
THE THROMBOSIS RESEARCH INSTITUTE
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

THE THROMBOSIS RESEARCH INSTITUTE
(A Company Limited by Guarantee)

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TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020

Trustees

Miss Joanna Kaye (resigned 14 September 2020)
Mr Patrick Burgess OBE DL, Chair
Sir Guy Weston
Dr Jeffrey Herbert
Sir Martin Sorrell (resigned 17 September 2020)
Lord David Neuberger PC
Dr The Revd Sir Ralph Waller KBE

THE THROMBOSIS RESEARCH INSTITUTE
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2020

Company registered number

02161565

Charity registered number

800365

Registered office

10 St Bride Street, London, EC4A 4AD

Company secretary

Mrs Diana Rawstron

Director of the Institute

Rt Hon Professor the Lord Kakkar, PC

Independent auditors

Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG

Bankers

Coutts & Co, 440 Strand, London, WC2R 0QS

C. Hoare & Co, 37 Fleet Street, London, EC4P 4DQ

Solicitors

Goodman Derrick LLP, 10 St Bride Street, London, EC4A 4AD

THE THROMBOSIS RESEARCH INSTITUTE
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2020

The Trustees present their annual report together with the audited financial statements of the group and the company, The Thrombosis Research Institute for the year 1 August 2019 to 31 July 2020. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) Second Edition, effective 1 January 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and organisational structure

The Institute is registered as a company limited by guarantee and is constituted under a Memorandum of Association dated 4 September 1987 and is a registered charity number 800365.

The Institute is administered by a Board of unpaid directors, who are also the Charity Trustees, and they are responsible for the overall management and control of the Institute. The number of Trustees of the Board should be between three and twelve. They meet at least three times a year to formulate the policies for the Institute research, and to approve the budgets, annual accounts and reports. During the current and previous year, no Trustees received any remuneration, benefit in kind or any reimbursed expenses.

The Director of the Institute is responsible for the implementation of policies agreed by the Trustees.

The day to day running of the Institute is delegated to the Director of the Institute, The Rt Hon Professor the Lord Kakkar, who keeps the Board fully informed between meetings.

Method of appointment or election of Trustees

Trustees are appointed as vacancies arise based upon an assessment of key skills required from amongst board members. Individuals are appointed for their relevant skills and their potential for guiding the Institute forward. The appointment is adopted by a vote of the entire Board of Trustees.

Policies adopted for the induction and training of Trustees

New trustees normally meet with the Institute Director and the Chair of the Trustees and members of the finance and research staff. Together they present the new trustees with background information about the Institute and other relevant information.

The Trustees bring under review the skills required by the Institute's Board from time to time, and ensure that their composition covers all necessary areas.

The trustees receive regular training by keeping up to date with Charity Commission updates and publications. Further training is available upon request.

Volunteers

All the members of the Board of Trustees are volunteers. None of them hold contracts with the Institute.

Related party relationships

The Thrombosis Research Institute is connected with the Thrombosis Research Trust (a charitable trust which is a registered charity no. 275275) which has the object of promoting and funding research into the prevention and treatment of thrombosis disease, and which it fulfils by supporting the Thrombosis Research Institute.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2020

At the year-end, all the Trustees of the Institute were also Trustees of Thrombosis Research Trust.

Policies and objectives

The Thrombosis Research Institute's key objectives are to develop and extend research into thrombosis and to disseminate the results thereof to the public and to enhance medical research generally in order to improve clinical outcomes for those at risk of thrombosis and related disorders. In setting the objectives, the Trustees confirm that they have complied with the duty imposed by section 17 of the Charities Act 2011 pursuant to which they are obliged to have due regard to public benefit guidance published by the Charity Commission, in deciding the Institute's activities.

Aims of the Institute and mission statement

The Thrombosis Research Institute aspires to remain a world leader in conquering thrombosis through the combined excellence in research, therapeutic innovation and education. To achieve these aims, the Trustees have set the following objectives:

- To perform clinical research to improve the scope of antithrombotic drugs used to prevent and treat thrombosis, extending their use in diseases not currently addressed by treatment guidelines where thrombosis is a common problem, thus reducing substantially deaths from cardiovascular disease and cancer.
- To carry out fundamental laboratory research into how natural anticlotting molecules affect the behaviour of cells and how these can be manipulated to treat heart attacks, strokes, cancers and inflammation.
- To organise a series of educational symposia, bringing together leaders throughout the world in thrombosis research with practicing clinicians to disseminate the results of research and rapidly improve patient care.

The benefits arising from these objectives will be a better understanding of thrombosis, and improvements in possible prevention and treatment of this global health problem for all. There will be significant economic benefits to worldwide healthcare systems of reducing the number of thrombosis sufferers, and beneficiaries of improved treatments can look forward to a longer life expectancy. Without ongoing research, deaths from cardiovascular related disease and cancer will continue to increase and extended care for long-term illnesses resulting from thrombotic problems will place additional burden on finite healthcare resources.

Strategies for achieving objectives

The Board of Trustees maintain dedicated research facilities of the highest standard to enable its scientific staff to pursue basic and clinical research that fulfils the Institute's objectives.

Grant making policies

The Institute awards grants to various individuals to enable them to study in the field of thrombosis research. It also funds research in other countries. The Institute paid grants in the year totalling £23,536 (2019: £16,889) to the Department of Molecular Immunology, University of Szeged (Hungary) who are collaborating with the Institute in the vaccine development project.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Review of activities

The Institute continues to deliver a multidisciplinary research programme in the field of venous and arterial thromboembolic disorders.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2020

Laboratory research addresses the immunology of atherosclerosis with the ongoing objective of developing a 'vaccine against atheroma'. This programme encompasses discovery and translational elements including the discovery and early evaluation of novel biomarkers to predict atherosclerotic risk and burden.

The programme of laboratory research in cancer associated thrombosis remains focused on elucidating the cellular biology of heparins with a view to better understanding their potential in the management of patients with solid tumour malignancy.

Collaborations continue in clinical research programmes evaluating novel strategies for the prevention and treatment of venous thromboembolic disease and arterial thrombosis.

The Institute remains committed to large population based studies to evaluate clinical outcomes in patients with newly diagnosed atrial fibrillation and acute venous thromboembolism. The programmes conducted in 35 countries and 1100 sites for the atrial fibrillation programme and 25 countries and 450 sites in the venous thromboembolic programme continue to provide fascinating insights into 'real-world' outcomes in these important patient populations.

The Institute continues to support educational activities by regularly bring together clinicians and scientists in the field of thromboembolic disease.

The Trustees anticipate that the current programmes of research that are now well established will continue to deliver important contributions in the coming years.

COVID 19 Research activities

COVID 19 is associated with a high frequency of thromboembolic complications. The Institute has initiated the ETHIC study to evaluate the benefit of early anticoagulant intervention with low molecular weight Heparin in patients with newly diagnosed COVID 19 in the community setting to determine its impact on rates of hospitalisation and death in these patients. The study is being conducted globally using the Institute's established clinical trials network.

