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**THE UK STEM CELL FOUNDATION**  
(A Company Limited by Guarantee)

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**THE UK STEM CELL FOUNDATION**  
**(A Company Limited by Guarantee)**

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**THE UK STEM CELL FOUNDATION**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**Trustees**

Sir R Sykes, Chairman  
Professor T Jones  
Mr J Moulton  
Professor J S Jones  
Mr N Ross  
Lord R Winston  
Mr B Noble (resigned 1 July 2017)  
Mr J Taylor  
Ms C Banszky

**Company registered number**

5320290

**Charity registered number**

1110009

**Registered office**

21 Albemarle Street, London, W1S 4BS

**Company secretary**

Mitre Secretaries Limited

**Chief executive officer**

Miss L Shortland

**Independent auditors**

French Duncan LLP, 133 Finnieston Street, Glasgow, G3 8HB

**Bankers**

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

**Solicitors**

CMS Cameron McKenna LLP, Mitre House, 160 Aldersgate Street, London, EC1A 4DD

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**THE UK STEM CELL FOUNDATION**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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The Trustees present their annual report together with the audited financial statements of The UK Stem Cell Foundation for the year 1 January 2017 to 31 December 2017. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

**Objectives and Activities**

• **POLICIES AND OBJECTIVES**

The Trustees have complied with their duty in section 4 of the Charities Act 2006 to have due regard to guidance published by the Charity Commission.

Its activities are

- To implement a strong fundraising campaign designed to attract public sector funding and private donors
- To raise the profile of the Charity by enlisting the support of key government departments
- To engage and maintain good relations with stem cell networks, researchers, clinicians and commercial operators
- To increase public awareness of the Charity, its aims and goals.

• **GRANT MAKING POLICIES**

The UK Stem Cell Foundation continues to build a pipeline of projects that meets its criteria for support and funding on the route to commercialisation going forward and is in discussion to support further projects that meet the criteria of the Board and in turn continue the growth of the UK's emerging cell therapy industry.

**Achievements and performance**

• **REVIEW OF ACTIVITIES AND KEY PERFORMANCE INDICATORS**

The UK Stem Cell Foundation aims to maximise the leverage it can achieve from funding sources when funding projects. The Foundation already works closely with a number of funders and collaborators that have an interest in particular disease types or stem cell research in general to ensure that research projects and clinical trials continue to be funded. The Foundation wishes to attract new partnerships with other medical research charities and trusts to develop co-fundraising strategies, which will ultimately lead to co-funding of translational projects. The UKSCF continues to build a pipeline of projects that meets its criteria for support and funding on the route to commercialisation. The Foundation is continually in negotiations to support further projects that meet the criteria of the Board, and in turn continue the growth of the UK's emerging cell therapy industry.



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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The research team at UCL is continuing to research Spinal repair using OEC's grown from Olfactory bulbs where preliminary results in rat models have shown an increase in climbing ability. This work in human cell cultures is ongoing and the team are in the process of analysing the quality and development. This will lead to evaluation of cell production prior to clinical transplantation. The Foundation wishes to ensure collaboration with the group based at St Georges' Hospital and both teams are working towards the 1st clinical trial based in the United Kingdom. The Foundation hopes that the teams will be able to announce the clinical trial shortly subject to regulatory approvals and sufficient funding becoming available. This trial, if successful, could positively impact the lives of over 3 million people living with a spinal injury globally, and reduce the £1 billion annual care cost to the UK. The project will also look at the feasibility of repairing compressed and crush injuries, as well as complete breaks in the spinal cord in collaboration with a surgical team in Poland.

Other exciting projects that the Foundation is currently fundraising for is the opening of a Centre for Regenerative Medicine Institute. The Centre will bring together leading experts in stem cell biology, tissue engineering, sports and trauma science and medicine, rehabilitation, radiology, rheumatology and orthopaedics. Thanks to this, the Centre will assist in world class medical research, the development of cutting-edge medical solutions for life-changing injuries, new techniques in regenerative medicine, the translation of research into real treatments, furthering the impact of new therapies, and supporting economic growth and new businesses in this field. Any new treatments will be available to sportsmen and women, the military and the general public.

