

**Charity number: 200539**

## **The King's Medical Research Trust**

**Unaudited**

**Trustees' report and financial statements**

**for the year ended 31 March 2020**

# **The King's Medical Research Trust**

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## **The King's Medical Research Trust**

### **Reference and administrative details of the Charity, its trustees and advisers for the year ended 31 March 2020**

#### **Trustees**

Christopher Smith, Chairman  
Katharine Voyce  
Professor Anne Greenough  
Dr Kevin Zilkha  
Shena Tait

#### **Charity registered number**

200539

#### **Principal office**

Weston Education Centre  
10 Cutcombe Road  
London  
SE5 9RJ

#### **Accountant**

The Trust Partnership (Foundations) Ltd.  
6 Trull Farm Buildings  
Tetbury  
Gloucestershire  
GL8 8SQ

#### **Independent Examiner**

Dunkley & Co Limited  
Accountants & Statutory Auditors  
Woodlands Grange  
Woodlands Lane  
Bradley Stoke  
Bristol  
BS32 4JY

#### **Bankers**

Lloyds Bank Plc  
25 Camberwell Green  
London  
SE5 7AB

#### **Management of Investments**

Cazenove Capital Management Limited  
12 Moorgate  
London  
EC2R 6DA

## **The King's Medical Research Trust**

### **Trustees' report for the year ended 31 March 2020**

The Trustees present their Annual Report together with the financial statements for the year to 31 March 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's trust deed, the Charities Act 2011 and Accounting and Reports 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 published on 16 July 2014.

#### **Structure, governance and management**

- **Constitution**

The Charity was formed as a Trust under a Trust Deed dated 1 July 1959. The Charity's main and only office is at the Weston Education Centre, Cutcombe Road, London SE5 9RJ.

- **Method of appointment or election of Trustees**

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust Deed. There are currently five Trustees who are shown on page 1 of these financial statements. No Trustee receives remuneration for their services. The Trust Deed also permits wide powers of investment.

- **Risk management**

The Trustees have examined the major strategic, business and operational risks which the Charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

#### **Objectives and Activities**

- **Policies and objectives**

The work of the Charity aims to 'relieve suffering and cure illness and disease by continuous research into causes, prevention, diagnosis and treatment and by publishing the results for public good'.

The Trustees look to fund their strategic aims by successful investment management and satisfactory returns thereon, coupled with income from donations and legacies.

There have been no changes in the objectives since the last Annual Report.

- **Strategies for achieving objectives**

When reviewing the aims of the Charity and planning its objectives, the Trustees considered the requirements set out by the Charity Commission relating to public benefit.

The Charity has, for over 50 years, supported medical and dental research at King's College Hospital NHS Foundation Trust ("KCH") and The King's College London ("KCL") Faculty of Life Science and Medicine ("the Faculty").

KCH provides a full range of hospital services for over 700,000 people in the London boroughs of Lambeth and Southwark and the Faculty plays a key role in the training and education of medical, dental and nursing students.

The Charity's main objective is to support medical research projects, principally undertaken by postgraduate students, which are nominated by the Joint Research Committee of KCH and the Faculty and also to contribute to capital projects for the provision of new research facilities on the Denmark Hill campus. The objectives of such research by clinicians and scientists is to bring about improvements in the understanding and treatment of various medical conditions and thus to improve care for patients at KCH and elsewhere.

## **The King's Medical Research Trust**

### **Trustees' report (continued) for the year ended 31 March 2020**

#### **• Funding**

Funding comes primarily from dividend income and interest on deposits, together with legacies and public donations.

#### **• Grant making policies**

Regular grants have generally been awarded each year for research at KCH and the Faculty after consultation with its Joint Research Committee.

### **Achievements and performance**

#### **• Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Despite the additional challenges of Covid-19 in 2020 the Trustees are of the opinion that the Charity will still have sufficient resources to meet its liabilities as they fall due. For this reason they continue to adopt the going concern basis in preparing the financial statements.

