

Charity number: 200539

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

**Unaudited**

**Trustees' report and financial statements**

**for the year ended 31 March 2016**

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

## **Contents**

	Page
<b>Reference and administrative details of the charity, its trustees and advisers</b>	<b>1</b>
<b>Trustees' report</b>	<b>2 - 4</b>
<b>Independent examiner's report</b>	<b>5 - 6</b>
<b>Statement of financial activities</b>	<b>7</b>
<b>Balance sheet</b>	<b>8</b>
<b>Cash flow statement</b>	<b>9</b>
<b>Notes to the financial statements</b>	<b>10 - 16</b>

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

### **Reference and administrative details of the Charity, its trustees and advisers for the year ended 31 March 2016**

#### **Trustees**

Christopher Smith, Chairman  
Robin Holland-Martin  
Katharine Voyce  
Professor Anne Greenough  
Dr Kevin Zilkha

#### **Charity registered number**

200539

#### **Principal office**

Weston Education Centre  
10 Cutcombe Road  
London  
SE5 9RJ

#### **Accountants**

Kreston Reeves LLP  
Chartered Accountants  
Third Floor  
24 Chiswell Street  
London  
EC1Y 4YX

#### **Bankers**

Lloyds Bank Plc  
25 Camberwell Green  
London  
SE5 7AB

#### **Management of Investments**

Cazenove Capital Management Limited  
12 Moorgate  
London  
EC2R 6DA

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

### **Trustees' report for the year ended 31 March 2016**

The Trustees present their Annual Report together with the financial statements for the year to 31 March 2016. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's trust deed, the Charities Act 2011 and Accounting and Reports by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

### **Objectives and Activities**

#### **● Policies and objectives**

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

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

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

#### **● Strategies for achieving objectives**

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

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

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

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

#### **● Funding**

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

#### **● Grant making policies**

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

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

### **Trustees' report (continued) for the year ended 31 March 2016**

#### **Achievements and performance**

- **Review of activities**

Investment income and legacies were the main sources of income for the year for unrestricted funds. It continues to be difficult to raise funds from the public with so many charities competing for available monies during these times. The Trustees continue to actively seek funds in order to be able to fund research grants to the Faculty. Legacy income received this year was £154,614 (2015: £117,763). Donations at £57,390, were up in comparison to the previous year (2015: £3,250). The full financial statements are set out in the following accounts.

The funds of the Charity decreased by £106,374 to £1,626,519 (2015: £1,732,893), mainly due to further commitment of grants to fund three PhD students over three years and a fall in value of the investment portfolio but partially offset by the legacies of £154,614.

The Charity's income for the year was £273,271 (2015: £185,091).

- **Investment policy and performance**

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

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

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

#### **Financial review**

- **Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

- **Reserves policy**

It has been the policy of the Charity to maintain unrestricted funds at a level which is sufficient to generate the amount of income to meet the targeted annual grants required by the Trustees and the management and administration costs. The level of the Reserves which the Trustees deem necessary to achieve their objectives is £1,000,000.

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

- **Constitution**

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

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

### **Trustees' report (continued) for the year ended 31 March 2016**

#### **• Method of appointment or election of Trustees**

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

#### **• Risk management**

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

#### **Future developments**

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

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

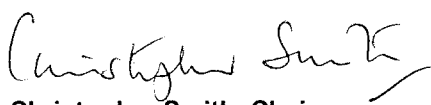
The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees on 16<sup>th</sup> Jan 2017 and signed on their behalf by:

  
**Christopher Smith, Chairman  
Trustee**

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

### **Independent examiner's report for the year ended 31 March 2016**

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

I report on the financial statements of the Charity for the year ended 31 March 2016 which are set out on pages 7 to 16.

This report is made solely to the Charity's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

#### **Respective responsibilities of Trustees and examiner**

The Charity's Trustees are responsible for the preparation of the financial statements, and they consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the Act) and that an independent examination is needed. The Charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of Institute of Chartered Accountants in England and Wales..

It is my responsibility to:

- examine the financial statements under section 145 of the Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Act; and
- state whether particular matters have come to my attention.