In 2018, the Foundation will focus on raising money to fund for new exciting projects as well as raising awareness of stem cell tourism and the dangers of receiving unregulated and potentially harmful treatments. UKSCF is also in discussions with the Royal College of Surgeons to create a joint Fellowship Award. It is expected that this will be finalised in 2018.

Any further funding for projects and other operating costs is entirely dependent on the Foundation's ability to fundraise and attract donations from the private sector, other charities and the general public. The Foundation's fundraising activities continue to heighten awareness of the organisation, enabling the Trustees and the Chief Executive Officer to reach new members of the research community, as well as establish contacts within the general public. A special thank you to The Board of the Norman and Sadie Lee Foundation, based in California, for their very kind and generous donation to UKSCF.

In addition, the Foundation's Board of Trustees closely monitors the operation and cost of overheads so that the organisation remains small in terms of its operational costs and continues its commitment to allocate more funding for projects.

In 2017, the Foundation's website maintained the number of hits achieved in 2016 and has been accessed from around the globe. The UKSCF also has Facebook and Twitter accounts and continues to build on its number of followers. A quarterly electronic newsletter is also available to circulate information and news to its followers and supporters.

The Foundation retains its reputation as an authority in the field of translational stem cell research and funding. This is demonstrated by invitations to contribute to publications on the subject and being called to give advice on public engagement exercises and an increase in requests from journalists to provide information and opinion for some daily newspapers.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**Financial review**

• **GOING CONCERN**

After making appropriate enquiries, the trustees have a reasonable expectation that the company 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**

The Trustees of the charity have a reserves policy aimed at maintaining the ability of the charity to deliver its charitable objectives. Unrestricted funds are to be held at a level of at least 6 months unrestricted expenditure, which has been achieved during the year. Restricted funds represent those funds received for specific projects undertaken during the year.

• **PRINCIPAL FUNDING**

The results for the year, and the Charity's financial position at the end of the year are shown in the attached report and financial statements.

**Structure, governance and management**

• **CONSTITUTION**

The UK Stem Cell Foundation is a company limited by guarantee, and not having share capital. It is governed by its articles and memorandum of association dated 23rd December 2004, its date of incorporation, and is a registered Charity with the Charity Commission. It is exempt from taxation under Section 505 of the Income and Corporation Taxes Act 1988.

The charity's objects are:

The promotion, preservation and advancement of human health and welfare and promotion of knowledge and education for the benefit of the public by:

Enhancing and promoting knowledge of and engaging in funding and supporting research into the mechanisms of cell degeneration, regeneration and malfunction and their links to degenerative and other diseases, disabilities, disorders and conditions in respect of which stem cell related medicines, treatments, cures, diagnostics, applications, therapies, products or technologies may be of benefit;

Engaging in, funding and supporting research into stem cells and stem cell-based or derived methods and technologies, with a view to discovering, inventing, improving, developing, producing and applying medicines, treatment, cures, diagnostics, applications, therapies, products or technologies and other medicinal agents, methods and processes including the translations of pure research into outputs to a standard susceptible of clinical trials with a view to establishing the efficacy and supporting the clinical trials with a view to establishing the treatments, cures, diagnostics, applications, therapies, products and technologies capable of application;

Educating and informing the public in relation to stem cells and the efficacy of stem cell based or derived medicines, treatments, cures, diagnostics, applications, therapies, products and technologies and other medicinal agents, methods, processes and the appropriate regulation and management thereof and educating and informing the public in relation to such matters.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

• **METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES**

Any person willing to act as a trustee may be appointed as a resolution of the Board. However, any appointment must not contravene the maximum number of trustees fixed by the Articles of Association. The maximum number of trustees for The UK Stem Cell Foundation as stated in the Memorandum and Articles of Association is twelve. Any person willing to act in the capacity of trustee must deliver all documentation as required by the presiding trustees. In addition, any appointment may be subject to that person satisfying any additional conditions and complying with any additional obligations that the Board may impose.