#### **• Review of activities**

Investment income and legacies were the main sources of income for the year for unrestricted funds. It continues to be difficult to raise funds from the public with so many charities competing for available monies during these times. Legacy income received this year was £nil (2019: £nil) and donations received in the year were £818 (2019: £2,418). The full financial statements are set out in the following accounts.

The funds of the Charity decreased by £513,325 to £471,790 (2019: £985,115).

The Charity's income for the year was £53,593 (2019: £70,244).

#### **• Investment policy and performance**

The Trust Deed provides full and unrestricted powers of investment to the Trustees.

The management of the investment portfolio has continued to be conducted by Cazenove Capital Management Limited. The fund is invested on a total return basis.

The performance of the Investment Managers is assessed by comparing their performance against benchmarks set by the Trustees, namely UK equities are measured against the FTSE All Share index, and UK Bonds against the FTSE All Stocks Index. The Trustees consider the performance during the year as satisfactory, considering the economic climate.

### **Financial review**

#### **• Reserves policy**

It has been the policy of the Charity to maintain unrestricted funds at a level which is sufficient to generate the amount of income which together with the funds of Kings Medical Research Trust, meets the targeted annual grants required by the Trustees and the management and administration costs. The level of the Reserves which the Trustees deem necessary to achieve their objectives is £250,000. At 31<sup>st</sup> March 2020 the fixed asset investments held by the charity suffered in value due to the situation with Coronavirus and Covid-19 in 2020. This situation has been seen to improve through to the date of signing of these accounts and the Trustees reasonably consider the adverse effect of this on the charity's ability to meet the set level of Reserves as at 31<sup>st</sup> March 2020 to be temporary. The Trustees do not consider a review of the reserves policy to be necessary.

## **The King's Medical Research Trust**

### **Trustees' report (continued) for the year ended 31 March 2020**

#### **Future developments**

The Trustees will continue to raise funds for research projects being conducted within the KCL Faculty.

#### **Trustees' responsibilities statement**

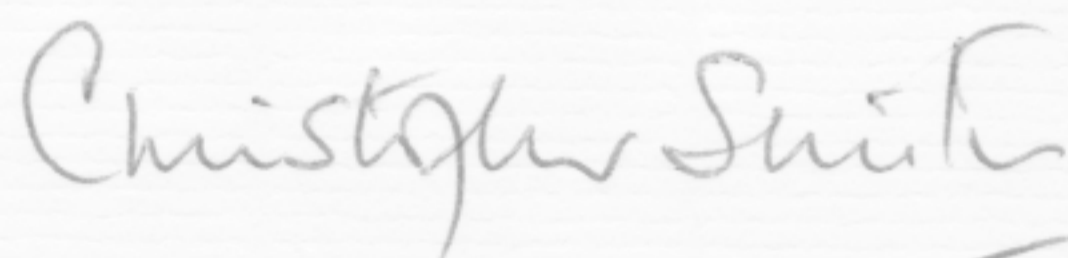
The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Charity and of the incoming resources and application of resources of the Charity 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 accounting estimates that are reasonable and prudent;
- 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 proper accounting records that are sufficient to show and explain the Charity's transactions and 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, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. 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.

This report was approved by the Trustees, on 11<sup>th</sup> January 2021 and signed on their behalf by:



**Christopher Smith, Chairman  
Trustee**

## **The King's Medical Research Trust**

### **Independent examiner's report for the year ended 31 March 2020**

#### **Independent examiner's report to the Trustees of The King's Medical Research Trust**

I report to the charity trustees on my examination of the accounts of The King's Medical Research Trust for the year ended 31 March 2020, which are set out on pages 6 to 14.

#### **Responsibilities and basis of report**

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

I report in respect of my examination of the Trustee's accounts carried out under section 145 of the 2011 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 2011 Act.

#### **Independent examiner's statement**

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:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts 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.

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 accounts to be reached.



