

Charity number: 200539

The King's Medical Research Trust

Unaudited

Trustees' report and financial statements

for the year ended 31 March 2018

The King's Medical Research Trust

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The King's Medical Research Trust

Reference and administrative details of the Charity, its trustees and advisers for the year ended 31 March 2018

Trustees

Christopher Smith, Chairman
Katharine Voyce
Professor Anne Greenough
Dr Kevin Zilkha
Shena Tait

Charity registered number

200539

Principal office

Weston Education Centre
10 Cutcombe Road
London
SE5 9RJ

Accountants

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

Bankers

Lloyds Bank Plc
25 Camberwell Green
London
SE5 7AB

Management of Investments

Cazenove Capital Management Limited
12 Moorgate
London
EC2R 6DA

The King's Medical Research Trust

Trustees' report for the year ended 31 March 2018

The Trustees present their Annual Report together with the financial statements for the year to 31 March 2018. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's trust deed, the Charities Act 2011 and Accounting and Reports by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

Structure, governance and management

• Constitution

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

• Method of appointment or election of Trustees

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

• Risk management

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

Objectives and Activities

• Policies and objectives

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

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

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

• Strategies for achieving objectives

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

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

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

The King's Medical Research Trust

Trustees' report (continued) for the year ended 31 March 2018

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

• Funding

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

• Grant making policies

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

Achievements and performance

• Going concern

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

• Review of activities

Investment income and legacies were the main sources of income for the year for unrestricted funds. It continues to be difficult to raise funds from the public with so many charities competing for available monies during these times. The Trustees continue to seek funds in order to be able to fund research grants to KCH and the Faculty. Legacy income received this year was £50,805 (2017: £19,376). Donations at £2,590, were down in comparison to the previous year (2017: £4,502). The full financial statements are set out in the following accounts.

The funds of the Charity decreased by £209,859 to £1,215,921 (2017: £1,425,780).

The Charity's income for the year was £114,446 (2017: £80,905).

• Investment policy and performance

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

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

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

The King's Medical Research Trust

Trustees' report (continued) for the year ended 31 March 2018

Financial review

• Reserves policy

It has been the policy of the Charity to maintain unrestricted funds at a level which is sufficient to generate the amount of income which together with the funds of Kings Medical Research Trust, meets the targeted annual grants required by the Trustees and the management and administration costs. The level of the Reserves which the Trustees deem necessary to achieve their objectives is £500,000.

Future developments

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

Trustees' responsibilities statement

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

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

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

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

This report was approved by the Trustees, on 28th March 2018 and signed on their behalf by:



**Christopher Smith, Chairman
Trustee**

The King's Medical Research Trust

Independent examiner's report for the year ended 31 March 2018

Independent examiner's report to the Trustees of The King's Medical Research Trust (the 'Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 March 2018.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Responsibilities and basis of report

As the Trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the Charity has prepared the accounts 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) in preference to the Accounting and Reporting by Charities: Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:



Dated: 14th December, 2018

Stephen Tanner BSc (Econ) FCA

Kreston Reeves LLP
Chartered Accountants
London

The King's Medical Research Trust

Statement of financial activities for the year ended 31 March 2018

	Note	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:				
Donations and legacies	2	53,563	53,563	24,121
Investments	3	60,883	60,883	56,784
Total income		114,446	114,446	80,905
Expenditure on:				
Raising funds		7,126	7,126	4,499
Charitable activities	7	276,281	276,281	553,243
Total expenditure		283,407	283,407	557,742
Net loss before investment gains/(losses)		(168,961)	(168,961)	(476,837)
Net gains/(losses) on investments	9	(41,018)	(41,018)	276,098
Net expenditure before other recognised gains and losses		(209,979)	(209,979)	(200,739)
Net movement in funds		(209,979)	(209,979)	(200,739)
Reconciliation of funds:				
Total funds brought forward		1,425,780	1,425,780	1,626,519
Total funds carried forward		1,215,801	1,215,801	1,425,780

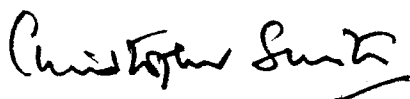
The notes on pages 8 to 14 form part of these financial statements.

The King's Medical Research Trust

Balance sheet as at 31 March 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Investments	9		2,092,210		2,140,939
Current assets					
Cash at bank and in hand		116,871		198,377	
Creditors: amounts falling due within one year	10	(679,480)		(625,886)	
Net current liabilities			(562,609)		(427,509)
Total assets less current liabilities			1,529,601		1,713,430
Creditors: amounts falling due after more than one year	11		(313,800)		(287,650)
Net assets			1,215,801		1,425,780
Charity Funds					
Unrestricted funds	12		1,215,801		1,425,780
Total funds			1,215,801		1,425,780

The financial statements were approved by the Trustees on 28 November 18 and signed on their behalf, by:



Christopher Smith, Chairman



Dr Kevin Zilkha

The notes on pages 8 to 14 form part of these financial statements.

