

WILLIAM HARVEY RESEARCH FOUNDATION
(A Company Limited By Guarantee)

Trustees' Annual Report
and Consolidated Financial Statements
31 MARCH 2018

COMPANY NUMBER: 2472965

CHARITY NUMBER: 803012

WILLIAM HARVEY RESEARCH FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES
YEAR ENDED 31st MARCH 2018

OBJECTIVES AND ACTIVITIES

The objects of the charity, as contained within its Memorandum and Articles of Association, are to promote and support for the benefit of the public, fundamental research leading to new treatments for cardiovascular, inflammatory, metabolic and other diseases and to disseminate the results thereof. In shaping the objectives for the year and planning activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'Public benefit: running a charity (PB2)'. In this report the Trustees have endeavoured to comply with the public-benefit requirements to illustrate both identifiable benefits and that those benefits are to the public.

The Foundation carries out its objects primarily by:

- (i) funding research into the causes and underlying mechanisms of cardiovascular, inflammatory and endocrine diseases, and the experimental evaluation of potential new treatments, the results of which are published in scientific journals and presented at scientific meetings;
- (ii) Supporting postgraduate research training through funding of PhD studentships and supporting postdoctoral fellowships;
- (iii) Sponsorship of conferences and seminars to discuss advances in research in certain disease areas.

ACHIEVEMENTS AND PERFORMANCE

The charity's grant-making policy has been established to achieve the charity's objects for the public benefit and is consistent with the requirements of its membership of the Association of Medical Research Charities (AMRC).

The current priority is to fund project grants, PhD studentships, post-doctoral fellowships and other training initiatives, which respond to unmet medical need and demonstrate the potential for therapeutic innovation. Funding from the Foundation plays an important role in enhancing work already funded by other bodies, and seed funding to initiate high-risk, early-stage studies. Such pilot studies are a pre-requisite before full-grant applications can be made to larger funding bodies. Where appropriate, the Foundation also supports such full-grant applications, and provides support for conferences and symposia at the William Harvey Research Institute (WHRI).

During the year, new grants were awarded totalling £179,072 (2017: £100,000) and ongoing grant funding of £46,576 (2017: £88,760) was provided to WHRI researchers by the Foundation. The new awards were one three-year PhD studentship, one post-doctoral fellowship, and three grants for funding new research areas. They were made following an open-call grant round within the WHRI and external peer review process, meeting the Foundation's priority criteria of unmet medical need and therapeutic innovation, and benefitting different research groups within WHRI. In addition, the Foundation's trading subsidiary funded seven postgraduate posts through the WHRI.

**WILLIAM HARVEY RESEARCH FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES (continued)
YEAR ENDED 31st MARCH 2018**

FINANCIAL REVIEW

In the year, the Foundation received total income of £1,620,435 (2017: £2,075,740) and, with total expenditure of £1,791,881 (2017: £2,148,265), there was a net deficit of £171,446 (2017: net deficit of £72,525). The Foundation's net assets at 31st March 2018 were £280,358 (2017: £451,804 restated).

The Foundation maintained its research support at £1,377,935 (2017: £1,693,811) in the year. This included support of £843,275 (2017: £942,175) for research on cardiovascular disease, £186,465 (2017: £171,719) for inflammatory disorders, £158,000 (2017: 284,576) for endocrine diseases and £190,195 (2017: £295,341) for other diseases, inclusive of studentships in those areas.

Following clarification by the Financial Reporting Council on the treatment of gift aid payments from charity trading subsidiaries, the Trading Company no longer makes a gift aid payment to the Foundation, its parent undertaking, but makes a charitable distribution in the following accounting year. Thus, the Trading Company distributed £190,698 in the financial year ended 31st March 2018 and, subject to a final decision taking account of all circumstances, future commitments and material liabilities, will distribute £148,533 in the financial year ending 31st March 2019 to be added to the Foundation's reserves, primarily to cover future operational and development costs, and to support future grant-making, as determined by the Trustees. This distribution remains well above the 15-year average of £100k.

Risk management

The Trustees examine on a regular basis both real and potential major business and operational risks, based on an in-depth analysis provided by the Audit and Executive committees, and confirm that systems and a reporting structure have been established to enable ongoing monitoring and action to be taken to mitigate risks, including the regular review and renewal of relevant insurance policies. The principal risk to the Foundation is not maintaining sufficient free reserves to offer regular rounds of open-call awards and other grants, which is being addressed by the improved profitability of the Trading Company and the Foundation's concerted fundraising efforts. The principal risk to the Trading Company is external competition affecting contract-research activities, into which more marketing and sales capacity and expertise is being invested and new opportunities being sought.

In order to maximise possible returns, to diversify the risk and to ensure readily available funds to meet its cash-flow commitments, the Foundation invests its cash reserves in several short-term deposit accounts, with the aim that no single deposit with any one financial institution exceeds £85,000, in line with the limit of the Financial Services Compensation Scheme.

**WILLIAM HARVEY RESEARCH FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES (continued)
YEAR ENDED 31st MARCH 2018**

FINANCIAL REVIEW (continued)

Reserves policy

The reserves are used to cover the Foundation's development and administration costs, with 40% of salary costs for administration reimbursed to the Trading Company.

