

Charity Registration No. 1129348

Company Registration No. 03445616 (England and Wales)

NORTHWICK PARK INSTITUTE FOR MEDICAL RESEARCH
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

NORTHWICK PARK INSTITUTE FOR MEDICAL RESEARCH

LEGAL AND ADMINISTRATIVE INFORMATION

Honorary President	John Griffin
Trustees	Professor George Hamilton CVO, MD, FRCS (Eng), FRCS (Glasgow) Mr Kiran Patel BA (Hons), FCA Professor Barry Fuller PhD, DSc, F Soc Cryobiol Mrs Grace Tye, BA (Hons) Mr Bruce Mauleverer QC, FCI Arb, MA, Vice Chairman Professor Robin Kennedy MS, FRCS, Chairman Keith Norman Malkinson, BBS, FCA, Treasurer (Appointed - 01.10.18) Professor Vivek Mudera, PhD (Appointed - 01.10.18) Dr Janet Allen, MD, FRSE (appointed – 07.12.18)
Charity Number	1129348
Company Number	03445616
Principal address and Registered office	Northwick Park Institute for Medical Research Northwick Park & St Mark's Hospitals Watford Road Harrow Middlesex HA1 3UJ United Kingdom
Auditor	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Bankers	Lloyds TSB Bank Plc 286-288 Station Road Harrow Middlesex HA1 2EB
Solicitors	Bates Wells Braithwaite 10 Queen St Place London EC4R 1BE

NORTHWICK PARK INSTITUTE FOR MEDICAL RESEARCH

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TRUSTEES REPORTS FOR THE YEAR ENDED 31 MARCH 2019

Objects, Objectives and Activities

The objects of the Charity are the advancement of education and the preservation and protection of the health of the public by the promotion of medical research into, and education in areas of, medical science and the publication of the useful results thereof.

During the year, the Trustees and senior staff met to discuss the vision and mission of the charity and this was revised to the following:

Our (new) Vision

To transform & restore patient quality of life/health.

Our Mission Statement

Creating innovative clinical solutions underpinned by compelling science
and

Training the next generation of medical professionals with novel and translational treatments.

Objectives and change programme to meet the above

The year to 31 March 2019 saw a substantial change in the management programme for NPIMR with the departure of Professor Paul Sibbons at the end of the year. This led to the recruitment of two new Scientific and Training Directors, Professor Nader Francis (Director of Training) and Professor Jia Hua (Director of Science), who have underpinned a new organisational staffing structure with an aim to grow in all areas over the next three years. The basis of our research continues to be around regenerative medicine and wound healing.

NPIMR achieves its Mission and Objectives by:

1. Delivering research using a tissue engineering and regenerative medicine approach. This is currently:

- Developing a novel wound healing portfolio
- Creating functional tissues/organs to address: - liver disease and transplantation shortage
- Improve quality of life for sufferers of gut disorders

2. Creating a research hub and centre of excellence which delivers:

- A pre-clinical facility and scientific surgical expertise
- Customised in-vitro analysis to compliment pre-clinical experimentation
- Creative collaborations between Academics, NHS Trusts, SME and commercial partners

3. Advanced Training:

- To provide accredited courses for advanced surgical/medical training (as regulated by the Home Office). This includes bespoke cadaveric and training courses.
- Commission the build of a State-of-the-Art training centre, over the next 3 to 5 years, to specialise in, but not limited to, advanced surgical training, simulation and robotics.

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Achievements and Performance

Our research

We aim to carry out the best scientific research across the UK and support our surgeons and researchers of the future through our work. We have a strong partnership ethic to our work, and we aim to deliver viable products to work within healthcare systems through collaborating with other research and academic institutions.

The basic components required for tissue engineered functional organs are two-fold; a scaffold or framework of the tissue or organ required, and cells (stem cells or differentiated cells), which must come together in a symbiotic relationship in order to create functional tissue. **Currently, we have the expertise and focus on three areas:**

- **Tissue engineering** - because the demand to replace old, injured or diseased tissue continues to increase, and it cannot be met through organ donation alone, we have been developing engineered tissues that do not contain any cellular components (called scaffolds) and do not trigger immune reaction. We have shown that our scaffolds (skin, dermis, vagina, trachea, liver, colon and small bowel) integrate with the host giving substantial potential to promote regeneration of biologically functional tissues.
- **Cell Therapy** – our method of culturing stem cells derived from fat, bone-marrow, bowel and liver aims to replace/regenerate the function of existing organs in patients, particularly in the liver and intestines and could offer an additional option to transplantation.
- **Advanced Therapy** – creating specialist tissue/organs populated with autologous ('self') cells to facilitate the integration within the body and minimise rejection. By using in-house made tissue/organ replacements, we will not impinge on the valuable and scarce human donated tissue destined for transplantation.

Our approach brings together the skills and expertise of cell biologists, bioengineers, material scientists and clinicians/surgeons with the goal of creating functional tissues and organs in the laboratory for patient benefit. The team's focus is developing and using innovative technologies in each of these areas and to create lasting solutions which address defined clinical problems whilst adding to our basic understanding of regenerative medicine and its future potential. Our current research portfolio includes work in the following areas:

Wound Healing:

- **Dermal Paste for Non-Healing Wounds** – we have developed a bioactive dermal paste to replace the traditionally available "sheets" which do not work well for complex wounds. This paste has the potential to integrate more closely with the wound bed and provide the structural framework for skin regeneration.
- **Epidermal Matrices** – researching new membranes for larger wounds where skin grafts would not work e.g. large burns, severe dermatitis, pressure wounds, lupus manifestations.
- **Dermal Hydrogel** – for use in rapid healing of serious burns with easy application of a semi-solid gel that can be applied directly to a burn and "fixed" with a UV light, creating a dressing with the ability to regenerate skin whilst protecting the wounds.

