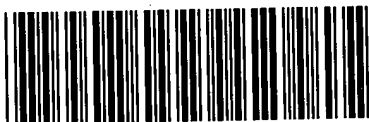


**ANNUAL REPORT and  
ACCOUNTS 2014 – 2015**

*The*  
**Dunhill  
Medical  
Trust**

MONDAY



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COMPANIES HOUSE

*The Dunhill Medical Trust: a company limited by guarantee*

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Registered in England:

Company Number 07472301

Registered Office:

6 New Bridge Street London EC4V 6AB

Registered Charity Number:

1140372

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## REFERENCE AND ADMINISTRATIVE INFORMATION

The Dunhill Medical Trust is a charitable company limited by guarantee registered in England (Company Number 07472301; Charity Number 1140372)

### TRUSTEES

The following Trustees served during the year ended 31 March 2015

Professor Sir Roger M Boyle CBE	
The Right Reverend Christopher T J Chessun	
Mrs Helen C S Davies	<i>appointed 05.06.14</i>
Mrs Kay Glendinning MBE	
Professor Roderick J Hay	<i>Chairman of Grants &amp; Research Committee from 03.02.15</i>
Professor Peter R Lansley MBE	
Professor James McEwen	<i>Chairman of Grants &amp; Research Committee to 03.02.15</i>
John A Ransford CBE	<i>Chairman of Investment Committee</i>
Ronald E Perry	<i>Chairman of Trustees</i>
Professor Martin P Severs OBE	

### EXECUTIVE OFFICERS

Mrs Claire Large	<i>Executive Director</i>
Mrs Sarah Allport	<i>Grants &amp; Research Manager</i>
Ms Shirley Jones	<i>Administration &amp; Governance Officer</i>
Ms Jenna Horsfield	<i>Assistant Grants Officer</i>

### Registered Office

5th Floor, 6 New Bridge Street, London EC4V 6AB

### Auditors

Williamson Morton Thornton LLP	St Albans AL1 3AW
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### Accountants

Rouse Partners LLP	Beaconsfield HP9 1QL
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### Solicitors

Veale Wasbrough Vizards	London EC4A 1AD
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### Bankers

C Hoare & Co	London EC4P 4DQ
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### Investment Advisers

Stanhope Consulting	London W1H 6LR
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### Investment Managers

Cedar Rock Capital Fund plc.	London W1U 3RW
The Charities Property Fund c/o Cordea Savills LLP	London W1J 6ER
Colchester Global Investors Ltd	London W1S 3PR
Dalton Capital (Guernsey) Ltd	Guernsey GY1 1DB
Findlay Park Partners LLP	London W1K 2BU
Heronbridge Investment Management LLP	Bath BA1 1HE
Rathbone Brothers plc	London W1J 5FB
Cazenove Capital Management (Schroder & Co Ltd)	London EC2V 7QA
Silchester International Investors LLP	London W1J 6TL
Somerset Capital Management LLP	London SW1W 9SA

# The Dunhill Medical Trust

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2015

The Trustees of the Dunhill Medical Trust present their report and audited financial statements for the year ended 31 March 2015. The financial statements have been prepared in accordance with the accounting policies set out in Note 2 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice (SORP): Accounting and Reporting by Charities published in 2005. Advantage has been taken of the exemptions available to small companies in the preparation of this report.

This report is a Directors' Report as required by s417 of the Companies Act 2006.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Background to The Dunhill Medical Trust

The funds comprised in The Dunhill Medical Trust originated from the Will Trust of Herbert Edward Dunhill who died on 8 November 1950. The funds were intended to be used for the furtherance of medical knowledge and research, in the light of Herbert Dunhill's own experience of some twenty-five years of ill health resulting from the effects of tuberculosis.

With the agreement of the Charity Commissioners, the funds comprising the Charitable Trust previously contained in Clause 17(B) of the Will of Herbert Edward Dunhill were reconstituted by a Declaration of Trust dated 15 April 1986, which broadened the charitable objects to include research into care of the elderly and the provision of accommodation and care for the elderly.

By a Scheme dated 15 April 1988, the Charity Commissioners for England and Wales directed that the property hitherto administered under the terms of Clause 17(B) of the Will of Herbert Edward Dunhill should thenceforth be administered and managed as part of the property of the Charity called The Dunhill Medical Trust.

In 2010 the Trustees resolved that, in line with best practice for charities with substantial assets, it would be more appropriate for the Trust to adopt a corporate form and become a charitable company limited by guarantee. As a result, a process for incorporation of the Trust was put into effect, with the Articles of Association being adopted on 16 December 2010 and all assets and undertakings of the Trust being transferred to the new corporate entity on 1 April 2011. The operation of the Trust was unaffected by the change of structure and the charitable objects remain unchanged. All Trustees of The Dunhill Medical Trust are also Directors and Members of the charitable company.

#### Connection with the tobacco industry:

The Dunhill Medical Trust promotes the highest ethical practices in scientific and medical research. It does not receive or seek funds from any external body and has had no connection with the tobacco industry for many years. The Trust fully complies with the Joint Protocol of Cancer Research and Universities UK on Tobacco Industry Funding to Universities (2004) which states that:

*The following do not constitute tobacco funding for the purposes of this Code: funding from a trust or foundation no longer having any connection with the tobacco industry even though it may bear a name that (for historical reasons) has tobacco industry associations.*

## **THE BOARD OF TRUSTEES AND ITS SUB-COMMITTEES**

Under the Articles of Association, the Trustees are responsible for the charity, its property and funds and are appointed by the Board of Trustees. Trustees serve for four years, after which period they may put themselves forward for reappointment for one further term of office. Although the Articles provide for a minimum of three trustees, no maximum number is specified to ensure the Board's ability to have access to a wide range of expertise appropriate to the strategic development of the Trust.

Trustees' meetings are held quarterly (normally in June, September, December and March of each year). At these meetings, the Trustees agree the broad strategy and areas of activity for the Trust in relation to grant-making, investment, risk management, policies and procedures etc. The day-to-day administration and management is delegated to the Executive Director, who is supported by the Grants & Research Manager, Administration & Governance Officer and Assistant Grants Officer. This includes the administration of grants and processing of grant applications, and administration relating to investments, prior to their consideration by the relevant sub-committee appointed by the Board of Trustees.

As a result of an open recruitment process held during the latter part of 2013/14, the Trustees are pleased to announce the appointment of Mrs Helen Davies as a Trustee with effect from 5 June 2014. Mrs Davies has also been appointed as a member of the Investment Committee where her knowledge of investments and risk management expertise will be of great value to the Trust.

### **Grants & Research Committee**

To assist the Trustees in ensuring rigorous appraisal of grant applications, a Grants & Research Committee has been established as a sub-committee of the Board. The Committee is chaired by a medically/scientifically qualified Trustee and includes a number of external medical/scientific advisers with expertise appropriate to the interests of the Trust. It meets quarterly (normally at least one month prior to a Trustees' meeting) to consider grant applications which meet the criteria and priority areas for support, and to make recommendations to the Trustees. The Committee also advises the Trustees on the on-going development of DMT's research funding strategy and its implementation, and acts as a reference point in matters relating to the monitoring of grants awarded by DMT and in respect of developments in research which have implications for the grant-making programmes.

Following two very successful terms as Chairman of the Grants & Research Committee, Professor Jim McEwen stepped down from the role in February 2015 and was succeeded by Professor Rod Hay. The Trustees wish to express their sincere appreciation for the all the time and dedication given to the role by Professor McEwen during his period of office and for the very skilful and collegiate way in which he ran the Committee and supported the staff in all matters relating to DMT's grant-making.

### **Investment Committee**

The Board has also established an Investment Committee, the purpose of which is to provide strategic direction on investment matters appropriate to meeting the Trust's charitable aims, and to recommend to the Trustees any changes in investment arrangements which the Committee considers appropriate. The Committee is also responsible for monitoring the performance of the Trust's investment managers. It meets quarterly and includes Trustees and external advisers with relevant investment/ financial expertise, as well as a senior representative from the Trust's accountants ex officio. In June 2014, the Trustees appointed Stanhope Consulting as investment advisors to the Trust and representatives from Stanhope now also attend Investment Committee meetings to provide appropriate input and advice on investment matters. During 2014/15, Mr John Ransford was appointed as Chairman to the Investment Committee and Mr Eren Osman was appointed as an additional external adviser.

## GOVERNANCE

The Trust has a conflict of interest policy and code of conduct based on the Nolan Principles of Good Governance. In accordance with this policy, conflicts of interest arising from agenda items are declared and minuted at the beginning of each Board or sub-committee meeting, with the Trustee or committee member in question declaring his/her interest being required to withdraw from any subsequent discussion as deemed appropriate by the Chairman.

All Trustees and sub-committee members are required to declare all relevant interests, details of which are kept in a Register of Interests that is verified and updated regularly to ensure its completeness and accuracy. A code of conduct has also been agreed which sets out what is expected from Trustees as members of the Board and its sub-committees.

Additionally, the Grants & Research Committee has its own code of conduct which sets out how conflicts of interest relating to grant applications will be dealt with and provides rigorous governance arrangements. Whilst the code does not prevent external advisers (most of whom are active researchers) from being able to be named applicants on research proposals, it ensures that they have no involvement in the decision-making process relating to these proposals.

Trustees and external advisers give their time on a voluntary basis, with out-of-pocket expenses being reimbursed in line with an agreed expenses policy. Details of Trustees' expenses and related party transactions for the year 2014/15 are disclosed in Note 9 to the accounts. Grants to institutions and charities where Trustees or external advisers have a significant interest are noted in the list of grants (pages 38 to 40).

## RECRUITMENT, INDUCTION AND TRAINING OF NEW TRUSTEES

The Dunhill Medical Trust has a policy and process for the appointment of trustees which is based on the Charity Commission's requirements to demonstrate openness and good governance. Regular reviews of the existing skill mix are carried out by the Board of Trustees, in order to identify any gaps which may require to be filled. Whilst nominations may be put forward by current Trustees, open advertisement is also used to ensure that the widest possible range of potential candidates is reached. A formal selection process is followed, including interview of the shortlisted candidates. The preferred candidate is then asked to confirm in writing that they are eligible to become a trustee (under the terms of Charity Commission guidance) and director (under the terms of company law) and is invited to attend the next available Trustees' meeting, at which he/she is formally proposed and appointed as a Trustee, Director and Member of The Dunhill Medical Trust.

