

Chronic Disease Research Foundation
Trustees' Report & Financial Statements
6 April 2015 to 5 April 2016

Charity No. 1055375

CHRONIC DISEASE RESEARCH FOUNDATION
TRUSTEES' REPORT & FINANCIAL STATEMENTS
6 APRIL 2015 TO 5 APRIL 2016

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

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**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

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 25 Kings Hill Avenue
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 West Malling
 Kent
 ME19 4JQ

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 4 Bedford Row
 London
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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 2016. 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 £55,979.27 was paid for this project to April 2016 to Kings College London. This is shown as restricted funds in the accounts.

Fundraising

The Foundation raised £350.00 (2015 £300) in donations from private donors. These donations are shown as unrestricted funds.

f. 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.

g. 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.

h. 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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i. 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.

j. 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.

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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 2016.

Signed on behalf of the Trustees by:

Mr Mark Daniel Benjamin Simon

Date

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

**STATEMENT OF FINANCIAL ACTIVITIES
6 APRIL 2015 TO 5 APRIL 2016**

| | Notes | Restricted funds £ | Unrestricted funds £ | Total 2016 £ | Total 2015 £ |
|--|-------|--------------------------|----------------------------|--------------------|--------------------|
| INCOMING RESOURCES | | | | | |
| Incoming resources from generated funds | | | | | |
| Voluntary income | 2 | - | 729.89 | 729.89 | 353,082 |
| Investment income | 3 | - | 1,472.10 | 1,472.10 | 850 |
| Total incoming resources | | - | 2,201.99 | 2,201.99 | 353,932 |
| RESOURCES EXPENDED | | | | | |
| Charitable activities | | 44,582.37 | | 44,582.37 | 13,397 |
| Governance costs | 5 | | 11,576.10 | 11,576.10 | 9,842 |
| Total resources expended | 4 | 44,582.37 | 11,576.10 | 56,158.47 | 23,239 |
| Net income/(expenditure) before transfers | | (44,582.37) | (9,374.11) | (53,956.48) | 330,693 |
| Net Movement in funds for the year | | (44,582.37) | (9,374.11) | (53,956.48) | 330,693 |
| RECONCILIATION OF FUNDS | | | | | |
| Fund balances at 6 April 2015 | 11 | 303,420.82 | 78,494.43 | 381,915.25 | 51,222 |
| Fund balances at 5 April 2016 | | 258,838.45 | 69,120.32 | 327,958.77 | 381,915 |

The notes on pages 8 to 11 form part of these financial statements.

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

BALANCE SHEET AS AT 5 APRIL 2016

| | | 2016 | | 2015 | |
|--|----|-------------|------------|----------|---------|
| Notes | £ | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 8 | | 12.00 | | 16 |
| Current assets | | | | | |
| Cash at bank and in hand | | 339,687.80 | | 397,952 | |
| Debtors | 9 | | | 116 | |
| | | 339,687.80 | | 398,067 | |
| Creditors: amounts falling due within one year | 10 | (11,741.03) | | (16,168) | |
| Net current assets | | | 327,946.77 | | 381,899 |
| Total assets less current liabilities | | | 327,958.77 | | 381,915 |
| CHARITY FUNDS | | | | | |
| Unrestricted funds | 11 | | 69,120.32 | | 78,494 |
| Restricted funds | 11 | | 258,838.45 | | 303,421 |
| TOTAL FUNDS | | | 327,958.77 | | 381,915 |

For and on behalf of the Trustees:

Mr Mark Daniel Benjamin Simon

Date

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

6 APRIL 2015 TO 5 APRIL 2016

NOTES TO THE ACCOUNTS

1 Accounting policies

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with 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 (FRS 102) issued on 16 July 2014 and the applicable accounting standards and the Charities Act 2011.

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) Costs of generating funds
This comprises expenditure incurred in connection with generating funds for the Foundation.
- ii) Charitable activities
This comprises expenditure incurred in connection with the charitable objectives of the Foundation.
- iii) 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.

**CHRONIC DISEASE RESEARCH FOUNDATION
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NOTES TO THE ACCOUNTS

2 Voluntary income

| | Restricted funds 2016 £ | Unrestricted funds 2016 £ | Total funds 2016 £ | <i>Total funds 2015 £</i> |
|----------------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------------|
| Donations and grants | | 729.89 | 729.89 | 353,082 |
| | - | 729.89 | 729.89 | 353,082 |

3 Investment income

| | Restricted funds 2016 £ | Unrestricted funds 2016 £ | Total funds 2016 £ | <i>2015 £</i> |
|---------------------|----------------------------------|------------------------------------|-----------------------------|-------------------|
| Interest receivable | 1,177.68 | 294.42 | 1,472.10 | 850 |

