
**Chronic Disease Research Foundation
Trustees' Report & Financial Statements
6 April 2016 to 5 April 2017**

21555.2

Charity No. 1055375

CHRONIC DISEASE RESEARCH FOUNDATION
TRUSTEES' REPORT & FINANCIAL STATEMENTS
6 APRIL 2016 TO 5 APRIL 2017

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**CHRONIC DISEASE RESEARCH FOUNDATION
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6 APRIL 2016 TO 5 APRIL 2017**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE FOUNDATION,
ITS TRUSTEES AND ADVISERS**

The Board of Trustees Professor David Galton
 Mr Nicholas Simon Pike
 Mr Mark Daniel Benjamin Simon
 Dr Edward Stonehill

Charity registered number 1055375

Principal Office 4th Floor South Wing Block D
 St Thomas's Hospital
 Westminster Bridge Road
 London
 SE1 7EH

Bankers CAF Bank Ltd
 25 Kings Hill Avenue
 Kings Hill
 West Malling
 Kent
 ME19 4JQ

Solicitors Collyer Bristow LLP
 4 Bedford Row
 London
 WC1R 4TF

CHRONIC DISEASE RESEARCH FOUNDATION
TRUSTEES' REPORT & FINANCIAL STATEMENTS
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TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements of Chronic Disease Research Foundation (the **Foundation**) for the year ended 5 April 2017. The Trustees confirm that the annual report and financial statements of the Foundation comply with the current statutory requirements, the requirements of the Foundation's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

a. Status and administration

The Foundation was established by a Deed of Trust dated 14 March 1996 and is registered with the Charity Commission under charity number 1055375. The Foundation's governing instrument is its Trust Deed which allows for any activities covered by the Foundation's objectives, with no specific restrictions.

b. Charitable objects

The Foundation's objects are to provide funds for projects, fellowships and equipment to researchers studying the genetic basis for the common chronic diseases for developed countries and to support studies using twins to uncover clues about causes and risk factors of diseases.

c. Governance

The management of the Foundation is the responsibility of the Trustees who are appointed under the terms of the Trust Deed. The Trustees meet regularly to discuss and implement policy.

d. Financial review

The financial statements have been prepared in accordance with the provisions of the Charities (Accounts and Reports) Regulations 2008, the Statement of Recommended Practice "Accounting and Reporting Charities" revised 2005 (the Charities SORP) and the Foundation's constitution.

e. Review of activities and achievements for the public benefit

Grants – ongoing awards

Research project – understanding the genetic predisposition to migraine – a meta-analysis approach; Dr Lydia Quaye, King's College London.

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Award received

The Foundation received an award of £315,000 in 2014/15 from Bet365 for 'the role of the gut microbiome in cognitive decline and risk for dementia'. A total of £196,696 was paid for this project to April 2017 to Kings College London. This is shown as restricted funds in the accounts.

The Foundation also received an award of £488,040 in 2016/17 from Denise Coates Foundation for 'the role of the urinary microbiome in relation to Mobility on Older People'. A total of £36,962 was paid for this project to April 2017 to Kings College London. This is shown as restricted funds in the accounts.

The Denise Coates Foundation (which is BET365) has pledged to fund the Foundation an annual amount of £262,500 over a five year period. The first amount has been paid (year 2017/2018) and the next Year 2 grant will be paid on 1st April 2018. The total grant includes a 5% administration fee of £12,500 per annum.

The forward commitments of the fund are the following:

- Award 10. - Cardio-metabolic Health associated with faecal metabolome - an amount of £119,889 over a 3 year period. Equivalent to £39,963 per annum.
- Award 11. - Utilising Omega 3 and Fibre to improve metabolic health -- an amount of £119,842 over a period of 2 years. Equivalent to £59,921 per annum.
- Award 12 - Gut microiome modulation - an amount of £145,494 over a 27 month period. A commitment of a little under £72,747 per annum.
- Award 13 - Changes in peripheral blood mononuclear cell (PBMC) immunophenotypes during immunotherapy a pilot study one off grant for £9,400 per annum.

The total commitments over the next 12 months are £182,031. The Denise Coates Foundation pledge will cover that commitment and if for any reason they do not honour their commitment, there are sufficient funds available to cover the cost of these awards.

Termination of an Award

When the Foundation makes a award it reserves the right, without notice, to terminate it should it so wish. In such a case, the Foundation will reimburse the Institution for expenditure properly and reasonably incurred under the award up to the termination date but will not be responsible for claims for compensation for which the Institution may be liable as an employer.