New Trustees are provided with a comprehensive induction pack (including a copy of the Memorandum and Articles of Association, the latest annual report & accounts and minutes of meetings held by the Board of Trustees and its sub-committees during the last year), as well as a copy of the Trust handbook which contains a wide range of information on the administration of the Trust. Induction meetings with other Trustees and members of staff are arranged as appropriate. Any requirements for training for the new Trustee are identified as part of the induction process and suitable courses identified as necessary.

## RISK MANAGEMENT

The Trustees have adopted a formal risk policy and undertake an annual risk assessment for each of the principal areas of the Trust's operations. In addition, the Investment Committee reviews risks specifically related to finance and investments at each of their meetings, with any issues raised being reported to the Trustees.

In the opinion of the Trustees, the Trust has established resources and review systems which, under normal conditions, should allow the risks identified by them to be mitigated to an acceptable level in its day-to-day operations. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been managed adequately.

## OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives, in setting grant-making policy and in planning future activities. In particular, the Trustees have considered how planned activities will contribute to the aims and objectives they have set.

Under the terms of the governing document, the charitable objects of the Dunhill Medical Trust are:

- the furtherance of medical knowledge and research and the publication of the useful results thereof and the provision of medical care and facilities in such manner as the Trustees shall from time to time in their absolute discretion think fit; and
- research into the care of the elderly and the publication of the useful results thereof and the provision of accommodation and care for the elderly.

In line with the charitable objects, the overall strategic aim of the Trust is to support schemes (both large and small) which help the furtherance of medical knowledge and its dissemination or application, or which improve the environment in which older people live.

The Dunhill Medical Trust carries out this aim by:

- providing research project and programme grants relating to the main priority areas identified for support, i.e.
  - care of older people, including rehabilitation and palliative care
  - research into the causes and treatment of diseases, disability and frailty related to ageing;
- supporting pilot and proof-of-concept research studies in these priority areas which could establish whether major funding is justified;
- supporting non-research projects that seek to provide innovative services or facilities relating to the designated priority areas which can subsequently be evaluated to establish their effectiveness and transferability;
- supporting research fellowships and other research training opportunities aimed at expanding research capacity in the designated priority areas;
- exceptionally, providing endowments for innovative academic posts within the designated priority areas;
- where appropriate, developing special initiatives (both research and non-research) aimed at improving the health and well-being of older people.

During 2014/15, key activities have included:

- continuing to maintain the current grant-making programmes, developing them as appropriate in the light of available funding dependent on investment performance;
- continuing to develop a portfolio of initiatives to improve the care of older people, focusing on safety, effectiveness and satisfaction within the NHS and social care. This has included issuing a call for proposals for a complex research intervention to address the specific problems experienced by the frailest older people in society and how these could be dealt with most appropriately to ensure that they receive the highest and most compassionate quality of care;
- ensuring that proper consideration is given to (and where appropriate, implemented in line with AMRC advice to members) important developments in research, including (i) assessment of research involving animals; and (ii) the Concordat to Support for Research Integrity.

## GRANT-MAKING POLICY

DMT's strategic aims and objectives underpin its grant-making policy, which is kept under regular review to ensure its continued appropriateness and clarity in terms of public benefit.

The main beneficiaries of the Trust's grant-making programmes are ultimately older people within the UK and those with age-related diseases, or with disabilities, or requiring rehabilitation as a result of ageing. This focus on ageing and the need to improve the health and well-being of older people reflects the ongoing demographic changes towards increased life expectancy and a rapidly increasing proportion of older people in the population. It applies to both research and general (ie. non-research) programmes and projects. The Trust's research programmes support researchers at all levels within higher education institutions (HEIs) and NHS institutions. Any benefit received by researchers, HEIs, health and social care bodies, or charities is purely incidental to the objects of DMT's charitable grants.

General/non-research projects are mainly supported via UK registered charities, with the beneficiaries being the users and carers for whom the projects are designed. In order to ensure the widest benefit for older people from projects supported, an underlying principle of the Trust's grant-making is that applicant organizations should not be unduly restrictive and should operate a policy of inclusiveness, equality and non-discrimination.

The main method by which DMT invites grant applications is via its website at [www.dunhillmedical.org.uk](http://www.dunhillmedical.org.uk). In addition to the detailed grant-making policy, guidelines for general grants, research grants and research-related infrastructure grants are available, as well as specific guidelines for DMT's Research Training Fellowship scheme. All guidelines are regularly reviewed to ensure that they are as 'user-friendly' as possible for potential applicants and are consistent with all other grant making documentation and policies. All documents are available in pdf format and may be downloaded from the website, which also provides access to a range of other information about the Trust, including the latest annual report and accounts, and grants made in the last three financial years.

The Trust aims to provide a prompt response to all grant applications and requests for information. Rather than proceed to formal application at a stage when many applications may not meet the eligibility criteria, potential applicants are asked to provide a brief outline of the proposed project, together with details of the financial support requested. Applicants for research and research-related grants are required to complete a short downloadable outline application form, which includes a focused question as to the difference that the research is expected to achieve within 5 to 10 years in terms of patient benefit/ improving the health & well-being of older people.

Once received, outline applications are subject to initial assessment to ensure that they meet the basic criteria for funding, which is undertaken by staff in consultation with the Chairman of the Grants & Research Committee (and where appropriate a sub-group of the Committee, or the Committee as a whole). Where outline applications meet the eligibility criteria, applicants are invited to submit a formal application for consideration by the Grants & Research Committee, which makes recommendations to the Trustees on those which are deemed worthy of support. Final decisions are taken at Trustees' meetings and applicants are informed as soon as practicable thereafter. The timescale between initial enquiry and decision may vary dependent upon the complexity of the application, but is kept as short as is practically possible, commensurate with the need to ensure all appropriate steps are taken to reach an informed decision.

The Dunhill Medical Trust is a member of the Association of Medical Research Charities (AMRC) and a recognised non-commercial partner of the National Institute for Health Research (NIHR). In line with AMRC and NIHR standards, the Trust follows best practice in maintaining the independence of research funding and in requiring researchers funded by the Trust to abide by research governance regulations and practice. This includes the highest standards with regard to the use of protected animals in research, with the aim of minimizing the likelihood of harm to research volunteers and animals, by requiring grant holders to comply with the Animals in Research: Reporting In Vivo Experiments (ARRIVE) guidelines published by the National Centre for the Replacement, Refinement and Reduction of Animals in Research (NC3Rs). A rigorous system of both external and internal peer review is in



operation in respect of all research and research-related grants, with independent opinion being sought from at least two (and normally three) appropriate external referees, both from within the UK and internationally. This is provided by a very wide range of clinicians and academics, who are identified via literature searches using Europe PubMed Central (EPMC) and PubMed (the US National Institutes of Health National Library of Medicine bibliographic database) to ensure that the most appropriate expert opinion is being sought. When providing a report on an application, referees are asked to declare any conflicts of interest that they might have, to ensure that opinion sought is as independent as possible. Referees' reports are taken into consideration by the Grants & Research Committee alongside the detailed internal scrutiny to which applications are subjected.

In the case of an application for a research grant involving human participants, organs, tissue or data, DMT requires evidence that ethical approval and NHS R&D approval have been secured before any grant monies can be released. In addition, written confirmation is required that the research has a formally approved and explicitly stated research sponsor (as required under the terms of the NHS Research Governance Framework) or, alternatively, is not applicable.

During 2014/15, the Trustees took the decision that all research and research-related grants awarded from September 2014 would be made available on a retrospective basis<sup>1</sup>. Until now, DMT has paid research grant monies in yearly instalments in advance, once all requirements stated in the grant offer letter have been fulfilled. However, following a review of the practices of other AMRC members, it became clear that DMT was almost unique in providing grants in advance and that universities (the main recipients of research grants) were accustomed to receiving reimbursement of grant monies on the basis of receipt of a firm grant offer from a funder. Over recent years, a considerable amount of unspent grant monies have had to be recouped from host institutions which have then had to be accounted for. The move to retrospective grants will remove the need to recoup these monies and simplify the way in which DMT deals with commitments (see page 21 for further details).

## MONITORING, AUDIT AND EVALUATION

All grants awarded by the Trust are monitored through:

- annual reports submitted by grant holders (which must demonstrate appropriate progress to ensure continuation of a grant made for longer than a period of one year);
- where appropriate, visits by DMT executive officers and/or Trustees/members of the Grants & Research Committee, which may be made at any time during the duration of the grant.

Following consideration of a progress report and/or any monitoring visit, the Trustees reserve the right to terminate the grant or to withhold payment of subsequent instalments of the grant as they consider fit in the circumstances. On conclusion of the project, the grant holder is expected to submit a final report within 3 months of the end of the grant, detailing fully the results and outputs/ outcomes from the project.

DMT's grant-making programmes are subject to audit processes to assess their effectiveness and to help inform future grant-making strategy. Progress reports for both research and general grants are requested through completion of an audit form and a financial statement for the period, in lieu of conventional progress reports, with the purpose of achieving more focused, comparable information to assess how well DMT funding is being used and whether the aims and objectives of work supported are being met by grant recipients. This system has proved to be a useful and effective grant-making tool.

The Trust is also keen to encourage rigorous independent evaluation of all general project developments and initiatives it supports to ensure that the best possible use is made of the charitable funds at the Trustees' disposal. Plans for sustainability of projects seeking support and the financial viability of applicant organisations are important elements in the assessment of general grant applications received.

<sup>1</sup> *All general grants awarded will continue to be provided in advance, as previously.*

## ACHIEVEMENTS AND PERFORMANCE

### MAINTENANCE AND DEVELOPMENT OF GRANT PROGRAMMES

During 2014/15, the Trust has maintained its current grant programmes which include:

- Research grants:
  - Project and programme grants
  - Research-related building and equipment grants
  - Joint Research Fellowships with partner organisations
  - Research Training Fellowships
- General grants:
  - Core & staffing grants
  - Building grants
  - Equipment grants
  - Small grants under £20,000

#### Research grants

In line with recent years, the year to 31 March 2015 has seen the number of applications for research project grants continue to increase, with a very wide spread of applications from universities and NHS Trusts across the UK. In contrast, few applications have been received for programme grants or research-related building and equipment grants. As reported in the 2013/14 annual report, a review of the minimum and maximum financial limits set on research grants resulted in some adjustments. Accordingly, research project grants are no longer accepted for sums below £25k, with the upper limit remaining at £300k. The upper limit for programme grants has, however, been raised to £1m to reflect the increased costs of research over recent years.