#### **Basis of independent examiner's report**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

**The King's Medical Research Trust**

**Independent examiner's report (continued)  
for the year ended 31 March 2016**

**Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with section 130 of the Act; and
  - to prepare financial statements which accord with the accounting records and comply with the accounting requirements of the Act
- have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Signed:



Dated: 18<sup>th</sup> January 2017

Stephen Tanner BSc (Econ) FCA

**Kreston Reeves LLP**  
Chartered Accountants  
Third Floor  
24 Chiswell Street  
London  
EC1Y 4YX



# The King's Medical Research Trust

## Statement of financial activities for the year ended 31 March 2016

	Note	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>Income from:</b>					
Donations and legacies	2	-	212,272	212,272	121,381
Investments	3	-	60,999	60,999	63,710
<b>Total income</b>		<b>-</b>	<b>273,271</b>	<b>273,271</b>	<b>185,091</b>
<b>Expenditure on:</b>					
Raising funds		-	3,417	3,417	2,219
Charitable activities	5	-	239,067	239,067	239,646
<b>Total expenditure</b>	6	<b>-</b>	<b>242,484</b>	<b>242,484</b>	<b>241,865</b>
<b>Net income / (expenditure) before investment gains/(losses)</b>		<b>-</b>	<b>30,787</b>	<b>30,787</b>	<b>(56,774)</b>
Net gains/(losses) on investments	8	-	(137,161)	(137,161)	23,510
<b>Net expenditure and Movement in funds</b>		<b>-</b>	<b>(106,374)</b>	<b>(106,374)</b>	<b>(33,264)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		303,857	1,429,036	1,732,893	1,766,157
<b>Total funds carried forward</b>		<b>303,857</b>	<b>1,322,662</b>	<b>1,626,519</b>	<b>1,732,893</b>

All activities relate to continuing operations.


The notes on pages 10 to 16 form part of these financial statements.

# The King's Medical Research Trust

## Balance sheet as at 31 March 2016

	Note	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Investments	8		1,867,101		2,006,752
<b>Current assets</b>					
Cash at bank and in hand		206,289		182,895	
<b>Creditors:</b> amounts falling due within one year	9	(368,421)		(221,404)	
<b>Net current liabilities</b>			(162,132)		(38,509)
<b>Total assets less current liabilities</b>			1,704,969		1,968,243
<b>Creditors:</b> amounts falling due after more than one year	10		(78,450)		(235,350)
<b>Net assets</b>			1,626,519		1,732,893
<b>Charity Funds</b>					
Restricted funds	11		303,857		303,857
Unrestricted funds	11		1,322,662		1,429,036
<b>Total funds</b>			1,626,519		1,732,893

The financial statements were approved by the Trustees on 16 January 2017 and signed on their behalf, by:

  
Christopher Smith, Chairman

  
Robert Holland-Martin, Trustee

The notes on pages 10 to 16 form part of these financial statements.

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

## **Cash flow statement for the year ended 31 March 2016**

	<b>Note</b>	<b>2016 £</b>	<b>2015 £</b>
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	13	<u>(40,095)</u>	<u>47,176</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		60,086	63,710
Movement in cash held as investments		(132,665)	(94,410)
Proceeds from sale of investments		391,130	340,347
Purchase of investments		<u>(255,062)</u>	<u>(243,750)</u>
<b>Net cash provided by investing activities</b>		<u>63,489</u>	<u>65,897</u>
<b>Change in cash and cash equivalents in the year</b>		<b>23,394</b>	<b>113,073</b>
Cash and cash equivalents brought forward		<u>182,895</u>	<u>69,822</u>
<b>Cash and cash equivalents carried forward</b>	14	<u><u>206,289</u></u>	<u><u>182,895</u></u>

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

### **Notes to the financial statements for the year ended 31 March 2016**

#### **1. Accounting policies**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

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

##### **First time adoption of FRS 102**

In preparing these accounts, the Trustees have considered whether, in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, a restatement of comparative items was required.

The transition to the new reporting framework did not result in any significant changes to the accounting policies adopted by the Charity, and accordingly, no restatement of comparative items was required.

##### **1.2 Fund accounting**

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

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

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

##### **1.3 Income**

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

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

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

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

### **Notes to the financial statements for the year ended 31 March 2016**

#### **1. Accounting policies (continued)**

##### **1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

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

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

All resources expended are inclusive of irrecoverable VAT.

##### **1.5 Investments**

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

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

##### **1.6 Interest receivable**

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

##### **1.7 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.

##### **1.8 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.

## The King's Medical Research Trust

### Notes to the financial statements for the year ended 31 March 2016

#### 1. Accounting policies (continued)

##### 1.9 Liabilities and provisions

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

##### 1.10 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of investments which are revalued annually to their market value.

