

A company limited by guarantee

Registered charity number 1140372

Registered company number 07472301



**Trustees' report and accounts
for the year ended 31 March, 2019**



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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

Mr Mike Bellamy (*appointed 14/06/18*)
Ms Alison Chan (*appointed 7/3/19*)
Professor Bernard Conway (*appointed 7/3/19*)
Mrs Helen C S Davies (*resigned 14/06/18*)
Professor Deborah Dunn-Walters (*Chair of Research Grants Committee*)
Mrs Kay Glendinning MBE (*retired 7/03/19*)
Ms Claire Keatinge (*Chair of Community Grants Committee*)

Professor Thomas B L Kirkwood CBE
Professor Peter R Lansley MBE
Mr James Lorigan
Professor James McEwen (*Chair*)
Professor Stuart Parker (*appointed 22/6/19*)
Professor Alison Petch OBE (*Chair Elect*)
Mr John A Ransford CBE (*Chair of Investment Committee*)
Mr Keith Shepherd

Executive Officers

Ms Susan Kay *Executive Director*
Mrs Sarah Allport *Director of Grants and Research*

Ms Shirley Jones *Administration and Governance Officer*
Ms Jenna Horsfield *Grants Officer (resigned 10/4/19)*
Ms Ethny Childs *Grants Officer*

Registered Office

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

Auditors

Williamson Morton Thornton LLP
St. Albans AL1 5HE

Accountants

Kingston Smith LLP
London EC1M 7AD

Solicitors

Veale Wasbrough Vizards LLP
London EC4A 1AD

Bankers

C Hoare & Co
London EC4P 4DQ

Investment Advisors

Stanhope Consulting
London W1H 6LR

Investment Managers

Artemis Fund Managers Ltd
London SW1A 1LD

Artisan Partners
London SW1A 1HA

The Charities Property Fund
London W1G 0JD

Cedar Rock Capital Fund plc
London W1U 3RW (*to July 2018*)

Colchester Global Investors Ltd
London W1S 3PR

Findlay Park Partners LLP
London W1K 2BU

Heronbridge Investment Management LLP
Bath BA1 1HE

M&G Securities Ltd
London EC4R 0HH

Silchester International Investors Ltd
London W1J 6TL

Somerset Capital Management LLP
London SW1W 9SA

Troy Asset Management Ltd
London W1K 4BP

1. Report of the Trustees

The Trustees of the Dunhill Medical Trust present their report and audited financial statements for the year ended 31 March, 2019. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice (SORP): Accounting and Reporting by Charities, published in 2015. 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.

The Trustees would like to take this opportunity to thank the Executive Director and her team for their hard work and commitment throughout 2018/19 and their very significant achievements on behalf of the Trust.

1. Governance and management

1.1 History of the Dunhill Medical Trust

The funds of the Dunhill Medical Trust originated from the Will Trust of Herbert Edward Dunhill who died in 1950. They were intended to be used for the furtherance of medical knowledge and research, in the light of Herbert Dunhill's own experience of 25 years of ill-health resulting from the effects of tuberculosis¹. In 1986, with the agreement of the Charity Commissioners, the Will Trust was reconstituted to broaden the charitable objects to include research into the care of older people and

the provision of accommodation and care for older people and in 1988, the Commissioners approved a transfer of the assets to a Charity called The Dunhill Medical Trust.

In 2010 the Trustees resolved that, in line with best practice for charities with substantial assets, the Trust should become a charitable company limited by guarantee and the new corporate entity came into being on 1 April, 2011. The charitable objects remained unchanged. All Trustees of The Dunhill Medical Trust are also Directors and Members of the charitable company.

1.2 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 be re-appointed for one further term of office, by mutual agreement. 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. During the financial year, an indemnity insurance policy existed in respect of the Trustees of the Charitable Company.

Trustees' meetings are held quarterly. The administration and management of the Trust's business is delegated to the Executive Director, who is supported by the Director of Grants and Research, an Administration and Governance Officer and two Grants Officers.

The Trust has a conflict of interest policy and codes of conduct for its Board and Committees and these are based on the Nolan Principles of Good Governance. Trustees and committee members are required to declare all relevant interests, details of which are kept in a Register of Interests which is updated regularly.

¹ The Dunhill Medical Trust promotes the highest standards of ethical practice in scientific and medical research. It does not receive or seek funds from any external body and complies fully with the Joint Protocol of Cancer Research and Universities UK on Tobacco Industry Funding to Universities (2004), as revised in 2018.

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 2018/19 are disclosed in Notes 9 and 21 to the accounts. Grants to institutions and charities where Trustees or external advisers have a significant interest are noted in the list of grants (see section 3).

1.3.1 Grants committees

The Board of the Trust is advised by two Grants Committees: a Research Grants Committee and a Community Grants Committee. Each is chaired by a suitably qualified Trustee and includes a number of external advisers with professional or academic expertise and experience appropriate to the work of the committees. Research Grants Committee meets three times per year and Community Grants Committee twice per year to consider applications and to make recommendations to the Trustees. The Committees also advise the Board on sectoral trends and other external changes which have implications for the development of the Trust's grant-making programmes and their funding.

The Trustees are grateful for the time freely given by the Committees' independent advisors who are all volunteers with a range of other professional commitments. Their willingness to serve on the Committee is much appreciated by the Trustees.

1.3.2 Investment Committee

Also reporting to the Board is an Investment Committee, the purpose of which is to provide advice on investment strategies appropriate to the Trust's charitable aims, and to recommend to the Trustees any changes in investment arrangements which the Committee considers appropriate. Meeting quarterly and comprising of Trustees and external advisers with relevant professional investment/ financial expertise, it is also responsible for monitoring the performance of the Trust's investment managers and that of Stanhope Consulting, who were appointed in 2014 as

investment advisors to the Trust. Their contract and performance are reviewed annually.