The Foundation's reserves policy, as determined by the Trustees, is to achieve free reserves approximating to a level: (i) to meet costs covering 12-months' expenditure, calculated at approximately £100,000 at current levels; (ii) to provide sufficient funds, of at least £30,000 a year, to support the development of the Foundation; and (iii) to meet future grant commitments entered into in previous years (see Note 21). Relying on both the Trading Company and Foundation, the level of free reserves for the year under review amounts to £168,966 (2017: £275,867 restated). Free reserves are funds that do not have a restricted or designated purpose and which are not tied up in fixed assets.

PLANS FOR FUTURE PERIODS

The Trustees continue to look to broaden and deepen their expertise to deliver the priorities of the Foundation. The Trustees are committed to keeping under review governance arrangements to ensure ongoing compliance and the effective working of the Foundation.

The Trustees continue to build and cultivate a closer working relationship with the William Harvey Research Institute (WHRI) and to support its scientific and educational endeavours.

The Trustees continue to seek to raise funds:

- (i) to provide seed-funding for research at the WHRI;
- (ii) to fund PhD studentships or postdoctoral fellowships at the WHRI.
- (iii) to establish, in his memory, the John Vane Chair of Pharmacological Innovation within the WHRI.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Foundation is registered as a charity with the Charity Commission of England and Wales and is a company limited by guarantee not having a share capital and registered with Companies House. It is governed by its Memorandum and Articles of Association, which were amended by resolution at the Company's annual general meeting on 12 October 2016.

The Foundation is the majority shareholder (60%) of William Harvey Research Limited, a company limited by shares and registered in England and Wales. The minority shareholder (40%) is Queen Mary University of London. There are no Trustees on the Board of Directors of the Trading Company, but Trustees make up the majority of members of the Trading Company Board's Audit and Remuneration committees.

**WILLIAM HARVEY RESEARCH FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES (continued)
YEAR ENDED 31st MARCH 2018**

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trustees are appointed by ordinary resolution at a general meeting of the company, although Trustees may be appointed *pro tem* by the Board of Trustees until the following annual general meeting. The exception is one representative of Barts and The London School of Medicine, whom the Trustees may appoint as a Trustee under the provisions of the Articles of Association. The minimum number of Trustees at any time is four, and the maximum ten. Trustees are appointed for five years and on retirement are eligible to be re-appointed, normally for one further term only.

New Trustees are identified by the Board of Trustees and must first be Members of the company, appointed as such by the Board of Trustees. (The membership of the company must contain a majority who are relevantly scientifically qualified.) The Board of Trustees is constituted of individuals with appropriate expertise and experience to direct the activities of the Foundation, in particular its charitable, scientific and executive functions. At its AGM on 9 October 2018, Mrs Lisbet Coulton, Dr Steve DeCherney and Professor Tim Williams FRS are due to retire as Trustees, and Professor Rod Flower FRS will be nominated for appointment.

The work of the Board of Trustees is supported by the Audit and Executive committees, each containing a majority of members who are Trustees. The Executive Committee in turn is supported by a Grants Review Committee, which includes over 50% external, unconnected persons, in line with the peer-review policies of the Association of Medical Research Charities, of which the Foundation is a member. Each Board committee and subcommittee has terms of reference agreed by the Board, and there is a schedule of matters reserved for the Board and a communications protocol to ensure appropriate and timely communication and decision-making between committees and the Board. The Foundation has also established a Philanthropy Development Board, chaired by a Trustee, to lead and direct its fundraising activities.

The Board and its committees are supported by a part-time Scientific Programme Director, a part-time Development Manager to support its fundraising activities, a part-time Company Secretary, and a part-time Accountant. The Company Secretary and Accountant also support the Board of the Trading Company, which has four directors and one full-time staff member. Trustees receive no remuneration. Remuneration of directors and staff is reviewed and benchmarked annually. The Foundation is looking to work more closely with the Trading Company and the William Harvey Research Institute, benefitting from their relevant expertise and capacity to enhance the Foundation's fundraising activities.

FUNDRAISING POLICY

The Foundation's approach to fundraising excludes any contact with the public and involves no commercial participators or professional fundraisers. The Foundation promotes support for its charitable activities and seeks to raise funds with explicit consent from potential donors. The Foundation is registered with the Fundraising Regulator (FR) and contributes to the FR levy and adheres to the FR Code of Practice. No complaints have been received in the year.

**WILLIAM HARVEY RESEARCH FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES (continued)
YEAR ENDED 31st MARCH 2018**

RELATED PARTIES

The Trustees have submitted to Kingston Smith LLP, the Foundation's external Auditors, for inspection 'Declaration of Related Party Interests and Fit and Proper Status' forms to assist them in conducting their audit in accordance with the revised and redrafted auditing standards as issued by the Auditing Practices Board.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also Directors of the William Harvey Research Foundation) 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 Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that 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 Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charity's auditor is 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 auditor is aware of that information.

**WILLIAM HARVEY RESEARCH FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES (continued)
YEAR ENDED 31st MARCH 2018**

AUDITORS

Kingston Smith LLP were appointed auditors to the company during the year and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they will be re-appointed will be put at the Annual General Meeting.

The Trustees' Annual Report is approved by the Trustees in their capacity as Directors in company law of the charity.

This report was approved by the Board on.....2018.

