



Report and Financial statements
Period Ended 31 December 2020
Charity Number 1158672

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Legal and Administrative Information

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

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

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

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

Summary

Our Mission Statement

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

Our Commitments

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

To maximise research spend.

To raise awareness of EB.

2020 Highlights

Fundraising Highlights

- James and Deirdre Dyson Trust Donation
- Virtual BGC Charity Day
- Big Give Christmas Challenge
- Goldman Sachs Gives Donation

Project Highlights

- First patient grafted on the EB graft trial
- Match funding unlocks US NIH grant for Colorado researchers
- Mission EB receives NIHR funding
- New projects include Nanocol and Fibrx Derm
- 4th year of Next Generation Genome Sequencing project



Founder's Statement

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

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

2020 was an extremely challenging year, with the Covid 19 pandemic having a major impact both on fundraising and project progress. All in-person events were cancelled and we had to resort to raising awareness online and on virtual events such as BGC Charity Day which we participated in again. Despite Covid related delays the EB graft trial did start in France and we were able to make commitments to two new projects. We were extremely grateful for a large donation from Sir James and Lady Dyson which made a very substantial difference to income in 2020.



Sharmila Nikapota
Founder Trustee



Report of the Trustees

The Trustees present their report along with the financial statements of the charity for the period ended 31 December 2020.

A. Introduction

1. Cure EB – then known as the Sohana Research Fund C.I.O. (“SRF”) – was established on 25 September 2014 with Registered Charity Number 1158672.
2. Cure EB’s principal purpose is to fund medical research and clinical trials aimed at discovering, developing and delivering treatments for Epidermolysis Bullosa (“EB”).
3. Key information for 2020 is as follows:
 - 3.1. FUNDRAISING – Cure EB raised nearly £800k in 2020.
 - 3.2. RESEARCH FUNDING – In 2020, Cure EB spent nearly £1m (excluding support costs) on research projects. Most of this (approximately £592k) was made by way of grant, but in 2020 Cure EB also supported research through programme related investments (approximately £307k) and (via Cure EB’s wholly owned subsidiary) a license agreement (approximately £92k).
 - 3.3. EB THERAPEUTICS LTD – In 2020, Cure EB’s wholly owned subsidiary, EB Therapeutics Ltd (“EBT”) concluded 2 agreements: (1) a license agreement related to one of the projects that Cure EB has been supporting; and (2) a research services agreement, for the testing of experimental compounds for the systemic treatment of EB.
 - 3.4. RESEARCH COMMITMENTS AND RESULTS – Despite lab closures and therefore delays to projects, the most significant achievement was the EB graft trial starting in Paris. Mission EB, a stem cell treatment for all children in the UK with recessive dystrophic epidermolysis bullosa, received a substantial award from the NIHR with our collaboration and we expect children to be treated in 2021. The Colorado team were successful in obtaining a significant award from the NIH in the US with match-funding from ourselves and two US based charities. We also entered into two new agreements with Kings College London and a programme related investment in Fibrx Derm in the US
 - 3.5. AWARENESS AND OTHER EVENTS – In January 2020 we were partners on EB2020, the inaugural EB World Congress event in London. There were 730 delegates, 215 organisations and participants from 50 countries. It was an opportunity to bring together the worlds experts to share and discuss global EB research. As partners we had a significant presence in all materials, a speaking slot in the programme, and a stall in the exhibition space where we were able

to highlight the research we are funding. As part of the congress we hosted a dinner at the House of Lords bringing researchers, biotech, representatives of other EB charities and major donor supporters together. There were speeches from Lord Redesdale, Professor McGrath and Sharmila. Feedback from the event was extremely positive. The pandemic hit very shortly after so events like our run had to be cancelled. We did have a bit of fun with the EBpop challenge in the summer raising awareness on social media channels. We were also lucky to be chosen again for BGC Charity Day with celebrity ambassadors Damian Lewis and Jodie Comer appearing for the charity. Whilst Sir James and Lady Dyson were not able to have an Opera event they nevertheless made a donation and in addition made a very substantial donation to us following a libel win which also generated publicity for the charity. The Big Give Christmas challenge ended the year, where we exceeded our target and also gained donations from new supporters as a result of being part of this large online event. Our committed supporters made all the difference in what was a very difficult year.