1.4 Recruitment and training of new Trustees

The 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 skills required are carried out by the Board of Trustees to identify any gaps. Open advertisement is used to ensure that the widest possible range of potential candidates is reached and a formal selection process followed, including interview of the shortlisted candidates and appropriate due diligence carried out to confirm eligibility to act.

New Trustees are provided with a comprehensive induction and ongoing access to a secure area of the Trust's website containing all key governance documents, committee papers and the Trustees' library. All Trustees are encouraged to keep up to date with best governance practice and are supported in this through identification and provision of suitable materials and training, funded by the Trust.

1.5 Risk management

The Trustees have adopted a formal risk policy and a risk register is maintained with appropriate, systems or procedures established to mitigate the risks the charity faces. An annual risk assessment for each of the principal areas of the Trust's operations is undertaken and, in addition, the Investment Committee reviews risks specifically related to finance and investments at its quarterly meetings, with any issues raised being reported to Board.

The principal risks facing the Trust are as follows:

- Significant investment losses as a result of political and economic uncertainty. While we are comfortable with the level of risk inherent in equity markets, we keep our strategic asset allocation and all our investments under close review. We ensure that individuals with

relevant expertise are co-opted on to our Investment Committee and employ the services of an independent investment advisor.

- Poor grant-making would mean that the objectives of the Trust may not be advanced in line with our intent. In particular we are concerned about missing high quality projects, or that our funding opportunities are poorly targeted and communicated. We ensure, however that while we cannot entirely eliminate these risks, we have a raft of measures in place to mitigate them, including ensuring we act on the advice of suitably experienced grants committee members, keeping staff development and training up to date and keeping all of our processes and procedures under regular review.

In the opinion of the Trustees, the Trust has established 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 adequately managed.

1.6 Policy on staff pay

The Board of Trustees values its management team highly and acknowledges the importance of employing high quality staff to ensure both the ongoing strategic development and efficient administration of the charity. The overall aim of the Trust's policy is to offer fair pay to attract and retain appropriately qualified staff to lead, manage and administer the charity and to fulfil the charitable objects on behalf of the Trustees.

The Board is responsible for reviewing staff salaries and benchmarking information, the advice of suitably experienced professionals and the achievements of staff as demonstrated by annual appraisals conducted by the Executive Director² are taken into account when determining pay awards.

2. Objectives and activities for the public benefit

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 older people and the publication of the useful results thereof and the provision of accommodation and care for older people.

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 how future activities will contribute to the delivery of the aims and objectives they have set.

3. Grant-making policy

The main beneficiaries of the Trust's grant-making programmes are, ultimately, older people within the UK, delivered via universities, research organisations and community-based charitable and other not-for-profit organisations. This focus on understanding the mechanisms of age-related conditions and disease, and the need to improve the health and well-being of older people, reflects the ongoing demographic changes towards increased life expectancy and the increasing proportion of older people in the population.

The main method by which the Trust invites grant applications is via its website at dunhillmedical.org.uk, on which its Grant-making Policy, Research Strategy, assessment procedures

² The annual appraisal of the Executive Director is conducted by the Chair of the Trust, together with one other Trustee.

and timetables and help in applying for all its funding schemes and initiatives may be found, together with the Trust's latest annual report and details of grants awarded.

3.1 Monitoring, audit and evaluation

All grants awarded by the Trust are monitored through:

- periodic 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);
- visits, where appropriate, by the Trust's executive officers and/or Trustees/members of the grants committees, which may be made at any time during the duration of the grant;
- academic and clinical award-holders are now required to report the outputs of their work via a tool called *ResearchFish*. This is commonly used throughout the UK university sector and provides consistency in reporting and a way to monitor outcomes and potential impact beyond the life of the grant.

The Trust's grant-making programmes are subject to regular review both on an ongoing-basis by the management team after completion of each award round and formally at an annual meeting of the grant-making committees and Board members to assess their effectiveness and to help inform future grant-making strategy. The process of award for our research grant schemes is accredited by the Association of Medical Research Charities (AMRC) and re-accreditation takes place every five years (next due in 2020).

The Trust is also keen to encourage rigorous *independent evaluation of all the community-based 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 applications received from such organisations.

4. Achievements and performance

Applications to both our academic and clinical research and community grants schemes remained buoyant and significantly over-subscribed.

Our key objectives for 2018/19 were:

- laying the foundations for further development of the Trust's activities, in particular, developing partnerships and collaborations with organisations which share our objectives;
- developing our approach to dissemination of our impact, particularly the emerging outcomes of the Older People's Care Improvement Initiative;
- initiation of the development of our new five-year plan;
- implementing our succession plan for the orderly handover of the Chairmanship of the Trust, following the current Chair's planned retirement in 2020.

4.1 Development of partnerships and collaborations

We made significant progress in the development of our wider network during 2018/19:

- We launched an innovative new 18-month collaborative programme with **Nesta** on incubating social movements, which combines providing support and resources for seven budding social movements in health with a rigorous piece of research and evaluation of the programme from both funders' and participants' perspectives.
- We worked with **Action on Hearing Loss** to co-fund two new postgraduate fellowships in the hugely under-researched and under-funded area of age-related hearing loss – a condition which affects 71% of people over the age of 70.
- We convened a very successful event at the **Royal Institute of British Architects** in collaboration with **Care & Repair England** (the

continuation of whose Catch 22 project we have supported) and **Housing LIN** (which we have also sponsored) highlighting the importance of suitable home adaptation in enjoying a healthier later life. More than 90% of older people live in mainstream housing. 20% of homes occupied by older people fail the Decent Homes Standard and only 7% of homes meet basic accessibility features. We called for applications to our research fund to support development of the evidence base on home adaptation and were delighted by the response.

