know there is much further to go in building scientific understanding and a vibrant global field of mental health science to maintain and accelerate progress.

Across the Mental Health programme, we have emphasised the necessity of embedding lived experience expertise in research. In March 2024, we launched a funding call for projects to develop innovative and sustainable approaches in this area. Of 88 expressions of interest, we invited 28 to submit a full proposal. Of these 28, all involve people with lived experience, half are led by people with lived experience, and over one-third are led by people in low- or middle-income countries. The proposals will be reviewed in January 2025.

In February 2024, Wellcome and the International Brain Research Organization announced 11 projects funded through a joint programme to enhance neuroscience research related to mental health in low- and middle-income countries. The focus was on promoting research capacity and accelerating the potential for impactful research on anxiety, depression and psychosis.

Our first Mental Health Data Prize, delivered in partnership with not-for-profit enterprise Social Finance, finished in June 2024. The winning projects developed digital research tools that are already being used by mental health researchers:

Image: SloMo is a digitally-supported talking therapy for people with worries about harm from others. In 2023, Wellcome funded the team to implement the therapy in three NHS trusts in the UK.
Photographer: Chris Ratcliffe / Wellcome

- Harmony is a free Artificial Intelligence tool for comparing questionnaire data across different studies, countries and languages.
- DigiCAT supports counterfactual analysis to identify intervention targets based on existing data.
- The School Health Research Network's digital dashboard helps schools use mental health data.

Our next Mental Health Data Prize will fund teams across Africa to analyse data and build digital tools for helping to tackle anxiety, depression and psychosis. We have also funded the Africa Centres for Disease Control and Prevention (Africa CDC) to create a mental health leadership programme to train policy makers.

This year we funded awards from a challenge-led call on how anxiety- and trauma-related disorders develop and resolve. We selected 10 innovative projects that will improve our understanding of a range of causal factors (such as genomics, brain development, social factors such as sexism, and traumatic experiences such as genocide survival) and point the way to new and improved interventions. All 10 projects involved people with lived experience in the development of the proposal, and four include a site in a low- or middle-income country. This will help to ensure research insights apply to people affected by these disorders around the world.

New psychosis treatment

An estimated 24 million people worldwide live with schizophrenia. Antipsychotic drugs are commonly used to treat the condition, but do not work for everyone. In September 2024, the US Food and Drug Administration (FDA) approved Cobenfy, a combination of two drugs using the first new pharmacological approach to treating schizophrenia in over 50 years.

Wellcome made social investments into Karuna Therapeutics, the company that developed Cobenfy, in 2015 to fund Phase 1 trials and again in 2018 for Phase 2 trials, with positive results showing a significant reduction in psychosis. Phase 3 trials found the therapy to be well tolerated, relieving symptoms including hallucinations, social withdrawal and memory problems. Cobenfy is now a treatment option for people living with schizophrenia, and also being evaluated for the treatment of Alzheimer's-related psychosis.

Evidence synthesis

GALENOS is an innovative, Wellcome-funded project to synthesise and triangulate animal and human data in key areas of mental health science, giving a clear view of the evidence and of areas for further research. It has completed reviews on anhedonia treatments, the use of exercise in post-traumatic stress disorder, and a potential new treatment for psychosis called trace amine-associated receptor 1 agonism.

Full reviews will be available on Wellcome Open Research, with shorter papers and additional reporting published open access in journals. GALENOS reviews publish updates as new data comes in. Further review topics include circadian disruption and depression, risk factors for cognitive impairment in psychosis, and cognitive bias modification.

Microbiome and mental health

The collection of microorganisms living in the digestive tract (the gut microbiome) is linked to mental health and is a potential target for intervention. However, how the gut microbiome shapes brain and behaviour during development, increasing or decreasing risk for mental health problems, is not yet well understood. To change that, Wellcome invested in the Children Growing Up in Liverpool (C-GULL) birth cohort's '4M' project – Microbes, Milk, Mental Health and Me.

Recruitment launched this year and more than 500 babies and their families have been recruited, with a goal of 7,000 infants over the next five years. This will provide the largest and most detailed dataset on microbiome development in the UK to date. In the short term we will gain insights into links between the microbiome and early brain development, cognition and emotion. Longer-term, the study will follow up these children into adolescence and beyond to gain a detailed understanding of how the microbiome contributes to mental health conditions and how interventions might help to prevent or treat them.

Exercise and depression

Depression is the leading cause of disability worldwide. Aerobic exercise is a promising intervention, and recruitment started this year for a trial to better understand why exercise is effective and for whom. The working model, which was published in Translational Psychiatry this year, is that exercise may alter the way the brain processes reward by reducing inflammation and boosting dopamine transmission. This in turn improves motivation which helps address depression symptoms such as loss of pleasure (anhedonia) and fatigue.

If successful, the trial would add to growing evidence that a 'social prescription' for exercise should sit alongside standard options for depression such as talking therapies and medication. It may also point the way to new interventions that target the same neural pathways.

Image: At University College London, Professor Jonathan Roiser and Dr Emily Hird do research into mechanisms underlying the antidepressant effects of physical activity.

Photographer: Jeremy O'Donnell / Wellcome

Strategic programme

To put health at the heart of climate change action, there needs to be a robust, reliable evidence base to enable policy change. Through our Climate and Health programme, Wellcome is supporting research to generate that evidence and strengthen the climate and health field more broadly. And we work to ensure this evidence is used to drive and inform changes in policy, practice and action.

Climate and Health

Image: People in New York City try to keep cool during a heatwave.
Photographer: Johannes Eisele /AFP via Getty Images

Investing in research

Our Climate Impact Awards fund transdisciplinary teams to deliver high-impact projects targeting specific policy outcomes for disadvantaged populations. These ambitious projects combine evidence generation or synthesis, a clear policy pathway, community-engaged research, and a communications approach that can make the impacts of climate change on physical and mental health visible, driving urgent climate policy action at scale. Five of the 11 projects funded this year are being led by institutions in countries and regions most affected by climate change (see page 34 for examples).

We are developing guidance for economic evaluations of the health impacts of climate actions. Policy makers have told us these evaluations are critical to make the case for investing in climate actions with positive health impacts, but researchers have indicated a lack of capacity for producing them.

And we continue to convene workshops and conferences to help monitor the climate and health research field and identify opportunities to strengthen it. For example, we funded work to scope research needs on health impacts of climate mitigation actions targeting air pollution. Working with colleagues in our Discovery Research programme, we are exploring opportunities such as supporting biomedical and biotechnology innovation to develop technologies that can protect health from extreme heat.

COP28

On 3 December 2023, the UN's annual Climate Change Conference (COP) included a Health Day for the first time. This high-profile advocacy event, shaped by a steering committee that included Wellcome, showcased the need for increasing investment in climate action to protect health.

Health ministers and officials from more than 100 countries attended Health Day, and a film we jointly produced with the BBC was screened at the high-level meeting of health ministers, helping to frame their discussions. In the end, 150 countries signed the first COP Climate and Health declaration, which Wellcome also helped to shape with a range of partners, committing to deliver climate action in a way that protects people's health.

We supported partners to contribute to the climate and health narrative at COP28. Films are a powerful asset that many advocates cannot afford, so we commissioned Open Planet to produce films for use by our partners at COP28 and the World Economic Forum annual meeting in January 2024. Providing assets free of charge like this brings more actors into the climate and health space, and leverages established communications channels to reach target audiences. The footage was repurposed for the ONE Campaign – one of their top performing films of 2023, it reached 4 million people.

Overall, our activities led to a substantial increase in engagement with climate and health among climate policymakers and negotiators (including from health, environment and finance sectors), as well as professionals in climate and health working at international institutions, funders and philanthropic organisations.

Wellcome had a lighter presence at COP29 in November 2024, as we are focusing on COP30 in Brazil in 2025.

Engaging audiences

Awareness and engagement are a necessary step to our primary objective, which was to support the adoption of ambitious climate action targets and initiatives by leveraging climate and health research and arguments around health and science.

Since COP28, Wellcome's policy and advocacy goals have focused on developing our ability to influence the core UN negotiations on climate change. This has involved developing strategy on policy mechanisms, networks and negotiation blocks in the UN Framework Convention on Climate Change (UNFCCC) space, as well as in-depth training for Wellcome staff with climate negotiators. We are now taking part in the longer and more technical conversation that takes place in workshops throughout the year and at the Bonn climate talks in June, leading up to the COP event itself.

Lancet Countdown

The Lancet Countdown is an international research collaboration that independently monitors the evolving impacts of climate change on health and the emerging health opportunities of climate action. The eighth report, launched in November 2023, drew on the expertise of 114 scientists and health practitioners from 52 research institutions and UN agencies to provide its most comprehensive assessment yet. Wellcome is now supporting the Lancet Countdown to drive a major new phase of this vital work: developing contextually relevant research led by experts in the countries most affected by climate change, building a global Climate and Health community, and driving policy uptake and translation.

Climate minds

Climate change is already impacting people's mental health. Extreme weather events and wildfires cause stress and distress; environmental change and prolonged exposure to pollution put people at risk of grief and despair. Connecting Climate Minds was a one-year global project aiming to bring together the climate change and mental health fields to develop an inclusive agenda for interdisciplinary research and action. Led from Imperial College London and funded by Wellcome, the project brought together almost 1,000 people in 90 countries from across research, policy, practice and lived experience. Through regional and global dialogues, the project has delivered a Youth Agenda, an Indigenous Nations and People Agenda, a Small Farmer and Fisher Peoples Agenda and seven Regional Agendas. Since its launch in March 2024, around 5,500 people from over 140 countries have used the project's online hub, and the team is working with Springer Nature to coordinate 15 publications to share their work and outcomes.

Impacts Awards

In summer 2024, the second round of our Climate Impacts Awards funded 11 transdisciplinary teams to deliver high-impact projects targeting specific policy outcomes for disadvantaged populations. For example, in South Africa, the focus of Jonathan Peters's team will be to understand how extreme weather events affect the distribution of airborne pollen and fungal spores, and respiratory health among vulnerable populations. Based at the University of Cape Town Lung Institute, the team aims to develop more effective adaptation plans, both by translating scientific results into health and social benefits, and by raising the possibility that monitoring of airborne allergens could be included in the nation's air quality legislative framework.

In Australia, Supriya Mathews at the Menzies School of Health Research will lead a team focusing on the health burden of heat on First Nations people living in remote, under-resourced settings. To date there has been limited evidence on how heat affects First Nations people living far from hospitals and emergency services. This project will analyse records from Primary Healthcare Clinics, which are the first point of medical contact for these communities, and collate lived and work experiences of residents and clinic staff. It will generate new evidence to inform appropriate, timely and relevant policy responses in different climate zones.

Reaching audiences

Political responses to the health threat of climate change will happen faster and more effectively if politicians see that climate and health matters to key voters. But many of these key audiences do not have a strong stance on the issue and are not reached by most advocacy communications. This year, Wellcome ran a pilot project in the UK to test how climate and health advocates might persuade such audiences that action is necessary. We focused on a segment of the population whose votes can sway UK elections but which, while worried about climate change, is also likely to look forward to heatwaves. We used media stories, lived experience case studies and videos with celebrities well known to this audience to test different approaches to communicating about extreme heat.

Stories framed around health were persuasive: this group often did not have a strong stance on extreme heat until they realised the potential health impacts of heatwaves on people close to them, especially older relatives and friends. These messages were more positively received when paired with health guidance so that people felt they were able to take some action. By learning how best to communicate about climate and health, we can show that it matters to voters and increase political motivation to create change.

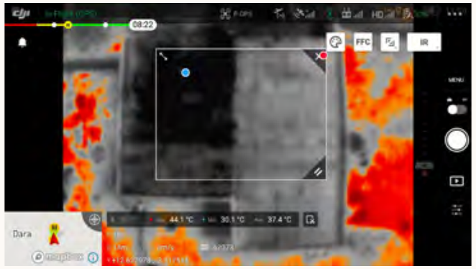


Image: A thermal camera image comparing surface roof temperatures on a home in Burkina Faso (see next page). The cool roof side is 30.1°C; the unmodified side is 44.1°C.

Photographer: Bunker, Bärnighausen and Sie, 2022

Image: A tin-roofed home in Nouna, Burkina Faso - the left side has a cool roof coating to compare with the unmodified right side. A thermal camera image (previous page) shows the cool roof side is 30.1°C and the unmodified side is 44.1°C.

Photographer: Bunker, Bärnighausen and Sie, 2022

Charitable subsidiary

Wellcome Leap

Wellcome Leap, a US nonprofit subsidiary of Wellcome, builds and executes bold, unconventional programs, funded at scale, that aim to increase the number and speed of breakthroughs in human health.

Wellcome Leap's approach takes into account the fact that solutions to complex problems – and the resulting breakthroughs – rarely come from individuals, and more often require a network of diverse contributors with the capacity to drive the work toward a common goal. Their work is therefore not only about applying resources to individual programmes, it is also about creating the structures required to deploy those resources to facilitate such a synchronised effort.

Clearing obstacles to breakthroughs

In four years, Wellcome Leap created the largest breakthrough network in the world. Over 150 organisations on six continents and still growing.

Breakthroughs require a sense of urgency and momentum. The Wellcome Leap team knew the biggest obstacle to getting teams working fast was contracting. Since 2021, they have asked global leading research organisations to pre-sign a master funding agreement - not to secure an edge in selection or guarantee any funding, but to enable the rapid formation of networks of researchers.

After four years, this has created the largest, most rapidly 'activatable' health research network in the world, with around 150 world-class institutions, non-profits and commercial entities representing a network of over one and a half million scientists and engineers across six continents.

Joining the Wellcome Leap Health Breakthrough Network solved a problem for these organisations, too. It meant that anyone in their organisation could be funded and working in days or weeks instead of months or even a year.

The Wellcome Leap Health Breakthrough Network was created in less than four years. As of September 2024 it has 1.5 million researchers, 28 countries, 146 signatories.

Credit: Tony Ruth / Early Mammal

2021

2024

Spotlight: The first thousand days

By age three, a child's executive function skills, which enable them to regulate emotions and switch attention, are highly predictive of the life they go on to lead. In its first three years, the Wellcome Leap 1kD programme has developed and demonstrated new tools for measuring and promoting healthy cognitive development in the first 1,000 days of life.

Executive function is the cornerstone of people's ability to capture opportunities and effectively deal with life's challenges. Until now, it has been almost impossible to study these critical stages of a child's brain and cognitive development.

To address this gap, Wellcome Leap's 1kD programme aimed to develop new tools that reliably predict health or risk in executive function formation as early as the first birthday, and to create methods to improve executive function by 20 percent in 80 percent of children. Historically, the 20 percent of children who have underdeveloped executive function at age three go on to represent 80 percent of those who struggle to manage their health, require social assistance, or have encounters with crime. Reliable methods for improving executive function promise to create generational changes by giving each child their best shot at a healthy life in every respect.

1kD has provided new scientific evidence that, within a critical developmental window, infant-derived microbiomes can drive differences in brain and executive function development by 20 to 50 percent, and that targeted microbial intervention can rescue behavioural deficits and drive improvements of more than 20 percent. This leads to the potential for pre- and post-birth nutritional supplements that would, for the first time, support critical brain and cognitive development windows.

1kD has also pioneered development of instrumented playrooms, which promise to provide a universal screening capability to risk-stratify infants and promote interactive child-caregiver skills that are central to healthy brain development. The programme demonstrated that such instrumented playrooms can predict a child's executive function formation with over 90 percent accuracy as early as the first birthday. This was demonstrated across three culturally diverse populations and represents a two-fold improvement in the ability to precisely identify infants at risk compared to existing tools.

By 2026, through efforts with partners, Wellcome Leap aims to have new nutritional supplements ready for phase 1 clinical testing, and two playrooms operational in community settings. This transition activity, focused on scaling the programme's scientific advances, establishes the foundation for these new tools to be readily available to caregivers by 2030 – providing more children with a strong and equitable start in life less than 10 years since the programme began.

Description: Play-based tasks with integrated video and audio measurement enable screening and assessment in a naturalistic and culturally agnostic environment from as early as 3 months of age.

Image: 'By the Pricking of My Thumbs Something Bloody This Way Comes'.
Photographer: David Linstead / Wellcome Photography Prize 2019

By working to make science more inclusive and more accessible, we help diversify the people and places doing excellent research, leading to richer understanding and more impactful discoveries.

Cross-mission activity

Equity

To drive equitable health outcomes, Wellcome advances inclusive practices that broaden the range of people leading, participating in and benefiting from science. To support these activities, we have been developing guidance for how Wellcome should integrate equity into our work investing in research, influencing change and engaging people.

We invest in excellent research, both in the UK – where Wellcome is part of a strong research ecosystem – and in countries where people are most affected by health challenges. The ways we fund take into account local priorities and resources.

For many decades, we have supported research programmes led from Kenya, Malawi, South Africa, Thailand and Vietnam. Today, each combines world-class discovery and clinical research, benefiting local, regional and global health. We also fund organisations like the India Alliance and the Science for Africa Foundation to make research grants in their respective geographical contexts.

Accelerating diversity

We continually strive to make our own funding schemes and processes as accessible as possible. However, we also recognise that systemic barriers limit access to research funding for some groups of people. In the UK, this particularly affects racially minoritised groups, as is reflected in the under-representation of researchers from these communities in UK science and research more broadly.

To start to address this problem, in line with our commitment to anti-racism, we launched our first round of Accelerator Awards in January 2024. These awards support researchers from Black, Bangladeshi or Pakistani heritage in the UK by funding activities that the applicant has identified would help them to make the next step up in their research career. The first round opened to applications in May 2024 and 48 awards were made by the end of 2024.

In developing the scheme, we consulted researchers from these communities to ask what kind of funding would be most useful for career progression. Those consulted spoke of challenges for progression in academia being compounded for racially minoritised academics. For example, building networks, finding mentors and sponsors, and the vicious cycle of needing a good track record to get funding but needing funding to build that track record.

The result was a new style of funding from Wellcome: highly flexible awards of up to £200,000 for up to two years, to cover the costs of what each applicant decides will most enhance their personal career prospects. It might be training or secondments, travel costs to conferences or visiting other research sites, or other opportunities that will help attract funding, gain recognition or promotion, and develop their professional profile.

While the focus of the scheme is on activities to support career progression, including research if appropriate, the applicant's research must fit within the scope of our Discovery Research programme. In the first round, we received applications from a wide range of fields, including bioengineering, neuroscience and social sciences. Many of the applicants were committed to addressing health issues of particular relevance to their own community – this is an exciting step for Wellcome, too, enabling us to support an even greater diversity of research. We look forward to monitoring, evaluating and learning from the progress of this scheme through its initial four-year run.

The Accelerator Awards scheme is part of Wellcome's ongoing work to support and champion positive research cultures. In 2023, our Institutional Funding for Research Culture scheme opened to 42 organisations in the UK and Ireland. Funded projects spanned a range of activities, including creating an anti-ableist research culture, strengthening career pathways for technicians, and enabling collaborative and team science. While not all 42 organisations were funded, they did all opt in to joining a community of practice around research culture. See page 86 for more details.

Data Democracy in Black communities

Celestin Okoroji has received an Accelerator Award to support research using Data Democracy, an approach that gives people with relevant lived experience opportunities to interpret data. In this project, the data relate to health and experiences of police 'stop and search' powers: initial findings from the data are tested against the lived experiences of groups of young Black people, who then propose causal mechanisms and opportunities for systemic change. This award will allow Dr Okoroji, working with community interest company Ratio Research, to publish research, develop new funding proposals and sustain collaborations while further developing the Data Democracy approach.

Understanding biofilms

At Cardiff University, Faizan Ahmed Sadiq studies interactions between bacteria in various settings, including in chronic wounds. Bacteria can form biofilms on the surface of wounds, hampering the healing process. The way different bacterial species use products from each other's metabolism (called 'cross-feeding') may be linked to the development of resistance to antibiotics. Dr Sadiq has received an Accelerator Award to develop a model for studying biofilms and cross-feeding, which will help to establish a strong foundation for future research and professional growth.

Creating excellence

In August 2024 Julia Gillard, Wellcome's Chair, joined President Lazarus Chakwera of Malawi at the opening of a new building on the campus of the Malawi-Liverpool-Wellcome research programme. For 30 years, this programme has been a productive, collaborative and evolving partnership between Wellcome, the University of Liverpool and the Liverpool School of Tropical Medicine in the UK, and Kamuzu University of Health Sciences in Malawi. The five-storey Clinical Research Excellence and Training Open Resource (CREATOR) building will enable a 30 percent increase in research activity over the next 10 years, including research on the health effects of climate change, support for postgraduate medical students, and community and policy engagement.

Regulating quality

A lot of poor-quality medicines are in circulation in Africa due to lack of resources, missed opportunities for regional collaboration, and gaps in regulatory infrastructure. To help harmonise and strengthen regulation of healthcare products, the African Union Development Agency is establishing and operationalising the African Medicines Agency over the next five years. In September 2024, Wellcome made a grant of almost £10 million to support this work. The African Medicines Agency will be a key enabler for Wellcome as we increase our funding for health research in African countries, and will accelerate access to new medicines, vaccines and other health innovations. Wellcome's funding will help ensure mental health interventions are a focus from the start, and that the agency is underpinned by a strong regulatory information management system.

Strategic programme

Wellcome Collection

Wellcome Collection is our free museum and library where everyone's experience of health matters. Through our collections, exhibitions and events, our books and our digital content, we explore what health is and what it could be. By bringing together social, cultural, historical, personal and artistic perspectives, Wellcome Collection helps to deepen society's understandings of life, health, science and wellbeing, supporting how we consider the breadth of human experience across Wellcome's work.

Over the year, around 480,000 visitors came to Wellcome Collection (2023: 384,000), 80 percent of whom (2023: 82 percent) agreed their visit made them think more deeply about health or science. We also had around 4.5 million visits to our website (2023: 4.3 million), and 148,000 views of digitised content (2023: 218,000). Data collection for measuring web traffic was affected by updates to our cookie policy during this year, which reduced the number of recorded users. We are reviewing which measures to report on in future.

For several years, Wellcome Collection has worked on increasing accessibility and inclusion in our exhibitions, including 'Being Human', our permanent exhibition. However, some parts of Wellcome Collection's building infrastructure are not yet optimised for access, including for wheelchair users. As Wellcome considers updating our buildings to minimise carbon emissions, we will take the opportunity to make the improvements necessary to welcome audiences with additional access needs.

Exhibitions

One of our most popular exhibitions since the museum and library opened in 2007, 'The Cult of Beauty' (October 2023 to April 2024) was visited by more than 150,000 people – an average of 840 a day. The exhibition invited visitors to explore ideas of beauty across different times and cultures. It featured over 200 items - 64 of which came from our own collections - including historical objects, artworks and films, examining the influence of health, morality, status, age, race and gender on ideas about beauty through history. The exhibition was covered by media in the UK and worldwide, and the marketing campaign was shortlisted for a Webby and a Museums and Heritage Award.

In 'Jason and the Adventure of the 254' (March 2024 to January 2025), Jason Wilsher-Mills presented a joyful exploration of the body, drawing on the artist's experience of becoming disabled as a child. Reimagining the gallery space as a hospital ward, sculptures, illustrations and interactive dioramas challenged cultural and social perceptions surrounding disability, medicine and the human body.

July 2024 saw the launch of a new display series focusing on objects from our collections, complemented by new research and artist commissions. Each will share experiences that have historically been excluded from stories of health. Our first display (until 2 February 2025) explores the history, present and future uses of the kola nut. Once used as an ingredient in Coca-Cola and Pepsi, both originally sold as health tonics, and in products made by Burroughs Wellcome & Co (Henry Wellcome's company), the kola nut played an important role in international trade and the expansion of imperial control across Africa.

'Hard Graft: Work, health and rights' (September 2024 to April 2025) explores the impact of physical work on health and the body. Featuring over 150 items, including historical objects, contemporary artworks, films and new commissions, the exhibition brings together stories of under-represented workers and their rights within precarious and unsafe labour environments. It also touches on healing practices that emerged from those environments. It has received highly positive reviews in the UK press.

Image: 'The Cult of Beauty' exhibition at Wellcome Collection.
Photographer: Benjamin Gilbert / Wellcome Collection

Publishing experiences of health

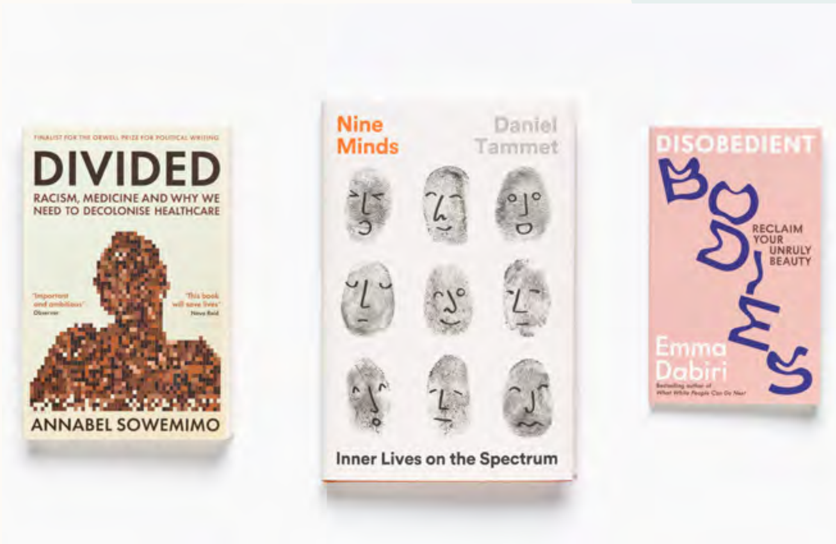
Wellcome Collection invites storytellers from a variety of backgrounds to expand their practice and share their perspectives in partnership with Profile Books. Our latest publications include:

- Daniel Tamet's book, 'Nine Minds', delving into the lives of nine neurodivergent people from around the globe.
- Annabel Sowemimo's award-winning book, 'Divided: Racism, medicine and why we need to decolonise healthcare'.
- Emma Dabiri's radical essay 'Disobedient Bodies', considering society's ideals of beauty, drawing on cultures, worldviews, times and places to offer alternative views.

In September, we launched The Wellcome Collection Non-fiction Awards in partnership with writing agency Spread the Word, to champion new writing on health from under-represented writers. The aim is to support writers who are disabled, Deaf, neurodivergent or from racially minoritised backgrounds who have a big idea for a non-fiction book about health and being human. Up to six writers will be selected for a nine-month development programme to expand their non-fiction ideas into full-length book proposals. The successful writers will be selected in February 2025.

Image: Beautiful Octopus Club.
Photographer: Tim Mitchell

Image: Three of the books Wellcome Collection published with Profile Books this year.
Photographer: Eszter Bonyi / Wellcome Collection



Beautiful Octopus Club

Artists and DJs took over Wellcome Collection for London's longest-running inclusive club night on 12 July 2024. The Beautiful Octopus Club was devised and co-hosted by Heart n Soul – an award-winning creative arts charity that believes in the power and talents of people with learning disabilities and autistic people. It was attended by more than 650 people, 73 percent of whom were visiting Wellcome Collection for the first time.

Originally planned for May 2020 and postponed by the Covid-19 pandemic, the club night was the culmination of Heart n Soul's residency between 2018 and 2020 in The Hub, our transdisciplinary research initiative that brings together different experiences and expertise to create new knowledge over an extended period of time.

Image: 'Jason and the Adventure of 254' exhibition at Wellcome Collection.
Photographer: Benjamin Gilbert / Wellcome Collection

Review of Investment Activities

Figure 1 Total portfolio net returns (blended GBP/USD)
Period to 30 September 2024

Annualised return in GBP (%)			
	Nominal	UK CPI	Real
Trailing 3 years	2.6	6.1	(3.5)
Trailing 5 years	10.3	4.3	6.0
Trailing 10 years	11.3	3.0	8.3
Trailing 20 years	10.7	2.8	7.9
Since Oct 1985	13.3	2.8	10.5

Annualised return in USD (%)			
	Nominal	US CPI	Real
Trailing 1 year	15.6	2.4	13.2
Trailing 3 years	2.4	4.8	(2.4)
Trailing 5 years	12.2	4.2	8.0
Trailing 10 years	9.2	2.9	6.3
Since Oct 2009	10.1	2.6	7.5

Portfolio net returns, a key performance indicator (see page 156) measured in GBP only until 30 September 2009. Decision to measure in blended GBP/USD used from 1 October 2009 recognising the global nature of our portfolio (see Figures 11 and 12) and the need to maintain global purchasing power. However, Wellcome's functional currency remains sterling. GBP:USD exchange rate was 1.34 as at 30 September 2024 (1.22 as at 30 September 2023).

One year return in GBP (%)			
	Nominal	UK CPI	Real
One year return to Sep 2024	5.2	1.7	3.5
One year return to Sep 2023	0.9	6.7*	(5.7)*

Cumulative return in GBP (%)			
	Nominal	UK CPI	Real
Trailing 3 years	8	19	(11)
Trailing 5 years	63	24	39
Trailing 10 years	191	34	157
Trailing 20 years	667	75	592
Since Oct 1985	12,770	198	12,572

Annualised return in blended currency (%)			
	Nominal	UK/US CPI	Real
Trailing 1 year	10.3	2.1	8.2
Trailing 3 years	2.6	5.4	(2.8)
Trailing 5 years	11.3	4.3	7.0
Trailing 10 years	10.3	2.9	7.4
Since Oct 2009	10.8	2.7	8.1

The value of the endowment is measured at fair value. Net returns include impact of all external management fees and expenses. Performance fees are included for hedge funds, private equity and property; for public equity they are included from 2018.

*UK CPI previously reported as 9.0% and Real return as (8.1)%. This follows a change in calculation methodology to align with officially published figures.

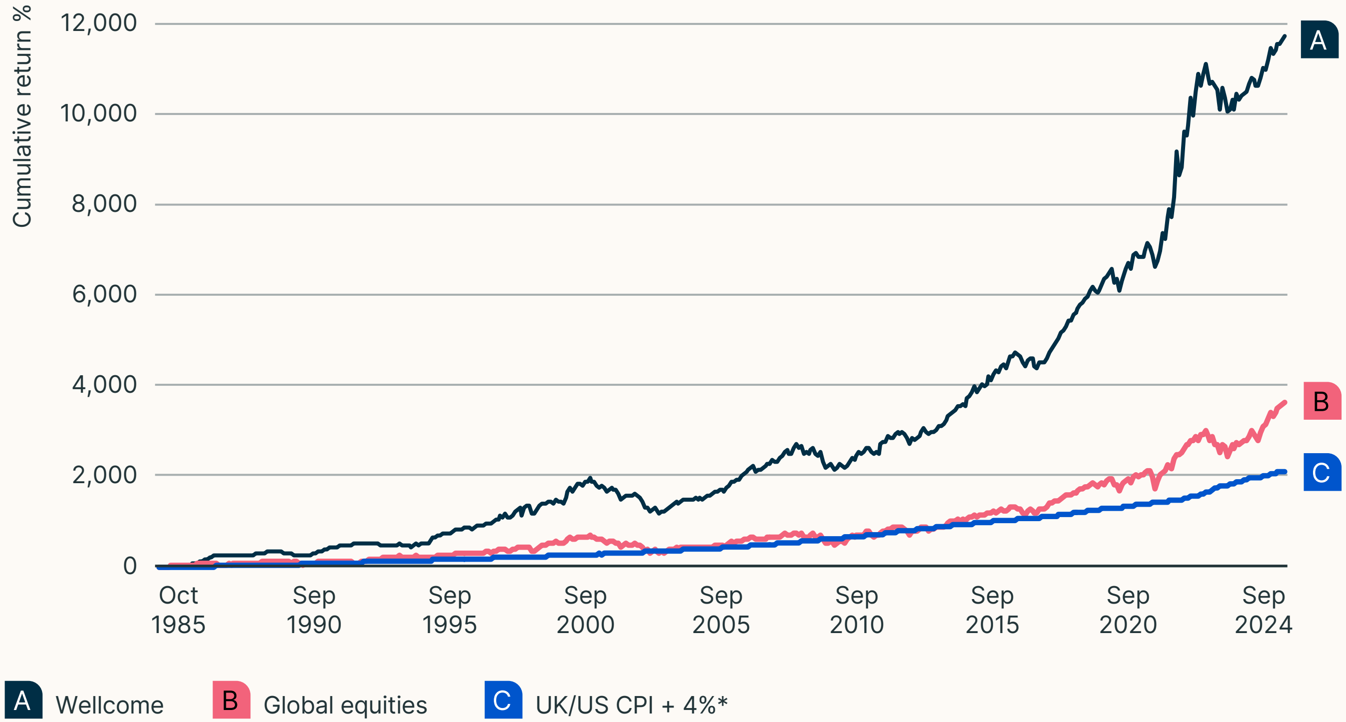
Background

The role of the investment portfolio is to provide sustainable long-term funding for the charitable mission. To achieve this, we need to deliver minimum long-term returns of 4% after inflation to at least preserve, and preferably grow, the real value of the portfolio after taking account of charitable spending. We aim to do this with a clear focus on the licence to operate of the assets in which we invest. Although we report our financial statements in sterling, our portfolio is global and currency fluctuations can have a significant impact on results in the short term – USD accounts for nearly two-thirds of our net currency exposure (Figure 11). In the longer term, exchange rate movements tend to smooth out as currencies' relative values are driven by longer-term economic fundamentals. We present returns in GBP, USD, and in blended currency (50:50 GBP:USD) in Figure 1. Blended currency has been used since 1 October 2009 as an internal metric to measure the success of the Investment team, recognising the global nature of our portfolio (see Figures 11 and 12) and the need to maintain global purchasing power.

Over the long term, we have very comfortably exceeded the required 4% minimum real return (Figure 1, Figure 2). Both over 10 years and over 20 years, annualised real returns in GBP have been around +8%. However, in recent years we have been cautious about future return prospects and the period since 2021 has indeed been volatile. Over the past three years, annualised real returns have been negative (-3.5% in GBP, -2.4% in USD), reflecting the large spike in inflation in 2022-23.

Over our financial year, equity markets continued to recover as inflation subsided, bond yields fell, and central banks started to cut short-term interest rates. In nominal terms, the portfolio delivered another year of double-digit returns in USD at +15.6% (2023: +10.3%), but sterling continued to appreciate, limiting the returns in GBP to +5.2% (2023: +0.9%). After taking account of £1.1 billion in charitable cash expenditure, this is equivalent to a gain of £1.9 billion. Sterling is now back within the range of market estimates of long-term fair value, and in the upper half of its trading range since

Figure 2 Total portfolio cumulative net returns since 1 October 1985 (%)



GBP used to 30 September 2009. Blended £/US$ used from 1 October 2009.
*The target return was UK/US CPI + 6% until 30 September 2012. It was reduced to UK/US CPI + 4.5% from 1 October 2012 until 31 December 2017, and then changed to UK/US CPI + 4% from 1 January 2018.

the Brexit referendum. It is therefore reasonable to expect that currency effects may be less dominant than they have been (in both directions) in the past three years.

Preserving our cash flow and maintaining ample short-term liquidity to fund charitable expenditure remain our top priorities. So far, economies and markets have absorbed the impact of more realistic interest rates without major mishaps. As a result, we have yet to see sufficiently interesting long-term investment opportunities to absorb the excess cash positions we have been holding over recent years, but we remain alert to any such opportunities. In the meantime, real yields on cash and near-cash positions have been sufficiently high to reduce the opportunity cost of holding cash to acceptable levels.

Overview

The financial market backdrop has been broadly positive for the portfolio this year, despite the usual long list of things to worry about from a macro perspective. Inflation trended down in most economies, which has enabled many central banks to start cutting short-term interest rates and has pushed down bond yields. However, interest rates remain well within historical norms and do not look likely to revert to the extraordinarily low levels that prevailed before the inflationary spike in 2022-23.

Economic activity has been buoyant in the USA but much more muted in Europe, although most economies have so far avoided recessions. The Chinese economy continues to suffer from a depressed property sector, weak domestic demand, and low levels of consumer confidence. The prevailing economic mood globally is therefore one of caution but by no means desperation. Against this backdrop, corporate earnings, which underpin the public and private equity holdings that dominate our portfolio, have been robust.

The recent trend of highly concentrated equity markets continued for most of the year. Companies associated with artificial intelligence (AI), and in particular semiconductor manufacturer NVIDIA, saw their share prices rocket. Technology shares more broadly had another strongly positive year, driven by solid earnings growth. The US market once again led the way globally, even adjusting for a weaker US dollar.

Sterling was the best performing major currency as it continued its recovery from the extremely low levels at the end of our 2022 financial year. Having ended this year at $1.34, sterling is at the same level at which it ended our 2021 financial year, and back at normal levels relative to its post-Brexit referendum trading range. However, the +9.9% appreciation against the dollar was a significant headwind to performance expressed in sterling, given that most of our assets are not in the UK. Our largest currency exposure is to the US dollar (64% of gross assets, see Figure 11), with much smaller exposures to European and Asian currencies.

The portfolio delivered a gain of +5.2% in sterling terms over the year (2023: +0.9%) but a gain of +15.6% in US dollars (2023: +10.3%). Over the three years since September 2021, currency effects all but disappear and annualised performance in both GBP and USD has been around +2.5%. This has been a turbulent period for financial markets with an inflation spike, rapid falls in asset prices, a sharp but highly concentrated recovery in equities, and a major reset in private equity valuations. Longer-term performance metrics remain strong but there is no denying this has been a tricky period for multi-asset portfolios.

Our £16.8 billion public equity and equity long short portfolio returned +13.0% (2023: +8.2%). This is a more than satisfactory return in absolute terms but trailed the broader market by a wide margin due to the highly concentrated nature of market returns. The strongest performance within this portfolio came from our indirectly managed public equities composite (outsourced actively managed long only funds) at +17.4% (2023: +10.5%).

The £2.8 billion absolute return composite again faced powerful currency headwinds given the underlying assets are mostly USD denominated, and typically hedged back to USD. The portfolio delivered a +10.6% USD return, which translated to +0.7% in GBP (2023: +0.5%). This group of funds exhibits low volatility and low correlation to equity markets, which is particularly valuable as a diversifier in more difficult years.

Our £12.6 billion private equity (PE) portfolio was down -2.6% in GBP over the year (2023: -10.4%), reflecting an uplift of +7.0% in USD as valuations stabilised and began slowly to recover. PE valuations peaked at the end of 2021, which marked the end of a very frothy period. They have been adjusting to more realistic levels since but, with the strong recovery in public equity markets since Q4 2022, PE valuations no longer seem stretched. Capital calls and distributions have both continued to be muted, although recently venture capital (VC) calls have picked up in response to AI opportunities. The more constrained market environment has presented opportunities for us to deploy capital into interesting co-investments, which should set the portfolio up well for future returns.

Figure 3 Volatility (standard deviation) of returns (%)

Trailing 3-year volatility based on monthly data.
GBP used to 30 September 2009. Blended GBP/USD used from 1 October 2009.

The valuation of our £3.3 billion property portfolio is flat this year, with income helping to produce a return of +1.2%. We have been actively investing to upgrade our portfolio but the whole property market continues to absorb the impact of higher interest rates, which has led the independent valuers to push up capitalisation rates. As valuations have fallen, we have found opportunities to make important strategic acquisitions at both Premier Marinas and Urban&Civic as well as continuing with organic investment. There have also been opportunities to add strategically to the South Kensington portfolio at attractive yields. The Wellcome Genome Campus expansion project has moved forward considerably and is on track for the first phase to complete in 2026-7.

In our overlay book (cash management, derivatives, and liabilities arising from the bonds we have issued), cash levels have continued to be higher than usual as we continue to sell lower conviction assets while the PE portfolio has been less cash flow negative than expected. However, falling inflation has meant that the real return on short-term deposits has been well above historical norms, which has reduced the opportunity cost of cash positions. The valuations of our bonds have risen slightly over the year, which has been a minor drag on portfolio net asset value. All these bonds will revert to par value eventually but given the long weighted average maturity, the impact will be spread over a long period unless there are dramatic moves in interest rates. The appreciation in GBP has been a headwind for our net asset value, but a tailwind for our portfolio of foreign exchange hedges, which have produced useful realised and unrealised cash gains.

Outlook

The fall in inflation in most developed economies has given central banks space to start cutting interest rates, even if inflation remains above the 2% target in many economies. That said, the impact of a period of higher rates is still feeding through economies, leaving considerable uncertainty about the future growth outlook. Long-term interest rates have also started to adjust downwards. However, governments continue to run unfunded deficits that can only be covered through large scale bond issuance in the absence of fiscal tightening, so there is likely to be limited downside in yields in the absence of a deep recession. Current bond yields only look high in the context of the period since the Global Financial Crisis.

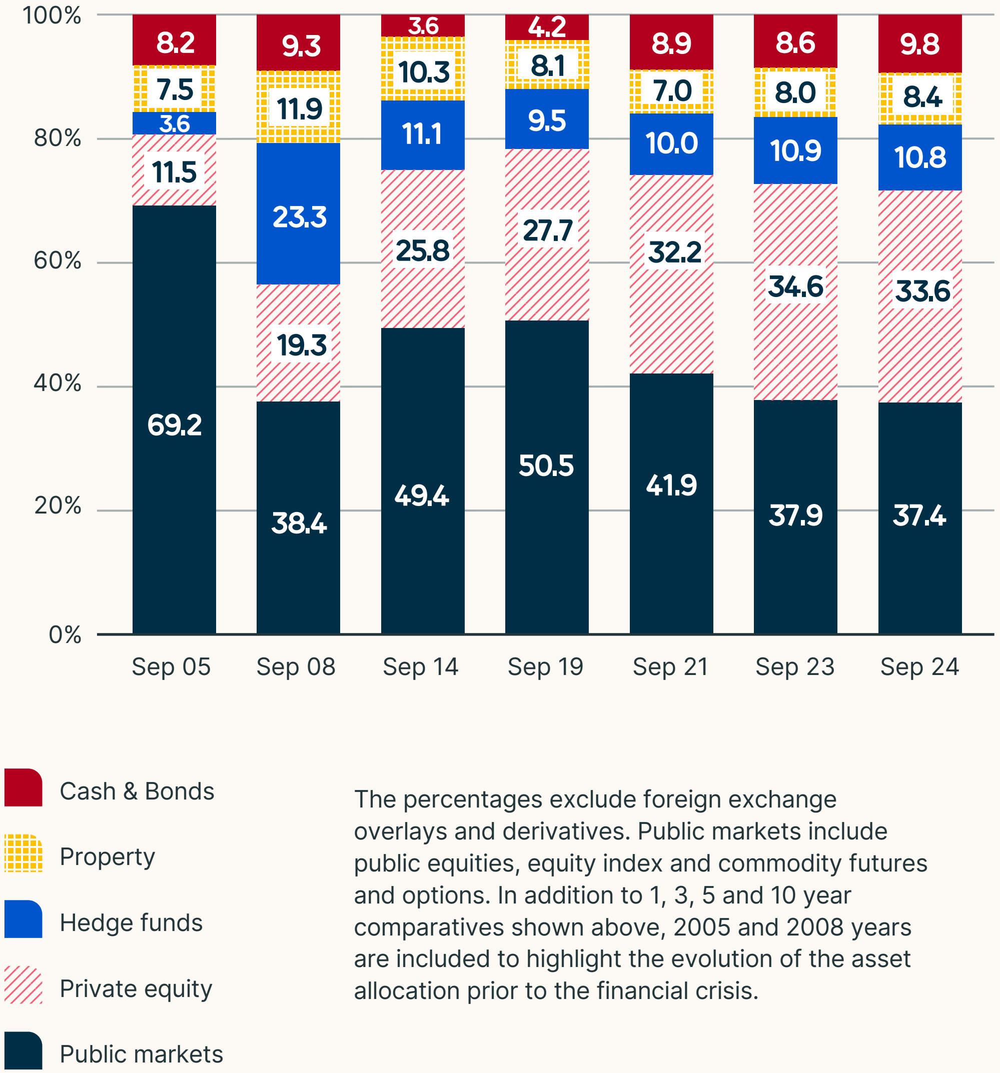
High-profile political events, including general elections in the US and UK, have exacerbated economic uncertainty and will inevitably have constrained investment and big-ticket consumer decisions. Geopolitical tensions have become a constant factor for financial markets to consider, while the resulting shift in global supply chains is unlikely to improve efficiency or returns on capital, even if it makes strategic sense. Potential US tariff increases, which could lead to wider trade wars, add risk to global economic conditions.

Rapid recoveries in US equity markets have left markets there looking stretched, while valuations elsewhere look more comfortable in a historical context. In part, the explanation lies in superior US earnings growth over the cycle and the dynamic nature of the US corporate sector, which has enabled constant technological and financial innovation. There is no reason to think that this structural advantage will change. Nonetheless, if the gap between US growth and the rest of the world starts to look less convincing, assets outside the US could prove more resilient on a cyclical basis. The dollar has benefited from constant inflows to US equity markets, so could also be vulnerable to any change in sentiment.

Private assets have lagged those in public markets for the last two years, which is unsurprising given the frothy conditions in PE, and especially VC, in 2020-21. Rising interest rates have also changed the economics of debt financed PE investments. Removing some of the air from the PE bubble is positive from our perspective, as it should make the asset class less attractive to investors without the appropriate appetite for illiquidity. Over the longer term, we are confident that returns will justify the illiquidity and lack of control. In the shorter term, the cash flows in our PE portfolio are unlikely to turn positive until the IPO route to public listings has fully opened. Even then, there is a large backlog of VC and PE backed companies waiting to list, so the logjam will take time to clear.

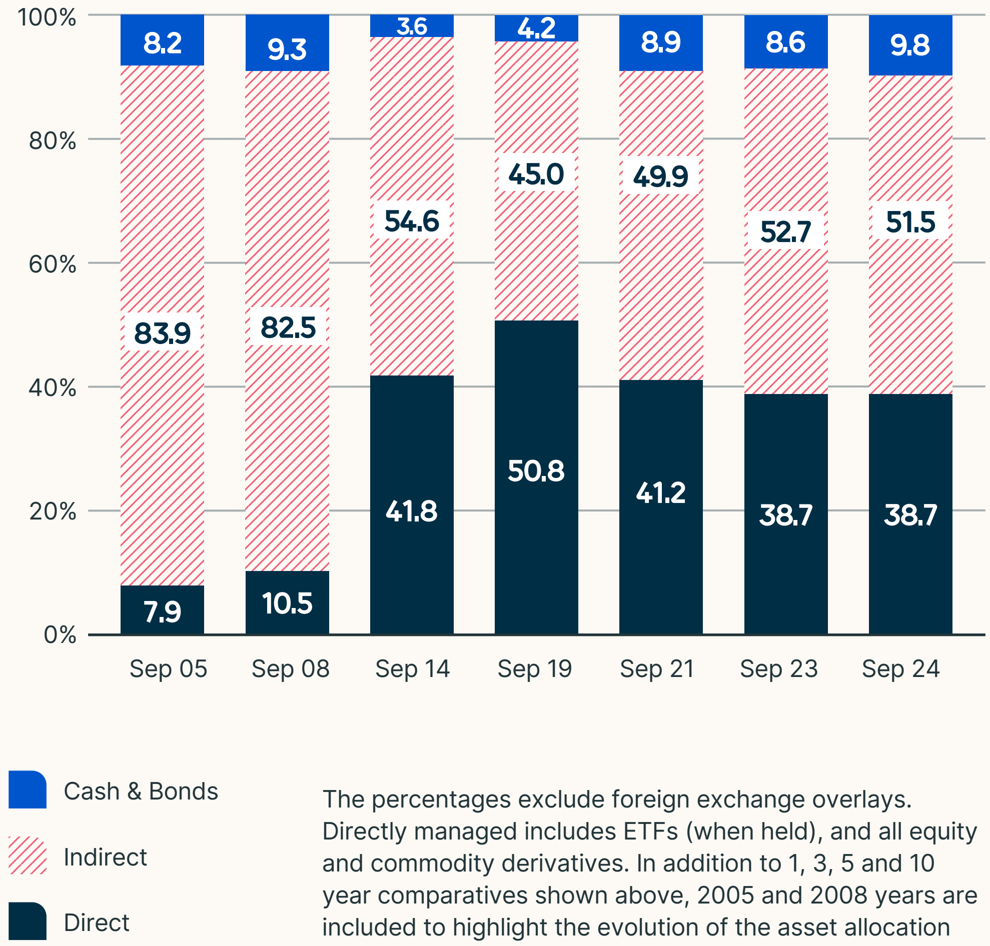
We have been pruning lower conviction holdings consistently since at least 2020, which has contributed to the accumulation of cash in the portfolio. We do not see this as a permanent feature, as yields on cash will not be sufficient over the long term to deliver our required return. One of the key advantages of unconstrained long-term global investors like Wellcome is that we can use our time horizon so that volatility becomes our friend rather than our enemy, enabling us to add attractive assets when prices fall. There have been few opportunities to do this recently, but we are ready when they do arise. In the meantime, we will continue to back the best partners and to manage our cash flow profile carefully to ensure that there is never any pressure to sell good assets at bad prices to fund the mission.

Figure 4 Evolution of asset allocation (%)



The percentages exclude foreign exchange overlays and derivatives. Public markets include public equities, equity index and commodity futures and options. In addition to 1, 3, 5 and 10 year comparatives shown above, 2005 and 2008 years are included to highlight the evolution of the asset allocation prior to the financial crisis.

Figure 5 Evolution of asset allocation, directly and indirectly managed (%)



The percentages exclude foreign exchange overlays. Directly managed includes ETFs (when held), and all equity and commodity derivatives. In addition to 1, 3, 5 and 10 year comparatives shown above, 2005 and 2008 years are included to highlight the evolution of the asset allocation prior to the financial crisis.