• **POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

All new trustees must undergo training to ensure that they are aware of their legal obligations under Charity and Company Law, the content of the Memorandum and Articles of Association, the decision making process, the business plan and the financial performance of the Charity. At this time they will also meet the key employees and other trustees.

• **PAY POLICY FOR SENIOR STAFF**

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings.

• **ORGANISATIONAL STRUCTURE AND DECISION MAKING**

The Board of Trustees administer the Charity. They meet quarterly to review finances and the development of research projects and applications. The Chief Executive Officer, Lil Shortland, is responsible for the day to day running of the Foundation, project development activities as well as financial issues and reports directly to the trustees.

• **RISK MANAGEMENT**

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that the risk management strategy adopted at outset remains in place and comprises of the following:

- Annual reviews of potential risks to the Charity
- Assessments of systems and procedures to mitigate potential risks should they arise.
- Monitoring of procedures designed to minimise any potential impact on the Charity.

During the previous financial year risk was assessed and updated to review any major or new risks to which the Charity may be exposed. The systems then implemented remain robust and the trustees are satisfied that the systems in place mitigate any exposure to its major risks.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**Plans for future periods**

● **FUTURE DEVELOPMENTS**

The Foundation's goals for the coming year continue to be to support the research community, ensuring that the translational projects currently under review receive funding.

The UKSCF also intends to continue its trawl for new projects throughout the United Kingdom. It wishes to review the current project review process and evaluate the efficacy of its current procedures and strategies.

It intends to increase the profile of the Foundation to attract an increasing number of donors to support its work, ensuring that match funding opportunities involving public sector partners can be maximised.

**FUNDS HELD AS CUSTODIAN**

The UK Stem Cell Foundation does not act as Custodian Trustee for any other organisation.

**TRUSTEES' RESPONSIBILITIES STATEMENT**

The Trustees (who are also directors of The UK Stem Cell Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

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**THE UK STEM CELL FOUNDATION**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**AUDITORS**

The auditors, French Duncan LLP, have indicated their willingness to continue in office. The Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report was approved by the Trustees, on 24.9.2018 and signed on their behalf by:

*Catherine J Banszky*

**Ms C Banszky**

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**THE UK STEM CELL FOUNDATION**  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE UK STEM CELL FOUNDATION**

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**OPINION**

We have audited the financial statements of The UK Stem Cell Foundation (the 'charitable company') for the year ended 31 December 2017 set out on pages 11 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2017 and of its 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.

**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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

**OTHER INFORMATION**

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



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**THE UK STEM CELL FOUNDATION**  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE UK STEM CELL FOUNDATION**

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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.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

**RESPONSIBILITIES OF TRUSTEES**

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

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

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**THE UK STEM CELL FOUNDATION**  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE UK STEM CELL FOUNDATION**

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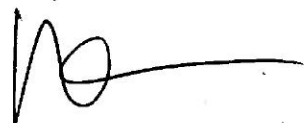
**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

**USE OF OUR REPORT**

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's 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 charitable company and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



A J Sinclair (Senior Statutory Auditor)

for and on behalf of

**French Duncan LLP**

Chartered Accountants  
Statutory Auditor

133 Finnieston Street  
Glasgow  
G3 8HB

Date:

28/09/2018



**THE UK STEM CELL FOUNDATION**  
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>					
Donations and legacies	2	75,000	289,700	364,700	238,093
Investments	3	-	1,135	1,135	2,958
Other income	4	-	-	-	80,536
<b>TOTAL INCOME</b>		<b>75,000</b>	<b>290,835</b>	<b>365,835</b>	<b>321,587</b>
<b>EXPENDITURE ON:</b>					
Other charitable activities		463,290	376,652	839,942	442,841
<b>TOTAL EXPENDITURE</b>	7	<b>463,290</b>	<b>376,652</b>	<b>839,942</b>	<b>442,841</b>
<b>NET BEFORE TRANSFERS</b>		<b>(388,290)</b>	<b>(85,817)</b>	<b>(474,107)</b>	<b>(121,254)</b>
Transfers between Funds	13	(274,312)	274,312	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>(662,602)</b>	<b>188,495</b>	<b>(474,107)</b>	<b>(121,254)</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>(662,602)</b>	<b>188,495</b>	<b>(474,107)</b>	<b>(121,254)</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		1,650,106	725,047	2,375,153	2,496,407
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>987,504</b>	<b>913,542</b>	<b>1,901,046</b>	<b>2,375,153</b>

The notes on pages 13 to 25 form part of these financial statements.

**THE UK STEM CELL FOUNDATION**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 5320290**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	10		1,500		350
<b>CURRENT ASSETS</b>					
Debtors	11	1,566		129,682	
Cash at bank and in hand		2,177,264		2,363,715	
		<u>2,178,830</u>		<u>2,493,397</u>	
<b>CREDITORS: amounts falling due within one year</b>	12	<u>(279,284)</u>		<u>(118,594)</u>	
<b>NET CURRENT ASSETS</b>			<u>1,899,546</u>		<u>2,374,803</u>
<b>NET ASSETS</b>			<u>1,901,046</u>		<u>2,375,153</u>
<b>CHARITY FUNDS</b>					
Restricted funds	13		987,504		1,650,106
Unrestricted funds	13		913,542		725,047
<b>TOTAL FUNDS</b>			<u>1,901,046</u>		<u>2,375,153</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 24.9.2018 and signed on their behalf, by:

*Catherine J Banzky*

**Ms C Banzky**

The notes on pages 13 to 25 form part of these financial statements.

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**THE UK STEM CELL FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)) as amended by Update Bulletin 1, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

**1.2 Company status**

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

**1.3 Fund accounting**

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Income**

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

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

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' Report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.5 Expenditure**

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

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at the company's offices. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

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

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

All expenditure is inclusive of irrecoverable VAT.

**1.6 Going concern**

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The charity has a strong balance sheet with significant bank balances to meet its liabilities as and when they fall due.

**1.7 Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised.

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

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

Computer equipment	-	33% Straight line
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**THE UK STEM CELL FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.8 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

**1.9 Interest receivable**

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

**1.10 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.

**1.11 Cash at Bank and in hand**

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

**1.12 Liabilities and provisions**

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

**1.13 Financial instruments**

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**2. INCOME FROM DONATIONS AND LEGACIES**

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	75,000	63,843	138,843	115,119
Legacies	-	225,839	225,839	119,750
Other income	-	18	18	3,224
<b>Total donations and legacies</b>	<b>75,000</b>	<b>289,700</b>	<b>364,700</b>	<b>238,093</b>
<i>Total 2016</i>	<i>84,425</i>	<i>153,668</i>	<i>238,093</i>	

**Analysis of donations**

	2017 £	2016 £
Trust PA - restricted	25,000	-
Norman & Sadie Lee Foundation - restricted	50,000	-
Orr Macintosh	15,000	-
BNRT	-	29,100
Other	48,843	49,542
Anthony Statham	-	36,477
<b>Total</b>	<b>138,843</b>	<b>115,119</b>

**3. INVESTMENT INCOME**

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income - interest received	-	1,135	1,135	2,958
<i>Total 2016</i>	<i>-</i>	<i>2,958</i>	<i>2,958</i>	

**THE UK STEM CELL FOUNDATION**  
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**FOR THE YEAR ENDED 31 DECEMBER 2017**

**4. OTHER INCOMING RESOURCES**

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Project expenditure refunded	-	-	-	80,536
<i>Total 2016</i>	-	80,536	80,536	