#### General grants

The relatively low level of eligible applications for general (i.e. non-research) grants seen over the last few years has continued during 2014/15, particularly in respect of applications for building grants for capital projects. There have also continued to be fewer applications in relation to innovative approaches to providing services for older people. Rather, charities providing such services have mostly been seeking core funding to keep their organisations afloat, and this may well continue, given that there are likely to be further cuts to statutory funding in the future. As DMT's grant-making policy precludes the provision of replacement funding of this kind, many of these applications are ineligible for support. As part of the review of funding limits and in an attempt to increase the number of applications for small grants (for pump-priming of new initiatives or as bridging funding), the upper limit for these grants has been increased from £10k to £20k. However, the ongoing climate of cuts and lack of appetite for charities to undertake new initiatives has again resulted in fewer general grants being awarded during the year, with a continuing high percentage of grants being awarded to high quality research applications. The current ratio of funding for research grants compared to general grants is approximately 86% : 14%.

## OLDER PEOPLE'S CARE IMPROVEMENT INITIATIVE (OPCII)

Following the Trustees' decision in 2013 to support a new strategic programme, the Older People's Care Improvement Initiative (OPCII), work has continued to implement the next stage of the initiative. The OPCII is a medium term programme that will commit approximately £3-4m over a 3-4 year period from 2014 to 2018 and consists of four strands which are being implemented on an incremental basis over that period.

The first strand consisted of a targeted round of DMT Research Training Fellowships focusing on improved safety, effectiveness and/or satisfaction of care for older people.<sup>1</sup> This resulted in the appointment in 2013/14 of five Fellowships from a field of very high quality applicants with a diverse range of backgrounds (medicine, dietetics, psychology and social policy).

The second strand which took place in 2014/15 was a call for proposals for a research intervention aimed at improving the care of frail older people in society. The Trustees agreed to make available funding up to £1 million to support the assessment of one or more interventions that would have the potential to make a real difference to frail older people within their own place of residence by improving health and social care to meet their complex needs. Proposals were invited from senior researchers who were part of a strong multidisciplinary team that included not only primary and secondary care, but also a range of other stakeholders such as managers of care homes, social care staff and other relevant disciplines, eg. occupational therapists, physiotherapists, dentists etc.

In the event, the number of proposals received in response to the call was disappointing (eight in total) with the size, choice, breadth and depth mostly failing to meet the criteria set out in the guidelines. However, the selection panel considered that two of the proposals were suitable for interview, resulting in the award of a grant of £674,061 to Dr A Gordon *et al* (Department of Health Care for Older People, University of Nottingham) for a proposal entitled *Proactive Health Care for Older People in Care Homes (PEACH) study*.<sup>2</sup>

The successful proposal from the Nottingham team was both well thought out and extremely well integrated across academe, social care, NHS and the care industry. The panel considered that it demonstrated ample scope for building capacity and capability, and had the potential to break down some of the cultural, technical and professional barriers that so often impair an individual person's care experience. The aim of the programme is to produce a fundamental shift in the direct care from that currently experienced by most frail older people in care homes to one which is not only well organised, logical, structured, efficient and effective, but also provides a style of direct care which independent observers would recognise as appropriate, responsive and patient-focused.

The third and fourth strands of the OPCII initiative will be launched in 2015/16 and 2016/17 respectively and will be focused on:

- An innovative approach aimed at achieving a complete change in a public sector provision to one which offers not only technical excellence, but also a human framework that will provide for specific needs of older people, such as adequate time in providing care and interacting on a personal basis with the person being cared for, with explanations being given in a considered way and at a suitable pace, and providing reassurance.
- Educational improvement awards for university undergraduate courses that build on best practice in dealing with older people per se and those with special needs in order that they can maintain dignity and receive a high standard of care, together with key qualities such as kindness and time.

<sup>1</sup> The Research Training Fellowships were reported on in the last annual report, but are being accounted for in 2014/15 as they were awarded beyond the end of the 2013/14 financial year

<sup>2</sup> Although the outcome of the call for proposals is being reported in this annual report, the grant to support the Gordon *et al* PEACH study will be accounted for in 2015/16 as it was awarded beyond the end of the 2014/15 financial year.

## DEVELOPMENTS IN RESEARCH

As an active member of the AMRC, DMT always considers carefully the implications of all important developments in research and the accompanying advice provided by the AMRC. During the past year, the two main developments have been (i) the involvement of animals in research; and (ii) The Concordat to Support Research Integrity.

### The involvement of animals in research

DMT receives very few applications involving animals and has already signed up to best practice in requiring applicants to comply with the ARRIVE guidelines (see page 8). However, in order to consider the 3Rs (Replace, Refine, Reduce) as part of the application process, the Trust has accepted AMRC's recently revised guidance which includes the incorporation of a set of standard questions on use of animals via a supplementary application form (where appropriate). Using these standard questions will ensure that all AMRC members are collecting the same data to monitor progress on the 3Rs and will also assist the National Centre for the Replacement, Refinement and Reduction of Animals in Research (NC3Rs) which is now offering assistance to AMRC members on assessing applications involving species such as mice and rats (an extension of their existing peer review service in respect of non-human primates etc.).

### The Concordat to Support Research Integrity

Based on a recommendation from the Grants & Research Committee, the Trustees have approved a proposal that DMT should sign up as a supporter of the Concordat to Support Research Integrity, a cross-disciplinary national framework for good research conduct and its governance, which is being co-ordinated by Universities UK. Rather than introducing any new or additional regulatory mechanisms, the Concordat recognises that research in the UK is already subject to rigorous safeguards, such as ethical review and standards of professional practice; what is proposed is a clarification of the existing frameworks that relate to the differing responsibilities of researchers, host institutions and funders. AMRC is encouraging its members to sign up to the Concordat as a matter of best practice, recognising that many of its members (including DMT) already have in place the majority of the conditions outlined. Accordingly, DMT is applying to become a supporter of this initiative.

## ENCOURAGING HEALTH AND SOCIAL CARE APPLICATIONS

The Trustees are keen to encourage more high quality applications related to health and social care and, in order to assess the balance between this type of applied research application and those related to biomedical research, a review has been carried out of applications received over the last three years, using the UK Clinical Research Collaboration Health Research Classification System (HRCS). The result of this exercise has in fact demonstrated that DMT receives a reasonable balance between health & social care applications and biomedical research applications. Equally, across the health categories there are applications in most areas where one would expect to receive ageing research proposals. However, DMT does not normally issue calls for proposals, but instead operates an open reactive process, whereby applicants may submit proposals at any time of year on condition that they meet the eligibility criteria. In view of this, there will always be a variation in the types of applications submitted at any one time. If DMT is keen to attract even more health and social care applications than it already does, the optimum way of doing this would be to have specific calls for proposals. However, it is worth taking into account that the normal responsive mode can result in unexpected and interesting proposals which may not fit into a specific call. This matter remains under active consideration and further efforts will be made during 2015/16 to publicise the availability of funding for high quality health and social care research.

## JOINT FELLOWSHIP SCHEMES WITH OTHER PARTNER ORGANISATIONS

The fifth round of Joint Research Fellowships with the Royal College of Surgeons of England (RCS) has continued during 2014/15. DMT's partnership with the RCS is long-standing and has proved to be highly successful, with RCS/DMT Fellows having benefited greatly in their careers from the advantage of spending a period out of specialist training to undertake high quality surgical research focused on older people.

At present, the RCS is DMT's only active partnership, although in the past schemes have been carried out jointly with other Royal Colleges and professional societies. DMT is always open to proposals for joint funding arrangements from appropriate organisations that fit with the Trust's priorities and mission in improving the health and wellbeing of older people.

## OUTPUTS/OUTCOMES FROM DMT GRANTS DURING 2014/15

DMT is a member of a consortium of funders supporting Europe PubMed Central (EPMC), a web-based resource which offers open access to more than three million peer reviewed biomedical research publications previously only available to academic researchers. Linked to EPMC membership, DMT has also established an open access policy which requires (i) all outputs resulting from DMT grants to be made freely available within 6 months of publication; and that (ii) the papers should be linked to individual DMT grants in EPMC, thus facilitating the assessment of grant outputs. Although this remains an on-going development, it is clear that there are undoubted benefits arising from DMT's commitment to supporting EPMC in respect of the Trust's ability to fulfil one of its charitable objects relating to the publication of the useful results of the research supported.

The nature of research means that most outcomes and resulting benefits to the population group being studied are of necessity long-term. However, the data given below provide some indicators in respect of recent DMT grants in terms of outcomes/outputs for the period 1 April 2014 to 31 March 2015:

**Table A Outputs and outcomes arising from DMT grants for the year ending 31 March 2015**

125	Peer reviewed publications
177	Academic presentations
66	Posters, abstracts and other publications
	Career promotion for Dunhill researcher:s
1	Associate professorship/Readership
3	Clinical lectureships
1	Non-clinical lectureship
	Degrees awarded:
5	PhD
1	MSc with distinction
	Grants awarded to take forward research funded by DMT include:
	Medical Research Council
	Biotechnology & Biological Research Council
	Engineering & Physical Sciences Research Council
	Wellcome Trust Strategic Award
	National Institute of Health Research
	British Lung Foundation
	Guy's & St Thomas' Charity
	Association of Cardiothoracic Anaesthetists (ACTA)
	Graham-Dixon Charitable Trust
	Prizes and other awards:
	Academy of Medical Sciences Fellowship
	Royal Academy of Engineering Research Fellowship
	European College of Sport Science Young Investigator Award
	Winifred Card lectureship and medal
	Dorothy Robson prize for palliative care research
	Emerald Literati Network Award for outstanding paper
	Graham-Dixon prize for surgery
	BritSpine National Meeting most innovative paper award

**Clinical developments:**

Two patents filed relating to quantitative assessment of blood flow in cerebrovascular disease

Multi-centre trial investigating clinical and cost-effectiveness of an intervention using mirrors to reduce delirium in older surgical patients

Recommendations to Chief Medical Officer on physical activity in older adults

Extension of use of Specialist Rehabilitation Prescription into critical care, neurosciences and stroke

**Patient and public involvement:**

Economic & Social Research Council prize for Outstanding Impact in Society for an online resource for families of patients with Prolonged Disorders of Consciousness.

Development on an online intervention for balance retraining for older people suffering from dizziness.

Podcast on ways in which healthcare professionals can improve medicines usage for older people.

Information on early detection of age related macular degeneration as part of an 'Eyes Revealed' event.

## **GRANTS AWARDED DURING 2014/15**

The Trust received approximately 340 grant applications over the year 1 April 2014 to 31 March 2015. As in previous years, a higher proportion of eligible research applications and ineligible general applications were received. Overall, approximately 85 % of applications met the basic criteria for funding. Of those meeting the criteria, 62 % were within the priority areas designated by the Trustees.

