



Report and Financial statements
Period Ended 31 December 2019
Charity Number 1158672

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Legal and Administrative Information

1. The structural and administrative details for the charity are as follows:
 - 1.1. Name: Cure EB (formerly known as Sohana Research Fund)
 - 1.2. Type of entity: Charitable Incorporated Organisation
 - 1.3. Date of incorporation: 25 September 2014
 - 1.4. Registered Charity Number: 1158672
 - 1.5. Governing document: Constitution
 - 1.6. Registered and principal office: 10 Huntingdon Street, London, N1 1BU

2. The trustees as at the date of this report (the “Trustees”) are:
 - 2.1. Ms. Sharmila Nikapota
 - 2.2. Mr. James Collins
 - 2.3. Mr. Michael de Lathauwer
 - 2.4. Ms. Tazim Hall
 - 2.5. Prof. David Kelsell
 - 2.6. Mr. Duncan Wales

3. The Bankers are Barclays Bank PLC
 14 Upper Street
 Islington
 London
 N1 0PQ

4. The Auditors are Haines Watts (City) LLP
 New Derwent House,
 69-73 Theobalds Road,
 London
 WC1X 8TA

Summary

Our Mission Statement

Our mission is to find effective treatments and ultimately a cure for Epidermolysis Bullosa (“EB”).

Our Commitments

To fund translational research and clinical trials for the benefit of people with EB.

To maximise research spend.

To raise awareness of EB.



2019 Highlights

Silver Butterfly Dinner with Jason Isaacs and James Purefoy as celebrity auctioneers. The Cure EB Run and Family Day at the Olympic Park.

Fundraising Highlights

- Silver Butterfly Dinner: over £300,000
- Dodington Opera: £75,000
- Goldman Sachs Gives: over £50,000
- GFI Charity Day: £50,000
- The Big Give: over £20,000
- Virgin London Marathon: over £18,000
- Phoebe Research Fund £10,000

Project Highlights

- Lenticol M trial finished
- Colorado researchers win a grant from the 21st century cures act in the US off the back of iPS Consortium funding
- UCL gene editing project progressing through to a final year
- Preparation towards the EB graft trial, regulatory and ethical approval
- Commitment to the Nanocol at Kings
- Commitment to development of TXA127
- Commitment to RNA Derm



Founder's Statement

Epidermolysis Bullosa ("EB") is a group of genetic skin blistering conditions that vary in severity depending on the subtype. Some forms are fatal in infancy and others lead to progressive deformity and are severely life limiting. Recessive Dystrophic Epidermolysis Bullosa ("RDEB") is a very severe form that leads to scarring, contractures, oesophageal restriction, corneal abrasions, malignant skin cancer and many more painful and life-altering symptoms.

Cure EB exists to find treatments and a cure for EB. To this end, we fund predominantly translational medical research aiming to deliver quality-of-life changing relief and eventually a cure to those afflicted by EB.

In 2019 we had a very successful Silver Butterfly Dinner in May (which coincided with publication of 'Binky's Time to Fly'). In total we raised a little over £1 million. This allowed us to continue to make significant research commitments.

Research progress has been very good. The Lenticol M trial ended and results were analysed in preparation for publication. Our project in Minnesota involving gene editing limbal stem cells and regenerating the corneal surface in RDEB patients completed translational possibilities are being explored. The next generation genome sequencing project being funded in Minnesota and the EB iPS Consortium funded in collaboration with two US groups are progressing. In the UK the gene editing project at UCL is entering its final year of funding. The EB Graft trial in France has been approved by the regulatory authorities.

Raising awareness is an important part of our mission. We expanded our Cure EB run to include other charities of rare conditions and continued our social media awareness campaign #EBpop. After 'Butterfly Run London' at the Olympic Park we brought the EB community together at a Cure EB Family Day. We were very lucky to be given a grant towards this from Genetic Disorders UK.

In the meantime, we hope that you will find this Trustees' Report informative.

Sharmila Nikapota
Founder Trustee

Report of the Trustees

The Trustees present their report along with the financial statements of the charity for the period ended 31 December 2019.