- 3.6. Looking ahead, we already know that 2021, like 2020, will not be a good year for fundraising due to Covid 19. However, as Cure EB has substantial net assets (including substantial cash at bank) going into 2021, this will not adversely affect research spending. Whether Covid 19 has any longer term impact on Cure EB will turn on how quickly fundraising rebounds in late-2021 and thereafter.
- 3.7. We look forward to identifying, committing to and funding further projects and, in doing so, cementing Cure EB's position as one of the leading funders of EB research and trials.

B. Objectives and Activities

4. As set out in Cure EB's Constitution, Cure EB's objects are *"For the public benefit, (a) the advancement of health and (b) the relief and assistance of people in need who are suffering from Epidermolysis Bullosa, in particular but not exclusively by making grants:*
 - (1) *to fund medical research and/or clinical trials anywhere in the world for the purpose of discovering, developing and delivering treatments for Epidermolysis Bullosa; and*
 - (2) *to fund the treatment of patients who are suffering from Epidermolysis Bullosa".*
5. Cure EB's objectives during 2020 were limited to:
 - 5.1. Raising funds;
 - 5.2. Raising awareness
 - 5.3. Identifying and developing projects for funding; and

- 5.4. Funding of projects.
6. The Trustees confirm that in determining what activities Cure EB carries out, they have had regard to the Charity Commission's guidance on public benefit.

B(1). Fundraising and Awareness

7. As a rare genetic skin condition public knowledge of the condition is limited. This impacts Cure EB's ability to raise money for research and support. Consequently, we see increased awareness of the condition as something that has a direct influence on our ability to raise funds. As an aid to raising awareness Sharmila wrote and published a book (illustrated by Carolina Rabei) called 'Binky's Time to Fly' with a paragraph about EB at the back. 100% of the sales of the exclusive hardback edition benefit the charity and all author royalties from the paperback editions (which are controlled by the publisher) are donated to the charity. We were pleased that this has now been published in a number of different languages. We were able to sell the book at EB2020, as well as on the website and we hope to be able to use the book more when the pandemic impact allows in person events. Flyaway books in the US have released a US version and there have been online book readings as a result.
8. We were partners on EB2020, the inaugural global EB research conference which generated significant awareness of the condition and the charity which was held in Jan 2020 in London. Around this event we hosted a dinner at the House of Lords bringing together researchers, biotech, research funding EB charities and major donors.
9. Cure EB has an active social media presence with over 31,000 followers on Facebook and over 2,520 on twitter. We are continuing building our Instagram follower network with 1,389 followers. The Cure EB website continues to be an important tool when fundraising and educating the public as to our aims and ambitions. It holds all information regarding projects and press as well as event information. We aim to improve and update this in 2021
10. Our community outreach and awareness events had to be cancelled due to the pandemic after the first lockdown in March. As a result the Butterfly run and family day planned for September had to be cancelled, and we were unable to hold a speaker brunch club event. In September, we were chosen for BGC charity day which was attended virtually. We benefitted from a very generous donation in lieu of the Dodington Opera evening from the Sir James and Lady Deirdre Dyson Trust. Community fundraising was understandably curtailed due to the pandemic but we were lucky to have support from celebrations and through online giving. We had a Goldman Sachs Gives donation and were part of the Big Give Christmas Challenge. We had very substantial donations from the Sir James and Deirdre Dyson Trust and also the Maria Marina Foundation, The Roan Charitable Trust, The Reed Foundation, The

Grace Trust, The Sir James Roll Charitable Trust, The MDL 2 Trust, The Phoebe Research Fund, Walk the Talk Foundation and William Howarth Trust.