In 2014/15, grants awarded totalled £ 3,995,560. At the year end, The Trust was committed to pay an amount of £6,167,137 for grants to be spread over the next three years (see Notes 12 and 13 of the Accounts).

During 2014/15 the distribution of grants awarded by grant category was as follows:

- Research project and programme grants: £2,651,365 (66 %)
- Research-related infrastructure grants: £300,000 (8 %)
- Research Training Fellowships: £680,671 (17 %)
- Services relating to care of older people: £338,524 (8 %)
- Provision of accommodation for older people: £25,000 (1.0 %)

## EXAMPLES OF GRANTS AWARDED DURING 2014/2015

Below are examples of some of the grants awarded during 2014/15, demonstrating different aspects of DMT's research and general grant-making programmes. All of these have a clear link to the priority areas of ageing and older people. A full list of grants awarded is available in Section 3 (page 39).

### RESEARCH AND RESEARCH-RELATED GRANTS

**Professor J Wardlaw et al**, University of Edinburgh

Title: *A research-dedicated 3 Tesla Magnetic Resonance (MR) scanner (part funding)*

Grant awarded £300,000

Stroke and dementia affect many older people and are on the increase, although currently there are few treatments for these conditions. Maintaining optimal brain function through prevention and treatment of vascular brain damage and dementia is central to achieving this goal. This equipment grant has been awarded so that researchers in Edinburgh can utilise advanced MR brain imaging to improve understanding of the causes of age-related microvascular disease and brain damage, enabling the identification of people at risk of accelerated brain ageing, distinguish genetic from environmental influences, stratify patients in clinical trials, test interventions to sustain healthy brain function at older ages, and ultimately to be able to personalise treatment for individuals in the future. The knowledge gained using this MR scanner will be used to influence clinical guidelines and public health strategies to prevent or reduce the effects of acute and chronic diseases related to brain ageing.

**Professor R Kauppinen et al**, University of Bristol

Title: *Timing the ischaemic stroke by quantitative 1H magnetic resonance imaging*

Grant awarded £190,502

In cases where a stroke is caused by a blood clot, the patient may be able to have 'clot busting' therapy (thrombolysis). This has been shown to improve patient outcomes if it is administered within the first 4-5 hours from the onset of the stroke. However, up to 25% of patients wake up with symptoms of a stroke (wake up strokes), and if the onset time is not known, they are not able to be given thrombolysis. This three year project grant has been awarded to the research team in Bristol to use MR imaging in patients with a known stroke onset time to work out the characteristics of particular sequences that could be used as a 'stroke timer'. This will help clinicians to estimate the onset time in patients who have woken up with stroke symptoms and allow them to work out how much damage has been done to the brain and if any of this damage is still reversible.

**Dr C Greig et al**, University of Birmingham

Title: *The acute effects of sitting time on physiological and psychological function in older adults*

Grant awarded £153,717

The aim of this three year project grant is to identify some of the main effects of different periods of sitting time on mind and body of a group of older men and women. Although UK physical activity guidelines state that 'all older adults should minimise the amount of time spent being sedentary for extended periods', it is currently not possible to suggest a specific time limit for sitting which could help older people to ensure that they do not remain sedentary for too long at a time. The Birmingham research team also aims to identify the main effects that older people perceive as being important after periods of sitting. Defining the acute effects of sitting time in older adults will enable the design of interventions to reduce these periods of inactivity, as well as inform health care professionals and policy makers on what duration of sedentary behaviour will lead to adverse outcomes for the health and wellbeing of older people.

**Professor I Adcock et al**, Imperial College London

**Title:** *Modulation of redox-based airway remodelling in COPD through lysine acetylation and BET bromodomains*

Grant awarded £127,487

Chronic obstructive pulmonary disease (COPD) is a disease of accelerated lung ageing and is a distressing condition which affects a large number of older people. As people get older, their lungs work less well and by the time they get to the age of 80, 25-30% of people will have COPD, irrespective of whether they have smoked or not during their lifetime. COPD patients have difficulty in breathing, resulting in a reduced quality of life, due to changes in cells within the airways/tubes in the lung and ultimately to destruction of the lung. Currently, there are no treatments to halt this accelerated and progressive loss in breathing capacity. This two year project grant has been awarded to allow the research team at Imperial College to investigate whether a novel type of drug can reverse the abnormal activity in cells that cause the closure of the small tubes in the airway. It is hoped that this may lead to the development of new drugs that can reverse, or at least prevent further closing of these tubes, leading to healthier ageing.

**Dr C Price et al**, Northumbria Healthcare NHS Foundation Trust

**Title:** *Development of a validated model to predict how the centralisation of emergency medical services will affect the health of older patients*

Grant awarded £92,341

There has been much publicity about the relentless increase in the number of older people arriving at hospital by emergency admission. To improve access to specialist emergency medical teams and facilities, national policy is recommending that the NHS needs to have a smaller number of larger A&E departments than at present. However, in this case, patients would have to travel further to hospital and it is unclear how older, frail patients would benefit when many just need simple treatments and time to recover. This two year project grant has been awarded to the team in Newcastle to develop a complex mathematical model which will show how likely it is that at 28 days following emergency ambulance transportation, an older person will be in hospital, back at home, in a care home or have died. Using NHS data sources and taking into account issues such as age, gender, ethnicity, diagnosis, co-morbidities, travel time and deprivation, the researchers aim to describe what happens to a large number of older patients before and after a centralisation of three A&E departments into one large one in the North East, so that the effects of this policy on the health of older people can be predicted for other regions.

**Dr L Hooper et al**, University of East Anglia

**Title:** *Creating a 'pro-drinking' environment: developing and testing an innovative low-cost activity-based intervention to support care home residents in keeping hydrated*

Grant awarded £74,869

This two year project grant for a proof-of-concept study is based on international evidence that 20% of older care home residents are dehydrated (not drinking enough to maintain hydration and health) and more are verging on dehydration. Care home residents often do not feel thirsty, so conscious decisions are needed to get them to drink plenty. Finding ways around barriers to drinking are key to adequate fluid intake. The research team will work with care home residents, activity co-ordinators and care staff to create a varied, interesting, potentially low-cost and effective intervention package to support a 'pro-drinking' environment in residential and nursing care homes. This intervention will be implemented in three care homes and will be an enjoyable drinking-focused activities programme, supporting engagement in residents and staff, activity and mental health.



**Dr A Gow and Professor M Martin, Heriot Watt University**

**Title:** *A tablet for healthy ageing? Testing the acceptability and usability of tablet PCs to improve the health and wellbeing of older adults*

Grant awarded £74,700

As people age, they are more likely to experience general decline in thinking and memory skills. Some individuals experience noticeable mental decline across their 60s and beyond, while others maintain their thinking skills into old age. Keeping engaged in intellectual, social or physical activities have all been proposed as potentially beneficial. These activities have been incorporated in interventions for older adults, with the purpose of reducing or delaying age-related mental decline. Studies with 'brain training'-type games have shown some benefits, although often only in relation to the task trained. New technologies provide opportunities for broader, more flexible interventions and this eighteen month project grant for a proof-of-concept study will develop an intervention built around tablet PCs beyond 'brain training' and assess its acceptability and usability, providing a foundation for follow-up research to assess fully its beneficial effects.

**Dr B Jones et al, University of Brighton**

**Title:** *Evaluating the potential for efflux inhibitors to control infection, encrustation and blockage of urinary catheters*

Grant awarded £71,914

A wide range of bladder conditions affecting older people are managed using long-term catheterisation and this simple strategy usually provides substantial improvements in quality of life. However, these benefits are frequently undermined by infections. The bacterial species *Proteus mirabilis* is a particular problem in this regard and often causes blockages of catheters, which then leads to other serious complications. Currently, there are no approaches that provide good control of these infections and therefore effective strategies are urgently needed. Based on previous work carried out, researchers at the University of Brighton have shown that specialised components of the *P mirabilis* cells, which act like 'pumps' (referred to as efflux systems) are important to the ability of *P mirabilis* to infect and block catheters. This fifteen month project grant will allow the team to test if drugs that block these pumps can be used to prevent *P mirabilis* infections and the blockage of catheters by this organism.

**Professor A Forge et al, University College London**

**Title:** *Repopulating vestibular epithelia with sensory cells to ameliorate age-related balance dysfunction*

Grant awarded £71,714

The vestibular system of the inner ear detects changes in the position of the head in space. This information is crucial to the maintenance of balance. Vestibular disorders result in balance disequilibrium, dizziness and vertigo and are a major factor in the incidence of falls, particularly in older people. Dizziness is among the most common reasons for visits to a GP by those over 75 and falls in this group are a significant health care burden. The cells in the vestibular sensory tissues that detect movements as head position changes are called 'hair' cells. Their loss, which occurs with ageing as well as in other conditions, is a major cause of vestibular disorders. The aim of this fifteen month study is to manipulate known developmental pathways important for hair cell generation to repopulate the ageing vestibular epithelia and thus prevent vestibular disorders and subsequent falls in older people.

## **GENERAL GRANTS**

### **Katherine Low Settlement: London SW11 3HP**

Grant awarded £97,361

This three year core costs/staffing grant has been awarded to the Katherine Low Settlement (KLS) to support a developmental programme for older people in Wandsworth. Although KLS has a long history of working with older people since its inception in 1924, over the last 3-4 years, many of KLS's older members have died or moved into care homes and/or are too frail to take part in the activities any more, although KLS provides outreach services to support them. The purpose of this grant is to support a programme to recruit new members and revitalise KLS's work with older people in a participative and inclusive way, to ensure that KLS is providing services that older people actually want and value. The impact of the services will be monitored and evaluated against the aims and objectives to encourage active and independent living; reduce isolation and loneliness; improve well-being and prevent ill health; and enable older residents to become dynamic and contributing members of the local community.

### **Alive Activities Ltd (Alive!): Bristol BS1 6XN**

Grant awarded £60,000

This three year core costs grant has been awarded to support workshop presenters' fees for activity workshops carried out by Alive! in 300 care homes across the South and South West of England. Two thirds of care home residents suffer from dementia and the homes often cannot afford to pay for a dedicated activities co-ordinator. Consequently, many residents spend most of their time doing nothing, with some locked away in their own world, rarely speaking or interacting with other residents or staff. Drawing on Life Story Work and Cognitive Stimulation Therapy, Alive! provides meaningful activity workshops that enable residents to experience music, poetry, quizzes, art activities and appreciation, dance/movement and guided reminiscence. Alive!'s approach is user-led and focuses on human connection and the use of innovative techniques (such as touch screen technology) to engage with older people and allow them to express personal preferences and opinions. In addition, Alive! delivers training for care home staff and other health and social care professionals, increasing the capacity of care homes to provide meaningful activities for residents as part of their everyday lives.