Two projects were funded and we look forward to hearing about the findings during 2020.

- We agreed four new partnerships, to be launched in 2019/20. Three will provide co-funded fellowship opportunities at doctoral and post-doctoral level with the **National Institute for Health Research (NIHR)**, **British Geriatrics Society** and **Alzheimer's Research UK** and the fourth, with the **Alzheimer's Society**, an innovative new approach to support collaboration between university researchers and community-based organisations.
- We began an application to the **National Lottery Community Fund** for matched funding to support the #iwill programme's England-wide ambition to support young people to volunteer in care homes and can report that we heard we had been successful in June 2019.

4.2 Dissemination of the outcomes from the Older People's Care Improvement Initiative

In 2013/14, the Trust launched a strategic programme aimed at improving health and social care for older people, following the findings of the 2013 Francis Report into the failings at the Mid Staffordshire NHS Foundation Trust, committing over £3M to four key strands.

One of those strands: a research programme entitled Proactive Health Care of Older People in Care Homes (PEACH) – aimed to help an NHS and care home community to develop a Quality Improvement programme to deliver consistent,

high quality and proactive healthcare for residents. was led by researchers at the University of Nottingham, but was a collaboration between several universities, NHS Trusts and local care homes and included a wide range of multidisciplinary academic and clinical skills, as well as care home managers and lay representatives.

A second of the strands, Educating the Workforce, saw the Trust commissioning Picker, a leading international charity with expertise in research in the field of person centred care, to carry out a scoping study to help understand the current educational landscape, its latest developments and whether there might be certain groups of people delivering care to older people who may benefit from enhanced education and training. Picker's findings were published in summer 2018 and as a result, we inaugurated a series of prizes and awards to highlight excellent, innovative practice in older people's care and related training. Our congratulations go to the inaugural winners of the **BMJ Award for Care of the Older Person to University Hospital, Southampton** for their ongoing efforts to change the culture of care for older people. We look forward to receiving the applications for our student prize, in collaboration with the **Medical Schools Council**, which invites current medical students to design an educational intervention to prepare them for a career working with an ageing population.

4.3 Initiation of the development of our new strategic plan

2019/20 will be the final year of our three-year transformation plan, so work has now begun to consult on and agree our strategic priorities for the next plan period.

The context in which we work has been evolving rapidly during the last three years. The uncertainty created by Brexit, continued pressure on funding in universities, the NHS and local authorities and an increasing focus on environmental, social and governance matters all have significant strategic and operational implications for us. Making the most of our collaborative relationships to help

optimise the support we offer to those who help us to meet our charitable objectives will remain central to our plans.

Following notification of receipt of planning permission in July 2017, to develop a tranche of land owned by the Trust at Fontwell in West Sussex, work has continued with *Dandara Group*, a housebuilder, with the intention of selling the land with permission for development, for the benefit of the Trust. It is now likely to receive the first tranche of the proceeds of the intended sale within the next two years. Consideration by the Board of use of the proceeds will form part of the strategic planning process.

4.4 Implementation of our succession plan

As planned, we called for expressions of interest from our Trustee Board in the position of Chair, which will fall vacant in June 2020 when Professor Jim McEwen completes his term of office. Professor Alison Petch OBE was appointed Chair Elect at the Board meeting of March 2019 and will complete 12 months in that position, enabling an orderly handover and for her to take a lead role in development of the new strategic plan.

We must also record that Mrs Kay Glendinning, MBE stepped down from the Board in March 2019 at the end of her final term of office. As the great niece of our founder, Kay has been integrally involved in the work of the Trust for over 55 years, serving as an Administrator, Executive Director, Trustee and now, we are delighted to say, as the Trust's first Patron. Her contribution to the development of the Trust and support for the wider medical research community cannot be overstated.

5. 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's 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 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. 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.

Investment performance is monitored by the Investment Committee on an on-going basis. The Trust's investment advisors, Stanhope Consulting, provide detailed quarterly performance reports which also include any specific issues which require consideration and/or any proposals for changes which might be made to the Trust's portfolio and investment managers present to the Committee on a rolling basis. Recommendations based on this advice are made by the Committee to the Board of Trustees, with the final approval resting with the Trustees.

During 2018/19, the value of the Trust's investment portfolio increased by a modest 1.9% but it has returned 8.4% p.a. since inception, comfortably ahead of cash and its long-term objective of RPI +4.5%. Over the past year, the relative performance across asset classes has been mixed, with reasonable to good performance in UK equities, property, absolute return funds and bonds but disappointing performance in overseas equities, particularly emerging markets.

The Board continues to take the advice of its consultants and the Investment Committee and believes it has taken the appropriate mitigating actions in response to continuing market uncertainty. Its principal financial objective of maintaining the real value of the investment funds

whilst maximising distributions over the period, had been met and in view of this, the Trustees accepted the Committee's recommendation to maintain the current policy of making distributions based on total return from investments. On current performance, this indicates an average distribution level over a three-year period of c.£5m per year.

Income received by the Trust during 2018/19 was slightly lower than that of the previous year, with total net income amounting to £3,604,678 (2017/18: £3,875,215).