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Intestinal reconstruction:

- **Tissue Engineered Functional Small Bowel for Patients with Inflammatory Bowel Disorders** – There is a clinical need to reconstruct gut tissue where underlying illness has resulted in poor healing. This is the case in long-standing inflammatory diseases and/or **bowel cancer**. We collect healthy intestinal cells from the patients and culture them as 'mini-guts' in the laboratory with the aim of having a potential substitute to support healing in the damaged bowel.

Mechanisms for testing new drugs for liver disease:

- **Bio-engineered Liver tissue – a major limitation to the development of safe drugs to treat liver disease is the use of appropriate pre-clinical testing tools.** Our aim is to use a biological tissue engineering approach to produce a **bio-engineered 'mini-livers' capable of replicating physiological function** which would enable the testing of new drugs on fully functional mini-tissues created in the laboratory, reducing costly and extensive tests in animals.

Contracts

- We continue to discuss experimental protocols for preclinical studies with new potential client groups and are looking at business development opportunities to increase this area of work. A new business development manager has now been recruited. Research in 2018/19 has included collaborating with Videregen on Broncho Pleural Fistula transplantation and testing devices such as knee replacement.

Update on surgical training

- During the financial year we continued to carry out endoscopic and laparoscopic procedures. This is in addition to our live microsurgical, advance microsurgery and endovascular courses. We also carried out our first robotic course funded from both the robot manufacturers and from central UCL. We are also re-establishing contact with some of those commercial partners who showed interest in high fidelity training when we first suggested that we would apply for a licence.

Volunteers

The charity has given work experience to a number of students who have contributed to areas such as producing case studies for future news releases. Professor Colin Green, Emeritus Scientific Director, continues to give time and advice to the charity and we rely heavily on Trustees to steer direction.

Current situation with the new lease for premises

The current lease with the NHS Trust expired in March 2019. Negotiations with the NHS Trust have been ongoing and have now reached a satisfactory conclusion. The new lease is only for Y Block and it has been agreed that NPIMR will be compensated for loss of rental income from other premises which NPIMR had within the old lease, via a reducing rent rebate over 5 years. Unlike the previous lease NPIMR will now be responsible for paying service charge which increases the total financial burden and the cost of being on site.

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Current situation with the refurbishment of Y Block

The building refurbishment of £7,077,550 funded by John Griffin has been completed and the storage, laboratory space and offices are significantly improved. Stage 2 of the refurbishment, relating to some of the theatres, is on hold and has now become part of a wider refurbishment plan to extend the building, increase storage and theatre space and include a human cadaver unit. The Trustees are very grateful for this donation.

Future plans

Our aims as stated in our 2019/20 strategy day are:

1. To be recognised as a biomedical research and education centre of excellence with measurable outcomes. Suggested measurements:
 - Publications
 - Grants awarded
 - Teaching impact assessments
 - CRO Customer feedback
 - IP's filed
 - Products that reach market
2. To attract, develop and retain the right people supported by strong leadership
3. To be the go-to place for medical training, premier in the UK, endorsed by the best

To achieve the above the Institute must be a financially viable business with sustainable funding. This must be supported by a full business plan including a business development strategy, fundraising and marketing strategy and a suitable resource plan.

Implementation

In 2019/20 we aim to stabilise our staff base and infrastructure, invest in training and have a heavily skilled team for the future. A number of staff have left R&D and in 2019/20 we will be seeking significant R&D grant funding to grow the team and expand research, in particular in the area of Orthopaedics under Professor Hua.

Our new Business Development manager will be seeking expansion in the areas of contract research and training and there is much interest in robotic training for the future. We will also be looking to set up a human cadaveric training unit.

In the long term we aim to raise funds to build a well-established world-class training centre that can lead advanced training in England and Europe on:

- Laparoscopic/robotic techniques for cancer surgery across upper GI, lower GI, hepatobiliary and pancreatic, urological and gynaecological specialties
- MIS surgery for metabolic disorders (bariatric surgery)
- A wide range of team training of safe introduction of both laparoscopy and robotic techniques
- Training the trainers in MIS

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This will require:

- A new-build state-of-the-art refurbished centre
- Development of a cadaver training unit with all its facilities
- MIS equipment (stacks)
- Other training materials such as digital platforms and 3D printing for models
- Dedicated educational research staff to conduct quality assurance research for the provided training

Structure, governance and management

NPIMR is a company limited by guarantee (Company Number: 03445616) and registered charity (Charity Number: 1129348). The memorandum and articles of association were amended by special resolution 17 July 2018. All the Trustees are members of NPIMR and guarantee to contribute £10 in the event of a winding up.

Permission has been given by the Secretary of State to omit the word "Limited". NPIMR is a registered charity and as such exempt from corporation tax on all activities. The memorandum and articles of association were amended by special resolution 17 July 2018. There have been no changes to the objectives and policies of NPIMR in the year.

Permission has been given by Companies' House for NPIMR to use the brand name 'The Griffin Institute' in honour of our Honorary President John Griffin. This change will come into effect in 2019/20 although the legal name will stay the same.

The Trustees have the power to delegate tasks to sub committees and also the day to day management of the Charity to a chief executive or other manager(s). The delegated power shall be to manage the Charity by implementing the policy and strategy adopted by and within a budget approved by the Trustees and (if applicable) to advise the Trustees in relation to such policy, strategy and budget.