**Dr J. Gordon
Chairman**

**WILLIAM HARVEY RESEARCH FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
REFERENCE AND ADMINISTRATIVE DETAILS**

DIRECTORS AND TRUSTEES	Dr J. Gordon	2,4
	Mr S. Bates (appointed 24.04.18)	4
	Mrs L. Coulton	2,4
	Dr G. S. DeCherney	1
	Mr M. Draper (retired 11.10.17)	1,2
	Mr P. Marshall	2,3
	Mr G. McRae (appointed 10.05.17)	1,2,4
	Dr A. Obolensky (retired 31.05.17)	
	Professor S. Thornton	
	Mr J. Tigue (appointed 10.05.17)	4
Professor T. Williams	3	

ADMINISTRATOR/COMPANY SECRETARY Mr J. Cross ACIS

CHARITY NUMBER 803012

COMPANY NUMBER 2472965

REGISTERED OFFICE and BUSINESS ADDRESS
John Vane Science Centre
Charterhouse Square
London
EC1M 6BQ

AUDITORS
Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

BANKERS HSBC plc

SOLICITORS
Taylor Wessing LLP
5 New Street Square
London
EC4A 3TW

Committees:
1 Audit
2 Executive
3 Grants Review
4 Philanthropy Development Board

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF WILLIAM HARVEY RESEARCH FOUNDATION

Opinion

We have audited the financial statements of William Harvey Research Foundation (the 'company') for the year ended 31 March 2018 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, 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 FRS 102 'The Financial Reporting Standard Applicable in the UK and 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 the parent charitable company's affairs as at 31 March 2018 and of the group's incoming resources and application of resources, 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 and the Charities Act 2011.

Basis of 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 Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the charitable company 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 group's and 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
WILLIAM HARVEY RESEARCH FOUNDATION (continued)**

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 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.

Opinions 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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require 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's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from preparing a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees (who are also the directors of the charitable company for the purpose of the 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
WILLIAM HARVEY RESEARCH FOUNDATION (continued)**

Responsibilities of trustees (continued)

In preparing the financial statements, the trustees are responsible for assessing the group and 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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 auditor's 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
WILLIAM HARVEY RESEARCH FOUNDATION (continued)**

Auditor's responsibilities for the audit of the financial statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 and, in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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 any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

**Shivani Kothari (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor**

Devonshire House
60 Goswell Road
London EC1M 7AD

Date:

Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

WILLIAM HARVEY RESEARCH FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31st MARCH 2018

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Restated Total 2017 £
INCOME from:					
Donations	2a	18,231	-	18,231	17,868
Charitable activities	2b	220,973	-	220,973	225,520
Other trading activities	2c	1,375,704	-	1,375,704	1,829,424
Investments	2d	3,077	-	3,077	2,928
Other income	2e	2,450	-	2,450	-
Total income		<u>1,620,435</u>	<u>-</u>	<u>1,620,435</u>	<u>2,075,740</u>
EXPENDITURE on:					
Raising funds	8a	287,586	-	287,586	334,513
Charitable activities	8b	1,497,519	6,350	1,503,869	1,813,200
Total expenditure		<u>1,785,105</u>	<u>6,350</u>	<u>1,791,455</u>	<u>2,147,713</u>
Losses on investments	11	(426)	-	(426)	(552)
Net expenditure		(165,096)	(6,350)	(171,446)	(72,525)
Minority interests	11	16,866	-	16,866	(19,412)
Net movement in funds		(148,230)	(6,350)	(154,580)	(91,937)
Reconciliation of funds					
Fund balances brought forward at 1 April 2017		321,294	10,881	332,175	424,112
Fund balances carried forward at 31 March 2018	17	<u>173,064</u>	<u>4,531</u>	<u>177,595</u>	<u>332,175</u>

As permitted by section 408 of the Companies Act 2006 the income and expenditure account of the Parent Company is not presented as part of these accounts.

The notes on pages 16 to 33 form part of these accounts.

WILLIAM HARVEY RESEARCH FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED BALANCE SHEET
YEAR ENDED 31st MARCH 2018

		2018		Restated 2017	
	Notes	£	£	£	£
Fixed Assets					
Investments	11	68		494	
			68		494
Current Assets					
Short term investments		53,048		52,409	
Debtors	12	225,690		529,098	
Cash at bank and in hand		785,216		991,278	
		1,063,954		1,572,785	
Creditors: Amounts falling due within one year	13	(569,742)		(1,053,313)	
Net Current Assets			494,212		519,472
Total Assets less Current Liabilities			494,280		519,966
Provisions for liabilities for future costs	14		(213,922)		(68,162)
Total Net Assets			280,358		451,804
The funds of the charity					
Restricted Funds	19		4,531		10,881
Unrestricted Funds					
Designated	20	4,098		45,427	
General	20	14,852		96,454	
			18,950		141,881
Funds retained within a non-charitable subsidiary	11		154,114		179,413
			177,595		332,175
Minority interests	11		102,763		119,629
Total charity funds			280,358		451,804

The financial statements were approved and authorised for issue by the Trustees on
2018 and were signed below on their behalf by:

Dr J. Gordon
Chairman

Registered Company Number: 2472965

The notes on pages 16 to 33 form part of these accounts.