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

	£m	%
Fixed assets	0.11	0.1
Investments:		
Quoted – other	126.53	89.8
Quoted – property	15.91	11.3
Managed balances	0.58	0.4
Property	0.91	0.6
Bank balances	8.05	5.7
Net current liabilities (excl. bank balances)	(5.70)	(4.0)
Long term liabilities	(5.43)	(3.9)
	<u>140.96</u>	<u>100.0</u>

6. Financial risk

The Board of Trustees considers the Trust's risk profile on an annual basis, with specific risks relating to finance and investments being reviewed by the Investment Committee at their quarterly meetings, and any additional risks being brought to the attention of the Board. 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 advisors. With the appointment of Stanhope Consulting in 2014, independent external advice on asset allocation provides another method of risk mitigation for the Trust. Individual investment mandates are awarded to specialist managers after scrutiny by both Stanhope Consulting and the Investment Committee.

The current uncertain global financial markets have been kept under regular and detailed review by the Investment Committee (and will continue to be monitored on an ongoing basis). The Trustees accept that the consequences continue to be largely uncertain and may remain so for some time, but consider that the Trust has protected its assets in as far as this is possible through maintaining and enhancing the diversification of its portfolio. The Board has recently initiated a strategic review of the portfolio as part of the wider strategic planning process, taking advice on how it might more robustly monitor and scrutinise environmental, social and governance matters in the underlying assets in its portfolio and, for example, to mitigate the financial impacts of climate change.

7. 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 the capital of the Trust.

The Trust holds a 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 current annual grants, annual running costs and the current financial commitments of the Trust.

8. Plans for the future

Our key activities for 2019/20 will be agreeing the future strategic priorities and operational plan for the next plan period. We will also be reviewing our investment policy to ensure its alignment with our charitable objectives.

We will continue with the business of implementing our agreed partnership activities to ensure seamless transition between one plan period and the next and ensuring that we have a suitably sized and trained staff team and operational infrastructure to ensure we continue to provide a high-quality experience for all of our stakeholders.

9. 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 Statement of Recommended Practice (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.

Insofar 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 and signed on its behalf by:



Professor James McEwen

Chair

Dated: 5th September 2019

Independent auditor's report and financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DUNHILL MEDICAL TRUST

Opinion

We have audited the financial statements of The Dunhill Medical Trust (the 'charitable company') for the year ended 31 March 2019 which comprise the Balance Sheet, Statement of financial activities, Cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for company law purposes, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Elizabeth Irvine (Senior Statutory Auditor)

For and on behalf of WMT
Chartered Accountants
Statutory Auditor

Verulam Point
St Albans
Herts
AL1 5HE

Date: 12th September 2019

Balance Sheet**as at 31 March 2019**

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	11	110,056	134,117
Investments	12	143,927,652	141,149,638
		<u>144,037,708</u>	<u>141,283,755</u>
CURRENT ASSETS			
Debtors	13	351,594	266,094
Cash at bank and in hand		8,053,330	9,569,335
		<u>8,404,924</u>	<u>9,835,429</u>
Creditors: due within one year	14	6,053,895	5,338,745
Net current assets		2,351,029	4,496,684
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>146,388,737</u>	<u>145,780,439</u>
Creditors: due after more than one year	15	5,427,848	5,857,111
Net assets / (liabilities)		<u>140,960,889</u>	<u>139,923,328</u>
CHARITY FUNDS			
Endowment funds:			
Expendable endowment	18	137,754,128	139,821,367
Unrestricted funds	18	3,206,761	101,961
Total charity funds		<u>140,960,889</u>	<u>139,923,328</u>

Under the Companies act 2006, s454s on a voluntary basis the trustees can amend these financial statements if the subsequently prove to be defective.

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

The notes on pages 18 to 31 form part of these accounts.

The financial statements were approved and authorised for issue by the board on 5.9 2019.

Signed on behalf of the board of Trustees.

Professor James McEwen, Chair



Date:

5th September 2019

Statement of Financial Activities

Including income and expenditure account for the year ended 31 March, 2019

	Note	Unrestricted income Fund	Expendable Endowment	2019 £	2018 £
Income and endowments from:					
Investment income	2	3,604,678	-	3,604,678	3,875,215
Total income and endowments		3,604,678	-	3,604,678	3,875,215
Expenditure on:					
Raising funds	3	-	(226,883)	(226,883)	(225,575)
Charitable activities	4	(499,878)	(4,637,421)	(5,137,299)	(5,425,567)
Total expenditure		(499,878)	(4,864,304)	(5,364,182)	(5,651,142)
Other recognised gains / (losses):					
Net gains/ (losses) on investments		-	2,630,598	2,630,598	560,140
Other gains / (losses) - exchange gains		-	166,467	166,467	(80,649)
Net income / (expenditure)	7	3,104,800	(2,067,239)	1,037,561	(1,296,436)
Reconciliation of funds:					
Total funds brought forward		101,961	139,821,367	139,923,328	141,219,764
Total funds carried forward	18	3,206,761	137,754,128	140,960,889	139,923,328

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 grant making. This activity is a continuing operation.