### **Aldeburgh Music: Snape IP17 1SP**

Grant awarded £30,000

This three year core costs grant has been awarded to Aldeburgh Music, an internationally famous centre for music established by Benjamin Britten and Peter Pears in 1976. The grant will support a new Dementia & Community Project, using music to address the disadvantages caused by this increasingly common condition in older people. It will provide a range of engagement opportunities, from small group sessions to open-access large scale community events. The aim is for those affected to 'live well with dementia' and make music a rewarding, palliative and therapeutic part of their lives. The project will include bespoke music-based projects in local residential care homes, open music-based workshops, and tea dances and other community events, as well as continuing professional development for community musicians and facilitators who will be taking part in the project.

### **Sir Robert Christopher's Almshouses Charity: Alford LN13 9DX**

Grant awarded £25,000

Sir Robert Christopher's Almshouses in Alford, Lincolnshire were originally built in the 17th century and rebuilt in the mid 19th century, but over recent years had increasingly fallen into disrepair so that they were no longer fit for purpose. This one-off building grant has been awarded towards a major refurbishment and extension of four Grade II listed properties to provide an attractive environment in which older people of limited means can live independently and safely. The new accommodation is being made much more user-friendly for people with disabilities, as well as more energy and space efficient. Due to its listed status, the costs of the refurbishment are considerably higher than under

normal circumstances and the work is being carried out by an architect and surveyor with expertise in almshouses and listed buildings, as well as meeting the standards required by the Homes and Communities Agency.

**Bierley Community Association Ltd: Bradford BD4 6BU**

Grant awarded £24,667

This two year staffing grant has been awarded to allow Bierley Community Association (BCA) to increase its provision of services to local older residents by employing a part-time Seniors Inclusion Worker. The need for this post has been identified through community consultation where residents highlighted the need for a more co-ordinated approach and although BCA has been able to establish one part-time post based at the Life Centre, this grant will support a second part-time post with a three-fold role: to develop, deliver and co-ordinate more services for older people. More activity sessions will be developed, such as the creation of a reminiscence group; a musical activity group and a salsa/dance group. These have been identified as desirable activities by a Seniors' Council to stimulate interaction, friendship and physical activity. This focus group was set up by BCA in 2011 to encourage local residents to meet regularly to discuss the direction and make recommendations on BCA's work with older people.

## FINANCIAL REVIEW AND INVESTMENT POLICY

Under the terms of the Articles of Association of the charitable company, the Trustees have full powers to hold the Trust Funds in any form of investment which they deem to be suitable in furtherance of the charitable objects.

The strategic aim of the Trust is to achieve long term overall return and, in order to minimise risk from market turbulence, a diverse range of assets are held by a number of mostly specialist investment managers.

As required by the Trustee Act 2000, the Investment Policy is reviewed annually by the Investment Committee, with any subsequent changes being recommended to the Trustees for approval. As the policy continues to meet the overall investment objectives of the Trust, no significant changes have been made since it was originally approved in June 2001. The policy outlines the Trust's current long and medium term objectives, as well as restrictions with regard to capital, income and financial investments, and establishes the broad parameters within which fund managers are appointed and individual mandates given.

Performance against the Investment Policy is monitored by the Investment Committee on an on-going basis. DMT's investment advisors, Stanhope Consulting (appointed June 2014) provide detailed quarterly performance reports to the Investment Committee and the Trustees which also include any specific issues which require consideration and/or any proposals for changes which might be made to DMT's portfolio. Recommendations based on this advice are made by the Committee to the Board of Trustees, with the final approval resting with the Trustees.

Regular presentations to the Committee are made by the Trust's investment managers, including question and answer sessions to inform the Committee's assessment of performance, process and personnel. The Committee also holds 'beauty parades' of potential new/replacement managers as and when required, based on advice provided by Stanhope Consulting.

During 2014/15, Stanhope Consulting carried out a review of DMT's investments, including the current strategic asset allocation, as a result of which the Trustees accepted the following recommendations:

- the strategic asset allocation should be subject to some minor adjustments only as it was recognised that overall the existing asset allocation had served DMT well over a number of years;
- a further investment of £2.5m should be made in the Charities Property Fund to increase DMT's investment in the commercial property market, as well as providing additional income for expenditure on grants;
- a reduction of £4m in DMT's sizeable holding in the Cedar Rock Capital Fund (high quality equities), and the liquidation of its relatively small holding in the Findlay Park Latin American Fund;
- the resulting funds from these transactions (approximately £6m) should be reinvested in an Emerging Markets Dividend Growth Fund managed by Somerset Capital Management (thus increasing DMT's exposure to emerging markets and also providing additional income).

During 2014/15, the notably good performance of most of DMT's investments seen over the last few years has continued, resulting in quoted investments showing a further increase in market value from £106.9m to £122.7m. Accordingly, the Trustees' opinion remains that the Trust's financial health and stability is robust, whilst being aware that the continuing uncertain future of the global economy underlines the importance of maintaining vigilance in their guardianship of the Trust's assets. The Board is also aware that the market outlook for coming years is unlikely to be as buoyant as it has been in previous years, particularly in respect of the bond market, where Colchester Global Investors have continued to maintain an excellent performance over an extended period of time, providing a substantial proportion of the Trust's income. In view of this, and the fact that some long term bonds held will be maturing in the relatively near future, the Investment Committee (with advice from Stanhope Consulting) is keeping the situation under review to ensure that DMT's assets are allocated to the optimum advantage.

In view of the continued increase in the overall value of the Trust, the indicative distribution level has been maintained at £4.2m during 2014/15.<sup>1</sup>

The Trustees have decided to amend the accounting policy applied in respect of grants approved, as recommended by the Trust's Accountants and in order to operate 'best practice' in respect of the Trust's accounting policies. The Auditors have confirmed that they approve the new policy and that it complies with the Charities SORP (FRS 102) that comes into effect in 2016.

The new policy is set out in Note 12 to the Accounts; the substance of the changes is that the Trust will in future recognise and provide for all grants where a formal grant offer letter has been issued. The Trustees made this decision upon the basis that the approval process is now so rigorous that, in practice, virtually all grants offered are taken up and paid and hence it recognises the full commitment. The change in policy will involve an additional provision in the 2015 Accounts in the sum of £2,512,122 which represents the contingent liability for grants in earlier years.

Income received by the Trust during 2014/15 was more than the amount for the previous year, with total net income amounting to £3,342,189 (2013/14: £3,165,498). £3,311,793 of this amount arose from income from quoted securities.

Charitable grants distributed by the Trustees during 2014/15 totalled £3,859,884. Details of grants awarded in the year may be found in Section 3 and are shown below in Table B and C (see page 22). The overall capital value of the fund over recent years is shown in Table D.

The total funds of the charity at the year end were represented as follows:

	£ m	%
Fixed Assets	0.20	0.16
Investments: Quoted – Other	116.25	93.23
Quoted – Property	7.26	5.82
Property	0.85	0.68
Bank Balances	6.33	5.08
Net Current Liabilities	(3.24)	(2.60)
Long term Liabilities	(2.96)	(2.37)
<b>Total</b>	<b>124.69</b>	<b>100.00</b>

**Table B Number of grants by type and value awarded in 2014/15**

Value	up to £50k	£50k – £100k	£100k – £150k	£150k – £200k	over £200k
Services for old people	3	4	–	–	–
Accommodation for old people	1	–	–	–	–
Research Training Fellowships	–	2	–	3	–
Research infrastructure	1	–	–	–	1
Research Project & Programme grants	5	9	4	5	2
<b>Total</b>	<b>10</b>	<b>15</b>	<b>4</b>	<b>8</b>	<b>3</b>

<sup>1</sup> Funding for the Older Peoples' Care Improvement Initiative is not included within the agreed grants budget for the year and will be funded from capital.

**Table C Value and type of of grants awarded between 2005/06 and 2014/15**

Year	Research grants		Non-research grants		Grants total awarded in year (£)
	average value £	number awarded	average value £	number awarded	
2014/15	117,162	31	45,441	8	162,603
2013/14	175,740	18	72,762	13	248,502
2012/13	109,909	19	32,051	12	141,960
2011/12	130,429	24	38,865	11	169,294
2010/11	114,660	15	54,891	18	169,551
2009/10	122,059	15	43,737	11	165,796
2008/09	132,820	16	37,986	14	170,806
2007/08	114,461	17	23,050	14	137,511
2006/07	250,046	12	26,410	19	276,456
2005/06	123,082	8	76,116	18	199,198

**Notes:**

Awards for Joint Fellowships and Research Training Fellowships are included within average research grant value

**Table D Capital value of fund (£ millions) over recent years**

Year	£m	Year	£m	Year	£m
1990	56.5	1999	89.6	2008	86.0
1991	63.5	2000	87.8	2009	74.6
1992	64.0	2001	81.3	2010	95.5
1993	64.1	2002	78.0	2011	99.1
1994	69.9	2003	64.6	2012	98.6
1995	69.2	2004	72.7	2013	113.1
1996	78.8	2005	75.9	2014	116.1
1997	78.4	2006	87.8	2015	124.7
1998	88.6	2007	89.6		

## FINANCIAL RISK

The Trustees consider the Trust's risk profile on a regular basis. The Trust's principal material financial risks, including foreign exchange exposures, relate to its investment portfolio and are in line with similar long-term endowment funds in the sector. Overall investment risk management is predicated on running a diversified portfolio of high quality assets across a wide variety of asset classes and markets. In recent years, the longer term strategic asset mix has been set by the Investment Committee, based upon principles employed by reputable investment advisory companies. With the appointment of Stanhope Consulting in 2014, independent external advice on asset allocation provides another layer of risk management for the Trust (see page 5 for further details). Individual investment mandates are awarded to specialist managers after scrutiny by both Stanhope Consulting and the Investment Committee.

## RESERVES POLICY

It is the policy of the Trustees to distribute the annual net income each year in the form of grants to charitable institutions and organisations. At the Trustees' discretion, grants may also be made out of capital of the Trust.

The Trust holds a very large proportion of its assets in cash or relatively liquid equity and fixed income instruments. These are unrestricted assets, the value of which greatly exceeds grants awarded, annual running costs and the current financial commitments of the Trust.