Fundraising

The Foundation raised £300 (2016 £350) in donations from private donors. These donations are shown as unrestricted funds.

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f. Review of the financial position at the year end

The Foundation's cash-flow situation is comfortable, but the Trustees want any excess funds to be invested wisely and will be considering options of investing the funds. Currently excess funds are held in the Shawbrook 60 day which pays 0.8% interest.

g. Plans for the future

New grant applications under review and are being considered are:

- Utilising Omega 3 and fibre to improve metabolic health: a proof of concept nutritional intervention study targeting the gut microbiome;
- PhD Research fellowship. Exploring the cardio-metabolic health-associated faecal metabolome;
- nutrition data of the twins and best collection methods to describe gut health.

h. Investment policy

The Trustees' investment policy is governed by the Trust Deed which permits the funds available to be invested in a wide range of securities and assets.

The Trustees' investment policy is to aim for safety commensurate with immediate and planned spending requirements. Accordingly, funds are held as cash balances and not invested.

The Trustees will continue to manage the Foundation's investments in conformity with the policy and its constitution. They are averse to risk and surplus funds will presently be held on deposit.

i. Reserves and funding

The Trustees' policy with regard to free reserves is to set a minimum for such reserves equal to approximately three months' projected management and administrative expenditure. The Trustees aim to achieve this by judicious management of resources.

j. Trustees

The Trustees who served during the year were:

Mr Nicholas Simon Pike
Mr Mark Daniel Benjamin Simon
Professor David Galton
Dr Edward Stonehill

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k. Appointment and induction of Trustees

Appropriately qualified people are selected according to requirements at the time of appointment, such as scientific or medical knowledge in the field of research in which the Foundation is interested, as well as legal and commercial knowledge. As part of the induction programme, the Trustees are provided with a copy of the Trust Deed and a copy of the past 3 years' accounts. The aims and goals of the Foundation are explained to newly appointed Trustees by the Foundation's Medical Director.

l. Risk management

The Trustees are responsible for the management of the risks faced by the Foundation.

All major risks to which the Foundation is exposed have been reviewed and systems have been established to mitigate these risks.

m. Public benefit

The trustees have regard to the Charity Commission guidance concerning the public benefit when furthering the objectives of the charity.

CHRONIC DISEASE RESEARCH FOUNDATION
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Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources of the Foundation for that period. In preparing these financial statements, the Trustees are required to:

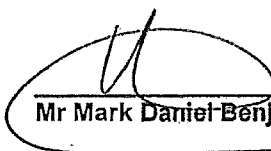
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Public Benefit

The Trustees confirm that they have complied with their duty under section 17(5) of the Charities Act 2011 to have regard to the Charity Commission's guidance on public benefit and that the public benefit requirement has informed the activities of the Foundation in the year to 5 April 2017.

Signed on behalf of the Trustees by:


Mr Mark Daniel Benjamin Simon

6 February 2018
Date

CHRONIC DISEASE RESEARCH FOUNDATION
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Independent Examiner's Report to the Trustees of Chronic Disease Research Foundation

I report to the trustees on my examination of the financial statements of Chronic Disease Research Foundation ('the charity') for the year ended 5 April 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and related notes.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

Since the trust's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011. I confirm that I am qualified to undertake the examination because I a member of ICAEW specify other appropriate body, which is one of the listed bodies.

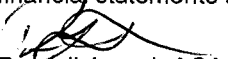
I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- the financial statements do not accord with those records; or
- the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

**CHRONIC DISEASE RESEARCH FOUNDATION
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I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.


Russell Joseph ACA

Bourner Bullock Chartered Accountants
Sovereign House
212-224 Shaftesbury Avenue
London
WC2H 8HQ

Date...*02/18*.....

**CHRONIC DISEASE RESEARCH FOUNDATION
TRUSTEES' REPORT & FINANCIAL STATEMENTS**

**STATEMENT OF FINANCIAL ACTIVITIES
6 APRIL 2016 TO 5 APRIL 2017**

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
INCOME AND ENDOWMENTS FROM					
Donations & legacies	2	10,567.32	488,040.00	498,607.32	730
Investments	3	265.73	2,391.54	2,657.27	1,472
Total incoming resources		10,833.05	490,431.54	501,264.59	2,202
EXPENDITURE ON					
Charitable activities		12,360.34	177,679.02	190,039.36	56,158
Total resources expended	4	12,360.34	177,679.02	190,039.36	56,158
Net income/(expenditure) before transfers		(1,527.29)	312,752.52	311,225.23	(53,956)
Net Movement in funds for the year		(1,527.29)	312,752.52	311,225.23	(53,956)
RECONCILIATION OF FUNDS					
Fund balances at 6 April 2016	11	69,120.32	258,838.45	327,958.77	381,915
Fund balances at 5 April 2017		67,593.03	571,590.97	639,184.00	327,959


The notes on pages 11 to 16 form part of these financial statements.