The Institute's established small peptide vaccine platform for its atheroma program has been adapted to develop small peptide vaccine candidates for the SARS Cov 2 virus and its emerging variants which it is hoped might represent a novel approach for the prevention and treatment of this and other zoonotic infections.

Fundraising activities/income generation

The Trustees regularly review the opportunities, and are currently in the process of identifying projects for specific funding. There is an ongoing programme for fundraising. Funds are raised through grant and sponsorship applications and fundraising from the public is not actively pursued. The Institute does not employ on contract dedicated fund raising staff. The scientific leadership are responsible for all fund raising.

Investment policy and performance

For the year under review, the Institute's endowment funds were placed with Ruffer LLP for long-term investment in the stock markets. Surplus operational funds were placed on call deposits with its banks. Investments increased by £134,676 in the year, which represents a significant recovery following the start of the pandemic when stock markets fell. The total return on the investments has been 22.5% over 3 years and 35.5% over 5 years, which the trustees consider to be a good performance.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2020

Principal risks and uncertainties

The Board of Trustees undertake a thorough evaluation of risks on an annual basis through audit and revision of the corporate risks register.

Evaluation of risk is undertaken recognising the nature of the charity's work as an active biomedical research institute conducting basic, clinical and observational research on a global basis.

Principal risks include:

Financial:

being able to attract continuing funding for research projects is critically important. This risk is mitigated by close financial monitoring, financial planning and project based cost centres. Independent investment advice guides the investment of the Institute's assets. The Institute carries full insurance covering its assets and activities.

Research conduct:

all research projects are carefully evaluated and for those involving human subjects supervised by an independent steering committee of globally recognised experts, and independent audit of the programs is conducted. All research outputs are carefully evaluated to ensure intellectual property is protected. Data protection is ensured through rigorous technology systems selection and security measures.

Health and safety:

the Institute is subject to stringent environmental and health and safety laws and regulations covering its employees and research work. Comprehensive training is given to all employees where required, and the Institute carries out full compliance reporting through appropriate channels to ensure it meets and exceeds its obligations.

Reputation and charitable status:

protection of its reputation and registered charity status are of paramount importance, and robust protocols are in place to ensure neither are damaged.

Key staff:

Attracting and retaining talented staff with the necessary skills in a competitive employment market including substantial competition for staff with the commercial life sciences sector and global academic institutions is recognised to be an increasing challenge.

Where possible this risk is mitigated through active staff engagement and communication; continuing professional development to inform and assist in career progression within the Institute; and the external benchmarking of compensation and benefits for staff.

COVID 19:

COVID 19 has had a substantial impact on worldwide medical research and the Trustees continue to monitor its potential long term impact on the conduct of global clinical studies.

BREXIT:

Brexit may have substantial implications for the conduct of clinical research in Europe by organisations outside the European Union.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Institute has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2020

the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

The accounts are approved during a period where there is much uncertainty as a result of the international spread of a coronavirus (COVID-19). The Institute's response has been to implement its contingency planning arrangements for such circumstances in order to remotely deliver its first class research. The Institute will therefore continue to serve its research partners, while still able to look after the well-being of its staff. As part of contingency planning, remote systems of delivery have been implemented, staff have been trained and the delivery has been successfully trialled. The ultimate impact of COVID-19 on the UK, the world, the economy and the Institute is yet to be seen. However, through appropriate consideration of risks as part of its normal risk management processes and mitigating actions both already taken and available to be taken, the trustees consider it appropriate for the going concern basis to be adopted for these accounts.

Reserves policy

The Institute is engaged in carrying out scientific research and clinical trials which require it to maintain a state of the art research facility, and for which the Trustees consider it prudent to maintain reserves where possible of not less than one year's running expenses. Given the levels of unrestricted annual expenditure of £7,538,886 in order to carry out its activities this year, the Trustees consider it is prudent to maintain the unrestricted reserves of £13,817,427 currently retained, representing funds that have been hypothecated to particular projects for which grants have been received. The Trustees monitor the position of the Institute reserves regularly at their meetings.

Total funds stood at £16,169,933 at 31 July 2020, which consisted of unrestricted funds of £13,817,427, endowment funds of £2,111,708 and £240,708 of restricted funds. Within the unrestricted funds there were £2,059,071 of designated funds (see below) and £11,758,356 of general funds.

The charity has set up a designated Fixed Asset Funds which represents the net book value of fixed assets. The charity holds endowment funds - The Garfield Weston Fund, the Margaret Thatcher Fund and the Emmanuel Kaye Fund. Details of these and the restricted funds can be found in note 14 to the financial statements.

Financial Review

The Institute continues to raise funds for its core and educational activities. As a result of reduced interest rates, investment income, which derives from bank deposits, has remained low. The charity's principal funding has come from donations and from research programmes as described in the review of activities.

Income in the year amounted to £6,931,391 (2019: £13,353,391) and net expenditure before investment gains was £607,029 (2019: net income of £2,481,532). After investment gains, net expenditure amounted to £472,353 (2019: £2,480,447). This has reduced unrestricted funds at the year-end to £13,817,427 (2019: £14,412,433).

The Trustees consider the financial health of the Institute to be good. The Institute continues to attract funds to support its activities of research and education.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2020

Subsidiary

Thrombosis Research Trust has a subsidiary - Cyte Limited, which carries out clinical trials on behalf of the Institute. During the year under review it continued to carry out trials in respect of the Garfield and River Registries. These trials came to an end during the year and the company are now pursuing other opportunities. Details of their financial performance can be seen in note 18 to the financial statements.

Thrombosis Research Trust (and Cyte Limited) has been consolidated in these accounts on the basis of common control. The Trust's objective is to support the work of the Institute. Its income consists of investment income only.

Future developments

The Trustees will continue to raise funds to support the core objectives. Venous thrombosis remains the commonest avoidable cause of hospital deaths, and arterial thrombosis as manifest by heart attacks and strokes is one of the most important and fastest growing public health challenges in developing economies. The research programme therefore remains of the highest relevance.

The long-term clinical research project into the worldwide incidence and treatment of atrial fibrillation and outcome in clinical practice continues to be part of the research programme, the results of which will be of great significance to global health practice.

Pay policy for senior staff

The Institute is a medical research charity operating to deliver an ambitious research mission. In order to achieve that ambition, it is imperative that the charity can attract and retain individuals with an appropriate range of skills and experience to support the effective delivery of its strategy on a global basis.

Salaries for the senior management team are set and reviewed annually by the board of trustees.

As a medical research charity, the Institute receives the support of key stakeholders for its basic research and clinical trials. The charity does not employ a team of fundraisers to generate donations from the general public. The charity's corporate supporters continue to support the Institute because of the quality of its research outputs delivered by key scientists. The remuneration policy is designed to provide a reward framework which allows the charity to offer an appropriate and competitive rate of pay, without providing for excessive levels of reward. The board uses market data to define an external market benchmark establishing a reference point which is taken into account when considering an appropriate rate of pay for a given role. The external comparators for this purpose are chosen to reflect the sector in which the charity operates, but also the commercial challenges to its activities with regard to competing for staff. Total pay is targeted below levels within the commercial life sciences sector with which it regularly competes for staff but above levels paid at similar-sized charities due to the specialist nature of the work. The Trustees believe this to be an appropriate position to adopt given the competitive environment in which it operates with regard to attracting and retaining key staff as well as recognising its status as a registered charity. As a general principle, remuneration is set no higher than is necessary to recruit, retain, and support the charity's aims and objectives.