The King's Medical Research Trust

Notes to the financial statements for the year ended 31 March 2018

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

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

1.2 Fund accounting

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

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

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

1.3 Income

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

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

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

The King's Medical Research Trust

Notes to the financial statements for the year ended 31 March 2018

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. *The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. 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 Charity. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

1.5 Investments

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

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

1.6 Interest receivable

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

The King's Medical Research Trust

Notes to the financial statements for the year ended 31 March 2018

1. Accounting policies (continued)

1.7 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.

1.8 Liabilities and provisions

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

1.9 Financial instruments

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

1.10 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2. Income from donations and legacies

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	2,590	2,590	4,502
Legacies	50,805	50,805	19,376
Deeds of covenant and gift aid	168	168	243
	<hr/>	<hr/>	<hr/>
Total donations and legacies	53,563	53,563	24,121
	<hr/>	<hr/>	<hr/>
Total 2017	24,121	24,121	
	<hr/>	<hr/>	

The King's Medical Research Trust

Notes to the financial statements for the year ended 31 March 2018

3. Investment income

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Dividends received	55,832	55,832	53,593
Bank and deposit interest	5,051	5,051	3,191
	<u>60,883</u>	<u>60,883</u>	<u>56,784</u>
<i>Total 2017</i>	<u>56,784</u>	<u>56,784</u>	

4. Analysis of expenditure by activities

	Grant funding of activities 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Medical research	272,073	728	272,801	549,883
<i>Total 2017</i>	<u>549,150</u>	<u>733</u>	<u>549,883</u>	

5. Support costs

	Medical research £	Total 2018 £	Total 2017 £
Consultant costs	728	728	730
Postage, telephone, stationery	-	-	3
	<u>728</u>	<u>728</u>	<u>733</u>
<i>Total 2017</i>	<u>733</u>	<u>733</u>	

The King's Medical Research Trust

Notes to the financial statements for the year ended 31 March 2018

6. Analysis of grants

	Grants to Institutions 2018 £	Total 2018 £	Total 2017 £
Grants, Medical research	272,073	272,073	549,150
<i>Total 2017</i>	549,150	549,150	

Breakdown of grants

	2018 £	2017 £
King's College London	272,073	549,150

7. Governance costs

	Unrestricted funds 2018 £	Total funds 2017 £
Independent Examiners' fee	3,480	3,360

8. Net income/(expenditure)

During the year, no Trustees received any remuneration, benefits in kind or reimbursement of expenses (2017 - £NIL).

9. Fixed asset investments

	Listed securities £	Unlisted securities £	Total £
Market value			
At 1 April 2017	2,072,998	67,941	2,140,939
Additions	728,412	-	728,412
Disposals	(530,549)	-	(530,549)
Revaluations	(178,651)	-	(178,651)
Movement in cash	-	(67,941)	(67,941)
At 31 March 2018	2,092,210	-	2,092,210

The King's Medical Research Trust

Notes to the financial statements for the year ended 31 March 2018

9. Fixed asset investments (continued)

Investments at market value comprise:

	UK £	Overseas £	2018 £	2017 £
Listed investments	1,517,930	574,280	2,092,210	2,072,998
Cash held in investments	-	-	-	67,941
Total market value	<u>1,517,930</u>	<u>574,280</u>	<u>2,092,210</u>	<u>2,140,939</u>

Material investments

	31 March 2018 £	31 March 2017 £
Cazenove Equity Income Trust for Charities	242,249	467,833
Lowland Investment Co plc	163,350	158,950
M&G Investment Management Global Dividend	137,144	142,389
Majedie UK Equity Fund	214,093	226,911
Old Mutual UK Alpha Fund	192,192	51,345
Trojan Income Fund	211,164	162,960
Vanquard S+P 500 ETF	126,059	63,193
Schroder Charity equity	153,971	-
Sterling investment account	235,412	-
Blackrock Institutional sterling liquidity	-	164,753
Cazenove Investment Fund Global (Ex -UK) (Schroder MM)	-	199,940
Investec I UK Special	-	107,586
Fidelity Global Dividend	-	112,775

10. Creditors: Amounts falling due within one year

	2018 £	2017 £
Accruals	<u>679,480</u>	<u>625,886</u>

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

	2018 £	2017 £
Accruals	<u>313,800</u>	<u>287,650</u>

12. Statement of funds

Statement of funds - current year

	Balance at 1 April 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2018 £
Unrestricted funds					
General Fund	<u>1,425,780</u>	<u>114,446</u>	<u>(283,407)</u>	<u>(41,018)</u>	<u>1,215,801</u>

The King's Medical Research Trust

Notes to the financial statements for the year ended 31 March 2018

12. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2016 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2017 £
General Fund	1,322,622	80,905	(253,885)	276,098	1,425,740
Designated funds					
Renal	64,257	-	(64,257)	-	-
Robson memorial research fellowship	239,600	-	(239,600)	-	-
Subtotal	303,857	-	(303,857)	-	-

13. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2018 £
Fixed asset investments	2,097,846
Current assets	111,235
Creditors due within one year	(679,480)
Creditors due in more than one year	(313,800)
	<u>1,215,801</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £
Fixed asset investments	2,140,939
Current assets	198,377
Creditors due within one year	(625,886)
Creditors due in more than one year	(287,650)
	<u>1,425,780</u>

14. Related party transactions

There were no related party transactions in the year.