Figure 6 Investment asset allocation as of 30 September 2024

	2024 £mn	2023 £mn	2024 %	2023 %	One year return to Sep 2024 %	One year return to Sep 2023 %
Cash & Bonds	**3,865**	**3,328**	**9.8**	**8.6**	**1.3**	**1.5**
Public equity & Equity long/short hedge funds	**16,785**	**16,622**	**42.6**	**43.1**	**13.0**	**8.2**
Public equity	14,726	14,618	37.4	37.9	13.6	9.7
Directly managed public equity	9,790	9,734	24.9	25.2	11.6	9.3
Global compounders basket	9,120	9,171	23.2	23.8	10.3	9.6
Other	670	563	1.7	1.4		
Indirectly managed public equity	4,936	4,884	12.5	12.7	17.4	10.5
Equity long/short hedge funds	2,059	2,004	5.2	5.2	8.4	(2.0)
Absolute return	**2,815**	**2,758**	**7.1**	**7.2**	**0.7**	**0.5**
Absolute return hedge funds	2,200	2,222	5.6	5.8	1.0	1.2
Other absolute return funds	615	536	1.5	1.4	(0.8)	0.2
Private equity	**12,639**	**12,805**	**32.0**	**33.2**	**(2.6)**	**(10.4)**
Buyout funds	3,945	4,022	10.0	10.4	(3.4)	(2.0)
Venture funds	6,572	6,660	16.7	17.3	(4.3)	(16.6)
Direct private	167	254	0.4	0.7	(22.2)	2.7
Private co-investments	1,955	1,869	4.9	4.8	8.3	(1.5)
Property & Infrastructure	**3,318**	**3,074**	**8.4**	**8.0**	**1.2**	**(2.6)**
Net overlay assets	38	(25)	0.1	(0.1)		
Total investment portfolio value gross of bond liabilities	**39,460**	**38,562**	**100.0**	**100.0**	**5.4**	**0.7**
Bond liabilities	**(1,896)**	**(1,791)**	**(4.8)**	**(4.6)**	**10.0**	**(4.2)**
Total investment portfolio value	**37,564**	**36,771**	**95.2**	**95.4**	**5.2**	**0.9**

Performance figures provided from custodian where available. Asset class performance figures are not additive.

Since September 2017, equity and commodity derivatives have been shown separately as notional exposures, with futures offsets included in other liabilities. Net overlay assets comprise foreign exchange overlays and the related cash collateral amounts due to counterparties.

A reconciliation of the 'Total investment portfolio value' to the amount as reported in the Consolidated Balance Sheet is included in note 15(g).

Figure 7

Public equity and Equity long/short net returns (%)
Period to 30 September 2024

	Annualised return in GBP (%)				
	1 year	3 years	5 years	10 years	Since Sept 2008
Directly managed public equity	11.6	3.0	6.5	9.8	11.7
Global compounders basket	10.3	4.3			
Indirectly managed public equity	17.4	1.8	7.6	9.1	10.0
Public equity	**13.6**	**2.8**	**6.8**	**9.6**	**10.4**
Equity long/short hedge funds	**8.4**	**(2.7)**	**5.1**	**8.2**	**9.2**
Public equity & Equity long/short hedge funds	**13.0**				
MSCI AC World	20.4	8.8	10.8	12.0	11.5

In addition to 1, 3, 5 and 10 year comparatives shown above, returns since Sept 2008 are included to highlight the performance since a large portion of the public equity exposure has been directly managed (see Figure 5 for Evolution of asset allocation, directly and indirectly managed).

Figure 8

Top 10 direct public equity holdings
As of 30 September 2024

Rank 2024	Rank 2023		Total value £mn	Total value US$mn	Return on cost GBP (Inception dates differ)
1	1	Amazon	495	663	1.8x
2	4	Visa	493	662	1.5x
3	7	Apple	488	654	21.2x
4	3	Microsoft	483	647	10.6x
5	5	Alphabet	448	601	11.0x
6	6	HDFC Bank	432	580	1.6x
7	2	Nestle	428	574	1.9x
8	9	Linde	399	536	1.8x
9	12	Berkshire Hathaway	362	485	4.7x
10	8	Novartis	352	472	2.4x
			4,380	**5,874**	

Top ten direct public equity holdings represent 29.7% of total public equities.

Internally calculated returns on costs to September 2024 do not include performance while held as private companies, where applicable.

Public equity

During our financial year, global equity markets (MSCI ACWI) delivered a total return of +20.4% in GBP (+32.3% in USD), well ahead of our expectations (and those of most observers) at the start of the period. As in the previous year, the rally was broad-based across major developed markets. In the USA, the S&P 500 benchmark was up +24.1% (total returns in GBP, as are all the index returns that follow) while the tech-heavy NASDAQ rose +26.2%. In Europe, the Eurostoxx 50 returned +18.6% and the FTSE 100 +12.4%. In Japan, the Topix rose +10.7%. Developed markets performed better than emerging markets, which suffered from another year of weak equity returns from China (despite a sharp bounce in September) and currency weakness in Latin America.

The dominance of the USA in global equity indices and the concentration of returns within a relatively small group of stocks within US markets has reached levels not seen since the era of the 'nifty fifty' in the late 1960s and early 1970s. The USA currently accounts for well over 60% of the market capitalisation of MSCI ACWI, but just 26% of global GDP, much lower than in the 1960s, when the US accounted for as much as 40% of global GDP. The 'Magnificent 7' stocks, comprising the largest technology shares, rose around twice as much as the S&P 500, which created a strong headwind for all active managers.

Equity market volatility remained subdued for most of the year, except for a dramatic but short spike in early August, caused by a disorderly appreciation of the Japanese yen, which temporarily spooked all markets. The VIX Index of the expected volatility of the S&P 500 started and ended the year slightly below the average level of the past decade. While market volatility has been stable, the measured volatility of our portfolio has fallen sharply (Figure 3), largely due to much lower volatility in PE valuations.

We believe that public equity investments should be the default liquid asset in an unconstrained global portfolio such as ours. The long-term returns from global equities have historically been high enough over very long periods to meet our return thresholds and the inflation protection characteristics of equities are attractive in a world of fiat currencies. However, shorter-term performance can be extremely volatile, which can lead to challenging periods in an equity heavy portfolio.

The return on our public equity and equity long short composite was +13.0% (Figure 7, 2023: +8.2%), well above the return required for us to maintain the real value of the portfolio. Within this, our long only public equity composite returned +13.6% (2023: +9.7%) and our equity long short hedge funds returned +8.4% (2023: -2.0%). Our focus is always on absolute not relative returns. However, we are acutely aware that over recent years, a passive strategy would have provided a superior return to our actively managed portfolio. The unfortunate fact is that neither our internally managed portfolio of public equities nor our external managers as a group have kept pace with MSCI ACWI since 2020.

We have long had plenty of exposure to large technology companies (Figure 8), several of which we have owned since we first started investing in equities directly in 2008. However, we have become increasingly wary of the size of this exposure as valuations have become more stretched. We have therefore been consistently reducing our holdings as markets have risen. This resulted in overall exposure to public equities decreasing slightly to 37.4% over the year (Figure 4), despite returns to liquid assets outpacing those on our private portfolio.

One of the virtues of owning companies directly is that it enables us to have meaningful engagement with management teams and boards about issues that might affect their licence to operate. Engagement is one of the key reasons why we prefer active to passive management and is something the team takes seriously across the whole portfolio, not just in public equities. Figure 8 shows our largest direct public equity holdings – a complete list of the companies we own directly is available to view on our website, as are details of our approach to responsible investment and stewardship. £9.8 billion or 58% of the equity and equity long short composite is internally managed and last year delivered a +11.6% return (2023: +9.3%). The proportion of total portfolio assets managed in-house remained roughly flat over the year (Figure 5).

The largest internally managed portfolio is the £9.1 billion Global Compounders Basket (GCB), which is a concentrated portfolio of large cap global stocks, designed to deliver strong long-term absolute returns by investing in businesses with secular tailwinds. It is, by design, diversified across different themes such as e-commerce and electronic payments, cloud computing, steady growth consumer staples and healthcare companies, and financial inclusion in emerging markets. Short-term performance issues have led us to overhaul our research and portfolio management processes, which has led to us exiting some lower conviction positions, but we have not lost sight of the long-term nature of this portfolio. Since we started investing directly in public equities in September 2008, our internal portfolios have compounded at +11.7%, slightly ahead of global equities. Nearly 40% of the companies held in the GCB at year-end have been held in the portfolio since September 2008. We have added no new stocks this year.

After the GCB, the next largest group of directly owned positions are co-investments that were made as private companies and that we continue to hold once they have gone public. The largest of these are USA-based food delivery companies DoorDash and Instacart, both of which performed strongly over the year. Our private co-investments have seen considerable growth in recent years, so this part of the portfolio could see new additions when the IPO market returns to normal levels of activity. We are generally indifferent as to whether we hold positions as private or public companies, although we look for a return premium for the inherent illiquidity of private equity. Our other directly held position is UK-listed life sciences company Syncona, which has had another poor year in share price terms and remains at a deep discount to its net asset value.

Our £4.9 billion portfolio of outsourced equity managers had a better year, returning +17.4% (2023: +10.5%). There was a wide range of outcomes, reflecting the varied asset classes in which these managers invest. Our best performing manager, a UK small cap specialist, returned +25%, one of four managers with returns above +20%. One manager delivered flat returns over the year and is no longer part of the portfolio after an extended period of poor performance and organisational issues.

Figure 9a **Illiquid asset net returns (GBP) (%)**
Period to 30 September 2024

	Annualised return in GBP (%)			
	1 years	3 years	5 years	10 years
Absolute return hedge funds	1.0	11.0	9.7	8.9
Other absolute return funds	(0.8)			
Absolute return	**0.7**			
Buyout funds	(3.4)	3.9	7.9	11.2
Venture funds	(4.3)	(5.9)	13.9	19.6
Direct Private	(22.2)	4.5	38.5	16.7
Private co-investments	8.3	0.2	27.0	25.2
Private equity	**(2.6)**	**(2.0)**	**12.8**	**15.0**
Non-residential property	1.9	2.8	9.8	9.3
Residential property	(0.3)	3.3	2.7	2.3
Property & Infrastructure	**1.2**	**3.0**	**6.8**	**6.0**
MSCI AC World	20.4	8.8	10.8	12.0

Figure 9b **Illiquid asset net returns (USD) (%)**
Period to 30 September 2024

	Annualised return in USD (%)			
	1 years	3 years	5 years	10 years
Absolute return hedge funds	11.0	10.8	11.6	6.9
Other absolute return funds	9.0			
Absolute return	**10.6**			
Buyout funds	6.1	3.8	9.4	8.9
Venture funds	5.1	(6.0)	15.9	17.3
Direct Private	(14.5)	4.3	40.8	14.5
Private co-investments	19.1	(0.0)	29.2	22.8
Private equity	**7.0**	**(2.2)**	**14.8**	**12.9**
Non-residential property	12.0	2.6	11.7	7.2
Residential property	9.6	3.1	4.4	0.4
Property & Infrastructure	**11.2**	**2.9**	**8.7**	**4.0**
MSCI AC World	32.3	8.6	12.7	9.9

The strength of sterling presented a strong headwind to the equity long short portfolio, which is dollar denominated and overwhelmingly invested in US stocks. This group of managers had a decent year but did not keep up with long only positions. There was a tighter spread of outcomes than in recent years, with six managers producing returns above +20% in USD. The only significant position not to deliver double digit USD percentage returns was one of two legacy positions that are in run off mode as the mandates have been terminated. This portfolio returned +8.4% in GBP (2023: -2.0%).

Absolute return

The role of absolute return funds in the portfolio is to deliver a reliable stream of USD returns from a range of sources, with low correlation to equity markets. Typically, this £2.8 billion group of funds will have exposure to fundamental equity market neutral, credit, event driven, commodities, fixed income, and activist positions. Our broad expectation for this group of funds is a high single-digit USD return over the long term, delivered with a high degree of consistency. We therefore would not expect them to be top of our performance tables except in years of negative returns to equity markets such as 2022. It is always helpful to have some assets that point in different directions, even in a portfolio that is deliberately dominated by real assets.

Following a team reorganisation during the year, our absolute return hedge funds are managed by the same Active Manager Selection Team that now looks after our outsourced long only managers and equity long short managers. The aim is to produce a consistent long-term return that at least matches our overall return hurdle net of all fees. In practice, we look for a premium to the 4% real overall target return to compensate for illiquid hedge fund structures where we have no control over decision making.

Over the year, the absolute return portfolio produced an +10.6% USD return, which translated into +0.7% in GBP (2023: +0.5%). There was a relatively tight range of outcomes ranging from mid-single digits to mid-teens in USD. GBP strength was a powerful headwind over the year, but over the past three years, a period when currency movements have cancelled each other out, our absolute return hedge funds have returned around +11% a year in both GBP and USD, with the best performing fund delivering over +20% a year.

Private equity

Private equity (PE) forms an important part of our portfolio, comprising £12.6 billion, or 32% of our gross assets. There are three components to this exposure. Venture capital funds (VC) aim to access, at the earliest possible stage of development, novel business models and disruptive technologies or therapies that have the potential to produce outsized returns. Buyout funds seek to generate returns above those available in public markets by managing businesses away from short-term pressures imposed by public markets, making bolt-on acquisitions to build platform companies, and appropriate use of leverage. Our direct private portfolio seeks to take on concentrated or single asset positions, predominantly as co-investments alongside our most trusted investment partners.

PE has been an important driver of long-term returns (Figures 9a and 9b). However, over the past two years, returns from PE have significantly lagged those available in public markets as frothy PE valuations from the 2020-21 period have adjusted downwards. Public and private equity are simply different ways of accessing underlying corporate earnings so, over the long term, both are subject to the same economic forces that drive corporate profitability. However, while the prices of public equities change rapidly with market sentiment and liquidity flows, PE valuations are typically only adjusted quarterly, based on recent transactions, public market comparisons, and business fundamentals. There are therefore long lags and the success or otherwise of any individual PE investment is only ever really known once it has been realised.

The flurry of excitement around PE witnessed in recent years has now subsided, and activity is currently very muted in terms of new investments, realisation of old investments and new fund-raising. We view this correction as very healthy for the long term in that much of the capital attracted into PE during this period of inflated expectations was probably not well suited to the illiquidity that is inherent in the asset class. It can take many years to realise PE investments, especially investments in early-stage VC funds, which can easily remain in portfolios for 20 years. This timeframe puts the annual performance figures in Figures 9a and 9b into their proper context.

It is more meaningful to consider PE performance through the lens of multiples of invested capital and realisations, which is presented in Figure 10. The multiple achieved on all PE funds from before 2017 (having completed their investment periods) is 2.0x. Over the life of our investment in PE, which dates back over 25 years, both VC and buyout funds have distributed back to us substantially more than the total we have invested, while over £10 billion of net asset value remains. VC funds have achieved 2.2x returns (including very young and immature funds) while buyout funds have so far delivered 1.5x. PE investing has therefore been highly rewarding over the years, but it requires patience and staying power.

Over the past decade, our VC funds have delivered annualised returns approaching +20% despite being an average of nearly -15% a year behind public equities for the past three years. Our preference has always been to invest in VC at as early a stage as possible. This is because the greatest optionality comes from investing with great partners in innovation at a point where significant stakes are obtainable in potential category killers for a relatively modest investment. This combination is difficult to find but provides the greatest chance of financial outcomes that can make a real difference. It is also the stage in company formation where there is the highest likelihood of company failure, which is a fact of life in VC. However, we are fortunate to have a group of VC partners who have a proven track record of building world-class companies and thereby producing excellent net returns for investors. It is not for the faint-hearted but has been a powerful driver of Wellcome's growth over many years. This asset class, more than any other, has shown persistence of returns for the very best managers, which means that building and maintaining relationships with those managers over many years is the key to success.

Returns from our stable of buyout funds have not exceeded those from public markets over the past decade, which is disappointing but, in part, reflects the weighting towards relatively large commitments made in recent years that have yet to mature and deliver value. Our focus has historically been on larger buyout funds that have sufficient capacity to accept large enough cheque sizes to make a difference to our portfolio. However, the team has recently made significant efforts to cast the net slightly more widely and build up relationships with somewhat smaller, more nimble managers. The tendency of large buyout managers to list themselves on public markets has not generally been a welcome development as it creates different incentives – public market valuations are highest for predictable income streams from management fees, driven by bigger, more diversified fund offerings. The best investment outcomes have tended to come from more focused managers whose financial objective is to maximise carry (performance fees from successful investments) rather than management fees.

Our direct private investments have delivered a healthy premium to PE fund returns, driven by our growing book of co-investments. As the PE market has become tougher in recent years, many more recent investors have become reticent about making new commitments. Difficulties raising new funds and more expensive debt have also changed the dynamics of deals, creating the need for larger equity cheques from smaller funds. This has created an opportunity for investors like Wellcome, who have preserved their liquidity and have the necessary appetite for illiquidity, to increase direct participation in PE through co-investments. At the end of September, we had grown our private co-investment portfolio to £2.0 billion, more than double its size five years previously. This exposure is spread across more than 50 deals, all but four of which remain private, providing significant potential for future returns.

The portfolio of direct private investments made without a co-investment partner has been shrinking by design in recent years, and at £167 million is now only just over half its size five years ago. These investments have made good financial returns over the past decade, with annualised returns of +16.7% driven largely by a few substantial winners such as biotech company Kymab (now owned by Sanofi). However, this is a hugely resource intensive business and we do not have the scale to pursue this type of investment strategy in a systematic way with sufficient confidence in being able to repeat this success. As the portfolio has become more concentrated, outcomes become more binary: the -22.2% markdown in 2024 (2023: +2.7%) was driven by a valuation markdown in a single legacy investment.

Property, infrastructure and asset-backed operating companies

Wellcome invests in property to generate equity-like long-term returns with less cyclicality, resilient cash flow generation and strong inflation protection. Property can also offer optionality from development on a multi-decade view for patient investors with a sufficiently extended time horizon. Investments in high-quality property assets with little or no leverage carry a very low risk of permanent loss of capital. It is the only asset class in our portfolio where we have a strong home country bias, given the resources required to manage physical property – all our directly owned property is in the UK.

The effect of more realistic interest rates in the UK is still feeding through the property market, as are repeated shocks from Brexit, e-commerce, and changes in working patterns that have been accelerated by Covid-19. The overall portfolio delivered a small positive return of +1.2% over the year (2023: -2.6%). Over the past decade, returns have been better, although relatively weak outcomes from our residential portfolio have capped the overall performance at +6.0% a year.

The return on our residential property was -0.3% (2023: -0.8%) although underlying operating performance of our rental portfolio, and in particular the South Kensington Estate that forms the largest part of our residential exposure, has been very strong. Rental growth has been good, and voids are extremely low. However, super-prime London residential property has been held back by the impact of Brexit (large numbers of overseas residents), political uncertainty and, more recently, the potential impact of changes in the tax rules surrounding non-domiciled UK residents.

Residential valuations are largely a function of market evidence, and appetite from buyers has been weak. Ironically, we have ourselves provided some evidence to valuers of weak prices by buying strategically placed properties at attractive rental yields to add to the portfolio. In the long term, the South Kensington Estate is an irreplaceable asset that remains a core holding in the portfolio, despite short-term weakness. We continue to invest to improve the estate and are currently undertaking a major office redevelopment scheme in Pelham Street.

Our non-residential property returned +1.9% over the year (2023: -3.8%), reflecting widely varying changes in the valuation of different assets. Operating performance at Premier Marinas has been on budget with strong underlying cash flows. We have continued with both development work and new acquisitions that have made Premier the leading marina business in the UK. It is also now Europe's largest undercover dry stack operator following the acquisition of Trafalgar Wharf. Urban&Civic also made an important and keenly priced acquisition during the year in the form of L&Q Estates, which has augmented Urban&Civic's strategic land

Figure 10 Private equity fund net returns (multiples)
Inception to 30 September 2024

	Drawn (£mn)	Realised (£mn)	Net Asset Value (£mn)	Total Value to Drawn
Buyouts	8,912	9,865	3,945	1.5x
Venture	6,034	6,657	6,572	2.2x
All Private equity funds <=2018	10,408	16,009	5,292	2.0x
All Private equity funds >=2019	4,538	513	5,225	1.3x
All Private equity funds total	**14,946**	**16,522**	**10,517**	**1.8x**

Total Value equals Realised plus Net Asset Value. Total Value to Drawn gives a measure of return on invested capital. Funds of vintage years 2018 and earlier have generally finished their investment period.

development capability and given critical mass to the land promotion division. U&C is well placed to benefit from the new UK government's focus on large-scale housing developments.

A major focus of the team this year has been on the expansion project at the Wellcome Genome Campus in Cambridgeshire. This will triple the size of existing scientific facilities and provide housing with priority access for campus staff and ancillary facilities. We have formed a new 100% subsidiary group to manage the campus, including both the existing site, home to the world-renowned Wellcome Sanger Institute and European Bioinformatics Institute, and the expansion land. We have attracted a high-quality management team supported by a capable and experienced operations staff, who are now focused on delivering the project. Construction work is underway, and the first phase of the new project should be complete in 2026-27.

The combination of development work and new acquisitions has meant that our property portfolio has been cash flow negative. This has been a deliberate policy of investing heavily through a difficult period in the market when many other investors have been retrenching, with the objective of having the highest possible quality portfolio when the market eventually recovers.

Portfolio overlays, currency, regional and sectoral overview

The impact of currency movements has been to depress GBP returns over the past two years. This year, GBP continued its recovery against USD, rising from $1.22 at the end of September 2023 to $1.34, a +9.9% increase. As the currency has recovered, we have continued to reduce the size of the USD hedges we initiated in 2022, locking in meaningful cash gains in the process. At the end of the year, we still had currency hedges in place into GBP equivalent to just under 5% of gross assets. The effect of reducing hedges was that GBP exposure net of currency hedges stood at 17.3% at year-end, down from 19.8% in 2023 (Figure 11). USD exposure (including explicitly linked currencies) increased to 64.0% (2023: 57.8%) partly due to reduced hedges but also due to meaningful outperformance from US investments.

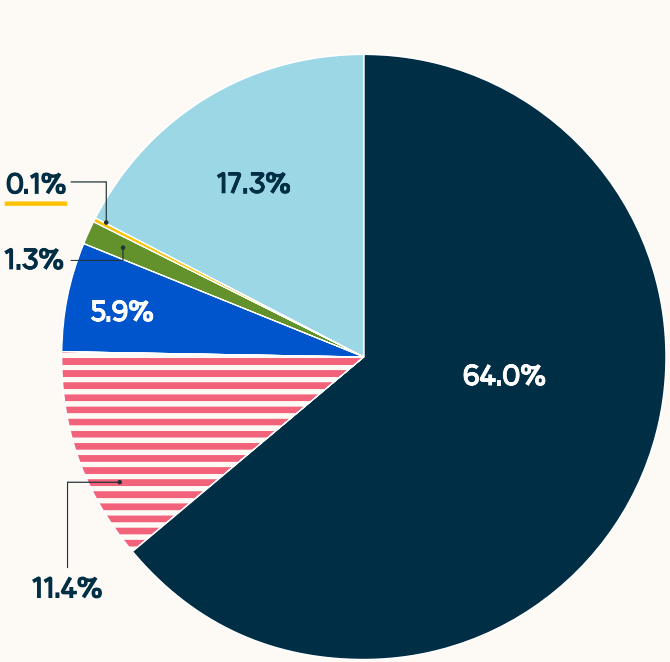
Asian currency exposure has reduced significantly from 10.3% in 2023 to 5.9% due to a combination of asset sales, underperformance and new hedges implemented during the year into GBP from the offshore Chinese yuan. Exposure to Asian public and private equities has also been reduced to 14% of total equity exposure (2023: 17%) through asset sales and poor performance. Our broad equity portfolio remains heavily weighted to the USA despite reductions in positions in US technology shares through the year.

Cash management has been an important focus due to the increased size of our cash holdings at 9.8% (Figure 4, 2023: 8.6%) and the scale of the interest income available. We appointed a second cash manager during the year and have been enjoying real yields after inflation of up to 3% in both GBP and USD, which are the currencies in which we hold most of our cash deposits. The short-dated US and UK government bonds in which we invested last year at attractive rates relative to cash have largely now expired and a similar opportunity does not currently exist, so the proceeds have been added to our regular cash deposits.

We did not use any equity futures or options during the year in our overlay book. Public equity exposure (including equity long short) remains in the lower half of our internal ranges, which we continue to believe is appropriate given our substantial private equity exposure and the aggressive market recovery since 2022.

The market value of our bond liabilities increased this year to just under £1.9 billion (2023: £1.8 billion) due to slightly lower prevailing long-dated interest rates. All these bonds will eventually be repaid at face value so there will be a drag on net asset value from current levels. However, given the long duration of most of our bonds, this will be spread over many years. We did not issue any new debt or repay any maturing bonds during the year – our next bond expiry is not until 2027.

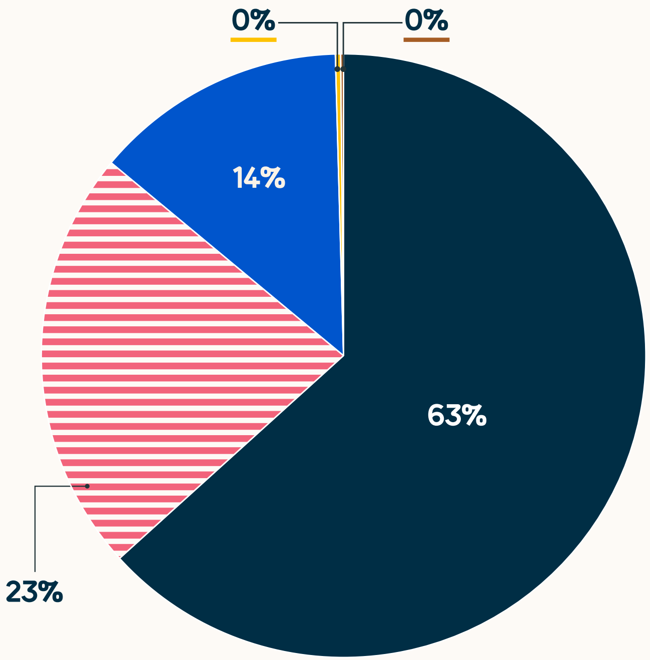
Figure 11 Currency allocation (net of currency forwards)
As of 30 September 2024



- US dollar & linked currencies
- Total Europe
- Total Asia
- Total Commodity*
- Other
- Pound sterling

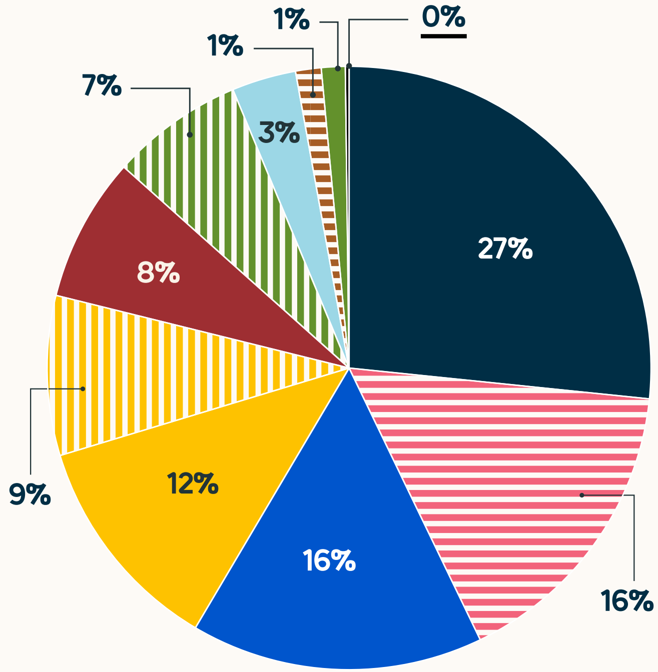
*Currencies of countries with significant exposure to commodities and natural resource industries, excluding currencies which are directly linked to the US dollar.

Figure 12 Public and private equity regional exposure
As of 30 September 2024



- Americas
- Europe
- Asia/Pacific
- Africa
- Middle East & Other

Figure 13 Public and private equity sectoral exposure
As of 30 September 2024



- Information Technology
- Financials
- Health Care
- Consumer Discretionary
- Industrials
- Communication Services
- Consumer Staples
- Materials
- Real Estate
- Energy
- Utilities

Investments net zero strategy - progress report

This past financial year has been a turbulent period for global progress on the transition to a lower carbon economy. After initial momentum seen with target-setting in 2021 and 2022, companies are now working through the real-world operational complexities and financial implications of decarbonisation.

Our net zero approach remains unchanged, and we are focused on working with the managers of our assets to strengthen their resilience in the face of climate risks. Decarbonisation is a multi-decade process, and progress year-on-year will be hard-fought.

We have maintained our approach of encouraging our assets to align themselves to a 1.5-degree scenario, which we see as important for their long-term resilience and ability to protect returns over the coming decades. Engagement remains our focus, where we communicate our views with the managers of our assets, while ensuring that we listen to their needs and concerns to create a productive dialogue.

Our bottom-up method of measuring the percentage of Gross Asset Value with net zero targets is a proxy to track the forward-looking trajectory of the portfolio, and highlights where areas of potential risk may arise. This approach allows us to concentrate our efforts on companies that are yet to set targets or, where they have been unable to get their targets validated, to help us assess the level of conviction in their ability to navigate climate change risks.

The proportion of the portfolio covered by a net zero target continues to grow year-on-year. We currently only count targets for our public equity and property assets due to data challenges elsewhere in the portfolio; this year, 36% of portfolio Gross Asset Value is covered by a company-declared net zero target, up from 35%. This incremental increase is largely a function of public equity market strength this year (which contributes to most of the target coverage), and an increase in value of certain property and public equities assets which have adopted or progressed their net zero target work.

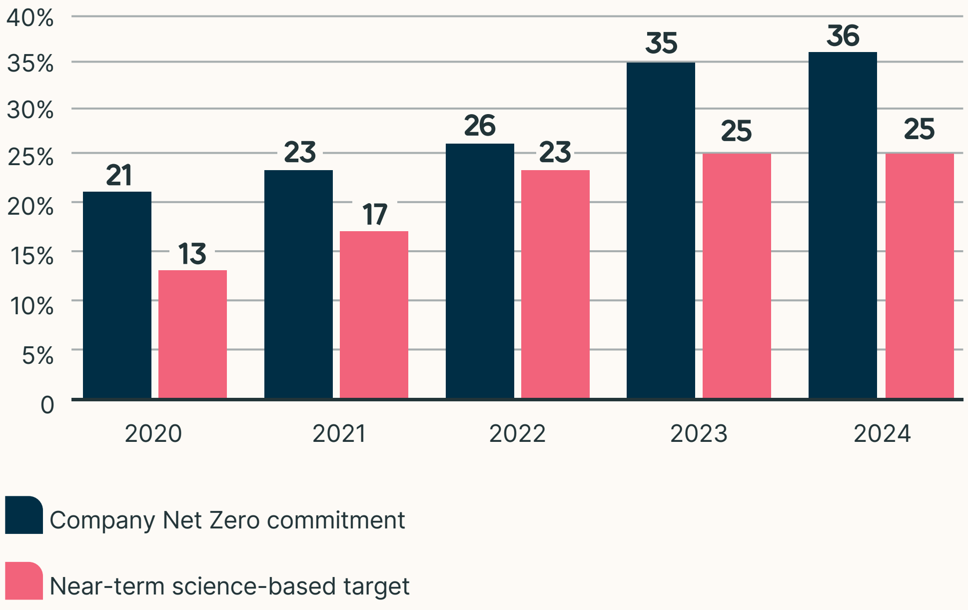
The percentage of the portfolio with a near-term science-based target has remained flat, and we have seen a slight drop in the portfolio percentage covered by a net zero science-based target due to a couple of public equity companies we hold losing their science-based target net zero status over the past year. Science-based targets (SBTs) are aligned to the Paris Agreement goal of keeping the temperature rise to a maximum of 1.5°C above pre-industrial levels, and are verified by the Science Based Targets initiative (SBTi). We have engaged with these companies and have conviction that they remain steadfast in their commitment to decarbonise. This is an area we continue to monitor as best-practice debates evolve and as companies navigate the numerous challenges of long-term target setting.

36%

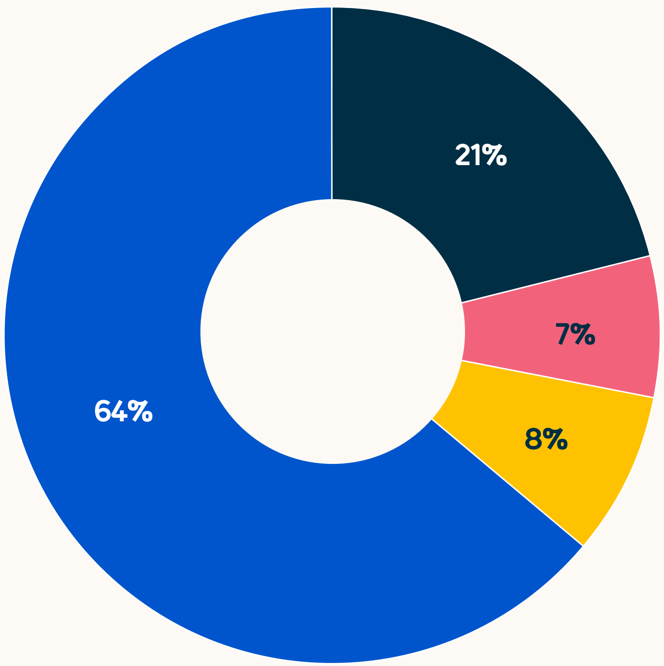
2023: 35%

Of portfolio Gross Asset Value is covered by a company-declared net zero target.

Gross assets with climate targets
% gross assets (by value)



Company-reported net zero commitments
% gross assets (by value)



The majority of our directly owned, listed public equity companies have already set targets, as has a significant portion of the public equity company exposure we own indirectly. All property holdings within our control have also set targets. Our focus is now on assessing how companies are progressing versus their goals. In the private portfolio it is encouraging to see increasing numbers of Buyout portfolio companies and SMEs incorporate climate risk into their decision making, set targets and consider how they can better align themselves to a 1.5-degree pathway.

Our expectations for smaller, private companies are different to those for larger, public companies due to variations in company size, maturity, resource capacity, and regulatory requirements. We continue to work with our private equity partners to learn how to best support underlying fund holdings and share best practice across the portfolio.

Direct equities

Indirect equities

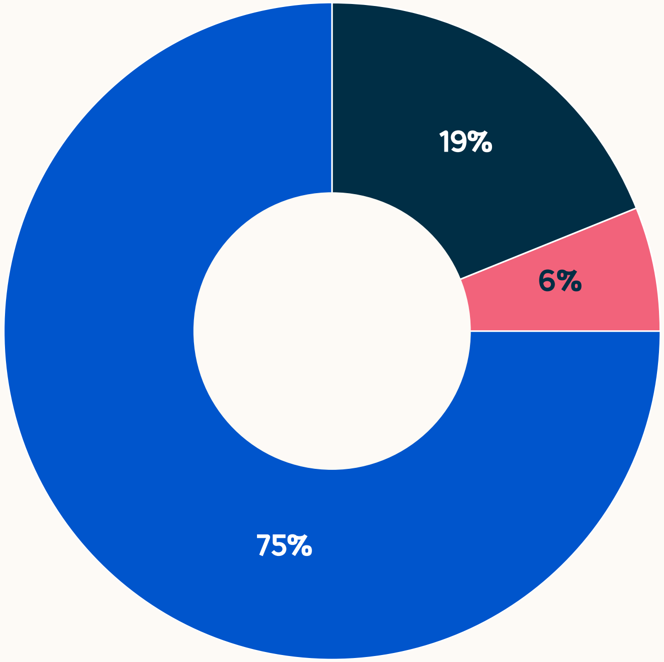
Property

No commitment

For science-based targets, we include those with targets set and verified by SBTi and those that have made a commitment to SBTi to set a science-based target

Certain information in the charts in this section is sourced from MSCI - see the disclaimer on page 63.

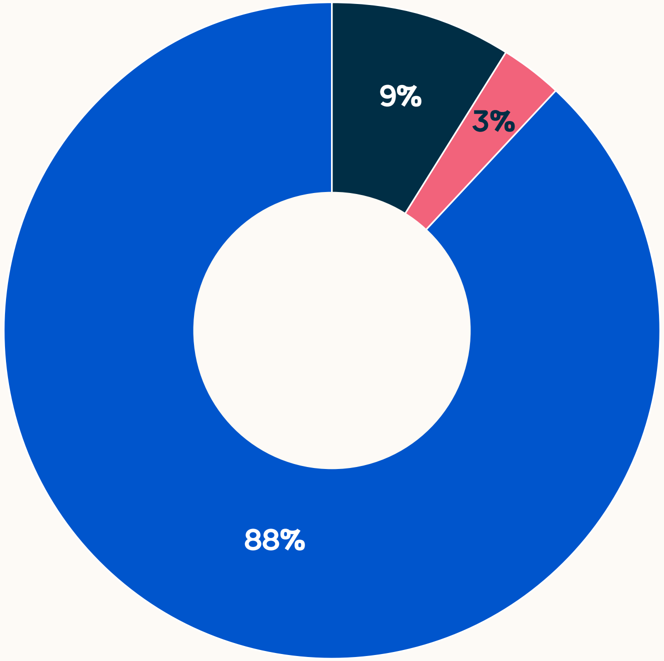
Near-term SBTi targets
% gross assets (by value)



Direct equities
Indirect equities
No target

For science-based targets, we include those with targets set and verified by SBTi and those that have made a commitment to SBTi to set a science-based target.

SBTi net zero targets
% gross assets (by value)



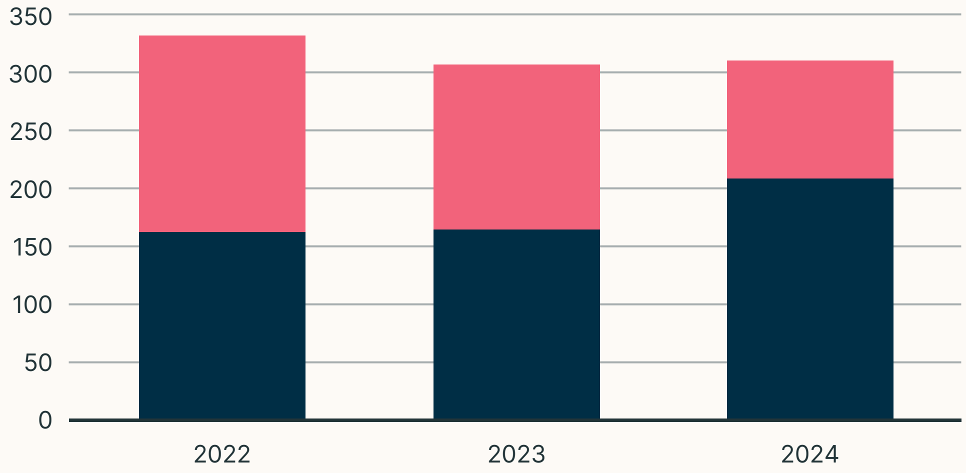
Direct equities
Indirect equities
No target

We began a best-effort measurement of our carbon footprint in 2019, and publicly shared our net zero ambition in 2021. We view our carbon footprint as a proxy indicator and use it to help inform our engagement efforts regarding company energy transition plans. Emissions measurement continues to evolve, and it should be recognised that there are various carbon footprint measurement methodologies, and a high reliance on estimation.

Our methodology follows the Partnership for Carbon Accounting Financials adopted by MSCI. MSCI numbers may change modestly due to timing lags in carbon data reporting.

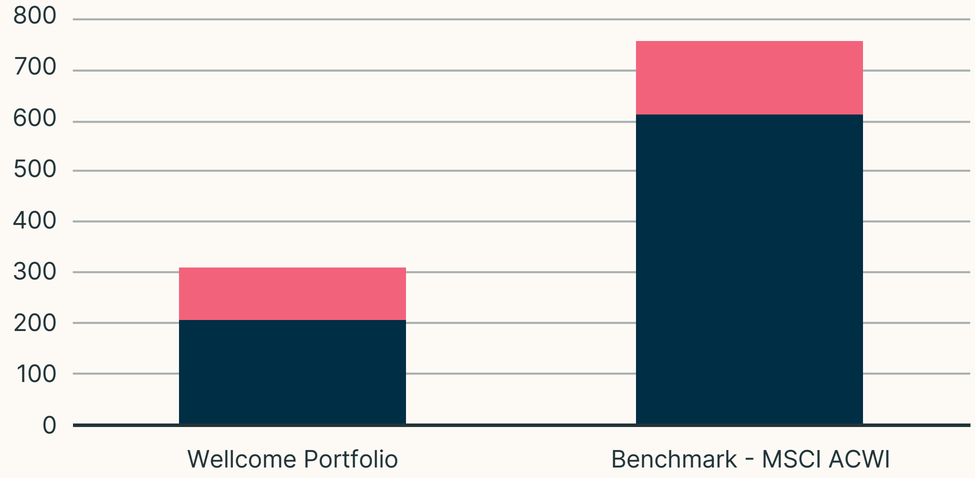
Carbon footprint reduction since 2019 has been largely driven by portfolio composition changes. Our public equity strategy has shifted towards more non-cyclical industries, and therefore away from often more carbon intensive cyclical companies. However, it is important to highlight that this does not directly equate to a real-world reduction in carbon emissions.

Public equities emissions - Scope 1 and 2 ($ktCO_2e$)



Scope 1 Scope 2

Public equities carbon footprint vs benchmark 2024 ($ktCO_2e$)



Scope 1 Scope 2

Carbon footprint data calculated using best available data at each financial year-end. Data adjusted to include estimations of uncovered positions. Methodology has changed from last year and now follows the Partnership for Carbon Accounting Financials.

We continue to assess the levers that are available for our underlying companies and assets to reduce their emissions on an absolute basis and manage climate risks. These include greater adoption of renewable energy, improved energy efficiency capabilities, more widespread awareness of physical risks (e.g. water scarcity and land degradation) and increasing focus on supplier and customer engagement on net zero ambitions. A new area of focus is how the development of generative AI is impacting portfolio emissions. AI model training and inference is highly energy and carbon intensive, and use of AI is encouraging greater data centre build out from hyperscalers. While this largely leads to an increase in Scope 3 emissions, which is not included in our carbon footprint measurement currently, we are actively assessing how relevant companies in the portfolio are thinking about the climate-related risks that come with the AI opportunity.

Aside from individual company engagement, we have joined collective investor engagement initiatives. This year we were part of the 2023-2024 CDP Non-Disclosure Campaign, which sent requests for greater environmental disclosure to 1,998 high impact companies, and the 2023-2024 CDP Science-Based Targets Campaign, which asked over 2,100 companies to set science-based targets.

We have also maintained our commitment to sharing best practice and knowledge with our peers and are members of several asset owner groups focused on net zero, including the Institutional Investors Group on Climate Change, the Wellington Climate Leadership Coalition and other asset owner networks. We often leverage expertise within the IIGCC and continue to contribute towards working groups and discussion papers on climate change-related topics.

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Financial Review

Overview for the year ended 30 September 2024

	2024 £mn	2023 £mn	Change £mn
Investment activity			
Income	477	475	2
Expenditure	(173)	(171)	(2)
Investment gains/(losses)	1,559	(178)	1,737
	1,863	**126**	**1,737**
Charitable activity			
Income	92	67	25
Charitable expenditure before discounting and foreign exchange	(1,577)	(1,702)	125
Discounting of grant liability	53	146	(93)
Foreign exchange revaluation of grant liability	71	66	5
Expenditure on charitable activities	(1,453)	(1,490)	37
	(1,361)	**(1,423)**	**62**
Net income/(expenditure) before tax	**502**	**(1,297)**	**1,799**
Taxation	(39)	12	(51)
Gains on defined benefit pension schemes	27	142	(115)
Net movement in funds	**490**	**(1,143)**	**1,633**

Portfolio net returns, a key performance indicator (see page 156) measured in GBP only until 30 September 2009. Measured in blended GBP/USD from 1 October 2009 recognising the global nature of our portfolio (see Figures 11 and 12) and the need to maintain global purchasing power. Wellcome's functional currency remains sterling.

Charitable activity

Income from grants, programme-related investment activity and Wellcome Collection was £92 million (2023: £67 million), including grant and contract income received by the Wellcome Sanger Institute.

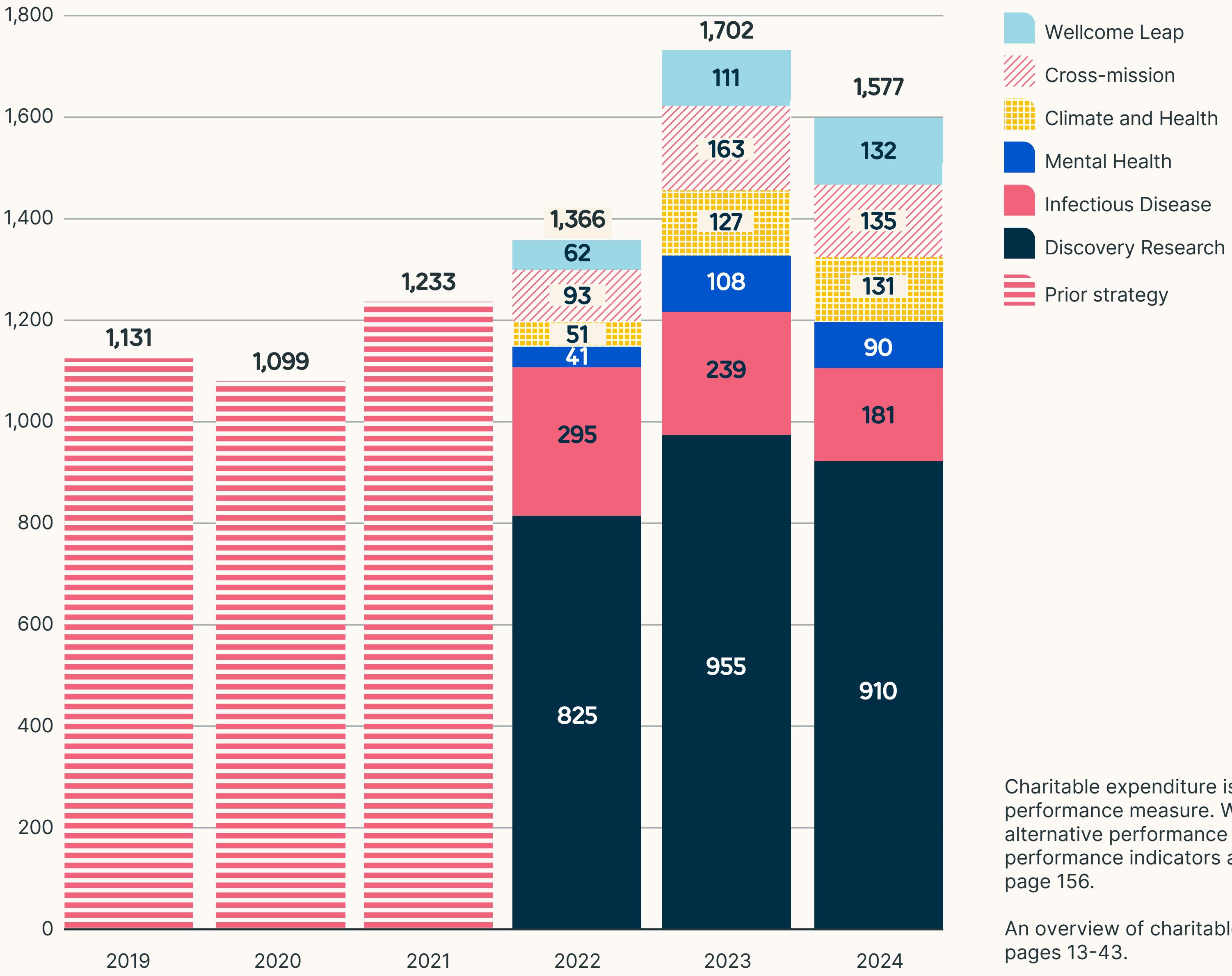
Charitable expenditure of £1,577 million (2023: £1,702 million) is lower than the previous year. This is due in part to the transition of leadership and in part to fewer major renewals of our largest funding commitments. It does not affect our plan to spend £16 billion on our mission between 2022 and 2032.

Investment activity

Our investment activity generated a net gain of £1,863 million (2023 £126 million).

Our portfolio returns this year are 5.2% in sterling (2023: 0.9%). Over the past 10 years, the portfolio has delivered a return +191% in sterling (2023: 220%). A full commentary is provided on pages 44 to 58.

Figure 1 Total charitable expenditure (£mn)



Charitable expenditure is an alternative performance measure. Wellcome's alternative performance measures and key performance indicators are detailed on page 156.

An overview of charitable activities is on pages 13-43.

Discovery Research

We awarded £411 million (2023: £405 million) across the three Discovery Research funding schemes, providing researchers at different career stages with the resources to address challenging research questions.

During the year we funded multi-year strategic activities in the UK and other countries, including £36 million awarded to the European Bioinformatics Institute, with the aim of consolidating and maintaining currently funded resources and deepening our partnership. We also awarded £16 million in follow-on funding towards UK Biobank's core award.

Wellcome continues to support its world-leading genomics subsidiary, the Wellcome Sanger Institute, with £130 million in funded spend in the year, an increase of £6 million compared to last year (2023: £124 million).

Infectious Disease

In 2023/24, we made significant contributions to our goal to accelerate the discovery and development of impactful products, interventions, and strategies to combat infectious diseases. Among them, we funded £20 million to our joint CEPI-Wellcome funding call addressing barriers to discovery and validation of reliable correlates of protection. We also funded £18 million to the University of Dundee for an anti-fungal early drug discovery programme, to deliver new pre-clinical anti-fungal drug candidates ,as well as £9 million to the Drugs for Neglected Diseases Initiative for the development of novel treatments for visceral leishmaniasis.

We committed funds to better understand how infectious diseases emerge or escape control. Here, we funded £6 million to the International Severe Acute Respiratory and emerging Infection Consortium to enable the network to continue and expand their work as a global clinical research network. We also funded £13 million into a joint Gates Foundation-Wellcome funding call on strengthening health and disease modelling for public health decision making in Africa, to use modelling approaches to understand the impact of environmental change on vector-borne diseases and the implications for vector control. We funded £7 million to St George's University in collaboration with Wits University to fund a phase 2a trial exploring combination therapy for the treatment and prevention of antifungal-resistant candida infections.

We continue to support the strategic initiative CARB-X to fight drug-resistant infections and contributed £22 million this year, an increase of £2 million from prior year (2023: £20 million).

Mental Health

We awarded £14 million in a funding call focused on finding the right treatment, for the right people, at the right time for anxiety and depression.

We also ran a funding call worth £37 million aimed at understanding mechanisms underpinning how anxiety-related disorders develop, are maintained and resolve, with focus on multiple levels of explanation or elucidation of mechanisms in low- and middle-income countries.

Climate and Health

£67 million was spent on advancing novel tools, methods and approaches to build the global climate and health research field (2023: £32 million).