TRUSTEES' RESPONSIBILITIES

The Trustees (who for the purposes of company law are directors of The Thrombosis Research Institute) 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).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Institute and of the incoming resources and application of resources, including

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2020

the income and expenditure, of the Institute 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;
- 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 Institute will continue in operation.

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Institute and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Institute and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Institute's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Provision of information to Auditors

So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the Institute's auditors are unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Haysmacintyre LLP have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the next annual general meeting.

This report was approved by the Trustees, on 4 March 2021 and signed on their behalf by:

Patrick Burgess

Patrick Burgess, Chair

THE THROMBOSIS RESEARCH INSTITUTE
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE THROMBOSIS RESEARCH INSTITUTE

Opinion

We have audited the financial statements of The Thrombosis Research Institute (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 July 2020 which comprise the group Consolidated Statement of Financial Activities incorporating Income and Expenditure Account, the group Consolidated Balance Sheet, the group Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 July 2020 and of the group's net movement in funds, including its income and expenditure for the year then 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 Companies Act 2006.

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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 group's or the parent charitable company'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.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE THROMBOSIS RESEARCH INSTITUTE

inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Group Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; 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 (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE THROMBOSIS RESEARCH INSTITUTE

Auditors' responsibilities for the audit of the financial statements

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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Murtaza Jessa (Senior Statutory Auditor)
for and on behalf of
Haysmacintyre LLP
Statutory Auditors
10 Queen Street Place
London
EC4R 1AG
Date: 26 April 2021

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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2020**

	Note	Endowment funds 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income and endowments from:						
Donations and legacies	2	-	-	61,318	61,318	500,750
Charitable activities	3	-	-	6,787,522	6,787,522	12,798,564
Investments		-	-	25,758	25,758	14,491
Other income		-	-	57,259	57,259	39,586
Total income and endowments		-	-	6,931,857	6,931,857	13,353,391
Expenditure on:						
Charitable activities	4	-	12,023	7,526,863	7,538,886	10,871,859
Total expenditure		-	12,023	7,526,863	7,538,886	10,871,859
Net (expenditure)/income before investment gains/(losses)		-	(12,023)	(595,006)	(607,029)	2,481,532
Net gains/(losses) on investments	10	134,676	-	-	134,676	(1,085)
Net (expenditure)/income before other recognised gains and losses		134,676	(12,023)	(595,006)	(472,353)	2,480,447
Net movement in funds		134,676	(12,023)	(595,006)	(472,353)	2,480,447
Reconciliation of funds:						
Total funds brought forward		1,977,122	252,731	14,412,433	16,642,286	14,161,839
Total funds carried forward		2,111,798	240,708	13,817,427	16,169,933	16,642,286

The notes on pages 17 to 42 form part of these financial statements.

All operations are continuing.

There are no other gains/losses other than as shown in the Statement of Financial Activities.

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REGISTERED NUMBER: 02161565

CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2020

	Note	£	2020 £	£	2019 £
Fixed assets					
Tangible assets	9		2,059,071		2,184,451
Investments	10		2,112,640		1,977,964
			<u>4,171,711</u>		<u>4,162,415</u>
Current assets					
Debtors	11	763,642		2,513,415	
Cash at bank and in hand		13,042,490		17,295,076	
		<u>13,806,132</u>		<u>19,808,491</u>	
Creditors: amounts falling due within one year	12	(1,709,395)		(7,239,705)	
Net current assets			<u>12,096,737</u>		<u>12,568,786</u>
Total assets less current liabilities			<u>16,268,448</u>		<u>16,731,201</u>
Creditors: amounts falling due after more than one year	13		(98,515)		(88,915)
Net assets			<u>16,169,933</u>		<u>16,642,286</u>
Charity Funds					
Endowment funds	14		2,111,798		1,977,122
Restricted funds	14		240,708		252,731
Unrestricted funds	14		13,817,427		14,412,433
Total funds			<u>16,169,933</u>		<u>16,642,286</u>

The financial statements were approved and authorised for issue by the Trustees on 4 March 2021 and signed on their behalf, by:

Patrick Burgess

Patrick Burgess, Chair

The notes on pages 17 to 42 form part of these financial statements.

The income of the charity only, amounted to £8,690,133 (2019: £13,543,466) and net expenditure was £471,168 (2019: net income of £45,191)

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REGISTERED NUMBER: 02161565

COMPANY BALANCE SHEET
AS AT 31 JULY 2020

	Note	£	2020 £	£	2019 £
Fixed assets					
Tangible assets	9		2,059,071		2,184,451
Investments	10		2,112,640		1,977,964
			<u>4,171,711</u>		<u>4,162,415</u>
Current assets					
Debtors	11	2,804,027		4,965,088	
Cash at bank		10,278,149		14,660,308	
		<u>13,082,176</u>		<u>19,625,396</u>	
Creditors: amounts falling due within one year	12	(1,093,362)		(7,165,719)	
Net current assets			<u>11,988,814</u>		<u>12,459,677</u>
Total assets less current liabilities			<u>16,160,525</u>		<u>16,622,092</u>
Creditors: amounts falling due after more than one year	13		(684,847)		(675,247)
Net assets			<u>15,475,678</u>		<u>15,946,845</u>
Charity Funds					
Endowment funds			2,111,798		1,977,122
Restricted funds			240,708		252,731
Unrestricted funds			13,123,172		13,716,992
Total funds			<u>15,475,678</u>		<u>15,946,845</u>

The financial statements were approved and authorised for issue by the Trustees on 4 March 2021 and signed on their behalf, by:

Patrick Burgess

Patrick Burgess, Chair

The notes on pages 17 to 42 form part of these financial statements.

THE THROMBOSIS RESEARCH INSTITUTE
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	16	<u>(4,240,520)</u>	<u>(3,517,016)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		25,758	14,491
Purchase of tangible fixed assets		<u>(37,824)</u>	<u>(208,780)</u>
Net cash used in investing activities		<u>(12,066)</u>	<u>(194,289)</u>
Change in cash and cash equivalents in the year		(4,252,586)	(3,711,305)
Cash and cash equivalents brought forward		<u>17,295,076</u>	<u>21,006,381</u>
Cash and cash equivalents carried forward	17	<u>13,042,490</u>	<u>17,295,076</u>

The notes on pages 17 to 42 form part of these financial statements.

THE THROMBOSIS RESEARCH INSTITUTE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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) Second Edition, effective 1 January 2019 - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Thrombosis Research Institute meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the company alone as permitted by section 408 of the Companies Act 2006.