11. Social Media continues to be an important tool to raise awareness of the condition and charity. We did play our social media campaign called #EBpop – “Play #EBpop to make the blisters stop” and challenging others to do the same though we were not able to get groups together due to Covid. Donations raised through this were much reduced and it was really a tool to try and raise awareness and bind the community together.
12. Organised sponsorship events were all cancelled due to the pandemic. Sharmila started a marathon a month challenge around the Virtual London Marathon in an effort to raise funds
13. Looking ahead, we anticipated that our biennial dinner would not be possible in May 2021 due to the pandemic and other events would be difficult to plan until restrictions were lifted. We continue to work at regular giving and online donations as well as text message giving.

B(2). Projects

14. Cure EB funds a range of projects. However, Cure EB’s principal focus is on translational research – i.e. the preclinical research and clinical trials that will (we hope) translate fundamental (laboratory based) research into effective treatments for RDEB. We are assisted by an experienced independent expert panel who evaluate projects and advise on research strategies and priorities.
15. We currently evaluate projects on a rolling basis (rather than in formal funding rounds at fixed intervals) and invite applications that meet our priority areas of research. An initial outline of the project is evaluated and if deemed to be within an area of interest a full grant application is asked for. The project is then externally reviewed and scored. If the scores are sufficiently high the project is presented to the trustees for approval. If approved, Cure EB negotiates and concludes formal funding agreements with the body that is to carry out the research. We had hoped to open a funding round but will progress this post pandemic.
16. During 2020, despite the pandemic we saw the start of the EB graft trial. We also were able to continue existing projects and increase our portfolio of projects including translational research collaborations with the biotech industry.
17. We have taken steps to aid clinical translation of projects through EBT, taking one license and concluding a research service agreement through the subsidiary

C. Achievements and Performance

18. During 2020 the total research spend was nearly £1 million (including project related investments and licence fees). Details are set out in Notes 3 and 4 to the Financial Statements.
19. Projects progressed and funded include the EBgraft trial, Next generation Sequencing in Minnesota, Gene editing in Madrid and UCL, Nanocol at Kings and projects at Stanford and Colorado.
20. Looking ahead, our aim is to continue our focus on translational research. We will also continue looking at emerging technologies to determine translational benefit.
21. To this end we aim to continue to carry on building our relationships with other potential funders and investors and with the RDEB research community.

D. Financial Review

22. The accounts show the financial affairs of Cure EB for 2020 and as at 31 December 2020. The key figures, together with commentary, are as follows:
 - 22.1. Gross Income: £796,938. This is lower than the amount raised in the prior period (as anticipated in our 2019 Report). The main reason for this was that we did not host our biennial Silver Butterfly Dinner (as these were held in 2017 and 2019). Covid 19 also impacted other revenue streams but a large donation from Sir James and Lady Dyson more than balanced out the Covid 19 effect.
 - 22.2. Costs of Fundraising: £24,273. This is lower than the prior period as the Silver Butterfly Dinner is a significant source of cost (as well as income). As a rule of thumb, Cure EB aims to raise £10 for every £1 spent on fundraising activities. For 2020 this was comfortably exceeded.
 - 22.3. Expenditure (on an accrual basis) on charitable activities (including support costs): £735,498. In addition, Cure EB supported research through programme related investments totalling about £307,204. Both of these figures are higher than the prior period and slightly ahead of expectation.
 - 22.4. Reserves: £1,922,185. This is up on the prior period notwithstanding that expenditure exceeded income. This is because a substantial part of Cure EB's support for projects was structured as (programme related) investments. Cash at year end was £1,802,922. This is down on the prior period but (1) in line with Cure EB's medium-term plan that expenditure on projects should exceed income; and (2) leaves Cure EB in a financially secure position.