The Trustees are responsible for setting strategies and policies for NPIMR and for ensuring that these are implemented. To assist with this work, the Trustees have established three committees to supervise the management and supervision of NPIMR, the functions of NPIMR. There is a Finance Committee which currently meets quarterly and in due course there will also be meetings of a Human Resources Committee (HRC) and Academic Oversight committee.

The Finance Committee is responsible for reviewing and overseeing the financial management of NPIMR. It will consider NPIMR'S financial strategy and its budgets (both annual and medium term) and recommend these to its Board. It will monitor performance against the budgets and suggest and monitor action plans where remedial steps are necessary.

The overall purpose of the HRC is to actively initiate, help develop, monitor and evaluate strategic HR actions and policies that will enhance and embed NPIMR's reputation as an employer, and enable us to recruit, develop, engage and retain the best staff, volunteers, Board members and Trustees.

The Academic Oversight committee has been formed to advise the Board on academic matters in order to facilitate Board decisions on this subject.

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The Trustees continue to consider the Charity Commission Code of Governance and during the year 2019/20 a full review of the code will be carried out to ensure the charity complies with best practise. The day to day running is delegated to the CEO and SMT consisting of the Director of Training, Director of Science, Senior Scientist & Scientific Research Manager, Clinical Tutor & Surgeon, Project Manager, Facilities, Contract Research and Training and Head of Finance.

Trustee recruitment and training

Any person who is willing to act as a Trustee, and who would not be disqualified from acting as such may be appointed to be a Trustee by a decision of the Trustees. During the year following a skills review, a new Treasurer, Keith Malkinson was appointed, and Trustees with a research background, Dr Janet Allen (Director of Strategic Innovation, **Cystic** Fibrosis Trust) and Professor Vivek Mudera (Institute Director of Education at UCL Division of Surgery and Interventional Science) were appointed. Professor Mudera's main research themes include in vitro and in vivo musculoskeletal engineering and wound healing. The Trustee Board are seeking new Trustees with HR skills and also expertise in Intellectual Property, where an individual has been identified.

All the trustees have a professional background and are already familiar with the practical work of NPIMR. New trustees are also provided with an Information pack which includes general charity publications, a briefing note, budget, past minutes and a copy of the Charity Commission's "Essential Trustee" booklet. An induction meeting is held with the CEO. NPIMR will support any formal training requested by its Trustees.

Senior Management Pay

The remuneration of Senior Management is set by the Trustee Board after benchmarking with similar organisations. The remuneration of other staff is set by the Senior Management of the charity.

Risk Management

A formal risk review process has been instigated. The top 9 risks and the steps to mitigate them are reviewed and responsibilities allocated. These risks comprise:

Potential risk	Potential impact	Steps to mitigate risk
Operational risks		
Competition from similar organisations	• Loss of contract and training income	• Monitor and assess performance and quality of service
	• Reduced public profile	• Review market and formally review competition
	• Profitability of trading activities	• Ensure regular contact with customers
		• Monitor public awareness and profile of charity

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Potential risk	Potential impact	Steps to mitigate risk
Capacity and use of resources including tangible fixed assets	<ul style="list-style-type: none"> Under-utilised or lack of building/office space 	<ul style="list-style-type: none"> Implement & fund rebuild programme
	<ul style="list-style-type: none"> Plant and equipment obsolescence impacting on operational performance 	<ul style="list-style-type: none"> Produce equipment replacement plan & fund
	<ul style="list-style-type: none"> Services growing beyond scope of building 	<ul style="list-style-type: none"> Plan to maximise use of building
		<ul style="list-style-type: none"> Plan maintenance
Fund-raising-Failure to obtain grants, Trust fundraising or Patronage	<ul style="list-style-type: none"> Lack of income leading to lack of viability 	<ul style="list-style-type: none"> Produce fundraising plan for diverse funding
		<ul style="list-style-type: none"> Establish Collaborations
		<ul style="list-style-type: none"> Look at possibilities for MRC and Welcome etc
	<ul style="list-style-type: none"> Ability to operate (see Compliance risks) 	<ul style="list-style-type: none"> Train staff and compliance officer
Procedural and systems documentation	<ul style="list-style-type: none"> Injury to customers and the public 	
	<ul style="list-style-type: none"> Lack of awareness of procedures and policies 	<ul style="list-style-type: none"> Properly document policies and procedures
	<ul style="list-style-type: none"> Loss of GLP Status or home office licence 	<ul style="list-style-type: none"> Ensure responsibilities defined for SOPS and procedures
	<ul style="list-style-type: none"> Actions taken without proper authority 	<ul style="list-style-type: none"> Audit and review of systems
Financial risks		
Budgetary control and financial reporting	<ul style="list-style-type: none"> Budget does not match key objectives and priorities 	<ul style="list-style-type: none"> Functioning finance committee
	<ul style="list-style-type: none"> Decisions made on inaccurate financial projections or reporting 	<ul style="list-style-type: none"> Link budgets to business planning and objectives
	<ul style="list-style-type: none"> Decisions made based on unreliable costing data or income projections 	<ul style="list-style-type: none"> Monitor and report in a timely and accurate way
	<ul style="list-style-type: none"> Inability to meet commitments or key objectives 	<ul style="list-style-type: none"> Use proper costing procedures for product or service delivery
	<ul style="list-style-type: none"> Poor cash flow and treasury management 	<ul style="list-style-type: none"> Agree procedures to review and action budget/cash flow variances and monitor and control costs
	<ul style="list-style-type: none"> Ability to function as going concern 	
Reserves policies	<ul style="list-style-type: none"> Lack of funds or liquidity to respond to new needs or requirements 	<ul style="list-style-type: none"> Link reserves policy to business plans, activities and identified financial and operating risk
	<ul style="list-style-type: none"> Inability to meet commitments or planned objectives 	<ul style="list-style-type: none"> Regularly review reserves policy and reserve levels
	<ul style="list-style-type: none"> Reputational risks if policy cannot be justified 	
Cash flow sensitivities	<ul style="list-style-type: none"> Inability to meet commitments 	<ul style="list-style-type: none"> Ensure adequate cash flow projections (prudence of assumptions)
	<ul style="list-style-type: none"> Lack of liquidity to cover variance in costs 	<ul style="list-style-type: none"> Identify major sensitivities