Statement of Cash Flows

For the year ended 31 March, 2019

	Note	2019 £	2018 £
Cash flow from operating activities	20	(1,368,589)	(1,406,898)
Net cash flow from operating activities		<u>(1,368,589)</u>	<u>(1,406,898)</u>
Cash flow from investing activities			
Payments to acquire tangible fixed assets		-	(2,965)
Receipts from sales of tangible fixed assets		-	-
Payments to acquire fixed asset investments		(28,755,179)	(31,926,094)
Receipts from sales of fixed asset investments		28,816,123	34,637,094
Net cash flow from investing activities		<u>60,944</u>	<u>2,708,035</u>
Net increase / (decrease) in cash and cash equivalents		(1,307,645)	1,301,137
Cash and cash equivalents at 1 April 2018		9,938,373	8,637,236
Cash and cash equivalents at 31 March 2019		<u>8,630,728</u>	<u>9,938,373</u>
	Note	2019 £	2018 £
Cash at bank and in hand		8,053,330	9,569,335
Bank balances controlled by investment managers at year end	12	577,398	369,038
Cash and cash equivalents at 31 March, 2019		<u>8,630,728</u>	<u>9,938,373</u>

Notes to the Financial Statements

1. Summary of significant accounting policies

(a) General information and basis of preparation

The Dunhill Medical Trust is a charitable company limited by guarantee registered in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the Reference and Administrative Information at the front of the Annual Report. The nature of the charity's operations and principal activities are the furtherance of medical knowledge and research into the mechanisms of ageing and treatment of age-related disease, including research into care of older people and the provision of accommodation and care of older people.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

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

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Investment income is earned through holding assets for investment purposes such as shares and property.

It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Other income includes the conversion of endowment funds into income which arises when capital funds are released to an income fund from expendable endowments or when a charity has authority to adopt a total return approach to its permanent endowment fund. It also includes other income such as gains on disposals of tangible fixed assets.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes investment managers' fees;
- Expenditure on charitable activities includes grants payable to charities and institutions as well as support and governance costs; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

The Trust makes grants to a variety of applicants in line with their policy stated in the Trustees' Report and on the fulfilment of certain 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.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises overheads have been allocated on an actual basis and other overheads have been allocated on an actual basis to the relevant support expense heading.

The analysis of these costs is included in note 5.

(f) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

- Leasehold property; over the life of the lease
- Fixtures and fittings; 20% reducing balance
- Motor vehicles; 25% straight line

(g) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SOFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment. Investments in subsidiaries are measured at cost less impairment. The DMT (Fontwell Land) Limited is a dormant company as at 31 March 2019. No consolidated accounts are prepared as the subsidiary is not material to the charity.

(h) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(i) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

(j) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

(k) Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the

finance charge and the reduction of the outstanding lease liability using the effective interest method.

The related obligations, net of future finance charges, are included in creditors. Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

(l) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

(m) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity provides a defined contribution to the employees' personal pensions. Contributions are expensed as they become payable.

(n) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(o) Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(p) Financial instruments

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

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

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

Financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in net income/(expenditure), except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the assets expire or are settled, or when the company transfers the financial assets and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to unrelated third party.

Financial liabilities

Basic financial liabilities, including creditors are recognised at transaction price. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less or if not, they are presented as non-current liabilities.

Derecognition of financial liabilities

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

(q) Critical accounting estimates and judgements

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

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

2. Income from investments

	2019	2018
	£	£
Dividends and interest on quoted investments	3,600,678	3,870,795
Rental Income	4,000	4,064
Bank Interest	-	356
	<u>3,604,678</u>	<u>3,875,215</u>

Income from investments was £3,604,678 (2018 - £3,875,215) all of which was attributable to unrestricted funds. Gains and losses on investments in the current and prior year are attributable to endowment funds.

3. Investment management costs

	2019	2018
	£	£
Investment managers' fees	226,883	225,575
	<u>226,883</u>	<u>225,575</u>

£226,883 (2018 - £225,575) of the above costs were attributable to endowment funds.

Investment managers' fees include only the separately identifiable direct costs relating to portfolio management and the cost of obtaining investment advice. Further indirect costs were incurred and are included within the costs of acquisition of investments or within returns on investments

4. Analysis of expenditure on charitable activities

	2019	2018
	£	£
Grants*	4,476,972	4,759,851
Support Costs	660,327	665,716
	<u>5,137,299</u>	<u>5,425,567</u>

£4,637,421 (2018 - £1,147,114) of the above costs were attributable to endowment funds and £499,878 (2018 - £4,278,453) of the above costs were attributable to unrestricted funds.

* £4,593,686 less £116,714 withdrawn or amounts returned during the year

5. Allocation of support costs and overheads

Unrestricted Income Fund	Charitable activities	Governance costs	Total Year ended 2019	Total Year ended 2018
	£	£	£	£
Establishment expenses				
Rent, rates, water and service charge	104,984	-	104,984	117,292
Repairs and renewals	1,848	-	1,848	2,444
Insurance - property-related	1,734	-	1,734	1,761
Cleaning	4,639	-	4,639	4,059
Electricity	8,425	-	8,425	7,559
	121,630	-	121,630	133,115
Administration expenses				
Salaries and National Insurance	225,442	56,361	281,803	277,569
Staff recruitment and training	844	211	1,055	6,595
Pension contributions	20,442	5,110	25,552	23,988
Telephone	6,209	-	6,209	5,548
Stationery, postage, archiving and other sundries	3,678	-	3,678	8,652
Subscriptions	15,685	-	15,685	8,083
IT software and support	44,353	-	44,353	30,355
Travel and subsistence expenses	12,267	-	12,267	10,967
Catering, trustee and management meetings	11,786	2,947	14,733	4,345
Impact communication and events	23,859	-	23,859	16,133
Equipment rental	3,110	-	3,110	3,259
Insurance - office-related	2,625	-	2,625	1,980
	370,300	64,629	434,929	397,474
Depreciation				
Office equipment	1,122	-	1,122	1,079
Leasehold	22,939	-	22,939	22,939
	24,061	-	24,061	24,018
Finance expenses				
Bank charges	561	-	561	466
Legal and professional	17,389	-	17,389	24,607
Accountancy and audit fees	11,925	3,975	15,900	16,700
	29,875	3,975	33,850	41,773
Expendable Endowment				
Legal, accountancy and audit fees	33,932	11,925	45,857	69,336
Total per Statement of Financial Activities (SOFA)	579,798	80,529	660,327	665,716

Note 6

6. Governance costs and support costs allocation

The breakdown of support costs and how these were allocated between Governance and Charitable Activities is shown in the table below.