23. Looking ahead to 2021:

- 23.1. Gross income is likely to be similar to or lower than 2020 largely due to (1) the continuing impact of Covid-19; and (2) the resulting cancellation of the planned 2021 Silver Butterfly Dinner. However, we anticipate that a combination of regular and substantial one-off donations will mean that Cure EB's income will not be as badly affected as that of many other charities.
- 23.2. Cost of fundraising is also likely to be higher (as we resume fundraising activities) but lower than previously anticipated due to the cancellation of the Silver Butterfly Dinner.
- 23.3. It is currently too early to make an accurate projection of the likely expenditure on projects. However, Covid 19 has led to requests for no-cost extensions to a number of existing projects and a slow-down of new project flow. As a result, we anticipate reduced expenditure on projects in 2021.

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

- 24.1. Ms. Sharmila Nikapota
- 24.2. Mr. James Collins
- 24.3. Mr. Michael de Lathauwer
- 24.4. Ms. Tazim Hall
- 24.5. Prof. David Kelsell
- 24.6. Mr. Duncan Wales

25. There were no other trustees during 2020. These Trustees may be reappointed at the expiry of their current terms and/or further trustees may be appointed by resolution passed at a properly convened meeting of the trustees. Pursuant to the terms of the Constitution, the minimum number of trustees is 3 and the maximum is 9. The Trustees are selected for their experience and expertise.

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

27. Management and Administration:

- 27.1. Management of Cure EB's fundraising and awareness activities has been delegated (subject to a financial cap) to Sharmila Nikapota and James Collins. They in turn report to the other Trustees. In particular:
 - (1) Sharmila Nikapota has primary responsibility for conceiving, developing and performing all fundraising and awareness activities. This includes the identification of suitable contractors to provide goods or services and negotiation with those contractors.

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

28. Professional Services:

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

29. Remuneration:

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

Investment policy

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

Programme Related Investments

In 2020 Cure EB made further Programme Related Investments. These are payments made to further the aims of the charity – i.e. to advance research – rather than to secure a financial return. However, because they are structured as investments there is potential for return.

EB Therapeutics

At the end of 2018, Cure EB established a subsidiary: EB Therapeutics Ltd (“EBT”). The purpose of this subsidiary is to further develop some of the technologies supported by Cure EB with the aim of assisting with the transition from research to market, so that effective treatments become as widely available as possible. EBT was dormant until 2020. During 2020 it (1) took a license of IP related to one of the projects that Cure EB is supporting; and (2) concluded a research service agreement for a new project.

Reserves policy

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

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

Risk management

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

The Trustees have (above) highlighted the facts relevant to this risk. During 2020 this risk was entirely mitigated by ensuring that reserves substantially exceeded commitments. Whilst the Trustees aim to maintain expenditure higher (on average) than income for the next few years, (1) substantial reserves will be retained; and (2) when reduced to a suitable level, the Trustees will seek to ensure that on average (but not each individual year) income and expenditure are balanced.

Covid 19

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

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

Public Benefit

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



Trustees' Responsibilities in relation to the financial statement

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

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

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

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

Approved by the Trustees and signed on their behalf by:



Sharmila Nikapota



James Collins

Date: 29 October 2021

Report of the Independent Auditors

Opinion

We have audited the consolidated financial statements and standalone charity balance sheet of Cure EB (the 'parent') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, Consolidated Cash Flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102.