After reviewing the forecasts, liquidity position as well as the potential impact of COVID-19 on the charity, the trustees consider there to be no material uncertainties about the charity's ability to continue as a going concern. The trustees therefore continue to adopt the going concern basis in preparing the financial statements.

1.2 Basis of consolidation

The financial statements consolidate the accounts of The Thrombosis Research Institute and its subsidiary undertakings ('subsidiaries') as named in note 10 to these financial statements and Thombosis Research Trust, which has been consolidated on the basis of common control.

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.

1.3 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Plant & Machinery	-	25% reducing balance
Motor Vehicles	-	25% reducing balance

THE THROMBOSIS RESEARCH INSTITUTE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

1. Accounting Policies (continued)

1.4 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 'Net gains/(losses) on investments' in the Statement of Financial Activities.

1.5 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

1.6 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.7 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 company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company 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.

THE THROMBOSIS RESEARCH INSTITUTE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

1. Accounting Policies (continued)

1.8 Income

All income is recognised once the company 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 company 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 company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company 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 investment income is recognised at the time the investment income is receivable.

1.9 Grant making

The Institute awards grants to various individuals to enable them to study in the field of thrombosis research and also funds research in other countries. During the year, grants were given to enable research to be carried out in Hungary.

1.10 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.

Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

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

THE THROMBOSIS RESEARCH INSTITUTE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

1. Accounting Policies (continued)

1.11 Estimation uncertainty

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year apart from the following:

In respect of the pension schemes, FRS 102 makes the distinction between a Group Plan and a multi-employer scheme. A Group Plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in profit or loss. The directors are satisfied that the scheme provided by USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

1.12 Interest receivable

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

1.13 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.14 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.

1.15 Pensions

The company operates 3 defined benefits pension schemes for staff employed prior to 1st January 2009 and the pension charge is based on actuarial valuations. The schemes are multi-employer schemes where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employers. Therefore, as required by FRS102, the company accounts for this scheme as if it was a defined contribution scheme. The amount charged to the Statement of Financial Activities represents contributions payable to the scheme in respect of the accounting period.

THE THROMBOSIS RESEARCH INSTITUTE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

1. Accounting Policies (continued)

For staff employed since 1st January 2009, the Institute operates a defined contribution Group Personal Pension Plan.

Defined benefit schemes

The Institute is a participating employer in the Superannuation Arrangements of the University of London (SAUL), Universities Superannuation Scheme (USS) and NHS Pension Scheme details of which are given in note 20. All schemes are centralised defined benefit schemes, and are contracted out of the State Earnings Related Pension Scheme.

Throughout the current and preceding periods, the SAUL and USS schemes were defined benefit only pension schemes until 31 March 2016 which were contracted out of the State Second Pension (S2P). The assets of the schemes are held in separate trustee-administered funds. Because of the mutual nature of the schemes, the schemes' assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The Institute is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the income and expenditure account represents the contributions payable to the schemes in respect of the accounting period. Since the Institute has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the Institute recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the income and expenditure account.

The SAUL and USS schemes are "last man standing" schemes so that in the event of insolvency of any of the participating employers in SAUL or USS respectively, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation.

Each scheme is formally valued every three years by a professionally qualified independent actuary using the Projected Unit Method. Informal reviews of the position are carried out between formal valuations. Pension costs are assessed in accordance with the advice and recommendations of the actuary based on the latest valuations of the schemes. The expected cost of providing pensions is charged to the SOFA so as to spread the cost over the service lives of employees in such a way that the pension costs equal the annualised long term cash outlay to the scheme.

1.16 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 company 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.

THE THROMBOSIS RESEARCH INSTITUTE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

1. Accounting Policies (continued)

1.17 Financial instruments

The company 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.

2. Income from donations and legacies

	Total funds 2020 £	<i>Total funds 2019 £</i>
General donations	61,318	<i>500,750</i>

2019 income was all unrestricted.

3. INCOME FROM CHARITABLE ACTIVITIES

	2020 £	<i>2019 £</i>
Research	6,787,522	<i>12,798,564</i>
Education and symposia	-	<i>-</i>
	6,787,522	<i>12,798,564</i>

2019 income was all unrestricted.

THE THROMBOSIS RESEARCH INSTITUTE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

4. EXPENDITURE - 2020

	Direct - staff costs £	Direct - other costs £	Support costs £	Total 2020 £	Total 2019 £
Charitable activities					
Research	2,382,177	3,531,669	1,521,754	7,435,600	10,774,977
Education and symposia	70,218	-	18,068	88,286	83,332
Sub total	<u>2,452,395</u>	<u>3,531,669</u>	<u>1,539,822</u>	<u>7,523,886</u>	<u>10,858,309</u>
Other costs					
Governance	-	15,000	-	15,000	13,550
Raising funds	-	-	-	-	-
Total	<u>2,452,395</u>	<u>3,546,669</u>	<u>1,539,822</u>	<u>7,538,886</u>	<u>10,871,859</u>

In 2019 £113,683 was spent from restricted funds and £10,758,176 was spent from unrestricted funds.

EXPENDITURE - 2019

	Direct- staff costs £	Direct - other costs £	Support costs £	Total 2019 £	Total 2018 £
Charitable activities					
Research	2,228,491	7,002,787	1,543,699	10,774,977	13,494,843
Education and symposia	75,802	-	7,530	83,332	75,712
Sub total	<u>2,304,293</u>	<u>7,002,787</u>	<u>1,551,229</u>	<u>10,858,309</u>	<u>13,570,555</u>
Other costs					
Governance	-	13,550	-	13,550	13,500
Raising funds	-	-	-	-	42,120
Total	<u>2,304,293</u>	<u>7,016,337</u>	<u>1,551,229</u>	<u>10,871,859</u>	<u>13,626,175</u>

THE THROMBOSIS RESEARCH INSTITUTE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

5. SUPPORT COSTS - 2020

	Research £	Education & Symposia £	Governance £	2020 £	2019 £
Staff costs	818,714	9,721	-	828,435	835,132
Premises costs	353,012	4,191	-	357,203	382,049
Other costs	350,028	4,156	-	354,184	334,048
Total	<u>1,521,754</u>	<u>18,068</u>	<u>-</u>	<u>1,539,822</u>	<u>1,551,229</u>

SUPPORT COSTS - 2019

	Research £	Education & Symposia £	Governance £	2019 £	2018 £
Staff costs	831,079	4,053	-	835,132	875,534
Premises costs	380,194	1,855	-	382,049	410,134
Other costs	332,426	1,622	-	334,048	384,766
Total	<u>1,543,699</u>	<u>7,530</u>	<u>-</u>	<u>1,551,229</u>	<u>1,670,434</u>

6. GOVERNANCE COSTS

	2020 £	2019 £
Staff costs	-	-
Audit fees	15,000	13,550
Support costs	-	-
Total	<u>15,000</u>	<u>13,550</u>

7. NET INCOME/ EXPENDITURE

This is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets: - owned by the charitable group	144,221	121,443
Audit fees	<u>15,000</u>	<u>13,550</u>

During the current and previous year, no Trustees received any remuneration, benefits in kind or any reimbursed expenses.