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Potential risk	Potential impact	Steps to mitigate risk
	<ul style="list-style-type: none"> Impact on operational activities 	<ul style="list-style-type: none"> Regular pipeline reviews and action plans
		<ul style="list-style-type: none"> Fundraise
Dependency on income sources including John Griffin	<ul style="list-style-type: none"> Cash flow and budget impact of loss of income source 	<ul style="list-style-type: none"> Identify major dependencies
		<ul style="list-style-type: none"> Income diversification plans
		<ul style="list-style-type: none"> Work with donor to attract other donors
Taxation- particularly VAT	<ul style="list-style-type: none"> Penalties, interest and 'back duty' assessments 	<ul style="list-style-type: none"> Review PAYE compliance procedures
	<ul style="list-style-type: none"> Major effect on cashflow 	<ul style="list-style-type: none"> Complete VAT Review
		<ul style="list-style-type: none"> Understand exemptions and reliefs available (direct tax and VAT)

Fundraising activities

During the year fundraising was mainly via donation from John Griffin as noted. However, a Trust Fundraiser is now working one day a week to help obtain grants for research and development from charitable Trusts for the future.

In addition, it is planned to approach major donors both for patronage and capital expansion. A new case for support has been prepared.

Other than the Trust fundraiser there has been no expenditure on fundraising during the year. The rebrand has been supported by the generosity of John Griffin with new materials and a website expected in 2019/20.

It is planned to hold a fundraising event in Feb 2020.

During the year fundraising activity is limited and we have not actively sought funds from the general public but have concentrated on grant applications. Senior staff are however aware of the Fundraising Regulator's Code of Conduct and ensure the charity is compliant. During the year no complaints were received. Should a complaint be received it would be investigated thoroughly and responded to in a timely manner.

The research sub-committee will also be considering future collaborations and potential for Funds.

Financial review

During the financial year the Cardiac Research Fund demerged from NPIMR and set up separately. This can be seen in the reduction of the designated funds. This has a key effect on comparatives. The net income before investment gains on the general fund of £176k is after a provision for an expected retrospective VAT liability, following a VAT review. The charity

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TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2019

continues to be heavily dependent on the generosity of John Griffin, via the John Griffin Foundation, with significant funds received during the year including a £500k donation for research.

Significant funds continue to be spent on charitable activities including staff costs. This enables not only the research fund but the running and staffing of theatres for pre-clinical research as well as resourcing the training courses.

The charity Trustees are looking at KPI for performance and the growing number of medics and surgeons taking part in NPIMR training programmes as well as research grants achieved. The R&D department are currently completing a number of publications due to be completed by Dr Tahera Ansari and published in 2019/20.

The charity has general reserves of £8.57m at the end of the year, following a net income of £176k plus the recognition of a gain on unlisted investments of £864k. Further, with the completion of the refurbishment of Y Block, the Charity has recognised the associated costs of £7.08m which were funded from the substantial receipt from the John Griffin Foundation.

Investment

NPIMR holds shares in Videregen and Proterris. These are both unlisted companies that have taken forward pre-clinical research and IP created at NPIMR. At present there are no plans to liquidate these investments.

Reserves Policy

The NPIMR Reserves Policy is to maintain sufficient level of reserves to enable normal operating activities to continue over a period of up to '6' months should a shortfall in income occur and to take account of potential risks and contingencies that may arise from time to time. It is estimated that operating costs for the first 6 months of the new financial year ending 31 March 2020 will be in the region of £965k.

As at March 2019, the free reserves of the charity amounted to £1,240,169. Included in this figure, are general reserves amounting to £375,669 (2018: £218,854) and unrestricted non liquid investments amounting to £864,500 (2018: £605,636).

It is expected that losses will be incurred in the following years as the charity aims to both grow and diversify income. This will mean establishing increased fundraising from other donors, significant R&D grant income, and a growth in training and contract revenues. Therefore, it is the charity's aim to adhere to the reserves policy over a period of 5 years.

Statement of trustee's responsibilities

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.

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TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2019

In preparing the financial statements, the Trustees are responsible for:

- selecting suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- observe the recommendations of the SORP FRS 102, subject to any material departures disclosed and explained in the financial statements
- state whether the financial statements comply with the trust deed, subject to any material
- preparing the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The trustees are responsible for keeping adequate records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company'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.

Auditors – Kingston Smith LLP have indicated their willingness to continue in office and are deemed to be reappointed in accordance with section 487(2) of the Companies Act 2006.

Small Company Exemption – This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On Behalf of the Trustees

.....
NAME, Trustee

R H KENNEDY.