Michael Dunkley FCA  
Dunkley's  
Woodlands Grange  
Woodlands Lane  
Bradley Stoke  
Bristol  
BS32 4JY

Date: ..... 11 January 2021

# The King's Medical Research Trust

## Statement of financial activities for the year ended 31 March 2020

	Note	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>				
Donations and legacies	2	818	818	2,418
Investments	3	<u>52,775</u>	<u>52,775</u>	<u>67,826</u>
<b>Total income</b>		<u>53,593</u>	<u>53,593</u>	<u>70,244</u>
<b>Expenditure on:</b>				
Raising funds		11,177	11,177	15,926
Charitable activities	4	<u>324,634</u>	<u>324,634</u>	<u>331,354</u>
<b>Total expenditure</b>		<u>335,811</u>	<u>335,811</u>	<u>347,280</u>
<b>Net loss before investment (losses)/gains</b>		(282,218)	(282,218)	(277,036)
Net (losses)/gains on investments	9	<u>(231,107)</u>	<u>(231,107)</u>	<u>46,350</u>
<b>Net expenditure before other recognised gains and losses</b>		(513,325)	(513,325)	(230,686)
<b>Net movement in funds</b>		(513,325)	(513,325)	(230,686)
<b>Reconciliation of funds:</b>				
Total funds brought forward		<u>985,115</u>	<u>985,115</u>	<u>1,215,801</u>
<b>Total funds carried forward</b>		<u>471,790</u>	<u>471,790</u>	<u>985,115</u>

The notes on pages 8 to 14 form part of these financial statements.

# The King's Medical Research Trust

## Balance sheet as at 31 March 2020

	Note	£	2020 £	£	2019 £
<b>Fixed assets</b>					
Investments	9		1,414,788		1,861,702
<b>Current assets</b>					
Cash at bank and in hand		47,224		82,662	
<b>Creditors:</b> amounts falling due within one year	10	(583,572)		(746,209)	
<b>Net current liabilities</b>			(536,348)		(663,547)
<b>Total assets less current liabilities</b>			878,440		1,198,155
<b>Creditors:</b> amounts falling due after more than one year	11	(406,650)		(213,040)	
<b>Net assets</b>			471,790		985,115
<b>Charity Funds</b>					
Unrestricted funds	12		471,790		985,115
<b>Total funds</b>			471,790		985,115

The financial statements were approved by the Trustees on

11.01.21

and signed on their behalf, by:

*Christopher Smith*

Christopher Smith, Chairman

*Shena Tait*

Shena Tait, Trustee

The notes on pages 8 to 14 form part of these financial statements.

**Notes to the financial statements  
for the year ended 31 March 2020**

**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

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 the Charities SORP (FRS 102) published 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.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. 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 Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

The King's Medical Research Trust constitutes a public benefit entity as defined by FRS 102.

**1.2 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**1.3 Income**

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

**Notes to the financial statements  
for the year ended 31 March 2020**

**1. Accounting policies (continued)**

**1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the Charity. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Costs of raising funds are comprised of the costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds and their supported costs.

Charitable activities and Governance costs are costs incurred on the Charity's educational operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

**1.5 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

The Trustees have decided that cash held in the capital account of the investment portfolio is primarily used for re-investment and, as such, should be included in the investment value.

**1.6 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

**Notes to the financial statements  
for the year ended 31 March 2020**

**1. Accounting policies (continued)**

**1.7 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.8 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.9 Financial instruments**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.10 Critical accounting estimates and areas of judgment**

Estimates and judgments 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.

**2. Income from donations and legacies**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Donations	<b>750</b>	<b>750</b>	2,250
Deeds of covenant and gift aid	<b>68</b>	<b>68</b>	168
Total	<b>818</b>	<b>818</b>	2,418
<i>Total 2019</i>	<i>2,418</i>	<i>2,418</i>	

# The King's Medical Research Trust

## Notes to the financial statements for the year ended 31 March 2020

### 3. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Dividends received	52,775	52,775	67,826
Total	52,775	52,775	67,826
Total 2019	67,826	67,826	

### 4. Analysis of expenditure on charitable activities

	Medical research £	Total 2020 £	Total 2019 £
Grant funding (see note 6)	321,094	321,094	325,320
Support costs (see note 5)	2,100	2,100	2,674
Governance costs (see note 7)	1,440	1,440	3,360
Total	324,634	324,634	331,354
Total 2019	331,354	331,354	

All expenditure is unrestricted.