THE THROMBOSIS RESEARCH INSTITUTE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

8. Staff costs

Staff costs are as follows:

	2020	2019
	£	£
Wages and salaries	2,053,189	1,930,383
Social security costs	240,626	222,425
Pension costs	158,580	151,485
	<u>2,452,395</u>	<u>2,304,293</u>

The above figures are staff costs of the whole group.

The average number of persons employed by the company during the year was as follows:

	2020	2019
	No.	No.
Research staff	23	24
Support & Administrative staff	10	10
	<u>33</u>	<u>34</u>

Average headcount expressed as a full time equivalent:

	2020	2019
	No.	No.
Staff	28	28

The number of higher paid employees was:

	2020	2019
	No.	No.
In the band £60,001 - £70,000	2	1
In the band £80,001 - £90,000	2	2
In the band £90,001 - £100,000	1	1
In the band £350,000 - £360,000	1	0
In the band £360,001 - £370,000	0	2
In the band £410,000 - £420,000	1	0

Remuneration and benefits paid to key management personnel amounted to £1,001,700 (2019 - £955,937) which includes consolidation of remuneration and benefits across the consolidated group where appropriate.

THE THROMBOSIS RESEARCH INSTITUTE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

9. Tangible fixed assets

Group	Freehold property £	Plant & Machinery £	Motor Vehicle £	Total £
Cost				
At 1 August 2019	3,933,832	754,192	81,207	4,769,231
Additions	-	37,824	-	37,824
Disposals	-	(7,399)	(11,584)	(18,983)
At 31 July 2020	3,933,832	784,617	69,623	4,788,072
Depreciation				
At 1 August 2019	1,998,326	586,454	-	2,584,780
Charge for the year	78,677	48,138	17,406	144,221
At 31 July 2020	2,077,003	634,592	17,406	2,729,001
Net book value				
At 31 July 2020	1,856,829	150,025	52,217	2,059,071
At 31 July 2019	1,935,506	167,738	81,207	2,184,451
Company	Freehold property £	Plant & Machinery £	Motor Vehicles £	Total £
Cost				
At 1 August 2019	3,933,832	754,192	81,207	4,769,231
Additions	-	37,824	-	37,824
Disposals	-	(7,399)	(11,584)	(18,983)
At 31 July 2020	3,933,832	784,617	69,623	4,788,072
Depreciation				
At 1 August 2019	1,998,326	586,454	-	2,584,780
Charge for the year	78,677	48,138	17,406	144,221
At 31 July 2020	2,077,003	634,592	17,406	2,729,001
Net book value				
At 31 July 2020	1,856,829	150,025	52,217	2,059,071
At 31 July 2019	1,935,506	167,738	81,207	2,184,451

THE THROMBOSIS RESEARCH INSTITUTE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

10. Fixed asset investments

Group	Listed investments £	Loans to group undertakings £	Total £
Market value			
At 1 August 2019	1,977,122	842	1,977,964
Gain on revaluation	134,676	-	134,676
	<u>2,111,798</u>	<u>842</u>	<u>2,112,640</u>
At 31 July 2020	<u>2,111,798</u>	<u>842</u>	<u>2,112,640</u>
Group investments at market value comprise:			
		2020 £	2019 £
Listed investments		2,111,798	1,977,122
Group undertakings (see below)		842	842
		<u>2,112,640</u>	<u>1,977,964</u>
Total market value		<u>2,112,640</u>	<u>1,977,964</u>

All the fixed asset investments are held in the UK

Listed investments

The investment shown above consists entirely of shares in the CF Ruffer Absolute Return Account.

Group undertakings

The investments in group undertakings consist of shares and loans in the Institute's and the Thrombosis Research Trust's three subsidiary undertakings, as follows:

Cyte Limited (clinical trials)
TRI Technology Transfer Limited (intellectual property)
TRI Clinical Trials Limited (research and development)

Thrombosis Research Trust (which supports the work of the Institute) is consolidated on the basis of common control. Cyte Limited is a wholly owned subsidiary of the Trust.

The latter two subsidiaries remained dormant throughout the financial year and have therefore not been consolidated in these financial statements.

THE THROMBOSIS RESEARCH INSTITUTE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

10. Fixed asset investments (continued)

Company	Listed securities £	Loans to group undertakings £	Total £
Market value			
At 1 August 2019	1,977,122	842	1,977,964
Gain on revaluation	134,676	-	134,676
At 31 July 2020	<u>2,111,798</u>	<u>842</u>	<u>2,112,640</u>

Company investments at market value comprise:

	2020 £	2019 £
Listed investments	2,111,798	1,977,122
Group undertakings	842	842
Total	<u>2,112,640</u>	<u>1,977,964</u>

All the fixed asset investments are held in the UK

11. Debtors

	2020 £	2019 £	2020 £	2019 £
Trade debtors	463,711	2,031,888	463,711	2,031,888
Amounts owed by group undertakings	-	-	2,040,386	2,466,536
Other debtors	47,740	39,921	47,740	39,921
Prepayments and accrued income	178,474	189,340	178,473	189,340
VAT recoverable	73,717	252,266	73,717	237,403
	<u>763,642</u>	<u>2,513,415</u>	<u>2,804,027</u>	<u>4,965,088</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

12. Creditors: Amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Pension fund deficit reduction plan (see note 13)	3,258	388	3,258	388
Trade creditors	437,341	830,855	409,964	788,171
Other taxation and social security	619,627	8,967	56,055	-
Other creditors	11,283	11,620	8,914	10,232
Accruals and deferred income	637,886	6,387,875	615,171	6,366,928
	1,709,395	7,239,705	1,093,362	7,165,719

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Deferred income				
Deferred income at 1 August 2019	5,846,335	11,034,185	5,846,335	11,034,185
Resources deferred during the year	(5,846,335)	5,846,335	(5,846,335)	5,846,335
Amounts released from previous years	-	(11,034,185)	-	(11,034,185)
Deferred income at 31 July 2020	-	5,846,335	-	5,846,335

Deferred income relates to research income received in advance.