4 Analysis of resources expended by expenditure type

| | Depreciation £ | Other costs £ | Project grants £ | Total 2016 £ | <i>Total 2015 £</i> |
|------------------|-------------------|---------------------|------------------------|--------------------|-----------------------------|
| Governance costs | 4.00 | 11,572.10 | | 11,576.10 | 9,842 |
| Grant funding | | | 36,966.94 | 36,966.94 | 13,397 |
| | 4.00 | 11,572.10 | 36,966.94 | 48,543.04 | 23,239 |

5 Governance Costs

| | Restricted funds 2016 £ | Unrestricted funds 2016 £ | Total funds 2016 £ | <i>Total funds 2015 £</i> |
|---------------------------------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------------|
| Legal and professional fees | | 6,474.00 | 6,474.00 | 5,351 |
| Management expenses | | 5,098.10 | 5,098.10 | 3,466 |
| Independent examiner's fees | | | | 1,020 |
| Depreciation of tangible fixed assets | | 4.00 | 4.00 | 5 |
| | - | 11,576.10 | 11,576.10 | 9,842 |

**CHRONIC DISEASE RESEARCH FOUNDATION
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NOTES TO THE ACCOUNTS

6 Analysis of resources expended by activities

This is stated after charging:

| | 2016 | 2015 |
|--|-------------|-------------|
| | £ | £ |
| Depreciation of tangible fixed assets: - owned by the Charity | 4.00 | 5 |

No remuneration was paid to the Trustees and no expenses incurred by the Trustees have been reimbursed.

Management and administration expenses (including accounts preparation) include £6,474 (2015 - £5,531) paid to Collyer Bristow LLP, a firm of solicitors, in which M D B Simon is a partner.

7 Employees

The Charity has no employees other than the Trustees, who did not receive any remuneration (2015 - £Nil)

8 Tangible fixed assets

| | <i>Fixtures, fittings & equipment</i> |
|----------------------------------|---|
| | £ |
| Cost | |
| At 6 April 2015 and 5 April 2016 | 1,887 |
| Depreciation | |
| At 6 April 2015 | 1,871 |
| Charge for the year | 4 |
| At 5 April 2016 | 1,875 |
| Net book value | |
| At 5 April 2016 | 12 |
| At 5 April 2015 | 16 |

9 Debtors

| | 2016 | 2015 |
|----------------------------|-------------|-------------|
| | £ | £ |
| Donations not yet received | | 78 |
| Gift Aid not yet received | | 38 |
| | | 116 |

10 Creditors: amounts falling due within one year

| | 2016 | 2015 |
|--|-------------|-------------|
| | £ | £ |
| Collyer Bristow fees | 4,125.60 | 1,751 |
| Independent Examiner's fees | | 1,020 |
| Kings College London - project - role of the gut microbiome in cognitive decline and risk for dementia | 7,615.43 | 13,397 |
| | 11,741.03 | 16,168 |

**CHRONIC DISEASE RESEARCH FOUNDATION
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NOTES TO THE ACCOUNTS

11 Statement of funds

| | Brought forward £ | Incoming resources £ | Resources Expended £ | Transfers in/out £ | Carried forward £ |
|--|-------------------------|----------------------------|----------------------------|--------------------------|-------------------------|
| Unrestricted funds | | | | | |
| General Funds | 78,494.43 | 1,024.31 | 11,576.10 | - | 67,942.64 |
| Restricted funds | | | | | |
| Gut microbiome in cognitive decline & risk for dementia | 301,603.10 | 1,177.68 | 44,582.37 | | 258,198.41 |
| DEXA machine | 1,817.72 | | | | 1,817.72 |
| Restricted funds | 303,420.82 | 1,177.68 | 44,582.37 | - | 260,016.13 |
| Summary of funds | | | | | |
| | Brought forward £ | Incoming resources £ | Resources Expended £ | Transfers in/out £ | Carried forward £ |
| General funds | 78,494.43 | 1,024.31 | 11,576.10 | | 67,942.64 |
| Restricted funds | 303,420.82 | 1,177.68 | 44,582.37 | | 260,016.13 |
| | 381,915.25 | 2,201.99 | 56,158.47 | - | 327,958.77 |

12 Analysis of net assets between funds

| | Restricted funds 2016 £ | Unrestricted funds 2016 £ | Total funds 2016 £ | Total funds 2015 £ |
|-------------------------------|----------------------------------|------------------------------------|--------------------------|-----------------------------|
| Tangible fixed assets | | 12.00 | 12.00 | 16 |
| Current assets | 267,631.56 | 72,056.24 | 339,687.80 | 395,296 |
| Creditors due within one year | (7,615.43) | (4,125.60) | (11,741.03) | (13,397) |
| | 260,016.13 | 67,942.64 | 327,958.77 | 381,915 |

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