## PLANS FOR THE FUTURE

Whilst the main emphasis will be on maintaining DMT's mainstream grant-making activities, the Trustees continue to place a strong emphasis on using the resources at their disposal to improve the care that older people receive, both in health care settings and in the community. The Trustees also wish to ensure that the charity has the most appropriate framework for it to continue to develop and meet its charitable objects in the future.

The main objectives for the year will be:

- To continue to maintain the current grant-making programmes, developing them as appropriate in the light of available funding dependent on investment performance.
- To initiate and develop a succession plan, both for the Board and the staff of the Trust, with the aim of ensuring that the Trust has the relevant skills, knowledge and expertise at a strategic, management and administrative level and can continue to develop and innovate in the future.
- As part of DMT's Older People's Care Improvement Initiative, to issue a call for proposals to invest up to £1m in creating a bottom-up, needs based approach, using all the resources in a local area, to support the health and wellbeing of vulnerable older people.
- To implement a further round of Research Training Fellowships for young clinicians and allied health professionals with the aim of expanding research capacity within DMT's priority areas of ageing, health and social care for older people and palliative care.

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also Directors of The Dunhill Medical Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

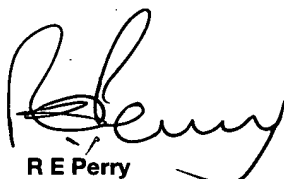
The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Trustees on 3rd September 2015 and signed on its behalf by:



**R E Perry**

*Chairman of Trustees*

Date 13 October 2015



# The Dunhill Medical Trust

## AUDIT REPORT & FINANCIAL STATEMENTS

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DUNHILL MEDICAL TRUST

*We have audited the financial statements of The Dunhill Medical Trust for the year ended 31 March 2015, which comprise the Statement of Financial Activity, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).*

*This report is made solely to the charity'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 charity'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 anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.*

#### RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

*As explained more fully in the Statement of Trustees' 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.*

*Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.*

#### SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

*An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.*

## OPINION ON FINANCIAL STATEMENTS

*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 2015 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.*

## OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

*In our opinion 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.*

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

*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 take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the Trustees' Annual Report.*



**Elizabeth Irvine**

Date 13 October 2015

*Senior Statutory Auditor*

**For and on behalf of WMT**

**Chartered Accountants**

**Statutory Auditor**

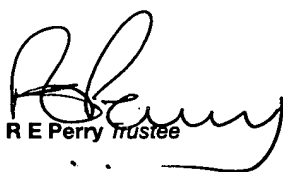
2nd Floor  
45 Grosvenor Road  
St Albans  
Hertfordshire  
AL1 3AW

# THE DUNHILL MEDICAL TRUST BALANCE SHEET AT 31 MARCH 2015

	Notes	Unrestricted Income Fund	Expendable Endowment	Total Funds 31.03.15	Total Funds 31.03.14 <i>as restated</i>
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	3	–	206,280	206,280	202,653
Investments	4	–	124,356,300	124,356,300	108,142,431
		–	124,562,580	124,562,580	108,345,084
<b>CURRENT ASSETS</b>					
Debtors	11	86,047	–	86,047	77,626
Cash at bank and in hand		5,215,040	1,112,652	6,327,692	10,315,420
		5,301,087	1,112,652	6,413,739	10,393,046
<b>CREDITORS – due within one year</b>					
Committed grants	13	2,225,764	980,671	3,206,435	2,577,565
Sundry Creditors	13	120,664	–	120,664	53,728
		2,346,428	980,671	3,327,099	2,631,293
<b>NET CURRENT ASSETS</b>		2,954,659	131,981	3,086,640	7,761,753
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,954,659	124,694,561	127,649,220	116,106,837
<b>CREDITORS – due after one year</b>					
Committed grants	13	2,960,702	–	2,960,702	2,512,122
<b>TOTAL NET ASSETS</b>	12	(6,043)	124,694,561	124,688,518	113,594,715
<b>FUNDS OF THE CHARITY (Per Statement of Financial Activities)</b>	12	(6,043)	124,694,561	124,688,518	113,594,715

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Companies Act 2006 and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 of the Companies Act 2006 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

Approved by the Board of Trustees and signed on its behalf by:

  
R E Perry Trustee

Date 13 October 2015

Company Registration number : 07472301  
Charity Registration number: 1140372

# THE DUNHILL MEDICAL TRUST STATEMENT OF FINANCIAL ACTIVITIES

## INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2015

	Note Section	Unrestricted income fund	Expendable endowment	Total funds 31.03.15	Total funds 31.03.14 as restated
		£	£	£	£
<b>INCOMING RESOURCES from generated funds</b>					
Investment Income					
Dividends and Interest on quoted investments	S4	3,311,793	–	3,311,793	3,120,145
Rents		5,339	–	5,339	15,318
Bank Interest		25,057	–	25,057	30,011
Other Income:					
Royal Dutch Shell compensation		–	–	–	24
<b>Total Incoming Resources</b>		<b>3,342,189</b>	<b>–</b>	<b>3,342,189</b>	<b>3,165,498</b>
<b>RESOURCES EXPENDED</b>					
Costs of generating funds:					
Investment Managers' Fees		–	205,550	205,550	99,952
Charitable activities:					
Grants	S3	2,879,213	980,671	3,859,884	3,198,414
Support costs	5	410,952	105,725	516,677	533,173
Governance costs	5	53,615	10,350	63,965	51,093
<b>Total resources expended</b>		<b>3,343,780</b>	<b>1,302,296</b>	<b>4,646,076</b>	<b>3,882,632</b>
<b>NET INCOMING/(OUTGOING) RESOURCES before transfers</b>		<b>(1,591)</b>	<b>(1,302,296)</b>	<b>(1,303,887)</b>	<b>(717,134)</b>
Transfers between funds		–	–	–	–
<b>Net income / (expenditure) for the year</b>		<b>(1,591)</b>	<b>(1,302,296)</b>	<b>(1,303,887)</b>	<b>(717,134)</b>
<b>OTHER RECOGNISED GAINS &amp; LOSSES:</b>					
Gains/(losses) from Investment assets	4	–	11,576,122	11,576,122	3,309,353
Exchange gains/(losses)		–	821,568	821,568	442,724
<b>Net movement in funds</b>		<b>(1,591)</b>	<b>11,095,394</b>	<b>11,093,803</b>	<b>3,034,943</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		(4,452)	113,599,167	113,594,715	113,071,894
Prior year adjustment	12	–	–	–	(2,512,122)
<b>Total funds carried forward</b>		<b>(6,043)</b>	<b>124,694,561</b>	<b>124,688,518</b>	<b>113,594,715</b>

The Statement of Financial Activities includes all gains and losses in the year. All incoming resources and resources expended relate to the charity's one main activity, which is that of grantmaking. This activity is a continuing operation.

# THE DUNHILL MEDICAL TRUST CASH FLOW STATEMENT

## AND NOTES TO THE CASH FLOW FOR THE YEAR ENDED 31 MARCH 2015

	At 31 March 2015		At 31 March 2014	
	£	£	£	£
<b>Net cash inflow from operating activities</b>		676,064		3,459,072
<b>Capital expenditure and financial investment</b>				
Payments to acquire fixed asset investments	(14,949,246)		(5,330,227)	
Receipts from sales of fixed asset investments	10,527,265		3,321,915	
Payments to acquire tangible fixed assets	(38,294)		(205,703)	
Receipts from sales of tangible fixed assets	12,249		-	
		<u>(4,448,026)</u>		<u>(2,214,015)</u>
<b>Net cash inflow / (outflow) before management of liquid resources and financing</b>		(3,771,962)		1,245,057
<b>Management of liquid resources</b>				
Net cash invested on short-term deposit	Note (e)	<u>(4,982,214)</u>	877,514	
		4,982,214		<u>(877,514)</u>
<b>Increase / (Decrease) in cash in the year</b>	Note (b)	<u>1,210,252</u>		<u>367,543</u>

## NOTES

### a Reconciliation of net incoming resources to net cash inflow from operating activities

		Year to March 2015	Year to 31 March 2014
		£	£
Net movement in funds		11,093,803	3,034,943
Gains from investment assets		(11,576,122)	(3,309,353)
Depreciation charge		31,606	16,687
Profit on disposal of fixed assets		(9,188)	-
(Increase) / Decrease in debtors	Note (d)	(8,421)	3,404,349
Increase in creditors and provisions	Note (d)	1,144,386	312,446
<b>Net cash inflow from operating activities</b>		<u>676,064</u>	<u>3,459,072</u>

### b Analysis of net funds

	At 31 March 2014	Cash flow movement	31 March 2015
	£	£	£
Cash at bank and in hand	1,606,494	994,486	2,600,980
Cash included within fixed asset investments	578,405	215,766	794,171
	<u>2,184,899</u>	<u>1,210,252</u>	<u>3,395,151</u>
Cash on short-term deposit	8,708,926	(4,982,214)	3,726,712
<b>Net funds</b>	<u>10,893,825</u>	<u>(3,771,962)</u>	<u>7,121,863</u>

<b>c Reconciliation of net cash flow to movement in net funds</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Increase in cash	1,210,252	367,543
Cash (inflow) / outflow from increase / (decrease) in liquid resources Note (e)	(4,982,214)	877,514
Net funds at 1 April 2014	10,893,825	9,648,768
Net funds at 31 March 2015	<u>7,121,863</u>	<u>10,893,825</u>

<b>d Movement of balance sheet</b>	<b>Balance at 1 April 2014 as restated</b>	<b>Movement</b>	<b>Balance at 31 Mar 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible assets	202,653	3,627	206,280
Investments	108,142,431	16,213,869	124,356,300
Debtors	77,626	8,421	86,047
Cash	10,315,420	(3,987,728)	6,327,692
Creditors	(5,143,415)	(1,144,386)	(6,287,801)
	<u>113,594,715</u>	<u>11,093,803</u>	<u>124,688,518</u>

**e Management of liquid resources**

Liquid resources relate to cash at hand and in bank.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 1 BASIS OF PREPARATION

The Financial Statements have been prepared in accordance with the Statement of *Recommended Practice Accounting and Reporting by Charities* (SORP 2005) issued by the Charity Commission in March 2005, the Companies Act 2006 and with applicable UK Accounting Standards (except as detailed in note 2).

#### Accounting Convention

The Financial Statements are prepared under the historical cost convention as modified to include the revaluation of investment assets and functional properties.

#### Funds Structure

The charity has a single expendable endowment and the Trustees distribute the income therefrom as grants. At the Trustees' discretion grants may also be made out of the endowment.