**WILLIAM HARVEY RESEARCH FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
CHARITABLE COMPANY BALANCE SHEET
YEAR ENDED 31st MARCH 2018**

		2018		Restated 2017	
	Notes	£	£	£	£
Fixed Assets					
Investments		68		494	
Investments in subsidiaries		30		30	
	11	98	98	524	524
Current Assets					
Debtors	12	999		1,309	
Cash at bank and in hand		258,992		352,933	
		259,991		354,242	
Creditors: Amounts falling due within one year	13	(22,686)		(133,842)	
Net Current Assets			237,305		220,400
Total Assets less Current Liabilities			237,403		220,924
Provisions for liabilities for future costs	14		(213,922)		(68,162)
Total Net Assets			23,481		152,762
The funds of the charity					
Restricted Funds	19		4,531		10,881
Unrestricted Funds					
Designated	20	4,098		45,427	
General	20	14,852		96,454	
		18,950		141,881	
Total charity funds			23,481		152,762

The financial statements were approved and authorised for issue by the Trustees on
2018 and were signed below on their behalf by:

Dr J. Gordon
Chairman

Registered Company Number: 2472965

**WILLIAM HARVEY RESEARCH FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31st MARCH 2018**

	2018	2017
	£	£
(Outflows)/cash flows from operating activities		
Net cash (used in)/provided by operating activities	<u>(209,131)</u>	<u>333,145</u>
Cash flows from investing activities		
Investment income and interest received	3,069	3,423
Total cash flows from investing activities	<u>3,069</u>	<u>3,423</u>
Change in cash and cash equivalents	(206,062)	336,568
Cash and cash equivalents at beginning of year	991,278	654,710
Cash and cash equivalents at end of year	<u>785,216</u>	<u>991,278</u>

Reconciliation of net income to net cash flow from operating activities

	2018	2017
	£	£
Net (expenditure)/income	(171,446)	(72,525)
Adjustments for:		
(Increase) in current asset investments	(639)	(723)
Net losses on investments	426	552
Loss on disposal of fixed assets	-	6
Investment income	(3,069)	(3,423)
Decrease/(increase) in debtors	303,408	(255,260)
(Decrease)/increase in creditors	(337,811)	664,518
Net cash provided by operating activities	<u>(209,131)</u>	<u>333,145</u>

Analysis of cash and cash equivalents

	2018	2017
	£	£
Cash in hand	705,272	912,269
Notice deposits (less than 3 months)	79,944	79,009
Total cash and cash equivalents	<u>785,216</u>	<u>991,278</u>

WILLIAM HARVEY RESEARCH FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
YEAR ENDED 31st MARCH 2018

1. ACCOUNTING POLICIES

a) Accounting Convention

These financial statements are prepared on a going concern basis, under the historical cost convention, modified so that investments are being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company and its subsidiaries are a public benefit group for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable group to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular, the Trustees have considered the charitable group's forecasts and projections, and have taken account of pressures on donation and investment income as well as the contribution from the trading subsidiary. After making enquiries, the Trustees have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future. The charitable group therefore continues to adopt the going concern basis in preparing its financial statements.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

b) Basis of Consolidation

As provided by section 408 of the Companies Act 2006 a separate statement of financial activities is not presented for the William Harvey Research Foundation. The parent charitable company's net movement in funds was a deficit of £129K (2017: deficit of £121K).

The William Harvey Research Foundation holds sixty per cent of the shareholding and voting rights in William Harvey Research Limited and is therefore its Parent Company and prepares consolidated accounts that include the activities, assets and liabilities of William Harvey Research Limited.

c) Income

Income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

WILLIAM HARVEY RESEARCH FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (continued)
YEAR ENDED 31st MARCH 2018

1. ACCOUNTING POLICIES (continued)

d) Sponsorship and Contract Research income

Sponsorship and Contract Research income is recognised on an accruals basis. Income relating to future accounting periods is deferred and recognised in those future accounting periods. The basis of apportionment being over the time as specified by the sponsor or the client.

e) Expenditure

Liabilities are 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.

f) Expenditure on raising funds

The costs of raising funds consist of marketing fees, sponsorship and contract research management costs, administration and governance expenses incurred for the running of the William Harvey Research Foundation and William Harvey Research Ltd.

g) Expenditure on charitable activities

Charitable expenditure comprises all expenditure incurred directly relating to the objects of the charity. They are accounted for on an accrual basis and have been classified under headings that aggregate all costs related to the category. They include grants made for research within the William Harvey Research Institute.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity. Unconditional grant offers are accrued once the recipient has been notified of the grant award and its payment is probable. Grant awards that are subject to the recipient fulfilling performance or other conditions are accrued when the recipient has been notified of the grant and either the performance condition is met or any remaining unfulfilled condition attaching to the grant is outside of the control of the Charity.

Grants are paid only for scientific research where an application covering the scientific proposal outlining the background of and the needs for the research, methods and financial support is submitted. The grant applications are evaluated by the Grants Review Committee, which recommends applications for approval to the Executive Committee, which makes the decision. Provisions for future expenditure related to single or multi-year grants are made for salaries and PhD studentships. Further details of grants are disclosed in note 8.

h) Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include statutory audit and legal fees as well as Trustees' related expenses.

WILLIAM HARVEY RESEARCH FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (continued)
YEAR ENDED 31st MARCH 2018

1. ACCOUNTING POLICIES (continued)

i) Pensions

The company contributes to employees' personal pension schemes in accordance with employment contracts and statutory pension regulations.

j) Irrecoverable VAT

Irrecoverable VAT incurred by the William Harvey Research Foundation is charged against the category of resources expended for which it was incurred.

k) Investments

Fixed asset investments are stated at market value. The Statement of Financial Activities includes net gains and losses arising on revaluation and disposals throughout the year.