.....
Dated

13 DEC 2019

NORTHWICK PARK INSTITUTE FOR MEDICAL RESEARCH

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NORTHWICK PARK INSTITUTE FOR MEDICAL RESEARCH

Opinion

We have audited the financial statements of Northwick Park Institute for Medical Research ('the company') for the year ended 31 March 2019 which comprise Statement of Financial Activities (incorporating the Summary Income and Expenditure Account), the Balance Sheet, the 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 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 March 2019 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 Auditor's 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 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 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 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.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NORTHWICK PARK INSTITUTE FOR MEDICAL RESEARCH

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 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 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' exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9-10, 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

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NORTHWICK PARK INSTITUTE FOR MEDICAL RESEARCH

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.

Auditor's 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 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 charitable 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 charitable 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 charitable 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.

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.

NORTHWICK PARK INSTITUTE FOR MEDICAL RESEARCH

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NORTHWICK PARK INSTITUTE FOR MEDICAL RESEARCH

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. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Neil Finlayson
.....
Neil Finlayson (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Date: *13/12/2019*
.....

Devonshire House
60 Goswell Road
London
EC1M 7AD

NORTHWICK PARK INSTITUTE FOR MEDICAL RESEARCH

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2019 £	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2018 £
<u>Income from:</u>									
Building refurbishment, gift in kind	17	-	-	7,077,550	7,077,550	-	-	-	-
Donations and grants	3	512,081	-	802,397	1,314,477	587,932	7,695	750,000	1,345,627
Performance related grants	4	-	-	-	-	-	565,149	302,644	867,793
Charitable activities	5	915,188	-	275,830	1,191,018	1,264,321	203,847	-	1,468,168
Investment income		-	-	-	-	167	-	-	167
Rental income		716,782	-	-	716,782	695,846	-	-	695,846
		2,144,052	-	8,155,776	10,299,827	2,548,266	776,691	1,052,644	4,377,601
<u>Expenditure on:</u>									
Charitable activities	6	1,967,521	955,189	1,130,837	4,053,548	1,669,351	684,593	1,196,934	3,550,878
		176,531	(955,189)	7,024,939	6,246,280	878,915	92,098	(144,290)	826,723
Net position before investments									
Net investment gains on unlisted investments	12	863,722	-	-	863,722	-	4,679	-	4,679
Net income and expenditure after gains / (losses)									
		1,040,253	(955,189)	7,024,939	7,110,002	878,915	96,777	(144,290)	831,402
Transfers between funds	17		7,077,550	(7,077,550)	-	(185,453)	-	185,453	-
Net movement in funds									
		1,040,253	6,122,360	(52,611)	7,110,002	693,462	96,777	41,163	831,402
Total funds brought forward		544,524	866,720	352,353	1,763,597	(148,938)	769,943	311,190	932,195
Total funds carried forward		1,584,777	6,989,080	299,742	8,873,599	544,524	866,720	352,353	1,763,597

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.
The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

NORTHWICK PARK INSTITUTE FOR MEDICAL RESEARCH

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	11	7,333,688		352,627	
Investments	12	864,500		605,636	
		<u>8,198,188</u>		<u>958,263</u>	
Current assets					
Stocks	13	-		5,111	
Debtors	14	566,925		290,972	
Cash at bank and in hand		<u>1,024,374</u>		<u>1,204,620</u>	
		1,591,299		1,500,703	
Creditors: amounts falling due within one year	15	<u>(915,887)</u>		<u>(684,922)</u>	
Net current assets		675,411		815,781	
Total assets less current liabilities		8,873,599		1,774,044	
Deferred income	16	-		(10,447)	
Net assets		<u>8,873,599</u>		<u>1,763,597</u>	
Income funds					
Restricted funds	17	299,742		352,353	
Designated funds	18	6,989,080		866,720	
General unrestricted funds	19	<u>1,584,777</u>		<u>544,524</u>	
		<u>8,873,599</u>		<u>1,763,597</u>	

These financial statements were prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

These financial statements were approved by the Board of Trustees and authorised for issue on 13 DEC 2019

Trustee KEITH MALKINSON
NAME

Company Registration Number: 03445616 (England and Wales)

The accompanying notes form part of these financial statements.

NORTHWICK PARK INSTITUTE FOR MEDICAL RESEARCH

STATEMENT OF CASHFLOWS

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	23		(692,240)		1,004,076
Cash flows from investing activities					
Investing activities					
Purchase of tangible fixed assets		(92,864)		(296,250)	
Investments disposal to Cardiac Research Fund		604,858		-	
Interest received		-		167	
Net cash used in investing activities			<u>511,994</u>		<u>(296,083)</u>
Net increase in cash and cash equivalents			(180,246)		707,993
Cash and cash equivalents at beginning of year			<u>1,204,620</u>		<u>496,627</u>
Cash and cash equivalents at end of year			<u>1,024,374</u>		<u>1,204,620</u>

NORTHWICK PARK INSTITUTE FOR MEDICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

1 Accounting policies

Charity information

Northwick Park Institute for Medical Research is a private company limited by guarantee incorporated in England and Wales. As a company limited by guarantee each of its members commits to contribute ten pounds (£10) to its company's debts, liabilities and costs in the event of the company being wound up. The registered office is Northwick Park and St Mark's Hospitals, Watford Road, Harrow, Middlesex, HA1 3UJ, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

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 entity 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 charity's forecasts and have taken into account pressures on grant and donation income. The trustees have concluded that there is a reasonable expectation the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

1.3 Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated funds are subject to specific conditions by donors that the funds must be used for the purpose designated but are not restricted to its use. Trustees may choose during the reporting period to set aside a part of the unrestricted funds to be used for a particular future project or commitment.

NORTHWICK PARK INSTITUTE FOR MEDICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

1.4 Incoming resources

(Continued)

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement.

Investment income is included when receivable.

Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

Accrued income is recognised for income which relates to the reporting period, this is income which is due but not received in the reporting period.