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Pension fund deficit reduction plan (see below)	98,515	88,915	98,515	88,915
Other loans	-	-	586,332	586,332
	98,515	88,915	684,847	675,247

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

RECONCILIATION OF OPENING AND CLOSING PENSION DEFICIT PROVISION

	2020 £	2019 £
Provision at start of year	89,303	53,829
Unwinding of the discount factor (interest expense)	4,001	2,412
Deficit contribution paid	(4,532)	(3,687)
Remeasurements - amendments to the contribution schedule	13,001	36,749
	<u>101,773</u>	<u>89,303</u>
Provision at end of year	<u>101,773</u>	<u>89,303</u>

Split as follows:

	2020 £	2019 £
Due within one year	3,258	388
Due after one year	98,515	88,915
	<u>101,773</u>	<u>89,303</u>
Total	<u>101,773</u>	<u>89,303</u>

14. Statement of funds

STATEMENT OF URESTRICTED FUNDS - CURRENT YEAR - GROUP

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 July 2020 £
Designated funds						
Fixed asset fund	2,165,468	-	-	(106,397)	-	2,059,071
	<u>2,165,468</u>	<u>-</u>	<u>-</u>	<u>(106,397)</u>	<u>-</u>	<u>2,059,071</u>
General funds	12,246,965	6,931,857	(7,526,863)	106,397	-	11,758,356
	<u>12,246,965</u>	<u>6,931,857</u>	<u>(7,526,863)</u>	<u>106,397</u>	<u>-</u>	<u>11,758,356</u>
Total	14,412,433	6,931,857	(7,526,863)	-	-	13,817,427
	<u>14,412,433</u>	<u>6,931,857</u>	<u>(7,526,863)</u>	<u>-</u>	<u>-</u>	<u>13,817,427</u>

The Fixed asset fund was set up to assist in identifying those funds that are not free funds and represents the net book value of tangible fixed assets.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

14. Statement of funds (continued)

Endowment funds - group and company

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 July 2020 £
Garfield Weston Fund	348,824	-	-	-	23,761	372,585
Margaret Thatcher Fund	170,224	-	-	-	11,595	181,819
Emmanuel Kaye Fund	1,458,074	-	-	-	99,320	1,557,394
	1,977,122	-	-	-	134,676	2,111,798

Garfield Weston Fund - an endowment fund has been set up from a grant awarded by the Garfield Weston Foundation. The income from this fund will be used to support the Weston Chair of Molecular Medicine.

Margaret Thatcher Fund - an endowment fund has been set up from a grant awarded by the Margaret Thatcher Foundation. The income from this fund will be used to support the Thatcher Chair of Biological Chemistry.

Emmanuel Kaye Fund - an endowment fund has been set up from a grant awarded in memory of Sir Emmanuel Kaye. The income from the fund will be used to support the Kaye Chair of Thrombosis Innovation.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

14. Statement of funds (continued)

Restricted funds - prior year - group and company

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 July 2020 £
Indian Mortality Study	154,388	-	-	-	-	154,388
UK Oncology	54,298	-	-	-	-	54,298
Cancer and Thrombosis Symposium at NCRI Conference	23,340	-	-	-	-	23,340
Thrombosis 2020	12,023	-	(12,023)	-	-	-
Emmanuel Kaye Chair	8,682	-	-	-	-	8,682
	252,731	-	(12,023)	-	-	240,708

Indian Mortality Study - funds received in respect of the Indian Mortality Study to set up a registry of VTE to assess mortality outcomes in hospitalised patients in India.

UK Oncology - funds received to organise meetings of oncologists to review and advise on internationally available oncology guidelines for adoption in UK practice, and also advise on communication of problems of cancer associated thrombosis.

Cancer and Thrombosis Symposium at NCRI Conference - the funds have been collected to organise a symposium at this meeting.

Thrombosis 2020 - the fund has been set up to collect funds for the organisation of meetings to consider the problem of venous thromboembolism (VTE).

Emmanuel Kaye Chair - income from the Endowment Fund to support the Kaye Chair of Thrombosis Innovation.

Total Funds	16,642,286	6,931,857	(7,538,886)	-	134,676	16,169,933
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Statement of funds - prior year - Group

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 July 2019 £
Unrestricted funds						
Fixed asset fund	2,097,115	-	-	68,353	-	2,165,468
General funds	9,720,103	13,353,391	(10,758,176)	(68,353)	-	12,246,965

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14. Statement of funds (continued)

Endowment funds - prior year - group and company

	<i>Balance at 1 August 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/(out) £</i>	<i>Gains/ (losses) £</i>	<i>Balance at 31 July 2019 £</i>
Garfield Weston Fund	349,016	-	-	-	(192)	348,824
Margaret Thatcher Fund	170,317	-	-	-	(93)	170,224
Emmanuel Kaye Fund	1,458,874	-	-	-	(800)	1,458,074
	<u>1,978,207</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,085)</u>	<u>1,977,122</u>

Restricted funds - prior year - group and company

	<i>Balance at 1 August 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/(out) £</i>	<i>Gains/ (losses) £</i>	<i>Balance at 31 July 2019 £</i>
Indian Mortality Study	154,388	-	-	-	-	154,388
UK Oncology	54,298	-	-	-	-	54,298
Cancer and Thrombosis Symposium at NCRI Conference	23,340	-	-	-	-	23,340
Thrombosis 2020	125,706	-	(113,683)	-	-	12,023
Emmanuel Kaye Chair	8,682	-	-	-	-	8,682
	<u>366,414</u>	<u>-</u>	<u>(113,683)</u>	<u>-</u>	<u>-</u>	<u>252,731</u>
Total funds	<u>14,161,839</u>	<u>13,353,391</u>	<u>(10,871,859)</u>	<u>-</u>	<u>(1,085)</u>	<u>16,642,286</u>

STATEMENT OF UNRESTRICTED FUNDS - CURRENT YEAR - COMPANY

	<i>Balance at 1 August 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/(out) £</i>	<i>Gains/ (losses) £</i>	<i>Balance at 31 July 2020 £</i>
Designated funds						
Fixed asset fund	2,165,468	-	-	(106,397)	-	2,059,071
	<u>2,165,468</u>	<u>-</u>	<u>-</u>	<u>(106,397)</u>	<u>-</u>	<u>2,059,071</u>
General funds	11,551,524	8,960,134	(9,553,954)	106,397	-	11,064,101
Total	<u>13,716,992</u>	<u>8,960,134</u>	<u>(9,553,954)</u>	<u>-</u>	<u>-</u>	<u>13,123,172</u>

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FOR THE YEAR ENDED 31 JULY 2020

STATEMENT OF UNRESTRICTED FUNDS - PRIOR YEAR - COMPANY

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 July 2019 £
Designated funds						
Fixed asset fund	2,097,115	-	-	68,353	-	2,165,468
	<u>2,097,115</u>	<u>-</u>	<u>-</u>	<u>68,353</u>	<u>-</u>	<u>2,165,468</u>
General funds	11,365,841	13,756,112	(13,502,076)	(68,353)	-	11,551,524
Total	<u>13,462,956</u>	<u>13,756,112</u>	<u>(13,502,076)</u>	<u>-</u>	<u>-</u>	<u>13,716,992</u>

Summary of funds - current year - group

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 July 2020 £
Designated funds	2,165,468	-	-	(106,397)	-	2,059,071
General funds	12,246,965	6,931,857	(7,526,863)	106,397	-	11,758,356
	<u>14,412,433</u>	<u>6,931,857</u>	<u>(7,526,863)</u>	<u>-</u>	<u>-</u>	<u>13,817,427</u>
Endowment funds	1,977,122	-	-	-	134,676	2,111,798
Restricted funds	252,731	-	(12,023)	-	-	240,708
	<u>16,642,286</u>	<u>6,931,857</u>	<u>(7,538,886)</u>	<u>-</u>	<u>134,676</u>	<u>16,169,933</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