We funded £52 million on activities aimed at capturing quantitative data on the effects of climate change on human health (2023: £48 million).

Less was spent on research into the health benefits of mitigation - £4 million in the current year (2023: £19 million) - as activities were largely moved to the next financial year.

Cross-mission

We undertake several activities that contribute to our mission as a whole. These include broad themes such as research environments, data, policy and advocacy, and translational work, as well as our Snakebites programme. These activities received a combined amount of £151 million, (2023: £141 million).

This year, we spent £20 million on Wellcome Collection, our free museum and library (2023: £22 million).

Wellcome Leap

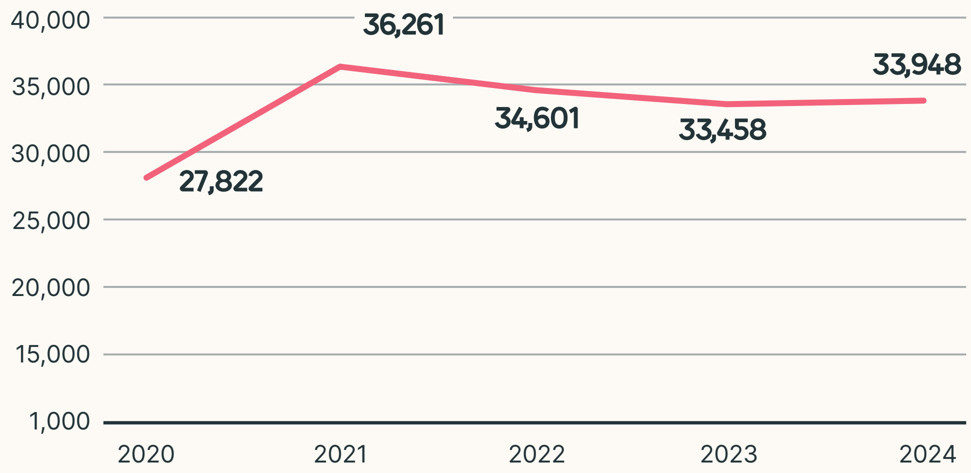
Wellcome Leap funds programmes that aim to deliver breakthroughs in human health over 5 to 10 years, with spending of £124 million this year, an increase of £13 million on prior year (2023: £111 million).

Total charitable expenditure includes allocated support costs of £116 million (2023: £119 million).

Figure 2 Total funds
at 30 September 2024

	2024 £mn	2023 £mn	Change £mn
Fixed assets	408	405	3
Investment assets	39,780	39,312	468
Net current liabilities	(1,070)	(1,374)	304
Long-term liabilities	(5,170)	(4,885)	(285)
Total funds	**33,948**	**33,458**	**490**

Figure 3 Total funds (£mn)
at 30 September 2020 to 2024



Charitable activity

Income from grants, programme-related investment activity and Wellcome Collection was £92 million (2023: £67 million), including grant and contract income received by the Wellcome Sanger Institute.

Macroeconomic factors

Prevailing inflation rates eased during the year (UK one-year CPI: 1.7%), leading to central banks starting to reduce interest rates. This has impacted the valuations of Wellcome's investment assets as detailed in note 2.

Sterling continued to strengthen against the US dollar during the year, affecting the investment valuations of overseas assets and continuing to reduce the cost of Wellcome's overseas grant funding.

Going concern and viability

The Board of Governors has reviewed the going concern assessment and concluded that Wellcome and its subsidiaries have adequate resources to continue to operate and to meet any commitments as they fall due for at least 12 months from the date of approval of this report.

The Board has reviewed the viability assessment of Wellcome and its subsidiaries over the five years to September 2029, and concluded that there is a reasonable expectation that there are adequate resources, including the strength to operate and sufficient liquidity, to meet the liabilities of the Group as they fall due over the period of their assessment and for the foreseeable future.

In making this assessment, the Board considered the significant risks laid out on pages 73 to 79, as well as the significant accounting estimates and judgements in note 2.

Notwithstanding the five-year viability period which has been driven by the cash flow forecast period, the Board conducted its annual review of Wellcome's funding approach, approving a planning assumption of £16 billion of charitable activity spend over 10 years. The Board previously noted investment portfolio risk as a key risk impacting Wellcome's resources and reviewed the impact on the value of the investment portfolio of that planning assumption combined with a number of negative investment environment scenarios, including 45% decrease in investment portfolio values followed by four-year recovery (the largest historical US public market drop over the last 50 years) and negative real investment returns due to sustained higher inflation.

The Board concluded that this level of spend is manageable over the medium to long term, supported by our investment portfolio.

However, sustained higher inflation would reduce the amount of charitable activities that can be funded from this level of spend and therefore Wellcome's impact over this period.

In addition to the investment return scenario planning, the Board previously approved the principle of supporting the £16 billion of charitable activity by spending down capital, if required, to the minimum endowment level in all but extreme market conditions. The minimum endowment level was updated to £28 billion during the April 2024 Board meeting.

We have also considered reverse stress test scenarios that would lead to Wellcome being unable to continue to operate in its current form. These stress testing scenarios consider the risk of decline in value of our net investment portfolio below the value of Wellcome's contractual liabilities of £5.6 billion, comprising third party liabilities, provisions, pension deficits and commitments, combined with non-contractual but expected grant commitments of £3.2 billion. The net investment portfolio exceeds these liabilities by £28.8 billion at the balance sheet date.

In addition, we define a minimum level for the net investment portfolio to sustain our planned charitable expenditure. The net investment portfolio exceeds this threshold by £10 billion as at the balance sheet date.

Moody's and S&P each confirmed that Wellcome maintained its triple-A rating in their annual assessments.

Financial planning

The financial planning process set out an overall planning assumption of £16 billion of charitable activity over 10 years to 2032.

Adopting a longer-term planning horizon enables Wellcome to sustain its long-term commitments while maintaining flexibility in allocating resources to time-sensitive initiatives. This approach also ensures that the net investment portfolio remains at or above the minimum level required to support Wellcome's ongoing charitable activities (see 'Reserves policy' on the next page). With the second year of the 10-year plan concluded, the budget for the third year was approved by the Board in September 2024, setting out an ambitious programme of work. The 10-year plan includes flexibility for Wellcome to allocate funding to meet the goals in our Discovery Research and Solutions-focused programmes as opportunities arise.

The ongoing process of identifying opportunities and reallocating funds within the 10-year plan will continue throughout its duration. This year, the medium-term outlook was reviewed as part of this effort, leading to updates and refinements in the plan. 'Charitable activities' represent funding that we commit to, which is recognised in the year in which the grant is awarded. However, payment in cash of many of these commitments will be made over many years, so charitable cash payments in any one year will include amounts relating to grants awarded in prior years.

Reserves policy

The reserve balance, equivalent to Wellcome's consolidated net assets, at 30 September 2024 is £33,948 million (2023: £33,458 million). Our funding methodology defines a minimum level for the net investment portfolio of £28 billion (in real terms as at April 2024) required to support the £16 billion planning assumption. This level is subject to annual review by the Board of Governors and the planning methodology is discussed on page 68.

The reserves are almost all unrestricted but certain awards made by other funders to the Wellcome Sanger Institute are subject to specific conditions and are therefore restricted in their use. These amounted to £16 million at the end of 2024 (2023: £17 million).

Pensions

The Wellcome Group provides employees with the opportunity to participate in a defined contribution scheme, and for employees who joined prior to April 2016 defined benefit schemes which are closed to further accrual.

The group's two defined benefit pension schemes (the Wellcome Trust Pension Plan and the Genome Research Limited Pension Plan) were in surplus of £256 million as at 30 September 2024 (2023: £219 million surplus). The plans' surplus has increased this year due to the increase in discount rates linked to increased corporate bond yields and reductions in inflation assumptions leading to overall actuarial gains in the year.

More detail on the pension schemes is given in note 11(e) on page 185.

Investment policy

Our assets are invested in accordance with the wide investment powers set out in Wellcome's constitution and within our investment policy. The investment policy is reviewed periodically by the Investment Committee (page 96), who recommend it for the approval of the Board of Governors.

We invest globally and across a very broad range of assets and strategies. It is our policy not to invest directly in companies that derive material turnover or profit from tobacco or tobacco-related products or vaping products. We take stewardship of our assets very seriously and consider many factors before we invest.

As well as a sound and sustainable business model, we must be confident that the companies and funds we invest in take their environmental, social and governance responsibilities seriously.

Risk management

This year, we have evolved our approach to risk management, reflecting Wellcome's growing risk maturity as an organisation and also the direction set by new leadership. We have placed a stronger emphasis on aligning the risk management framework with our mission and objectives, to ensure we address the most significant risks to our strategic programmes, while also taking the right level of risk to pursue opportunities.

We worked closely with the Executive Committee and the extended executive group to develop a risk taxonomy tailored to Wellcome. This structure enables leadership and stakeholders to identify and prioritise the organisation's top risks more effectively. Additionally, we are in the process of refreshing Wellcome's risk appetite with the Board of Governors, establishing clearer boundaries through risk tolerances and triggers that ensure decision making takes place within our defined limits. Looking forward, we will continue to enhance and evolve our risk reporting, which will provide greater assurance to our key stakeholders on how risks are being managed, and enable both management and risk owners to prioritise emerging issues as they arise.

This has led to a greater risk awareness across all levels of the organisation and we expect the benefits of the new risk management framework to include:

- **Focus on what is most important**: sharper focus on priorities, concentrating on critical risks and opportunities
- **More confident decision making** using a risk-based approach to make quicker and well-informed decisions
- **Clear operating standards**, ensuring our processes are aligned with our defined risk appetite, providing consistency in how risks are managed across the organisation
- **Greater process efficiency**, streamlining our processes using a risk-based approach, directing resource to where it is most needed
- **Enhanced levels of accountability**: clearer articulation of risk ownership including differentiating between responsibility and accountability
- **Continuous improvement**: implementation of centralised Risk Events reporting to capture the lessons learnt from any operational risk events and near misses to help us refine our approach over time

Risk governance

The Board of Governors is ultimately responsible for the oversight of Wellcome's risk management systems, which is exercised through the Audit and Risk Committee. Key roles and responsibilities are set out in the risk management policy and formal terms of reference are in place for all governance committees which ensures clear accountability for managing risks.

Wellcome's subsidiaries take responsibility for risk management within their respective entities, but we recognise that the decisions and activities of our subsidiaries may impact indirectly on Wellcome's reputation. To address this, we have strengthened our approach to oversight by establishing Group minimum standards, which are being rolled out as a formal set of expectations to be applied to Wellcome and all of its subsidiaries.

Three Lines of Defence

Wellcome has adopted the 'Three Lines of Defence' model, commonly used by organisations to define responsibilities for managing risks.

First line – internal controls

Management is responsible for risk management and the design and implementation of internal controls. Wellcome's internal controls system provides the Board of Governors with assurance that the organisation is operating within the desired risk appetite, and that the opportunity for a material misstatement or loss is minimised.

Department leads and risk owners regularly review controls and their effectiveness. The Executive Committee (ExCo) and the extended executive group (EEG) review internal operational and financial controls annually and confirm the operating effectiveness of those controls to the Audit and Risk Committee and the Board of Governors.

The Board, ExCo and EEG review regular financial reporting, monitoring actual activity against forecast, investment performance and risk reports. The Investment Committee reviews regular investment performance and risk reports.

Second line – risk management framework

Our Risk and Compliance functions are principally entrusted with the responsibility to provide independent advice, oversight and challenge to ensure that risks are identified, assessed, managed and mitigated effectively across the whole organisation.

- **Advice:** To provide expertise, guidance and support to internal controls the development and implementation of Wellcome's functional policies and operating standards, and risk management policies, procedures and frameworks, in order to increase confidence in management decision making.
- **Oversight**: To monitor and report on Wellcome's risk profile, emerging risks and trends to senior management and the Board of Governors; and to ensure compliance with applicable laws, regulations and internal policies related to risk management.
- **Challenge:** To independently assess and challenge risk management processes and controls to ensure they are adequate and effective in managing risks within risk appetite.

Third line – internal audit

Wellcome maintains a dedicated in-house Internal Audit function, supported by co-source partners who provide specialised skills to enhance the capabilities of the internal team.

Internal audits are conducted according to a risk-based internal audit plan, in line with the Internal Audit Charter. The plan is reviewed and approved by the Audit and Risk Committee, who also oversee its delivery.

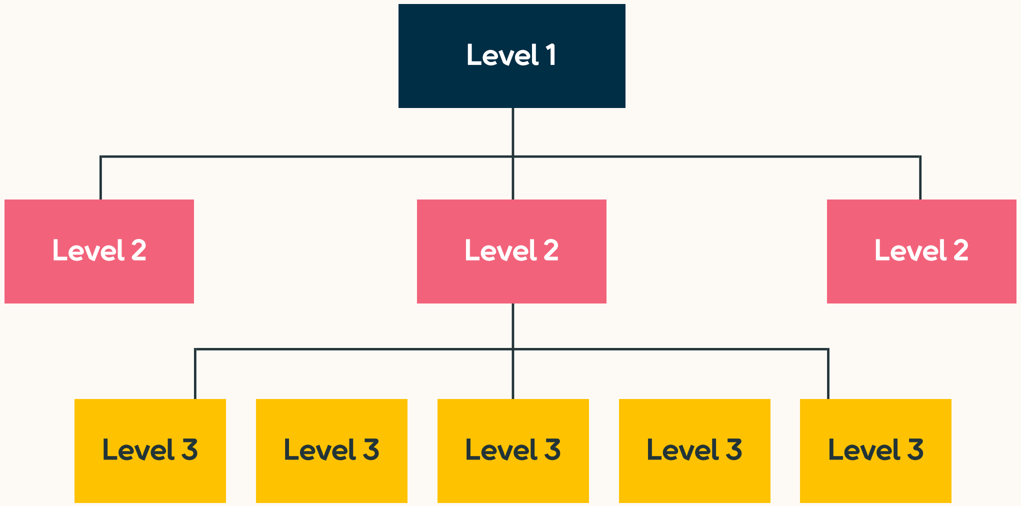
Annually, an internal audit opinion is presented to the Audit and Risk Committee. In December 2024, the opinion affirmed to continued maturation of the control environment within Wellcome and its subsidiaries.

The Internal Audit team was awarded Outstanding team - third sector, and was highly commended for Development of internal audit best practice at the 2024 Chartered Institute of Internal Auditors Audit and Risk Awards.

Risk taxonomy

We have aligned our risk management framework with our strategic goals by creating a comprehensive risk taxonomy categorising our risks into Levels 1 (Enterprise level), 2 (Functional level), and 3 (Team/ Activity level).

Wellcome's risk taxonomy



These are the principal risks to Wellcome. They are strategic and enterprise-wide in nature..

These are typically functional risks and are those which have the biggest impact on our principal risks.

These are teams or activity level risks and are typically operational in nature. They are subordinate to Level 2 risks and may align to more than one Level 2 risk.

Principal risks

Investment	Operational	Reputational	Strategic	People

We have redefined our biggest risks, now termed principal risks, simplifying the language to make them clearer and more closely aligned to Wellcome's mission and objectives. These are set out below, together with some of the more significant Level 2 risks that impact most on our principal risks. While Level 2 risks are important, individually they are unlikely to cause Wellcome to fail.

Risk	2024 description	How we manage these risks
Investment Risk – we cannot fund the mission	There is a risk that the investment portfolio may lose value due to adverse market movements, high inflation, poor liquidity management, or permanent loss of capital at the individual asset level. The returns on our investments fund our charitable activities, and any loss in value will mean there is less money available to support our work. To maximise our returns and increase funds, we take a portfolio approach and invest in a broad range of asset classes. Level 2 risks that contribute to Investment Risk include portfolio, liquidity and credit risks.	• A high-quality, well-resourced investment team actively managing the endowment. • The portfolio is invested in a diversified range of assets with limits around asset allocation, ranges and position sizes, as set out in our Investment policy. • A regular review of forecast cashflows and the liquidity profile of all investments to ensure we are able to meet our funding obligations and operational needs at all times. Minimum liquidity requirements for our investments portfolio are set out in our Investment policy; • Details of how we consider credit, liquidity and currency risks, including quantifications of those risks, are set out on pages 210 to 214 respectively. • Net zero targets are considered as part of the licence to operate framework - (see pages 59 to 63). • Risk appetite has been set and is reported against to the Investment Committee. • Clear guidelines enshrined in our Investment policy, which is regularly reviewed by the Investment Committee and approved by the Board of Governors. Accountability: **Chief Investment Officer** Oversight by: **Investment Committee; an independent Investment Risk function**
Operational Risk – our processes prevent us from doing what we say we will do	There is a risk that our internal approaches, processes or systems may fail, preventing us from carrying out mission-critical activities such as investment, finance, payroll and grant management. Our focus is to ensure we have the right tools and systems, robust processes and controls in place to support our objectives; however we recognise that our operational approach must also be flexible and agile in order to support our shifting needs. Level 2 risks that contribute to Operational Risk include funding operations, investment operations, financial operations and cyber risks.	• Well-resourced and experienced teams across the whole operational structure, including Finance, People, Legal, Digital and Technology, that operate under the guidance of the Chief Operating Officer, alongside robust and independent Second and Third Line functions. • A focus on effective risk management and strong operational resilience. • Robust processes in place, supported by high quality tools and systems. • Operational approach is agile, allowing for quick adaptation and responsiveness to shifting needs and challenges. Accountability: **Chief Operating Officer** Oversight by: **Audit and Risk Committee; Board of Governors**

Risk	2024 description	How we manage these risks
Reputational Risk – we lose our credibility and legitimacy to do (and say) the things we want to	There is a risk that our actions are perceived by important stakeholders to be inconsistent with our mission, vision, values and beliefs, undermining our credibility and authority. We always seek to limit this risk of a 'say-do' gap. There is a further risk that we encounter criticism due to our willingness to say and do things that are unpopular or controversial. We believe that such actions can sometimes be essential to our vision of a healthier future for everyone, and as an independent foundation, we are often better placed than aligned organisations to accept these risks. Therefore, we are willing to take this kind of risk if the benefits are likely to be significant, and if the position or action is consistent with our mission, vision, values and beliefs. Level 2 risks that contribute to Reputational Risk include those around how we do our work investing in research, influencing change and engaging people. Other key Level 2 risks include legal and compliance, environmental, social and governance, and equity, diversity and inclusion risks.	• Specific definition and recognition of reputational risk as a principal risk with clear risk appetite and tolerances. • A 'say-do' approach is taken, ensuring our policies and actions align with our mission, vision, values and beliefs before decisions are taken. • Reputation risk training and guidance to ensure staff can identify potential reputational risks, and know when and how to escalate them for senior or specialist advice and attention. • Working with a diverse range of partners who align with our mission, vision, values and beliefs, as well as our established standard funding terms and conditions. • Thorough due diligence on partners is conducted, recognising that our reputation is shaped not only by our actions but those of our partners. • Financial risk assessments are regularly conducted to ensure that our funding is directed at the appropriate recipients and used for its intended purpose. • Continuous monitoring and oversight. Accountability: **Chief Executive Officer; Executive Director of Corporate Affairs and Engagement** Oversight by: **Board of Governors**

Risk	2024 description	How we manage these risks
Strategic Risk – we don't have the right strategy to effectively deliver the mission	There is a risk we fail to achieve our mission if we do not pursue potentially transformative projects or if our strategic programmes are unclear, unambitious or not on a large enough scale. We recognise the need to take an equitable approach to funding science, integrating a wide range of perspectives in order to tackle unique health challenges. Level 2 Risks that contribute to Strategic Risk include strategic programmes and equity, diversity and inclusion risks.	• Specific definition and recognition of reputational risk as a principal risk with clear risk appetite and tolerances. • Ambition is aligned with clearly defined risk appetite, while ensuring our minimum standards are met to manage our reputation (see Reputational Risk above). • Clear strategic objective to focus our investment in research on areas where it will have the greatest potential impact, recognising that, as an independent charitable organisation, we have both the opportunity and responsibility to take risks and fund initiatives that others cannot. • Clear structure around Strategy department with oversight by CEO and Board of Governors. • Strengthened Strategy team now part of the CEO Office, with clearer accountability for impact measurement. • Establishment of Executive Committee that is focused on strategy, and the development of the Equity department to deliver on equity, diversity and inclusion commitments; • Development of programmes reporting into the Executive Committee, to ensure strategic oversight. Accountability: **Chief Executive Officer** Oversight by: **Board of Governors**

Risk	2024 description	How we manage these risks
People Risk – we don't have the right people with the right capabilities (capacity, skills, knowledge and behaviours) to deliver the mission	There is a risk that we may not have the right number of people with the necessary capabilities to effectively deliver our mission. Additionally, we may lack the agility to adapt to shifting priorities. We recognise the importance of enhancing our leadership and organisational culture, as well as supporting the health and safety of our teams and everyone we engage with. Level 2 Risks that contribute to People Risk include capability and capacity risks.	• Continuous monitoring to identify and address gaps in skills and resource. • Regular review of the Wellcome offer, designed to attract and retain the best talent. • Robust recruitment policies in place to ensure we hire people with the appropriate skills and experience, taking into account our equity, diversity and inclusion commitments. • Established performance management review policies and processes in place. • Succession planning in place for key roles. • Relaunched Employee Voice architecture including Pulse surveys designed to ensure staff feedback is heard and acted on. • Strong health and safety policies and protocols in place for all staff, partners and visitors. • Leadership development plans are being developed. Robust People dashboard with three years of trend information to support and inform prioritisation and decision making. Accountability: **Chief Operating Officer; Chief People Officer** Oversight by: **Board of Governors; People and Remuneration Committee**

External risks

Our principal risks are internal to Wellcome and can be managed directly by implementing robust and effective policies, processes and controls. In addition, we have considered external risks to the organisation.

External risks (previously referred to as emerging risks) are uncertainties that arise outside Wellcome and have the potential to impact our mission and long-term objectives. External risks are often influenced by factors beyond our immediate control. While we cannot directly manage these risks, it is critical for us to have identified them and have mitigation plans in place to minimise the potential impact on our mission.

We have refreshed our approach to identifying external risks, recognising that these continually evolve and require a dynamic response. Taking into account insights from external industry sources, leaders across the organisation identified and prioritised the following external risks, together with associated mitigation plans.

External risk	Description	How we manage these risks
Inequity in health and in research	The effects of persisting and rising global inequalities in relation to achieving our vision of a healthier future for everyone; our ability to make progress in our solutions-focused programmes, in particular for communities most affected; and for the benefits of science we support to be shared globally (including equitable access to interventions funded by Wellcome). To deliver our mission we are developing equity goals that require us to change the way we inject support into systems that are not always currently mature enough to either cope with them at scale or deliver value and outputs that are required to meet our goals. To meet our health equity goals and support communities most affected to lead and drive research, there is a risk that the surrounding research infrastructure, ecosystems and capacity of lower-resourced settings will be a limiting factor to the potential delivery, impact and uptake of research we fund. Global inequities that affect research ecosystems we aim to work with will pose operational risks to the delivery of funding, support, partnerships and measures of impact. The capacity and skills needed deliver more equitable support in differently resourced settings and geographies may impact the scale of delivery by Wellcome.	We are developing an Equity Framework and International Roadmap to support the delivery of our mission that will enable us to be responsive to global inequalities that affect health and research equity and directly address these across our modes and methods. We have defined our scope to be considerate of socioeconomic inequality but not to attempt to directly address this ourselves as a social determinant of health. We recognise this therefore limits our ability to manage this risk (and therefore accept this) as influencing socioeconomic inequality on a global scale or at national scales is outside of our mission. We continue to look for ways to strengthen our approach on equitable access to interventions funded by Wellcome: • We continue to assess and evolve our approach to risk tolerance in differently resourced settings. • We will ensure open and transparent communication and expectation setting with partners in differently resourced settings. • Our incorporation of equity goals into Wellcome's mission and measuring of impact will support brave and transformative decision making in funding differently resourced settings.

External Risk	Description	How we manage these risks
Geopolitics	Geopolitical issues may contribute to a more challenging environment in which to progress our mission over coming years: a rise in populism and nationalism, declining multilateralism, and tensions on trade and security. These may make it more challenging to secure focus on the issues Wellcome cares about. They could also limit progress in specific areas, for example, reduced commitment on climate action, insufficient funding for global health actors, or disproportionate regulation that stifles research collaboration.	We will keep the geographic focus of Wellcome's influence work under review to ensure we are deploying this resource for maximum impact. We will continue to engage with leading countries in global health and science, such as the USA. We will continue to drive substantive reforms to ensure the global health financing architecture is more efficient, effective and equitable.
Financial sustainability of UK research	UK universities are significant partners in delivering our mission, and face acute financial pressure. There is an increasing gap between the full economic costs of research and the funds provided to support academic research through the dual support system. This is particularly evident for charity-funded research. High inflation, increased national insurance charges, insufficient financing for domestic students and reduced income from overseas students have exacerbated an already fragile funding model. Uncertainty and potentially failure of institutions will create an unstable research environment which is unattractive to career researchers, and which risks our mission.	We continue to advocate for the UK Government to increase investment in research and make a high-level case for a sustainable approach to university funding. Financial risk to Wellcome of institutional failure is mitigated through payment of grant funds in arrears, and the ability to transfer funds if necessary to other institutions with continuing support of researchers.
Misinformation and disinformation, and trust in science and philanthropy	Digital and social media and an increasingly polarised public sphere have driven an unprecedented proliferation of false and misleading information, including about science and health. At the same time, trust in many institutions and in science have been declining in high-income countries. Both trends are being exacerbated by artificial intelligence, and present a significant risk to efforts to place rigorous evidence at the heart of medical science and health policy. There is also a risk that prevailing political opinions among our staff and close stakeholders mean that we: a) fail to understand the motivations of people or administrations with differing priorities, philosophies or ideologies b) miss opportunities to further our mission through alternative approaches	We run the Wellcome Global Monitor to understand public trust in science and health at a global scale. We seek to make the research and technology we support more trustworthy, for example through integrating ethical considerations, and involving affected communities and people with lived experience to ensure needs are met. We develop and support innovative initiatives to build trust in science and health. We communicate effectively about the research that we support.

External Risk	Description	How we manage these risks
Climate Change	Climate-related risks, both physical (such as extreme weather events) and transition (such as disorderly policy change), are becoming increasingly material in a warming world. For Wellcome this includes the impacts of climate change on the scale and scope of the health challenges our mission is aiming to tackle; the effectiveness of the research and solutions we fund; and the resilience of our enabling functions including operations and investments.	With the assistance of an external consultant, we conducted an assessment to identify and catalogue a range of key climate risks which have the potential to affect our strategic programmes, operations and investments. Currently, there are varied degrees of maturity across functions in how these risks are managed. To address this, risk owners and the Risk team will review how best to address climate risks and ensure these are integrated in the local approach to risk and in our corporate risk register where appropriate. In addition, we mitigate our own climate impact by taking measures to reduce the carbon emissions related to our activities (see pages 90 to 91).

Environmental, social and governance

Wellcome's biggest impacts are the contributions we make to solving urgent health challenges and advancing discovery and solutions, creating positive social benefits for people and communities globally.

We also consider our broader social and environmental impacts on people, society and the planet. This includes the opportunity we have as a global funder to advance equity and environmental sustainability in the research sector. It is also how we manage our own operations, whether that's reducing our carbon emissions or becoming a more inclusive employer.

It is important that we work sustainably to continue making an impact now and in the future. The Board of Governors has ultimate responsibility for ensuring that Wellcome's contributions meet the needs of the present without compromising the ability of future generations to meet their needs. This understanding of sustainability applies as much to social and governance issues as it does to environmental ones.

This year we developed and adopted a strategic framework to manage environmental, social and governance (ESG) impacts, risks and opportunities for the Wellcome Trust and across the wider Wellcome Group, which includes our charitable and investments subsidiaries, including Wellcome Leap Inc, Premier Marinas and Urban&Civic. Our approach is supported by a group-level ESG committee and informed by a materiality assessment we conducted this year.

Our strategic approach

In order to maximise our impact, we focus our resources where it matters. To validate our ESG priorities we conducted, with the help of external consultants, a group-level ESG materiality assessment. This process used peer benchmarking and stakeholder consultation to assess the importance of different ESG topics, considering both the impact we can make on society and the environment, and the risks and opportunities to Wellcome's ability to deliver our mission.

The findings of our materiality assessment (page 82) reflect the nature of our mission and impact, with the topics of 'Global health challenges' and 'Discovery and Solutions' ranking top, followed by 'Equity, diversity and inclusion' and 'Environmental sustainability', as two topics critical to the successful delivery of both our mission and our operations.

We translated the findings of our materiality assessment into priorities (see page 82), which reflect how Wellcome creates impact and is exposed to ESG risks across three tiers of activities: our mission, how we deliver our mission, and our operations.

Our mission

We support science to solve the urgent health challenges facing everyone. Our biggest impact is the positive social benefits generated by this mission for society: creating a healthier future for everyone by helping to solve global health challenges and driving discovery and innovation.

How we deliver our mission

Equity and environmental sustainability are critical considerations for research to continue being innovative and fit for the future. As a global funder we have a unique opportunity to use our leadership to help our partners make health research more inclusive, equitable and environmentally sustainable, either through our approach to research funding or supporting the sector to develop its ambition and the tools to deliver it.

Our operations

In addition to equity, diversity and inclusion and environmental sustainability, our approach to conduct and ethics, digital safety and privacy, and ESG considerations in how we manage our investments are all essential to our operational effectiveness, good practice governance and compliance, and successfully managing risk.

To focus our resources where it matters, we are reviewing our ambition levels across ESG topics and activities. We are also developing an approach to manage ESG risks and opportunities effectively and proportionately across the Wellcome Group. A starting point is new ESG standards we developed this year for the Group, which reflect the responsible business practices that Wellcome wants to achieve as a group and to which it will hold itself and its various direct entities accountable.

Findings of our ESG materiality assessment

Due to the charitable nature of our mission, environmental, social and governance (ESG) impacts and risks span everything we do. Our materiality assessment identified equity, diversity and inclusion and environmental sustainability as our next ESG priorities after our mission's delivery, due to how critical they are to both the successful delivery of our mission and our operational effectiveness.

Our priority ESG topics:

Our mission

- Global health challenges
- Discovery & Solutions

Discovery Research, Wellcome Collection, Wellcome Leap, Climate and Health, Infectious Disease, Mental Health

How we deliver our mission

- Equity,diversity and inclusion
- Environmental sustainability

Our operations

- Conduct and ethics
- Heritage and conservation
- Corporate and governance
- Digital safety and privacy
- Responsible investment

We are prioritising our environmental, social and governance efforts based on the level of impact and risk across ESG topics identified through our materiality assessment. Our biggest impact and highest priority will always be the delivery of our mission, followed by how we deliver our mission in a sustainable, equitable and inclusive way. We also identified a shortlist of ESG topics essential to our operational effectiveness.

Our mission activities are governed through Wellcome's strategy and strategic programmes. Our ESG framework has an operational focus, to help better coordinate the delivery of operational ESG activities at Wellcome.

Nature of impacts and risks ● Primary ○ Secondary

	Activities/Programmes	Environmental	Social	Governance	
1. Our mission The positive benefits for society generated by our mission's delivery, addressing global health challenges and driving discovery and solutions. Discovery Solution	Discovery Research	○	●		Wellcome Strategy
	Wellcome Collection		●		
	Wellcome Leap		●		
	Climate and Health	●	●		
	Infectious Disease		●		
	Mental Health		●		
2. How we deliver our mission ESG activities critical to the successful delivery of our mission and operational effectiveness.	Equity, diversity and inclusion		●	○	ESG Framework
	Environmental sustainability	●		○	
3. Our operations ESG activities essential to our operational effectiveness and managing risks.	Conduct and ethics		○	●	
	Heritage and conservation		●	●	
	Corporate governance			●	
	Digital safety and privacy		○	●	
	Responsible investment	●	●	●	

Environmental

The world is facing a climate emergency, and it is a health crisis as much as an environmental one. Wellcome has an important role to play addressing this crisis through the delivery of our mission, investing in research at the nexus of climate and human health; through our leadership as a global funder for the health research sector; and by addressing the environmental impacts of our operations.

We need to lead by example and are at the start of a process to embed environmental sustainability considerations in everything we do. We aim to reach net zero by 2030 for the scope 1 and 2 carbon emissions associated with Wellcome's direct charitable activities in the UK, and net zero by 2050 at the latest for the emissions relating to our investment portfolio. Delivering on our ambitions will require working closely with our partners to develop fair and equitable solutions to these shared environmental challenges.

Following last year's appointment of a senior leadership role to develop our approach to environmental sustainability for our operations, we have established and resourced a dedicated sustainability function, working as an internal centre of expertise to support the delivery of our ambitions. Over the last year we worked to better understand our baseline across a number of environmental performance indicators, in particular our scope 3 carbon emissions, and to identify priorities for action.

We have also started to formally identify the risks climate change could present to the delivery of our mission, our investments and our operations. This follows the framework set by the Taskforce on Climate-related Financial Disclosures (TCFD) and will help us to prioritise how we mitigate these risks. We will share more on our findings and progress next year.

Environmental impact

Impact through our mission

Our strategic programmes have important contributions to make in tackling the impacts of the climate crisis on health, such as increased mental health issues and spread of infectious diseases.

Our Climate and Health programme aims to put health at the heart of climate change action. This is both to motivate actions to mitigate and adapt to climate change, and to provide evidence of how different choices will affect people's health so that the most beneficial policies can be implemented.

We fund research to generate evidence for the health impacts of climate change and of actions taken in response to climate change, which can inform decision makers at local, national, regional and global levels.

We advocate for urgent climate change actions based on evidence of the health impacts already being felt around the world, and those that will get worse the higher the earth's temperature is allowed to rise.

Our Review of Charitable Activities on pages 33 to 34 has more examples of our work in Climate and Health this year.

Impact through our leadership

How research is conducted cannot be separated from the research itself. To deliver our mission now and in the future, we need to consider the environmental sustainability of the research we fund.

In April 2024, we published an environmental sustainability funding policy. The policy sets expectations for researchers and organisations funded by Wellcome to adopt environmentally sustainable research practices, ensuring that the research we fund is of high quality and aligned with our sustainability ambitions. We require applicants to consider how they can reduce the environmental impact of their research and we will pay for costs associated with more sustainable research. We also require institutions to have net zero plans and to provide resources and tools to support researchers reduce their environmental impact.

Wellcome, UK Research and Innovation, and more than 25 other leading funders and organisations across the UK research sector developed the Concordat for the Environmental Sustainability of Research and Innovation Practice. The concordat, launched in April 2024, sets a commitment for the UK research sector to work collectively to design and carry out environmentally sustainable research and innovation, and complements the expectations set out in our own environmental sustainability funding policy.

We are working with other major funders in the UK and beyond to explore how we can best coordinate our efforts in this space, to maximise our impact and facilitate the development and sharing of sustainable research practices across the sector.

Mitigating emissions for health impacts

We mitigate our scope 1 and business travel emissions by purchasing Gold Standards accredited carbon credits from the Sustainable Climate Impact Fund (SCIF). Their projects deliver clean and safe drinking water to local communities in Uganda, eliminating the need to burn firewood to boil drinking water, which avoids carbon emissions. Easy access to clean water also improves community health and socioeconomic wellbeing, especially for women and girls, by reducing water-borne diseases and allowing individuals to pursue economic and educational ambitions.

Impact of our operations

How we operate is part of our impact in the world, and we are committed to tackling the environmental impacts and carbon emissions of our own activities as part of our ISO 14001 certified Environmental Management System. We take a holistic approach, including our carbon net zero ambitions, the way we manage our resource use and the waste we generate, our approach to business travel, and the care of our collections.

Scope 1 and 2 carbon emissions

In 2023 we set an ambitious target to become net zero by 2030 for the scope 1 and 2 carbon emissions associated with our UK charitable activities. This is mostly the emissions associated with the energy we use for our office and museum buildings in London. This year we considered a range of options to deliver on our target, including our preferred option of upgrading these buildings.

We have since been working with specialised architectural and engineering consultants to scope and refine solutions to deliver a decarbonisation of our buildings. Our primary focus is to move away from using fossil fuels towards fully electric solutions for our heating needs, making the most of the fact we already purchase electricity from renewable sources such as wind and solar.

We continue to consider a range of options to reduce our energy consumption, including upgrades to our heating and ventilation systems and improvements in how we control them.

Scope 3 carbon emissions

We identified the carbon impact of our business travel as a priority for action, as it is an area within our control. While travel is an important tool to deliver our mission, connecting with others and building relationships, it is also one of Wellcome's biggest direct environmental impacts. We have started engaging with our people on the need to balance the benefits of travel against its carbon impact and are reviewing our travel policy to encourage the uptake of lower carbon options when travel is needed.

We worked with external consultants to estimate the scope 3 emissions associated with the research we fund, using financial data we hold on grants we award. We will use the findings of this analysis to better understand the carbon intensity of the different research activities we fund, and where best to focus our efforts to support emission reductions across our funding portfolio. Wellcome's funded research emissions are estimated to be in the region of 300,000 tonnes CO_2e. This high number directly reflects the overall value of the grants we award. While we have a much lower degree of influence over these emissions than we do on scope 1 and 2, we are committed to exploring how we can reduce these working in collaboration with the, sector.

We support initiatives across the investment sector, encouraging our partners to take actions to reach the target for our investment portfolio to be net zero by 2050 at the latest (see pages 59 to 63 for a detailed update on our investments net zero strategy). We are a member of the Institutional Investors Group for Climate Change, and we have been on the steering committee of the ESG Data Convergence Project in the private equity sector.

Social

The research Wellcome supports is a public good, contributing to the fundamental human endeavour to understand the world around us and helping to build a healthier future. Science is done by people and health affects everyone, so people are at the heart of all our work.

We help to create open, engaged, ethical and efficient environments for researchers to thrive in their work. Wellcome Collection, our free museum and library, brings public, cultural, historical and personal perspectives into our work. We are committed to becoming a more inclusive employer, funder, and museum and library, so that we can support science to solve the urgent health challenges facing everyone.

Success in Wellcome's mission relies on the efforts of many people and organisations, from those we employ directly to those we fund to do research, and including communities affected by the health challenges we are looking to solve. These relationships create obligations that we recognise not only as fundamental to achieving our goals, but also part of the social benefits that stem from our work.

The Equity, Diversity and Inclusion Committee previously chaired by our Chief Executive Officer has been superseded by the Executive Director, empowering the Executive Director, Equity, and their new departmentt. We also benefit from an advisory group of external associates.

In 2024, we began a three-year action plan to progress towards becoming anti-ableist. This work will cover employee policy, senior leader learning, all-staff learning, and research funding. See page 88.

The social impacts and activities of our charitable and investment subsidiaries will be considered as part of the work of the Wellcome Group ESG committee.

Social impact

Impact through our mission

We maximise science's benefits for people's health by funding excellent research from discovery to impact, working with others across society, around the world, to develop, test and implement sustainable, evidence-based interventions that work for the people who need them.

Our Review of Charitable Activities (pages 13 to 43) has more examples of work this year to achieve our mission.

Wellcome's work impacts society directly and indirectly, so we work with a broad range of people – including those with lived experience of health challenges and those from marginalised groups – so that everyone can connect with, contribute to and benefit from science's potential. For example, this year we launched our new Accelerator Awards scheme to support researchers from Black, Bangladeshi or Pakistani heritage in the UK to progress their careers (see page 39).

Wellcome Collection is one way in which we engage public audiences. We seek out opportunities for people to contribute different forms of knowledge and understanding towards a healthier future, give voice to a radical imagination of what health is and what it could be, and make meaningful connections between different perspectives of health past, present and future.

Impact through our leadership

The way that Wellcome works and the decisions we make have impacts beyond the people who directly help us achieve our mission. This includes our suppliers and contractors, and especially the wider research community. In the past, we have unintentionally contributed to some negative aspects of research culture; now we strive to have a positive impact on the people we fund and the wider community. When assessing applications for Wellcome funding, our criteria include contribution to a positive research culture. See page 92 for data relating to grants we made this year.

Support for researchers we fund includes:

- Grant extensions for various reasons, including illness.
- Disability-related support for applicants and members of our advisory committees.
- Requirement for institutions we fund to have formal procedures in place to prevent bullying and harassment, discrimination and research misconduct.
- Funding on every grant for researchers to undertake training supported by their institution.
- Expectation of organisations we fund to pay everyone working on a Wellcome grant at least the real living wage.

Impact through our operations

Wellcome employs around 1,000 people. We are a disability confident employer and a Stonewall Diversity Champion.

We achieve our mission through the contributions of our staff, and to make the greatest possible contribution our staff must feel valued. This year, we continued to embed our core set of beliefs and values into our work. We launched behaviour profiles to guide leaders and all employees in our workplaces, and further socialised Wellcome's values through an expanded learning portfolio.

Support for our employees includes:

- LinkedIn Learning, a new partnership that provides better online learning content and experience for staff through personalised recommendations and search tools, the ability to explore skills or career-based learning paths, and AI-powered coaching.
- Our staff forum, Wellcome Exchange, which relaunched in 2024. It provides a space for employees to contribute to organisational decision making. Members include employees representing constituencies of Wellcome staff and representatives from our staff diversity networks, senior leadership and Prospect, the recognised trade union.
- Staff diversity networks, which promote equity, diversity and inclusion across Wellcome (see list). Each is open to all staff, and sponsored by one executive leader and at least one Governor. Increased support was agreed in February 2024, including more protected time, tailored development opportunities, a representative on Wellcome Exchange, and annual meetings with the Chair, Chief Executive Officer and other senior leaders.
- Anti-racism and anti-ableism programmes, including a training programme on racial fluency for the Executive and others, raising leaders' confidence in having conversations and listening to colleagues' experiences around race. More than 750 colleagues have attended the foundational anti-racism training we offer. This year, we've piloted new anti-racism learning approaches, created a data matrix to monitor staff experiences and better track Wellcome's progress towards race equity, worked with three external Anti-racism Associates, and launched the Accelerator Awards (see page 39).
- A financial resilience programme, which includes one-to-one conversations as well as seminars to help staff navigate pensions and financial wellbeing.
- A health, safety, wellbeing and environmental committee that reports directly to our Operations Committee and ensures employees are consulted, informed and can raise concerns on matters of health and safety.
- Physical and mental wellbeing support, including GP access, private medical insurance and counselling to support staff in specific circumstances.
- Volunteering opportunities and volunteering leave of up to two days each year.
- Living wage and other benefits for contractors who work with us.

We did not experience any reportable incidents under health and safety regulation (RIDDOR) this year.

Wellcome's staff diversity networks

- Disability Interest Group
- Interfaith at Wellcome, including
  - Christians at Work
  - Muslims at Work
- LGBTQ+ at Wellcome
- Parents and Carers Network
- Socio-Economic Equity Staff Network at Wellcome
- Wellcome Race Equity Network
- Women of Wellcome

As a UK organisation with more than 250 employees, Wellcome is required to report our gender pay gap data. We choose to also publish our ethnicity pay gap data. Pay gap trends are indicators of progress towards being an inclusive workplace, while year-on-year changes tend to reflect recruitment and promotion of relatively small numbers of people.

Pay Gaps

	2020	2021	2022	2023	2024
Gender	15.9%	13.2%	15.4%	16.2%	15.7%
Ethnicity	-1.4%	4.6%	5.6%	3.3%	6.6%

- Gender pay gap in median pay.
- Ethnicity pay gap in median pay.

Our gender pay gap is mostly due to different distributions of men and women at different levels of seniority: while senior roles are broadly evenly split, most of the highest-paid roles are held by men, and we employ relatively fewer men in junior roles.

Our ethnicity pay gap is driven by low representation of people from racially minoritised groups, particularly at more senior levels.

When we first reported our gender pay gap in 2017, it was 20.8%. It fell steadily to a minimum of 13.2% in 2021. Since then, both our gender and ethnicity pay gaps seem to be plateauing, as has been seen in other organisations. We continue to take a sustainable, long-term approach, including a range of actions to make Wellcome a more diverse and inclusive employer. However, we now need to more fully understand the structural and systemic drivers of our pay gaps so that we can take actions that continue to close them.

Pay gaps are different to issues of equal pay. Our annual equal pay audit found no cases of unequal pay for equal work at Wellcome.

Anti-ableism

Wellcome is committed to becoming an anti-racist and anti-ableist organisation. Following the positive progress of our anti-racism programme over recent years, this year saw the launch of a new programme to deepen our understanding of disability in all its forms.

The programme was co-created by the Liminal Space, a creative consultancy, and five creative practitioners with lived experience of disability and ableism. A highlight was a town hall meeting where the experience of masking disability or neurodivergence was brought to life through personal stories and academic insights. Creative elements in common areas of our building presented information and insights into lived experiences of ableism.

Workshops for teams to learn about workplace ableism were attended by 42 percent of Wellcome staff, with highly positive feedback: 98 percent of participants said the workshop gave them time and space to think about ableism in a new way. We are now working to integrate the workshops in our core learning for all Wellcome employees, and further developing online content to support deeper learning and reflection that can be accessed any time.

Governance

How an organisation operates in the world is not only determined by its structures, rules and procedures. At Wellcome, governance is at least as much about understanding what's integral to us as an organisation, and how we want to act as a result. This is the foundation for developing a culture in which our people are equipped to make the right decisions at the right time to deliver our mission in line with our beliefs and values.

Key governance issues for Wellcome, relating directly to our mission and through the ways we work, include safeguarding, data protection, modern slavery, and preventing bribery and fraud. Ensuring positive long-term impact rests on having clear accountability across all levels of Wellcome; diversity of perspectives and insights, starting with the Board of Governors; and strong organisational ethics and risk management.

Our Code of Ethics (formerly Code of Conduct) helps us maintain high standards across all areas of our work. Regularly updated, it references policies to prevent bullying and harassment, provides a safeguarding framework for employees and people outside Wellcome with whom we work, and delivers mandatory training for staff on a range of topics including anti-corruption and personal data compliance.

We regularly work with expert external partner organisations to help shape our policies, practices and communications – these include Unseen UK on modern slavery and human trafficking, Protect for our Speak Up tools, and the Funder Safeguarding Collaborative on safeguarding.

Wellcome is accountable to society for delivering our mission, while using our independence for public benefit. Our Board of Governors and Executive use this principle to test decisions, particularly to ensure we make the most of our independence and that our strategic and operational plans are aligned to meet our mission.

The Board of Governors has continued to oversee and engage with ESG topics this year, including monitoring high-level direction and progress, both at Board and committee meetings and through ESG Board Champions, including the Board Lead for stakeholder engagement. The Board of Governors discussed and approved the ESG standards, which cover 12 operational topics and set minimum expectations of ESG business practices across the Wellcome Group. These standards are the building blocks of our developing ESG framework.

The Structure and Governance section (pages 95 to 107) provides more detail on our governance framework.

Sustainable investor

Our work is funded from a portfolio of investments in a wide range of financial assets around the world. We do not deliver our mission through these investments but aim to maximise returns over the long term to spend on our charitable activities. However, the prospects for strong returns increasingly align with environmental and social sustainability.

Each company, fund and asset we invest in must demonstrate a sound and sustainable business model. We expect our investment partners to maintain strong relationships with customers, suppliers, employees, governments, regulators, providers of capital and society as a whole. This includes a positive corporate culture, ensuring compliance with laws and regulations, the health and safety of employees, considering impact on communities and the environment, and having an appropriate governance structure. We refer to this as 'social licence to operate'.

As well as being a reflection of its values, a positive approach to these considerations is indicative of whether a company represents a strong investment prospect for us. If a company does not maintain its social licence to operate, we believe there are questions over its long-term sustainability and therefore its long-term return potential.

We consider licence to operate at each stage of our investment process, from initial due diligence to ongoing monitoring and continuous engagement. We may seek outside support to provide information, but we form our own opinions and do not outsource decision making to consultants or advisers.

Carbon and energy performance
(for Wellcome's charitable activities)

Greenhouse gas emissions (tCO_2e)

	Baseline year 2018/19	2022/23	**2023/24**	% change from baseline
Scope 1				
Gas	1,279	1,379	1,273	0%
Refrigerants	52	34	144	+177%
Scope 2				
Electricity – Location based	2,246	1,818	1,835	-18%
Electricity – Market based	2,246	0	0	-100%
Total – Scope 1 and 2 (Location-based)	**3,577**	**3,231**	**3,252**	-9%
Total – Scope 1 and 2 (Market-based)	**3,577**	**1,413**	**1,417**	-60%
Scope 3 – currently measured				
Water	28	10	10	-64%
Waste	4	4	2	-50%
Business travel (air and rail)	5,684	5,613	6,621	+16%
Business travel (mileage)	6	3	3	-50%
Energy supply - Upstream emissions	349	385	372	+7%
Total – Scope 3	**6,071**	**6,015**	**7,008**	+15%
Total – Scope 1 and 2 (market-based) and 3	**9,648**	**7,428**	**8,425**	-13%

	Baseline year 2018/19	2022/23	**2023/24**	% change from baseline
Intensity ratio – Carbon emissions/Charitable expenditure				
Annual charitable expenditure (£mn)	1,183	1,702	1,577	+33%
Intensity ratio: tCO_2e/£mn	8	4	5	-38%

	Baseline year 2018/19	2022/23	**2023/24**	% change from baseline
Intensity ratio - Carbon emissions / Staff				
Full Time Equivalent (FTE) employees	900	1,042	1,051	+17%
Intensity ratio: tCO_2e / FTE	11	7	8	-27%

Energy use (kWh)

	Baseline year 2018/19	2022/23	**2023/24**	% change from baseline
Gas	6,957,565	7,537,112	6,959,656	+0%
Electricity	8,785,869	8,777,547	8,864,109	+1%
Total energy use	**15,743,434**	**16,314,659**	**15,823,765**	**+1%**
Intensity ratio – Energy use/floorspace				
Total gross floor area (m^2)	45,965	45,965	45,965	0%
Intensity ratio: kWh/m^2	**343**	**355**	**344**	**0%**

Although total reported emissions have decreased, our energy use has remained largely unchanged compared to baseline. We have identified a range of energy efficiency opportunities for our buildings for consideration as part of achieving our 2030 net zero ambitions.

Scope 1 and 2

Emissions associated with our electricity use have dropped to zero since 2021/22, on a market-based reporting basis, due to our use of green tariffs. On a location-based reporting basis, our electricity emissions have reduced due to the ongoing decarbonisation of the UK grid.

Refrigerant emissions, mostly linked to occasional leaks from air-conditioning units, have increased this year. We will continue to review maintenance regimes and switch to refrigerant gases with lower greenhouse gas potential.