### 2 ACCOUNTING POLICIES

- (a) Investments are stated at the market value at the Balance Sheet date. Development land was valued as at the 31 March 2013 by an External Valuer, Henry Adams LLP on an open market value basis.
- (b) Quoted investments have been valued at middle market prices at the Balance Sheet date. Fixed interest stocks exclude accrued interest. The Statement of Financial Activities includes unrealised gains and losses arising from the revaluation of the investment portfolio in the year and realised net gains and losses arising on disposals.
- (c) Income from investments is credited to the income fund in the year in which it is received. Bank deposit interest is credited to the income fund in the year in which it is received.
- (d) Investment in wholly owned subsidiary is stated at cost of the share capital held in the company's wholly owned subsidiary, The DMT (Fontwell Land) Limited, a dormant company as at 31 March 2015. No consolidated accounts are prepared as the subsidiary is not material to the charity.
- (e) Rental income, less related costs, and commissions are credited to the income fund in the year in which they are receivable.
- (f) Expenditure has been charged to the income fund on an accruals basis. Overheads have been allocated to charitable and governance costs per notes 5 & 6.
- (g) Foreign currency transactions: Dividends received, acquisitions and disposals of foreign investments are converted using the actual daily exchange rate. Bank balances held in foreign currencies are converted using the year end exchange rate and any exchange gain/loss resulting is credited to the Endowment Fund.
- (h) Fixed assets are stated at cost less provision for depreciation.
- (i) Depreciation: provision is made for depreciation on tangible assets, other than freehold property, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:
 

Motor vehicles	25% straight line
Office equipment	20% straight line
Leashold property	over life of the lease
- (j) The Trust makes grants to a variety of applicants in line with their policy stated in the Trustees' Report and on the fulfilment of specific conditions. The Trustees approve these grants at their quarterly meetings following a rigorous assessment of the viability of the projects. The full cost of the grant commitment is recognised on approval by the Trustees and, where appropriate, is recognised as a long term liability within the financial statements. It is on this basis that they are included in the accounts and charged against income or endowment as appropriate. This new treatment is now considered a more appropriate way of accounting for grants, given the developments within the charity.  
 This is a change in accounting policy. In prior periods only the current element of grants has been recognised as the Trust adopts a policy of annual reviews of projects and there is therefore the possibility that grants could be discontinued. This has been reviewed and the outcome of this review has shown that this very rarely happens due to the rigorous initial assessment of projects and on-going monitoring of projects. As a result it is considered that the recognition of the full grant liability at the point of trustee approval is a more appropriate policy.
- (k) Rentals payable under operating lease are charged against income on a straight line basis over the period of the lease.

### 3 FIXED ASSETS – TANGIBLE

	Short leasehold property £	Motor vehicle £	Office equipment £	Total £
<b>Cost / Valuation</b>				
At 1 April 2014	205,703	24,495	42,989	273,187
Additions in the year	12,144	26,150	–	38,294
Disposals in the year	–	(24,495)	–	(24,495)
At 31 March 2015	217,847	26,150	42,989	286,986
<b>Depreciation</b>				
At 1 April 2014	10,285	18,372	41,877	70,534
Charge for the year	21,785	9,599	222	31,606
On disposals	–	(21,434)	–	(21,434)
At 31 March 2015	32,070	6,537	42,099	80,706
<b>Net Book Value</b>				
At 31 March 2015	185,777	19,613	890	206,280
At 31 March 2014	195,418	6,123	1,112	202,653

### 4 FIXED ASSET INVESTMENTS

	Market value at 1.04.14 £	Additions at cost £	Disposal proceeds £	Unrealised gain/(loss) £	Realised gain/(loss) £	Market value at 31.03.15 £
Quoted Investments	106,990,025	14,670,335	(10,527,265)	11,283,471	292,651	122,709,217
Development Land	574,000	278,911	–	–	–	852,911
	107,564,025	14,949,246	(10,527,265)	11,283,471	292,651	123,562,128
Bank balances controlled by Investment Managers	578,405	215,766	–	–	–	794,171
Investment in wholly owned subsidiary	1	–	–	–	–	1
	108,142,431	15,165,012	(10,527,265)	11,283,471	292,651	124,356,300
Unrealised gains - Quoted Investments				11,283,471		
Realised gains				292,651		
				11,576,122		

Development land was valued on an open market value basis, as at 31 March 2013, by an External Valuer, Mr SJ Lush (FRICS, FAAV) of Henry Adams LLP. The valuation was carried out in accordance with the requirements of the *RICS Appraisal and Valuation Standards* (March 2012 Edition).



4 FIXED ASSET INVESTMENTS cont

<b>Quoted investments</b>	<b>Market value at 31.03.15 £</b>	<b>Market value at 31.03.14 £</b>
<b>Managed funds</b>		
UK – Property Fund	7,264,443	3,447,553
UK Investments	5,906,841	5,639,719
International Investments	72,418,320	63,250,667
<b>Equities &amp; Fixed Interest Securities</b>		
UK	22,838,068	20,523,121
International	14,281,545	14,128,965
	<b>122,709,217</b>	<b>106,990,025</b>

None of the direct holdings in equities and fixed interest securities exceed 5% of the portfolio and there are no restrictions on realisation. Managed funds exceeding 5% of the portfolio valuation can be seen in the appendix to the accounts.

The investment in subsidiary above relates to the Trust's investment in The DMT (Fontwell Land) Limited. The Trust holds 100% of the company's share capital. The DMT (Fontwell Land) Limited was incorporated on 27 March 2013 and was dormant for the period to 31 March 2015.

## 5 ALLOCATION OF SUPPORT COSTS AND OVERHEADS

### Unrestricted Income Fund

	Charitable activities £	Governance costs £	Total Year ended 31.03.15 £	Total Year ended 31.03.14 £
<b>Establishment expenses</b>				
Rent, rates, water and service charge	66,465	–	66,465	33,330
Repairs and renewals	977	–	977	–
Insurance	3,000	–	3,000	174
Cleaning	3,003	–	3,003	952
	<b>73,445</b>	<b>–</b>	<b>73,445</b>	<b>34,456</b>
<b>Administration Expenses</b>				
Salaries and National Insurance	181,407	45,352	226,759	170,557
Staff recruitment & training	959	240	1,199	98
Pension contributions	16,697	4,174	20,871	13,961
Telephone	1,798	–	1,798	1,506
Stationery & postage	12,262	–	12,262	7,828
Advertising	3,722	–	3,722	3,089
Subscriptions	5,284	–	5,284	6,260
Computers & photocopiers	38,765	–	38,765	33,376
Motor and petrol expenses	4,616	–	4,616	5,570
Travel and subsistence expenses	5,488	–	5,488	4,435
Catering, trustee, & management meetings	1,597	399	1,996	1,851
Depreciation:				
Motor vehicles	9,599	–	9,599	6,124
Office Equipment	222	–	222	278
Leasehold	21,785	–	21,785	10,285
Profit on disposal of motor vehicle	(9,188)	–	(9,188)	–
Sundry	8,641	–	8,641	6,700
Relocation	–	–	–	7,898
Equipment rental	4,237	–	4,237	3,124
Insurance	7,777	–	7,777	5,290
	<b>315,668</b>	<b>50,165</b>	<b>365,833</b>	<b>288,230</b>
<b>Finance Expenses</b>				
Bank charges	398	–	398	312
Legal and professional	4,308	–	4,308	33,759
Accountancy & audit fees	17,133	3,450	20,583	18,570
	<b>21,839</b>	<b>3,450</b>	<b>25,289</b>	<b>52,641</b>
<b>Expendable Endowment</b>				
Legal, accountancy and audit fees	105,725	10,350	116,075	208,939
<b>Total per SOFA</b>	<b>516,677</b>	<b>63,965</b>	<b>580,642</b>	<b>584,266</b>

Note 6

**6 GOVERNANCE COSTS & SUPPORT COSTS ALLOCATION**

The breakdown of support costs and how these were allocated between Governance and Charitable activities is shown below.

Cost type & basis of analysis	Total	Governance	Support costs
	£	£	£
Staff Salaries and NI (staff time)	226,759	45,352	181,407
Staff Pension (staff time)	20,871	4,174	16,697
Catering, trustee & management meetings	1,996	399	1,597
Training (staff time)	1,199	240	959
Audit fees (Finance Expenses)	3,450	3,450	–
Audit fees (Expendable endowment)	10,350	10,350	–
	264,625	63,965	200,660
		Note 5	(included in note 5)

**7 AUDIT AND ACCOUNTANCY FEES**

	Year ended 31.03.15	Year ended 31.03.14
	£	£
Total fees comprise:		
Audit fees	13,800	13,800
Taxation fees	9,500	9,500
Management accounts, book-keeping, consultancy fees and financial statements	100,433	92,380
	123,733	115,680

**8 TRUSTEES' LIABILITY INSURANCE**

	Year ended 31.03.15	Year ended 31.03.14
	£	£
Premiums charged in year	4,499	4,502

**9 TRANSACTIONS WITH TRUSTEES AND CONNECTED PERSONS**

- i) Until 30 April 2014, Mr R Perry was a partner in Veale Wasbrough Vizards LLP, and has remained a consultant to the firm since that date. Legal fees amounting to £112,478 (2014: £50,848) were paid by the Trust to Veale Wasbrough Vizards during the year to 31 March 2015.
- ii) Trustees were reimbursed expenses of £3,658 (2014: £2,090) during the year. None of the Trustees received any remuneration during the year or in the previous year.
- iii) Grants paid to institutions where the Trustees of Dunhill Medical Trust have an involvement are disclosed in section 3 (pages 38-41).

**10 EMOLUMENTS OF EMPLOYEES**

	Year ended 31.03.15	Year ended 31.03.14
	£	£
Directors' emoluments	88,077	83,487
Employees' emoluments	116,501	68,916
Pension Contributions	20,871	13,961
Employer's N.I.	22,180	18,154
	<u>247,629</u>	<u>184,518</u>

In the year ended 31st March 2015 one employee (2014: 1) received emoluments in the band £80,000 to £90,000. In the year ended 31st March 2015, pension contributions were made in respect of four employees (2014: 4). The contributions were paid to defined contribution plans and accounted for in line with FRS 17.

There were an average of 4 (2014: 3) employees during the year.

**11 DEBTORS AND PREPAYMENTS**

	Year ended 31.03.15	Year ended 31.03.14
	£	£
Other debtors	86,047	77,626

Other debtors includes £50,000 due from subsidiary undertakings in respect of The DMT (Fontwell Land) Limited.