A. Introduction

1. Cure EB – then known as the Sohana Research Fund C.I.O. (“SRF”) – was established on 25 September 2014 with Registered Charity Number 1158672.
2. Cure EB’s principal purpose is to fund medical research and clinical trials aimed at discovering, developing and delivering treatments for Epidermolysis Bullosa (“EB”).
3. Key information for 2019 is as follows:
 - 3.1. FUNDRAISING – Cure EB raised more than £1 million in 2019.
 - 3.2. RESEARCH FUNDING – In 2019, Cure EB spent (in cash terms) more than £870k on research projects.
 - 3.3. RESEARCH COMMITMENTS – We have identified some interesting new research projects in the UK, with Nanocol at Kings College Hospital and a project at GOSH for Junctional EB. We also committed to a project with Constant Therapeutics to develop TXA127, an antifibrotic agent. We have also continued our collaboration with two US based funding organisations to fund two large projects in the US in which we take equal share over a number of years. These projects are in Minnesota and a Consortium made up of Colorado, Stanford and Columbia Universities. A gene editing project at UCL is in its final year.
 - 3.4. RESEARCH RESULTS – The Lenticol M trial completed. Analysis and write up started. The eye project in Minnesota finished and we are looking at opportunities for translation. EB graft was given regulatory approvals by ANSM and ethical approvals were being finalised.
 - 3.5. AWARENESS AND OTHER EVENTS – We held a Silver Butterfly Dinner in May. In the summer we played ‘EB pop to make the blisters stop’ and held the Cure EB Butterfly Run and Family Day at the Olympic Park in September.
 - 3.6. Looking ahead, we already know that 2020 will be a bad year for fundraising due to Covid 19. However, as Cure EB has substantial net assets (including substantial cash at bank) going into 2020, this will not adversely affect research spending in 2020. Whether Covid 19 has any longer term impact on Cure EB will turn on how quickly fundraising rebounds in 2021 and thereafter.

- 3.7. We look forward to identifying, committing to and funding further projects and, in doing so, cementing Cure EB's position as one of the leading funders of RDEB research and trials.

B. Objectives and Activities

4. As set out in Cure EB's Constitution, Cure EB's objects are *"For the public benefit, (a) the advancement of health and (b) the relief and assistance of people in need who are suffering from Epidermolysis Bullosa, in particular but not exclusively by making grants:*
 - (1) *to fund medical research and/or clinical trials anywhere in the world for the purpose of discovering, developing and delivering treatments for Epidermolysis Bullosa; and*
 - (2) *to fund the treatment of patients who are suffering from Epidermolysis Bullosa".*
5. Cure EB's objectives during 2019 were limited to:
 - 5.1. Raising funds;
 - 5.2. Raising awareness;
 - 5.3. Identifying and developing projects for funding; and
 - 5.4. Funding of projects.
6. The Trustees confirm that in determining what activities Cure EB carries out, they have had regard to the Charity Commission's guidance on public benefit.

B(1). Fundraising and Awareness

7. As a rare genetic skin condition public knowledge of the condition is limited. This impacts Cure EB's ability to raise money for research and support. Consequently, we see increased awareness of the condition as something that has a direct influence on our ability to raise funds. As an aid to raising awareness Sharmila wrote and published a book (illustrated by Carolina Rabei) called 'Binky's Time to Fly' with a paragraph about EB at the back. 100% of the sales of the exclusive hardback edition benefit the charity and all author royalties from the paperback editions (which are controlled by the publisher) are donated to the charity. We were pleased that this has now been published in a number of different languages.