This report is made solely to the charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity company affairs as at 31 December 2020 and of the group's incoming resources and application of resources, for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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

Other information

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

Scope of the audit of the financial statements

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

Matters on which we are required to report by exception

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine necessary to enable the preparation of group financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognised non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with the trustees and other management, and from our commercial knowledge;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group, including the Charities Act 2011, employment, data protection and fund requirements;
- we assessed the extent of compliance with the laws and regulations identified above through making enquires of management and inspecting correspondence;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's material misstatement, including obtaining an understanding of how fraud might occur by;

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assess whether judgement and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias; and
- Investigate the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosure to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- reviewing correspondence.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Trustees, as a body. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Haines Watts

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

29 October 2021

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



Consolidated Statement of Financial Activities

Incorporating Income and Expenditure account

	Note	2020 £ Unrestricted	2020 £ Restricted	2020 £ Total	2019 £ Total
Income					
Income from donations	2	715,962	75,392	791,354	1,056,977
Income from investments		5,584	0	5,584	4,771
Total		721,546	75,392	796,938	1,061,748
Expenditure					
Charitable activities	3	735,498	0	735,498	696,927
Raising funds	3	24,273	0	24,273	58,345
Total		759,770	0	759,771	755,272
Net movement in funds		(38,225)	75,392	37,167	306,476
Transfer of funds		0	0	0	0
Funds brought forward		1,862,509	22,509	1,885,018	1,578,542
Funds carried forward		1,824,284	97,901	1,922,185	1,885,018

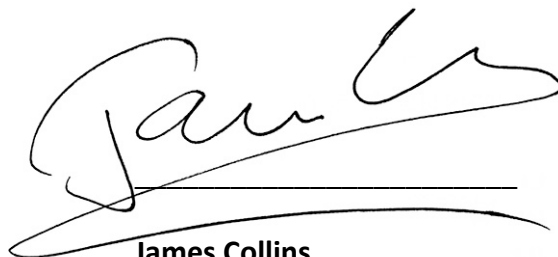
Balance Sheets

	Notes	Group		Charity	
		2020	2019	2020	2019
		£	£	£	£
Fixed Assets					
Investments	4	402,928	95,724	403,028	95,824
Current assets					
Cash at bank		1,802,922	1,945,796	1,730,335	1,945,796
Debtors – promissory loan	5	25,963	47,805	25,963	47,805
Other debtors- donations receivable		105,927	90,089	183,931	90,089
		1,934,812	2,083,690	1,940,299	2,083,690
Creditors					
Amounts falling due within one year- Project costs		415,555	294,396	415,655	294,496
Total net assets		1,922,185	1,885,018	1,927,602	1,885,018
Unrestricted Funds		171,988	152,752	171,988	152,752
Restricted Funds	6	97,901	22,509	97,901	22,509
Designated funds		1,652,296	1,709,757	1,657,713	1,709,757
Total Funds		1,922,185	1,885,018	1,927,545	1,885,018

These Financial Statements were approved by the Trustees on 29 October 2021



Sharmila Nikapota



James Collins

Consolidated cash flow statement for the year ended 31 December 2020

	2020 £	2019 £
Net cash inflow/(outflow) from operating activities	37,167	306,476
(Increase)/Decrease in debtors	(15,838)	(31,133)
Increase/(Decrease) in creditors	121,159	(103,271)
Net cash inflow/(outflow) from operations	142,488	172,072
Cash flow from investing activities		
Fixed asset investment additions	(307,204)	(95,724)
Promissory loan repaid	21,842	(47,805)
Net cash (outflow) from investing activities	(285,362)	(143,529)
Increase/(decrease) in cash at bank	(142,874)	28,543
Cash at the beginning of the year	1,945,796	1,917,253
Cash at the end of the year	1,802,922	1,945,796

Notes to the financial statements

1. Principal accounting policies

(a) Accounting convention

The consolidated financial statements are prepared under the historical cost convention and in preparing the financial statements the charity follows best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities" SORP 2015. The charity presents its accounts under FRS 102.

Basis of consolidation - The consolidated statement of financial activities, balance sheet and cash flow include the financial statements of the charity and its subsidiary undertaking made up to 31 December 2020. The results of the subsidiary is included in the statement of financial activities and inter group transactions are eliminated fully on consolidation.

(b) Donation and grant Income

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

(c) Expenditure is included on an accruals basis.

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

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

The investment in a subsidiary company is held at cost less accumulated impairment losses.