Scope 3

Except for business mileage, our business travel has increased compared to pre-pandemic levels. To address this, we are reviewing our travel policy to encourage reduction in travel when possible, and a shift from air to rail travel and lower classes of air travel which attract lower carbon emissions.

Although our water use has not greatly changed, official UK carbon conversion factors for water supply and treatment have been updated, which significantly lower reported emissions associated with water use.

Methodology

Emissions are calculated using UK Government conversion factors for company reporting of greenhouse gas emissions and the Greenhouse Gas Protocol's Corporate Standard on an operational control approach basis.

We have used 2018/19 as our baseline year, as this was the last full year unaffected by the unusual circumstances of the pandemic.

Further details of the methodology used can be found in our Basis of Reporting wellcome.org.

Scope, material assumptions and exclusions

The scope of reporting is The Wellcome Trust Limited, in its capacity as Trustee of the Wellcome Trust, with the exclusion of all subsidiaries. In practice this relates to Wellcome's charitable activities at our office and museum buildings and a storage facility in London, UK.

Our baseline year data for business travel (air and rail) is the calendar year 2018 due to limitations on data availability. Business travel (air and rail) includes travel by employees and others who travel on behalf of Wellcome to meet and connect in pursuit of our mission. Hotel stays, taxis and travel not booked through our central team are not currently included.

Waste data is only calculated from 2022/23, which is used as a proxy for previous years.

We report the emissions we can measure with a reasonable level of accuracy and have control of. We also work to estimate our other material emissions, to inform how we can reduce them, in particular:

- **Investments:** information can be found in the Investments section of this report, pages 59 to 63.
- **Funded research:** on a spend-basis, we have estimated the emissions associated with the research activities we fund to be in the region of 300,000 tonnes CO_2e.

Scope 2 – Electricity

In line with the Greenhouse Gas Protocol Scope 2 guidance, we adopted a dual reporting approach for purchased electricity:

- **Location-based:** reflects the average emissions of the UK electricity grid from which our consumption occurs.
- **Market-based:** reflects emissions from the electricity that we specifically purchased. In 2020 we started purchasing our electricity from 100% renewable sources, thus the drop in emissions to zero tCO_2e.

Energy efficiency measures

This year, working with external consultants, we identified a range of energy efficiency opportunities for our buildings, for consideration as part of achieving our 2030 net zero ambitions.

Funding data 2023/24

Most of the grants we award last for several years. As of 30 September 2024, we had 2,671 active grants supporting work at 960 organisations across 104 countries, with a total value of £6.4 billion.

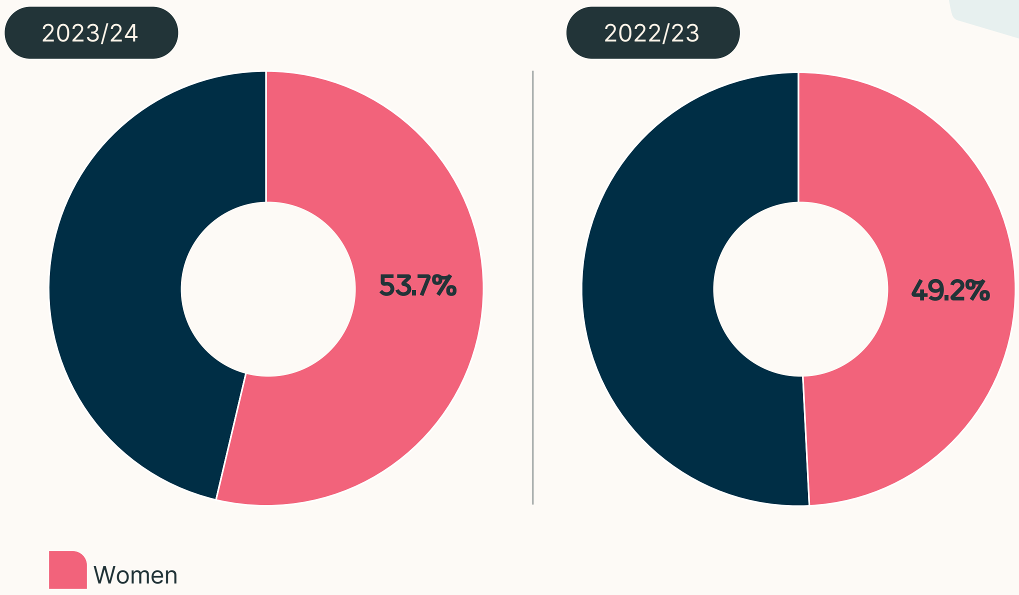
62.3% of this funding supports work in the UK and 37.7% in other countries; 28.6% was awarded directly to overseas institutions and 9.1% was awarded to a UK grantee working with an international collaborator.

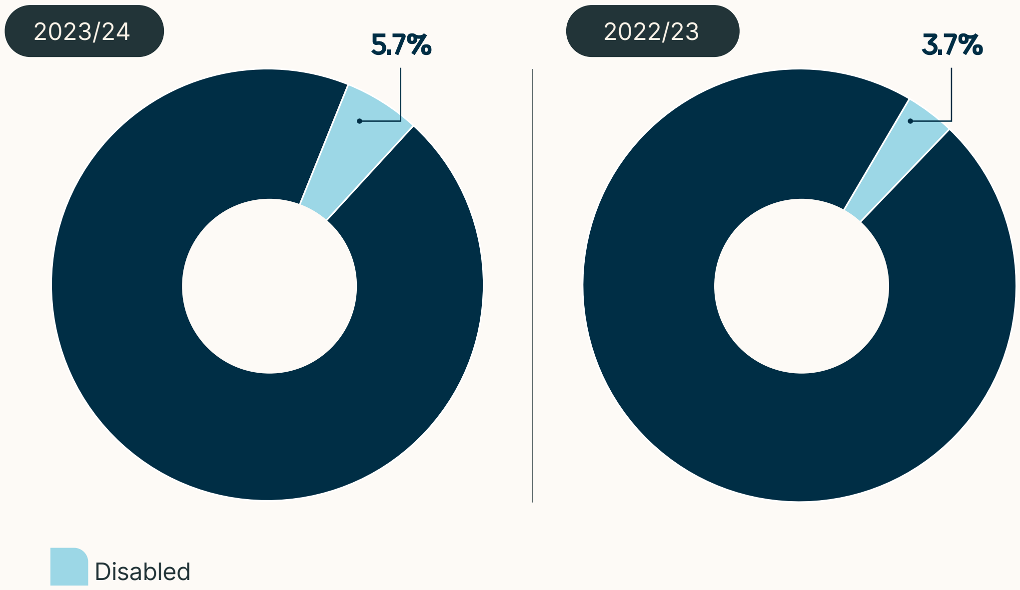
In 2023/24, we received 2,774 (2022/23: 2,139) applications and made 611 (2022/23: 638) awards. The grant funding amounts are detailed in Note 7 (see page 173).

Of grants awarded in 2023/24, 75.6% (2022/23: 70.8%) were to individuals and 24.4% (2022/23: 29.2%) to teams of two or more.

We collect diversity information from applicants and report on the proportion of lead applicants on grants awarded by gender, disability and ethnicity.

Lead applicants on grants awarded





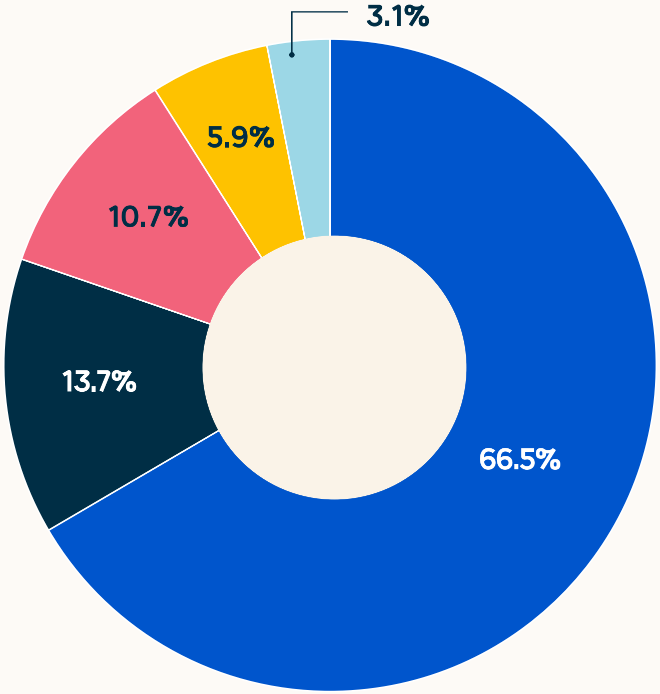
These figures do not include co-applicants or people supported by a grant other than the lead applicant.

Where lead applicants have not provided data, have responded ‘prefer not to say’, or for gender have responded ‘non-binary’ or ‘prefer to self describe’, they have been excluded from this analysis. Therefore we report on 90.7% of lead applicants for gender and 89.5% for disability.

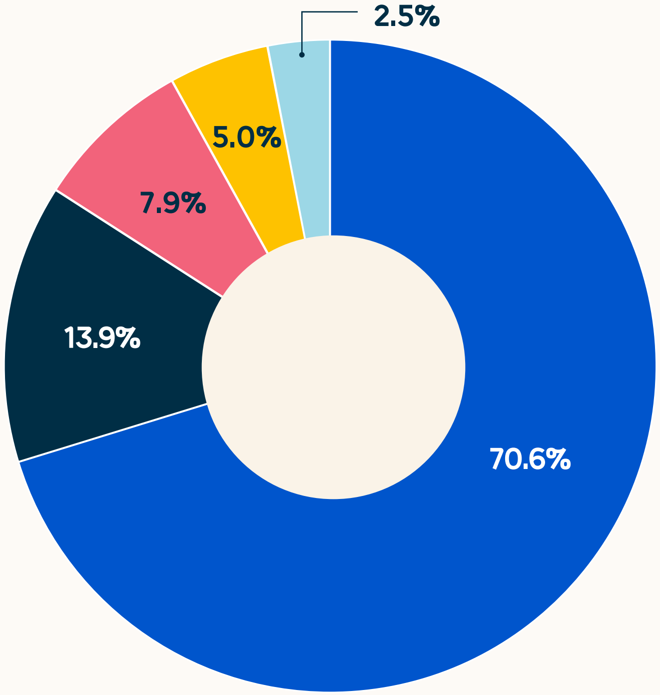
This data does not include supplements or prior year adjustments.

Lead applicants on grants awarded

2023/24



2022/23



- White
- Asian or Asian British
- Black or Black British
- Mixed ethnicities
- Other ethnicities

These figures do not include co-applicants or people supported by a grant other than the lead applicant.

Where lead applicants have not provided data or have responded ‘prefer not to say’ they have been excluded from this analysis. Therefore, for 2023/24 we report on 89.7% of lead applicants for ethnicity.

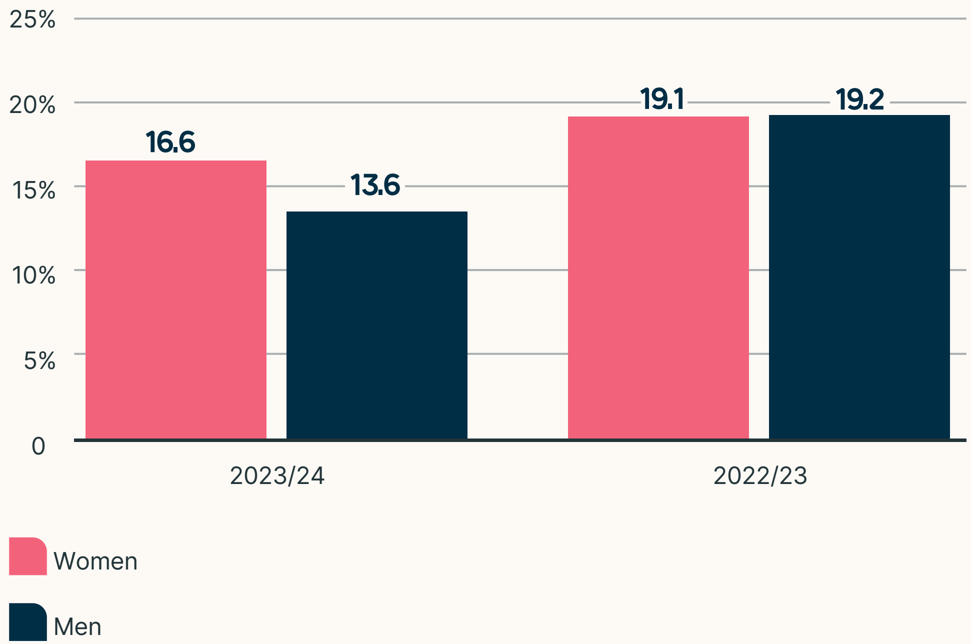
We have used the UK Census categories of ethnicity, and recognise the limitations of this approach both within the UK and the global context of our funding.

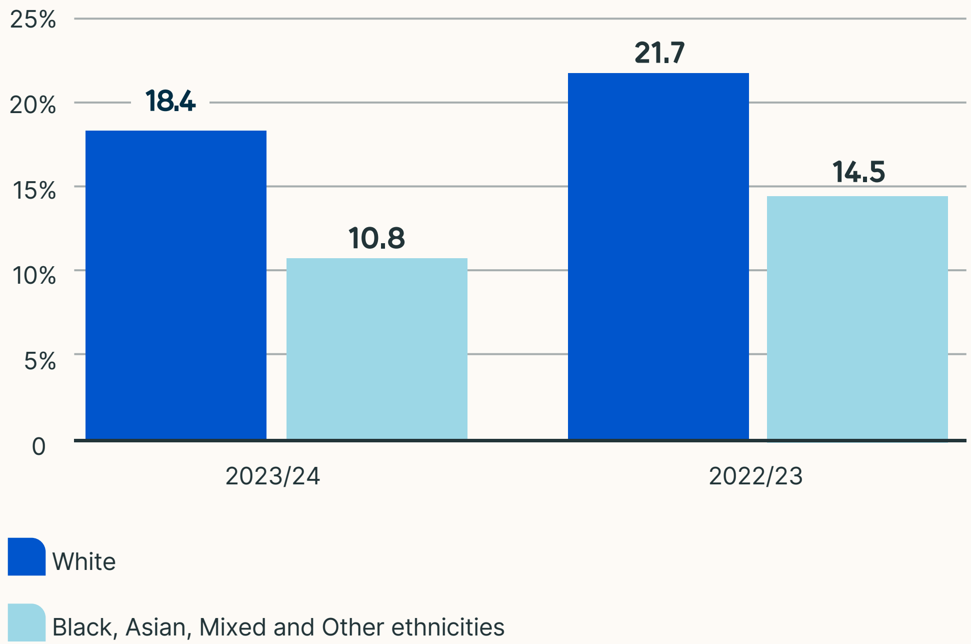
This data does not include supplements or prior year adjustments.

Most of our grants are awarded through open competitive schemes or calls. For these calls we report on success rates, which are the proportions of lead applicants submitting eligible applications who were successful. These charts are based on lead applicants who shared the relevant characteristic data. Numbers of disabled applicants were too low to report on success rates for this characteristic this year.

There is more information about who and where we fund on our website, wellcome.org - search for "Funding data".

Success rates for lead applicants





Structure and Governance

The Wellcome Trust (Wellcome) is an independent global charitable foundation created in 1936 by the will of Sir Henry Wellcome. Wellcome is a registered charity governed by its Constitution, established in February 2001 by a scheme of the Charity Commission and subsequently amended. Wellcome is registered in England and Wales (registration number 210183) under the Charities Act 2011.

The Trustee and Board of Governors

Wellcome's sole Trustee is The Wellcome Trust Limited, a company limited by guarantee (registration number 2711000), whose registered office is The Gibbs Building, 215 Euston Road, London NW1 2BE. The Trustee is governed by its memorandum and articles of association.

The Trustee's directors (known as Governors) and Company Secretary are listed on page 216.

The Board of Governors is responsible for the Wellcome Group, which comprises Wellcome and its subsidiary undertakings (refer to note 21 for significant subsidiary undertakings).

Subsidiaries support Wellcome either through delivering against charitable objectives or as investment entities. These subsidiaries include Genome Research Limited, which encompasses the activities of the Wellcome Sanger Institute, and Wellcome Leap Inc, a US-based non-profit organisation founded by Wellcome in 2020 to accelerate breakthroughs for global health. Wellcome is entitled to appoint directors to the boards of both organisations. As at 30 September 2024, Wellcome had three appointees on the board of Genome Research Limited and three appointees on the board of Wellcome Leap Inc.

Our approach to good governance: UK Corporate Governance Code, Charity Governance Code, and public benefit

We have established an approach to good governance that looks to best practice for a charity of our nature, size and scale considering the Charity Governance Code and relevant aspects of the UK Corporate Governance Code and the UK Stewardship Code.

Wellcome has a very broad mission, no founder or living donors and, unlike corporate bodies, no shareholders. In the absence of these accountability mechanisms, we have determined that Wellcome is accountable to society for delivering our mission, while using our independence for public benefit.

The Board of Governors and the Executive Committee benchmark decisions against this principle, particularly to ensure we use our independence for public benefit, and that our strategic and operational plans are aligned to meet our mission.

The Trustee has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Wellcome's aims and objectives, in planning future activities, in making board decisions, and in setting grant-making policies and procedures.

Our governance framework

Our governance framework is based on an open and transparent culture of decision making. It focuses on the most important issues for our organisation while being strategic and responsive to our stakeholders.

The Board

Led by our Chair, Julia Gillard, the Board is collectively responsible for Wellcome achieving its mission and strategy. The Board of Governors oversees our strategy for improving health through research, creating value to our beneficiaries and other stakeholders, providing effective challenge to the Chief Executive Officer (CEO) and management on the implementation of our strategy and day-to-day running of the organisation, and ensuring there is an effective risk management and internal control system. Certain strategic and operational decisions are reserved to the Board as set out on page 102.

The Deputy Chair, Fiona Powrie, supports the Chair and provides an alternative contact point. Individual Governors act as champions for Speak Up, safeguarding, stakeholder engagement, and ESG matters.

The Chair arranges informal meetings and events to help build constructive relationships between the Board and the Executive. The Chair meets with individual Governors and the CEO outside formal Board meetings to allow for open two-way discussion about the effectiveness of the Board, its committees and its members.

Page 98: Key activities of the Board
Page 115: Section 172(1) statement

Audit and Risk Committee	People and Remuneration Committee	Nominations and Governance Committee	Investment Committee
Chair: **Stephen Lovegrove** from 1 Jan 2024 **Chris Jones** 1 Oct 2023-31 Dec 2023 Financial reporting, system of internal controls, risk management, internal audit, external audit, oversight of Speak Up (report page 129).	**Chair:** **Diana Noble** from 1 Jan 2024 **Cilla Snowball** 1 Oct 2023-31 Dec 2023 Remuneration and people policies and practices, Executive and Investment team succession and remuneration (report page 123).	**Chair:** **Julia Gillard** Stakeholder engagement, succession planning, senior appointments and reappointments, recommendations for governance improvements (report page 125).	**Chair:** **Richard Gillingwater** Investment performance and risk, investment management and providing advice and assurance to the Board (report page 127).

Board committees

The Board is supported by a number of committees to which it delegates certain matters. Board committee chairs report to the next Board meeting after each committee meeting, and the committee chairs meet every six months to discuss cross-cutting issues. The committee terms of reference are on wellcome.org.

The CEO and the Executive

The Board delegates the day-to-day management of Wellcome to the Chief Executive Officer (CEO). The CEO delegates certain matters to their Executive Committee (ExCo); (previously the Executive Leadership Team) and maintains challenge and oversight through meetings of ExCo and of an extended executive group.

The CEO reduced the Executive from 11 members to 8 members as of 9 September 2024. ExCo is chaired by the CEO and the members are listed on page 217. The extended executive group, also, chaired by the CEO, was established to provide strategic input to ExCo from senior management across the organisation.

Each ExCo member has designated responsibilities and the Delegated Authority Policy sets out the individual's levels for financial decision making. The Managing Partner and Chief Investment Officer reports to the CEO and is a member of the extended executive group.

Management meetings

Management meetings help members of the ExCo carry out CEO-delegated responsibilities. These include the Operations Committee chaired by the Chief Operating Officer, the Valuation Group chaired by the Chief Finance Officer (previously Emeritus Partner, Investments), and the Investment Decision Meeting chaired by the Managing Partner and Chief Investment Officer (who is part of the Investment Executive). These management meetings are advisory to those with delegated authority.

With the aim of supporting Wellcome to be more focused on its mission and aligning structures to support the strategy, management formally consulted with staff to make changes to departments and roles across the organisation, which were introduced as of 2 December 2024.

Key activities of the Board of Governors in 2023/24

The Board met seven times during the year, including a site visit to Diamond Light Source, the UK's national synchrotron science facility, which is co-funded by Wellcome.

Key priorities included establishing a new vision for Wellcome, development of our ESG strategic framework, deep dive on risk management, and establishing a new Equity Framework as part of delivery on our EDI strategy.

Strategy	Further development of our approach to impact measurement, including a new approach to track progress and impact for Wellcome's Discovery Research and Mental Health programmes against our strategy	Approved a new vision for Wellcome of "a healthier future for everyone" aligned to our beliefs and values, placing health and equity central to our work	Update to Wellcome's Infectious Disease strategic programme, refining goals, focus and priorities
Risk management and internal controls	Risk management framework review and deep dive	Review of risk appetite statement	Review of the corporate risk register
Finance and investment performance	Wellcome Genome Campus – management team established	Establishment of 2024/25 corporate planning priorities and financial framework	Move of custody of Wellcome's hedge fund investments in-house
Strategic funding and partnerships	Wellcome Leap scientific review and approval of funding extension	Snakebites programme vision	Approval of the use of positive action in funding decisions as part of our anti-racism commitment
Stakeholder engagement and culture	Introduction of new approach for regular staff engagement surveys	Review of Wellcome Collection's Future Programme and alignment with the delivery of our strategy	Review of the UK research ecosystem
Governance and ESG	Approval of the new ESG Framework including Group ESG minimum standards to better manage ESG risks at a Group level	Development of a new Equity Framework to build on the progress made delivering the EDI strategy and align with Wellcome's strategy to drive equitable health outcomes	Wellcome Achievement Award introduced to link Executive and staff bonuses to Wellcome's performance against the strategy

Board composition and succession

The Nominations and Governance Committee has continued to lead on Board and committee succession planning, as well as on the new CEO recruitment, which was completed during the year.

Two new Governors (Board members), Diana Noble and Stephen Lovegrove, were appointed by the Board on recommendation from the Nominations and Governance Committee in November 2023 as reported last year and were brought in to chair the People and Remuneration Committee and Audit and Risk Committee, respectively.

Board changes after year-end

The Board appointed Fiona Powrie as Governor and Deputy Chair for a second three-year term, effective 1 January 2025.

The Board appoints external committee members to provide independent expertise where needed, for example on financial, risk, remuneration and people matters and investment matters. External members are not Governors but count towards the quorum for decision making in the committees. In December 2024 the Board approved the appointment of two new external members to the People and Remuneration Committee, effective early 2025. A summary of committee membership changes are included in each committee's report.

Board diversity

The Board is committed to having a diverse membership. Equity, diversity and inclusion considerations form an integral part of the Board's succession planning process. A skills and diversity audit of the Board was used to inform succession planning in 2024. As part of this review the Board considered its size, composition, expertise, global representation, independence and diversity.

The Board agreed that it should continue with the current approach, including global representation (comprising at least one member resident in a low- or middle-income country). It agreed to continue to maintain a broad mix of skills related to research expertise, but to focus forthcoming recruitment rounds on skills in relation to emerging technology and AI, while maintaining investment expertise.

Diversity continues to be a priority in succession planning and recruitment and the Board aims to exceed (while not dropping below) the standard of:

- At least 40 percent of the Board and at least one of the senior Board positions are women.
- At least 30 percent of the Board are from minority ethnic backgrounds.
- Establishing a target of at least one Board member being a mid-career individual in the 35-49 age bracket.

Board diversity at 30 September 2024

Gender identity	% of Board members
Woman	**50**
Man	**50**
Non-binary or gender diverse	-
Prefer not to disclose	-

Race/Ethnicity identity	% of Board members
Asian or Pacific Islander	**10**
Black	**20**
Hispanic or Latine	-
Indigenous (including North American Indian Navajo, South American Indian Quechua, Aboriginal or Torres Strait Islander)	-
Middle Eastern or North African	
White	**60**
Self-describe	**10**
Prefer not to disclose	

Age	% of Board members
Below 40	-
40-49	-
50-59	**20**
60 or above	**80**
Prefer not to disclose	-

Board effectiveness reviews

In line with best practice, the Board uses an independent provider to regularly review its effectiveness. The most recent review was completed in 2022 by Independent Audit (an independent external consultancy) and the Board agreed actions to address the areas highlighted in Independent Audit's report for improvement, which were completed and reported to the Nominations and Governance Committee and the Board.

An internal board effectiveness review was carried out in 2024 comprising (1) a self-assessment survey of the Governors and key members of the Executive; (2) a review of the Board's activities throughout the year against its Matters Reserved to the Board to ensure it met its responsibilities; (3) a review against the 2023/24 Board and Chair objectives; and (4) individual Governor and Chair appraisals.

The Board agreed the following areas for improvement and developed actions to address them:

- More strategic content and discussion at Board meetings
- A mid-year residential strategic Board event in 2025

Board objectives and appraisals

The Board agrees annual objectives that are aligned with the Wellcome strategy and management's objectives. The Board also agrees annual objectives for the Chair.

These objectives were used as a measure of performance for the Chair's and Governors' annual appraisals.

As part of the appraisal exercise, the following formal Governor meetings took place during the period:

- the Chair held one-to-one individual review sessions with each Governor (twice a year)
- the Deputy Chair held a one-to-one individual annual review session with the Chair and CEO
- the Deputy Chair led a meeting of Governors without the Chair to appraise the Chair's performance
- the Chair facilitated six monthly and annual Governor and Board performance discussion at a meeting of the Governors

Discussion at the meetings also covered time commitment for the role and each Governor's external commitments, to ensure that each Governor continues to be able to commit sufficient time to the proper functioning of the Board and its committees.

Board learning and development

The Board Learning and Development Framework was developed this year and places an increased focus on the Board's approach to training across legal, regulatory and fiduciary responsibilities of the Governors as well as on areas needed to effectively monitor and oversee the delivery of our strategy and measure our impact. An annual Board training plan is created with the Board based on the needs identified each year through the Board effectiveness review, individual governor appraisals and the Board's work plan for the year ahead, and is regularly refreshed throughout the year at Board meetings and reviewed and updated by the Company Secretary and Chair at their regular meetings.

Each new Governor is offered an induction programme tailored to their role, including any committee membership or chairing duties and their existing knowledge and experience. This ordinarily includes meetings with the Chair, CEO, the Executive and relevant external stakeholders (for example, external auditors); information on the strategy, including the charitable portfolio's objectives and spending plans, investment policy and strategy, details of Board and Committee policies and procedures, relevant codes of conduct, and charity trustees' and directors' responsibilities.

Matters Reserved to the Board and delegation of authority framework

We have a coherent and transparent delegated authority framework, designed to ensure that decisions are taken at the appropriate level and with the proper degree of oversight and challenge.

Our investment activities require quick decision-making and, given the size of our portfolio, the amounts involved are large. Investment executives therefore have authority to commit Wellcome in respect of higher amounts than senior executives in other areas. Key investment decisions are discussed and challenged at meetings of the portfolio management team, chaired by the Chief Investment Officer or a senior member of their team. The Board and Investment Committee regularly review the delegated authorities granted to the Investment Executive and how they are exercised, as well as portfolio-level consolidated performance and risk metrics.

Across all of our activities, decisions from those with delegated authority are always made subject to them receiving input and constructive challenge from a range of contributors at executive and management committees, as described in the governance framework.

Oversight of culture and purpose

Wellcome's culture provides the foundation to deliver our strategy. The Board ensures that our culture enables us to build the organisational capability required to deliver on our commitments to society at large, our people, suppliers and partners.

One of the Board's key roles is to determine our shared purpose and to set and uphold our values, standards and ethics which combine to create our culture. As such, the Board balances the tone from the top in demonstrating Wellcome's beliefs and values (see page 10).

The Board receives regular reports in order to monitor developments in our culture and provides supportive challenge to management.

Reports include:

- progress on key equity, diversity and inclusion projects, such as our anti-racism and anti-ableism work
- progress on how the organisation engages with staff including updates on the staff pulse surveys
- review of a People dashboard showing key metrics reflecting, as examples, staff morale and turnover

The Board gains further insight into the organisation's culture through:

- Governors acting as staff diversity network buddies
- interactions with staff at events throughout the year, including Meet the Governors sessions
- holding Board meetings in subsidiaries' offices, with opportunities to engage with staff and partners on site
- Board champions on safeguarding, Speak Up, stakeholder engagement and other areas

Board and Board Committee attendance (Governors)

Name	Role	Board[9] Attendance/ No. of Meetings: 7	Audit and Risk Committee Attendance/ No. of Meetings: 5	Nominations and Governance Committee Attendance/ No. of Meetings: 2	People & Remuneration Committee Attendance/ No. of Meetings: 8	Investment Committee Attendance/ No. of Meetings: 4
Julia Gillard	Chair, Board of Governors	7/7	-	2/2	8/8	4/4
Fiona Powrie	Deputy Chair	7/7	-	2/2	7/8	-
Ijeoma Uchegbu	Governor	7/7	5/5	-	-	-
Diana Noble[1,5,7]	Governor	7/7	-	-	5/5	3/3
Stephen Lovegrove[2,6]	Governor	6/7	4/4	-	-	-
Cilla Snowball[3,4]	Governor	7/7	1/1	2/2	3/3	-
Richard Gillingwater	Governor	7/7	-	-	6/8	4/4
Elhadj As Sy	Governor	7/7	-	2/2	-	-
Gabriel Leung[8]	Governor	7/7	-	-	-	0/1
Arup Chakraborty	Governor	7/7	3/5	-	-	-

Notes:

1. Term as a governor began 6 November 2023
2. Term as a governor began 6 November 2023
3. Appointed to Audit and Risk Committee 17 July 2024
4. Interim Chair of People and Remuneration Committee from October to December 2023
5. Appointed as a member and Chair of People and Remuneration Committee on 1 Jan 2024
6. Appointed as a member and Chair of Audit and Risk Committee on 1 Jan 2024
7. Appointed to Investment Committee on 13 Feb 2024
8. Stepped down from Investment Committee on 13 Feb 2024
9. In 2023/24, there were seven formal Board meetings: 26-7 Nov; 27 Nov; 8 Jan; 12-13 Feb; 29-30 Apr; 10-11 Jun; 23-24 Sep
10. Non-executive Remuneration Committee is not included in this table as it is an Executive committee with no non-executive members

Board attendance is recorded at each meeting. Partial attendance is rounded up.

Attendance at meetings is only recorded for appointed Board and Committee members (not observers or attendees).

Informal catch-up meetings where no decisions are made are not counted in the total number of meetings.

Board Committee attendance (other members)

Name	Role	**Audit and Risk Committee** Attendance/ No. of Meetings: 5	Investment Committee Attendance/ No. of Meetings: 4
Jonathan Britton[1]	Member	4/5	-
Caroline Wehrle	Member	5/5	-
Chris Jones[4]	Member	1/1	-
Tracey Blackwell	Member	-	2/4
Stefan Dunatov	Member	-	3/4
Martin Halusa	Member	-	4/4
Cressida Hogg	Member	-	4/4
Girish Reddy	Member	-	4/4
John-Arne Røttingen[2]	Member		3/3
Lisha Patel	Member	-	4/4
Fabian Thehos	Member	-	4/4
Nick Moakes	Member	-	4/4
Karen Chadwick	Member	-	4/4
Paul Schreier[3]	Member	-	1/1

Notes:

1. Joined 1 Oct 2023
2. Joined 29 Feb 2024
3. Until 29 Feb 2024
4. Interim Audit and Risk Committee Chair from 1 Oct to 31 Dec 2023

Funding disclosures

Grants

The following Governors were in receipt of Wellcome grant funding (or supervised individuals with Wellcome grant funding) during the year:

- **Fiona Powrie** – Professor of Musculoskeletal Sciences at the University of Oxford; member of the board of directors of Wellcome Leap Inc, a subsidiary of the Wellcome Group

The following Governors did not hold Wellcome grants or supervise individuals with Wellcome grants, but had an interest in an organisation that was in receipt of Wellcome funding during the year:

- **Julia Gillard** – Chair of the Global Institute for Women's Leadership at King's College London
- **Richard Gillingwater** - Member of the board of directors of Wellcome Leap Inc, a subsidiary of the Wellcome Group
- **Ijeoma Uchegbu** – Professor of Pharmaceutical Nanoscience at University College London; President of Wolfson College, University of Cambridge, from 1 October 2024
- **Stephen Lovegrove** – Distinguished Visiting Fellow, Columbia University, New York, USA
- **Gabriel Leung** – consultant with the World Health Organization
- **Cilla Snowball** – lay council member of the University of Birmingham; member of the board of directors of Genome Research Limited (a subsidiary of the Wellcome Group) until 18 July 2024
- **Elhadj As Sy** – member of the World Health Organization's Independent Oversight Committee, Health Emergencies; Co-Chair of World Health Summit

These appointments do not create a related party transaction as they do not exercise significant influence over those organisations. Measures are taken to ensure that Governors with Wellcome grants do not participate in Wellcome matters relating to the organisation that they have a Wellcome grant with, to ensure there are no conflicts of interest in Wellcome decisions.

Other funding types

The following Governors had appointments with organisations that received Wellcome funding other than grants during the year:

- **Julia Gillard** – Patron at the John Curtin Prime Ministerial Library, Curtin University

These are not considered to be related party transactions as the roles are advisory and do not influence the organisation's decision making.

Our conflicts of interest policy ensures that Governors do not participate in decisions where there is a potential conflict of interest between Wellcome and a Governor's external appointment.

The following members of management (Key Management Personnel) also held appointments with organisations that received Wellcome funding:

- **Karen Chadwick** - Member of the board of directors of Genome Research Limited (a subsidiary of the Wellcome Group)
- **John-Arne Røttingen** - Member of the board of directors of Wellcome Leap Inc; chair and member of the board of directors of Genome Research Limited (a subsidiary of the Wellcome Group); board member of the Francis Crick Institute; member of the board of directors of the Geneva Science and Diplomacy Anticipator

Statement of Trustee's responsibilities

The Trustee is responsible for preparing the Trustee's Annual Report and Financial Statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The law applicable to charities in England and Wales requires the Trustee to prepare Financial Statements for each financial year that give a true and fair view of the state of affairs of Wellcome and the Group, and of the incoming resources and application of resources of Wellcome and the Group for that period.

In preparing these Financial Statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities Statement of Recommended Practice 'Accounting Reporting by Charities'
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures, disclosed and explained in the Financial Statements
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that Wellcome will continue in business

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of Wellcome and enable them to ensure that the Financial Statements comply with the Charities Acts and the Charity (Accounts and Reports) Regulations 2008. The Trustee is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the maintenance and integrity of charity and financial information on Wellcome's website: wellcome.org.

UK legislation governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

The Trustee has reviewed and considered the work and the recommendations of the Audit and Risk Committee, as detailed in the Audit and Risk Committee report on pages 129 to 133, and considers that the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary to assess the performance and strategy of Wellcome and the Group.

Statement of disclosure of information to auditor

Each Governor in office at the date of approving this report confirms that: So far as the Governor is aware, there is no relevant audit information of which Wellcome's auditor is unaware; and each Governor has taken all the steps that ought to have been taken as a Governor in order to make themselves aware of any relevant audit information and to establish that Wellcome's auditor is aware of that information.

Grant-making procedures and policies

Grants are a core mechanism to deliver our strategy, and our grant-making procedures and policies support our status as a public benefit entity.

Most grants are funded through established schemes aligned with our strategy, which have specific open criteria. The majority of our response-mode awards are made through higher education organisations in the UK, Ireland and low and middle-income countries. We also award some grants to achieve strategic objectives where country and organisation eligibility may be broader.

The Board of Governors has delegated approval of grant awards under our strategy of up to £50 million to the CEO but has retained approval of awards above £50 million or that, for example, have the potential for material adverse impact on Wellcome's reputation.

All grant applications undergo due diligence. Proportionate due diligence is carried out on awards and recipient organisations commensurate with the level of risk and amount to be awarded, covering legal, operational and financial risks. We ensure that the resources requested are appropriate for the proposed activities, and awards are made following the advice of external expert reviewers. Grantholders submit annual reports and an end-of-grant report which we use to assess progress against our strategy and to compare our data with that of other funders.

Our grant terms and conditions require that institutions receiving our funding have formal procedures in place preventing bullying, harassment, abuse and other harms, research misconduct, fraud, tax evasion, bribery or any other corrupt practices, and that expenditure is controlled in accordance with these arrangements. We operate a conflicts of interest policy covering applicants, external expert reviewers and staff, including Governors. A policy on environmental sustainability was launched in 2024 and a new policy on the use of artificial intelligence will be launched in 2025.

Sanctions may be taken against grantholders or organisations if they are in breach of our terms and conditions. These range from a letter clarifying our expectations to withholding payments, terminating active grants or barring funding applications to Wellcome for a specified time.

Between October 2023 and September 2024, we imposed sanctions against four individuals where allegations were upheld which related to bullying, harassment, abuse and harm. The sanctions included barring respondents from applying to Wellcome or acting as a supervisor for a period of time, revoking access to existing funds and mandating the completion of relevant training. No sanctions were imposed related to research misconduct and no organisational sanctions were imposed.

Details of how to apply for grants are available on wellcome.org.

Organisational ethics and compliance

To achieve Wellcome's mission, our staff must continue to uphold the highest standards of conduct and integrity, work together, enhance public trust and earn the respect of our external partners.

Building on last year's work to develop our risk and controls environment, we have remained focused on maturing our risk and integrity culture. We reviewed and updated our Financial Crime policy, approved in September 2024, and revised our financial crime risk assessment to align with Wellcome's new risk framework.

This year, we have worked towards fostering a culture of integrity and reinforcing our commitment to ethical conduct. We successfully launched our Code of Ethics (replacing our Code of Conduct), providing a clear framework for decision making and behaviour within our organisation. Alongside, we introduced Connie, a puppet character who represents your conscience and helps Wellcome colleagues navigate decisions at work through an interactive ethics programme. This includes the launch of iConnie, our policies Chatbot and Connie's Ethics Gym, rooted in behavioural science, a monthly ethical dilemma that encourages colleagues to 'learn by play'. Our approach this year won the European Compliance and Ethics Conference Award and the Engage Award for best use of innovation in employee engagement. Our Legal Compliance Lead, Hitomi Walter, was recognised as a Vault Integrity Innovator 2024.

Recognising the critical importance of tackling modern slavery, we have completed a detailed gap analysis and initiated follow-up actions, which include template updates and policy reviews, further solidifying our stance against this grave issue. Our latest modern slavery statement is available at wellcome.org.

We continue to develop partnerships with expert organisations to help shape our policy environment, practices and communications, including Unseen UK (modern slavery and human trafficking), Protect (Speak Up) and the Funder Safeguarding Collaborative (safeguarding).

Stakeholder engagement

Engaging with stakeholders supports Wellcome's strategic ambitions and informs the decisions of our Board.

We aspire to use best practice for stakeholder engagement under the Companies Act 2006 s172(1), the UK Corporate Governance Code, and the Charity Governance Code. Cilla Snowball is the designated stakeholder engagement Board Lead, and the Nominations and Governance Committee has responsibility for oversight and development of this activity.

Wellcome is an independent foundation, but we do not work in isolation. To achieve our mission, we need to act collaboratively. We want the broadest possible range of people to contribute to, and benefit from, science's potential to change the world. Without engaging our stakeholders, our potential for impact in such a large ecosystem is limited. Our success depends on our ability to build and maintain relationships of influence with a range of people:

- A deep understanding of the needs, context and values of our stakeholders ensures we are focusing our effort and resources on the needs and priorities of those most affected by health challenges.
- Collective problems require collective solutions: developing reciprocal relationships empowers all parties to achieve their goals.
- To achieve our goals, we need to be challenged and be able to challenge others: this relies on fostering an environment where every stakeholder feels comfortable giving and receiving feedback and sharing ideas.

Employees

Our employees' knowledge, skills, experience and understanding of our strategy are critical to delivering our mission. We aim to create a motivating and inclusive working environment that enables employees to be themselves at work and understand how their work connects to Wellcome's strategy.

To deepen employee understanding of their role in the mission, the Board of Governors and Executive set shared organisational priorities each year and share information on key decisions through our intranet, employee meetings and events, enabling transparency and dialogue. We collect and listen to feedback from candidates during recruitment and from employees through quarterly performance check-ins and exit interviews. Governors review this feedback, along with other metrics.

This year, we implemented new mechanisms to enable a deeper understanding of employees' views, more frequent dialogue between leadership and employees, and opportunities to for employee experiences to inform decisions.

Engaging with impact this year

- A speaker series beginning in the summer of 2024 invited Wellcome grantholders and others to share with employees the various impacts Wellcome has through our strategy. We also planned an immersive one-day event to bring together all Wellcome employees to understand how we work as one team to deliver our vision of a healthier future for everyone – this event took place in November 2024.
- Our staff forum, Wellcome Exchange, was strengthened and now lies at the heart of our employee voice architecture. Since January 2024, Wellcome Exchange presents at every Board of Governors meeting and has directly contributed to decisions such as how to implement the leadership decision to increase from two to three days in the office each week, evolving our approach to performance and pay, and updating key people policies through an equity, diversity and inclusion lens.
- The Prospect trade union was formally recognised at Wellcome in November 2023 following a vote by employees. In September 2024, Prospect supported a consultation process between Wellcome management and Wellcome employees regarding changes proposed to align departmental structure with strategy. The process was required because more than 20 roles were potentially at risk. It was conducted in a positive spirit, and many employee's alternative proposals were fully or partially accepted. The process concluded after the reporting date of this report.

- A regular survey was launched to collect insights on employee experiences and enable ongoing conversations between leaders, managers, and employees.

- New models were introduced to better support our staff diversity networks, informed by employee engagement and external advisors. This included retaining Board engagement such as the Board buddy system, where each staff diversity network is partnered with a Governor.

Research communities

The heart of our mission is empowering researchers to make discoveries, breakthroughs and solutions that improve health, while fostering a positive and inclusive research culture. We engage with research communities across the globe, regularly seeking input to inform our strategic approach and decisions on what and how we invest in research. We are committed to engaging with an ever-broader range of researchers, universities and other institutions to increase diversity of perspectives and make new connections.

Wellcome's funding decisions are routinely informed by world-leading expert reviewers and committees; we regularly seek feedback from our committees to assess and evolve our funding approaches. We visit research organisations we fund to enrich our understanding of their environment, how they work, and how we can best support their ambitions as we form deeper, trusted relationships.

Clearly communicating our strategy and processes is essential for researchers and institutions to decide whether and how to apply for funding or to work with us. This has been a significant focus over this year, recognising feedback from stakeholders on the need to better communicate and engage researchers with our strategy and priorities, particularly in a time of leadership change for Wellcome. We will continue to create opportunities to do this, ensuring we also demonstrate the impact of insights on our decisions and actions.

Engaging with impact this year

- In January 2024, we launched Accelerator Awards to address the under-representation of researchers from Black, Bangladeshi or Pakistani heritage backgrounds in the UK's academic landscape (see page 39). The funding scheme was shaped by focus groups, surveys and consultations with researchers in these communities to understand how the scheme could best remove barriers, advance careers and contribute to scientific progress.

- To explore opportunities and barriers in bioimaging research this year, we conducted 50 structured interviews and received 500 survey responses from the global research community. These diverse perspectives shaped our activities, including funding 17 projects focused on developing ambitious technologies and a new partnership to overcome barriers to bioimaging in low-resource settings (see page 16).

Partner organisations

Partnering with aligned and complementary organisations across the global research, health, climate, investment, cultural and public policy sectors allows us to combine our resources, capabilities and reach. Creating inclusive and effective partnerships requires a mutual understanding of each other's strategic goals, values, capabilities and resources, which takes time and commitment. We engage with strategic partners to develop joint plans on shared priorities, meeting regularly across levels of seniority to co-develop ideas that can achieve impact at scale and with speed.

Over the next year, we will seek more opportunities to build methods for more inclusive engagement with a broader range of partners, including in the private sector, across more geographies and topics, as well as deepening relationships with key existing partners.

Engaging with impact this year

- To gain maximum value, mutual learning and delivery of shared priorities from our research partnerships in Africa, South and South-East Asia, we convened five of our core-funded international programmes in September 2023. Using approaches founded on shared values, and equitable, diverse and inclusive cultures, the meeting produced a jointly developed outcomes framework for each programme.

- This year, Wellcome, the Novo Nordisk Foundation and the Bill and Melinda Gates Foundation established a new partnership to support critical scientific R&D for global health. The partnership will run for three years, with each organisation having committed US$100 million to support science and innovation to advance solutions that are accessible and affordable to low- and middle-income countries.

- Wellcome called on governments to act on antimicrobial resistance (AMR) through opportunities presented by a UN high-level meeting in September 2024 (see page 23). Our proposals were developed through extensive engagement with governmental and non-governmental stakeholders driving political progress and focused on political accountability and global governance.

Investor community

Investing in companies, managers and assets that maintain a strong licence to operate is central to our investment philosophy. Our engagements focus on the material issues for each asset and opportunities to enhance the asset's licence to operate and thereby improve long-term return potential. The companies, funds and asset managers we invest in need to understand the requirements of their stakeholders: for example, communities impacted by property and development activities. As a long-term investor, we provide a different perspective from other market players, who often focus on shorter-term issues.

Methods for engagement vary by asset class and by asset:

- Net zero activities (see pages 59 to 63).
- Meetings with senior management, board members, sustainability teams, investor relations and other company representatives.
- Written communication, including emails and formal letters.
- Voting, using our varying degrees of influence through Wellcome's positions as a shareholder and representation on advisory committees and company boards.
- Collaboration with industry bodies and partners, such as other shareholders and industry groups, through written communications, meetings or collaborative platforms.
- Joining engagement-focused campaigns or action groups.
- Public statements.

Engaging with impact this year

- This year, we signed up to the CDP charity's Non-Disclosure Campaign, which asks companies to disclose their data or policies relating to climate change, water scarcity and forestry.

Governments and policy makers

We proactively work with governments and policy makers at national, regional, and international levels, enhancing the use of research evidence to drive timely and informed decision making, promoting investment in science, and advocating for the effectiveness of scientific approaches to solve health challenges. Our goal is to ensure that compelling evidence is available when it matters most.

We build trusted partnerships, relationships, and networks to enrich our understanding of the needs, priorities and cultural contexts of key policy makers and governments. Wellcome staff regularly attend conferences and meetings to hear directly from local policy makers and governments.

Engaging with impact this year

- In May 2024, ahead of the UK General Election, we published a Wellcome manifesto for science, outlining how the next government could support research and leverage the UK's strengths. To develop this paper we engaged key stakeholders, including the UK science sector, government and political actors. Our proposal reached key policy audiences, with our asks featuring in a Times opinion piece, commentary in the Guardian and a Sunday Times interview.
- As part of the Coalition for Mental Health Investment, Wellcome hosted a dinner with the Lord Mayor of London for 180 investors, innovators and researchers to showcase new advances in mental health science that will lead to new and improved interventions globally. This unique event brought together different actors needed to scale interventions and was very well received. Attendees commented on their excitement about the possibilities for collaboration that were opened up, which are now being taken forward through the coalition and other Wellcome initiatives.

Suppliers

To deliver our strategy, we procure goods and services from third-party suppliers. These include specialist advisors, consultants, research groups, advisory bodies, artists, office support services and more. We work with suppliers to ensure the best value and expertise in delivering Wellcome's mission, as well as prioritising environmental and social factors. Our aim is to demonstrate fairness and value in how we work with others through ensuring compliance with policy and best practice procurement.

Wellcome has a supplier relationship management programme which outlines contract and relationship good practice guidance for stakeholders managing suppliers in operational areas of the business. This guidance includes how to effectively monitor supplier performance, maximise mutual value, and collaboratively overcome challenges. These shared approaches also help to set expectations for suppliers who work with us, both existing and new.

Engaging with impact this year

- This year, we updated our procurement processes to embed equity, diversity and inclusion principles. We now request more information from suppliers in these areas and include it in procurement scoring criteria to move towards a fairer, more inclusive approach.
- We published 176 requests for proposals on the Wellcome website. Our contract opportunities page is listed in the top 20 most popular Google searches when looking for tendering activities worldwide, allowing for a diverse mix of suppliers to go through an open and fair process.
- We evolved the depth of our annual Modern Slavery review, looking beyond spend to identify areas of risk such as suppliers' locations and industries.

People with lived experience of health challenges

People and communities who are disproportionately affected by health challenges have expert knowledge and understanding of both the challenges and potential solutions. It is essential that we include such context-specific expertise meaningfully throughout our decisions, the research we fund and the ways we engage with others to drive change. This will involve creating long-term, reciprocal and sustainable routes to collaboration in research that is anchored in local contexts, and explaining the impact we aim to have so people and communities can relate our work to their experiences. Some of the mechanisms we use are focus groups, advisory networks, and early engagement and deliberation. We also work with our programmes in Africa and Asia to ensure they have the resources and infrastructure they need to work with local communities.

Over the next year, we aim to have greater alignment on how we can build these sustained and equitable partnerships and how we can use insights in a more systematic way to support effective engagement and integration across Wellcome's work.

Engaging with impact this year

- Funded by Wellcome, the GALENOS project (see page 30) has pioneered the engagement of people with lived experience of mental health to analyse topics in mental health research. Partnering with mental health charity MQ, the project designed pre-briefings and in-meeting support approaches that enabled lived experience advisors to contribute to the technical process of integrating human and animal mental health data.
- Wellcome is funding Centres for Exchange, an innovative research project strengthening community collaboration and co-ownership of health research. By engaging diverse perspectives from grassroots-level communities in India, Kenya and South Africa, the project aims to ensure that the science that Wellcome and other organisations fund is more inclusive, grounded in local realities, relevant and equitable within different contexts. This year the focus has been developing the concept and gathering learning to set our future approach.
- This year we launched a Mental Health Africa Data Prize, in which Wellcome's lived experience advisors have acted as learning partners for the African Population and Health Research Centre, which is our delivery partner in Africa. This supported the team to follow best practices in integrating lived experience expertise into prize design and delivery, and to appoint a dedicated in-house lived experience consultant.