8. We had a lean year in the local press but a press release related to a big US grant generated some interest. We benefitted from the PR surrounding EB2020 and being partners of this worldwide EB conference, which was held in Jan 2020.
9. Cure EB has an active social media presence with over 31,000 followers on Facebook and over 2520 on twitter. We are gradually building our Instagram follower network with 1331 followers. The Cure EB website has also been an important tool when fundraising and educating the public as to our aims and ambitions. It holds all information regarding projects and press as well as event information.
10. Our community outreach and awareness events included our second fun run at the Olympic Park, called Butterfly Run London. On the same day we held EB Family Day, with lunch, games and a scientific update.
11. In September, we were chosen for GFI charity day. We benefitted from a very generous donation in lieu of the Dodington Opera evening from the Sir James and Lady Deirdre Dyson Trust. Substantial amounts were raised through celebrations, Community led events such as cake sales, golf days and school donations. Donations through Goldman Sachs Gives and the Big Give were very significant this year. We also made successful applications to trusts and foundations, including The Lynn Foundation, The Frank Litchfield General Charitable Trust, James Wise Charitable Trust, William and Christine Eynon Charity, The Charles and Elsie Sykes Trust, The Sir James Roll Charitable Trust, The Astor Foundation, The Grace Trust, William Howarth Trust, The Hobson Charity, The Roan Trust and Genetics Disorders UK.
12. Social Media continues to be an important tool to raise awareness of the condition and charity. We continued our new social media campaign called #EBpop – “Play #EBpop to make the blisters stop” which involves popping balloons and challenging others to do the same which helped raise awareness and donations though we would like to grow involvement.
13. Sponsorship events (which included a team running in the London Marathon and Prudential Ride London) were quite successful, and helped raise awareness of the charity. We also benefited from individuals participating in and running their own events such as climbs, birthday donations, cycle rides, Butterfly Brunch Club birthday brunches and cake sales.
14. Looking ahead, we made a commitment to partner with Debra UK for the EB2020 world congress an event bringing together all the EB researchers worldwide to discuss research progress. We also planned to have a House of Lords dinner during the congress week for our major donors and to build awareness of our work. We also had a number of fundraising events planned for 2020, including Butterfly Run London, EB family Day and Butterfly Brunch lunch speaker event. We continue to work at regular giving and online donations as well as text message giving.

B(2). Projects

15. Cure EB funds a range of projects. However, Cure EB's principal focus is on translational research – i.e. the preclinical research and clinical trials that will (we hope) translate fundamental (laboratory based) research into effective treatments for RDEB. We are assisted by an experienced independent expert panel who evaluate projects and advise on research strategies and priorities.
16. We currently evaluate projects on a rolling basis (rather than in formal funding rounds at fixed intervals) and invite applications that meet our priority areas of research. An initial outline of the project is evaluated and if deemed to be within an area of interest a full grant application is asked for. The project is then externally reviewed and scored. If the scores are sufficiently high the project is presented to the trustees for approval. If approved, Cure EB negotiates and concludes formal funding agreements with the body that is to carry out the research. We are opening one fixed funding round along with keeping the door open to project evaluation during the year. This will ease collaboration with other organisations.
17. During 2019, we saw good progress towards the EB graft trial with the French regulatory authority ANSM approving the trial. We also have increased our portfolio of projects to include collaborations with the biotech industry.

C. Achievements and Performance

18. During 2019 the total research spend (in cash terms) was more than £870k. The main research achievements were as follows:
 - 18.1. EB Graft. Cure EB committed to funding of more than £425,000 to Inserm in Paris and FIBHJ in Madrid in 2018 Of this sum, £70,181 was paid in 2019.
 - 18.2. EB iPS Consortium. Grants to Colorado totalled more than £139,068.
 - 18.3. Next generation genome editing project Minnesota. Cure EB granted more than £270,458 in 2019.
 - 18.4. Lenticol M workpackage 1 final payment of £47,670 was made and the study was published
 - 18.5. MSC's have been produced at King's College London. However, the cells are not being used for treatment, pending an NIHR decision about expanding their use into a study.

- 18.6. UCL Gene Editing: more than £133,977 in 2019
- 18.7. We made a project related investment towards developing an oral formulation of an antifibrotic called TXA127 with Constant Therapeutics
- 18.8. We also made a programme related investment in collaboration with our US funding partners towards developing a treatment for EB Simplex called RNA derm.
- 18.9. Lenticol F – Lentiviral-mediated COL7A1 gene-modified therapy for RDEB. This trial finished in 2018, the final payments were made in 2019 and the study was published on the 6th June 2019
- 18.10. ADSTEM Trial – Understanding how allogeneic mesenchymal stromal cells given intravenously can modify disease severity in epidermolysis bullosa patients. The trial finished in 2018 and was published in August 2020.
19. Looking ahead, our aim is to continue our focus on translational research. We will also continue looking at emerging technologies to determine translational benefit.
20. To this end we aim to continue to build our relationships with other potential funders and investors and with the RDEB research community.