**CHRONIC DISEASE RESEARCH FOUNDATION
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BALANCE SHEET AS AT 5 APRIL 2017

		2017		2016	
Notes	£	£	£	£	£
Fixed assets					
Tangible assets	9		9.00		12
Current assets					
Cash at bank and in hand		715,580.16		339,688	
		715,580.16		339,688	
Creditors: amounts falling due within one year	10	(76,405.16)		(11,741)	
Net current assets			639,175.00		327,947
Total assets less current liabilities			639,184.00		327,959
 CHARITY FUNDS					
Unrestricted funds	11		67,593.03		69,120
Restricted funds	11		571,590.97		258,839
TOTAL FUNDS			639,184.00		327,959

For and on behalf of the Trustees:



 Mr Mark Daniel Benjamin Simon

6 February 2018

 Date

**CHRONIC DISEASE RESEARCH FOUNDATION
TRUSTEES' REPORT & FINANCIAL STATEMENTS**

**STATEMENT OF CASH FLOWS
6 APRIL 2016 TO 5 APRIL 2017**

		2017	2016
	Notes	£	£
Net Cash flows from operating activities:			
Net cash provided by (used in) operating activities	13	373,235.09	(59,736)
Cash flows from investing activities:			
Dividends and Interest from Investments	3	2,657.27	1,472
Net cash provided by (used in) Investing activities		2,657.27	1,472
Change in cash and cash equivalents in the reporting period		375,892.36	(58,264)
Cash and cash equivalents at the beginning of the reporting period		339,687.80	397,952
Cash and cash equivalents at the end of the reporting period		715,580.16	339,688

**CHRONIC DISEASE RESEARCH FOUNDATION
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NOTES TO THE ACCOUNTS

1 Accounting policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

1.2 Incoming resources

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement.

1.3 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

i) Charitable activities

This comprises expenditure incurred in connection with the charitable objectives of the Foundation.

ii) Governance costs

This comprises expenditure incurred in connection with management and administration of the Foundation.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off of the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Fixtures, fittings & equipment 25% reducing balance

1.5 Direct Taxation

As a charity the Foundation is generally exempt from income tax and capital gains tax, but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

1.6 Fund accounting

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the Charity.

Restricted income funds are funds that are available for a specific purpose.

1.7 Cash

Cash at bank and in hand is held to meet short-term cash commitments as they fall due rather than for investment purposes.

**CHRONIC DISEASE RESEARCH FOUNDATION
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NOTES TO THE ACCOUNTS

1.8 Going Concern

The accounts have been prepared on a going concern basis and there are no material uncertainties.

1.9 Creditors

The Foundation has creditors which are measured at settlement amounts.

1.10 Financial Instruments

The Foundation accounts for the basic financial instruments on initial recognition as per paragraph 10.7 FRS 102 SORP. Subsequent measurement is per paragraphs 11.17 to 11.19 FRS 102 SORP.

1.11 Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. In the Trustees' opinion there are no significant judgements and no key sources of estimation uncertainty.

1.12 FRS 102 transition

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No reinstatements were required.

2 Donations and legacies

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Donations and legacies	488,040.00	10,567.32	498,607.32	730
	<u>488,040.00</u>	<u>10,567.32</u>	<u>498,607.32</u>	<u>730</u>

3 Investment income

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	<i>2016 £</i>
Interest receivable	2,391.54	265.73	2,657.27	1,472
	<u>2,391.54</u>	<u>265.73</u>	<u>2,657.27</u>	<u>1,472</u>

4 Analysis of resources expended by expenditure type

	Note	Depreciation £	Other costs £	Project grants £	Total 2017 £	<i>Total 2016 £</i>
Governance costs	5	3.00	12,357.34	-	12,360.34	11,576
Grant funding of activities	6	-	-	177,679.02	177,679.02	44,582
		<u>3.00</u>	<u>12,357.34</u>	<u>177,679.02</u>	<u>190,039.36</u>	<u>56,158</u>