Shares in William Harvey Research Ltd are stated at cost.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the Statement of Financial Activities as 'gains or losses on investments' and are allocated to the appropriate fund holding or disposing of the relevant investment.

l) Provision

In accordance with the SORP, provision for future costs is recognised for those grants where there is the constructive obligation of future provision of funds for payments of awarded grants.

m) Restricted Funds

Restricted funds represent amounts yet to be expended on grants from fund holders on restricted research projects. These are funds which were given for specific purposes which are narrower than the general objects of the charity. Further details of restricted funds are disclosed in note 20.

n) Designated Funds

Designated funds are unrestricted funds earmarked by the Executive Committee for particular purposes, in furtherance of the charitable objects. Further details of unrestricted funds are disclosed in note 21.

o) Foreign Currencies

Transactions denominated in foreign currency are translated at the rate of exchange ruling at the date of the transaction. Exchange differences arising in the ordinary course of business are included in the operating profit. Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date.

WILLIAM HARVEY RESEARCH FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (continued)
YEAR ENDED 31st MARCH 2018

1. ACCOUNTING POLICIES (continued)

p) Critical accounting estimates and areas of judgement

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.

q) Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's statement of financial position when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exception of prepayments and deferred income, all other debtor and creditor balances are considered to be basic financial instruments under FRS102. See notes 13 and 14 for the debtor and creditor notes.

**WILLIAM HARVEY RESEARCH FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (continued)
YEAR ENDED 31st MARCH 2018**

2. INCOME

2a. Donations

Year to 31 March 2018	Unrestricted Funds £	Restricted Funds £	Total 2018 £
Donated office facilities	18,231	-	18,231
Donations towards research project	-	-	-
Total Donations	18,231	-	18,231

Year to 31 March 2017	Unrestricted Funds £	Restricted Funds £	Total 2017 £
Donated office facilities	17,363	-	17,363
Donations towards research project	505	-	505
Total Donations	17,868	-	17,868

2b. Charitable activities

Year to 31 March 2018	Unrestricted Funds £	Restricted Funds £	Total 2018 £
John Vane Memorial conference income	220,973	-	220,973
Total Charitable activities	220,973	-	220,973

Year to 31 March 2017	Unrestricted Funds £	Restricted Funds £	Total 2017 £
John Vane Memorial conference income	225,520	-	225,520
Total Charitable activities	225,520	-	225,520

WILLIAM HARVEY RESEARCH FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (continued)
YEAR ENDED 31st MARCH 2018

2. INCOME (continued)

2c. Other trading activities

Year to 31 March 2018	Unrestricted Funds £	Restricted Funds £	Total 2018 £
Research income on Cardiovascular diseases	909,921	-	909,921
Research income on Inflammation diseases	202,554	-	202,554
Research income on Endocrine diseases	188,938	-	188,938
Research income on other diseases	26,636	-	26,636
Consultancy income	47,655	-	47,655
Total Other trading activities	<u>1,375,704</u>	<u>-</u>	<u>1,375,704</u>

Year to 31 March 2017	Unrestricted Funds £	Restricted Funds £	Total 2017 £
Research income on Cardiovascular diseases	922,232	-	922,232
Research income on Inflammation diseases	168,329	-	168,329
Research income on Endocrine diseases	305,370	-	305,370
Research income on other diseases	333,689	-	333,689
Consultancy income	99,804	-	99,804
Total Other trading activities	<u>1,829,424</u>	<u>-</u>	<u>1,829,424</u>

2d. Investments

Year to 31 March 2018	Unrestricted Funds £	Restricted Funds £	Total 2018 £
Interest on cash deposits	3,077	-	3,077
Total Investments	<u>3,077</u>	<u>-</u>	<u>3,077</u>

Year to 31 March 2017	Unrestricted Funds £	Restricted Funds £	Total 2017 £
Interest on cash deposits	2,928	-	2,928
Total Investments	<u>2,928</u>	<u>-</u>	<u>2,928</u>

**WILLIAM HARVEY RESEARCH FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (continued)
YEAR ENDED 31st MARCH 2018**

2. INCOME (continued)

2e. Other income

Year to 31 March 2018	Unrestricted Funds £	Restricted Funds £	Total 2018 £
Repayment supplement on VAT refund	2,450	-	2,450
Total Other income	2,450	-	2,450

Year to 31 March 2017	Unrestricted Funds £	Restricted Funds £	Total 2017 £
Repayment supplement on VAT refund	-	-	-
Total Other income	-	-	-

3. TOTAL INCOME BY GEOGRAPHICAL MARKET	2018	2017
United Kingdom	64%	81%
Europe	4%	10%
North America	23%	9%
Rest of the World	9%	0%

**WILLIAM HARVEY RESEARCH FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (continued)
YEAR ENDED 31st MARCH 2018**

4. TRUSTEES AND KEY MANAGEMENT PERSONNEL

The Trustees received no remuneration. Two Trustees received travelling expenses during the year totalling £1,031 (2017: £1,041).

Key management personnel include the WHRF Trustees, WHRF Scientific Programme Director and WHRL Directors. The total remuneration including employee benefits of the charity's key management personnel were £53,772 (2017: £52,566).