D. Financial Review

21. The accounts show the financial affairs of Cure EB for 2019 and as at 31 December 2019. The key figures, together with commentary, are as follows:
 - 21.1. Gross Income: £1,056,997. This is higher than the amount raised in the prior period (as anticipated at paragraph 22 of our 2018 Report). The main reason for this was that 2019 we hosted the biennial Silver Butterfly Dinner.
 - 21.2. Costs of Fundraising: £58,345. This is higher than the prior period as the Silver Butterfly Dinner is a significant source of cost (as well as income). As a rule of thumb, Cure EB aims to raise £10 for every £1 spent on fundraising activities. For 2019 this was comfortably exceeded.
 - 21.3. Expenditure (on an accrual basis) on charitable activities: £696,927. In total Cure EB spent (on a cash basis) more than £870k on projects in 2019. However, (1) more than £100k of that was in respect of liabilities that accrued in 2018; and (2) about £140k was structured as Programme Related Investments (equity and convertible loans).
 - 21.4. Reserves: £1,885,018. This is up on the prior period as (1) income exceeded expenditure; and (2) where spending is structured as investment, that investment is an asset valued as at 31 December 2019.

22. Looking ahead to 2020:

- 22.1. Gross income is likely to be substantially lower than 2019 in part due to the impact of Covid-19. However, as regards that impact, Cure EB is fortunate in 2 respects. First, 2020 is not a Silver Butterfly Dinner year, so income would likely have been substantially lower in any event. If Covid-19 had struck in 2019, the impact would have been much greater due to the loss of this revenue. Second, although Covid-19 has adversely impacted Cure EB's ability to raise funds through other channels, substantial donations from some of Cure EB's regular supporters has largely compensated for this. As a result, we expect 2020 income to be below, but not substantially below, the figure for 2018 (i.e. the previous year in which we did *not* host the Silver Butterfly Dinner).
- 22.2. Cost of fundraising is also likely to be significantly lower. The Silver Butterfly Dinner is a significant source of cost (as well as income).
- 22.3. Due to the accrual of the entire cost of EB Graft in 2018, expenditure on projects in 2020 (assessed on an accrual basis) is likely to be similar to 2019 (which was lower than 2018). Over the medium term, Cure EB plans to maintain expenditure slightly above income (on average, if not in every year) in order to reduce the cash reserves recorded in the balance sheet.

23. The trustees as at the date of this report (the "Trustees") are:

- 23.1. Ms. Sharmila Nikapota
- 23.2. Mr. James Collins
- 23.3. Mr. Michael de Lathauwer
- 23.4. Ms. Tazim Hall
- 23.5. Prof. David Kelsell
- 23.6. Mr. Duncan Wales

24. There were no other trustees during 2019. These Trustees may be reappointed at the expiry of their current terms and/or further trustees may be appointed by resolution passed at a properly convened meeting of the trustees. Pursuant to the terms of the Constitution, the minimum number of trustees is 3 and the maximum is 9. The Trustees are selected for their experience and expertise.

25. The Trustees are not and were not compensated for performing their roles as trustees.

26. Management and Administration:

- 26.1. Management of Cure EB's fundraising and awareness activities has been delegated (subject to a financial cap) to Sharmila Nikapota and James Collins. They in turn report to the other Trustees. In particular:

- (1) Sharmila Nikapota has primary responsibility for conceiving, developing and performing all fundraising and awareness activities. This includes the identification of suitable contractors to provide goods or services and negotiation with those contractors.
 - (2) Costs of goods and services are approved by, and payment for goods and services is arranged by, James Collins.
 - (3) Sharmila Nikapota and James Collins are authorised to jointly incur costs of up to £10,000 per month in relation to fundraising and awareness activities without further authorisation from the Trustees. For major events, Sharmila Nikapota and James Collins must seek the prior approval of the Trustees.
- 26.2. Management of the administration of Cure EB has been delegated (subject to a financial cap) to Sharmila Nikapota and James Collins. They in turn report to the other Trustees. In particular:
- (1) Sharmila Nikapota and James Collins are primarily responsible for identifying the services that need to be performed and finding suitable contractors to assist with the provision of those services.
 - (2) Sharmila Nikapota and James Collins are authorised to jointly incur costs of up to £2,500 per month in relation to the administration of Cure EB without further authorisation from the Trustees. Financial oversight and record keeping is performed by Rachel Lesiter.
- 26.3. In relation to projects and funding:
- (1) Sharmila Nikapota is in regular direct communication with leading researchers and clinicians and with other potential funding bodies. She has primary responsibility for the initial identification of projects that may merit funding on grounds that they (i) further the objects of Cure EB; and (ii) are (weighing the work that is to be performed and the potential benefits of the research against the cost) cost-effective.
 - (2) The process for the evaluation of potential projects depends on the nature and size of the project. Prof. David Kelsell provides guidance in relation to both the process and the evaluation. He is also responsible for identifying external reviewers to evaluate the projects and collecting comments and scores from those reviewers.
 - (3) All funding decisions (including identification of the project to be funded and the amount of funding to be provided) are made by the Trustees (as a whole).
 - (4) Having decided “in principle” to fund a project, negotiation of documentation is led by James Collins and Tazim Hall.

- (5) Project invoices that conform with the funding agreements are approved by, and payment is arranged by, James Collins.

27. Professional Services:

- 27.1. James Collins is a commercial barrister and Tazim Hall was a solicitor and partner at a substantial international law firm. Cure EB buys in additional legal services as and when required.
- 27.2. Cure EB has not retained any investment advisor. However, Michael de Lathauwer comes from an investment banking background and is currently a fund manager.

28. Remuneration:

- 28.1. The Trustees are not and were not compensated for their management roles (described above) nor for any other role that they perform.
- 28.2. Cure EB has no employees but has established relationships with a number of individuals and organisations that provide services on a contractor or self-employed basis.
- 28.3. Cure EB has benefited from, and relies on, substantial support from a team of volunteers. In particular:
 - (1) The fundraising and awareness events are supported by a substantial team of engaged and dedicated volunteers. They provided assistance with the development of the event, attracting supporters to the event, graphic design, logistics and in many other ways. Without their support, many of these services would have to be bought in at considerable cost to Cure EB.
 - (2) The administration of Cure EB has been greatly assisted by volunteers, again saving Cure EB substantial cost.

Investment policy

Funds are held as short term bank balances and longer term treasury deposits. The only other investments made by Cure EB are Programme Related Investments (rather than financial investments).

Programme Related Investments

In 2019 Cure EB made its first Programme Related Investments. These are payments made to further the aims of the charity – i.e. to fund research – rather than to secure a financial return. However, because they are structured as investments (in one case an equity investment, in the other case a convertible loan) there is potential for return.

EB Therapeutics

At the end of 2018, Cure EB established a subsidiary: EB Therapeutics Ltd (“EBT”). The purpose of this subsidiary is to further develop some of the technologies supported by Cure EB with the aim of assisting with the transition from research to market, so that effective treatments become as widely available as possible. During 2019, EBT was dormant, but it will become active in 2020.

Reserves policy

Policy: Because the charity has a low cost operating base it does not require a significant unrestricted reserve fund.

Forward looking statement: The Trustees are confident that there are adequate reserves to fund the research to be undertaken and cover the anticipated future costs.

Risk management

The principal risk to the charity is the ability to continue raise funds sufficient to meet the commitments made to fund projects and operating costs.

The Trustees have (above) highlighted the facts relevant to this risk. During 2018 this risk was entirely mitigated by ensuring that reserves substantially exceeded commitments. Whilst the Trustees aim to maintain expenditure higher (on average) than income for the next few years, (1) substantial reserves will be retained; and (2) when reduced to suitable level, the Trustees will seek to ensure that on average (but not each individual year) income and expenditure are balanced.