**12 RESERVES**

	Balance at 1 April 2014	Prior Year Adjustment	Incoming Resources	Resources Expended	Total
	£	£	£	£	£
Unrestricted Income Fund	(4,452)	–	3,342,189	(3,343,780)	(6,043)
Expendable Endowment	116,111,289	(2,512,122)	12,397,690	(1,302,296)	124,694,561
	<u>116,106,837</u>	<u>(2,512,122)</u>	<u>15,739,879</u>	<u>(4,646,076)</u>	<u>124,688,518</u>

The change in the grants payable accounting policy has been treated as a prior year adjustment. The impact on the prior period is an increase in expenditure of £2,512,122 and a reduction in net assets of £2,512,122. The impact on the current period is an increase in expenditure of £1,867,076 and a reduction in net assets of £1,867,076.

**13 CREDITORS, COMMITMENTS AND CONTINGENT LIABILITIES**

In the opinion of the Trustees, the charity had no contingent liabilities.

Committed grants comprise the following amounts:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Committed grants falling due less than one year	3,206,435	2,577,565
Committed grants falling due greater than one year	2,960,702	2,512,122
	<u>6,167,137</u>	<u>5,089,687</u>

Sundry creditors includes the following amounts:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade creditors	114,338	48,447
VAT & PAYE	6,326	5,281
	<u>120,664</u>	<u>53,728</u>

At 31 March 2015 the charity was committed to making the following payments under non-cancellable operating lease in the year to 31 March 2015:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Operating lease which expires between two and five years	71,412	71,412
	<u>71,412</u>	<u>71,412</u>

# NEW GRANTS AWARDED: 1 APRIL 2014 – 31 MARCH 2015

## 1 RESEARCH GRANTS

### 1.1 RESEARCH PROJECT & PROGRAMME GRANTS

Institution/granther	Topic of research	Duration	Grant awarded (£)
University of Birmingham Dr C Greig <i>et al</i>	Older adults/physiological & psychological effects/sitting time	3 yrs	153,717
University of Brighton Dr B Jones <i>et al</i>	Bladder conditions/catheterisation/infections/older people	15 mths	71,914
University of Bristol Prof R Kauppinen <i>et al</i>	Ischaemic stroke/MRI/ recanalisation therapy	3 yrs	190,502
Brunel University Prof C Victor & Prof A Bowling	Older people/loneliness prevention	18 mths	83,084
Cambridge University Hospitals NHS Foundation Trust Mr P Coughlin & Dr J Rudd	Peripheral arterial disease/ multi-modality imaging/ inflammation & calcification	9 mths	9,848
Designability (Bath Institute of Medical Engineering) Dr N Harris <i>et al</i>	Electronic prompting tool/everyday activities/dementia	3 yrs	203,699
University of East Anglia ♦♦ Prof I Clark <i>et al</i>	Cartilage/osteoarthritis/ microRNA-3085	2 yrs	117,525
Dr L Hooper <i>et al</i>	Care home residents/'pro-drinking environment'	18 mths	74,869
University of Exeter Dr L Harries & Prof D Melzer	Inflammation/genes/age-related disease	3 yrs	179,222
Goldsmith's University of London Dr R Charlton & Prof M Banissy	Transcranial direct current stimulation/healthy ageing	18 mths	70,445
Heriott-Watt University Dr A Gow & Prof M Martin	Older adults/health & well-being/tablet PCs	18 mths	74,700
Imperial College London Prof I Adcock <i>et al</i>	COPD/lysine acetylation/BET bromodomains	2 yrs	127,487
Dr G Quinlan <i>et al</i>	Ageing/immune response/cardiac surgery (Extension grant)	10 mths	48,994
Dr P Strutton <i>et al</i>	Spinal decompression surgery/ older people	2 yrs	176,510
Imperial College Healthcare NHS Trust Prof E Brown <i>et al</i>	Frail elderly patient outcomes/conservative kidney care	20 mths	33,868
King's College London ♦ Prof M Gulliford <i>et al</i>	Electronic health records/ cardiovascular risk management/very old people	2 yrs	112,965
Newcastle University Dr C Price <i>et al</i>	Centralisation of emergency medical services/older patients/evaluation	2 yrs	92,341
Queen Mary University of London Prof R Allaker <i>et al</i>	Orthopaedic implants/nano-based antimicrobial & osteoconductive coatings	18 mths	73,442
Prof D Lee <i>et al</i>	Cartilage regeneration/osteoarthritis/sirtuins	3 yrs	150,201
Prof G Sanger <i>et al</i>	Neuromuscular function/large bowel/age-related constipation	3 yrs	215,668
University of South Wales Dr S Todd <i>et al</i>	Older people with learning disabilities/long term care/end-of-life care	2 yrs 6 mths	89,376

Institution/granholder	Topic of research	Duration	Grant awarded (£)
University of Sussex ♦ Dr S Verma <i>et al</i>	<i>Chronic liver disease/vulnerable elderly adults in the community</i>	2 yrs	134,746
University College London Prof A Forge <i>et al</i>	<i>Age-related balance dysfunction/sensory hair cells</i>	15 mths	71,714
Prof A Hart <i>et al</i>	<i>HipLink/registry retrieval linkage/failure of metal on metal hip replacements</i>	1 yr	44,655
Dr S Ramsay <i>et al</i>	<i>Screening tool/frail older people in the community</i>	1 yr	49,873
SUB-TOTAL			£ 2,651,365

## 1.2 RESEARCH RELATED INFRASTRUCTURE GRANTS

Institution/granholder	Purpose	Duration	Grant awarded £
University of Edinburgh Prof J Wardlaw <i>et al</i>	<i>MR scanner for brain ageing programme (part funding)</i>	one-off	300,000
SUB-TOTAL			£ 300,000

## 1.3 RESEARCH TRAINING FELLOWSHIPS

Institution/granholder	Topic of research	Duration	Grant awarded £
University of Bath Ms B Edwards	<i>Siblings in older life/physical and emotional wellbeing</i>	3 yrs	65,401
University of Cambridge Dr N Evans	<i>Stroke/severity/ imaging/carotid atheroma</i>	3 yrs	196,434
King's College London ♦ Ms M Gibbs	<i>Dietetic consultation/ nutritional care for older adults/patient satisfaction</i>	4 yrs	174,337
Mrs K Orellana ●	<i>Older people/day centres/role, outcomes and commissioning</i>	3 yrs	77,958
Nottingham University Hospitals NHS Trust ♦♦ Dr T Ong	<i>Older people/spinal orthogeriatric model of care/spinal insufficiency fractures</i>	3 yrs	166,541
SUB-TOTAL			£ 680,671

**Total Research & Research-related Grants awarded** **£3,632,036**

notes:

- ♦ charities/institutions where DMT Trustees/External Advisers hold trusteeships or other senior positions
- grants in which DMT Trustees/External Advisers have a significant interest/involvement

## 2 GENERAL GRANTS

### 2.1 BUILDING GRANT: PROVISION OF ACCOMMODATION FOR OLDER PEOPLE

Institution/charity	Purpose	Duration	Grant awarded £
Sir Robert Christopher's Almshouses Charity	<i>Restoration and development of almshouses</i>	one-off	25,000
SUB-TOTAL			£25,000

### 2.2 CORE, STAFFING AND SMALL GRANTS: SERVICES AND CARE FOR OLDER PEOPLE

Institution/charity	Purpose	Duration	Grant awarded £
Age UK Solihull	<i>Volunteer befriending service</i> (Core grant)	3 yrs	60,000
Aldeburgh Music	<i>Dementia &amp; Community Project</i> (Core grant)	3 yrs	30,000
Alive Activities Ltd (Alive!)	<i>Presenters' fees for workshops for care home residents activity</i> (Core grant)	3 yrs	60,000
Bierley Community Association Ltd	<i>Life Centre seniors inclusion worker</i> (Core grant)	2 yrs	24,667
Enfield Citizens Advice Bureau	<i>Older persons' LGBT support service</i> (Small grant)	2 yrs	15,496
Katherine Low Settlement	<i>Development programme for frail older people in Battersea</i> (Core grant)	3 yrs	97,361
South Bristol Advice Service	<i>Older persons disability home visiting service</i> (Core grant)	3 yrs	51,000
SUB-TOTAL			£ 338,524
Total General Grants awarded			£ 363,524

## 3 SUMMARY OF ALL GRANTS AWARDED FOR THE FINANCIAL YEAR 2014/15

Total Research and Research-related Grants awarded	£ 3,632,036
Total General Grants awarded	£ 363,524
<b>Grand total</b>	<b>£ 3,995,560</b>



# HE DUNHILL MEDICAL TRUST

## SCHEDULE OF QUOTED INVESTMENTS AND INCOME FOR THE YEAR ENDED 31 MARCH 2015

	At 01.04.14 market value £	Additions £	Disposals £	Gain/(Loss) unrealised £	Gain/(Loss) realised £	At 31.03.15 market value £	Net Income received £
Colchester Global Investors Ltd (Global Bond Fund)	17,740,733	7,047,472	(6,527,266)	54,544	292,651	18,608,134	1,064,408
Silchester International Investors Ltd (The Calleva Trust – International equities ex US)	27,265,715	122,863	–	3,296,357	–	30,684,935	812,443
Cedar Rock Capital Fund plc (High quality branded equities)	17,407,030	–	(3,999,999)	3,037,884	–	16,444,915	313,438
Findlay Park Partners LLP (American Fund)	8,008,966	–	–	2,130,889	–	10,139,855	–
(Latin American Fund)	2,164,709	–	–	(343,277)	–	1,821,432	–
Heronbridge Investment Management LLP (UK Equity Fund)	5,639,719	–	–	267,122	–	5,906,841	140,796
The Charities Property Fund (Managed property portfolio)	3,447,553	3,500,000	–	316,890	–	7,264,443	190,267
Cazenova Capital Management (Schroder & Co Ltd) (Income Fund)	16,911,352	–	–	1,600,126	–	18,511,478	609,202
Rathbone Brothers plc (Active Income & Growth Fund)	6,641,557	–	–	534,717	–	7,176,274	181,239
Dalton Capital Ltd (Melchior Selected Trust) (European equities)	1,762,691	–	–	306,823	–	2,069,514	–
Somerset Capital Management LLP (Global Emerging Markets Fund)	–	4,000,000	–	81,396	–	4,081,396	–
<b>TOTAL</b>	<b>106,990,025</b>	<b>14,670,335</b>	<b>(10,527,265)</b>	<b>11,283,471</b>	<b>292,651</b>	<b>122,709,217</b>	<b>3,311,793</b>
Unrealised gain on Quoted Investments (above)				11,283,471			
Realised loss on Quoted Investments (above)				292,651			
Per Statement of Financial Activities				<u>11,576,122</u>			

**The Dunhill Medical Trust**

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