Cost type and basis of analysis	Total £	Governance £	Support costs £
Staff Salaries and NI (staff time)	281,803	56,361	225,442
Staff Pension (staff time)	25,552	5,110	20,442
Catering, trustee and management meetings	14,733	2,947	11,786
Staff recruitment and training	1,055	211	844
Audit fees (Finance expenses)	3,975	3,975	-
Audit fees (Expendable endowment)	11,925	11,925	-
	<u>339,043</u>	<u>80,529</u>	<u>258,514</u>
		Note 5	(included in note 5)

7. Net income / (expenditure) for the year / period

Net income / (expenditure) is stated after charging/(crediting):

	2019 £	2018 £
Depreciation of tangible fixed assets	24,061	24,018
Operating lease rentals	99,184	112,461
Net gains / (losses) on foreign exchange	166,467	(80,649)
(Profit) / loss on fair value movement of investments	(2,630,598)	(560,140)

8. Auditor's and accountants' remuneration

	2019 £	2018 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	15,900	16,700
Fees payable to the charity's accountant for other services:		
Taxation	-	-
Management accounts, book-keeping, consultancy fees and financial statements	<u>45,857</u>	<u>54,935</u>
	<u>61,757</u>	<u>71,635</u>

9. Trustees' and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration during the year (2018: £Nil)

Nine Trustees (2018: seven) were reimbursed travel expenses of £6,541 (2018: £5,731) during the year. The total amount of employee travel expenses received by key management personnel is £1,494 (2018: £694). The Trust considers its key management personnel to be its Executive Director, Ms Susan Kay. The aggregate remuneration paid to key management personnel in the year was £104,909 (2018: 106,896).

10. Trustees' and key management personnel remuneration and expenses

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

	2019 Number	2019 FTE	2018 Number	2018 FTE
Charitable activities	4	4	4	4
Governance	1	1	1	1
	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>

The total staff costs and employees' benefits was as follows:

	2019 £	2018 £
Employees' emoluments	255,692	251,653
Social security	26,111	25,916
Pension contributions	<u>25,552</u>	<u>23,988</u>
	<u>307,355</u>	<u>301,557</u>

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

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

11. Fixed assets - tangible

	Short leasehold £	Office Equipment £	Total £
Cost / Valuation			
At 1 April 2018	229,392	49,461	278,853
Additions in the year	-	-	-
Disposals in the year	-	-	-
At 31 March 2019	229,392	49,461	278,853
Depreciation			
At 1 April 2018	100,887	43,849	144,736
Charge for the year	22,939	1,122	24,061
On disposals	-	-	-
At 31 March 2019	123,826	44,971	168,797
Net Book Value			
At 31 March 2019	105,566	4,490	110,056
At 31 March 2018	128,505	5,612	134,117

12. Fixed assets investments

	Quoted Investments £	Development land £	Balances controlled by Investment Managers £	Investment in subsidiary £	Total £
Cost or valuation					
At 1 April 2018	139,871,967	908,632	369,038	1	141,149,638
Additions	28,755,179	-	-	-	28,755,179
Disposals	(28,816,123)	-	208,360	-	(28,607,763)
Revaluation	2,630,598	-	-	-	2,630,598
At 31 March 2019	142,441,621	908,632	577,398	1	143,927,652
Carrying amount:					
At 31 March 2019	142,441,621	908,632	577,398	1	143,927,652
At 31 March 2018	139,871,967	908,632	369,038	1	141,149,638

	2019	2018
	£	£
Managed Funds		
UK - Property fund	15,915,888	15,700,892
UK investments	38,024,365	36,806,010
International investments	74,129,990	72,475,943
Equities and Fixed Interest Securities		
UK	6,044,442	5,749,540
International	8,326,936	9,139,583
	<u>142,441,621</u>	<u>139,871,968</u>

None of the direct holdings in equities and fixed interest securities exceed 5% of the portfolio and there are no restrictions on realisation.

The investment in subsidiary above relates to the Trust's investment in The DMT (Fontwell Land) Limited, company number 08464560. 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, 2019.

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).

13. Debtors	2019	2018
	£	£
Other debtors	151,318	92,306
Accrued income	200,276	173,788
	<u>351,594</u>	<u>266,094</u>

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

14. Creditors: amounts due within one year

	2019	2018
	£	£
Trade creditors	163,894	110,156
Other tax and social security	8,130	9,174
Committed grants	5,881,871	5,219,415
	<u>6,053,895</u>	<u>5,338,745</u>

15. Creditors: amounts due after one year

	2019	2018
	£	£
Committed grants	5,427,848	5,857,111
	<u>5,427,848</u>	<u>5,857,111</u>

16. Leases

	2019	2018
	£	£
Total future minimum lease payments under non-cancellable operating leases are as follows:		
Not later than one year	71,412	71,412
Later than one year and not later than five years	249,942	285,648
Later than five years	-	35,706
	<u>321,354</u>	<u>392,766</u>

17. Contingent liabilities / assets

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

18. Reserves

	Balance at 1 April, 2018	Incoming Resources	Resources Expended	Total
	£	£	£	£
Unrestricted Income Fund	101,961	3,604,678	(499,878)	3,206,761
Expendable Endowment	139,821,367	2,630,598	(4,697,837)	137,754,128
	<u>139,923,328</u>	<u>6,235,276</u>	<u>(5,197,715)</u>	<u>140,960,889</u>