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

(g) Going concern

The accounts are prepared on the basis that the Trustees have adequate resources to continue to operate. The Trustees have informally discussed expected future cash flows and the future expected incoming and outgoing resources in making their assessment for a period of at least 12 months from the signing of the accounts. In particular, in response to the COVID-19 pandemic, they have taken into account the impact on the group and Charity and measures they can take to mitigate the impact. Based on these assessments the Trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

- (h) Financial instruments and Critical accounting estimates and judgements
Estimates and judgements are continually evaluated and are based on the experience and understanding of the Trustees. The Trustees do not believe that there are any significant estimates and judgements that have a material impact on the financial statements.

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

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

3. Charitable activities

	2020	2019
	£	£
Research projects:		
Next Gene Genome Sequencing (University of Minnesota)	248,019	270,515
Gene Editing Trial - Madrid	136,374	-
Colorado Gates	106,569	102,978
UCL Gene Editing	59,543	133,977
Kings College London - Nanocol	41,088	-
UCL Lenticol M	-	47,670
DEBRA - Lenticol F clinical trial	-	65,550
Constant Pharma	-	47,805
License fees	91,996	-
Support costs:		
Admin costs	29,203	17,520
Governance costs	9,920	7,912
Bank charges (Net Refund from bank)	109	-
Audit	4,200	3,000
Events	1,572	-
Web hosting & Social Media consulting	2,175	-
Insurance	4,730	-
	<u>735,498</u>	<u>696,927</u>

3.	2020	2019
	£	£
Raising funds:		
Fund raising & marketing	16,371	53,357
Web hosting	1,009	-
Fundraising admin costs	6,893	4,988
	<u>24,273</u>	<u>58,345</u>

4. Fixed Asset Investments – Held by group

	2020	2019
	£	£
Social Investments - unlisted		
Cost at 1 January 2020	95,724	95,724
Additions	307,204	-
Cost at 31 December 2020	<u>402,928</u>	<u>95,724</u>

Fixed Asset Investments – Held by charity

	2020	2019
	£	£
Social Investments - unlisted		
Cost at 1 January 2020	95,724	95,724
Additions	307,204	-
Cost at 31 December 2020	<u>402,928</u>	<u>95,724</u>

Shares in group undertakings

Held by charity

	2020	2019
	£	£
Cost at 1 January 2020	100	100
Cost at 31 December 2020	<u>100</u>	<u>100</u>
Net book value		
At 31 December 2020	<u>403,028</u>	<u>95,824</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

EB Therapeutics Ltd

Registered office : England & Wales

Nature of business: Furthering research for human health

Class of shares	% holding
Ordinary	100.00

In the year a social investment has been made of £92,282 €100,000 in Branca Bonus Limited, a company registered in Ireland, to further the aims of the charity by the funding of relevant research.

Also in the year a social investment has been made of £214,922 \$275,000 in Fibrix Derm, Inc. a US company, to further the aims of the charity by the funding of relevant research.

5. Debtors

Included in debtors is a promissory loan of US\$30,000 - £25,963 (2019: US\$60,000 - £47,805) made in Constant Pharmaceuticals LLC, a US Corporation, at a coupon nil interest rate, in order to further the aims of the charity by the funding of relevant research.

	Balance brought forward	Income	Expenditure	Inter fund transfer	Balance carried forward
	£	£	£	£	£
6. Restricted fund balances	22,509	75,392	0	0	97,901

Restricted fund balance carried forward represents 3 research projects in progress and are held as cash balances.

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

7. No Trustees received remuneration or were reimbursed for expenses in the period.

8. In the year capital and funds were provided of £170,000 to EB Therapeutics Ltd a subsidiary of Cure EB. In the year there were donations to the charity from the Trustees amounting to £115,000 (2019 - £207,200).

9. There are no employees (2019 - none).

10. There are no contingent liabilities.