Public audiences

Everyone has an interest in the health issues that Wellcome works on. As a foundation accountable to society, we must be transparent in our aims and how we are delivering against them. Our public-facing activities must be accessible to as many people as possible to contribute to a world where everyone's experience of health matters.

Through Wellcome Collection (see page 41), we provide opportunities for everyone to contribute towards a healthier future. Our free museum, library, events, collections and online offers are open to all to engage with and explore different experiences of health. We tell inspiring stories of researchers, scientists and communities through our digital channels, media coverage, podcast and Photography Prize.

Engaging with impact this year

- 'The Cult of Beauty' exhibition was open at Wellcome Collection from October 2023 to April 2024, exploring notions of beauty across time and cultures (see page 41). It received 148,000 visits (57 percent above our target), the exhibition landing page had 546,000 views, and we gained over 700 new email subscribers and more than 130 pieces of press coverage. During this time, a quarter of visits to Wellcome Collection were by people from minoritised backgrounds, making Wellcome Collection the most ethnically diverse across the Museum And Gallery Insight Consortium (MAGIC).

- Alongside our partner Heart n Soul, an award-winning creative arts company and charity working with people with learning disabilities, Wellcome Collection hosted the Beautiful Octopus Club in July 2024 (see page 42).

Case Study

Research Culture community of practice

In 2023, our Institutional Funding for Research Culture scheme aimed to support institutions to explore ways to advance their internal research cultures. The scheme was open to 42 organisations in the UK and Ireland that strategically align with Wellcome's mission and are well-positioned to create positive research cultures where Wellcome-funded researchers work. Organisations that received awards ambitious plans to address a range of specific challenges: for example, creating an anti-ableist research culture, strengthening the career pathway for technicians, promoting equitable partnerships, and enabling collaborative and team science.

Research culture is a collective challenge, as Wellcome has already raised awareness of at a sector level. As such, we also convened an Institutional Research Culture Community with the aim of promoting shared learning and relationship-building across teams and institutions, establishing a strong, open evidence base for change. All 42 organisations that were eligible for the institutional funding scheme, whether they were funded or not, opted to join this community of practice.

To help build a constructive and inclusive environment, we took an engaged community-convening approach. This included introductory conversations with institutional teams to understand their aspirations, hopes and needs, identifying common themes, and tailoring the programme and an initial event around these findings.

The kick-off event surpassed expectations:

- 53% of attendees reported having their first ever conversation about research culture with people from other universities, underscoring the event's role in sparking discussions that might not happen elsewhere.
- 90% of attendees said they learned about new practices from others' research culture efforts that they could use in their own work, showing the value of exchange of ideas.
- 59% of participants reported that the event helped them grow their networks, either by forging new contacts or reinforcing existing relationships.

For more information about the Institutional Research Culture Community, see our publication: https://doi.org/10.5281/zenodo.14289957

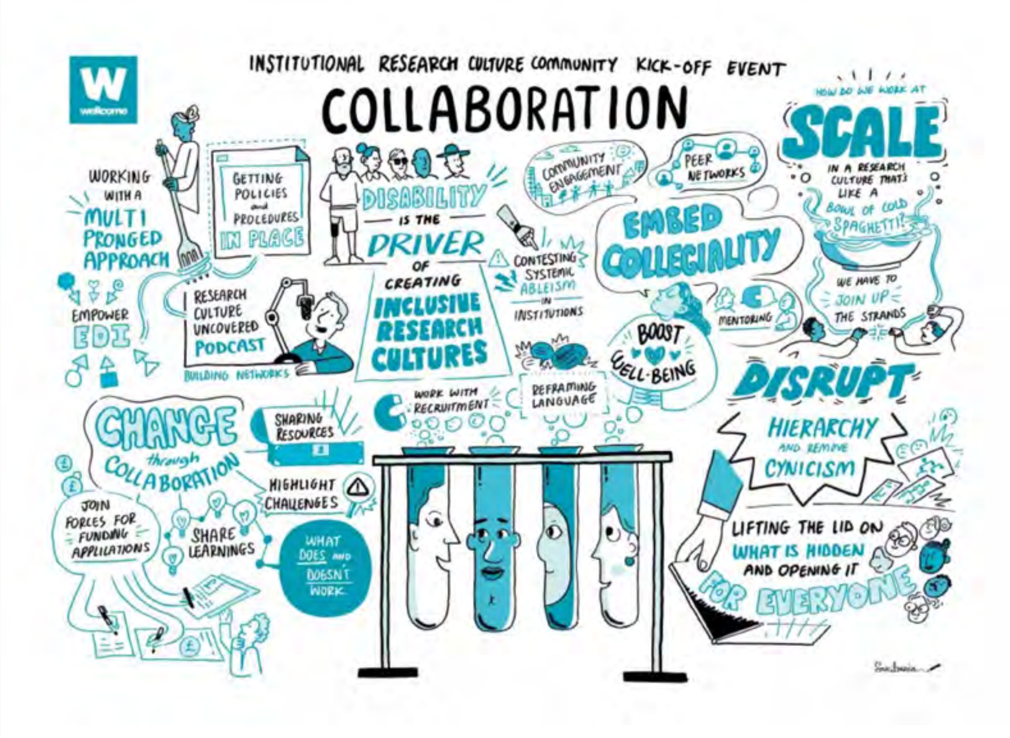


Image: Key themes in fostering collaboration within a research culture, as identified at our Institutional Research Culture Community kick-off meeting in June 2024.

Illustrator: Scriberia

Case Study

Discovery Research meetings

Re-establishing our in-person research meetings, Wellcome hosted four events around the UK for Discovery Research grantholders in May and June 2024, convening over 450 researchers from across our Discovery Research portfolio. For many grantholders, this was a much awaited opportunity to connect with Wellcome and create relationships. For others, it was a chance to learn more about Wellcome's strategy and priorities.

The event provided meaningful engagement with our research community. Relationships with Wellcome were significantly strengthened.

- 97% of people said the event provided them with a better understanding of Wellcome's Discovery Research priorities and activities.
- 91% reported they would like to attend another meeting in the future, suggesting that the event was enjoyable and inspiring for the majority of attendees.

"I really liked the opportunity to chat to Wellcome staff specifically and everyone I spoke to was enormously helpful."

"It was a really positive event - I learned a lot about new areas of science, about Wellcome strategy and new initiatives, met old friends and made new connections. A super useful meeting, of which you and your team should be very proud."

Image: A panel event during a Discovery Research meeting in 2024.

Our s172(1) statement

When making decisions, boards should be able to evidence how they have engaged with their key stakeholders and had regard for their views and other factors. As a charity, Wellcome also needs to carry out our purpose for the public benefit.

Wellcome's Board of Governors confirms that it has acted in a manner consistent with our purpose and values to further the objects of Wellcome for public benefit and having due regard to the factors set out in s172(1), including:

- Public benefit: carrying out our charity's purpose for the public benefit.
- Long term impact: the likely consequences of any decision in the long-term.
- Employees: the interests of our employees.
- Fostering relationships: the need for us to build and sustain business relationships with suppliers and others.
- Community and environment impact: the impact of our operations on the world around us.
- Reputation: maintaining a reputation for high standards of business conduct.

How Governors have had regard to the s172(1) factors in their principal decisions

Board decision	Governors' consideration of factors under s172(1)	
A new vision and strategy articulation for Wellcome	• Long-term impact • Employees • Fostering relationships	The Board approved Wellcome's new vision of 'a healthier future for everyone', which is aligned with our beliefs and values, placing health and equity central to all our work. The Board endorsed the concept of two strategic modes – 'discovery' and 'solutions' – to articulate the core ways in which Wellcome pursues its mission. The development of this strategic framework was directly informed by feedback from external and internal stakeholders about the difficulty in understanding our strategy and how different parts of Wellcome fit together.

How Governors have had regard to the s172(1) factors in their principal decisions (continued)

Board decision	Governors' consideration of factors under s172(1)	
Evolving Wellcome's Equity Framework	• Public benefit • Long-term impact • Fostering relationships • Employees • Community and environment • Reputation	The Board discussed Wellcome's developing Equity Framework, which articulates Wellcome's ambitions in advancing equitable health outcomes. Evolving this framework is part of how we hold ourselves accountable for acting and living our beliefs. The draft framework was developed through engagement with relevant Wellcome staff, Wellcome Exchange and our external Equity, Diversity and Inclusion Associates. This included workshops, interviews and updates to understand progress so far, ambitions for the future and the external landscape. Deeper engagement with Wellcome teams has recently begun to understand how the framework applies to their work.
A strategic approach to managing environmental, social and governance (ESG) topics at Wellcome and across the Wellcome Group	• Community and environmental impact • Long-term impact • Reputation • Fostering relationships	The Board approved an ESG Framework developed to manage ESG topics at Wellcome and across the wider Wellcome Group (the Wellcome Sanger Institute, Wellcome Leap, Wellcome gGmbH; Urban&Civic, Premier Marinas, Genome Campus Ltd) and clarify minimum standards for ESG practices across the group. The framework was developed with contributions from across Wellcome (Strategy, Internal audit, Risk, Equity, Diversity and Inclusion, People, Investment, Information security, Health and Safety, and more). Input from across the Wellcome Group was provided by representatives on the ESG committee (Chief Operating Officers for the Wellcome Sanger Institute and Wellcome Leap, and Chief Investment Officers for investment subsidiaries)
Renewal of funding to Wellcome Leap Inc	• Public benefit • Long-term impact • Fostering relationships	The Board approved the continued funding of Wellcome Leap until 2029. To inform this decision, an interim review of Wellcome Leap was conducted by an independent expert review panel to ensure alignment with Wellcome's new strategy and develop recommendations for consideration prior to the renewal of funding.

Remuneration report

Wellcome remuneration policies and practices are designed to support and promote Wellcome's long-term success and delivery of our strategy, reward fairly and responsibly having regard to statutory and regulatory requirements, and align executive remuneration with Wellcome's values and the delivery of its long-term strategies.

Our remuneration principles

- **Competitive and market-facing:** salaries are benchmarked using external market data appropriate to the sector in which people work. We use trusted providers to secure the pay data and advice required. Willis Towers Watson (WTW, commercial), QCG (heritage) and UCEA (universities) provide salary benchmarking data. WTW also provides specific data and advice on the pay of our Executive Committee (ExCo), as do Aon on the remuneration of our Investments team. PwC advises us on the production of our pay gaps data.
- **Recognise collective success:** the Wellcome Achievement Award rewards all eligible employees with a bonus for collective achievements of shared priorities at the end of each delivery year.
- **Transparent:** our pay policy (excluding the Investments team) is openly communicated to staff.
- **Fair:** benefits are generally the same for all colleagues irrespective of their seniority (except for annual leave) and can be accessed and managed through a portal that also provides a total reward statement. The Reward team run annual equal pay audits and report the findings to ExCo and the People and Remuneration Committee to ensure we do not discriminate or unintentionally create any equal pay issues. Pay gap and action plans are also reviewed by ExCo and the People and Remuneration Committee to inform decisions.

In the UK, we are a Real Living Wage Employer accredited by the Living Wage Foundation. Our Real Living Wage commitment means that everyone working at Wellcome receives at least the London Real Living Wage.

The People and Remuneration Committee

The Board of Governors delegates certain matters to the People and Remuneration Committee, which is chaired by an independent Governor. The members are all Governors, all of whom are excluded from any discussion which affects their own pay (this is delegated by the Board to the Non-Executive Remuneration Committee). The committee ensures that remuneration practices and policies support Wellcome's values, long-term sustainable success and facilitate the employment, motivation and retention of talented people.

The core responsibilities of the committee are to review and recommend to the Board key remuneration principles, the reward strategy and policies for remuneration of employees including incentive and benefit plans, and to determine individual remuneration packages and terms and conditions of employment for members of the Executive and other senior staff. It also reviews and recommends to the Board, the remuneration policies and framework for all staff including the Investment team.

The People and Remuneration Committee report (page 123) includes key decisions made by the committee throughout the year.

Non-Executive Remuneration Committee

The Non-Executive Remuneration Committee (NXRC), made up of executives and an independent external committee member, was established by the Board to consider options to revisit the Governors' remuneration mechanism. This committee ensures that Governors are not involved in decisions relating to their own pay.

Our remuneration governance framework

Board of Governors and the People and Remuneration Committee	The Board of Governors delegates certain matters to its People and Remuneration Committee.
Non-Executive Remuneration Committee	Established by the Board of Governors to ensure that Governors are not involved in decisions relating to their own pay.
Remuneration policies	• **Governors' remuneration** – Wellcome Constitution and approval by the Charity Commission. • **External Board committee members** – the NXRC approves their remuneration. • **General pay policy** – applies to all staff except Investments team. Approved by the Board under the Matters Reserved to the Board. • **Investment remuneration framework** – applies to the Investments team. Approved by the People and Remuneration Committee.
Annual pay awards, Wellcome Achievement Award and Long-term incentive plans for the Investment team	People and Remuneration Committee – reviews individual ExCo and Investment Executive performance and remuneration. Also approves the pay award budget and the bonus percentage for the Wellcome Achievement Award that applies to wider Wellcome staff, as well as long-term incentive plan awards for the Investments team.

Governors' remuneration, year to 30 September

	2024 £	2023 £
Julia Gillard (Chair)	**142,108**	142,108
Fiona Powrie (Deputy Chair)	**106,581**	106,581
Diana Noble	**64,325**	-
Stephen Lovegrove	**64,325**	-
Arup Chakraborty	**71,054**	71,054
Amelia Fawcett	**-**	71,054
Richard Gillingwater	**71,054**	71,054
Gabriel Leung	**71,054**	71,054
Cilla Snowball	**71,054**	71,054
Elhadj As Sy	**71,054**	71,054
Ijeoma Uchegbu	**71,054**	71,054
Total remuneration	803,663	**746,067**

Expenses in respect of accommodation, travel, subsistence, telephone and sundries incurred by the Governors in the course of their duties amounted to £203,751 (2023: £224,361) of which £200,652 (2023: £219,101) was paid directly by Wellcome, including Chair accommodation expenses of £48,000 (2023: £48,000), and £3,099 (2023: £5,260) was paid by the Governors and directly reimbursed to them.

No pension contributions were paid in respect of the Governors.

The Governors were included in the Directors' and Officers' liability insurance in the year to 30 September 2024.

Governor and external committee member remuneration

In accordance with the will of Sir Henry Wellcome, Governors are entitled to receive remuneration from the Trustee, The Wellcome Trust Limited, of which they are directors. Under Wellcome's Constitution, Governors are entitled to receive a set amount of annual remuneration, adjusted with effect from 1 April each year by an amount equal to the percentage increase recommended by the Review Body on Senior Salaries in respect of the salary pay bands of the Senior Civil Service. Following approval by the Charity Commission of a scheme in October 2011, the levels of remuneration of Chairs and Deputy Chairs are up to 2 and 1.5 times the level of a Governor respectively. A review of Governor remuneration and the adjustment mechanism is underway and discussions with the Charity Commission are ongoing, which will continue to ensure that Governors do not make decisions on their own remuneration. The Governors have not had an increase in remuneration since the 2016/17 financial year.

The Non-Executive Remuneration Committee, Audit and Risk Committee, People and Remuneration Committee and Investment Committee have independent external committee members (non-Governors) who are allowed to claim £4,000, £10,000, £10,000 and £20,000 a year, respectively, which some members choose not to claim. A review of external committee members' remuneration is also underway.

Executive remuneration

The remuneration of ExCo members is set up in accordance with the pay policy which was introduced in 2020 with amendments in 2024 and covers the entire organisation, with the exception of the Investments team which has its own reward scheme. The policy states that Wellcome is a market-facing organisation. As such, each role is matched to a relevant role in a robust salary survey. A market rate is created for each role equivalent to the market median. Willis Towers Watson has been appointed as our adviser and data provider for our executive team.

Each ExCo role is matched to a survey role and factors such as organisation size and reporting lines are used to identify a suitable pay benchmark. The aim is to pay at the market rate for each role, market rates are refreshed annually and pay increases for those at market rate are based on any market rate movement.

ExCo members are eligible for the Wellcome Achievement Award bonus scheme as other employees. It is based on the achievement of shared priorities. At the start of each delivery year (1 October), we publish Wellcome's Priorities and develop indicators of success against them. No executives are involved in making decisions on their own remuneration outcomes. The People and Remuneration Committee reviewed and agreed an approach to notice periods, which has been implemented across the organisation in a consistent way.

Investments team

The Investments team's remuneration is based on the Investment remuneration framework (which is separate to the wider Wellcome pay policy).

Wellcome manages the investment portfolio that underpins our charitable activities. The internal Investments team, including the Investment Executive, manages a large proportion of Wellcome's investments directly rather than through external fund managers. Due to the size, breadth and long-term nature of our portfolio, Wellcome can attract and retain a highly skilled group of investment professionals.

Members of the Investments team are remunerated through their base salary, supported by variable elements based directly on the performance of the portfolio. These variable elements are either in the form of an annual bonus or, more significantly, for senior roles, long-term incentive plans. A long-term incentive plan is in place to ensure that the remuneration of the Investments team remains competitive and to encourage a long-term view. Awards are made annually based on investment returns and individual performance over a period of three to five years.

The structure and quantum of remuneration is benchmarked on an ongoing basis using market data and external consultants. Details of the number of employees working on the investment activities of the Group whose total benefits (excluding employer pension contributions) fall within specific £10,000 bandings, where benefits exceed £60,000, are shown within the Financial Statements under note 5b.

Aon provided an asset management sector overview to benchmark pay and reward proposals for the Investments team to provide assurance that the pay and reward package was appropriate to attract and retain excellent staff, while also recognising Wellcome's charitable status.

Key management personnel

The key management personnel of the Wellcome Group and Wellcome have been defined as the Board of Governors, the Executive Committee (as described on page 217), and the Investment Executive, who are responsible for decision making in respect of the investment portfolio. The roles and responsibilities of the Board of Governors and the Executive are discussed in the Structure and Governance section.

The total consideration includes salaries, benefits in kind, bonuses, amounts accrued under long-term incentive plans, termination payments, employer pension contributions and Governors' remuneration. The determination of the remuneration of the Governors is discussed above.

The remuneration of members of the Executive is determined in accordance with the key principles for all staff laid out in the introduction to this report. The remuneration of the Investment Executive is discussed above.

Details of the number of employees working on the charitable activities of the Group whose total benefits (excluding employer pension contributions) fall within specific £10,000 bandings, where benefits exceed £60,000, are shown within the Financial Statements under note 11d.

Remuneration of key management personnel (KMP) Year to 30 September

	2024 £	2023 £
Governors' remuneration	803,665	746,067
CEO of Wellcome	654,555	401,075
Interim CEO of Wellcome	885,932	352,260
Executive Leadership Team (to 8 September 2024) (excluding Director and interim CEO) Executive (from 9 September 2024) (as described on page 217)	3,467,009	2,842,106
Investment Executive	11,140,966	9,453,769
Employer Pension Contributions (for relevant staff)	265,610	219,460
	17,217,737	14,014,737

Until 8 September 2024, an Executive Leadership Team of 11 roles formed the Executive and were key management personnel. This was changed on 9 September 2024 to the Executive Committee (ExCo), comprising eight roles who are key management personnel – see the Reference and administrative details section for more information.

Remuneration includes salaries, bonuses, allowances (such as for housing and moving for staff relocating internally), salary paid in lieu of pension contributions and termination payments including pay in lieu of notice.

<table>
<tr><th></th><th>Executive Committee</th><th>Investment Executive</th><th>Investment staff</th><th>Wider staff</th></tr>
<tr><td rowspan="2">Salary</td><td colspan="4">Annual pay reviews and awards take into account Wellcome's performance against its strategy. Our pay policy is designed to enable Wellcome to recruit, motivate and retain the people we need to deliver our mission, by offering a fair reward package that is competitive with the markets from which we draw talent.</td></tr>
<tr><td>Salaries are reviewed annually, and increases are aligned with the wider staff increases.</td><td colspan="2">Salaries are reviewed annually, and increases are aligned with the wider asset management market.</td><td>Salaries are reviewed annually.</td></tr>
<tr><td>Benefits</td><td colspan="4">All staff are eligible for a wide range of voluntary benefits to support their wellbeing.</td></tr>
<tr><td>Financial wellbeing</td><td colspan="4">A financial wellbeing programme is in place to help staff manage their finances. Life Assurance policy of eight times an employee's salary, season-ticket loan, and Perkbox discounts. Individual and team recognition awards.</td></tr>
<tr><td>Physical and mental wellbeing</td><td colspan="4">Holiday allowance of 25 days, private medical insurance including gender dysphoria cover, remote GP service, on-site gym, physio, and cycle to work scheme. Employee assistance programme, and mental health support through our network of mental health first aiders, and with Plumm and Thrive support, including therapy options.
Occupational health and individual stress assessments to identify and support individuals with work-related and other stress.
Group income protection scheme designed to provide income for staff unable to work until staff can return to work.</td></tr>
<tr><td>Social and community wellbeing</td><td colspan="4">Wellies, our social club, organises many events annually. There is an on-site bar, a choir, and an annual staff quiz. There are numerous active groups and staff diversity networks. The Wellcome volunteering programme identifies and promotes volunteer activities that align with one or more of Wellcome's organisational priorities. Staff are eligible to up to six volunteering days each year.</td></tr>
<tr><td>Pension</td><td colspan="4">A defined contribution pension scheme where employees contribute 3% and Wellcome contributes 15% (of which employees can choose to get up to 10% as cash). Following closure of the Defined Benefit Pension plan, all employees (except for those who are in receipt of a pension allowance) are members of the Defined Contribution Pension Plan.</td></tr>
<tr><td>Bonus</td><td>ExCo members are eligible for the Wellcome Achievement Award, linked to the collective achievement of shared priorities.</td><td colspan="2">Bonus determined by the Investment Remuneration Framework. It is linked to performance.</td><td>Eligible for the Wellcome Achievement Award, linked to the collective achievement of shared priorities.</td></tr>
<tr><td>Long-term incentive plan</td><td>Not eligible</td><td>Eligible</td><td>Certain senior roles only</td><td>Not eligible</td></tr>
</table>

People and Remuneration Committee report

I am pleased to present our report for the year ended 30 September 2024.

During this year the chairing of the committee has been divided between myself and fellow Governor Cilla Snowball (on an interim basis), whom I took over from as Chair of the committee in January 2024.

This report summarises the work of the committee over the past year in fulfilling our responsibilities to provide effective oversight of the remuneration of our employees, and increasingly the broader people agenda, including policies and procedures.

Effective committee governance

The membership of the People and Remuneration Committee is set out in the Reference and administrative details section (page 216).

We said farewell to Paul Schreier as interim Chief Executive Officer (CEO) in December 2023 and welcomed John-Arne Røttingen as incoming CEO. The CEO, alongside the Chief People Officer and Company Secretary, are not members of the committee, but attend each meeting, save for discussions on their own performance and pay, for which they are excused.

The committee discussed and reviewed its own terms and responsibilities, and as part of this review recommended that the Board (effective from March 2024) rename the committee to People and Remuneration Committee to reflect the renewed focus, which extends beyond pay to include more people-focussed matters including performance, talent development and culture.

During the year the committee's focus was on:

People

The committee reviewed people-related outcomes, including the People dashboard which outlined management metrics such as headcount, recruitment, diversity, learning and development and performance. The committee also inputted into the development of the new people framework.

People development has also been a focus throughout the year including the committee reviewing management's multi-year approach to enhancing performance through developing leadership and management capability.

During the year regular Pulse staff surveys have been launched and the committee has reviewed and been updated on the key findings including staff engagement, alignment with Wellcome's beliefs and values and staff motivation.

Pay, reward and succession

During 2023/24, the committee considered and endorsed changing Wellcome's performance and reward framework to a group-based award (the Wellcome Achievement Award). Following approval at the Board, the committee has continued to monitor progress and outcomes throughout the year in preparation for the final outcome being decided in the new financial year.

Individual performance for the Executive, including reviewing performance metrics and outcomes for the previous performance year were also discussed, and as in previous years, this has included reviewing external benchmarking data and performance information (both individual and collective), including calibration information, to align with Wellcome's market approach to pay.

The Investment Executive and team's performance and remuneration has also been reviewed, including long-term incentives, and performance outcomes against the background of broader market asset management performance and pay trends.

During the year the committee has also devoted significant time to succession planning within the Investment Executive to ensure effective leadership continues in this vital area supporting Wellcome's mission.

Recognition

As part of the new pay framework Wellcome's approach to pay has also evolved so that staff are now paid at a specific market rate, not within a market range. Alongside this the committee reviewed and endorsed the new approach to celebrating success including the mechanisms in providing recognition and motivation to staff – both formal and informal.

Pension governance

The committee has continued to monitor the governance and oversight of the existing defined benefit and contribution pension schemes and has reviewed the long-term funding approach to the defined benefit and discussed changes recommended by the trustees to the default fund. Additionally, options have been considered to de-risk the investment strategy of the current pensions schemes.

Committee meetings during the year

The committee formally met eight times during the year, and reported on key issues discussed at the next Board of Governors meeting.

Diana Noble
Chair of the People
and Remuneration Committee

13 January 2025

Nominations and Governance Committee report

As the Chair of the Nomination and Governance Committee, I am pleased to present our report for the year ended 30 September 2024.

The current membership of the committee is set out in the Reference and administrative details section (page 216).

Chief Executive appointment

The committee has been pleased to welcome John-Arne Røttingen as Chief Executive Officer, who joined Wellcome and the committee in January 2024, and has kept the committee updated on his plans for the organisation, including senior appointments.

Board skills, succession and recruitment

The committee reviewed in detail the Board's composition, size, structure and the balance of skills, experience and diversity, and reviewed the succession plan in place, and made recommendations to the Board regarding reappointments of Board members whose terms are due to end in the near future.

As part of this succession planning process, we were pleased to recommend to the Board that Fiona Powrie should be reappointed. Fiona's term as Governor and Deputy Chair (which was due to conclude at the end of 2024) has now been extended for a second term of three years.

In order for the Board to continue to benefit from the scientific background and skills of three Governors (whose first terms are due to end in 2025), we have also recommended the reappointment of three Governors (Arup Chakraborty, Gabriel Leung and Ijeoma Uchegbu) for a second term of three years. These were approved by the Board in November 2024.

The committee also approved the recruitment for new external members for the People and Remuneration Committee (including corresponding role profiles setting out the purpose and responsibilities of the roles) and to proceed with the recruitment of external members for the Investments Committee to replace members whose terms are concluding.

Board effectiveness and governance review

As part of regular reviews on effectiveness, the Board undertook an internally led exercise to consider its own effectiveness following the external review in 2022 (noting that all the actions from this review had now been closed).

The committee considered the findings, noting the need to build this feedback into a broader Board level discussion. Key points raised included the Board holding more strategic discussions, the balance of skills and expertise on the Board (with a need to include more artificial intelligence and technology experience) and feedback on conducting this exercise in future.

The committee also considered the next evolution of Wellcome's governance framework and took time to reflect on the standards to which Wellcome holds itself accountable.

Equity, diversity and inclusion

The committee has kept up to date on Wellcome's equity, diversity and inclusion work progress, including the outstanding actions.

Staff and stakeholder engagement

The committee continued to lead for the Board on overseeing and supporting Wellcome's overall approach to stakeholder engagement. Cilla Snowball has continued in her designated stakeholder engagement Board Lead role including with the Wellcome Exchange.

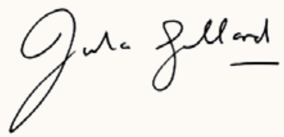
The committee noted the wide range of stakeholder engagement activities conducted by Wellcome over the past year. Of particular interest was Wellcome's emphasis on expanding engagement with researchers and research communities, including the reactivation of in-person researcher meetings and other efforts to bring together and spark connections across Wellcome-funded researchers.

Staff engagement was also discussed as a theme, noting the regular feedback now received through the all-staff survey, the results and actions of which are regularly presented to the People and Remuneration Committee.

Further information about how we engage with our key stakeholders, including employees, research communities, partner organisations, the investor community, governments and policy makers, suppliers, people with lived experience of health challenges and public audiences is included as part of the Stakeholder engagement statement in this year's Annual Report and Financial Statements. It was compiled with input from relevant colleagues across Wellcome, including the Executive and Cilla Snowball (as sponsor).

Committee meetings during the year

The committee formally met twice during the year. After each committee meeting, the Board of Governors receives a report on the key issues discussed.



Julia Gillard
Chair of the Nominations and Governance Committee

13 January 2025

Investment Committee report

As the Chair of the Investment Committee, I am pleased to present our report for the year ended 30 September 2024. The Investment Committee's role is to function as an advisory and oversight body of the Board of Governors on investment matters. This report summarises the committee's work over the past year in fulfilling our responsibilities.

There have been no changes to the external membership of the committee over the past year. There is an impressive depth and breadth of experience among our five external members, Stefan Dunatov, Tracy Blackwell, Martin Halusa, Cressida Hogg, and Girish Reddy. Their insight and challenge continue to enrich our discussions and are of great value. Among the internal members, John-Arne Røttingen joined the committee, having taken on the post of Chief Executive Officer of Wellcome.

Activities during the year

The Investment Committee held meetings in December 2023 and in March, June, and September 2024. At each meeting, the committee reviewed the positioning and performance of the investment portfolio in the context of prevailing investment market conditions and the rapidly changing macro-economic and geopolitical environment.

At the December 2023 meeting, the committee made its annual consideration of the outlook for long-term returns and concluded that a 4% annualised return after inflation remained a realistic aspiration over the next decade. In September 2024 there was a review of the Investment Policy to reflect changes in delegated authorities and other governance arrangements following the announcement of internal succession arrangements agreed for Wellcome's Investment Executive.

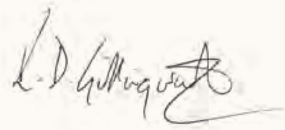
In its oversight role, the committee has over the year examined correlations and performance attribution; Internal Audit reviews of internal controls and third-party oversight in Investments; adherence to risk limits; resourcing and succession planning of the Investment team; operations, systems, and external partners; cash management and counterparty limits; arrangements for safekeeping of assets; and costs and fees incurred in managing the portfolio. There are also regular sessions on the Investment Executive's approach to environmental, social and governance topics, which is based on an assessment of companies' and managers' licence to operate.

In December 2023, there was a strategic discussion about the approach to direct public equity investing and a review of the Net Zero target for the portfolio. In March 2024, the committee focused on active manager selection across hedge funds and long only equity managers, as well as revisiting the property strategy. In June 2024, there was a discussion on overall portfolio construction. In September 2024, we reviewed the Investment team's approach to managing and optimising their extensive network of relationships and contacts across the world.

The committee provided constructive challenge to the Investment Executive at each meeting. Members have also been generous with their time in providing additional input and advice between meetings. External committee members were consulted extensively during the recently concluded succession process and provided valuable advice and market insight.

The committee thanks the Investment team for their dedication and effort in navigating markets through a period of volatility and uncertainty. The committee appreciates the level of transparency provided and the level of detail in formal and informal reporting, especially in highlighting areas where investment outcomes have not met expectations.

Finally, the committee would like to congratulate Lisha Patel and Fabian Thehos, both long-standing members of the Investment team, on their promotion to Co-Chief Investment Officers at the end of March 2025 and thank Nick Moakes for his outstanding leadership. There will be an opportunity to reflect more fully on Nick's considerable achievements after he has stepped down.



Richard Gillingwater
Chair of the Investment Committee

13 January 2025

Audit and Risk Committee report

As the current Chair of the Audit and Risk Committee I am pleased to present our report for the year ended 30 September 2024.

I formally took over as Committee Chair in January 2024, following Chris Jones, who generously and extremely effectively stepped up as interim Chair. The work of the committee this year has been a renewed focus on managing risks through a refreshed risk management and risk appetite framework; appropriate support, oversight and challenge of the activities of the Wellcome Group and its subsidiaries, both directly with management and through the support of internal and external auditors; and due consideration of significant projects, systems, controls and financial reporting matters. During the year we have held a number of 'deep dives' into relevant topics and in addition invited Daniel Abrams, the Audit and Risk Committee Chair from Genome Research Limited (part of the Wellcome Group) to contribute to our discussions.

Overview of the year

In 2023/24, the main activities of the committee included oversight and monitoring of the following.

Internal audit

The internal audit opinion on the control environment, which informs the actions included in the overall programme to mature the risk and control environment at Wellcome Group and its subsidiaries.

- Internal audit risk assessment, audit plan, outcomes from completed audits and management progress on actions in response to findings.
- Implementation of measures to ensure adherence to the updated Global Internal Audit Standards (International Standards for the Professional Practice of Internal Auditing) and the Internal Audit Code.
- Internal audit strategy for the next three years (2024 – 2027), which details the vision, strategic objectives, and supporting initiatives for the function. Most notably, becoming a more impactful assurance partner, supporting and enhancing talent, and becoming a more digitally focused and enabled function.

Risk management

The design and implementation of key components: the enhanced risk management framework, including the revised risk taxonomy and risk definitions.

- Recalibration of risk appetites for key corporate risks.
- The Corporate Risk Register, working with the Head of Risk to refine reporting on the management of key organisational risks.

Investments

- The investment systems and process programme, aimed at improving the robustness of investment reporting systems and increasing the quality of investment data available for management.

Deep dives

The committee undertook deep dives on the following areas:

- risk management and risk and control framework
- cyber security
- Wellcome Collection
- Wellcome's control environment specific to statutory compliance and engagement and onboarding

Risk management

Considerable progress continues to be made to mature the risk and control framework at Wellcome and to ensure that a strong risk management culture is embedded throughout the organisation. The interim Head of Risk joined Wellcome in December 2023 and has now joined in a permanent capacity.

The committee oversaw the revision of Wellcome's risk taxonomy to more closely align risks with the strategy of the organisation. This will enable more effective risk oversight by focusing on the risks that have the greatest impact on our strategic objectives. This has been a collaborative effort involving management and the members of the committee, which has resulted in an enhanced level of risk awareness across the whole organisation.

The programme of work to enhance the risk framework will continue into next year and work is currently ongoing with a recalibration of the Board of Governor's risk appetite and the associated setting of risk tolerances by management. Together with the refinement of our risk taxonomy, this is a significant step towards enhancing our risk reporting to the committee and Board of Governors.

In the meantime, the Corporate Risk Register continues to provide the committee with an effective view of current risks, actions and progress made to manage the most pressing risks facing the organisation. Significant progress continues to be made to address risks, especially those relating to operational effectiveness.

Significant financial reporting issues, judgements or estimates

The use of assumptions or estimates and the application of management judgement is an essential part of financial reporting. In 2023/24, we focused on the following significant financial reporting matters:

Issue, judgement or estimate	Action taken by the Audit and Risk Committee	Outcome
Unquoted investment valuations	Consideration of the sensitivity analysis performed by management for any valuations subject to significant estimation uncertainty. Review of the Valuation Group papers and attendance at the Valuation Group meetings by a member of the committee. Review of the audit approach adopted by Deloitte as summarised in their report.	The committee concluded that the valuation methodology and the valuations recommended by the Valuation Group were appropriate, noting that there were three investments where management performed internal assessments of co-investor valuations and one investment without a co-investor where management prepared the valuation that was not material in the context of this asset class.
Investment property valuations	Consideration of the sensitivity analysis performed by management for any valuations subject to significant estimation uncertainty. Review of the Valuation Group papers and attendance at the Valuation Group meetings by a member of the committee. Review of the audit approach adopted by Deloitte as summarised in their report.	The committee concluded that the valuation methodology and the valuations recommended by the Valuation Group were appropriate, noting the use of several external valuers and management's review of the assumptions used by the external valuers.
Grant liabilities	Review of management's recommendation to discount the grant liabilities using the expected future rate of investment returns and the appropriateness of the rate used. Review of the audit approach adopted by Deloitte as summarised in their report.	The committee noted the sensitivity analysis that had been done to cover the various elements that impact the calculation and concluded that these were reasonable and provided a fair indication of the possible range of outcomes.
Defined benefit pension liabilities	Review of the assumptions provided by Mercer and reviewed by management.	The committee concluded that the assumptions were reasonable and appropriate to the group's risk and member profile.
Non-charitable investment subsidiary undertakings held as part of the investment portfolio	Review of management's judgement in assessing which subsidiary undertakings are held as part of the investment portfolio. Consideration of the sensitivity analysis performed by management for any valuations subject to significant estimation uncertainty. Review of the Valuation Group papers and attendance at the Valuation Group meetings by a member of the committee. Review of the audit approach adopted by Deloitte as summarised in their report.	The committee concluded that the valuation methodology and the valuations recommended by the Valuation Group were appropriate, noting that these entities are valued using external valuers, management's review of the assumptions used by the external valuers and that while Wellcome has board representation in these entities, their operations were managed independently from Wellcome.

Financial reporting

At the December meeting each year, the committee reviews the Annual Report and Financial Statements and related announcements for statutory and regulatory compliance. In particular, it reviews the integrity of the disclosures in the Financial Statements and considers the appropriateness of the investment valuations recommended by the Valuation Group. The Valuation Group is responsible for reviewing investment valuations and reports its recommendations to the committee. The committee also considers the overall tone of the Annual Report and Financial Statements and related announcements, considering reputational risk and the messaging of the activities reported.

The committee recommended to the Board of Governors that the Annual Report and Financial Statements is fair, balanced, and understandable. In justifying this statement, the committee has determined that robust processes have been in place throughout out the year, including:

- Clear guidance is given to all contributors in the form of timetables and detailed requirements.
- Revisions to regulatory requirements are monitored on an ongoing basis and are discussed at the Audit and Risk Committee meetings throughout the year.
- Wellcome's Finance team meet with the auditor throughout the year to discuss developments within the business and any impact on financial reporting.
- A thorough process of review, evaluation and verification of the Annual Report and Financial Statements is undertaken by senior management and staff with expertise across the organisation.

External audit

Oversight

At the June meeting each year, the committee discusses with the auditor the scope of their audit before the audit commences. The significant financial reporting risks, some of which are listed in the table above, are considered by the committee to be:

- The valuation of unquoted investments relating to certain direct investments, unconsolidated subsidiary investments (Urban&Civic and Premier Marinas), Wellcome Genome Campus investment property asset and Wellcome's valuation of its investment in subsidiaries.
- The rate of discount selected to discount the grant liabilities.
- Management override of controls (a risk in any organisation).

In addition to the significant activities during the year, our interactions with the auditor included:

- Consideration of their work and opinion relating to management judgements and estimation.
- Discussion on the level of disclosure in the Annual Report to satisfy the committee that it is appropriate.
- Meetings in private session during committee meetings, and at other times throughout the year, to discuss external and internal developments and issues.

Audit quality and independence

The committee seeks to ensure the continued independence and objectivity of Wellcome's external auditor by reviewing the performance of the external auditor and the quality of the audit work, discusses this with management and recommends their reappointment if appropriate.

At the April, June, September, and December meetings each year, the committee reviews the auditor's report about independence of its staff, its policies for maintaining independence and compliance with relevant requirements. The auditor was appointed for the year ending 30 September 2016 and has been reappointed for each subsequent year. Following the completion of six years of continuous engagement in 2021, partner rotation was completed and the current external audit partner is undertaking their first year on the engagement this year (providing cover for the parental leave of the audit partner engaged in the prior year).

Non-audit services

The committee has approved a policy on any non-audit services provided by our external auditor, which takes into account the relevant regulations and directives.

Non-audit services were under review throughout the year to determine that they were permitted by reference to their nature, assessing potential threats and safeguards to auditor independence, as well as the overall ratio of non-audit to audit fees which was well within the 70% cap applicable to public interest entities (see note 10).

The committee is satisfied that the auditor remains independent and that the level and nature of any non-audit services are appropriate.

Internal audit

Wellcome has an in-house Internal Audit function which comprises 14 professionals, supported by external consultants who provide specialist skills to supplement the in-house team.

They are led by the Head of Internal Audit, who reports functionally to the Chair of the Audit and Risk Committee, and administratively to the Chief Operating Officer. The committee directs and oversees the activities of the function, and the Head of Internal Audit has unrestricted access to the Board and the Audit and Risk Committee to address risks and issues identified through Internal Audit's activities.

The team also provides Internal Audit support for Wellcome's subsidiaries and reports to their respective Boards or Audit and Risk Committees.

Internal Audit provides independent, objective assurance and consulting services to enhance governance, risk management, and control processes, to add value and improve operations at Wellcome and its subsidiaries. Internal Audit also coordinates its operations with the activities of the external auditor and other assurance providers for maximum effect.

During 2023/24, the function added three new roles, to improve the skills and capabilities within the team to meet the changing risk profile for the function and the addition of Urban&Civic, Wellcome's Germany Office and Wellcome Trust Trading Ltd to the audit universe.

In June 2024, the team was awarded the Outstanding Team - Third Sector award and received a highly commended award for the "development of Internal Audit best practice" from the Chartered I nstitute of Internal Auditors, reflecting their dedication to improvement and excellence.

Stephen Lovegrove
Stephen Lovegrove
Chair of the Audit and Risk Committee

13 January 2025

Independent Auditor's report to the Trustee of the Wellcome Trust

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of the Wellcome Trust (the 'Trust' or 'Charity') and its subsidiaries (together the 'Group'):

- give a true and fair view of the state of the Group's and of the Trust's affairs as at 30 September 2024 and of the Group's incoming resources and application of resources 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 Charities Act 2011.

We have audited the financial statements which comprise:

- the Consolidated Statement of Financial Activities;
- the Consolidated Balance Sheet;
- the Statement of Financial Activities of the Trust;
- the Balance Sheet of the Trust
- the Consolidated Cash Flow Statement;
- the related notes 1 to 23

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 Group and the Trust 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. The non-audit services provided to the Group and Trust for the year are disclosed in note 10 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the Trust.

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: • Valuation of unquoted investments relating to controlled unconsolidated investments (Premier Marinas Holdings Limited and Urban and Civic plc); • Valuation of the Hinxton Genome Campus; • Valuation of unquoted investments relating to directly held investments; and • The discount rate used to discount the grant liability to present value. Within this report, key audit matters are identified as follows: Increased level of risk Similar level of risk Decreased level of risk
Materiality	The materiality that we used for the Group financial statements was £340 million (2023: £335 million) which was determined on the basis of 1% (2023: 1%) of net assets.
Scoping	Our Group audit scope included the audit of all subsidiaries that accounted for more than 1% of the Group's consolidated net assets, as well as any subsidiary that required a statutory audit. This meant that 99% of the Group's consolidated net assets were subject to a full scope audit for the year ended 30 September 2024. The Trust and the majority of the subsidiaries are based in the UK, with three overseas subsidiaries (two based in the USA and the third in Germany) which are not considered to be material to the Group.a
Significant changes in our approach	There were no significant changes in the current year

4. Conclusions relating to going concern

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

Our evaluation of the Board of Governors' assessment of the Group's and the Trust's ability to continue to adopt the going concern basis of accounting included:

- evaluating management's assessment of the Group's and Trust's ability to continue as a going concern, including consideration for the level of financial risk and complexity of the Group's and Trust's operations;
- assessing the liquidity position to support management's assessment of the Group's and Trust's ability to continue as a going concern through our audit procedures performed on the balance sheet, including agreeing cash to confirmations from banks, agreeing the timing of bond repayments to the underlying terms of the bond to assess whether the Group and Trust will have sufficient liquidity to meet its obligations as they fall due, assessing the liquidity of the investments held;
- evaluating management's future plans, including budgets and projections, liquidity analysis and funding approach, and assessing if they are in line with our expectation given our knowledge of the Group and Trust;
- evaluating management's stress test analysis on key assumptions in their projections;
- considering management's assessment of any significant subsequent events after the reporting period, prior to signing of the Annual Report, that might impact the Group and Trust's ability to continue as a going concern for at least twelve months from the date of signing the Annual Report; and
- evaluating the going concern and subsequent events 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 Group's and the Trust's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board of Governors 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. Valuation of unquoted investments relating to controlled unconsolidated investments (Premier Marinas Holdings Limited and Urban and Civic plc)

Key audit matter description	The valuation of Premier Marinas Holdings Limited and Urban and Civic plc involves significant judgement when determining the valuation methodology and the estimation of key inputs and assumptions. As a result of this degree of judgement, there is more potential for fraud or error in this area. Management engage external experts to prepare valuation reports for these assets. There are few comparable transactions for alternative real estate assets, such as marina assets or land with development potential similar to the scale of the Trust's holding, and therefore this increases the degree of estimation uncertainty when determining the fair value of these assets. The following have been identified as the primary inputs into the externally prepared valuations: • the implied multiples for Premier Marinas Holdings Limited; • the future sales price and cost forecasts within the discounted cash flow valuation for Urban and Civic plc; and • the rate per acre for Farmcare (within Urban and Civic plc). There is a risk that the application of an inappropriate valuation methodology, and/or the use of inappropriate assumptions, could result in the material misstatement of the valuation of unquoted investments. The valuation of Premier Marinas Holdings Limited and Urban and Civic plc (including Farmcare) amounts to £1,449 million (2023: £1,205 million), which is 7.4% (2023: 6.3%) of the Group's unquoted investments, and 4.3% (2023: 3.6%) of the Group's net assets. The Audit and Risk Committee Report on page 131 identifies the valuation of non-charitable investment subsidiary undertakings as part of the investment portfolio as a main area of risk. The significant accounting judgements with respect to the Group's fair value measurement and valuation policies are described in notes 2 and 15 of the financial statements.
How the scope of our audit responded to the key matter	In responding to the key audit matter arising when determining the fair value of unquoted investments relating to controlled unconsolidated investments, we performed the following procedures: **Internal Controls Assessment** • We tested the relevant internal controls over management's year end assessment of the external valuers' reports, including their challenge of the valuation methodology adopted, challenge of judgemental valuation inputs, and analysis of any changes to these year on year; and • We tested the review control performed by management's Valuation Group over the valuation of investments at year end.

5.1. Valuation of unquoted investments relating to controlled unconsolidated investments (Premier Marinas Holdings Limited and Urban and Civic plc)	
How the scope of our audit responded to the key matter (continued)	**Substantive testing** • We obtained and inspected 30 September 2024 external valuation reports and assessed whether the valuation methodology for each was in accordance with the Royal Institution of Chartered Surveyors ('RICS') Valuation – Professional Standards. We assessed the objectivity, competence, and capability of the external valuers. For all of the assets, we compared 2024 and 2023 reports to identify any changes in methodology year on year and whether the methodology selected was appropriate; • We engaged our internal real estate specialists as part of our audit team to assess the external valuation reports. We challenged the key estimates made in management's valuation against our expectations, our own market intelligence and external information (such as comparable data). We considered the possible effect of the rising cost of living and wider macroeconomic volatility on market assumptions, and stress tested key assumptions to understand their effect on the overall valuation; • For a sample of valuation models, with the assistance of our internal real estate specialists we recalculated the valuation models to evaluate their mathematical accuracy; • Specifically for the valuation of Premier Marinas Holdings Limited: we determined whether the data used was appropriate given our understanding of the business, and we obtained relevant comparable company market data to support the multiples applied in the valuation; • Specifically for Urban and Civic plc: we determined whether data used to derive future cashflows was appropriate given our understanding of the business, we tested the acquisition of L&Q Estates, along with the flow of funding from the Trust to Urban and Civic plc, and for a sample of assets we obtained relevant third party data to support future sales prices and cost projections that drive the valuation; • Specifically for Farmcare (within Urban and Civic plc): we determined whether the data used was appropriate given our understanding of the business, and we obtained relevant comparable transaction market data to support the rate per acre and passing rent used in the valuation; • We performed testing over the accuracy of underlying inputs into the valuation models; • We back tested previous estimates made by management by comparing them to actual results to assess management's ability to provide accurate estimates for all assets. We also back tested the accuracy of forecasts made by the external valuers and compared these to actual results, to assess the external valuers' ability to prepare accurate forecasts; • With the assistance of our internal valuation specialists we assessed whether the judgements made in valuation methodologies are indicative of a potential bias; and • We performed market analysis for contradictory evidence to challenge management on the conclusions reached; and • We also evaluated the related disclosures in the financial statements.
Key observations	As a result of our procedures, we concluded that the valuations of Premier Marinas Holdings Limited and Urban and Civic plc are reasonable.

5.2. Valuation of the Wellcome Genome Campus

Key audit matter description	The valuation of the Wellcome Genome Campus (both the Existing Campus and the Expansion Land) involves significant judgement when determining the valuation methodology and the estimation of key inputs and assumptions. As a result of this degree of judgement, there is more potential for fraud or error in this area. Management engage external experts to prepare valuation reports for these assets. There are few comparable transactions for alternative real estate assets, such as land with development potential similar to the scale of the Trust's holding, and therefore this increases the degree of estimation uncertainty when determining the fair value of these assets. The following have been identified as the primary inputs into the externally prepared valuations: • the forecasted development value and development costs for the Expansion Land at the Wellcome Genome Campus; • the market rent for comparable assets for the Existing Campus at the Wellcome Genome Campus; and • the discount rate used to discount the forecast future cash flows on the assets for the Existing Campus at the Hinxton Genome Campus. There is a risk that the application of an inappropriate valuation methodology, and/or the use of inappropriate assumptions, could result in the material misstatement of the valuation of the Wellcome Genome Campus. The valuation of the Group's investments in the Wellcome Genome Campus amount to £214 million (2023: £251 million) which is 1.1% (2023: 1.3%) of the Group's unquoted investments, and 0.6% (2023: 0.8%) of the Group's net assets. The Audit and Risk Committee Report on page 131 identifies the valuation of the Wellcome Genome Campus as a main area of risk. The significant accounting judgements with respect to the Group's fair value measurement and valuation policies are described in notes 2 and 15 of the financial statements.
How the scope of our audit responded to the key matter	In responding to the key audit matter arising when determining the fair value of the Wellcome Genome Campus, we performed the following procedures: **Internal Controls Assessment** • We tested the relevant internal controls over management's assessment of the completeness and accuracy of the information received from external property managers during the year, where the Trust maintain operational oversight; • We tested the relevant controls over management's year end assessment of the external valuers' reports, including their challenge of the valuation methodology adopted, challenge of judgemental valuation inputs, and challenge of any changes to these year on year; and • We tested the review control performed by management's Valuation Group over the valuation of investments at year end.