19. Analysis of net assets between funds

2019	Unrestricted Funds	Endowment Funds	Total
	£	£	£
Fixed assets	-	144,037,708	144,037,708
Cash	14,336,910	(6,283,580)	8,053,330
Current assets	351,594	-	351,594
Creditors less than one year	(6,053,895)	-	(6,053,895)
Creditors more than one year	(5,427,848)	-	(5,427,848)
Total	<u>3,206,761</u>	<u>137,754,128</u>	<u>140,960,889</u>

2018	Unrestricted Funds £	Endowment Funds £	Total £
Fixed assets	-	141,283,755	141,283,755
Cash	11,031,723	(1,462,388)	9,569,335
Current assets	266,094	-	266,094
Creditors less than one year	(5,338,745)	-	(5,338,745)
Creditors more than one year	(5,857,111)	-	(5,857,111)
Total	101,961	139,821,367	139,923,328

20. Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2019 £	2018 £
Net income / (expenditure) for year	1,037,561	(1,296,436)
Depreciation of tangible fixed assets	24,061	24,018
(Gains) / losses on investments	(2,630,598)	(560,140)
Loss on disposal of tangible fixed assets	-	-
(Increase) / decrease in debtors	(85,500)	(36,013)
Increase / (decrease) in creditors	285,887	461,673
Net cash flow from operating activities	<u>(1,368,589)</u>	<u>(1,406,898)</u>

21. Related party transactions

Any grants paid to institutions where the Trustees or advisers of The Dunhill Medical Trust have an involvement are disclosed in Section 3.

22. Financial instruments

	2019 £	2018 £
Financial Instruments measured at amortised cost		
Other debtors	149,777	92,306
Per accounts	<u>149,777</u>	<u>92,306</u>
Financial liabilities measured at amortised cost		
Trade creditors	38,488	21,258
Committed grants	11,309,719	11,076,526
Per accounts	<u>11,348,207</u>	<u>11,097,784</u>

Assets generally covered would be basic loans made, trade debtors, other debtors, cash/bank deposits.

Financial assets measured at fair value through profit and loss comprise of quoted investments, details of which are given in note 12.

Liabilities would include basic loans received, trade creditors and other creditors, such as grant recipients.

3. New grants awarded, by category

GRANTS FOR ACADEMIC AND CLINICAL RESEARCHERS: PROJECT GRANTS

Principal Investigator	Project title	Institution	Value of Award (£)
Professor Sven Bestmann	Does dose-controlled brain stimulation enhance motor rehabilitation in chronic stroke patients?	University College London	221,998
Professor Fraser Buchanan	Controlled Strontium Release from Resorbable Devices to Improve Osteoporotic Fracture Fixation	Queen's University Belfast	261,665
Dr Steven Clapcote	Effects of specific inhibition of PDE4B on age-related cognitive decline	University of Leeds	254,874
Dr John Connelly	Understanding the mechanobiology of senescence and ageing	Queen Mary, University of London	126,098
Dr Daniel Davis*	Perioperative Investigation of Markers for Elevated Delirium (PRIMED) Risk	University College London	173,905
Dr Lucy Dipper	STARs- STorytelling for older Adults in Residential settings	City, University of London	90,996
Dr Majid Hafezparast	Identification of circulating non-coding RNAs from serum for use as biomarkers in progressive supranuclear palsy patients	University of Sussex	30,461
Professor Lorna Harries	Open Access fees relating to earlier grant award	University of Exeter	1,704
Professor Carol Jagger	Making the extra years count: the contribution of disease, multi-morbidity and socio-economic differentials to trends in disability-free life expectancy	Newcastle University	135,099
Dr Nicholas Jakubovics	A Prebiotic Approach to Control Periodontitis	Newcastle University	239,589
Dr Elizabeth Jury	Sjögren's syndrome a disease of older adults: Using complex phenotyping to improve diagnosis and treatment options for patients	University College London	134,037
Professor Alasdair MacLulich	Assessing recovery from delirium in older hospitalised people: optimisation and validation of the 4AT	University of Edinburgh	173,187
Dr Robert McIntosh	Within our grasp: visually-guided reaching in prodromal Alzheimer's disease	University of Edinburgh	58,549
Dr Gerry McKenna	DEvelopment of a Core outcome set for orAl health services research involving DEpendent older adults (DECADE)	Queen's University Belfast	35,715

*Projects in which a Dunhill Medical Trust committee member (current or former) is a Principal or Co-Investigator or project participant. Please refer to our policy on conflicts of interest.

Professor Phyo Myint	An evidence synthesis suite to inform a future randomised trial of reducing anticholinergic related harm in older adults	University of Aberdeen	99,165
Dr Silviya Nikolova	What is the cost-effectiveness of home adaptations for older people?	University of Leeds	137,032
Professor Terence O'Neill	Development of a Frailty Index using Standard Laboratory Tests and its Utility in Predicting Adverse Health Outcomes	University of Manchester	78,740
Professor Ken Parkinson	Open Access fees relating to earlier grant award	Queen Mary, University of London	1,164
Dr Reecha Sofat	Investigating the causal role of lipid pathways in age-related macular degeneration	University College London	268,848
Dr Karen Stenner	Delegation of insulin administration to non-registered healthcare workers in community nursing teams: an evaluation of care and practice for older people with diabetes	University of Surrey	88,130
Professor Phil Stephens	Oral progenitor-derived vesicles as a novel treatment for chronic skin wounds in the aged population	Cardiff University	197,099
Professor Rachel Waddington	Identifying a utility for dentally derived extracellular vesicles to restore impaired bone healing associated with age-related systemic conditions	Cardiff University	127,451
Dr Phillip Whitehead	The impact of waiting times for major housing adaptations on older adults' risk of adverse events and use of health and social care resources: An economic evaluation and Return on Investment (ROI) model	Northumbria University	47,699
Dr Christopher Williams	Uncertainty in healthcare: a qualitative study of patients' and clinicians' experiences and co-design of professional development and patient information materials	University of Leicester	135,009