**CHRONIC DISEASE RESEARCH FOUNDATION
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NOTES TO THE ACCOUNTS

5 Governance Costs

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Legal and professional fees	4,583.10	4,583.10	6,474
Management expenses	6,314.24	6,314.24	5,098
Bank charges	20.00	20.00	-
Independent examiner's fees	1,440.00	1,440.00	-
Depreciation of tangible fixed assets	3.00	3.00	4
	12,360.34	12,360.34	11,576

6 Grants by project

	2017 £	2016 £
Project		
Role of the gut microbiome in cognitive decline and risk for dementia	140,717.15	44,582
Role of the urinary microbiome in relation to Mobility on Older People	36,961.87	-
	177,679.02	44,582

Grants to Institutions

The above grants were made to Kings College, London

7 Related parties

Management and administration expenses (including accounts preparation) include £4,583.10 (2016 - £6,474) paid to Collyer Bristow LLP, a firm of solicitors, in which M D B Simon is a partner.

These services are not related to M D B Simon's trusteeship and therefore are not deemed to be Trustees' remuneration. At the balance sheet date the amount due to Collyer Bristow was £1,093.60 (2016 - £4,126).

8 Trustees remuneration and expenses

The Charity has no employees other than the Trustees, who did not receive any remuneration (2016 - £Nil). No expenses incurred by the Trustees have been reimbursed (2016 - Nil).

**CHRONIC DISEASE RESEARCH FOUNDATION
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NOTES TO THE ACCOUNTS

9 Tangible fixed assets	<i>Fixtures, fittings & equipment</i>			
	£			
Cost				
At 6 April 2016 and 5 April 2017	<u>1,887</u>			
Depreciation				
At 6 April 2016	1,875			
Charge for the year	3			
At 5 April 2016	<u>1,878</u>			
Net book value				
At 5 April 2017	<u>9</u>			
At 5 April 2016	<u>12</u>			
10 Creditors: amounts falling due within one year		2017	2016	
		£	£	
Collyer Bristow fees		1,092.60	4,126	
Independent Examiner's fees		1,440.00	-	
Kings College London - project - role of the gut microbiome in cognitive decline and risk for dementia		38,617.94	7,615	
Kings College London - project - role of the urinary microbiome in relation to Mobidity on Older People		35,254.62	-	
		<u>76,405.16</u>	<u>11,741</u>	
11 Statement of funds				
	Brought forward	Incoming resources	Resources Expended	Carried forward
	£	£	£	£
Unrestricted funds				
General Funds	<u>69,120.32</u>	<u>10,833.05</u>	<u>12,360.34</u>	<u>67,593.03</u>
Restricted funds				
Gut microbiome in cognitive decline & risk for dementia	257,020.73	2,391.54	140,717.15	118,695.12
Urinary Microbiome	-	488,040.00	36,961.87	451,078.13
DEXA machine	1,817.72	-	-	1,817.72
Restricted funds	<u>258,838.45</u>	<u>490,431.54</u>	<u>177,679.02</u>	<u>571,590.97</u>

**CHRONIC DISEASE RESEARCH FOUNDATION
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NOTES TO THE ACCOUNTS

Summary of funds

	Brought forward £	Incoming £	Resources £	Carried forward £
General funds	69,120.32	10,833.05	12,360.34	67,593.03
Restricted funds	258,838.45	490,431.54	177,679.02	571,590.97
	<u>327,958.77</u>	<u>501,264.59</u>	<u>190,039.36</u>	<u>639,184.00</u>

12 Analysis of net assets between funds

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Tangible fixed assets	-	9.00	9.00	12
Current assets	645,463.53	68,676.63	714,140.16	339,688
Creditors due within one year	(73,872.56)	(1,092.60)	(74,965.16)	(11,741)
	<u>571,590.97</u>	<u>67,593.03</u>	<u>639,184.00</u>	<u>327,959</u>

The Chronic Disease Research Foundation is a member of the umbrella organisation, the Association of Medical Research Charities.

13 Cash Flows

Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2017 £	2016 £
Net income/(expenditure) for the reporting period (as per the	311,225.23	(53,956)
Adjustments for:		
Depreciation charges	3.00	4
Dividends and interest from investments	(2,657.27)	(1,472)
(Increase)/decrease in debtors	-	115
Increase/(decrease) in creditors	64,664.13	(4,427)
Net cash provided by (used in) operating activities	<u>373,235.09</u>	<u>(59,736)</u>