5. ANALYSIS OF STAFF COSTS	2018	2017
	£	£
Salaries	133,575	102,405
Social security costs	6,134	3,046
Other pension costs	3,678	5,367
	143,387	110,818

During the year no employee received emoluments exceeding £60,000 (2017: Nil).

6. ANALYSIS OF STAFF NUMBERS

The average number of full-time equivalent employees (including casual and part time staff) was 3.0 (2017: 3.0 staff) and the monthly average number of staff employed during the period was as follows:

	2018	2017
	number	number
Fundraising	2	2
Support	6	6
	8	8

7. MOVEMENT IN NET FUNDS FOR THE YEAR	2018	2017
	£	£
Net outgoing resources are stated after charging:		
Auditors' remuneration:		
. Audit fees	11,351	11,023
. Other fees	550	320

WILLIAM HARVEY RESEARCH FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (continued)
YEAR ENDED 31st MARCH 2018

8. EXPENDITURE

8a. Raising funds

Year to 31 March 2018	Unrestricted Funds £	Restricted Funds £	Total 2018 £
Fundraising and publicity	72,891	-	72,891
Administration expenses	138,584	-	138,584
Consultancy related costs	38,511	-	38,511
Audit fees	11,351	-	11,351
Other governance costs	26,249	-	26,249
Total Costs of raising funds	287,586	-	287,586

Year to 31 March 2017	Unrestricted Funds £	Restricted Funds £	Total 2017 £
Fundraising and publicity	77,775	-	77,775
Administration expenses	146,157	-	146,157
Consultancy related costs	75,260	-	75,260
Audit fees	11,023	-	11,023
Other governance costs	24,298	-	24,298
Total Costs of raising funds	334,513	-	334,513

8b. Charitable activities

Charitable activities by fund category

Year to 31 March 2018	Unrestricted Funds £	Restricted Funds £	Total 2018 £
Research on Cardiovascular diseases	836,925	6,350	843,275
Research on Inflammation diseases	186,465	-	186,465
Research on Endocrine diseases	158,000	-	158,000
Research on other diseases	190,195	-	190,195
Conferences and Symposia	125,934	-	125,934
Total Charitable activities	1,497,519	6,350	1,503,869

WILLIAM HARVEY RESEARCH FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (continued)
YEAR ENDED 31st MARCH 2018

8. EXPENDITURE (continued)

8b. Charitable activities (continued)

Charitable activities by fund category (continued)

Year to 31 March 2017	Unrestricted Funds £	Restricted Funds £	Total 2017 £
Research on Cardiovascular diseases	935,867	6,308	942,175
Research on Inflammation diseases	171,719	-	171,719
Research on Endocrine diseases	284,576	-	284,576
Research on other diseases	295,341	-	295,341
Conferences and Symposia	119,389	-	119,389
Total Charitable activities	<u>1,806,892</u>	<u>6,308</u>	<u>1,813,200</u>

Charitable activities by expenditure category

Year to 31 March 2018	Direct costs		Grants costs	Total 2018 £
	Staff costs £	Other costs £	£	
Research on Cardiovascular diseases	-	-	843,275	843,275
Research on Inflammation diseases	-	-	186,465	186,465
Research on Endocrine diseases	-	-	158,000	158,000
Research on other diseases	-	-	190,195	190,195
Conferences and Symposia	4,274	121,660	-	125,934
Total Charitable activities	<u>4,274</u>	<u>121,660</u>	<u>1,377,935</u>	<u>1,503,869</u>

Charitable activities by expenditure category

Year to 31 March 2017	Direct costs		Grants costs	Total 2017 £
	Staff costs £	Other costs £	£	
Research on Cardiovascular diseases	-	-	942,175	942,175
Research on Inflammation diseases	-	-	171,719	171,719
Research on Endocrine diseases	-	-	284,576	284,576
Research on other diseases	-	-	295,341	295,341
Conferences and Symposia	3,214	116,175	-	119,389
Total Charitable activities	<u>3,214</u>	<u>116,175</u>	<u>1,693,811</u>	<u>1,813,200</u>

Income received in grant funding is not used to meet support or governance costs.

WILLIAM HARVEY RESEARCH FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (continued)
YEAR ENDED 31st MARCH 2018

9. GRANTS AND AWARDS

During the year the charity paid or made provision to pay claims on 11 grants (2017: 9 grants) with a total value of £225,648 (2017: £188,670). Of those grants 11 (2017: 9 grants) were to the William Harvey Research Institute totalling £225,648 (2017: £188,670).

In addition, the trading subsidiary paid or made provision to pay awards to the William Harvey Research Institute with a total value of £1,152,287 (2017: £1,501,654).

10. TAXATION

The William Harvey Research Foundation is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

11. FIXED ASSETS INVESTMENTS

	2018	2017
	£	£
Group		
UK Listed Investments		
Market value at beginning of period	494	1046
Net (loss)/gain on revaluation	(426)	(552)
Market value at 31 March 2018	68	494

	2018	2017
	£	£
Investments representing a significant proportion of the portfolio:		
Vernalis shares	68	494
Charity investments include the above amounts, together with the Charity's investment in the trading subsidiary.		
Investment in subsidiary – at cost	30	30

The investment represents 60% of the total share capital of £50 of William Harvey Research Limited, a company incorporated in England and Wales.