GRANTS FOR ACADEMIC AND CLINICAL RESEARCHERS: PERSONAL FELLOWSHIP AWARDS

Post-doctoral research fellowships

Fellow	Institution	Project title	Value of Award (£)
Dr Chris Hardy	University College London (Jointly with Action on Hearing Loss)	From ears to brains: understanding and measuring hearing impairment in dementia	59,986
Dr Katie Smith	University College London (Jointly with Action on Hearing Loss)	The life course of neuronal microdomains regulating excitability of the auditory nerve	59,979

Research Training Fellowships

Fellow	Institution	Project title	Value of Award (£)
Dr Lucy Beishon	University of Leicester	The Cognition & Flow Study: The effects of brain training on brain blood flow	207,289
Dr Nicholas Fuggle	University of Southampton	Does epigenetic age acceleration predict future accelerated musculoskeletal ageing?	194,950
Mr Luke Mansfield	University of Sheffield	Determining the non-canonical functions of telomerase involved in modulating macrophage biology and their potential implications for tissue ageing	76,977
Mr Tim Whitfield	University College London	Further Evaluation of SCD-WELL: mindfulness THERapy for older adults (FEATHER)	160,786
Mrs Michelle Gibbs	King's College, London	Understanding the experience of the dietetic consultation and design of a more effective model of nutritional care for older adults to enhance levels of patient satisfaction – extension	26,626
Ms Kathryn Webber	University of Bradford	Adaptation to vision changes following cataract surgery (gathering preliminary data)	18,194
Dr Amy Garner	Imperial College London (Jointly with the Royal College of Surgeons of England)	Functional, Subjective and Biomechanical Outcomes Associated with Combined Partial Knee Replacement for Multi-Compartment Arthrosis – An Alternative to Total Knee Replacement?	64,000

GRANTS TO SUPPORT OLDER PEOPLE'S CARE IMPROVEMENT INITIATIVE

Organisation	Project	Value of Award (£)
New Economics Foundation for Mid & East Antrim Agewell Partnership	Evaluation of the Impact Agewell® Proof of Concept Programme	26,052

GRANTS FOR COMMUNITY-BASED ORGANISATIONS

Organisation	Project	Value of Award (£)
4Sight Vision Support	Project 360: creation and implementation of a sight loss care pathway for elderly visually impaired people in West Sussex	37,568
Abbeyfield Lancashire Extra Care Society	The Enhancement to the Outdoor and Indoor living space for the dementia unit	45,000

Age Connects Morgannwg	Building grant: St Mair's Day Centre Aberdare	100,000
Bosnia Herzegovina UK Network	Quality End of Life Care for UK Refugees from Former Yugoslavia	37,245
Care and Repair England	Core support to extend Catch 22 Project to develop the evidence base for age-friendly home adaptation	20,000
Community Council for Berkshire	Capability development grant	4,739
Glamis Hall for All	Day Centre toilet and bathroom rebuild	46,000
Healthwatch Nottingham and Nottinghamshire	Capability development grant	5,000
Independent Arts	Changing Spaces - Care Homes as Creative Places project	37,000
Merthyr Tydfil Leisure Trust	ARTiculate project	18,524
Nesta	Co-funded Social Movements in Health programme supporting seven organisations	100,000
Plymouth Music Zone	Capability development grant: Learning partnership with Royal Philharmonic Orchestra	3,700
Royal Philharmonic Orchestra	Capability development grant: Learning partnership with Plymouth Music Zone	1,935
SubCo Trust	My Life, My Choice	37,850
The Eric Liddell Centre	Audio-visual and hearing loop upgrade	7,857
The Hardman Centre	Gateshead Lunch Buddies	24,935
The Strettons Mayfair Trust	Lighting the Beacon	39,967
YMCA East Surrey	Transport support for Travel Fit scheme	13,314

Summary of all grants awarded in the financial year 2018/19

Total grants for academic and clinical researchers	£3,987,000
Total grants for community-based organisations	£563,634
Total grants to support Older People's Care Improvement initiative	£26,052
Total	£4,576,686

4. Statement of Financial Activities to March 2018

Statement of Financial Activities and notes to March 2018

Including income and expenditure account for the year ended 31 March 2018

	Unrestricted income Fund	Expendable Endowment	2018 £
Income and endowments from:			
Investment income	3,875,215	-	3,875,215
Total income and endowments	3,875,215	-	3,875,215
Expenditure on:			
Raising funds	-	(225,575)	(225,575)
Charitable activities	(4,278,453)	(1,147,114)	(5,425,567)
Total expenditure	(4,278,453)	(1,372,689)	(5,651,142)
Net gains/(losses) on investments	-	560,140	560,140
Other gains / (losses) - exchange gains	-	(80,649)	(80,649)
Net income / (expenditure)	(403,238)	(893,198)	(1,296,436)
Reconciliation of funds:			
Total funds brought forward	505,199	140,714,565	141,219,764
Total funds carried forward	101,961	139,821,367	139,923,328

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 grant making. This activity is a continuing operation.



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