Rental income represents charge for use of institute's facilities for medical research by other independent bodies. The rental income is based on pre-agreed contract where facilities are used on regular basis or on hourly rates if used on an ad hoc basis. Rental income is recognised on a straight-line basis over the terms of the rental agreement.

Cost recharges include use of lab equipment, hire charges, personnel fees, course fees etc which are charged based on pre-agreed rates and invoiced as soon as the project is complete.

1.5 Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

Cost of generating funds comprises the cost associated with attracting voluntary income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and service for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis eg. floor areas, per capita or estimated usage.

NORTHWICK PARK INSTITUTE FOR MEDICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

1.6 Tangible fixed assets

(Continued)

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Straight line basis over the term of 20 years based on premises occupied
Plant and machinery	25% per annum on reducing balance basis
Fixtures, fittings & equipment	25% per annum on reducing balance basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

NORTHWICK PARK INSTITUTE FOR MEDICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

1.11 Financial instruments

(Continued)

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

NORTHWICK PARK INSTITUTE FOR MEDICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

1.12 Employee benefits

(Continued)

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Operating leases

Rents applicable to operating leases, where substantially all the benefits and risk of ownership remain with the lessor, are charged to the Statement of Financial Activities over the period in which the cost is incurred.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

NORTHWICK PARK INSTITUTE FOR MEDICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

3 Donations and grants

	Unrestricted funds	Designated funds	Restricted funds	Total 2019
	£	£	£	£
Donations and gifts				
Donation	12,081	-	-	12,081
	<u>12,081</u>	<u>-</u>	<u>-</u>	<u>12,081</u>
Grants analysis				
The John Griffin Foundation	500,000	-	750,000	1,250,000
Robert Luff Foundation	-	-	30,000	30,000
National Bowel Research Centre	-	-	22,397	22,397
	<u>500,000</u>	<u>-</u>	<u>802,397</u>	<u>1,302,397</u>
Donations and gifts	12,081	-	-	12,081
Grants analysis	500,000	-	802,397	1,302,397
	<u>512,081</u>	<u>-</u>	<u>802,397</u>	<u>1,314,477</u>

	Unrestricted funds	Designated funds	Restricted funds	Total 2018
	£	£	£	£
Donations and gifts				
Donation	190	-	-	190
Fundraising events	-	7,695	-	7,695
	<u>190</u>	<u>7,695</u>	<u>-</u>	<u>7,885</u>
Grants analysis				
The John Griffin Foundation	500,000	-	750,000	1,250,000
Rose Tree Foundation	37,742	-	-	37,742
Paul Foundation	50,000	-	-	50,000
	<u>587,742</u>	<u>-</u>	<u>750,000</u>	<u>1,337,742</u>
Donations and gifts	190	7,695	-	7,885
Grants analysis	587,742	-	750,000	1,337,742
	<u>587,932</u>	<u>7,695</u>	<u>750,000</u>	<u>1,345,627</u>

4 Performance related grants

	2019 £	2018 £
Performance related grants	<u>-</u>	<u>867,793</u>
Analysis by fund		
Unrestricted funds	-	-
Designated funds	-	565,149
Restricted funds	-	302,644
	<u>-</u>	<u>867,793</u>

NORTHWICK PARK INSTITUTE FOR MEDICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

5 Charitable Activities Income

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2019 £
Course fees	238,557	-	-	238,557
Contract research, speaking fees and training	676,631	-	275,830	952,461
	<u>915,188</u>	<u>-</u>	<u>275,830</u>	<u>1,191,018</u>

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2018 £
Course fees and Contract research	1,264,321	203,847	-	1,468,168
	<u>1,264,321</u>	<u>203,847</u>	<u>-</u>	<u>1,468,168</u>

6 Charitable Activities Expenditure

	2019 £	2018 £
Direct Costs	1,748,917	1,801,725
Grant to Cardiac Research Fund	786,480	-
Staff costs	1,138,783	1,653,517
Support and Governance costs (note 7)	379,367	95,636
	<u>4,053,548</u>	<u>3,550,878</u>

Analysis by fund

Unrestricted funds	1,967,521	1,669,351
Designated funds	955,189	684,593
Restricted funds	1,130,837	1,196,934
	<u>4,053,548</u>	<u>3,550,878</u>

7 Support and Governance costs

	2019 £	2018 £
Depreciation and impairment	161,619	83,283
Audit fees	14,450	22,300
Legal and professional	73,223	11,034
Other	130,075	62,302
	<u>379,367</u>	<u>95,636</u>

NORTHWICK PARK INSTITUTE FOR MEDICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

8 Net income/(expenditure) for the year	2019	2018
	£	£
This is stated after charging:		
Depreciation	161,619	86,766
Auditors' remuneration		
Current Year	14,450	14,542
Non-audit services	2,500	4,042
	<u>178,569</u>	<u>105,350</u>

9 Trustees

No trustees received any remuneration or expenses during the year or previous year.

10 Staff Costs and Numbers	2019	2018
	£	£
Gross salaries - NHS Research staff	383,568	470,458
Gross salaries - NPIMR Medical Research staff	448,374	427,501
Gross salaries - Cardiac Research Medical staff	41,741	462,756
Employer National Insurance Contributions	91,661	152,384
Pension costs	72,171	140,419
Redundancy and termination payment	101,268	-
	<u>1,138,783</u>	<u>1,653,517</u>

The average monthly head count of employees are as follows:

	2019	2018
	No.	No.
NHS Research staff	8	10
NPIMR Medical Research staff	14	13
Cardiac Research Medical staff	1	12
	<u>23</u>	<u>35</u>

The charity's key management personnel comprises the trustees and the senior management team.
The total emoluments paid to key management personnel were £133,009 (2018: £92,971).