WILLIAM HARVEY RESEARCH FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (continued)
YEAR ENDED 31st MARCH 2018

11. FIXED ASSETS INVESTMENTS (continued) **2018** **2017**
£ **£**

William Harvey Research Limited receives Sponsorship and Contract Research income, which it passes by charitable distribution to the charity, to perform the research.

Queen Mary University own the remaining 40% of William Harvey Research Limited. Queen Mary University cannot place any restrictions on the group's activities.

Summary of William Harvey Research Limited's results	2018	Restated
	£	2017
		£
Total income for the year	1,600,662	2,056,393
Expenditure to third parties	(1,452,129)	(1,865,695)
Net income	<u>£148,533</u>	<u>£190,698</u>
Paid to the William Harvey Research Foundation	(190,698)	(142,167)
Net movement in reserves	<u>(42,165)</u>	<u>48,531</u>

£1,600,662 (2017: £2,056,393) had been adjusted in income and £1,452,129 (2017: £1,865,695) adjusted in expenditure to reflect the intercompany trading balances between William Harvey Research Limited and William Harvey Research Foundation.

	2018	Restated
	£	2017
		£
Total assets	803,963	1,219,641
Total liabilities	(547,056)	(920,569)
Shareholders' funds	<u>256,907</u>	<u>299,072</u>

**WILLIAM HARVEY RESEARCH FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (continued)
YEAR ENDED 31st MARCH 2018**

11. FIXED ASSETS INVESTMENTS (continued)

Summary of William Harvey Research Limited's results (continued)

Transactions between William Harvey Research Limited and William Harvey Research Foundation for the year ended 31 March 2018 are as follows:

- Payment of charitable distribution of £190,698 (2017: £142,167)
- Recharges of salary costs and third party invoices of £49,578 (2017: £47,928) inclusive of VAT where applicable

Transactions between William Harvey Research Foundation and William Harvey Research Limited for the year ended 31 March 2018 are as follows:

- Recharges of internet banking fees of £126 (2017: £126)

As noted Queen Mary University own 40% of William Harvey Research Limited.

Queen Mary University's share of the result for the year ended 31 March 2018 is a loss of £16,866 (Restated 2017: profit of £19,412).

Queen Mary University's share of shareholders' funds at 31 March 2018 is £102,763 (Restated 2017: £119,629).

12. DEBTORS	GROUP		Restated CHARITABLE COMPANY	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	197,382	480,617	-	-
Other debtors	14,388	14,323	-	-
Prepayments	9,444	1,373	367	683
Accrued income	4,476	32,785	632	626
	225,690	529,098	999	1,309

13. CREDITORS: amounts falling due within one year	GROUP		Restated CHARITABLE COMPANY	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	384,574	397,480	1,787	17,915
Other taxes and social security costs	18,655	30,557	1,268	1,226
Other creditors	2,824	170	28	60
Amounts due to subsidiary	-	-	-	1,098
Deferred income	119,317	242,170	-	-
Accruals	44,372	382,936	19,603	113,543
	569,742	1,053,313	22,686	133,842

**WILLIAM HARVEY RESEARCH FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (continued)
YEAR ENDED 31st MARCH 2018**

14. PROVISION FOR LIABILITIES	GROUP		CHARITABLE COMPANY	
	2018	2017	2018	2017
	£	£	£	£
Future costs payable:				
Grant for research expenditure already committed and payable until January 2021	213,922	68,162	213,922	68,162

15. SHARE CAPITAL

The charity does not have any share capital and is limited by guarantee.

At 31 March 2018 the charity had 29 members, which following changes in April 2018 remains at 29. Each member's liability is limited to £1.

16. RELATED PARTY TRANSACTIONS	2018	2017
	£	£
Directors of the William Harvey Research Limited Professors M. Perretti, C. Thiemermann, B. Whittle and M. Yaqoob		
Consultancy fees	65,750	57,000
Parmigiani Consulting Ltd		
John Vane Memorial conference organiser fees	25,521	24,947
John Vane Memorial conference recharge of ancillary expenses	5,134	998

The sole shareholder and Managing Director of Parmigiani Consulting Ltd, appointed by the Board of Directors, is the spouse of the CEO of the William Harvey Research Limited.

Currently, the four Directors are employees of the minority shareholder, Queen Mary University of London. Their remuneration as QMUL employees is determined solely by QMUL.

WILLIAM HARVEY RESEARCH FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (continued)
YEAR ENDED 31st MARCH 2018

17. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Year to 31 March 2018	Unrestricted Funds £	Restricted Funds £	Total £
Investments	68	-	68
Net current assets – excluding minority interests	172,996	4,531	177,527
Net assets before minority interests	173,064	4,531	177,595
Net current assets – minority interests	102,763	-	102,763
Net assets	275,827	4,531	280,358

Year to 31 March 2017	Unrestricted Funds £	Restricted Funds £	Restated Total £
Investments	494	-	494
Net current assets – excluding minority interests	320,800	10,881	331,681
Net assets before minority interests	321,294	10,881	332,175
Net current assets – minority interests	119,629	-	119,629
Net assets	440,923	10,881	451,804

18. ANALYSIS OF CHARITABLE COMPANY NET ASSETS BETWEEN FUNDS

Year to 31 March 2018	Unrestricted Funds £	Restricted Funds £	Total £
Fixed asset investments	98	-	98
Net current assets	18,852	4,531	23,383
Net assets	18,950	4,531	23,481