Covid 19

The Trustees acknowledge the current outbreak of Covid-19 (which is causing economic disruption in most countries) and its potentially adverse economic impact on the charity. This is an additional risk factor which could impact the operations of the charity after year end. Given the nature of the outbreak and the on-going developments, there is a high degree of uncertainty and it may have a significant impact on the way in which we operate.

The Trustees are monitoring developments closely and have the flexibility to amend future grant commitments for lower than anticipated income. We are focussed on protecting the long-term strategy of the charity to enable it to meet forthcoming commitments.

Public Benefit

The Trustees are conscious of the Charity Commission guidelines on public benefit and these guidelines are applied when grants are considered.



Trustees' Responsibilities in relation to the financial statement

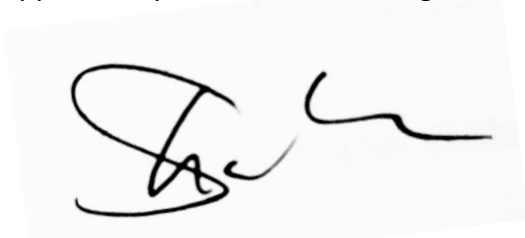
The Trustees are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Observe the methods and principles in the Charity SORP;
- State whether applicable accounting standards and statement of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

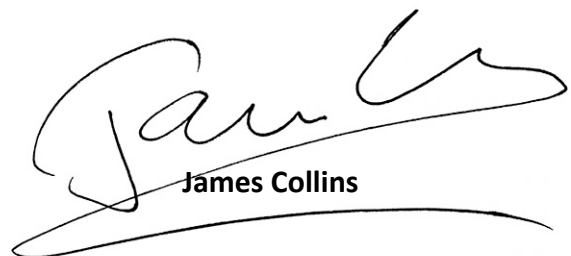
The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees and signed on their behalf by:



Sharmila Nikapota

Date: 30 December 2020



James Collins

Report of the Independent Auditors

Opinion

We have audited the financial statements Cure EB for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102.

This report is made solely to the charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. 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's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019 and of its incoming resources and application of resources, for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Charities Act 2011

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the Charities income and donations and wider economy. The Trustees' view on the impact of COVID-19 is disclosed in the accounting policies note.

Other information

The Trustees are responsible for the other information. The other information comprises the information in the Trustees' Report, but does not include the financial statements and our Auditors' Report thereon.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in the opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 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 Auditors' 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Trustees, as a body. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an Auditors' 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 its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Haines Watts (City) LLP
69-73 Theobalds Road
London WC1X 8TA

30 December 2020

Haines Watts (City) LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Statements of Financial Activities

Incorporating Income and Expenditure account

	Note	2019 £ Unrestricted	2019 £ Restricted	2019 £ Total	2018 £ Total
Income					
Income from donations	2	1,015,114	41,863	1,056,977	774,576
Income from investments		4,771	0	4,771	0
Total		<u>1,019,885</u>	<u>41,863</u>	<u>1,061,748</u>	<u>774,576</u>
Expenditure					
Raising funds		58,345	0	58,345	18,581
Charitable activities	3	659,634	37,293	696,927	1,143,529
Total		<u>717,979</u>	<u>37,293</u>	<u>755,272</u>	<u>1,162,110</u>
Net movement in funds		301,906	4,570	306,476	(387,354)
Transfer of funds		0	0	0	0
Funds brought forward		<u>1,560,603</u>	<u>17,939</u>	<u>1,578,542</u>	<u>1,966,076</u>
Funds carried forward		<u>1,862,509</u>	<u>22,509</u>	<u>1,885,018</u>	<u>1,578,542</u>