**5. DIRECT COSTS**

	Direct costs £	Total 2017 £	Total 2016 £
Project expenses	463,290	463,290	155,763
Travelling	10,322	10,322	11,194
Telephone	2,730	2,730	3,903
Postage and stationery	7,734	7,734	3,984
Consultancy fees	21,223	21,223	4,240
Marketing expenses	26,736	26,736	68,391
Bank charges	1,956	1,956	2,448
Sundry expenses	31	31	2,560
Insurance	1,026	1,026	182
Professional fees	1,595	1,595	6,244
Office expenses	14,680	14,680	18,552
Entertainment	875	875	3,096
Mileage & Parking	2,420	2,420	2,357
Conference and Registration Fees	10,800	10,800	-
Donation returned	135,167	135,167	-
Wages and salaries	121,305	121,305	136,930
National insurance	11,368	11,368	16,125
Pension cost	260	260	-
Depreciation	1,024	1,024	723
	<b>834,542</b>	<b>834,542</b>	<b>436,692</b>
<i>Total 2016</i>	<i>436,692</i>	<i>436,692</i>	

The donation returned was unspent funds on the Raisman Project co-funded with the Nicholls Spinal Injury Foundation which as per the agreement required to be returned at the end of the project if unspent.



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FOR THE YEAR ENDED 31 DECEMBER 2017**

**6. GOVERNANCE COSTS**

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Auditors' remuneration	-	5,400	5,400	6,149

**7. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE**

	Staff costs 2017 £	Depreciation 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Direct and support costs	132,933	1,024	700,585	834,542	436,692
Expenditure on governance	-	-	5,400	5,400	6,149
	<u>132,933</u>	<u>1,024</u>	<u>705,985</u>	<u>839,942</u>	<u>442,841</u>
Total 2016	<u>153,055</u>	<u>723</u>	<u>289,063</u>	<u>442,841</u>	

**8. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	1,024	723
Auditors' remuneration - audit	5,400	6,149

During the year, no Trustees received any remuneration (2016 - £NIL).

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year, Trustees received reimbursement of expenses of £602 (2016 - £252).

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**NOTES TO THE FINANCIAL STATEMENTS  
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**9. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	121,305	136,930
Social security costs	11,368	16,125
Other pension costs	260	-
	<u>132,933</u>	<u>153,055</u>

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

	2017 No.	2016 No.
Management and administration	2	4

The number of higher paid employees was:

	2017 No.	2016 No.
In the band £80,001 - £90,000	0	1
In the band £90,001 - £100,000	1	0

Key management personnel comprises the Chief Executive Officer, whose employee benefits for the year were £90,809 (2016 - £89,430).

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. TANGIBLE FIXED ASSETS**

	Plant and machinery £
<b>Cost</b>	
At 1 January 2017	9,447
Additions	2,174
At 31 December 2017	<u>11,621</u>
<b>Depreciation</b>	
At 1 January 2017	9,097
Charge for the year	1,024
At 31 December 2017	<u>10,121</u>
<b>Net book value</b>	
At 31 December 2017	<u>1,500</u>
At 31 December 2016	<u>350</u>

**11. DEBTORS**

	2017 £	2016 £
Prepayments and accrued income	<u>1,566</u>	<u>129,682</u>

**12. CREDITORS: Amounts falling due within one year**

	2017 £	2016 £
Other taxation and social security	5,067	9,262
Accruals and deferred income	274,217	109,332
	<u>279,284</u>	<u>118,594</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**13. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 January 2017 £	Income £	Expenditure £	Transfers 31 in/out £	Balance at December 2017 £
<b>Designated funds</b>					
Designated Funds - Unallocated Project Funds	73,701	-	-	-	73,701
<b>General funds</b>					
General Funds	651,346	290,835	(376,652)	274,312	839,841
Total Unrestricted funds	725,047	290,835	(376,652)	274,312	913,542
<b>Restricted funds</b>					
UKSCF Project - Developing olfactory ensheathing cell implantation	660,000	-	(66,266)	-	593,734
Repair of spinal cord injury by transplantation	286,906	75,000	(91,011)	-	270,895
London Development Agency	488,336	-	(254,955)	(160,130)	73,251
Autologous Stem Cell Based Therapies - B Noble	48,198	-	-	(48,198)	-
In Vivo Transplant of Chondrocytes & Osteoblasts - B Noble	55,973	-	-	(55,973)	-
Ex Vivo Expanded Corneal Limbal Transplantation	21,904	-	-	-	21,904
MS Society	27,720	-	-	-	27,720
Catapult	61,069	-	(51,058)	(10,011)	-
	1,650,106	75,000	(463,290)	(274,312)	987,504
Total of funds	2,375,153	365,835	(839,942)	-	1,901,046