14. Statement of funds (continued)

Summary of funds - prior year - group

	<i>Balance at 1 August 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/(out) £</i>	<i>Gains/ (losses) £</i>	<i>Balance at 31 July 2019 £</i>
Designated funds	2,097,115	-	-	68,353	-	2,165,468
General funds	9,720,103	13,353,391	(10,758,176)	(68,353)	-	12,246,965
	<u>11,817,218</u>	<u>13,353,391</u>	<u>(10,758,176)</u>	<u>-</u>	<u>-</u>	<u>14,412,433</u>
Endowment funds	1,978,207	-	-	-	(1,085)	1,977,122
Restricted funds	366,414	-	(113,683)	-	-	252,731
	<u>14,161,839</u>	<u>13,353,391</u>	<u>(10,871,859)</u>	<u>-</u>	<u>(1,085)</u>	<u>16,642,286</u>

Summary of funds - current year - company

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 July 2020 £
Unrestricted funds						
Designated funds	2,165,468	-	-	(106,397)	-	2,059,071
General funds	11,551,524	8,960,134	(9,553,954)	106,397	-	11,064,101
Sub total	<u>13,716,992</u>	<u>8,960,134</u>	<u>(9,553,954)</u>	<u>-</u>	<u>-</u>	<u>13,123,172</u>
Other funds						
Endowment funds	1,977,122	-	-	-	134,676	2,111,798
Restricted funds	252,731	-	(12,023)	-	-	240,708
Total	<u>15,946,845</u>	<u>8,960,134</u>	<u>(9,565,977)</u>	<u>-</u>	<u>134,676</u>	<u>15,475,678</u>

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NOTES TO THE FINANCIAL STATEMENTS
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Summary of funds - prior year - company

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 July 2019 £
Unrestricted funds						
Designated funds	2,097,115	-	-	68,353	-	2,165,468
General funds	11,365,841	13,756,112	(13,502,076)	(68,353)	-	11,551,524
Sub total	13,462,956	13,756,112	(13,502,076)	-	-	13,716,992
Other funds						
Endowment funds	1,978,207	-	-	-	(1,085)	1,977,122
Restricted funds	366,414	-	(113,683)	-	-	252,731
Total	15,807,577	13,756,112	(13,615,759)	-	(1,085)	15,946,845

15. Analysis of net assets between funds - group

	Endowment funds 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	2,059,071	2,059,071
Fixed asset investments	2,111,798	-	842	2,112,640
Current assets	-	240,708	13,565,424	13,806,132
Creditors due within one year	-	-	(1,709,395)	(1,709,395)
Creditors due in more than one year	-	-	(98,515)	(98,515)
	2,111,798	240,708	13,817,427	16,169,933

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NOTES TO THE FINANCIAL STATEMENTS
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15. Analysis of net assets between funds - group (continued)

Analysis of net assets between funds - prior year - group

	<i>Endowment funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	2,184,451	2,184,451
Fixed asset investments	1,977,122	-	842	1,977,964
Current assets	-	252,731	19,555,760	19,808,491
Creditors due within one year	-	-	(7,239,705)	(7,239,705)
Creditors due in more than one year	-	-	(88,915)	(88,915)
	<u>1,977,122</u>	<u>252,731</u>	<u>14,412,433</u>	<u>16,642,286</u>

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	Group 2019 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(472,353)	2,480,447
Adjustment for:		
(Gains)/losses on investments	(134,676)	1,085
Depreciation	144,221	121,443
Loss on the disposal of fixed assets	18,983	-
Interest from investments	(25,758)	(14,491)
Decrease/(increase) in debtors	1,749,773	(882,787)
Decrease in creditors	(5,520,710)	(5,222,713)
Net cash used in operating activities	<u>(4,240,520)</u>	<u>(3,517,016)</u>

17. Analysis of cash and cash equivalents

	2020 £	Group 2019 £
Cash in hand	13,042,490	17,295,076
Total	<u>13,042,490</u>	<u>17,295,076</u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. Principal subsidiaries

Thrombosis Research Trust

Subsidiary name	Thrombosis Research Trust
Charity registration number	275275
Basis of control	common control
Total assets as at 31 July 2020	£ 696,954
Total liabilities as at 31 July 2020	£ 2,700
Total funds as at 31 July 2020	£ 694,254
Gross income for the year ended 31 July 2020	£ 418
Expenditure for the year ended 31 July 2020	£ 1,603
Deficit for the year ended 31 July 2020	£ (1,185)

Cyte Limited

Subsidiary name	Cyte Limited
Company registration number	10549612
Basis of control	Subsidiary
Equity shareholding %	100%
Total assets as at 31 July 2020	£ 2,664,189
Total liabilities as at 31 July 2020	£ 2,664,187
Total equity as at 31 July 2020	£ 2
Turnover for the year ended 31 July 2020	£ 2,895,785
Expenditure for the year ended 31 July 2020	£ 926,372
Profit for the year ended 31 July 2020	£ 1,969,413

19. Related party transactions

The Thrombosis Research Institute is connected with the Thrombosis Research Trust which has the object of promoting and funding research into the prevention and treatment of thrombosis diseases. During the year there were no grants or donations given by Thrombosis Research Trust to Thrombosis Research Institute. Thrombosis Research Institute has loans of £586,332 (2019: £586,332) repayable to the Thrombosis Research Trust. There were no other related party transactions in either the current or prior years.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

20. Pensions

Group Personal Pension Plan

The Institute operates a defined contribution Group Personal Pension Plan which is open to all staff employed since 1st January 2009. The scheme has been established in accordance with the Government's Stakeholder Regulations as well as the new Personal Pension Accounts proposed for 2012. The contribution structure has been set at an employer's contribution of between 6% and 10% of pensionable salary and employee's contribution of 6%. The Institute's pension contributions paid in respect of this plan for the year was £67,027 (2019: £65,775).

The Institute participates in three defined benefit pension schemes for staff employed prior to 1st January 2009. The detail of these schemes are as follows:

Superannuation Arrangements of the University of London (SAUL)

The Institute participates in the Superannuation Arrangements of the University of London ("SAUL"), which is a centralised defined benefit scheme within the United Kingdom and is contracted-out of the Second State Pension (prior to April 2016). SAUL is an independently-managed pension scheme for the non-academic staff of over 50 colleges and institutions with links to higher education. Pension benefits accrued within SAUL currently build up on a Career Average Revalued Earnings ("CARE") basis. The Institute is not expected to be liable to SAUL for any other current participating employer's obligations under the Rules of SAUL, but in the event of an insolvency of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer, may be spread across the remaining participating employers and reflected in the next actuarial valuation.

Funding Policy

SAUL's statutory funding objective is to have sufficient and appropriate assets to meet the costs incurred by the Trustee in paying SAUL's benefits as they fall due (the "Technical Provisions"). The Trustee adopts assumptions which, taken as a whole, are intended to be sufficiently prudent for pensions and benefits already in payment to continue to be paid and for the commitments which arise from Members' accrued pension rights to be met.