5.2. Valuation of the Wellcome Genome Campus	
How the scope of our audit responded to the key matter (continued)	**Substantive testing** • We obtained and inspected 30 September 2024 external valuation reports and assessed whether the valuation methodology for each was in accordance with the Royal Institution of Chartered Surveyors ('RICS') Valuation – Professional Standards. We assessed the objectivity, competence, and capability of the external valuers. • For the Expansion Land, we compared 2024 and 2023 reports to identify any changes in methodology year on year and whether the methodology selected was appropriate; • We engaged our internal real estate specialists as part of our audit team to assess the external valuation reports. We challenged the key estimates made in management's valuation against our expectations, our own market intelligence and external information (such as comparable data in the Wellcome Genome Campus). We considered the possible effect of the rising cost of living and wider macroeconomic volatility on market assumptions and stress tested key assumptions to understand their effect on the overall valuation; • For a sample of valuation models, with the assistance of our internal real estate specialists we recalculated the valuation models to evaluate their mathematical accuracy; • Specifically for the Expansion Land, Wellcome Genome Campus: we obtained relevant supporting data for the planning permission and assessed comparable market data to support the ultimate position of the projected cash flows; • We performed testing over the accuracy of underlying inputs into the valuation models; • We back tested previous estimates made by management by comparing them to actual results to assess management's ability to provide accurate estimates for all assets. We also back tested the accuracy of forecasts made by the external valuers and compared these to actual results, to assess the external valuers' ability to prepare accurate forecasts; • We engaged internal valuation specialists to assess whether the judgements made in valuation methodologies are indicative of a potential bias, and to assess against comparable market rents; • We tested the inputs into the valuation back to lease agreements; and • We performed market analysis to identify contradictory evidence to challenge management on the conclusions reached; and • We evaluated the related disclosures in the financial statements
Key observations	As a result of our procedures, we concluded that the valuation of the Wellcome Genome Campus is reasonable.

5.3. Valuation of unquoted direct investments

Key audit matter description	The valuation of unquoted direct investments, where Wellcome holds a direct equity interest, requires significant estimation as the values are derived from unobservable inputs and assumptions. As a result of these estimates, there is more potential for fraud in this area. A number of these investments are held alongside a co-investment partner, but not through a co-investor vehicle. As per management's investment valuation policy where there is a co-invest partner, the valuations are obtained from the co-investment partner and are challenged by management through obtaining an understanding of the methodology applied and assumptions adopted. Additional scrutiny is also applied by the preparation of a shadow valuation for those investments deemed to be material by management, as a result of which management form their own view of a reasonable range for valuing the underlying investment. Where there is no co-investment partner, the valuations are estimated based on internal models, with the exception of one material direct investment whereby an external valuer is engaged to value the investment. As these underlying valuations are sensitive to unobservable inputs and assumptions, there is a risk that the application of an inappropriate valuation methodology and/or the use of inappropriate market assumptions could result in the valuation of unquoted investments being materially misstated. The valuation of the Group's investments in unquoted direct investments amount to £727 million (2023: £839 million) which is 3.7% (2023: 4.4%) of the Group's unquoted investments, and 2.1% (2023: 2.5%) of the Group's net assets. The Audit and Risk Committee Report on page 131 identifies unquoted investment valuations as a main area of risk. The significant accounting judgements with respect to the Group's fair value measurement and valuation policies are described in notes 2 and 15 of the financial statements.

5.3. Valuation of unquoted direct investments	
How the scope of our audit responded to the key matter	We assessed management's valuation methodology and considered whether it was in accordance with the accounting policies of the Trust, applicable accounting standards and industry practice. **Internal Controls assessment** • We tested relevant internal controls over the valuation of the direct investments; • We tested the internal controls over management's oversight of external valuers, and over the application of valuation methodologies by the Valuation Group; and • We tested the review control performed by the Valuation Group over the valuation of investments at year end. **Substantive procedures** • We assessed the objectivity, competence, and capability of the external valuers engaged by management; • We challenged management's assessment of the valuation assumptions and appropriateness of valuation methodologies used to determine the fair value by: - either assessing recent transactions in the market or using a market comparable approach to inform our challenge of management's valuation. This included determining if any discounts applied to the valuation are appropriate; - obtaining, where available, management's shadow valuation and challenging the market comparable public companies and the completeness of the basket of comparable public companies used and incorporation of other evidence available; - challenging the valuation methodology adopted by management in their shadow valuations, and that adopted by the external valuers where engaged, and seeking to triangulate the valuations within a reasonable range; - obtaining prior period audited financial statements to compare against management's forecasts to obtain reliance over the accuracy of their forecasting; - obtaining an understanding of current year performance of the investment and whether any events have occurred that may have an impact on the valuation. We have also assessed any ongoing effects of geopolitical factors and the wider macroeconomic volatility on company performance and long term outlook including changes in industry trends or markets, and assessed whether these have been appropriately reflected in the valuation as at 30 September 2024; - forming our own expected reasonable range using an appropriate valuation methodology; and - assessing contradictory evidence to challenge the appropriateness of the estimated valuation, such as any recent or upcoming funding rounds or the performance of quoted comparable companies. • We performed a stand back assessment for the overall valuation of the direct investments to weigh up corroborative and contradictory evidence to challenge the appropriateness of management's assumptions; • We engaged our internal fair value specialists as part of our audit team to assess the valuation of any direct investments that have been valued by an external valuer. We challenged the valuation methodology adopted, and the valuation inputs therein; and tested the valuation models for mathematical accuracy; • We assessed whether the judgements made in valuation methodologies could be indicative of a potential bias; and • We evaluated the related disclosures in the financial statements.
Key observations	As a result of our procedures, we concluded that the valuations of the direct investments where Wellcome holds a direct equity interest are reasonable.

5.4. The discount rate applied to the grant liability

Key audit matter description	The discount rate used is identified as a significant estimate in Note 2 of the Annual Report. The discounted portion of the grant liabilities is sensitive to changes in the discount rate applied. The non-current grant liabilities of £3,204 million (2023: £2,841 million) are discounted, as per the requirements of FRS 102 and Charities SORP. The discount rate selected and applied by management is based on management's expectation of the long-term rate of return of the Trust's portfolio of 6.8% (2023: 7%). The discount rate used should reflect the opportunity cost to the Trust of not earning an investment return on funds granted and its current assessment of the time value of money. The appropriate discount rate depends on the circumstances of the Trust and determining this discount rate requires significant estimation concerning future expectations of investment performance, is subjective, and could have a material impact on the discounted portion of the grant liabilities presented in the financial statements. The significant accounting estimate is disclosed within the Audit and Risk Committee report on Page 131.
How the scope of our audit responded to the key audit matter	**Internal Controls assessment** • We obtained an understanding of relevant internal controls over the determination of the discount rate applied to the grant liability by the Board of Governors and Investment Committee and the production of management's papers on the selection of an appropriate discount rate and expected rates of long-term return used in financial planning and budgeting considerations. **Substantive procedures** • We obtained management's grant discounting methodology paper and assessed the methodology used and the assumptions therein for reasonableness by comparing to underlying data (for example, 'stretch' assumptions were re-calculated using historical data and payment assumptions were agreed to historic payment data); • We obtained management's paper to the Investment Committee and challenged any year-on-year changes in methodology and the assertions made by management by: - testing the split of investments stated in the paper and the associated expected investment return of each category; - assessing the stated ranges of nominal rates of return with reference to third party forecasts; and - performing benchmarking on the rate of return by using third party market data in the calculation of the discount rate and determining if variances were material. • We engaged our internal fair value specialists to provide research, analysis, and observations on historical market returns, to enable the audit team to determine a reasonable range for the discount rate. We specifically considered the possible effects of inflation, interest rates and the wider macroeconomic volatility on the inputs into the calculation, and whether the concluded discount rate fell within a reasonable range; • We tested the arithmetical accuracy of the grant liabilities discounting workings to determine whether the discounted grant liability was materially accurate and to challenge the integrity of these spreadsheets.
Key observations	As a result of our audit procedures, we concluded that management's discount rate methodology was appropriate and in accordance with the requirements of FRS 102 and the Charities SORP. We concluded that the discount rate used was reasonable.

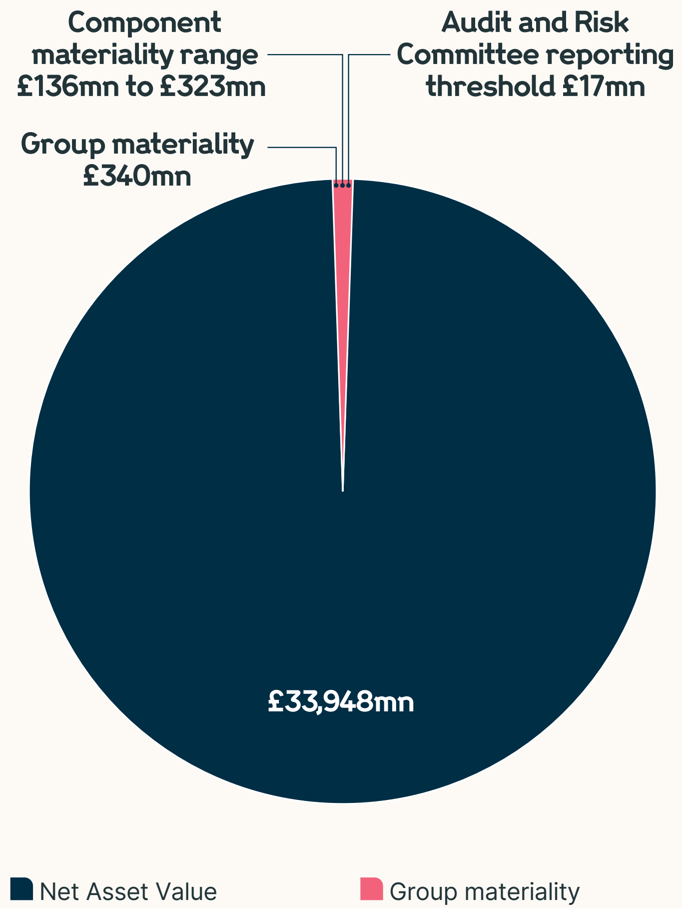
6. Our application of materiality

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:

	Group financial statements	Trust's financial statements
Materiality	£340 million (2023: £335 million)	£323 million (2023: £318 million)
Basis for determining materiality	1% (2023: 1%) of net assets	1% (2023: 1%) of net assets
Rationale for the benchmark applied	The Group is an asset-based charity making returns on its investment portfolio to support the charitable activities. The basis of Group materiality is 1% of net assets which aligns with industry practice for comparable asset–based organisations.	The Trust is an asset-based charity making returns on its investment portfolio to support the charitable activities. The basis of Trust materiality is 1% of net assets (limited to 95% of Group materiality) which aligns with industry practice for comparable asset–based organisations.



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.

	Group financial statements	Trust financial statements
Performance materiality	70% (2023: 70%) of Group materiality	70% (2023: 70%) of Trust materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered our risk assessment, including our assessment of the Group's overall control environment and that we consider it appropriate to take a controls reliance approach over a number of business processes, as well as 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 that we would report to the Committee all audit differences in excess of £17.0 million (2023: £16.8 million), 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. Identification and scoping of components

Our Group audit was scoped by gaining an understanding of the Group and its environment, and assessing the risks of material misstatement at the Group level.

We determined that each legal entity forms its own component and our component audit scope was therefore determined by considering which entities:

- were financially significant, based on a benchmark of 1% of Group consolidated net assets (**Scope A**); or
- required a statutory audit (**Scope B**); or
- were not financially significant and do not have a statutory audit requirement (**Scope C**).

Any entity that required a UK statutory audit (Scope A and Scope B) within the Group has been audited by the Group audit team in the UK. These two categories combined provide coverage of 99% (2023: 99%) of the Group's consolidated net assets. This approach is in line with the prior year. For Scope A audits, where materiality is not based on a statutory materiality, we have capped component materiality at 95% (2023: 95%) of the Group materiality. The lower band for component materiality is based on 40% (2023: 40%) of materiality. For those entities, including the UK, the US and Germany, that fall within Scope C, we perform an analytical review at a Group level.

7.2. Our consideration of the control environment

The Group's Information Technology ('IT') landscape contains a number of IT systems, applications and tools used to support business processes and for financial reporting. We performed a risk assessment of the systems, applications and tools to determine those which are of greatest relevance to the Group's financial reporting. We engaged our IT specialists as part of our audit team to assess relevant controls and perform General IT Controls ("GITCs") testing for the current period over in-scope systems. Our testing covered controls surrounding user access management and change management, as well as controls over key reports generated from the IT systems and their supporting infrastructure.

From our walkthroughs and understanding of the entity and controls over key business processes, we adopted a controls reliance approach over the following business processes:

- Investment valuation business process covering:
  - Quoted investments;
  - Unquoted investments relating to controlled unconsolidated investments (Premier Marinas Holding Limited and Urban and Civic plc);
  - Unquoted investments (private equity, hedge funds, direct co-investments and direct investments into the portfolio company); and
  - Investment property (including the Wellcome Genome Campus).

7.3. Our consideration of climate-related risks

We obtained an understanding of management's process for considering the impact of climate-related risks, climate related reporting, and controls relevant to the Group audit. We conducted walkthroughs with valuations, and financial reporting control process owners, and conducted meetings with key management personnel at the Trust who are responsible for climate-related risk and sustainability oversight and financial reporting for the Group. We performed our own qualitative risk assessment of the potential impact of climate change on the Group's account balances and classes of transactions and did not identify any reasonably possible risks of material misstatement.

Page 80 of the Annual Report details how the Trust is developing its environmental, social and governance (ESG) strategy for the Wellcome Trust Group as a whole, while page 59 of the Annual Report details the progress report of the plan to reach net zero by 2050 for the investment portfolio. This included a view on the current portfolio emissions, carbon footprint and targets. This was also linked into board decision making and the s172 statement, as well as the key challenges faced around achieving more comprehensive disclosure and uniform reporting of emissions.

Our procedures performed included reading the climate-related disclosures in the front half of the Annual Report to consider if they are fair, balanced and comprehensive. Separately, we have involved our internal climate change and sustainability specialists who have assisted in reviewing the disclosures.

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 Trustees 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 Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees 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 Trustees 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 Trustees are responsible for assessing the Group's and the Trust'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 Trustees either intend to liquidate the Group or the Trust or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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. 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 Group's remuneration policies, key drivers for Trustees' and key management personnel's remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal audit and the Audit and Risk committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's and the Trust'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 tax, real estate valuations, internal fair value valuations, pensions, and IT, 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 and identified the greatest potential for fraud in the following areas: valuation of unquoted investments relating to controlled, unconsolidated subsidiary investments (Premier Marinas and Urban and Civic, valuation of the Wellcome Genome Campus, valuation of unquoted direct investments and the discount rate applied to the grant liability. 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 Group 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 Charities Act 2011 and the Charity Commission regulations.

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 Group's ability to operate or to avoid a material penalty including applicable health and safety regulation and the Modern Slavery Act 2015.

11.2. Audit response to risks identified

As a result of performing the above, we identified four key audit matters related to the potential risk of fraud:

- Valuation of unquoted investments relating to controlled unconsolidated investments (Premier Marinas and Urban and Civic);
- Valuation of the Wellcome Genome Campus;
- Valuation of unquoted direct investments; and
- The discount rate applied to the grant liability.

The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, 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 Board of Governors, 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, inspecting internal audit reports and reviewing correspondence with the Charity Commission of England and Wales and 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. Matters on which we are required to report by exception

Under the Charities (Accounts and Reports) Regulations 2008 we are required to report in respect of the following matters if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report;
- sufficient accounting records have not been kept by the Trust;
- the Group financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

13. Other matters which we are required to address

13.1. Auditor tenure

Following the recommendation of the Audit and Risk Committee, we were appointed by the Trust at its Board of Governors' meeting 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 9 years, covering the years ending 30 September 2016 to 30 September 2024.

13.2. 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).

14. Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's Trustees 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 Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Garrath Marshall.

Deloitte LLP

Deloitte LLP (Senior Statutory Auditor)
Statutory Auditor
London, United Kingdom
13 January 2025

Deloitte LLP is eligible for appointment as auditor for the Charity by virtue of its eligibility for appointment as audit of a company under section 1212 of the Companies Act 2006.

Part 2

Financial Statements

A view of the library at Wellcome Collection.

Photographer: Dave Sayer

Consolidated statement of financial activities

for the year ended 30 September 2024

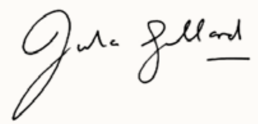
	Note	Restricted funds £mn	Unrestricted funds £mn	**2024 £m**	Restricted funds £mn	Unrestricted funds £mn	2023 £mn
Income from investments							
Dividends and interest	3	-	425.1	**425.1**	-	427.1	427.1
Rental income		-	52.3	**52.3**	-	48.2	48.2
		-	477.4	**477.4**	-	475.3	475.3
Charitable income							
Grants receivable	4(a)	27.7	-	**27.7**	30.9	-	30.9
Other charitable income	4(b)	0.6	63.8	**64.4**	0.9	34.7	35.6
Total income		28.3	541.2	**569.5**	31.8	510.0	541.8
Expenditure on raising funds							
Management fees and other investment costs	5(a)	-	(96.6)	**(96.6)**	-	(94.1)	(94.1)
Interest payable on bond liability		-	(76.6)	**(76.6)**	-	(76.4)	(76.4)
Expenditure on charitable activities	6	(29.5)	(1,423.9)	**(1,453.4)**	(32.3)	(1,458.0)	(1,490.3)
Total expenditure		(29.5)	(1,597.1)	**(1,626.6)**	(32.3)	(1,628.5)	(1,660.8)
Net realised and unrealised gains/(losses) on investments	15(f)	-	1,559.2	**1,559.2**	-	(178.2)	(178.2)
Net income/(expenditure) before taxation		(1.2)	503.3	**502.1**	(0.5)	(1,296.7)	(1,297.2)
Taxation	13	-	(39.5)	**(39.5)**	-	12.4	12.4
Net income/(expenditure) after taxation		(1.2)	463.8	**462.6**	(0.5)	(1,284.3)	(1,284.8)
Gains on defined benefit pension schemes	11(e)(iii)	-	27.4	**27.4**	-	141.7	141.7
Net movement in funds		(1.2)	491.2	**490.0**	(0.5)	(1,142.6)	(1,143.1)
Funds at start of year		17.0	33,441.2	**33,458.2**	17.5	34,583.8	34,601.3
Funds at end of year	20	15.8	33,932.4	**33,948.2**	17.0	33,441.2	33,458.2

Consolidated balance sheet

for the year ended 30 September 2024

	Note	2024 £mn	2023 £mn
Tangible fixed assets	14(a)	**408.0**	404.9
Investment assets			
Quoted investments	15(a)	**14,378.4**	14,715.4
Unquoted investments	15(a)	**19,549.5**	19,225.7
Investment properties	15(a)	**1,539.8**	1,614.6
Derivative financial instruments	15(b)	**236.0**	86.4
Investment cash and certificates of deposit	15(c)	**3,723.3**	2,917.6
Other investment assets	15(c)	**352.8**	711.5
Programme-related investments	15(d)	**-**	41.1
Total fixed assets		**40,187.8**	39,717.2
Current assets			
Stock		**5.1**	5.1
Debtors	16	**54.5**	106.2
Cash at bank and in hand		**42.1**	79.7
Total current assets		**101.7**	191.0
Creditors falling due within one year	17	**(1,171.3)**	(1,565.3)
Net current liabilities		**(1,069.6)**	(1,374.3)
Total assets less current liabilities		**39,118.2**	38,342.9
Creditors falling due after one year	17	**(5,280.5)**	(4,994.8)
Provision for liabilities and charges	18	**(145.8)**	(109.2)
Net assets excluding pension surplus		**33,691.9**	33,238.9
Defined benefit pension schemes' surplus	11(e)(iv)	**256.3**	219.3
Net assets including pension surplus		**33,948.2**	33,458.2
Funds of the charity			
Restricted Funds	20	**15.8**	17.0
Unrestricted Funds	20	**33,932.4**	33,441.2
Total funds		**33,948.2**	33,458.2

The Financial Statements on pages 151 to 215 were approved and authorised for issue by The Wellcome Trust Limited, as Trustee, on 13 January 2025 and signed on its behalf by:



Ms Julia Gillard
Chair

Professor Fiona Powrie
Deputy Chair

Statement of financial activities of the Wellcome Trust

for the year ended 30 September 2024

	Note	**2024 £mn**	2023 £mn
Income from investments			
Dividends and interest	3	**413.3**	415.7
Rental income		**47.4**	43.8
		460.7	459.5
Charitable income			
Other charitable income	4(b)	**166.3**	297.2
Total income		**627.0**	756.7
Expenditure on raising funds			
Management fees and other investment costs	5(a)	**(96.6)**	(88.4)
Interest payable to group undertakings		**(29.1)**	(50.5)
Interest payable on bond liability		**(50.7)**	(50.7)
Expenditure on charitable activities	6	**(1,599.3)**	(1,297.9)
Total expenditure		**(1,775.7)**	(1,487.5)
Net realised and unrealised gains/(losses) on investments	15(f)	**1,529.3**	(394.7)
Net income/(expenditure) after taxation		**380.6**	(1,125.5)
Gains on defined benefit pension schemes	11(e)(iii)	**22.0**	73.3
Net movement in funds		**402.6**	(1,052.2)
Funds at start of year		**32,576.9**	33,629.1
Funds at end of year		**32,979.5**	32,576.9

Balance sheet of the Wellcome Trust

for the year ended 30 September 2024

	Note	2024 £mn	2023 £mn
Tangible fixed assets	14(b)	**194.6**	199.0
Investment assets			
Quoted investments	15(a)	**13,974.0**	14,187.4
Unquoted investments	15(a)	**17,266.8**	17,682.0
Investment properties	15(a)	**1,380.7**	1,447.5
Derivative financial instruments	15(b)	**236.0**	86.4
Investment cash and certificates of deposit	15(c)	**3,718.4**	2,913.3
Other investment assets	15(c)	**351.6**	707.7
Subsidiary and other undertakings		**3,205.4**	2,542.7
Programme-related investments	15(d)	**-**	41.1
Total fixed assets		**40,327.5**	39,807.1
Current assets			
Debtors	16	**95.0**	113.8
Cash at bank and in hand		**8.5**	19.7
Total current assets		**103.5**	133.5
Creditors falling due within one year	17	**(2,471.2)**	(2,906.4)
Net current liabilities		**(2,367.7)**	(2,772.9)
Total assets less current liabilities		**37,959.8**	37,034.2
Creditors falling due after one year	17	**(5,059.4)**	(4,514.8)
Provision for liabilities and charges	18	**(85.5)**	(79.6)
Net assets excluding pension surplus		**32,814.9**	32,439.8
Defined benefit pension scheme's surplus	11(e)(iv)	**164.6**	137.1
Net assets including pension surplus		**32,979.5**	32,576.9
Funds of the charity			
Unrestricted funds		**32,979.5**	32,576.9
Total funds		**32,979.5**	32,576.9

The Financial Statements on pages 151-215 were approved and authorised for issue by The Wellcome Trust Limited, as Trustee, on 13 January 2025 and signed on its behalf by:

Ms Julia Gillard
Chair

Professor Fiona Powrie
Deputy Chair

Consolidated cash flow statement

for the year ended 30 September 2024

	Note	2024 £mn	2023 £mn
Net income/(expenses) for the year (as per the Statement of financial activities)		**490.0**	(1,143.1)
Adjustments to exclude non-cash items and investment income and expenditure			
Decrease/(increase) in debtors	16	**51.8**	(38.5)
Decrease in stock		**-**	4.8
Increase in grant commitments	8	**271.6**	189.9
Increase/(decrease) in creditors and provisions		**20.5**	(151.5)
Less unrealised losses on sale of programme-related investments	15(d)	**39.1**	18.7
Increase in net write down for programme-related investments	15(d)	**20.3**	9.0
Decrease in other investment assets	15(c)	**1.2**	5.8
Depreciation and disposals of fixed assets		**24.3**	27.9
Investment income		**(477.4)**	(475.3)
Bond interest		**76.6**	76.4
Net realised and unrealised (gains)/losses on investments		**(1,559.2)**	178.2
Net cash flows from operating activities		**(1,041.2)**	(1,297.7)

	Note	2024 £mn	2023 £mn
Cash flows from investing activities:			
Investment income received	22(a)	**476.2**	465.8
Proceeds from sales of investment assets	22(c)	**6,209.5**	4,190.8
Purchase of investment assets	22(c)	**(4,658.6)**	(3,979.8)
Purchase of tangible fixed assets	14(a)	**(27.4)**	(30.7)
Net cash inflow due to derivative financial instruments	22(c)	**26.1**	386.9
Net cash flows from investing activities		**2,025.8**	1,033.0
Cash flows from financing activities:			
Cash outflow for servicing of finance	22(b)	**(75.4)**	(75.6)
Net cash flows from financing activities		**(75.4)**	(75.6)
Change in cash and cash equivalents during the year		**909.2**	(340.3)
Cash and cash equivalents at the beginning of the year		**2,997.3**	3,411.5
Change in cash and cash equivalents due to exchange rate movements and other gains or (losses)		**(141.1)**	(73.9)
Cash and cash equivalents at the end of the year		**3,765.4**	2,997.3

Cash and cash equivalents include cash at bank and in hand, and investment cash and certificates of deposits.

A statement of net debt is included in note 22(d).

Alternative Performance Measures and Key Performance Indicators

Alternative Performance Measures (APMs) are a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. APMs can be reconciled to financial measures reported in the Financial Statements.

Key Performance Indicators (KPIs) are a measure by reference to which the development, performance or position of the Group can be measured effectively. KPIs include financial measures of historical financial performance which cannot be reconciled to financial measures reported in the Financial Statements.

APMs	Explanation
Investment portfolio value	This is a summation of all the investment assets less all the investment liabilities and the bond liabilities held at fair value, with all balances valued at least annually. This provides management with a net investment portfolio value to assess investment performance (refer to Investment Asset Allocation, Figure 6, Review of investment activities and note 15(g) for reconciliation to the financial statements).
Leverage	This is the amount of Total interest-bearing liabilities as a percentage of the amount of Total Investment Assets, and is used by management to assess the amount of bond liabilities the Group issues (refer to note 15(g) for reconciliation to the financial statements).
Charitable expenditure	This is detailed in the Financial review on page 64 and summarises the charitable spend, including allocated support costs, by activity and is reported before the application of the discounting and foreign exchange accounting adjustments made in accordance with FRS 102. This is a measure used by management to assess the cost of the Group's charitable activity (refer to note 6).

KPI	Explanation
Net returns	This is a financial measure of investment portflio performance (see Figure 1). It is calculated using the 'Modified Dietz method': change in the period of the investment portfolio value less charitable cash expenditure for the period, divided by the opening investment portfolio value for the period plus charitable cash expenditure weighted by the time to the close of the period that the cash expenditure occurred. The time weighting of charitable cash expenditure means that this KPI can not be reconciled to financial measures reported in the Financial Statements. The target net return is UK/US CPI + 4%.
Blended currency returns	This is a measure of investment portfolio performance which averages the net returns (see above) calculated in GBP and USD. The target return is UK/US CPI + 4% (see Figure 1).

Glossary of terms

Term	Explanation
Absolute return hedge funds	A hedge fund that aims to generate a stable return regardless of market performance (with low volatility)
Active grants	Grants which have been activated and are still being used. The value of active grants is the undiscounted total amount awarded, before deducting any amounts paid to date
Buy-out funds	A portion of the investment portfolio invested in private funds which adopt a strategy of buying out companies and transforming their operations
Cash & Bonds	The portion of the investment portfolio which is invested in cash, cash equivalents (liquidity funds, term deposits and certificates of deposit) and fixed income assets (corporate bonds and government gilts)
Charitable cash expenditure	Cash spent in year on charitable activities comprising net cash flows from operating activities and cash flows from purchase of tangible fixed assets (see Consolidated cash flow statement, page 155)
Directly managed public equity	The portion of the investment portfolio which is invested in public equity and managed by the internal investment team

Term	Explanation
Equity long/short hedge funds	Investment hedge funds that involve buying equities that are expected to increase in value and selling short equities that are expected to decrease in value (rather than buying a call option and selling a put option)
Global compounders basket	A directly held portfolio within the investment portfolio invested in public companies with characteristics expected to benefit from long-term trends
Indirectly managed public equity	The portion of the investment portfolio which is invested in public equity and managed by third party external investment managers
Net overlay assets	Foreign exchange overlays and the related cash collateral amounts due to third parties
Nominal and real net returns	Nominal net returns are net returns (a key performance indicator) unadjusted for inflation. Real net returns are net returns adjusted for the affect of inflation
Other absolute return funds	A fund that aims to generate a stable return regardless of market performance (with low volatility)

Notes to the Financial Statements

1. Accounting policies

The numbers shown in the Financial Statements are in millions, rounded to one decimal place.

(a) Statement of compliance

The Financial Statements of the Wellcome Trust (the Trust) and the consolidated Financial Statements of the Trust and its subsidiary undertakings (the Group) have been prepared on a going concern basis and 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). In particular, they comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (FRS 102) published in 2019 (the SORP) in all material respects with the exception of the valuation of certain joint ventures and associates as detailed under the Basis of Consolidation.

The Trust meets the definition of a public benefit entity under FRS 102. The Financial Statements have been prepared under the historical cost convention, as modified by the valuation of investments on a basis consistent with prior years.

The functional currency of the Trust is considered to be pounds sterling because that is the currency of the primary economic environment in which the Trust operates. The consolidated Financial Statements are also presented in pounds sterling.

The Trust meets the definition of a qualifying entity under the SORP and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate Financial Statements, which are presented alongside the consolidated Financial Statements. Exemptions have been taken in relation to financial instruments and the presentation of a cash flow statement.

(b) Summary of significant policies

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

Basis of preparation

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 Group's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates are significant to the Financial Statements are disclosed in note 2.

Basis of consolidation

The consolidated Financial Statements include the Financial Statements of the Trust and its subsidiary undertakings. Associates and joint ventures are included as part of the investment portfolio and are discussed below. Subsidiary undertakings are entities over which the Trust has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. When the Group owns less than 50% of the voting powers of an entity, but controls the entity by virtue of an agreement with other investors that gives it control of the financial and operating policies, it accounts for these as subsidiaries. The Financial Statements of subsidiaries are included from the date that control commences until the date that it ceases.

The Trust consolidates four types of subsidiary undertakings:

(i) charitable subsidiary undertakings formed to pursue charitable objects closely allied to those of the Trust which are held at cost less impairment;

(ii) non-charitable operating subsidiary undertakings formed to conduct non-primary purpose trading which are held at cost less impairment;

(iii) a non-charitable financing subsidiary undertaking formed to issue listed debt to finance Group activities which are held at cost less impairment;

(iv) non-charitable investment subsidiary undertakings formed to hold investments and property on behalf of the Trust which are held at fair value represented by their net asset value.

Consolidation comprises combining the assets, liabilities, income and expenditure of those subsidiary undertakings with the Trust's balances on a line-by-line basis. A subsidiary is excluded from consolidation where the interest in the subsidiary is held as part of the investment portfolio and its value to the Group is through fair value rather than as the medium through which the Group carries out business and where it has not previously been consolidated. These subsidiaries are included at fair value within investments in accordance with 9.9C(a) of FRS 102.

Further detail on the Trust's significant subsidiary undertakings is provided in note 21.

A joint venture is a contractual arrangement whereby the Group and one or more parties undertake an economic activity that is subject to joint control.

The Group considers that it has joint control where there is contractually agreed sharing of control over an economic activity, and only when the strategic, financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. The results of the joint ventures are accounted for using the equity method of accounting unless the entity is held as part of the investment portfolio or as a Social Investment as discussed below.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Group holds a long-term interest and has significant influence. The Group considers it has significant influence where it has the power to participate in the financial and operating decisions of the associate. The results of the associates are accounted for using the equity method of accounting unless the entity is held as part of the investment portfolio or as a Social Investment as discussed in note 15(d).

Where an associate or joint venture is held as part of the investment portfolio or as a Social Investment and its value to the Group is through fair value rather than as a medium through which the Group carries out business, the associate or joint venture is measured at fair value with changes in fair value recognised in the Statement of Financial Activities in accordance with 14.4B or 15.9B of FRS 102. The fair value is determined in accordance with the accounting policies for Financial Assets and Liabilities detailed on page 162. This is a departure from the SORP, which requires that all such investments are accounted for using the equity method of accounting. The Trustees have concluded that this departure from the SORP ensures the Financial Statements present a true and fair view. The fair value of the associates and joint ventures held in the investment portfolio is included in Unquoted investments in note 15(a).

All intra-group transactions, balances, income and expenses are eliminated on consolidation of subsidiaries. Adjustments are made to eliminate the profit or loss arising on transactions with joint ventures or associates to the extent of the Group's interest in the entity. Where subsidiaries, joint ventures and associates are held as part of the investment portfolio or as a Social Investment and measured at fair value, no elimination of intra-group items is undertaken.

Income

The Group recognises income at the fair value of the consideration received or receivable when the significant risks and rewards of ownership have been transferred, the amount of income can be measured reliably, it is probable that future economic benefits will flow to the Group, and the specific criteria relating to the each of Group's income channels have been met, as follows. All amounts are net of discounts and rebates allowed and value added taxes if applicable.

Dividend income including any recoverable tax is recognised from the ex-dividend date when it becomes receivable.

Rental income is recognised on an accruals basis, and is recognised on a straight line basis.

Interest income is recognised using the effective rate of interest.

Charitable income for performance-related agreements is recognised when the expenditure is incurred as this reflects the service levels. Income for non-performance-related agreements is recognised when awarded as this represents entitlement. Capital grants with no performance-related conditions are recognised when the charity is entitled, the receipt is probable and the amount is measurable which is when the award letter is received. Any receipts that do not meet these criteria are held as deferred income.

Gift aid income is recognised on an accruals basis when the receipt is both probable and measurable.

Expenditure

Expenditure and liabilities are recognised as soon as there is a legal or constructive obligation committing the Group to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. All expenditure is recognised on an accruals basis, with the exception of grants as noted below.

Expenditure on raising funds relates to the management of the investment portfolio and includes the allocation of support costs relating to this activity.

Expenditure on charitable activities is analysed between grant funding and the cost of activities performed directly by the Trust and the Group, together with the associated support costs including governance costs. Governance costs are the costs of governance arrangements that relate to the general running of the Group as opposed to those costs associated with investments or charitable activities. These costs include such items as internal and external audit, legal advice for Governors and costs associated with constitutional and statutory requirements.

Where possible, expenditure incurred that relates to more than one activity is apportioned. The method of apportionment uses the most appropriate basis for each cost type.

Grants awarded to institutions outside the Group are recognised as expenditure in the year in which the grant is formally approved by the Trust and has been communicated to the recipient, except to the extent that it is subject to conditions that enable the Trust to revoke the award.

The provision for multi-year grants is recognised at its present value where settlement is due more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Trust that would permit it to avoid making the future payments, settlement is probable, and the effect of the discounting is material. The discount rate used is regarded by the Board of Governors as the most current available estimate of the opportunity cost of money and the expected rate of return on the investment portfolio. The impact of the discount rate is discussed in note 2 (significant accounting estimates and assumptions).

Net realised and unrealised gains and losses on investments

Net realised and unrealised gains and losses on investments are recognised within the Statement of Financial Activities. Gains and losses are realised when an investment is disposed of in the year. Unrealised gains and losses arise on the revaluation of investments to fair value at the balance sheet date.

Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, long-term incentive plans, paid holiday arrangements and defined benefit and defined contribution pension plans. These are detailed in the Remuneration Report on page 117.

Short-term benefits

Short-term benefits, including private medical insurance, medical assessments and group income protection are recognised as an expense in the period in which the service is received.

Pension schemes

The Group pension arrangements are detailed in note 11(e).

The contributions to defined contribution plans are recognised as an expense when they are due. The assets of the plan are held separately from the Group in independently administered funds.

The asset or liability recognised in the balance sheet in respect of a defined benefit plan is the present value of the defined benefit obligation less the fair value of plan assets at the reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to 'Actuarial gains and losses on defined benefit pension schemes' in the Statement of Financial Activities.

The cost of the defined benefit plans comprises:

(a) the increase in pension benefit liability arising from employee service during the period up to closure of the schemes to future accrual;

(b) the cost of plan introductions, benefit changes, curtailments, settlements, and administration expenses.

Other retirement benefits are included within provisions and are valued at the present value of the defined benefit obligation at the reporting date.

Annual bonus plan

An expense is recognised in the Statement of Financial Activities when the Group has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

Long-term incentive plans

The cost is recognised in the Statement of Financial Activities over the period of service to which the plan relates. Where amounts are left in the plan after vesting date, any adjustment in value between the date of vesting and the date of payment is recognised in the Statement of Financial Activities.

Termination benefits

Termination benefits are payable when employment is terminated by the Group, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is committed to either (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or (ii) providing termination benefits as a result of an offer of voluntary redundancy.

Fund accounting

The Group's charitable funds consist of restricted funds, held in Genome Research Limited, and unrestricted funds.

Tangible fixed assets

Tangible fixed assets, excluding land and investment properties, held by the Group and the Trust are stated at cost less accumulated depreciation and any accumulated impairment losses. Land is stated at cost less any accumulated impairment losses. Cost includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Fixed assets are subject to review for impairment when there is an indication of a reduction in their carrying value. They are reviewed annually and any impairment is recognised in the year in which it occurs.

Assets in the course of construction are stated at cost and are not depreciated until available for use.

Depreciation is calculated using the straight-line method to allocate the cost of each asset less its residual value over its estimated useful life. Residual value represents the estimated amount that would currently be obtained from disposal of an asset, after deducting estimated costs of disposal if the asset were already of the age and in the condition expected at the end of its useful life. Depreciation commences from the date an asset is brought into service when the charge is reflected in the Statement of Financial Activities.

The useful lives for depreciation purposes for the principal categories of assets are shown in Table 1.

Heritage assets

The Trustee does not consider that reliable cost or valuation information can be obtained for the vast majority of heritage assets held by the Trust. This is because of the diverse and specialist nature of the assets held, the number of assets held and the lack of comparable market values. The cost of valuing the entire collection would be onerous compared with the benefit derived by users of the Financial Statements in assessing the Trustee's stewardship of the assets. Assets are recognised on the Balance Sheet if they meet the definition of a heritage asset, their value can be reliably measured and they are considered to be material. Further details are provided in note 14.

Table 1

	Years
Freehold buildings	50
Long leasehold land and buildings	Over the term of the lease
Other plant, equipment, fixtures and fittings	3 to 15
Computer equipment	3 to 5

Financial assets and liabilities

The Group 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 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.

Other financial assets, including investments, are subsequently valued at fair value.

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), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (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 only offset in the Balance Sheet when there exists a legally enforceable right 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 only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Group, 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.

Investment valuation policies and procedures are reviewed by the Valuation Group which is responsible for reviewing valuations. Specific policies are detailed below and the application of these policies is disclosed in the relevant note to the accounts where appropriate.

(i) Quoted investments

Quoted investments comprise publicly quoted,listed securities including shares, bonds and units. Quoted investments are stated at fair value at the reporting date. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade.

(ii) Unquoted investments

Unquoted investments are valued at management's best estimate of fair value and comprise:

- Private equity and venture funds, which are valued externally by their fund managers.
- Direct investments, the majority of which are made with co-investors (who are funds within our private equity and venture portfolio) and management use the co-investor valuations as a key input to determine the fair value. Where there is no co-investor, these investments are valued using internal models including using price of recent investment, discounted cash flows and public comparables.
- Investment operating subsidiaries and joint ventures which are held as part of the investment portfolio, refer to the Basis of Consolidation on pages 158-159, are held and measured on a fair value basis. Further details are provided in note 2 (Significant accounting judgements and key sources of estimation uncertainty).

(iii) Derivative financial instruments

The Group's use of derivative financial instruments includes equity index-linked futures and options, options on individual equities, warrants and currency forwards.

The Group's exchange traded options are stated at fair value, equivalent to the market value, using the bid price, on the relevant exchange.

The Group's warrants are held at the fair value determined by management. These will generally reflect the valuations used by the Group's co-invest partners where these exist and where there is confidence in their approach. Valuations will generally be intrinsic value, as the best estimate of fair value, but for some warrant holdings the use of a Black-Scholes valuation methodology will be used by management.

The fair value of contract positions is recognised in the Balance Sheet and gains and losses on the contracts are recognised in the Statement of Financial Activities.

(iv) Investment cash and certificates of deposit, other investment assets and other investment liabilities

Investment cash and certificates of deposit, and debtors and creditors arising as part of the investment portfolio are stated at their fair value

(v) Cash at bank and in hand

Cash at bank and in hand is held to meet short-term cash commitments as they fall due rather than for investment purposes and includes all cash equivalents held in the form of short-term highly liquid investments.

(vi) Bond liabilities

Bond liabilities are measured at amortised cost using the effective interest rate method. Initial amortised cost is equal to the proceeds of issue net of transaction costs directly attributable. Transaction costs form part of the effective interest rate and are recognised in the Statement of Financial Activities over the term of the Bonds. The fair value of the Bonds disclosed within the notes to the Financial Statements is the market value of the Bonds at the reporting date. The Group is not required to, and therefore does not, recognise any adjustment to fair value in the Balance Sheet and the Statement of Financial Activities.

Investment properties

Investment properties are measured at fair value annually with any change recognised in the Statement of Financial Activities. The fair values are based on valuations estimated by third-party professional valuers; however, where properties are acquired close to the reporting date, valuations are not obtained because the acquired properties are recorded at open market value upon initial recognition, which management considers to be a reasonable estimate of open market valueat the reporting date. Property transactions are recognised on the date of completion.

Investments in subsidiaries

Subsidiary undertakings established purely to hold investments are included in the Trust's Balance Sheet at fair value which is represented by their net asset value.

Securities lending programme

The Group undertakes securities lending arrangements whereby securities are loaned to external counterparties for a set period of time (the loan period). The Group receives cash collateral of greater value than the securities loaned from each counterparty for the duration of the loan period and receives a share of the interest earned on the cash collateral held. Under the terms of the securities lending agreements, the Group retains substantially all the risks and rewards of ownership of the loaned securities, and the contractual rights to any cash flows relating to the securities. The loaned securities are not derecognised on the Group's and Trust's Balance Sheets. The cash collateral and the obligation to return the cash collateral to the lender are recognised in the Group's and Trust's Balance Sheets.

Social investments

Programme-related investments

Programme-related investments are held at fair value, if this can be measured reliably; or if fair value cannot be measured reliably, at cost less impairment. These are discussed in note 15(d).

Stock

Stock consists of consumables and goods for sale and is stated at the lower of cost and estimated selling price less costs to complete and sell, which is equivalent to the net realisable value. Cost is determined on a first-in-first-out basis. Where necessary, provision is made for obsolete, slow moving and defective stock.

Provisions and contingencies

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are discounted to present value where the effect is material.

Contingencies

Contingent liabilities are potential future cash outflows, where the likelihood of payment is considered more than remote but is not considered probable or cannot be measured reliably. These are not recognised but are disclosed in the Financial Statements.

Contingent assets are potential future inflows of economic benefits whose existence will be confirmed only by an uncertain future event. Where the likelihood of receipt is considered probable these assets are not recognised but are disclosed in the Financial Statements.

Foreign currencies

Transactions denominated in foreign currencies are translated into pounds sterling at the exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into pounds sterling at the rate ruling at the reporting date. All foreign exchange gains and losses, realised and unrealised, are recognised in the Statement of Financial Activities.

Taxation

The charitable members of the Group are exempt from taxation on their income and gains falling within Part 11 of the Corporation Tax Act 2010, Part 10 of the Income Tax Act 2007, or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that they are applied to their charitable purposes.

The non-charitable subsidiaries of the Group are subject to UK Corporation Tax. However, because their policy is to make a qualifying charitable donation (Gift Aid) to the Trust equal to taxable profits, no Corporation Tax liability arises in the year, unless restricted due to an insufficient level of cash or distributable reserves.

Foreign tax incurred on overseas investments is charged as it is incurred. In common with many other charities, the charitable members of the Group are unable to recover the majority of Value Added Tax (VAT) incurred on expenditure. The amount of VAT that cannot be recovered is included within the underlying cost to which it relates.

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.

Subject to recognition criteria, Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date, that are expected to apply to the reversal of the timing difference. Timing differences are differences between the taxable profits and results as stated in the Financial Statements.

Deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be sufficient taxable profits in future periods, which the future reversal of the underlying timing differences can be utilised against.

Deferred tax is recognised on fair market value adjustments of investment subsidiaries, despite the fact it is likely the subsidiaries will be able to make a Gift Aid donation equal to the amount of any taxable profit arising from the future realisation of the underlying assets.

2. Key sources of estimation and uncertainty and significant judgements made in applying the accounting policies

The preparation of the Financial Statements requires the application of certain estimates and judgements. The material areas of either estimation or judgement are set out below. 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.

Each of these areas is considered by the Audit and Risk Committee based on information prepared by management, (see page 129).

Unquoted investments

Investment asset category	Value £mn	Valuation methodology	Estimations and assumptions
Direct investments which are reported within		As noted in the Accounting policies on pages 158-164, these investments are valued at management's best estimate of fair value. For these investments fair value is estimated using a range or combination of methodologies including price of recent investment, discounted cash flow analysis, price multiples from public comparables and private comparable transactions. While higher rates of interest and inflation have continued to impact discount rates and price multiples, during the current year underlying company performance combined with some transactional activity has increased local currency valuations.	The fair value of these direct investments is estimated noting there is uncertainty on their future financial performance. These direct investments, particularly the early stage venture co-investments, have a range of possible fair value estimates. If the fair value of these investments increased or decreased by 10% this would increase or decrease unquoted investment balances by £243 million respectively.
• direct private and private co-investments; and	2,122		
• property	304		
in the Investment asset allocation (refer to Figure 6 on page 50)			

Unquoted investments (continued)

Investment asset category	Value £mn	Valuation methodology	Estimations and assumptions
Investment operating subsidiaries, joint ventures and development land with planning consent (which are included within Property in the investments allocation; refer to Figure 6 on page 50).	1,640	As noted in the Basis of Consolidation on pages 158-159, certain subsidiaries, joint ventures and associates are excluded from consolidation where the interest is held as part of the investment portfolio and measured on a fair value basis. Fair value is based on external valuers employing Royal Institute of Chartered Surveyors (RICS) valuation methodology for property held within these investments adjusting for other net assets. The property held is valued using methodologies specific to the nature of the property including discounted cashflows (discount rates, development value, land and house price growth and absorption rates estimated), price multiples and comparable land values. External valuers reflected the higher price rates of interest in the current year in higher discount rates and a higher inflation impacted construction costs rate.	The fair value of the property held within these investments is estimated noting there is difficulty in predicting the outlook for certain parts of the UK property market where there are a lower number of comparable transactions. There is also estimation uncertainty associated with the effect of climate change on the fair value assumptions. A sensitivity analysis is provided for this below. The sensitivities presented are as provided by the external valuers to provide context to their valuations. Management review the sensitivities and considers them reasonable in the context of the historic movements in these estimates.

Estimate	Change in estimate	Impact on unquoted investments
EBITDA multiple	Increase of 0.5%	Increase by £12m (0%)
	Decrease of 0.5%	Decrease by £11.8m (0%)
Land values	Increase/decrease of 10%	Increase/decrease by £32.4m (0.2%)
Serviced land price inflation	Increase of 1.0%	Increase by £63.4m (0.3%)
Development absorption rate	Decrease of 50 units per annum below peak	Decrease by £36.3 million (-0.2%)
Construction costs rate per square foot	Increase/decrease of 5%	Decrease/increase by £13.7m (0.1%)
Residential sales and rent rate per square foot	Increase/decrease of 5%	Increase/decrease by £10.8m (0.1%)

Grant liabilities

Accounting methodology	Value £mn	Estimations and assumptions
The initial liability recognised is based on actual amounts awarded but as the awards are paid out over a number of years, non-current liabilities (refer to notes 6 and 8) are discounted based on expected future cash outflows. Internal estimation is required in: • calculating the appropriate discount rate • determining when the liability will be called down and paid	3,204	The discount rate used is expected future nominal rate of investment returns. This is considered by management to be the most current available estimate of the opportunity cost of money to Wellcome. The timings of the calling down and payments of the liabilities: • The retention delay – this is the delay between the official grant end date and the date the final payment is made • The weighted stretch delay – this is cash flow profiling methodology to calculate the delay between when payments are due and no-cost extensions are granted to grantees, which delays the end date further. This is weighted so the profile of grants of higher value weigh proportionally more than grants of lower value in the model used to profile the cash as they have a more significant impact on cash flows. A sensitivity analysis is provided for these below.

Estimate	Change in estimate	Impact on grant liabilities
Rate used to discount grant liabilities (2024: 6.8%, 2023: 7.0%)	Increase of 3.0% p.a. Decrease of 3.0% p.a.	Decrease by £233.3 million (-6.0%) Increase by £275.5 million (7.1%)
Retention delay (2024: 9 months, 2023: 9 months)	Decrease -5 months Increase +5 months	Increase by £42.3 million (1.1%) Decrease by £40.9 million (-1.0%)
Weighted stretch delay (2024: 31%, 2023: 28%)	Decrease -5% Increase +5%	Increase by £30.2 million (0.8%) Decrease by £29.2 million (-0.7%)

Retention delay – average over the last 5 years. Using this data the average came out as 9 months. The lowest average retention delay was 3 months and the +/- 3 months was used for the sensitivity analysis.

Weighted stretch delay – average over the last 5 years (excluding outliers). If all grants are included in the calculation then it gives a range of +/- 5% which is used for the sensitivity analysis.

Defined benefit pension schemes' liabilities

Valuation methodology	Value £mn	Estimations and assumptions
The actuaries provide a summary of the accounting assumptions proposed based on FRS 102 requirements and their knowledge as administrators of the plan. The Finance team, the Chief Investment Officer and the People team review these assumptions and challenge them if required.	587	The discount rate The rate of inflation A sensitivity analysis is provided below

Estimate	Change in estimate	Impact on pension schemes' liabilities
Discount rate	Increase/decrease of 0.5% p.a.	Decrease/increase by £58.1m (9.9%)
Rate of inflation	Increase/decrease of 0.5% p.a.	Increase/decrease by £37m 6.3%

Significant judgements in applying the Group's accounting policies

Non-charitable investment subsidiary undertakings, associates and joint ventures held as part of the investment portfolio

The Group applies judgement to assess which subsidiary undertakings, associates and joint ventures are held as part of the investment portfolio and therefore their value to the Group is through fair value rather than a medium through which the Group carries out business (see Basis of Consolidation, pages 158-159). This judgement relies on the Group's assessment of the purpose of the investment and ongoing management of these entities, and has been applied to the investment operating subsidiaries and joint ventures referenced in the Unquoted investments section of this note above. There have been no changes to this judgement in the year.