Balance Sheet

	Notes	2019 £	2018 £
Fixed Assets			
Investments	4	95,724	-
Current assets			
Cash at bank		1,945,796	1,917,253
Debtors – promissory loan	5	47,805	-
Other debtors- donations receivable		90,089	58,956
		<hr/> 2,083,690	<hr/> 1,976,209
Creditors			
Amounts falling due within one year- Project costs		294,396	397,667
Total net assets		<hr/> 1,885,018	<hr/> 1,578,542
 Unrestricted Funds		 152,752	 90,548
Restricted Funds	6	22,509	17,939
Designated funds		1,709,757	1,470,055
Total Funds		<hr/> <hr/> 1,885,018	<hr/> <hr/> 1,578,542

These Financial Statements were approved by the Trustees on 30 December 2020



Sharmila Nikapota



James Collins

Cash Flow Statement

Cash flow statement for the year ended 31 December 2019

	2019 £	2018 £
Net cash inflow/(outflow) from operating activities	306,476	(387,534)
(Increase)/Decrease in debtors	(31,133)	(58,956)
Increase/(Decrease) in creditors	(103,271)	397,667
Net cash inflow/(outflow) from operations	172,072	(48,823)
Cash flow from investing activities		
Fixed asset investment additions	(95,724)	0
Promissory loan	(47,805)	0
Net cash (outflow) from investing activities	(143,528)	0
Increase/(decrease) in cash at bank	28,543	(48,823)
Cash at the beginning of the year	1,917,253	1,966,076
Cash at the end of the year	1,945,796	1,917,253

Notes to the Financial Statements

1. Principal accounting policies

(a) Accounting convention

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value

(b) Donation and grant Income

Income is accounted for in the period in which the charity is entitled to receipt, the receipt is probable and measurable.

(c) Expenditure is included on an accruals basis.

(d) Taxation - as a charity the income is exempt from taxation.

(e) Fixed asset investments are held to generate income or for their investment potential, or both. Investments may include 'social investments' where the purpose in making the investment is wholly or partly to further the charity's aims. The social investments are stated at cost less impairment unless it can be measured at fair value which can be reliably measured.

(f) Funds structure. The restricted funds represent donations made where the donor has placed a restriction on the use of the funds. Unrestricted funds can be used as the Trustees see fit in line with the charitable objectives.

(g) Going concern

The accounts are prepared on the basis that the Trustees have adequate resources to continue to operate. The Trustees have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. In particular, in response to the COVID-19 pandemic, they have taken into account the impact on the Charity and measures they can take to mitigate the impact. Based on these assessments the Trustees have concluded that they can

continue to adopt the going concern basis in preparing the annual report and accounts.

(h) Financial instruments and Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on the experience and understanding of the Trustees. The Trustees do not believe that there are any significant estimates and judgements that have a material impact on the financial statements.

Basic financial instruments such as social investments, debtors and bank balances are recognised at transaction value.

2. Designated funds are unrestricted funds designated by the Trustees for research projects in pursuit of the charitable activities.

3. Expenditure on charitable activities includes costs of administration.

4. Fixed Asset Investments

	2019	2018
	£	£
Social Investments - unlisted		
Cost	<u>95,724</u>	<u>0</u>

In the year an investment has been made of US\$125,000 in RNADerm Therapeutics Inc, a US Corporation, to further the aims of the charity by the funding of relevant research.

5. Debtors

Included in debtors is a promissory loan of US\$60,000 (£47,805) made in the year to Constant Pharmaceuticals LLC, a US Corporation, at a coupon nil interest rate, in order to further the aims of the charity by the funding of relevant research. Since the year end US\$30,000 has been repaid.

	Balance brought forward	Income	Expenditure	Inter fund transfer	Balance carried forward
	£	£	£	£	£
6. Restricted fund balances	17,939	41,863	37,293	0	22,509

Restricted fund balance carried forward represents 2 research projects in progress and are held as cash balances.

Unrestricted and designated funds are held as bank balances, social investments and current assets.

7. No Trustees received remuneration or were reimbursed for expenses in the period.
8. There are no related party transactions other than donations to the charity from the Trustees amounting to £207,200 (2018 - £126,365).
9. There are no employees.
10. There are no contingent liabilities.
11. Post balance sheet events

In view of the Trustees given the timing of the outbreak, Covid 19 is considered to be a non-adjusting event and consequently no adjustment is made to these financial statements.