Year to 31 March 2017	Restated Unrestricted Funds £	Restricted Funds £	Total £
Fixed asset investments	524	-	524
Net current assets	141,357	10,881	152,238
Net assets	141,881	10,881	152,762

WILLIAM HARVEY RESEARCH FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (continued)
YEAR ENDED 31st MARCH 2018

19. CHARITABLE COMPANY RESTRICTED FUNDS

Year to 31 March 2018	1 April 2017	Income	Expenditure	Transfers	31 March 2018
	£	£	£	£	£
Cardiovascular diseases	8,692	-	(6,350)	-	2,342
Pharmacology research	675	-	-	-	675
Conferences and Symposia	1,514	-	-	-	1,514
Total restricted funds	10,881	-	(6,350)	-	4,531

Restricted fund for Cardiovascular research:

Investigations into the actions of dietary polyphenols: new treatment for endothelial dysfunction and prevention of vascular ageing.

Restricted fund for Pharmacology research:

Appeal for the 'John Vane Chair'.

Year to 31 March 2017	1 April 2016	Income	Expenditure	Transfers	31 March 2017
	£	£	£	£	£
Cardiovascular diseases	15,000	-	(6,308)	-	8,692
Pharmacology research	675	-	-	-	675
Conferences and Symposia	1,514	-	-	-	1,514
Total restricted funds	17,189	-	(6,308)	-	10,881

20. CHARITABLE COMPANY UNRESTRICTED FUNDS

Year to 31 March 2018	Restated 1 April 2017	Income	Expenditure	Transfers	31 March 2018
	£	£	£	£	£
Designated					
Inflammation diseases	6,268	-	(12,316)	9,641	3,593
Cardiovascular diseases	30,124	-	(40,042)	9,918	-
Other diseases	8,530	-	(166,940)	158,410	-
Unspecified research funds	505	-	-	-	505
Administration fund	-	19,773	(114,104)	94,331	-
Total designated funds	45,427	19,773	(333,402)	272,300	4,098
General funds	96,454	190,698	-	(272,300)	14,852
Total unrestricted funds	141,881	210,471	(333,402)	-	18,950

WILLIAM HARVEY RESEARCH FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (continued)
YEAR ENDED 31st MARCH 2018

20. CHARITABLE COMPANY UNRESTRICTED FUNDS (continued)

Designated research funds for Inflammation diseases:

Development and characterization of pro-resolving therapeutics as novel anti-inflammatory drugs
 An investigation into the dynamics of neutrophil trafficking and function within the lymphatic system during the development of arthritis by multi-photon confocal microscopy.

Designated research funds for Cardiovascular diseases:

Artesunate for the therapy of ischaemia/reperfusion injury and fibrosis.
 Exosomal microRNAs as diagnostic biomarkers of heart failure.

Designated research funds for Other diseases:

Modulation of the calcium calmodulin kinase II (CaMKII) pathway.
 Trauma induced DNA methylation signatures: a novel prognostic biomarker and therapeutic target for post-traumatic acute and chronic immune dysfunction.
 Mode of action of a new therapeutic target tyrosine kinase receptor in osteoarthritis.
 Role of MIF in trauma-associated haemorrhagic shock.

The above designated funds have been earmarked by the Executive Committee into specific projects in conjunction with the Grants Review Committee. All the designated funds are for projects that will be completed within 3 years.

The transfers between funds are contributions from existing funds to newly allocated projects as per Trustees' decisions over the year, and contributions from Reserves to cover support costs for the year.

Year to 31 March 2017	Restated 1 April 2016 £	Restated Income £	Expenditure £	Transfers £	Restated 31 March 2017 £
Designated					
Inflammation diseases	33,015	-	(26,747)	-	6,268
Cardiovascular diseases	57,467	-	(127,233)	99,890	30,124
Endocrine diseases	23,576	-	(23,576)	-	-
Other diseases	13,336	-	(4,806)	-	8,530
Unspecified research funds	-	505	-	-	505
Administration fund	-	18,842	(93,900)	75,058	-
Total designated funds	127,394	19,347	(276,262)	174,948	45,427
General funds	129,235	142,167	-	(174,948)	96,454
Total unrestricted funds	256,629	161,514	(276,262)	-	141,881

**WILLIAM HARVEY RESEARCH FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (continued)
YEAR ENDED 31st MARCH 2018**

21. FUTURE FUNDING COMMITMENTS

All future funding commitments are for the William Harvey Research Institute

Amount	Grant name	Time frame	Conditions attached
£2,341	Investigations into the actions of dietary Polyphenols: new treatment for endothelial dysfunction and prevention of vascular ageing	April 2016 to September 2019	Summary of the final result expressed in terms accessible to the lay public must be submitted to the funder
£3,593	Development and characterization of pro-resolving therapeutics as novel anti-inflammatory drugs	February 2018 to January 2019	None

22. PRIOR YEAR ADJUSTMENT

The Financial Reporting Council have completed their first triennial review of FRS102 and have ruled that Gift Aid payments from charity trading subsidiaries should not be recorded in the Profit and Loss account and instead are treated as dividends on the date of payment and cannot be accrued.

Accordingly, Gift Aid payments of £190,698 paid in October 2017 and £142,167 paid in October 2016, have been included in the year paid, with the prior year debtor and creditor due from the William Harvey Research Limited restated.