The number of employees whose gross benefit fell between the following bands:

	2019	2018
£60,001 - £70,000	1	1
£70,001 - £80,000	0	1
£80,001 - £90,000	0	0
£90,001 - £100,000	2	0
	<u>3</u>	<u>2</u>

The headcount split for 2019 has increased by 1 on 2018, as a result of the redundancy remuneration.

NORTHWICK PARK INSTITUTE FOR MEDICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

11 Tangible fixed assets	Leasehold Improvements	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 April 2018	1,326,452	1,552,907	9,092	2,888,451
Additions	7,120,360	49,101	954	7,170,414
Disposal to Cardiac Research Fund	-	(43,688)	-	(43,688)
At 31 March 2019	8,446,812	1,558,320	10,046	10,015,177
Depreciation and impairment				
At 1 April 2018	1,212,816	1,314,308	8,700	2,535,824
Depreciation charged in the year	96,292	64,991	337	161,619
Disposal to Cardiac Research Fund	-	(15,954)	-	(15,954)
At 31 March 2019	1,309,108	1,363,345	9,037	2,681,489
Carrying amount				
At 31 March 2019	7,137,704	194,974	1,010	7,333,688
At 31 March 2018	113,636	238,599	392	352,627

12 Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 31 March 2018	604,858	778	605,636
Net gain on investments	-	863,722	863,722
Disposal to Cardiac Research Fund	(604,858)	-	(604,858)
At 31 March 2019	-	864,500	864,500
Carrying amount			
At 31 March 2019	-	864,500	864,500
At 31 March 2018	604,858	778	605,636

	2019 £	2018 £
Investments at fair value comprise:		
Corporate Bond Funds	-	304,859
Long Gilt Funds	-	299,999
Videregen share holding	864,500	778
	864,500	605,636

NPIMR hold shares in an unlisted company called Proterris, a company registered in the United States of America. We are unable to obtain a reliable valuation for the market value of this shareholding nor are we able to establish whether this is a liquid investment which can be disposed of. Therefore we have included the Proterris shares at cost in the accounts, which is £Nil (2018: £Nil).

NORTHWICK PARK INSTITUTE FOR MEDICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

12 Fixed asset investments (Continued)

Details of the charity's associates at 31 March 2019 are as follows:

Name of undertaking	Registered Office	Nature of Business	Class of shares held	% Held Direct
Videregen Limited	United Kingdom	Development of Stem Cell Organ Regeneration medicine	Ordinary Shares	13.3
Proterris	United States of America	Clinical Development of Therapeutic Applications	Common Stock	62

13 Stocks

	2019 £	2018 £
Finished goods and goods for resale	-	5,111

14 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	555,792	231,115
Other debtors	-	27,897
Prepayments and accrued income	11,133	31,960
	<u>566,925</u>	<u>290,972</u>

15 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	617,740	660,255
Other creditors	130,075	1,524
Accruals and deferred income	168,073	23,143
	<u>915,887</u>	<u>684,922</u>

16 Deferred income

	2019 £	2018 £
Arising from government grants	-	13,930
Less: Credit to depreciation charge	-	(3,483)
Less: Amounts released to income	-	-
	<u>-</u>	<u>10,447</u>

NORTHWICK PARK INSTITUTE FOR MEDICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

17 Restricted funds

	Movement in funds				Balance at
	Balance at 1 April 2018	Incoming resources	Resources expended	Transfers	31 March 2019
	£	£	£	£	£
The John Griffin Foundation					
<i>Building refurbishment, gift in kind</i>	-	7,077,550	-	(7,077,550)	-
The John Griffin Foundation					
<i>Funding for rent</i>	-	750,000	(750,000)	-	-
Robert Luff Foundation					
<i>Development of bioactive materials for wound healing</i>	-	30,000	(30,000)	-	-
National Bowel Research Centre					
<i>Development of new options for treatment of ulcerative colitis</i>	-	22,397	(22,397)	-	-
Wolfson Unit					
<i>Comprises training fees received on behalf of Wolfson and expended upon the completion of each training course</i>	65,586	41,782	(19,270)	-	88,099
Dr L Turner / Dr L Stokes					
<i>Comprises conference speaking fees on behalf of Drs Turner and Stokes and expended upon the completion of each conference attendance</i>	39,601	17,175	(21,029)	-	35,747
Tropical Diseases Prevention Unit					
<i>Refers to research around tropical diseases</i>	145,284	221,221	(225,380)	-	141,125
Radiology/ Tropical disease/Uroelvic funds					
<i>Comprises of fees received on behalf of course provider</i>	1,362	-	(1,362)	-	-
Course administration service					
<i>Comprises of fees received on behalf of course provider to deliver courses for hospital doctors</i>	20,198	(1,822)	(9,299)	-	9,077
Physiology account					
<i>Funds received from Medtronic to deliver physiology courses</i>	50,531	(2,527)	(48,004)	-	-
Mr Lamont OBS and Gynae-Research Funds					
<i>Gynae research funds received</i>	25,824	-	(4,097)	-	21,727
Dr Mouyis					
<i>Funds received from ABBVIE to purchase rheumatology equipment</i>	3,967	-	-	-	3,967
	<u>352,353</u>	<u>8,155,776</u>	<u>(1,130,838)</u>	<u>(7,077,550)</u>	<u>299,741</u>

During the year, John Griffin gifted the charity the refurbishment of the building. As the restrictions of this gift have been met, the fund balance has been transferred into designated funds.