### 5. Support costs

	Medical research £	Total 2020 £	Total 2019 £
Consultant and accountancy costs	2,100	2,100	2,649
Bank charges	-	-	25
Total	2,100	2,100	2,674
Total 2019	2,674	2,674	

# The King's Medical Research Trust

## Notes to the financial statements for the year ended 31 March 2020

### 6. Analysis of grants

	<b>Grants to Institutions 2020 £</b>	<b>Total 2020 £</b>	<i>Total 2019 £</i>
Grants, Medical research	<b>321,094</b>	<b>321,094</b>	325,320
<i>Total 2019</i>	325,320	325,320	

### Breakdown of grants

	<b>2020 £</b>	<i>2019 £</i>
King's College London	<b>321,094</b>	325,320

### 7. Governance costs

	<b>Unrestricted funds 2020 £</b>	<i>Total funds 2019 £</i>
Independent Examiners' fee	<b>1,440</b>	3,360

### 8. Net income/(expenditure)

During the year, no Trustees received any remuneration, benefits in kind or reimbursement of expenses (2019 - £NIL).

### 9. Fixed asset investments

	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Market value at the start of the year	<b>1,861,702</b>	2,092,210
Add: additions to investments at cost	<b>376,305</b>	526,034
Disposals at carrying value	<b>(582,204)</b>	(820,595)
Revaluations	-	-
Add: net gain/ (loss) on revaluation	<b>(231,107)</b>	46,350
Movement in cash	<b>(9,908)</b>	17,703
Market value at the end of the year	<b>1,414,788</b>	1,861,702

Notes to the financial statements  
for the year ended 31 March 2020

9. Fixed asset investments (continued)

Investments at fair value comprised:

	UK £	Overseas £	2020 £	2019 £
Listed investments (Equities)	641,596	517,561	1,159,157	1,520,123
Bonds	82,597	-	82,597	94,798
Cash held within the investment portfolio	173,034	-	173,034	246,781
	<b>897,227</b>	<b>517,561</b>	<b>1,414,788</b>	<b>1,861,702</b>

Investments are all carried at fair value and are traded in quoted public markets.

Material Investments

	31 March 2020 £	31 March 2019 £
Majedie UK Equity Fund	113,226	158,411
Trojan Income Fund	152,492	197,347
Vanquard S+P 500 ETF	135,349	150,700
Charity Equity Value Fund	125,671	196,267
Charity Equity Income Fund	116,687	181,179
Merian UK Alpha Fund	-	169,078
M&G Global Dividend Fund	-	118,113
Vanguard FTSE UK	133,520	-

10. Creditors: Amounts falling due within one year

	2020 £	2019 £
Accruals	583,572	746,209

11. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Accruals	406,650	213,040

# The King's Medical Research Trust

## Notes to the financial statements for the year ended 31 March 2020

### 12. Statement of funds

#### Statement of funds - current year

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2020 £
<b>Unrestricted funds</b>					
General Fund	985,115	53,593	(335,811)	(231,107)	471,790

#### Statement of funds - prior year

	Balance at 1 April 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2019 £
<b>Unrestricted funds</b>					
General Fund	1,215,801	70,244	(347,280)	46,350	985,115

### 13. Analysis of net assets between funds

#### Analysis of net assets between funds - current year

	Unrestricted funds 2020 £
Fixed asset investments	1,414,788
Current assets	47,224
Creditors due within one year	(583,572)
Creditors due in more than one year	(406,650)
	<b>471,790</b>

#### Analysis of net assets between funds - prior year

	Unrestricted funds 2019 £
Fixed asset investments	1,861,702
Current assets	82,662
Creditors due within one year	(746,209)
Creditors due in more than one year	(213,040)
	<b>985,115</b>

### 14. Related party transactions

There were no related party transactions in the year.