#### 2. Income from donations and legacies

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	-	57,390	57,390	3,250
Legacies	-	154,614	154,614	117,763
Deeds of covenant and gift aid	-	268	268	368
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	-	212,272	212,272	121,381
	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from donations and legacies, £121,381 was to unrestricted funds and £ NIL was to restricted funds

#### 3. Investment income

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Dividends received	-	59,989	59,989	63,632
Bank and deposit interest	-	1,010	1,010	78
	<hr/>	<hr/>	<hr/>	<hr/>
	-	60,999	60,999	63,710
	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total investment income, £63,710 was to unrestricted funds and £ NIL was to restricted funds.

# The King's Medical Research Trust

## Notes to the financial statements for the year ended 31 March 2016

### 4. Support costs

	Medical research £	Total 2016 £	Total 2015 £
Consultant costs	748	748	804
Postage, telephone, stationery	49	49	241
Sundry expenses	-	-	1
	<u>797</u>	<u>797</u>	<u>1,046</u>

### 5. Governance costs

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Independent Examiners' fee	-	2,920	2,920	3,250
	<u>-</u>	<u>2,920</u>	<u>2,920</u>	<u>3,250</u>

### 6. Analysis of resources expended by expenditure type

	Other costs 2016 £	Total 2015 £
Expenditure on investment management	3,417	2,219
<b>Costs of generating funds</b>	<u>3,417</u>	<u>2,219</u>
Medical research	236,147	236,396
Expenditure on governance	2,920	3,250
	<u>242,484</u>	<u>241,865</u>

### 7. Net incoming resources/(resources expended)

During the year, no Trustees received any remuneration, benefits in kind or reimbursement of expenses (2015 - £NIL).

The King's Medical Research Trust

Notes to the financial statements  
for the year ended 31 March 2016

8. Fixed asset investments

	Listed securities £	Unlisted securities £	Total £
<b>Market value</b>			
At 1 April 2015	1,911,257	95,495	2,006,752
Additions	255,975	-	255,975
Disposals	(425,598)	-	(425,598)
Revaluations	(102,693)	-	(102,693)
Movement in cash	-	132,665	132,665
	<u>1,638,941</u>	<u>228,160</u>	<u>1,867,101</u>
At 31 March 2016	<u>1,638,941</u>	<u>228,160</u>	<u>1,867,101</u>

Investments at market value comprise:

	UK £	Overseas £	2016 £	2015 £
Listed investments	1,101,387	537,554	1,638,941	1,911,257
Cash held in investments	228,160	-	228,160	95,495
	<u>1,329,547</u>	<u>537,554</u>	<u>1,867,101</u>	<u>2,006,752</u>
Total market value	<u>1,329,547</u>	<u>537,554</u>	<u>1,867,101</u>	<u>2,006,752</u>

9. Creditors: Amounts falling due within one year

	2016 £	2015 £
Accruals	<u>368,421</u>	<u>221,404</u>

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

	2016 £	2015 £
Accruals	<u>78,450</u>	<u>235,350</u>



# The King's Medical Research Trust

## Notes to the financial statements for the year ended 31 March 2016

### 11. Statement of funds

	Brought Forward £	Incoming Resources £	Expenditure £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>					
General Fund	1,429,036	273,271	(242,484)	(137,161)	1,322,662
<b>Restricted funds</b>					
Renal	64,257	-	-	-	64,257
Robson memorial research fellowships	239,600	-	-	-	239,600
	303,857	-	-	-	303,857
Total of funds	1,732,893	273,271	(242,484)	(137,161)	1,626,519

Funds donated for the Renal fund are reserved for the research into kidneys.

Funds donated for the Robson memorial research fellowship fund are for such research fellowships that the Robson Memorial trustees approve.

There have been no movements in restricted funds during the year.

### 12. Analysis of net assets between funds

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Fixed asset investments	303,857	1,563,244	1,867,101	2,006,752
Current assets	-	206,289	206,289	182,895
Creditors due within one year	-	(368,421)	(368,421)	(221,404)
Creditors due in more than one year	-	(78,450)	(78,450)	(235,350)
	303,857	1,322,662	1,626,519	1,732,893

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

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(106,374)	(33,264)
<b>Adjustment for:</b>		
Returns on investments and servicing of finance	(60,086)	(63,710)
Gain or loss on revaluation of investments	101,780	(36,293)
Loss on the sale of investment	34,468	12,783
(Decrease)/increase in creditors	(9,883)	167,660
<b>Net cash (used in)/provided by operating activities</b>	<b>(40,095)</b>	<b>47,176</b>

**The King's Medical Research Trust**

**Notes to the financial statements  
for the year ended 31 March 2016**

**14. Analysis of cash and cash equivalents**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Cash in hand	<b>206,289</b>	<b>182,895</b>
Total	<b>206,289</b>	<b>182,895</b>