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**13. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	<i>Balance at 1 January 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 December 2016 £</i>
<b>Designated funds</b>					
Designated Funds - Unallocated Project Funds	73,701	-	-	-	73,701
<b>General funds</b>					
General Funds	632,919	321,457	(303,030)	-	651,346
Total Unrestricted funds	706,620	321,457	(303,030)	-	725,047
<b>Restricted funds</b>					
UKSCF Project - Developing olfactory ensheathing cell implantation	660,000	-	-	-	660,000
Repair of spinal cord injury by transplantation	307,622	-	(20,716)	-	286,906
London Development Agency	567,712	130	(79,506)	-	488,336
Autologous Stem Cell Based Therapies - B Noble	48,198	-	-	-	48,198
In Vivo Transplant of Chondrocytes & Osteoblasts - B Noble	55,973	-	-	-	55,973
Ex Vivo Expanded Corneal Limbal Transplantation	21,904	-	-	-	21,904
MS Society	27,720	-	-	-	27,720
Catapult	100,658	-	(39,589)	-	61,069
	1,789,787	130	(139,811)	-	1,650,106
Total of funds	2,496,407	321,587	(442,841)	-	2,375,153

**THE UK STEM CELL FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**SUMMARY OF FUNDS - CURRENT YEAR**

	Balance at 1 January 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2017 £
Designated funds	73,701	-	-	-	73,701
General funds	651,346	290,835	(376,652)	274,312	839,841
	<u>725,047</u>	<u>290,835</u>	<u>(376,652)</u>	<u>274,312</u>	<u>913,542</u>
Restricted funds	1,650,106	75,000	(463,290)	(274,312)	987,504
	<u>2,375,153</u>	<u>365,835</u>	<u>(839,942)</u>	<u>-</u>	<u>1,901,046</u>

**SUMMARY OF FUNDS - PRIOR YEAR**

	Balance at 1 January 2016 £	Income £	Expenditure £	Balance at 31 December 2016 £
Designated funds	73,701	-	-	73,701
General funds	632,919	321,457	(303,030)	651,346
	<u>706,620</u>	<u>321,457</u>	<u>(303,030)</u>	<u>725,047</u>
Restricted funds	1,789,787	130	(139,811)	1,650,106
	<u>2,496,407</u>	<u>321,587</u>	<u>(442,841)</u>	<u>2,375,153</u>

The Designated Fund is held to allow the charity to fund future projects for which external funding may not be available.

The Restricted Funds are allocated by individual project or funder and these are analysed above.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**14. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	1,500	1,500
Current assets	987,504	1,191,326	2,178,830
Creditors due within one year	-	(279,284)	(279,284)
	<u>987,504</u>	<u>913,542</u>	<u>1,901,046</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	<i>Restricted funds 2016 £</i>	<i>Unrestricted funds 2016 £</i>	<i>Total funds 2016 £</i>
Tangible fixed assets	-	350	350
Current assets	1,650,106	843,291	2,493,397
Creditors due within one year	-	(118,594)	(118,594)
	<u>1,650,106</u>	<u>725,047</u>	<u>2,375,153</u>

**15. PENSION COMMITMENTS**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £260 (2016 - £nil). There were no contributions (2016 - £nil) payable to the fund at the balance sheet date.

**16. RELATED PARTY TRANSACTIONS**

The London office of the UK Stem Cell Foundation is rented on a commercial basis from The Royal Institution of Great Britain, within which Sir Richard Sykes sits as chairman of the board.