NORTHWICK PARK INSTITUTE FOR MEDICAL RESEARCH

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AS AT 31 MARCH 2019

17 Restricted funds	(Continued)	Movement in funds			
	Balance at 1 April 2017	Incoming resources	Resources expended	Transfers	Balance at 31 March 2018
	£	£	£	£	£
Wolfson Unit					
<i>Comprises training fees received on behalf of Wolfson and expended upon the completion of each training course</i>	125,382	46,294	(106,090)	-	65,586
Dr L Turner / Dr L Stokes					
<i>Comprises conference speaking fees on behalf of Drs Turner and Stokes and expended upon the completion of each conference attendance</i>	57,802	6,930	(25,131)	-	39,601
Radiology/ Tropical disease/Uroelvic funds					
<i>Comprises of fees received on behalf of course provider</i>	1,478	-	(116)	-	1,362
<i>Progestelle trial account</i>	636	-	(636)	-	-
Course administration service					
<i>Comprises of fees received on behalf of course provider to deliver courses for hospital doctors</i>	20,135	2,918	(2,855)	-	20,198
<i>Dr Keat's -Research funds</i>	2,565	1,630	(4,195)	-	-
Physiology account					
<i>Funds received from Medtronic to deliver physiology courses</i>	50,531	-	-	-	50,531
<i>Dr Higgin's -Research funds</i>	2,397	-	(2,397)	-	-
Mr Lamont OBS and Gynae-Research Funds					
<i>Gynae research funds received</i>	25,824	-	-	-	25,824
Dr Mouyis					
<i>Funds received from ABBVIE to purchase rheumatology equipment</i>	24,440	-	(20,473)	-	3,967
Tropical Diseases Prevention Unit					
<i>Refers to research around tropical diseases</i>	-	244,872	(285,041)	185,453	145,284
	311,190	302,644	(446,934)	185,453	352,353

In 2018, funds were transferred into the Tropical Diseases Prevention Unit restricted fund, from unrestricted funds, being a contribution from NPMIR to the research fund.

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18 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2018 £	Movement in funds			Balance at 31 March 2019 £
		Incoming resources £	Resources expended £	Transfers £	
Cardiac Research Fund	866,720	-	(866,720)	-	-
Building Refurbishment	-	-	(88,469)	7,077,550	6,989,080
	866,720	-	(955,189)	7,077,550	6,989,080

The Cardiac Research Fund project was granted out, in full, to the newly formed charity the Northwick Park Cardiac Research Charity (charity number 1177753) on 30th April 2018, which is independent of NPIMR.

For comments on the transfer into Building Refurbishment designated funds in the year please refer to the comments in note 17.

	Balance at 1 April 2017 £	Movement in funds			Balance at 31 March 2018 £
		Incoming resources £	Resources expended £	Revaluation gains /(losses) £	
Cardiac Research Fund	769,943	776,691	(684,593)	4,679	866,720
	769,943	776,691	(684,593)	4,679	866,720

19 General unrestricted funds

	Balance at 1 April 2018 £	Incoming resources £	Resources Expended £	Transfers £	Balance at 31 March 2019 £
General unrestricted funds	544,524	3,007,773	(1,967,520)	-	1,584,777

	Balance at 1 April 2017 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31 March 2018 £
General unrestricted funds	(148,938)	2,548,266	(1,669,351)	(185,453)	544,524

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20 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2019 are represented by:				
Tangible assets	344,607	6,989,080	-	7,333,688
Investments	864,500	-	-	864,500
Current assets/(liabilities)	375,669	-	299,742	675,411
	<u>1,584,777</u>	<u>6,989,080</u>	<u>299,742</u>	<u>8,873,599</u>
	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2018 were represented by:				
Tangible assets	324,892	27,735	-	352,627
Investments	778	604,858	-	605,636
Current assets/(liabilities)	218,854	234,127	352,353	805,334
	<u>544,524</u>	<u>866,720</u>	<u>352,353</u>	<u>1,763,597</u>

21 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	496,000	750,000
Between one and two years	496,000	750,000
Between two and five years	1,984,000	3,000,000
In over five years	6,944,000	11,250,000
	<u>9,920,000</u>	<u>15,750,000</u>

NPIMR has triggered a provision within the current lease which grants an additional 20 years lease (with a break clause term of 15 years) at the current fee (uplifted on annual base as per RPI).

In the year £750,000 (2018: £750,000) was recognised as an expense in respect of operating lease payments.

22 Operating lease income

NPIMR have sublets for use of the institute's office space and facilities of medical research.

Future payments receivable under these non-cancellable operating leases for each of the following periods following the balance sheet date are:

	2019 £	2018 £
Within one year	263,743	559,889
Between two and five years	1,054,972	80,762
	<u>1,318,715</u>	<u>640,651</u>

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23 Cash generated from operations	2019	2018
	£	£
(Deficit) / Surplus for the year	7,110,002	831,402
Adjustments for:		
Investment income recognised in statement of financial activities	-	(167)
Fair value gains and losses on investments	(863,722)	(4,679)
Depreciation and impairment of tangible fixed assets	161,619	86,766
Disposal to Cardiac Research Fund of tangible fixed assets	27,734	-
Building refurbishment, gift in kind	(7,077,550)	-
Movements in working capital:		
Decrease/(increase) in stocks	5,111	24,173
Decrease/(increase) in debtors	(275,953)	68,180
Increase/(decrease) in creditors	230,965	1,886
Increase/(decrease) in deferred income	(10,447)	(3,485)
Cash generated from operations	(692,240)	1,004,076