3. Dividends and interest

	Group		Trust	
	2024 £mn	2023 £mn	2024 £mn	2023 £mn
Dividends from UK equities	**46.6**	53.8	**46.6**	53.8
Dividends and interest from subsidiaries	**-**	-	**0.3**	10.1
Dividends from overseas equities	**184.9**	191.6	**180.1**	181.2
Income from unquoted investments	**39.9**	61.3	**33.7**	51.1
Interest from quoted investments	**3.0**	1.4	**3.0**	1.4
Interest on cash and cash deposits	**147.1**	117.7	**146.0**	116.8
Securities lending income	**3.6**	1.3	**3.6**	1.3
	425.1	427.1	**413.3**	415.7

4. Other income

(a) Grants receivable

	Group		Trust	
	2024 £mn	2023 £mn	**2024 £mn**	2023 £mn
	27.7	30.9	**-**	-

Grants receivable comprises awards to the Trust's subsidiary undertaking Genome Research Limited by other funders, including government grants of £1.8 million (2023: £1.1 million). There are no unfulfilled conditions attached to these grants.

(b) Other charitable income

	Group		Trust	
	2024 £mn	2023 £mn	**2024 £mn**	2023 £mn
	64.4	35.6	**166.3**	297.2

Included in other charitable income for the Group is £35.9 million (2023: £3.6 million) of proceeds arising from the sale during the year of programme-related investments, details of which are given in note 15 (d). Included in other charitable income for the Trust are Gift Aid donations received from subsidiary undertakings, totalling £126.2 million in 2024 (2023: £301.6 million). This does not include Gift Aid received from Premier Marinas and Urban&Civic as these entities are held as part of the investment portfolio and their Gift Aid is accounted for as investment income. Details of significant group undertakings are given in note 21.

In the prior year, Wellcome Trust Finance plc, a subsidiary undertaking, identified that the interim Gift Aid donations made to the Trust in prior years 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. During the year, Wellcome Trust Finance plc rectified this position, releasing the Trust from a requirement to repay the interim Gift Aid donations with the exception of £1 million required for the tax liability due and therefore returning 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.

5. Management fees and other investment costs

(a) Total investment costs

	Group		Trust	
	2024 £mn	2023 £mn	**2024 £mn**	2023 £mn
External investment management fees	**48.6**	50.5	**49.0**	45.2
Internal investment administration	**40.2**	36.1	**40.0**	35.9
Investment support cost allocation	**7.8**	7.5	**7.6**	7.3
	96.6	94.1	**96.6**	88.4

The amount accrued for long-term incentive plans included in the internal investments administration costs above was £19.5 million (2023: £16.2 million). Senior staff in the Investments team receive performance-based remuneration, as noted on page 170, which can give rise to variations in the amount charged to internal investment administration year on year. External investment management fees includes performance fees. The methodology behind the support cost allocation is detailed in note 9.

The bandings disclosures in note 5(b) show employees working on the investment activities of the Group.

(b) Benefits of Investment team employees (salary, bonus, long term incentive plans and allowances)

	Group and Trust		Trust	
	2024	2023	**2024**	2023
£60,000-£69,999	**3**	1	**3**	1
£70,000-£79,999	**1**	3	**1**	3
£80,000-£89,999	**3**	3	**3**	3
£90,000-£99,999	**4**	1	**4**	1
£100,000-£109,999	**2**	3	**2**	3
£110,000-£119,999	**-**	2	**-**	2
£120,000-£129,999	**3**	-	**3**	-
£130,000-£139,999	**3**	-	**3**	-
£160,000-£169,999	**1**	4	**1**	4
£170,000-£179,999	**3**	1	**3**	1
£180,000-£189,999	**1**	1	**1**	1
£260,000-£269,999	**-**	3	**-**	3
£300,000-£309,999	**1**	-	**1**	-
£370,000-£379,999	**-**	2	**-**	2
£390,000-£399,999	**2**	-	**2**	-
£480,000-£489,999	**-**	1	**-**	1
£550,000-£559,999	**1**	1	**1**	1
£560,000-£569,999	**-**	1	**-**	1
£570,000-£579,999	**-**	1	**-**	1
£580,000-£589,999	**1**	-	**1**	-
£590,000-£599,999	**-**	1	**-**	1
£610,000-£619,999	**1**	1	**1**	1
£620,000-£629,999	**3**	-	**3**	-
£640,000-£649,999	**1**	-	**1**	-
£650,000-£659,999	**1**	-	**1**	-
£690,000-£699,999	**1**	-	**1**	-
£760,000-£769,999	**-**	1	**-**	1
£1,050,000-£1,059,999	**-**	1	**-**	1
£1,160,000-£1,169,999	**1**	-	**1**	-
£1,710,000-£1,719,999	**-**	1	**-**	1
£1,740,000-£1,749,999	**-**	1	**-**	1
£1,910,000-£1,919,999	**1**	-	**1**	-
£2,030,000-£2,039,999	**1**	-	**1**	-
£2,190,000-£2,199,999	**-**	1	**-**	1
£2,220,000-£2,229,999	**1**	-	**1**	-
£2,340,000-£2,349,999	**-**	1	**-**	1
£2,550,000-£2,559,999	**1**	-	**1**	-
£2,630,000-£2,639,999	**-**	1	**-**	1
£2,760,000-£2,769,999	**1**	-	**1**	-
£3,310,000-£3,319,999	**1**	-	**1**	-
£3,350,000-£3,359,999	**-**	1	**-**	1
£4,470,000-£4,479,999	**-**	1	**-**	1
£5,060,000-£5,069,999	**1**	-	**1**	-
	44	39	**44**	39

The number of employees working within the Investment team whose total benefits (excluding employer pension contributions and employer National Insurance Contributions) were within the bands is shown in the table above.

Long-term incentive plans reflect rolling 3- and 5-year performance periods. Long-term incentive plan amounts included in the benefits table above are awarded to eligible individuals by the People and Remuneration Committee.

These amounts include awards for which payment is deferred and subject to future investment performance.

6. Charitable activities

Group (2024)	Grant funding £mn	Direct £mn	Allocated support £mn	**Total 2024 £mn**
Discovery Research	672.8	181.8	55.4	**910.0**
Infectious Disease	146.1	26.7	8.0	**180.8**
Mental Health	74.0	10.8	4.9	**89.7**
Climate and Health	116.2	9.4	4.9	**130.5**
Cross-mission	34.0	64.4	36.4	**134.8**
Wellcome Leap	-	125.3	6.4	**131.7**
	1,043.1	**418.4**	**116.0**	**1,577.5**
Effect of discounting of grant liability	(52.7)	-	-	**(52.7)**
Foreign exchange revaluation of grant liability	(71.4)	-	-	**(71.4)**
Total	**919.0**	**418.4**	**116.0**	**1,453.4**

Grant funding and direct charitable activities totalled £1,461.5 million. Allocated support costs related to the grant funding activities of the Group included in the total allocated support costs are Discovery Research £43.6 million, Infectious Disease £6.7 million, Mental Health £4.3 million, Climate and Health £4.5 million, Cross-mission £12.6 million.

Group (2023)	Grant funding £mn	Direct £mn	Allocated support £mn	**Total 2023 £mn**
Discovery Research	719.4	178.6	56.6	**954.6**
Infectious Disease	208.0	21.5	9.1	**238.6**
Mental Health	95.9	6.6	5.5	**108.0**
Climate and Health	115.3	7.1	4.3	**126.7**
Cross-mission	75.5	48.0	39.7	**163.2**
Wellcome Leap	-	107.4	3.6	**111.0**
	1,214.1	**369.2**	**118.8**	**1,702.1**
Effect of discounting of grant liability	(146.0)	-	-	**(146.0)**
Foreign exchange revaluation of grant liability	(65.8)	-	-	**(65.8)**
Total	**1,002.3**	**369.2**	**118.8**	**1,490.3**

In the prior year, grant funding and direct charitable activities totalled £1,583.3 million. Allocated support costs related to the grant funding activities of the Group included in the total allocated support costs are Discovery Research £45.3 million, Infectious Disease £8.2 million, Mental Health £5.1 million, Climate and Health £4.0 million, Cross-mission £24.3 million.

Charitable activities (continued)

Trust (2024)	Grant funding £mn	Direct £mn	Allocated support £mn	**Total 2024 £mn**
Discovery Research	803.2	13.6	28.3	**845.1**
Infectious Disease	146.1	26.7	7.9	**180.7**
Mental Health	74.0	10.8	4.9	**89.7**
Climate and Health	116.2	9.4	4.9	**130.5**
Cross-mission	34.0	60.3	36.3	**130.6**
Wellcome Leap	465.8	-	2.6	**468.4**
	1,639.3	**120.8**	**84.9**	**1,845.0**
Effect of discounting of grant liability	(135.6)	-	-	**(135.6)**
Foreign exchange revaluation of grant liability	(110.1)	-	-	**(110.1)**
Total	**1,393.6**	**120.8**	**84.9**	**1,599.3**

Grant funding is higher in the Trust due to grants awarded to subsidiaries (see note 7). Grant funding and direct charitable activities totalled £1,760.1 million. Allocated support costs related to the grant funding activities of the Trust included in the total allocated support costs are Discovery Research £27.8 million, Infectious Disease £6.7 million, Mental Health £4.3 million, Climate and Health £4.5 million, Cross-mission £13.1 million, Wellcome Leap £2.6 million.

Trust (2023)	Grant funding £mn	Direct £mn	Allocated support £mn	**Total 2023 £mn**
Discovery Research	844.0	8.8	30.1	**882.9**
Infectious Disease	208.0	21.5	9.0	**238.5**
Mental Health	95.9	6.6	5.4	**107.9**
Climate and Health	115.3	7.1	4.3	**126.7**
Cross-mission	75.5	45.6	39.7	**160.8**
Wellcome Leap	-	-	-	**-**
	1,338.7	**89.6**	**88.5**	**1,516.8**
Effect of discounting of grant liability	(117.0)	-	-	**(117.0)**
Foreign exchange revaluation of grant liability	(101.9)	-	-	**(101.9)**
Total	**1,119.8**	**89.6**	**88.5**	**1,297.9**

In the prior year, grant funding and direct charitable activities totalled £1,428.3 million. Allocated support costs related to the grant funding activities of the Trust included in the total allocated support costs are Discovery Research £29.8 million, Infectious Disease £8.2 million, Mental Health £5.1 million, Climate and Health £4.0 million, Cross-mission £24.8 million.

7. Grants awarded

Grants are generally awarded to a particular individual, although the actual award is made to the host institution. Small grants may be awarded directly to individuals for the purpose of travel and for public engagement with science.

Grants no longer required relates to unspent amounts of grants awarded in previous years.

Please refer to the Financial Review on pages 64-69 for an explanation of the movement in grant expenditure. Expenditure per institution can fluctuate considerably from year to year depending on, for example, specific initiatives.

The grants included within 'Grants to other organisations' for 2024 totalled less than £12.0 million in value for each organisation. The institutions listed in the 2023 table are those institutions that received grants in excess of £10.0 million in 2023.

Grants awarded (continued)

Group (2024)	Discovery Research £mn	Infectious Disease £mn	Mental Health £mn	Climate and Health £mn	Cross-mission £mn	Wellcome Leap £mn	**Total 2024 £mn**
University of Oxford	74.0	27.4	9.3	2.5	12.4	-	**125.6**
University College London	43.0	5.5	-	21.0	1.0	-	**70.5**
King's College London	31.3	-	13.3	4.1	2.2	-	**50.9**
European Bioinformatics Institute	48.5	-	-	-	-	-	**48.5**
Wellcome Trust/DBT India Alliance, India	47.5	-	-	-	-	-	**47.5**
Southeast Asia Ministers of Education Organization, Thailand	46.1	-	-	-	-	-	**46.1**
University of Cambridge	37.1	-	4.3	-	1.8	-	**43.2**
University of Edinburgh	38.9	-	0.2	-	0.1	-	**39.2**
UK Biobank Ltd	30.1	-	-	-	-	-	**30.1**
University of Dundee	6.9	22.1	-	-	-	-	**29.0**
World Health Organization, Switzerland	-	0.4	3.0	22.2	1.3	-	**26.9**
University of Glasgow	22.3	-	-	-	-	-	**22.3**
Boston University, USA	-	21.7	-	-	-	-	**21.7**
MRC Laboratory of Molecular Biology	21.3	-	-	-	-	-	**21.3**
University of Bristol	12.0	-	1.7	3.0	0.3	-	**17.0**
Imperial College London	13.2	0.9	-	1.0	0.6	-	**15.7**
University of Sheffield	15.0	-	-	-	-	-	**15.0**
London School of Hygiene & Tropical Medicine	10.4	3.5	-	-	-	-	**13.9**
Potsdam Institute for Climate Impact Research, Germany	-	-	-	13.3	-	-	**13.3**
University of Cape Town, South Africa	6.0	3.3	-	2.9	-	-	**12.2**
Diamond Light Source Ltd	12.0	-	-	-	-	-	**12.0**
Grants to other organisations	167.8	62.5	43.3	46.4	15.4	-	**335.4**
Total grants (excluding grants no longer required)	**683.4**	**147.3**	**75.1**	**116.4**	**35.1**	**-**	**1,057.3**
Less: grants awarded in previous years no longer required	(10.6)	(1.2)	(1.1)	(0.2)	(1.1)	-	**(14.2)**
	672.8	146.1	74.0	116.2	34.0	-	**1,043.1**

Grants awarded (continued)

Group (2024)	Discovery Research £mn	Infectious Disease £mn	Mental Health £mn	Climate and Health £mn	Cross-mission £mn	Wellcome Leap £mn	**Total 2024 £mn**
Grants awarded of which:							
United Kingdom	525.4	78.5	29.6	33.3	28.4	-	**695.2**
Directly funded international	147.4	67.6	44.4	82.9	5.6	-	**347.9**
Grants awarded by the Group	**672.8**	**146.1**	**74.0**	**116.2**	**34.0**	-	**1,043.1**

Trust (2024)	Discovery Research £mn	Infectious Disease £mn	Mental Health £mn	Climate and Health £mn	Cross-mission £mn	Wellcome Leap £mn	**Total 2024 £mn**
Grants awarded by the Group	672.8	146.1	74.0	116.2	34.0	-	**1,043.1**
Plus: Grants awarded to subsidiary undertakings							
- Wellcome Sanger Institute	130.4	-	-	-	-	-	**130.4**
- Wellcome Trust gGmbH, Germany	-	-	-	-	-	-	**-**
- Wellcome Leap, USA	-	-	-	-	-	465.8	**465.8**
Grants awarded by the Trust	**803.2**	**146.1**	**74.0**	**116.2**	**34.0**	**465.8**	**1,639.3**

Grants awarded (continued)

Group (2023)	Discovery Research £mn	Infectious Disease £mn	Mental Health £mn	Climate and Health £mn	Cross-mission £mn	Wellcome Leap £mn	Total 2023 £mn
University of Oxford	161.0	4.5	10.8	1.7	4.8	-	**182.8**
University College London	120.1	-	13.8	3.0	0.8	-	**137.7**
Gates Medical Research Institute, USA	-	126.0	-	-	-	-	**126.0**
University of Cambridge	86.1	-	4.5	-	-	-	**90.6**
Diamond Light Source Ltd	51.9	-	-	-	-	-	**51.9**
University of Edinburgh	37.7	-	7.0	2.0	-	-	**46.7**
King's College London	19.7	-	10.2	1.7	0.4	-	**32.0**
Imperial College London	19.1	2.1	-	6.7	0.2	-	**28.1**
Liverpool School of Tropical Medicine	7.9	0.3	-	-	18.4	-	**26.6**
University of Manchester	24.6	-	-	-	0.1	-	**24.7**
University of Cape Town, South Africa	16.9	-	2.6	2.0	-	-	**21.5**
Boston University, USA	-	19.8	-	1.7	-	-	**21.5**
University of Exeter	13.0	-	5.0	2.3	-	-	**20.3**
University of Bristol	17.8	-	-	-	-	-	**17.8**
Cardiff University	11.7	-	2.7	-	1.9	-	**16.3**
University of Sheffield	15.0	-	-	-	-	-	**15.0**
University of Oslo, Norway	-	-	-	4.5	10.0	-	**14.5**
University of Birmingham	11.9	-	-	2.0	-	-	**13.9**
The Francis Crick Institute	8.5	-	5.4	-	-	-	**13.9**
National University of Singapore, Singapore	-	12.9	-	-	-	-	**12.9**
London School of Hygiene & Tropical Medicine	3.0	3.7	-	5.6	0.1	-	**12.4**
University of Durham	10.6	-	-	-	-	-	**10.6**
Other organisations	115.5	59.1	34.1	82.3	40.1	-	**331.1**
Total grants (excluding grants no longer required)	**752.0**	**228.4**	**96.1**	**115.5**	**76.8**	**-**	**1,268.8**
Less: grants awarded in previous years no longer required	(32.6)	(20.4)	(0.2)	(0.2)	(1.3)	-	**(54.7)**
	719.4	**208.0**	**95.9**	**115.3**	**75.5**	**-**	**1,214.1**

Grants awarded (continued)

Group (2023)	Discovery Research £mn	Infectious Disease £mn	Mental Health £mn	Climate and Health £mn	Cross-mission £mn	Wellcome Leap £mn	Total 2023 £mn
Grants awarded of which:							
United Kingdom	667.4	9.7	62.3	34.7	46.4	-	**820.5**
Directly funded international	52.0	198.3	33.6	80.6	29.1	-	**393.6**
Grants awarded by the Group	**719.4**	**208.0**	**95.9**	**115.3**	**75.5**	-	**1,214.1**

Trust (2023)	Discovery Research £mn	Infectious Disease £mn	Mental Health £mn	Climate and Health £mn	Cross-mission £mn	Wellcome Leap £mn	Total 2023 £mn
Grants awarded by the Group	719.4	208.0	95.9	115.3	75.5	-	**1,214.1**
Plus: Grants awarded to subsidiary undertakings							
- Wellcome Sanger Institute	124.6	-	-	-	-	-	**124.6**
- Wellcome Trust gGmbH, Germany	-	-	-	-	-	-	**-**
- Wellcome Leap, USA	-	-	-	-	-	-	**-**
Grants awarded by the Trust	**844.0**	**208.0**	**95.9**	**115.3**	**75.5**	**-**	**1,338.7**

8. Grants awarded but not paid yet

	Group		Trust	
	2024 £mn	2023 £mn	**2024 £mn**	2023 £mn
Liabilities at 1 October	**2,932.3**	2,742.5	**3,159.3**	3,161.5
Grants awarded during the year	**1,043.1**	1,214.1	**1,639.3**	1,338.7
Grants paid during the year	**(647.4)**	(812.5)	**(846.0)**	(1,122.0)
Discounting of grant liabilities	**(52.7)**	(146.0)	**(135.6)**	(117.0)
Foreign exchange revaluation of grant liabilities	**(71.4)**	(65.8)	**(110.1)**	(101.9)
Liabilities as at 30 September	**3,203.9**	2,932.3	**3,706.9**	3,159.3
Of which:				
- falling due within one year (note 17)	**729.4**	741.3	**866.7**	877.2
- falling due after one year (note 17)	**2,474.5**	2,191.0	**2,840.2**	2,282.1
Liabilities as at 30 September	**3,203.9**	2,932.3	**3,706.9**	3,159.3

The total value of the grant liabilities discount for the year ended 30 September 2024 is £702.7 million (2023: £650.0 million) applying an expected nominal rate of investment return of 6.8% (2023: 7.0%).

9. Support costs

- Support costs are those costs that, while necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. Support costs are allocated to the activities shown in the table below.
- Funding administration costs can be directly attributed to an activity.
- Operations comprises the costs of the following teams: Internal Communications, People, Finance, Legal, and Digital and Technology.
- The remaining support costs have been apportioned using the allocation methods indicated and include governance costs.
- Where costs have been allocated on the basis of headcount, this is the average headcount within each activity.
- Where costs have been allocated on the basis of expenditure, expenditure is determined as being either the grant spend on the activity: or, where appropriate, both grant and direct spend on the activity.

Group (2024)	Costs of generating funds £mn	Discovery Research £mn	Infectious Disease £mn	Mental Health £mn	Climate and Health £mn	Cross-mission £mn	Wellcome Leap £mn	**Total 2024 £mn**	Allocation method
Funding administration	0.4	8.1	1.6	0.8	1.2	0.6	2.6	**15.3**	Expenditure/Directly attributed
Support of scientific research	-	26.6	-	-	-	-	-	**26.6**	Directly attributed
Operations	6.2	14.1	5.1	3.5	2.7	35.0	3.8	**70.4**	Headcount/Expenditure
Other	0.3	3.1	0.6	0.3	0.5	0.4	-	**5.2**	Expenditure
Governance costs	0.9	3.5	0.7	0.3	0.5	0.4	-	**6.3**	Expenditure/Directly attributed
	7.8	**55.4**	**8.0**	**4.9**	**4.9**	**36.4**	**6.4**	**123.8**	

Group (2023)	Costs of generating funds £mn	Discovery Research £mn	Infectious Disease £mn	Mental Health £mn	Climate and Health £mn	Cross-mission £mn	Wellcome Leap £mn	Total 2023 £mn	Allocation method
Funding administration	0.3	7.9	2.0	0.9	1.1	0.9	-	**13.1**	Expenditure/Directly attributed
Support of scientific research	-	26.1	-	-	-	-	-	**26.1**	Directly attributed
Operations	6.4	17.4	5.9	4.0	2.5	38.0	3.6	**77.8**	Headcount/Expenditure
Other	0.2	1.9	0.4	0.2	0.3	0.3	-	**3.3**	Expenditure
Governance costs	0.6	3.3	0.8	0.4	0.4	0.5	-	**6.0**	Expenditure/Directly attributed
	7.5	**56.6**	**9.1**	**5.5**	**4.3**	**39.7**	**3.6**	**126.3**	

Support costs (continued)

Trust (2024)	Costs of generating funds £mn	Discovery Research £mn	Infectious Disease £mn	Mental Health £mn	Climate and Health £mn	Cross-mission £mn	Wellcome Leap £mn	**Total 2024 £mn**	Allocation method
Funding administration	0.4	8.1	1.6	0.8	1.2	0.6	2.6	**15.3**	Expenditure/Directly attributed
Operations	6.2	14.1	5.1	3.5	2.7	35.0	-	**66.6**	Headcount/Expenditure
Other	0.3	3.1	0.6	0.3	0.5	0.4	-	**5.2**	Expenditure
Governance Costs	0.7	3.0	0.6	0.3	0.5	0.3	-	**5.4**	Expenditure/Directly attributed
	7.6	**28.3**	**7.9**	**4.9**	**4.9**	**36.3**	**2.6**	**92.5**	

Trust (2023)	Costs of generating funds £mn	Discovery Research £mn	Infectious Disease £mn	Mental Health £mn	Climate and Health £mn	Cross-mission £mn	Wellcome Leap £mn	**Total 2023 £mn**	Allocation method
Funding administration	0.3	7.9	2.0	0.9	1.1	0.9	-	**13.1**	Expenditure/Directly attributed
Operations	6.4	17.4	5.8	3.9	2.5	38.1	-	**74.1**	Headcount/Expenditure
Other	0.2	1.9	0.4	0.2	0.3	0.3	-	**3.3**	Expenditure
Governance costs	0.4	2.9	0.8	0.4	0.4	0.4	-	**5.3**	Expenditure/Directly attributed
	7.3	**30.1**	**9.0**	**5.4**	**4.3**	**39.7**	**-**	**95.8**	

10. Governance costs

	Group		Trust	
	2024 £mn	2023 £mn	**2024 £mn**	2023 £mn
Governors' fees and expenses	**1.1**	1.3	**1.0**	1.2
Auditor's remuneration				
- parent company and consolidation	**1.3**	1.3	**1.3**	1.3
- audits of subsidiary undertakings	**0.7**	0.5	**-**	-
Internal audit	**2.9**	2.6	**2.8**	2.5
Other costs	**0.3**	0.3	**0.3**	0.3
	6.3	6.0	**5.4**	5.3

Internal audit services are those provided by the in-house internal audit team, together with the cost of specialist services provided by KPMG and Protiviti.

The audit of subsidiary undertakings excludes fees due to the Trust's auditor Deloitte LLP relating to Premier Marinas Ltd of £0.2 million (2023: £0.2 million), excluding VAT and fees due to BDO LLP as Auditor of Urban&Civic and Farmcare Limited of £0.5 million (2023: £0.5 million) excluding VAT, these entities are held as part of the investment portfolio.

These Deloitte LLP fees are taken into account for the purposes of monitoring the cap on the level of non-audit services as required by legislation. There were additional fees of £82,000 for non-audit services payable to the Group's auditor Deloitte LLP (2023: £40,000).

(a) Employee benefits

	Group		Trust	
	2024 £mn	2023 £mn	2024 £mn	**2023 £mn**
Remuneration and salary benefits	**185.4**	170.1	**105.8**	94.6
Social Security costs	**19.0**	17.5	**11.3**	10.0
Pension costs and other benefits	**11.7**	22.5	**7.6**	14.8
	216.1	210.1	**124.7**	119.4

The increase in remuneration and salary benefits in the year is due to the Trust amending its pay policy in the year to median market rate pay, which included increasing the pay for employees below that median rate for their role (refer to the Remuneration report page 117). Remuneration and salary benefits also includes termination payments (refer to note 11(b)) and amounts accrued for long-term incentive plans for Investment team members (refer to note 5). Pension costs and other benefits includes the net interest on net defined benefit pension liabilities (the net of income from pension scheme assets and interest expense on pension scheme liabilities) which is disclosed in note 11(e)(iii).

(b) Termination payments

	Group		Trust	
	2024 £mn	2023 £mn	**2024 £mn**	2023 £mn
Redundancy	**2.7**	1.2	**2.4**	0.8
Other compensation	**1.3**	0.7	**1.0**	0.7
	4.0	1.9	**3.4**	1.5

Termination payments includes amounts paid to individuals in relation to the new organisation design for Wellcome Collection, which has been implemented in the current year, and a provision for redundancies due to the reorganisation to align Wellcome's structure to our strategy. The latter changes were announced in September 2024, and consultation with staff concluded after the reporting date. The finalised changes impacted 63 roles, of which 34 were redeployed and 29 were made redundant.

(c) Average numbers of employees who served during the year

These numbers exclude employees of the investment subsidiaries held as part of the investment portfolio.

	Average	
	2024	2023
Trust	**1,051**	1,020
Subsidiary undertakings	**1,326**	1,294
Total for the Group	**2,377**	2,314
Analysed by		
Investments	**47**	45
Direct activities	**1,546**	1,516
Support	**784**	753
Total for the Group	**2,377**	2,314
Analysed by		
Investments	**47**	45
Direct activities	**445**	437
Support	**559**	538
Total for the Trust	**1,051**	1,020

65 PhD students (2023: 62) at Genome Research Limited do not have a contract of employment with the Group, therefore are not included in the table above. The PhD students provide a significant contribution to the scientific research and have an agreement of support to carry out their own PhD thesis.

The increase in the average number of employees in the Trust is due to the continued recruitment into the roles identified in the organisation design to support the strategy (noting this was approved in prior years).

(d) Benefits of employees

The number of employees working on charitable activities of the Trust and its subsidiary undertakings (Genome Research Limited and Wellcome Trust gGmbH, refer to note 1(b) Basis of Consolidations, page 158) whose benefits fell within the following bands is shown in the table.

Benefits are defined as including salaries, bonuses, allowances (such as allowances for housing and moving for staff relocating internationally), salary paid in lieu of employer pension contributions, and termination payments, including pay in lieu of notice but excluding employer pension contributions and employer National Insurance Contributions.

Employees of Wellcome Leap receive benefits in USD which have been converted into GBP equivalent for this table. The value of these benefits (included in the Group) is affected by fluctuating USD:GBP exchange rates throughout the year and from year to year.

Wellcome's policy is to pay staff at market median. Allowances related to staff joining Wellcome who relocated internationally have impacted a number of employees shown in the table.

The emoluments of the Chief Executive Officer (CEO) included in the table totalled £654,555 (2023: £nil). The emoluments of the interim CEO included in the table totalled £885,932 including pay in lieu of notice (2023: £352,260).

Information relating to Investment team staff is shown separately in note 5(b).

	Group		Trust	
	2024	2023	**2024**	2023
£60,000-£69,999	**270**	226	**126**	106
£70,000-£79,999	**173**	138	**102**	95
£80,000-£89,999	**117**	83	**88**	57
£90,000-£99,999	**72**	59	**52**	38
£100,000-£109,999	**39**	27	**25**	16
£110,000-£119,999	**31**	19	**21**	14
£120,000-£129,999	**15**	12	**12**	8
£130,000-£139,999	**14**	15	**7**	12
£140,000-£149,999	**15**	5	**12**	5
£150,000-£159,999	**6**	6	**4**	4
£160,000-£169,999	**5**	-	**2**	-
£170,000-£179,999	**3**	8	**-**	1
£180,000-£189,999	**6**	10	**3**	9
£190,000-£199,999	**2**	3	**-**	2
£200,000-£209,999	**4**	3	**3**	2
£210,000-£219,999	**4**	3	**3**	1
£220,000-£229,999	**2**	-	**1**	-
£230,000-£239,999	**1**	4	**1**	4
£240,000-£249,999	**4**	1	**4**	-
£250,000-£259,999	**3**	2	**3**	1
£260,000-£269,999	**3**	1	**2**	1
£270,000-£279,999	**1**	3	**-**	3
£290,000-£299,999	**1**	-	**-**	-
£320,000-£329,999	**-**	1	**-**	1
£340,000-£349,999	**1**	-	**-**	-
£360,000-£369,999	**-**	1	**-**	-
£400,000-£409,999	**-**	1	**-**	1
£410,000-£419,999	**1**	-	**-**	-

(d) Benefits of employees (continued)

	Group		Trust	
	2024	2023	**2024**	2023
£430,000-£439,999	**1**	-	**-**	-
£450,000-£459,999	**2**	-	**2**	-
£470,000-£479,999	**1**	-	**-**	-
£480,000-£489,999	**1**	-	**-**	-
£490,000-£499,999	**-**	1	**-**	-
£500,000-£509,999	**1**	-	**1**	-
£530,000-£539,999	**1**	-	**-**	-
£560,000-£569,999	**-**	1	**-**	1
£580,000-£589,999	**-**	1	**-**	1
£610,000-£619,999	**-**	1	**-**	-
£620,000-£629,999	**1**	-	**-**	-
£650,000-£659,999	**2**	-	**2**	-
£700,000-£709,999	**-**	1	**-**	1
£880,000-£889,999	**1**	-	**1**	-
	804	636	**477**	384

(e) Retirement benefits

(i) Defined benefit pension plan and Unfunded Unapproved Retirement Benefit scheme

The Group sponsors two approved funded defined benefit schemes: the Wellcome Trust Pension Plan and the Genome Research Limited Pension Plan (the Plans).

The day-to-day management of the Plans' investments has been delegated by the Trustees to the investment manager Legal & General Assurance (Pensions Management) Limited. During the year the investment strategy of the Plans was amended by the Trustees, following investment advice and in consultation with the Group, to de-risk the investments by reducing the exposure to passive equity investments and increasing exposure to gilt investments (including index linked) and liquidity funds.

The defined benefit pension schemes are required to have triennial actuarial valuations, which are then updated in an interim valuation each year at the balance sheet date of the schemes. The latest triennial actuarial valuation of the Wellcome Trust Pension Plan was carried out at 31 December 2022: the valuation showed that the plan is fully funded. The latest triennial actuarial valuation of the Genome Research Limited Pension Plan was carried out at 31 December 2021: the valuation showed that the plan is fully funded.

The amount of the surplus or deficit is subject to considerable variability because it depends on a valuation of assets and a range of accounting assumptions impacting the liabilities. During the year, £nil deficit funding contributions were paid to the Plans (2023: £nil).

FRS 102 requires discount rates to be based on corporate bond yields of an appropriate duration, regardless of actual investment strategy and investment returns expected by the Plans. This leads to a difference between the accounting and funding position under the triennial actuarial valuations.

In addition, certain current and prior senior employees of the Trust are members of an Unfunded Unapproved Retirement Benefit scheme 'UURBs'. The liability values within the UURBs are calculated at individual member level. The cost of accrual contributes to the charge to the Statement of Financial Activities. As these benefits are unfunded, there is no corresponding asset value. The UURBs liability values represent the present value of providing top-ups to the benefits accrued to date within the approved Wellcome Trust Pension Plan, without restrictions imposed by the approved Plan rules. The assumptions used to value the benefits are as per those stated within the FRS 102 disclosures.

The Group is aware of the recent Court of Appeal ruling in the Virgin Media Limited v NTL Pension Trustees II Limited, which may have implications for certain historical pension scheme amendments. The Group has not evaluated the potential impact of this ruling on the Plans.

The liabilities and the provision for other retirement benefits have been calculated using the following actuarial assumptions:

Trust	**2024 % per annum**	2023 % per annum	2022 % per annum
Inflation	**3.00**	3.20	3.55
Salary increases	**N/A**	N/A	N/A
Rate of discount	**5.10**	5.55	5.00
Allowance for revaluation of deferred pensions of RPI or 5% p.a. if less	**3.00**	3.20	3.35
Allowance for pension in payment increase of RPI or 5% p.a. if less	**2.80**	2.95	3.20
Allowance for commutation of pension for cash at retirement	**90% of Post A-Day**	90% of Post A-Day	90% of Post A-Day
Rate of increase of healthcare costs	**6.00**	6.00	6.00

(e) Retirement benefits (continued)

(ii) Defined benefit pension plan and Unfunded Unapproved Retirement benefit scheme (continued)

Genome Research Limited	**2024 % per annum**	2023 % per annum	2022 % per annum
Inflation RPI	**3.00**	3.20	3.50
Inflation CPI	**2.75**	2.90	3.15
Salary increases	**N/A**	N/A	N/A
Rate of discount	**5.10**	5.55	4.90
Allowance for revaluation of deferred pensions of RPI or 5% p.a. if less	**3.00**	3.20	3.50
Allowance for pension in payment increase of RPI or 5% p.a. if less	**2.80**	2.90	3.15
Allowance for pension in payment increase of CPI or 3% p.a. if less	**2.05**	2.05	2.20
Allowance for commutation of pension for cash at retirement	**90% of Post A-Day**	90% of Post A-Day	90% of Post A-Day
Rate of increase of healthcare costs	**6.00**	6.00	6.00

The assumptions adopted to calculate the Defined Benefit Obligation as at 30 September 2023 were derived based on the expectation that RPI will increase in line with CPIH from 2030.

The Wellcome Trust and Genome Research Limited defined benefit pension plans have actuarial assumptions based on their respective durations of 19 and 21 years respectively.

The mortality assumptions adopted imply the following life expectancies in years:

	2024	2023
Male retiring at age 60 in 2024	**25.9**	26.0
Female retiring at age 60 in 2024	**28.4**	28.4
Male retiring at age 60 in 2044	**27.5**	27.5
Female retiring at age 60 in 2044	**30.0**	29.9

The mortality assumptions used in the valuation of the defined benefit pension liabilities of both schemes and the provision for other retirement benefits are based on the base mortality table of S3 PMA (male) and S3 PFA (female) together with an allowance for mortality improvement in line with CMI 2023 projections and a 1.25% per annum minimum long-term rate of improvement.

(e) Retirement benefits (continued)

(iii) Charge to the Statement of Financial Activities – Pension and other retirement benefits

Group	Pension funds		Unfunded, unapproved scheme liabilities		Total	
	2024 £mn	2023 £mn	**2024 £mn**	2023 £mn	**2024 £mn**	2023 £mn
Expenses	**1.1**	1.0	**-**	-	**1.1**	1.0
Net interest on net defined benefit liabilities	**(12.2)**	(4.1)	**0.8**	6.1	**(11.4)**	(1.9)
Actuarial gains	**(25.9)**	(134.7)	**(1.5)**	(6.9)	**(27.4)**	(141.7)
Total gain in the Statement of Financial Activities	**(37.0)**	(137.8)	**(0.7)**	(0.8)	**(37.7)**	(138.6)

Trust	Pension funds		Unfunded, unapproved scheme liabilities		Total	
	2024 £mn	2023 £mn	**2024 £mn**	2023 £mn	**2024 £mn**	2023 £mn
Expenses	**0.6**	0.5	**-**	-	**0.6**	0.5
Net interest on net defined benefit liabilities	**(7.6)**	(3.4)	**0.8**	6.1	**(6.8)**	2.7
Actuarial gains	**(20.5)**	(66.4)	**(1.5)**	(6.9)	**(22.0)**	(73.3)
Total gain in Statement of Financial Activities	**(27.5)**	(69.3)	**(0.7)**	(0.8)	**(28.2)**	(70.1)

(e) Retirement benefits (continued)

(iv) Present values of pension schemes' liabilities, fair value of assets and surplus/(deficit)

	Assets		Liabilities		Surplus/(Deficit)	
	2024 £mn	2023 £mn	**2024 £mn**	2023 £mn	**2024 £mn**	2023 £mn
Wellcome Trust Pension Plan	**456.3**	406.4	**(291.7)**	(269.3)	**164.6**	137.1
Genome Research Limited Pension Plan	**373.7**	334.8	**(282.0)**	(252.6)	**91.7**	82.2
Total pension plans	**830.0**	741.2	**(573.7)**	(521.9)	**256.3**	219.3
Wellcome Trust unfunded, unapproved scheme liabilities	**-**	-	**(12.3)**	(14.1)	**(12.3)**	(14.1)
Wellcome Trust post-retirement medical benefits	**-**	-	**(1.0)**	(0.7)	**(1.0)**	(0.7)
Total other retirement benefits	**-**	-	**(13.3)**	(14.8)	**(13.3)**	(14.8)
Total pension assets/(liabilities)	**830.0**	741.2	**(587.0)**	(536.7)	**243.0**	204.5

(v) Reconciliation of opening and closing balances of the present value of the pension plans' liabilities as at 30 September

	Group		Trust	
	2024 £mn	2023 £mn	2024 £mn	2023 £mn
Plans' liabilities at start of year	**521.9**	575.9	**269.3**	293.9
Expenses	**1.1**	1.0	**0.6**	0.5
Interest cost	**28.6**	28.2	**14.7**	14.5
Contributions by scheme participants	**-**	-	**-**	-
Actuarial losses / (gains)	**33.8**	(71.6)	**15.5**	(31.4)
Benefits paid and death-in-service insurance premiums	**(11.7)**	(11.6)	**(8.4)**	(8.2)
Plans' liabilities at end of year	**573.7**	521.9	**291.7**	269.3

(e) Retirement benefits (continued)

2024 analysis of the sensitivity to the assumptions of the value of the plans' liabilities:

Group (2024)		
Assumption	Change in assumption	Impact on liabilities
Discount rate	Increase/decrease of 0.5% p.a.	Decrease/increase by £58.1m (9.9%)
Rate of inflation	Increase/decrease of 0.5% p.a.	Increase/decrease by £37m (6.3%)
Probability of death in any year after retirement	Increase/decrease of 10.0% p.a.	Increase/decrease by £10.6m (1.8%)
Long-term rate of mortality improvement	Increase/decrease of 0.25% p.a.	Increase/decrease by £3.5m (0.6%)

Trust (2024)		
Assumption	Change in assumption	Impact on liabilities
Discount rate	Increase/decrease of 0.5% p.a.	Decrease/increase by £29.9m (9.8%)
Rate of inflation	Increase/decrease of 0.5% p.a.	Increase/decrease by £19.2m (6.3%)
Probability of death in any year after retirement	Increase/decrease of 10.0% p.a.	Increase/decrease by £5.2m (1.7%)
Long-term rate of mortality improvement	Increase/decrease of 0.25% p.a.	Increase/decrease by £1.8m (0.6%)

2023 analysis of the sensitivity to the assumptions of the value of the plans' liabilities:

Group (2023)		
Assumption	Change in assumption	Impact on liabilities
Discount rate	Increase/decrease of 0.5% p.a.	Decrease/increase by £52.6mn (9.8%)
Rate of inflation	Increase/decrease of 0.5% p.a.	Increase/decrease by £33.8mn (6.3%)
Probability of death in any year after retirement	Increase/decrease of 10.0% p.a.	Increase/decrease by £9.1mn (1.7%)
Long-term rate of mortality improvement	Increase/decrease of 0.25% p.a.	Increase/decrease by £3.2mn (0.6%)

Trust (2023)		
Assumption	Change in assumption	Impact on liabilities
Discount rate	Increase/decrease of 0.5% p.a.	Decrease/increase by £27.8mn (9.8%)
Rate of inflation	Increase/decrease of 0.5% p.a.	Increase/decrease by £17.9mn (6.3%)
Probability of death in any year after retirement	Increase/decrease of 10.0% p.a.	Increase/decrease by £4.8mn (1.7%)
Long-term rate of mortality improvement	Increase/decrease of 0.25% p.a.	Increase/decrease by £1.7mn (0.6%)

(e) Retirement benefits (continued)

(vi) Reconciliation of opening and closing balances of the fair value of the plans' assets as at 30 September

	Group		Trust	
	2024 £mn	2023 £mn	2024 £mn	2023 £mn
Fair value of plan assets at start of year	**741.2**	657.2	**406.4**	361.5
Expected return on plan assets	**40.8**	32.3	**22.3**	17.9
Actuarial gains	**59.7**	63.1	**36.0**	35.0
Contributions by the Group employers	**-**	0.2	**-**	0.2
Contributions by scheme participants	**-**	-	**-**	-
Benefits paid and death-in-service insurance premiums	**(11.7)**	(11.6)	**(8.4)**	(8.2)
Fair value of plan assets at end of year	**830.0**	741.2	**456.3**	406.4

The fair value of Group plan assets comprise 69% debt instruments, 30% equity instruments and 1% all other assets (2023: 100% equity instruments) and the fair value of Trust plan assets comprise 65% debt instruments, 34% equity instruments and 1% all other assets (2023: 99% equity instruments and 1% all other assets). None of the fair values of the assets shown above include any of the Group's own financial instruments or any property occupied by, or other assets used by, the Group.

(vii) Amounts for the current and previous four years as at 30 September

Group	**2024 £mn**	2023 £mn	2022 £mn	2021 £mn	2020 £mn
Fair value of plans' assets	**830.0**	741.2	657.2	761.6	614.4
Present value of plans' liabilities	**(573.7)**	(521.9)	(575.9)	(986.6)	(981.2)
Surplus / (deficit) in schemes	**256.3**	219.3	81.3	(225.0)	(366.8)
Experience adjustment on plans' assets	**59.7**	63.1	(114.1)	130.7	25.1
Experience adjustment on plans' liabilities	**(2.0)**	(26.0)	(66.1)	7.8	(1.8)
Effects of changes in the demographic and financial assumptions underlying the present value of the plans' liabilities	**(31.8)**	97.6	486.6	13.5	2.6

Trust	**2024 £mn**	2023 £mn	2022 £mn	2021 £mn	2020 £mn
Fair value of plan's assets	**456.3**	406.4	361.5	419.1	339.7
Present value of plan's liabilities	**(291.7)**	(269.3)	(293.9)	(510.9)	(507.7)
Surplus / (deficit) in scheme	**164.6**	137.1	67.6	(91.8)	(168.0)
Experience adjustment on plan's assets	**36.0**	35.0	(63.5)	72.0	14.1
Experience adjustment on plan's liabilities	**(1.3)**	(14.7)	(17.3)	3.9	(3.3)
Effects of changes in the demographic and financial assumptions underlying the present value of the plan's liabilities	**(14.2)**	46.1	237.3	8.8	(1.2)

(viii) Estimate of contributions to be paid to scheme

The best estimate of employer contributions to be paid to the Wellcome Trust scheme for the period beginning 1 October 2024 is £nil (2023: £nil), which includes £nil (2023: £nil) of deficit funding, noting the decision taken to cease future service accruals from 1 July 2022.

The best estimate of the employer contributions to be paid to the Genome Research Limited scheme for the period beginning 1 October 2024 is £nil (2023: £nil), which includes £nil (2023: £nil) of deficit funding, noting the cessation of future service accruals from 1 October 2021.

12. Remuneration of Governors

Information on Governors' remuneration is included in the Remuneration report on pages 117-122.

13. Taxation

Group	2024 £mn	2023 £mn
(a) Current Tax		
UK Corporation Tax on profits for the year	**-**	-
Adjustments in respect of prior periods	**2.2**	(10.4)
UK Corporation Tax on CFC deemed income	**1.8**	0.7
Total current tax	**4.0**	(9.7)
(b) Deferred Tax		
Origination and reversal of timing differences	**34.9**	(3.5)
Adjustments in respect of prior periods	**0.6**	0.8
Total deferred tax	**35.5**	(2.7)
Taxation	**39.5**	(12.4)

Group	2024 £mn	2023 £mn
(c) Reconciliation of Tax Charge		
Profit on ordinary activities before taxation on subsidiaries subject to taxation	**84.8**	6.6
Profit before tax multiplied by average rate of corporation tax of 25% (2023: 22.01%)	**21.2**	1.5
Effects of:		
Income not subject to tax	**(5.6)**	(7.1)
Temporary differences:		
Chargeable gains/(losses)	**10.1**	7.9
Deferred tax not recognised	**16.4**	0.2
Gift Aid donation paid	**(9.5)**	(7.9)
Adjustments to tax charge in respect of previous periods - deferred tax	**0.6**	0.8
Tax apportioned on CFC profits	**1.8**	0.7
Remeasurement of deferred tax for changes in tax rates	**-**	1.9
Expenses not deductible for tax purposes	**2.3**	-
Adjustments to tax charge in respect of previous periods	**2.2**	(10.4)
Taxation	**39.5**	(12.4)

The UK corporation tax rate remains at 25%. Therefore the effective rate for the year ended 30 September 2024 was 25%.

For the purposes of reporting under FRS 102 the investment subsidiaries must provide for deferred tax on temporary timing differences. These temporary timing differences arise due to increases or decreases in the fair value of the investments held in these subsidiaries, which will not be taxable until these investments are sold. As the corporation tax rate is 25% deferred tax continues to be recognised at 25%.

The estimated cost of irrecoverable Value Added Tax suffered by the Group in the year was £28.1 million (2023: £22.8 million).

The Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in the UK by Finance (no.2) Act 2023 and comes into effect for the Group from 1 October 2024. Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The entity applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to Section 29 issued in July 2023. Under the legislation, from 1 October 2024 the Group would be liable to pay a top-up tax for the difference between the GloBE effective tax rate for each jurisdiction and the 15% minimum rate, subject to specific adjustments and exclusions for Excluded Entities.

The Group has engaged with tax specialists and determined that Wellcome Trust and all of the Group's consolidated subsidiary undertakings are Excluded Entities by reference to Wellcome Trust qualifying as a Non-profit Organisation. The Group does not therefore expect to be materially exposed to Pillar Two income taxes but, due to the complexities in applying the legislation, it continues to engage tax specialists to assist with its application.

(a) Group

	Freehold land and buildings £mn	Long leasehold land and buildings £mn	Other plant, equipment, fixtures and fittings £mn	Assets in course of construction £mn	**Total £mn**
Cost as at 1 October 2023	480.0	1.5	306.0	23.0	**810.5**
Additions	1.5	-	6.7	19.2	27.4
Transfers	-	-	8.9	(8.9)	-
Disposals	-	-	(19.7)	-	(19.7)
Cost as at 30 September 2024	**481.5**	**1.5**	**301.9**	**33.3**	**818.2**
Accumulated depreciation as at 1 October 2023	165.5	1.5	238.6	-	**405.6**
Charge for the year	9.2	-	15.1	-	24.3
Transfers	-	-	-	-	-
Disposals	-	-	(19.7)	-	(19.7)
Accumulated depreciation as at 30 September 2024	**174.7**	**1.5**	**234.0**	**-**	**410.2**
Net Book Value as at 30 September 2024	**306.8**	**-**	**67.9**	**33.3**	**408.0**
Net Book Value as at 30 September 2023	314.5	-	67.4	23.0	**404.9**

(b) Trust

	Freehold land and buildings £mn	Long leasehold land and buildings £mn	Other plant, equipment, fixtures and fittings £mn	Assets in course of construction £mn	**Total £mn**
Cost as at 1 October 2023	228.6	1.5	137.5	6.7	**374.3**
Additions	-	-	1.3	4.7	6.0
Transfers	-	-	7.7	(7.7)	-
Disposals	-	-	(16.9)	-	(16.9)
Cost as at 30 September 2024	**228.6**	**1.5**	**129.6**	**3.7**	**363.4**
Accumulated depreciation as at 1 October 2023	82.6	1.5	91.2	-	**175.3**
Charge for the year	3.8	-	6.6	-	10.4
Transfers	-	-	-	-	-
Disposals	-	-	(16.9)	-	(16.9)
Accumulated depreciation as at 30 September 2024	**86.4**	**1.5**	**80.9**	**-**	**168.8**
Net Book Value as at 30 September 2024	**142.2**	**-**	**48.7**	**3.7**	**194.6**
Net Book Value as at 30 September 2023	146.0	-	46.3	6.7	**199.0**

As part of its net zero carbon emission ambitions, the Trust is embarking on an upgrade programme for its office building and the Wellcome Collection building which have a combined net book value calculated at £144.3 million. This is based upon the remaining net book value of the Trust's buildings and associated plant and fixtures. This may lead to disposals and additional capital expenditure on these buildings in future years. The Trust is currently at early stages of the programme and has not committed to any programme spend.

Heritage assets

No heritage assets have been capitalised in the current financial year and the Trust did not capitalise any assets in previous years.

Nature of the assets

The Trust has several collections of heritage assets comprising substantial core collections of visual items and material objects, printed and published rare materials, archives, and manuscripts, which are retained and developed in accordance with museum, archive and library best practice. It also holds support collections of objects, artworks, printed, published and digital materials, which are in current use for exhibition, reference, research or other similar purposes. Both core and support collections are held in support of one of the Trust's main objectives of advancing and promoting knowledge and education.