The Technical Provisions assumptions include appropriate margins to allow for the possibility of events turning out worse than expected. However, the funding method and assumptions do not completely remove the risk that the Technical Provisions could be insufficient to provide benefits in the future.

A formal actuarial valuation of SAUL is carried out every three years by a professionally qualified and independent actuary. The last actuarial valuation was carried out with an effective date of 31 March 2017. Informal reviews of SAUL's position, reflecting changes in market conditions, cash flow information and new accrual of benefits, are carried out between formal valuations.

The funding principles were agreed by the Trustee and employers in June 2018 and are due to be reviewed at SAUL's next formal valuation in 2020.

At the 31 March 2017 valuation SAUL was fully funded on its Technical Provisions basis so no deficit contributions were required. The Trustee and the Employers have agreed that the ongoing Employers' contributions will continue at a rate of 16% of CARE Salaries.

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NOTES TO THE FINANCIAL STATEMENTS
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Accounting Policy

The Institute is a Participating Employer in SAUL. The actuarial valuation applies to SAUL as a whole and does not identify surpluses or deficits applicable to individual employers. As a whole, the market value of SAUL's assets was £3,205 million representing 102% of the liabilities for benefits accrued up to 31 March 2017.

It is not possible to identify an individual Employer's share of the underlying assets and liabilities of SAUL. The Institute accounts for its participation in SAUL as if it were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e. cash amounts) in 2020 of £5,645 (2019: £5,461) in accordance with paragraphs 28.11 of FRS 102.

As there was a Technical Provisions surplus at 31 March 2017 there is no defined benefit liability (i.e. the present value of any deficit contributions due to SAUL) to be recognised by the Institute.

Universities Superannuation Scheme

Significant accounting policies

The Institute participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The Institute is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the Institute therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the scheme. Since the Institute has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the Institute recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

Critical accounting judgements

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The trustees are satisfied that the Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

The total cost charged to the Statement of Financial Activities is £56,736 (2019: £50,226).

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2014 (the valuation date), which was carried out using the projected unit method. The valuation as at 31 March 2017 is underway but not yet completed.

Since the Institute cannot identify its share of Retirement Income Builder Section of the Scheme assets and liabilities, the following disclosures reflect those relevant for the section as a whole.

The 2014 valuation was the third valuation for USS under the scheme-specific funding regime introduced

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FOR THE YEAR ENDED 31 JULY 2020**

by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the Scheme was £41.6 billion and the value of the Scheme's technical provisions was £46.9 billion indicating a shortfall of £5.3 billion. These figures will be revised once the 2017 Scheme Valuation is complete.

Defined benefit liability numbers for the Scheme for accounting purposes have been produced using the following assumptions as at 31 March 2017 and 2018.

	2018	2017
Discount rate	2.64%	2.57%
Pensionable salary growth	n/a	n/a
Price inflation (CPI)	2.02%	2.41%

The main demographic assumption used relates to the mortality assumptions. These assumptions have been updated for the 31 March 2018 accounting position, based on updated analysis of the Scheme's experience carried out as part of the 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2018	2017
Mortality base table	<u>Pre-retirement:</u> 71% of AMC00 (duration 0) for males and 112% of (duration 0) for females <u>Post retirement:</u> 96.5% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females	98% of SAPS S1NA "light" YOB unadjusted for males. 99% of SAPS S1NA "light" YOB with a -1 year adjustment for females
Future improvements to mortality	CMI_2016 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.	CMI_2014 with a long term rate of 1.5% p.a.

	2018	2017
Males currently aged 65 (years)	24.5	24.4
Females currently aged 65 (years)	26.0	26.6
Males currently aged 45 (years)	26.5	26.5
Females currently aged 45 (years)	27.8	29.0
Scheme assets	£63.6bn	£60.0bn
FRS 102 liabilities	£72.0bn	£77.5bn
FRS 102 deficit	£8.4bn	£17.5bn
FRS 102 funding level	88%	77%

NHS Pension Scheme

The NHS Pension Scheme is a defined benefit scheme that provides members with benefits payable on retirement, incapacity, death or withdrawal from the National Health Service (NHS) in England and Wales.

The Institute's pension contributions for the year was £11,616 (2019 : £11,757).

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The Scheme is subject to a full valuation every five years. The results of the latest valuation at 31 March 2016 have been published. Between valuations, the Government Actuary provides an update of the scheme liabilities on an annual basis. The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Account, published every October. These accounts can be viewed on the NHS pensions Agency website at <https://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports>. Copies can also be obtained from The Stationery Office.

The government actuary using the projected unit method determines contributions charged to the Statement of Financial Activities. The assumptions that have the most significant effect on the valuation are those relating to the rates of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment return would be 6.5% per annum, that salary increases would average 6% per annum and future pensions would increase at 3.5% per annum.

Employer pension contribution costs are applied to operating expenses as and when they become due. Employer contribution rates are reviewed every five years following a scheme valuation carried out by the Government Actuary. On advice from the actuary the contribution rate may be varied from time to time to reflect changes in the scheme's liabilities.

The cost of pension increases have been excluded from valuations to date, consequently neither members nor employers have contributed to this benefit which is met directly by the Exchequer.

The contributions of the Institute were 14.38% of pensionable salary during the year.

The NHS Pension Scheme is an unfunded scheme under which contributions from employees and employers are paid to the Exchequer, which in turn meets the cost of paying benefits as and when they fall due.

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**CONSOLIDATED DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2020**

		2020 £	2019 £
INCOME FROM PRINCIPAL ACTIVITIES	6,849,257	13,298,514	
	<u>6,849,257</u>		13,298,514
Less: Direct expenditure			
Research costs including salaries	6,398,975		9,394,997
	<u>450,282</u>		<u>3,903,517</u>
OTHER INCOME			
Bank interest	25,340	14,492	
(Loss)/ gain on currency exchange	(13,211)	13,819	
Unrealised gain/(loss) on investments	134,676	(1,085)	
Sundry income	57,260	25,881	
	<u>204,065</u>		<u>53,107</u>
Less: OTHER EXPENDITURE			
Advertising	30,666	19,041	
Office costs	189,951	193,171	
Premises costs	126,611	98,181	
Professional fees	32,743	13,746	
Consultancy fees	63,000	95,941	
Legal fees	10,472	4,382	
Motor expenses	4,572	5,779	
Insurance	57,284	65,650	
Bank charges and interest	11,098	12,357	
Motor, travel and accommodation	129,149	245,616	
Repairs	48,595	191,907	
Staff costs	237,348	381,737	
Depreciation	144,221	121,443	
Audit	15,000	13,550	
Other costs	7,007	12,276	
Loss on disposal	18,983	1,400	
	<u>1,126,700</u>		<u>1,476,177</u>
NET (DEFICIT)/SURPLUS FROM ACTIVITIES		<u>(472,353)</u>	<u>2,480,447</u>
Net (expenditure)/income for the year		<u><u>(472,353)</u></u>	<u><u>2,480,447</u></u>