The core collection includes Sir Henry Wellcome's collection of mainly three-dimensional objects. The most significant part of this collection has been on long-term loan to the UK Science Museum since 1976 with smaller elements on long-term loan at other institutions. Most of the remaining core and support collection is held at the premises in Euston Road but there are also off-site storage facilities situated in London and Cheshire.

Policy for acquisition

Materials selected for acquisition must be in service of Wellcome Collection's vision of a world in which everyone's experience of health matters. They must also comply with our published collections development policy, including with regard to ethical and legal considerations.

Conservation and Collections Care

The Trust recognises its responsibility to conserve and care for the core collections.

Wellcome Collection is both an accredited museum and an accredited archive service, having been awarded full accreditation under schemes administered by Arts Council England and The National Archives.

We are bound by the Code of Conduct and Professional Standards from the Institute of Conservation, Museums Association and the British Standards relating to 'Conservation of Cultural Heritage', 'Conservation and care of archive and library collections', 'Conservation Process: Decision Making, Planning and Implementation' and 'Procurement of Conservation Services and Works'. We use the Publicly Available Specifications (PAS) 197:2009 'Code of practice for cultural collections management' and British Standard EN 17820-2023 'Conservation of Cultural Heritage – Specifications for the management of moveable cultural heritage collection' to ensure the collections are stored and displayed in a safe, secure and sustainable way in line with best practice without compromising their physical, historical or structural integrity.

The Trust continually develops repository and management systems for digital materials and monitors the digital environment for risk factors such as software or hardware obsolescence and the impact of new technologies.

Disposal

The Trust operates a rolling programme of collections review across its core and support collections. Material may be removed from the collections for the reasons as set out in our published collections development policy. We only take the decision to dispose of material from our core collections following careful consideration of the public benefit and seeking both expert advice and the views of stakeholders, such as donors, researchers, local and source communities. The Trust follows disposal procedures in accordance with the standards set out by the Collections Trust, The National Archives and Chartered Institute of Library and Information Professionals.

Security and insurance

In order to assure security and safety of the collections, various procedures are in place including: registration of users; request of proof of identity prior to access; explanation of handling of materials; ongoing collection inventory; video surveillance; limits to amounts of closed access material in reading room; checking of returned material and security tagging; material risk assessments for fire, flood and theft; compliance with appropriate British Standards; fire precaution, fire detection and extinguishing systems; flood warning and egress of water systems; intruder alarms; locking up and opening procedures; monitoring of storage areas; maintenance checklist; and procedures for evacuation of premises.

As part of the Trust's Business Continuity Plan, Wellcome Collection has a disaster and salvage plan in place. Wellcome Collection also has a contract with the Harwell Science and Innovation Campus, which provides support for the majority of disaster and salvage issues that may arise. Wellcome Collection materials are insured against damage or loss due to fire, flood, or terrorist activity at named locations, unnamed locations and while in transit. The collections are not insured for full replacement value as it is not possible to quantify and the nature of the items held means that they are often irreplaceable.

15. Investments

(a) Quoted investments, unquoted investments and investment properties

Group	Fair value 1 October 2023 £mn	Purchases £mn	Sales proceeds £mn	Total gains/(losses) £mn	**Fair value 30 September 2024 £mn**
Total quoted investments	14,715.4	1,465.4	(3,508.5)	1,706.1	**14,378.4**
Total unquoted investments	19,225.7	3,138.9	(2,704.1)	(111.0)	**19,549.5**
Total investment properties	1,614.6	34.5	(13.8)	(95.5)	**1,539.8**
Total	35,555.7	4,638.8	(6,226.4)	1,499.6	**35,467.7**

Trust	Fair value 1 October 2023 £mn	Purchases £mn	Sales proceeds £mn	Total gains/(losses) £mn	**Fair value 30 September 2024 £mn**
Total quoted investments	14,187.4	1,465.4	(3,405.2)	1,726.4	**13,974.0**
Total unquoted investments	17,682.0	2,916.8	(3,205.4)	(126.6)	**17,266.8**
Total investment properties	1,447.5	34.2	(14.8)	(86.2)	**1,380.7**
Total	33,316.9	4,416.4	(6,625.4)	1,513.6	**32,621.5**

The significance of and the exposure associated with the investment assets are discussed in the Review of Investment Activities section of the Trustee's Report.

At the reporting date, the fair value of securities on loan were £64.2 million (2023: £537.1 million) and the Group held £66.1 million (2023: £548.7 million) as collateral in respect of these securities. The income receivable due to securities lending activities is disclosed in note 3. No loaned securities were recalled but not obtained during the year and therefore no collateral was retained.

The unquoted investment balance shown above includes investments in associates and joint ventures held at fair value of £nil (2023: £nil). As their value to the Group is through fair value rather than as a medium through which the Group carries out business, the Trustee considers this the most appropriate accounting policy. This is a departure from the SORP, which requires that all such investments are accounted for using the equity method of accounting. In a further departure from the SORP, the impact of accounting for such investments on an equity accounting basis has not been quantified. Due to the number of investments made, often over a number of years, the cost to our associates and joint ventures of providing the required additional historic reporting is considered to be disproportionate to the value that would be added by the disclosure.

During the year the Group had the following transactions with associates, joint ventures or subsidiaries held as part of the investment portfolio and not consolidated, which are related party entities:

- purchases in the form of equity and debt of £211.0 million (2023: £75.0 million)
- received sales proceeds of £nil million (2023: £nil)

Investment properties in the Group and the Trust have been valued at market value generally in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors. The valuations were carried out by CBRE, Cluttons, Strutt & Parker and Cushman & Wakefield. Investment properties include freehold land relating to the Wellcome Genome Campus where certain long leases have been agreed at non-market rents which reduces the fair value of this land.

(b) Derivative financial instruments

	Group		Trust	
	2024 £mn	2023 £mn	**2024 £mn**	2023 £mn
Derivative financial instrument asset positions	**236.0**	86.4	**236.0**	86.4

Derivative financial instrument liabilities for the Group and Trust are included within creditors, disclosed in note 17.

The Group's use of derivative financial instruments comprises:

Forward currency contracts and currency options

Forward currency contracts and currency options are used to hedge investment assets denominated in foreign currency into pounds sterling and as part of the investment strategy to have a globally diversified currency exposure.

Financial futures, options and warrants

The use of futures, options and warrants constitutes part of the Trust's portfolio management, including a substitution for investing in physical assets, a part of the Trust's long-term investment return strategy entered into with the expectation of realising gains, and adjusting asset exposures within the parameters set in the Trust's investment policy.

(c) Investment cash and certificates of deposit and other investment assets

	Group		Trust	
	2024 £mn	2023 £mn	**2024 £mn**	2023 £mn
Investment cash and certificates of deposit	**3,723.3**	2,917.6	**3,718.4**	2,913.3
Cash collateral held	**224.1**	609.6	**224.1**	609.6
Accrued income from investments	**14.0**	17.3	**14.0**	14.9
Income receivable	**58.2**	52.3	**58.1**	52.5
Proceeds receivable on sale of investments	**45.5**	20.1	**45.5**	20.1
Other investment debtors	**11.0**	12.2	**9.9**	10.6
Other investment assets	**352.8**	711.5	**351.6**	707.7

Other investment assets includes cash collateral held relating to the securities lending programme which is driven by the value of securities on loan and is £66.1 million at the reporting date (2023: £548.7 million) and cash collateral received from counterparties relating to derivative financial instrument liabilities. These amounts are due back to counterparties and there is a corresponding assets recognised (refer to note 17).

(d) Programme-related investments

Group	Book value 1 October 2023 £mn	Purchases £mn	Disposals £mn	Net write-downs £mn	Unrealised Gains	**Book value 30 September 2024 £mn**
Loans – other	-	2.6	-	(2.6)	-	**-**
Loans	-	2.6	-	(2.6)	-	**-**
Equities – AMR Action Fund LP	-	4.4	-	(4.4)	-	**-**
Equities – MSD-Wellcome Trust Hilleman Laboratories	-	11.1	-	(11.1)	-	**-**
Equities – other	41.1	2.6	(2.0)	(2.6)	(39.1)	**-**
Equities	41.1	18.1	(2.0)	(18.1)	(39.1)	**-**
Revenue share - other	-	6.1	(6.5)	0.4	-	**-**
Revenue share	-	6.1	(6.5)	0.4	-	**-**
Total	41.1	**26.8**	**(8.5)**	**(20.3)**	**(39.1)**	**-**

Programme-related investments form a portfolio managed separately from the Trust's other investments. These investments are held primarily to further the charitable aims of the Trust rather than to provide a financial return. They are held at fair value, if this can be measured reliably; or if fair value cannot be measured reliably, at cost less impairment.

Commitments to programme-related investments are detailed in note 19.

MSD-Wellcome Trust Hilleman Laboratories

Equities include a 50% equity interest in SCS Pharma Research and Development Private Limited (known as MSD-Wellcome Trust Hilleman Laboratories) based in India and Hilleman Singapore Pte Limited, a new company set up in early 2021 based in Singapore. Both companies were established to develop affordable vaccines to prevent diseases that commonly affect low- and middle-income countries. Under the shareholding agreement, there is no intrinsic value in the equity and the cost has therefore been fully written down and reflected within direct expenditure.

AMR Action Fund

The Trust has committed to a £50 million programme-related investment into the AMR Action Fund, an impact investment fund established to support late-stage antibiotic development. At each capital call funds will be provided in exchange for equity. The drawn down capital is included in the equities balance. Under the shareholding agreement, there is no intrinsic value in the equity and the cost has therefore been fully written down and reflected within direct expenditure.

Other

The book value of programme-related investments is zero as at 30 September 2024 (2023: £41.1m) due to the disposal of Karuna holdings (see page 28) for £35.9 million which is recognised in other income and a reversal of prior period unrealised gains. There are no other programme-related investments with any value associated as at 30 September 2024.

The Trust has provided funding to 104 (2023: 101) companies to carry out biomedical research projects with potential to deliver health benefits.

It is the Trust's policy to write off the cost of the investment in these often early-stage companies as it is not anticipated that this cost will be recovered. At each year end, a review of the programme-related investment portfolio is performed to assess if any individual assets have value. Where the assets have value, any impairment on such assets is reversed.

The unrealised gains reflect the additional fair value uplift where the value of an asset has increased above the cost.

Any income received or gains realised are included in the Statement of Financial Activities within other charitable income (and are therefore not in the table above).

(e) Fair value of financial assets and liabilities

The fair values and book values of the Group's financial assets and liabilities shown on the Balance Sheet are the same with the exception of the bond liabilities which are measured at amortised cost.

The value of the bond liabilities presented in the Trustee's report (Figure 6 on page 50), £1,896.1 million (2023: £1,791.3 million), is the sum of the fair value of the bond liabilities and the accrued interest on these liabilities.

The following table categorises the fair values of the Group's financial assets and liabilities based on the inputs to the fair value. Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

- Level 1 – valued using quoted prices in active markets for identical assets.
- Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1.
- Level 3 – valued by reference to valuation techniques (to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations) using inputs that are not based on observable market data.

Assets at fair value as at 30 September 2024

	Level 1 £mn	Level 2 £mn	Level 3 £mn	**Total £mn**
Quoted Investments	14,378.4	-	-	**14,378.4**
Unquoted investments	-	4,562.7	14,986.8	**19,549.5**
Derivative financial instruments asset positions	-	236.0	-	**236.0**
Programme related investments	-	-	-	**-**
	14,378.4	4,798.7	14,986.8	**34,163.9**

Assets at fair value as at 30 September 2023

	Level 1 £mn	Level 2 £mn	Level 3 £mn	**Total £mn**
Quoted investments	14,715.4	-	-	**14,715.4**
Unquoted investments	-	3,950.6	15,275.3	**19,225.9**
Derivative financial instruments asset positions	-	86.4	-	**86.4**
Programme-related investments	41.1	-	-	**41.1**
	14,756.5	4,037.0	15,275.3	**34,068.8**

(e) Fair value of financial assets and liabilities (continued)

Liabilities at fair value as at 30 September 2024

	Level 1 £mn	Level 2 £mn	Level 3 £mn	**Total £mn**
Derivative financial instruments liabilities	-	39.0	-	**39.0**

Liabilities at fair value as at 30 September 2023

	Level 1 £mn	Level 2 £mn	Level 3 £mn	**Total £mn**
Derivative financial instruments liabilities	-	49.8	-	**49.8**

Unquoted investments include investments in hedge funds, private equity funds, property funds, direct investments and investment operating subsidiaries. For the funds the Group categorises the investments based on the fair value classification of the underlying assets and liabilities of the funds.

Derivative financial instruments comprise:

- equity index futures and option positions which are exchange traded and valued at current price meet the criteria of Level 1
- forward currency contracts assets and liabilities which are over the counter derivatives which derive their value from market exchange rates and therefore meet the criteria of Level 2
- long options and warrants asset positions which are valued with reference to the underlying, which are unquoted securities, and therefore meet the criteria of Level 3

For Level 3 investments:

- private equity and venture funds are valued at the most recent valuation from the fund manager, which is usually the net asset value of the fund
- unquoted direct investments and programme related investments are held at the valuation determined by management, with valuations, when provided by a third party investment manager as a key input subject to appropriate review by management. Further details of valuation assumptions used for key areas of estimation are provided in note 2.

(f) Realised and unrealised gains/(losses) on investments

		Group		Trust	
	Note	**2024 £mn**	2023 £mn	**2024 £mn**	2023 £mn
Quoted investments	15(a)	**1,706.1**	1,126.4	**1,726.4**	1,229.1
Unquoted investments	15(a)	**(111.0)**	(1,597.1)	**(126.6)**	(1,505.1)
Investment properties	15(a)	**(95.5)**	(63.8)	**(86.2)**	(60.0)
Derivative financial instruments					
Currency overlay		**185.1**	426.3	**185.1**	426.3
Other derivative financial instruments		**1.4**	(0.1)	**1.4**	(0.5)
Shares in subsidiary undertakings		**-**	-	**(103.2)**	(454.2)
Short term investments		**17.3**	16.4	**17.3**	16.4
Foreign exchange losses on monetary assets		**(158.4)**	(90.3)	**(99.1)**	(50.7)
Foreign exchange gains on bond liability		**14.2**	4.0	**14.2**	4.0
		1,559.2	(178.2)	**1,529.3**	(394.7)

(g) Reconciliation to Trustee's report

The presentation of investment balances in notes 15 and 17 is in accordance with the statutory asset and liability classifications. However, the investment portfolio is reported by investment strategy for management purposes and for the Trustee's report. The distinct classes of assets used and reported on within the Trustee's report are: public equity, private equity, hedge funds, property, and cash.

This note reconciles the net investment asset fair value at the reporting date as presented within the Trustee's report to the presentation within the Financial Statements. The market value of each asset class presented in the Trustee's report is equal to the net investment assets and liabilities, held within portfolios with that applicable investment strategy.

The assets and liabilities presented in the Consolidated Balance Sheet and notes reconcile to Figure 6 in the Trustee's Report as follows:

	Note	**2024 £mn**	2023 £mn
Quoted investments	15(a)	**14,378.4**	14,715.4
Unquoted investments	15(a)	**19,549.5**	19,225.7
Investment property	15(a)	**1,539.8**	1,614.6
Derivative financial instrument asset positions	15(b)	**236.0**	86.4
Investment cash and certificates of deposit	15(c)	**3,723.3**	2,917.6
Other investment assets	15(c)	**352.8**	711.5
Programme related investments	15(e)	**-**	41.1
Investment assets as presented in the Financial Review		**39,779.8**	39,312.3
Derivative financial instrument liabilities	17	**(39.0)**	(49.8)
Amount payable on acquisition of investments	17	**(12.4)**	(5.4)
Cash collateral creditor	17	**(224.1)**	(609.6)
Deferred income from investments	17	**(10.2)**	(8.8)
Other investment liabilities	17	**(24.4)**	(22.5)
Total investment assets		**39,469.7**	38,616.2
Bond liabilities at amortised cost falling due within one year	17	**(28.3)**	(28.3)
Bond liabilities at amortised cost falling due between one and five years	17	**(331.6)**	(345.2)
Bond liabilities at amortised cost falling due after five years	17	**(2,431.5)**	(2,430.9)
Total interest bearing liabilities		**(2,791.4)**	(2,804.4)
Total investment assets		**39,469.7**	38,616.2
Total interest bearing liabilities		**(2,791.4)**	(2,804.4)
Adjusted for			
Restatement of bond liabilities to fair value		**895.2**	1,013.1
Programme related investments not in investment asset allocation	15(e)	**-**	(41.1)
Other net investments not included in the asset allocation		**(9.3)**	(12.5)
Total assets net of Bond liabilities per Figure 6		**37,564.2**	36,771.3

Other investments not in asset allocation relate to programme-related investments and unquoted investments held by Genome Research Limited.

	2024	2023
Leverage (Total interest bearing liabilities/Total investment assets)	**7.1%**	7.3%

16. Debtors

	Group		Trust	
	2024 £mn	2023 £mn	**2024 £mn**	2023 £mn
Amounts owed by subsidiary undertakings	**-**	-	**85.8**	101.6
Other debtors	**9.8**	23.5	**1.9**	3.8
Prepayments and accrued income	**44.7**	82.7	**7.3**	8.4
	54.5	106.2	**95.0**	113.8

There are £23.3 million of prepayments that relate to Wellcome Leap's advance payments (2023: £60.6 million) to its programmes which has decreased due to a change in the number of months Wellcome Leap now advance fund their programmes.

Amounts owed by subsidiary undertakings are repayable on demand and charged interest at the overnight bank deposit rate.

17. Creditors

		Group		Trust	
	Note	**2024 £mn**	2023 £mn	**2024 £mn**	2023 £mn
Falling due within one year					
Amounts owed to subsidiary undertakings		**-**	-	**1,229.8**	1,271.1
Grant liabilities	8	**729.4**	741.3	**866.7**	877.2
Bond liabilities		**28.3**	28.3	**23.5**	23.6
Amount payable on acquisition of investments		**12.4**	5.4	**12.4**	5.4
Cash collateral creditor		**224.1**	609.6	**224.1**	609.6
Deferred income from investments		**10.2**	8.8	**8.9**	7.7
Derivative financial instrument liabilities		**39.0**	49.8	**39.0**	49.8
Other investment liabilities		**24.4**	22.5	**22.9**	19.9
Trade creditors		**16.1**	16.1	**8.3**	8.3
Other creditors		**19.4**	21.1	**15.9**	17.2
Accruals and deferred income		**66.2**	61.1	**19.7**	16.7
Corporation tax		**1.8**	1.3	**-**	-
Total falling due within one year		**1,171.3**	1,565.3	**2,471.2**	2,906.4
Falling due between one and five years					
Grant liabilities	8	**1,961.9**	1,701.1	**2,263.5**	1,792.2
Other creditors		**0.1**	0.4	**-**	-
Lease premium creditor		**3.5**	3.5	**-**	-
Bond liabilities		**331.6**	345.2	**331.6**	345.2
		2,297.1	2,050.2	**2,595.1**	2,137.4
Falling due after five years					
Grant liabilities	8	**512.6**	489.9	**576.7**	489.9
Lease premium creditor		**39.3**	23.8	**-**	-
Bond liabilities		**2,431.5**	2,430.9	**1,887.6**	1,887.5
		2,983.4	2,944.6	**2,464.3**	2,377.4
Total falling due after one year		**5,280.5**	4,994.8	**5,059.4**	4,514.8

Deferred income

	Group		Trust	
	2024 £mn	2023 £mn	2024 £mn	2023 £mn
As at 1 October	**34.9**	**42.7**	**8.4**	**8.1**
Received during the year	43.5	49.0	8.9	8.4
Released to income during the year	(43.7)	(58.1)	(8.4)	(8.1)
As at 30 September	**35.2**	**35.2**	**8.9**	**8.4**

The Trust's deferred income is investment property rents received in advance. The Group deferred income is made up of third-party grant income received in advance and contract income invoiced in advance of services at Genome Research Limited and conference centre event deposits received by Wellcome Trust Trading Limited.

18. Provisions for liabilities and charges

Group	Deferred tax £mn	Employment related provisions £mn	Other provisions £mn	**Total £mn**
As at 1 October 2023	26.2	81.3	1.7	109.2
Charge for the year	31.9	25.4	0.8	58.1
Utilised in year	-	(19.4)	(2.1)	(21.5)
As at 30 September 2024	**58.1**	**87.3**	**0.4**	**145.8**

Trust	Employment related provisions £mn	Other provisions £mn	**Total £mn**
As at 1 October 2023	76.8	2.8	79.6
Charge for the year	25.3	-	25.3
Utilised in year	(19.4)	-	(19.4)
As at 30 September 2024	**82.7**	**2.8**	**85.5**

The employment-related provisions relate to long-term incentive plans for certain employees in the Investment team (refer to note 5(a)), unfunded unapproved retirement benefit schemes and a provision for redundancies due to the reorganisation to evolve the leadership of Wellcome (refer to note 11(b) and (e)(ii)).

Long-term incentive plans vest over five-year periods and then can be exercised at the employee's discretion for up to 25 years.

The deferred tax provision arises due to unrealised fair value gains on investments held by the Group's non-charitable investment holding subsidiaries and the charge for the year includes foreign exchange revaluations of these gains. The Group does not expect the deferred tax provision to be utilised in the next financial year. Deferred tax provision amounts will reverse if the fair value gains reverse or if gains are realised but are relieved by a qualifying donation to the Trust as parent charity.

(a) Investments

The Trust has entered into commitments to invest in private equity and property funds. At the balance sheet date, outstanding commitments amounted to £4.8 billion (2023: £5.7 billion). The Trust models its expected cash flows based on the year of the original commitment and historic trends. The Trust expects to invest £1.8 billion (38.0%) of the outstanding commitments in one year, £1.9 billion (40.7%) in between one and five years and £1.0 billion (21.3%) after five years.

(b) Pensions

The Trust has previously agreed with the Genome Research Pension Plan Trustee to put in place a Deed of Guarantee. The obligations of the Deed, guaranteed by the Trust, are that Genome Research Limited pays the necessary contribution as agreed with the Trustee and the Plan Actuary. Further details of the funding of the pension plans are provided in note 11(e)(ii).

(c) Programme-related investments

Programme-related convertible loans and equity funding have been made over a series of years, of which £70 million (2023: £79 million) remains yet to be drawn down and is contingent upon specific milestones being achieved.

The Trust has committed to a £50 million programme-related investment into the AMR Action Fund, an impact investment fund established to support antibiotic development. Drawdowns of £12 million have been made to date and therefore the outstanding commitment amounted to £38 million (2023: £42 million).

During the year, the Trust incurred £11 million (2023: £5 million) in expenditure relating to MSD-Wellcome Trust Hilleman Laboratories. £10.5m was in relation to to the Singapore-based entity and the remainder was the final payment to the Indian-based entity to enable the liquidation process. Operations will continue at the entity based in Singapore. There was no outstanding commitment on the current award (2023: £9 million). In the year Wellcome also agreed to contribute up to £27 million in relation to MSD-Wellcome Trust Hilleman Laboratories over the next six years although no expenditure has been incurred due to it being programme-related equity funding.

(d) Grant funding activities

The Trust has incurred £12 million to date in expenditure relating to the partnership between Wellcome, the UK Medical Research Council, the UK Foreign, Commonwealth and Development Office and the UK Department of Health to fund global health trials in low- and middle-income countries. Subject to review and approval of appropriate costed extensions, Wellcome may contribute up to a further £2 million over the next three years ending 31 March 2027.

During the year, Wellcome announced a three-year partnership on a US$300 million initiative with the Bill and Melinda Gates Foundation and the Novo Nordisk Foundation. This joint effort will focus on climate and health, infectious diseases, and interactions between nutrition, immunity, development and disease. Subject to finalisation of the details of the partnership, Wellcome may fund up to US$100 million over the next three years.

In May 2024 Wellcome issued invitations to two of our Africa and Asia Programmes to submit applications for renewed core funding. The funding will cover a seven-year period from October 2025. The programmes applying are the Malawi Liverpool Wellcome (MLW) Programme which is operated through Liverpool School of Tropical Medicine and the University of Liverpool, and the Mahidol Oxford Tropical Research Unit which is operated through Oxford University primarily in South-East Asia. Indicative budgets of £38 million and £55 million respectively were provided to the applicants for core funding of Business as Usual. The applicants were also invited to apply for one-off Supplementary Activities Awards and Directors Discretionary Funds and these will be awarded based on the justifications provided and the funds available.

(e) Capital Commitments

In the current year, Wellcome and Genome Research Limited had commitments contracted and not provided for of £151 million (2023: £90 million) and £2 million (2023: £16 million) respectively. These relate to the refurbishment of investment properties and the redevelopment of Premier Marinas, and Wellcome Genome Campus redevelopment.

20. Movement of Charity Funds

Group 2024	Balance as at 1 October 2023 £mn	Income £mn	Expenditure £mn	Net investment gains £mn	**Balance as at 30 September 2024 £mn**
Restricted Funds	17.0	28.3	(29.5)	-	**15.8**
Unrestricted Funds	33,441.2	541.2	(1,609.2)	1,559.2	**33,932.4**
Total Charity Funds	33,458.2	569.5	(1,638.7)	1,559.2	**33,948.2**

Group 2023	Balance as at 1 October 2022 £mn	Income £mn	Expenditure £mn	Net investment gains £mn	**Balance as at 30 September 2023 £mn**
Restricted Funds	17.5	31.8	(32.3)	-	**17.0**
Unrestricted Funds	34,583.8	510.0	(1,474.4)	(178.2)	**33,441.2**
Total Charity Funds	34,601.3	541.8	(1,506.7)	(178.2)	**33,458.2**

All restricted funds arise in Genome Research Limited.

(a) Summary of activities of significant subsidiary undertakings

Company	% Holding	Registered Number	Country of incorporation	Legal relationship
Genome Research Limited	100%	2742969	England	The Wellcome Trust Limited is the sole member
Wellcome Leap Inc	100%	N/A	United States of America	The Wellcome Trust Limited is the sole member
Gower Place Investments Limited	• Ordinary shares – 100% • Class A preference shares – 0% • Class B preference shares – 100%	08594660	England	The Wellcome Trust Limited is sole holder of ordinary non-voting shares and Class B preference shares
North London Ventures Limited	• Ordinary shares – 100% • Class A preference shares – 0% • Class B preference shares – 100%	08226374	England	The Wellcome Trust Limited is sole holder of ordinary non-voting shares and Class B preference shares
Wellcome Trust Finance plc	100%	5857955	England	The Wellcome Trust Limited is the sole shareholder
Wellcome Trust Investments 2 Unlimited	100%	6576220	England	The Wellcome Trust Limited is the sole shareholder

These significant subsidiaries are:

- charitable subsidiary undertakings formed to pursue charitable objects closely allied to those of the Trust – refer to note 21(b)(i);
- non-charitable investment holding subsidiary undertakings formed to hold investments and freehold property on behalf of the Trust where the net asset value is in excess of £300 million – refer to note 21(b)(ii); and
- a non-charitable financing subsidiary undertaking formed to issue listed debt to finance Group activities – refer to note 21(b)(iii).

Most subsidiaries are registered at 215 Euston Road, London, NW1 2BE.

(a) Summary of activities of significant subsidiary undertakings (continued)

The table below details the significant subsidiaries that are held as part of the investment portfolio. They are not included in the consolidation and therefore do not appear in the analysis in note 21(b).

Company	Holding	Registered Number	Country of incorporation	Legal relationship
Premier Marinas Holdings Limited	100% (indirect through Gower Place Investments Limited)	05524490	England	The Wellcome Trust Limited is the indirect shareholder through Gower Place Investments Limited
Urban&Civic plc	100% (indirect through Gower Place Investments Limited)	SC149799	England	The Wellcome Trust Limited is the indirect shareholder through Gower Place Investments Limited

(b) Summary financial information

The expenditure figures below include the impact of gift aid distributions and tax.

(i) Charitable subsidiary undertakings

	Genome Research Limited	
	2024 £mn	2023 £mn
Income	**177.3**	189.0
Expenditure	**(184.1)**	(182.3)
Actuarial gains on defined benefit pension scheme	**5.4**	68.3
Net movements in funds	**(1.4)**	75.0
Total assets	**265.6**	265.2
Liabilities	**(87.1)**	(75.8)
Defined benefit pension scheme asset	**91.7**	82.2
Net assets	**270.2**	271.6

All restricted funds arise in Genome Research Limited.

	Wellcome Leap Inc	
	2024 £mn	2023 £mn
Income	**0.6**	0.6
Expenditure	**(134.1)**	(114.8)
Net movements in funds	**(133.5)**	(114.2
Total assets	**190.4**	320.3
Liabilities	**(10.2)**	(6.6)
Net assets	**180.2**	313.7

(ii) Non-charitable investment holding subsidiary undertakings

	Gower Place Investments Limited		North London Ventures Limited		Wellcome Trust Investments 2 Unlimited	
	2024 £mn	2023 £mn	**2024 £mn**	2023 £mn	**2024 £mn**	2023 £mn
Turnover	**0.1**	-	**-**	-	**4.8**	10.5
Expenditure	**(0.1)**	1.8	**(2.7)**	15.3	**(13.6)**	11.7
Gains/(losses) on investments	**36.3**	(36.3)	**(6.7)**	(84.8)	**(59.9)**	(25.4)
Total (loss)/profit	**36.3**	(34.5)	**(9.4)**	(69.5)	**(68.7)**	(3.2)
Investment assets	**1,301.7**	1,054.5	**209.8**	216.5	**519.9**	667.6
Current assets	**0.3**	2.1	**-**	3.8	**381.1**	389.5
Total assets	**1,302.0**	1,056.6	**209.8**	220.3	**901.0**	1,057.1
Liabilities	**-**	(0.1)	**(2.4)**	(1.3)	**(58.1)**	(26.2)
Net assets	**1,302.0**	1,056.5	**207.4**	219.0	**842.9**	1,030.9

The functional currency of Wellcome Trust Investments 2 Unlimited is the US dollar because the majority of the Company's transactions are denominated in US dollars.

(iii) Non-charitable investment financing subsidiary undertaking

	Wellcome Trust Finance plc	
	2024 £mn	2023 £mn
Turnover	**29.3**	29.1
Expenditure	**(25.3)**	(27.8)
Total profit	**4.0**	1.3
Assets	**689.2**	688.8
Liabilities	**(551.7)**	(553.2)
Net assets	**137.5**	135.6

22. Consolidated cash flow

(a) Investment income received

	2024 £mn	2023 £mn
Dividends and interest	**425.1**	427.1
Rental income	**52.3**	48.2
Decrease in income receivable from investments	**(5.9)**	(4.4)
Increase/(Decrease) in accrued income from investments	**3.3**	(5.5)
Decrease in deferred income from investments	**1.4**	0.4
Investment income received	**476.2**	465.8

(b) Servicing of finance

	2024 £mn	2023 £mn
Interest payable	**(76.6)**	(76.4)
Foreign exchange gains on revaluation of interest bearing liabilities	**14.2**	4.0
Decrease in interest bearing liabilities	**(13.0)**	(3.2)
Cash outflow for servicing of finance	**(75.4)**	(75.6)

(c) Reconciliation of investment sales and purchases

	2024 £mn	2023 £mn
Proceeds on sale of quoted investments	**3,508.5**	1,759.0
Proceeds on sale of unquoted investments	**2,704.1**	2,401.1
Proceeds on sale of investment property	**13.8**	40.0
Increase in proceeds receivable on sale of investments	**(25.4)**	(11.9)
Proceeds on sale of Programme Related Investments	**8.5**	2.6
Proceeds from sales of investments	**6,209.5**	4,190.8
Purchases of quoted investments	**1,465.4**	1,797.2
Purchases of unquoted investments	**3,138.9**	2,121.4
Purchases of investment property	**34.5**	47.3
(Decrease)/Increase in amounts payable on acquisition of investments	**(7.0)**	3.2
Purchase of Programme Related Investments	**26.8**	10.7
Purchases of investments	**4,658.6**	3,979.8
Gain on derivative financial instruments	**186.5**	426.2
Increase in derivative financial asset positions	**(149.6)**	(86.4)
Decrease in derivative financial liabilities	**(10.8)**	(313.3)
Decrease in cash collateral posted with counterparties	**-**	360.4
Net cash inflow due to derivative financial instruments	**26.1**	386.9

(d) Statement of net debt

	At 1 October 2023 £mn	Cash flow £mn	Change in Maturities £mn	Effective interest & Foreign Exchange £mn	**At 30 September 2024 £mn**
Cash in hand and at bank	79.7	(37.6)	-	-	**42.1**
Debt due after one year					
- bond liabilities	(2,776.0)	-		13.0	**(2,763.0)**
Debt due within one year					
- bond liabilities	(28.3)	75.4		(75.4)	**(28.3)**
Liquid resources:					
- investment cash and certificates of deposit	2,917.6	805.7	-	-	**3,723.3**
Net debt	193.0	843.5	-	(62.4)	**974.1**

In accordance with FRS 102 7.18, an entity shall exclude from the statement of cash flows investing and financing transactions that do not require the use of cash or cash equivalents.

The exclusion of non-cash transactions from the statement of cash flows is consistent with the objective of a statement of cash flows because these items do not involve cash flows in the current period. These non-cash transactions are included in the table above.

In the ordinary course of its activities, the Group actively manages a variety of financial risks including credit risk, liquidity risk and market risk. The Group identifies measures and monitors risk through various control mechanisms as detailed in the following sections, including maximum approved counterparty exposure and diversifying exposures and activities across a variety of instruments, markets and counterparties.

(a) Credit risk

Credit risk is the risk that the Group would incur a financial loss if a counterparty failed to discharge its obligations to the Group.

Credit risk exposure

The Group is subject to credit risk from its financial assets held by counterparties and the risk is particularly concentrated on its investment cash balances and certificates of deposit due to the significant value of these balances. The following table details the Group's maximum exposure to credit risk as at 30 September:

	2024 £mn	2023 £mn
Derivative financial instruments assets positions	**236.0**	86.4
Investment cash balances and certificates of deposit	**3,723.3**	2,917.6
UK and US government securities	**78.6**	421.6
Cash collateral held	**224.1**	609.6
Accrued income from investments	**14.0**	17.3
Income recievable	**58.2**	52.3
Proceeds receivable on sale of investments	**45.5**	20.1
Other investment debtor balances	**11.0**	12.2
Other debtors	**9.8**	23.5
Term deposits and cash	**42.1**	79.7
	4,442.6	4,240.3

None of the Group's financial assets subject to credit risk (other than the programme-related investments which are discussed in note 15(d)) are past their due date or were impaired during the year.

Risk management policies and procedures

The objective of managing credit risk is to minimise counterparty default on the Group's financial assets causing financial loss to the Group. The Group aims to mitigate its counterparty credit risk exposure by monitoring the size of its credit exposure to and the creditworthiness of counterparties, including setting appropriate exposure limits and maturities. Counterparties are selected based on their financial ratings, regulatory environments and specific circumstances.

- For fixed income securities the credit rating of the issuer is taken into account to minimise the risk to the Group of default. Investments are made across a variety of issuers to reduce concentrations of credit risk.
- Transactions involving derivative financial instruments are entered into only with reputable banks, the credit ratings of which are taken into account to minimise credit risk. Derivative financial instrument asset positions exposed to credit risk comprise the Group's forward currency contracts.
- Direct cash management mandate is limited to the use of deposits with selected banks (the credit ratings of which are taken into account to minimise credit risk), the purchase of short-dated Government securities and the controlled use of AAA rated money market funds.
- Sale and purchases of investments are carried out with a small number of brokers, whose credit quality forms part of the initial and ongoing reviews by the investment managers.

At the balance sheet date, in addition to the securities on loan discussed in note 15(a), forward currency contract assets which are secured by cash collateral discussed in note 15(b). There were no other credit enhancements.

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties raising cash to meet its obligations when they fall due.

Liquidity risk exposure

This is a risk to the Group, given the value of the Group's commitments to charitable and investment activities.

Risk management policies and procedures

The Group monitors its exposure to liquidity risk by regularly monitoring the liquidity of its investment portfolio and holding appropriate levels of liquid assets. Cash held within the Group's cash mandate (refer to Cash reported in Figure 6 of the Review of Investment Activities section of the Trustee's report) and the liquidity forecast is reviewed weekly by investments management, monthly by the Trust's Executive, and quarterly by the Investment Committee and Board of Governors.

The following table details the maturity of the Group's undiscounted contractual payments and grant liabilities as at 30 September:

	2024				2023			
Group	Three months or less £mn	No more than one year £mn	More than one year £mn	**Total £mn**	Three months or less £mn	No more than one year £mn	More than one year £mn	**Total £mn**
Payments falling due within one year								
Bond liabilities	-	75.3	-	**75.3**	-	75.4	-	75.4
Derivative financial instruments liabilities	39.0	-	-	**39.0**	49.8	-	-	49.8
Collateral liability	224.1	-	-	**224.1**	609.5	-	-	609.5
Amount payable on acquisition of investments	12.4	-	-	**12.4**	5.4	-	-	5.4
Other investment liabilities	24.4	-	-	**24.4**	22.5	-	-	22.5
Trade creditors	16.1	-	-	**16.1**	16.1	-	-	16.1
Other creditors	19.4	-	-	**19.4**	21.1	-	-	21.1
Accruals and deferred income	66.2	-	-	**66.2**	61.1	-	-	61.1
Corporation Tax	-	1.8	-	**1.8**	-	1.3	-	1.3
Contractual payments	401.6	77.1	-	**478.7**	785.5	76.7	-	862.2
Grant liability	182.3	547.0	-	**729.3**	185.3	556.0	-	741.3
	583.9	624.1	-	**1,208.0**	970.8	632.7	-	1,603.5
Payments falling due between one and five years								
Bond liabilities	-	-	626.6	**626.6**	-	-	644.9	644.9
Other creditors	-	-	0.1	**0.1**	-	-	0.4	0.4
Contractual payments	-	-	626.7	**626.7**	-	-	645.3	645.3
Grant liability	-	-	2,354.7	**2,354.7**	-	-	2,046.4	2,046.4
	-	-	2,981.4	**2,981.4**	-	-	2,691.7	2,691.7
Payments falling due after five years								
Bond liabilities	-	-	5,260.7	**5,260.7**	-	-	5,332.2	5,332.2
Contractual payments	-	-	5,260.7	**5,260.7**	-	-	5,332.2	5,332.2
Grant liability	-	-	822.5	**822.5**	-	-	794.7	794.7
	-	-	6,083.2	**6,083.2**	-	-	6,126.9	6,126.9
Total	583.9	624.1	9,064.6	**10,272.6**	970.8	632.7	8,818.6	10,422.1

Grant liabilities are non-contractual.

(c) Market risk – price, currency and interest rate risks

Market risk is the risk of potential loss the Group may incur as a result of adverse changes to the fair value of the Group's financial instruments. Market risk comprises three types of risks: price risk, currency risk and interest rate risk.

The Group measures returns and monitors portfolio risks in a 50/50 blend of sterling and US dollars and monitored sterling and US dollar currency exposures. This reflects the globally diversified nature of the Group's assets, liabilities and commitments.

The Group uses a number of investment risk metrics, of which the following are key: the expected ability of the portfolio to generate cash flows growing in real terms; currency exposures; expected likelihood of catastrophic failures of one or more assets held within the portfolio; and the assessed level of inflation protection within the portfolio.

(i) Price risk

Price risk is the risk that the value of an asset or liability will fluctuate due to changes in market price, caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. This is a risk for the Group because its ability to fund research over the long term is dependent on maintaining the purchasing power of the asset base. The Group's expenditure is predominantly discretionary and the Board of Governors monitors cash expenditure, commitments and the endowment performance throughout the year to manage the balance between funding charitable activities and maintaining the purchasing power of the asset base and this is discussed in the Financial Review on page 64-69.

Price risk exposure

The maximum asset and liability value exposed to other price risk at 30 September is the value of the traded investment assets and liabilities as detailed in the following table:

	2024 £mn	2023 £mn
Quoted investments	**14,378.4**	14,715.4
Unquoted investments	**19,549.5**	19,225.7
Investments properties	**1,539.8**	1,614.6
Derivative financial instruments assets positions	**236.0**	86.4
Assets exposed to risk	**35,703.7**	35,642.1
Derivative financial instruments liability positions	**39.0**	49.8
Liabilities exposed to risk	**39.0**	49.8

(ii) Currency risk

Currency risk is the risk that the value of an asset or liability will fluctuate due to changes to foreign currency exchange rates. The currency of the majority of the Group's expenditure and the functional currency of the Group is sterling. However, the Group has investment assets denominated in currencies other than sterling and is impacted by fluctuations in foreign currency exchange rates.

The following table details the asset value exposed to currency risk as at 30 September:

Group	**Value as at 30 September 2024 (currency, mn)**	**Value as at 30 September 2024 £mn**	Value as at 30 September 2023 (currency, mn)	Value as at 30 September 2023 £mn
Traded investments assets				
US $	**$30,635.2**	**22,839.1**	$26,997.8	22,119.4
Euro	**€3,779.1**	**3,144.3**	€3,424.6	2,970.6
CNY	**¥9,998.7**	**1,062.4**	¥18,074.6	2,027.4
Other		**4,088.7**		4,086.1
Other investment debtors balances				
US $	**$2,594.2**	**1,934.0**	$1,564.6	1,281.9
Euro	**€74.5**	**62.0**	€41.5	36.0
CNY	**-**	**-**	-	-
Other		**39.7**		44.9
Other investment creditors balances				
US $	**($13.9)**	**(10.4)**	($3.1)	(2.5)
Euro	**(€470.6)**	**(391.5)**	(€403.9)	(350.4)
CNY	**-**	**-**	-	-
Other		**(0.1)**		(2.8)
Forward currency contracts				
US $	**($1,623.0)**	**(1,216.2)**	($3,168.6)	(2,594.1)
Euro	**€1.2**	**1.0**	(€169.7)	(150.5)
CNY	**-¥4,446.3**	**(481.3)**	-	-
Other		**(0.7)**		(0.3)
Total exposed to currency risk		**31,071.0**		29,465.7

	Impact on gain/(loss) for the financial year 2024 £m	Impact on gain/(loss) for the financial year 2023 £m
10% USD appreciation	**2,354.7**	2,080.5
10% Euro appreciation	**281.6**	250.6
10% CNY appreciation	**58.1**	202.7

A 10% depreciation in currencies would have an equal but opposite impact.

Risk management policies and procedures

The investment team monitor the Group's exposure to foreign currencies on a daily basis and report to the Investment Committee on at least a quarterly basis.

Foreign currency contracts are used to limit the Group's exposure to future changes in exchange rates which might otherwise adversely affect the value of the portfolio of investments. Where appropriate, they are also used to achieve the portfolio characteristics that assist the Group in meeting its investment objectives.

(iii) Interest rate risk

Interest rate risk arises from the risk that the value of an asset or liability will fluctuate due to changes in interest rates (for fixed interest rate assets or liabilities) or that future cash flows will fluctuate due to changes in interest rates (for variable rate assets or liabilities).

Interest rate exposure

The Group has purchased fixed income (interest bearing investments). The value of these investments will fluctuate if interest rates change in future. In addition the Group holds investment cash and certificates of deposit and overnight term deposits and cash, as detailed on the Balance Sheet. These are floating rate interest bearing assets, the future cash flows from these assets will fluctuate with changes in market interest rates. However, as these are liquid assets with no fixed maturity dates, the fair value would not fluctuate significantly with changes in market interest rates.

The Group's fixed income quoted investments, which include UK Gilts and US Treasuries are fixed rate interest bearing assets, the interest received is not impacted by changes in market interest rates.

The interest-bearing liabilities shown below are the bond liabilities which are fixed rate liabilities which are held at amortised cost. The bond assets value detailed in the table below is the fair value, the bond and variable rate liabilities value detailed in the table opposite is the book value.

	2024		2023	
	Weighted average interest rate	**Value as at 30 September £mn**	Weighted average interest rate	Value as at 30 September £mn
Interest bearing assets				
Maturing within one year				
Fixed rate	**0.92%**	**68.6**	0.90%	371.7
Floating rate	**n/a**	**10.0**	n/a	-
Maturing between one and five years				
Fixed rate	**0.00%**		0.25%	49.9
Floating rate	**n/a**		n/a	-
Total interest bearing assets		**78.6**		421.6
Interest-bearing financial liabilities				
Maturing within one year				
Fixed rate - bond liabilities	**n/a**	**-**	n/a	-
Maturing between one and five years				
Fixed rate - bond liabilities	**1.13%**	**(334.2)**	1.13%	(347.9)
Maturing after five years				
Fixed rate - bond liabilities	**2.92%**	**(2,457.1)**	2.92%	(2,456.5)
Total interest-bearing liabilities		**(2,791.3)**		(2,804.4)

Risk management policies and procedures

The Group takes into account the possible effects of a change in interest rates on the fair value and cash flows of the interest-bearing financial assets and liabilities when making investment decisions. The Investment Committee monitors the Group's exposure to interest-bearing assets, the bond liability and the related finance costs regularly.

24. Events after the end of the reporting period

As detailed in the Currency Risk note, Note 23 (c) (iii), the Group has US$ denominated investment assets and therefore the weakening of sterling against the US$ since the reporting date has increased the value of the investments assets following the reporting date by approximately £2 billion.

Reference and Administrative Details

Trustee – The Wellcome Trust Limited Board of Governors

Julia Gillard (Chair)

Fiona Powrie (Deputy Chair)

Elhadj As Sy

Arup Chakraborty

Richard Gillingwater

Gabriel Leung

Stephen Lovegrove
(from 6 November 2023)

Diana Noble
(from 6 November 2023)

Cilla Snowball

Ijeoma Uchegbu

Chief Legal Officer and Company Secretary

Chris Bird

Audit and Risk Committee

Stephen Lovegrove
(Chair from 1 January 2024)

Chris Jones*
(interim Chair 1 October to 31 December 2023)

Jonathan Britton*
(from 1 October 2023)

Arup Chakraborty

Cilla Snowball
(from 17 July 2024)

Ijeoma Uchegbu

Caroline Wehrle*

*Denotes external committee members

People and Remuneration Committee

(Previously Remuneration Committee until 22 March 2024)

Diana Noble
(Chair from 1 January 2024)

Cilla Snowball (interim chair
1 October to 31 December 2023)

Julia Gillard

Richard Gillingwater

Fiona Powrie

Nomination and Governance Committee

Julia Gillard (Chair)

Elhadj As Sy

Fiona Powrie

Cilla Snowball

Investment Committee

Richard Gillingwater (Chair)

Tracy Blackwell*

Karen Chadwick

Stefan Dunatov*

Julia Gillard

Martin Halusa*

Cressida Hogg*

Gabriel Leung (until 13 February 2024)

Nick Moakes

Diana Noble (from 13 February 2024)

Lisha Patel

Girish Reddy*

John-Arne Røttingen
(from 29 February 2024)

Paul Schreier
(until 29 February 2024)

Fabian Thehos

The Executive

Until 8 September 2024, the Executive was formed of 11 roles known as the Executive Leadership Team (ELT) who were part of the KMP. This was changed on 9 September 2024 to the Executive, comprising eight individuals as below. The Executive meet as the Executive Committee (ExCo), chaired by the CEO.

Chief Executive Officer: John-Arne Røttingen (from 30 January 2024), ExCo Chair. Previously Paul Schreier (interim CEO until 29 January 2024)

Chief Operating Officer:
Karen Chadwick (interim), ExCo member

Executive Director, Discovery:
Yet to be appointed, ExCo member

Executive Director, Solutions:
Yet to be appointed, ExCo member. Both Executive Director, Discovery and Executive Director, Solutions roles are currently filled by the Chief Research Programmes Officer Nick Cammack (interim, from 29 April 2024), ExCo member. Previously Cheryl Moore (until 26 April 2024).

Executive Director, Corporate Affairs and Engagement:
Mark Henderson, ExCo member

Executive Director, Policy and Partnerships:
Beth Thompson, ExCo member

Interim Chief of Staff and interim Executive Director, Strategy:
Steven Hoffman (interim, from 20 May 2024), ExCo member

Executive Director, Equity:
Jimmy Volmink (from 3 October 2023), ExCo member

The extended executive group (EEG) chaired by the CEO, was established to provide strategic input to ExCo from senior management across the organisation. The EEG is comprised of ExCo members the Investment Executive and plus the following roles:

Chief Legal Officer and Company Secretary: (part of ELT until 8 September 2024) Chris Bird

Director of Climate and Health:
Alan Dangour

President & CEO, Wellcome Leap Inc:
Regina E. Dugan

Director of DIscovery Research:
Michael Dunn

Chief Finance Officer: (part of ELT until 8 September 2024) Richard Eales (interim)

Director of Research Funding:
(part of ELT until 8 September 2024)
Alyson Fox

Director, Wellcome Sanger Institute:
Matthew Hurles

Director of Wellcome Collection:
Melanie Keen

Investments Managing Partner:
Lisha Patel

Chief People Officer:
(previously Director of People and part of ELT until 8 September 2024):
Kathy Poole

Director of Infectious Diseases:
Alexander Pym

Associate Director, Communications:
Clare Ryan

Investments Managing Partner:
Fabian Thehos

Chief Information Officer: (part of ELT until 8 September 2024)
James Thomas

Director of Mental Health:
Miranda Wolpert

Head of Risk:
David Yim

Investment Executive

Managing Partner and Chief Investment Officer, Investments Division: Nick Moakes

Managing Partner: (previously Managing Director until 30 September 2024) Lisha Patel

Managing Partner: (previously Managing Director until 30 September 2024) Fabian Thehos

Biographies of the Governors

The biographies of the current Board of Governors are shown on:
https://wellcome.org/who-we-are/governance/board-governors

The Wellcome Trust is a charity registered in England and Wales.
Charity number: 210183

Custodian Trustee
The Wellcome Trust Limited, Company registration number: 02711000

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EC4A 3HQ United Kingdom

Banker
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31 Holborn Circus Holborn
London EC1N 2HR United Kingdom

Solicitors
CMS Cameron McKenna Nabarro
Olswang LLP Cannon Place
78 Cannon Street London EC4N 6AF
United Kingdom

Global Custodian Bank
JP Morgan Chase Bank NA
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Wellcome supports science to solve the urgent health challenges facing everyone. We support discovery research into life, health and wellbeing, and we're taking on three worldwide health challenges: mental health, infectious disease, and climate and health.

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Its sole trustee is The Wellcome Trust Limited, a company registered in England and Wales, no. 2711000 (registered office at 215 Euston Road, London NW1 2BE, UK). DO-7646/01-2024/KO