

A company limited by guarantee

Registered charity number 1140372

Registered company number 07472301



The
**Dunhill
Medical
Trust**

Trustees' report and accounts

for the year ended 31 March 2018

FRIDAY



L30 *L7FEVR0Q* #90
28/09/2018
COMPANIES HOUSE

CONTENTS

REFERENCE AND ADMINISTRATIVE INFORMATION	3
1. REPORT OF THE TRUSTEES	4
2. INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS	12
Balance Sheet	15
Statement of financial activities	16
Cash flow statement	17
Notes to the financial statements	18 - 31
3. NEW GRANTS AWARDED 1 APRIL 2017 - 31 MARCH 2018	32
4. STATEMENT OF FINANCIAL ACTIVITIES TO MARCH 2017	35

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*)
Professor Sir Roger M Boyle CBE (*to 08/06/17*)
The Right Reverend Christopher T J Chessun (*to 08/03/18*)
Mrs Helen C S Davies (*to 14/06/18*)
Professor Deborah Dunn-Walters
Mrs Kay Glendinning MBE
Professor Roderick J Hay (*to 08/06/17*)
Ms Claire Keatinge

Professor Thomas B L Kirkwood CBE (*appointed 08/06/17*)
Professor Peter R Lansley MBE
Mr James Lorigan (*appointed 08/06/17*)
Professor James McEwen *Chair*
Professor Alison Petch OBE
Mr John A Ransford CBE
Professor Martin P Severs OBE (*to 08/03/18*)
Mr Keith Shepherd (*appointed 08/06/17*)

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*
Ms Ethny Childs *Grants Officer (intern) (from 04/09/17)*

Registered Office

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

Auditors

Williamson Morton Thornton LLP
Floor 1, Verulam Point
St. Albans
Herts 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

Cedar Rock Capital Fund plc
London W1U 3RW

The Charities Property Fund
c/o Savills Investment Management LLP
London W1G 0JD

Colchester Global Investors Ltd
London W1S 3PR

Findlay Park Partners LLP
London W1K 2BU

Heronbridge Investment Management LLP
Bath BA1 1HE

Silchester International Investors Ltd
London W1J 6TL

Somerset Capital Management LLP
London SW1W 9SA

Troy Asset Management Ltd
London W1K 4BP

M&G Securities Ltd
London EC4R 0HH

1. Report of the Trustees for the year ended 31 March 2018

The Trustees of the Dunhill Medical Trust present their report and audited financial statements for the year ended 31 March, 2018. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's 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.

1. Structure, 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.

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) 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."

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.

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 2017/18 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 Trust's approach to scrutiny and appraisal of grant applications was restructured during 2017/18 with the Grants and Research Committee, an established sub-committee of the Board, being replaced by 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.

During 2017/18, the following external advisers were appointed to the Community Grants Committee:

- Ms Claire Williams
- Mr Defrim Dedej
- Ms Toyin Ogundana

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.

1.4 Recruitment, induction 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 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 its quarterly meetings, with any issues raised being reported to the Trustees.

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.

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

3. Grant-making policy

The main beneficiaries of the Trust's grant-making programmes are ultimately older people within the UK. 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 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:

- 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);
- 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.

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.

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

Our key objectives for 2017/18 were:

- Agreeing and publishing a new three-year plan for the Trust, to establish a sound basis for future strategic development.
- Reconfiguring and relaunching the grant-making schemes and application and assessment procedures.
- Continuing the investment in developing and sustaining careers in ageing-related research through a further round of Research Training Fellowships for early career clinicians and allied health professionals and negotiating a number of co-funded partnerships with other organisations which share our objectives to provide further such schemes.
- Continuing to deliver the work-streams agreed as part of the Older People's Care Improvement Initiative.
- Launching a series of events aimed at a) supporting a network of early career researchers, contributing to the objective of attracting and sustaining careers in ageing-related research and b) expanding our networks and partnerships to increase understanding and awareness of the Trust's objectives and impact.
- Developing an evidence base and website content in support of our applicants and other stakeholders, together with our social media presence.

4.1 Publication of the three-year plan

In June 2017, the Board approved and published its three-year transformation plan. This reconfirmed its commitment to providing financial support for developing and sustaining

capacity in academic and clinical research into understanding the mechanisms of ageing and the health and social care of older people and to organisations who support older people in their communities. It did, however, also set out a plan for transformation of the processes, procedures and governance underpinning its funding schemes and improving the accessibility of information and the effectiveness and efficiency of its administration, making greater use of technology.

4.2 Reconfiguring and relaunching the grant-making schemes

The Trust relaunched its grants schemes in June 2017, having been closed to new applications from January 2017 to facilitate the implementation of its new online Grants Management System. A request for proposals exercise and due diligence were undertaken to identify a software system which could support the process of application for both researchers and community charities, as well as provide a robust contacts database to support the Trust in managing its grant-making activities. Fluent Technology's *Flexigrant*® service was selected and the process of implementation completed successfully, on time and within budget, in June, 2017, enabling the Trust to launch its new schemes for both of its recipient groups:

Grants for academic and clinical researchers:

- Project grants (up to £300k)
- Research Training Fellowships (both alone and 50% co-funded with partner organisations).

Grants for community-based organisations:

- Project grants (up to £40k)
- Building and infrastructure grants (up to £125k)
- Capability grants (up to £5k)

The demand for our new schemes has proved to be no less popular with over 100 applications per call being received.

In 2017/18, grants awarded totalled £4,759,851 (2016/17: £6,372,260). At the year end, the Trust was committed to pay an

amount of £11,076,526 for grants to be spread over the next three years (see Notes 14 and 15 to the Accounts).

A full list of grants awarded in 2017/18 is provided in section 3.

4.3 Investing in developing and sustaining careers in ageing-related research

Continuing the Trust's commitment to maintaining and increasing the capacity for research into ageing and innovation in the care of older people, a sixth round of Research Training Fellowships (RTFs) was launched in October 2017³. We also initiated a new relationship with the Association of British Neurologists, co-funding one fellowship. RTFs are personal training fellowships to provide opportunities for talented clinicians, health professionals and scientists who can demonstrate that they are planning a future career in research in fields relevant to the interests of the Trust. The Fellow is expected to undertake a practical research project as well as complete a robust training programme in research methods, thus providing a sound basis for a future academic or clinical research career.

4.4 Older People's Care Improvement Initiative

Work continued during 2017/18 on the Trust's flagship *Older People's Care Improvement Initiative*, a multi-strand strategic programme aimed at improving the health and wellbeing of older people that will commit approximately £3-4m over a four- year period from 2014 to 2018.

Following a successfully concluded award process during 2016, the *Mid and East Antrim Agewell Partnership's* (MEAAP) £1m IMPACT project was launched formally on 1 June, 2017 and the Trust made a further award of £60k to the *Social Care Institute for Excellence* to work

with MEAAP to develop a robust, co-produced mechanism to evaluate progress and measure outcomes. One year on, the project is already making its positive impact felt in its communities and contributing substantively to the wider national debate on the effectiveness and impact of models of social prescription.

In June, 2017, we initiated the final strand of the *Older People's Care Improvement Initiative*, dubbed "Educating the Workforce" by commissioning *Picker Institute Europe* to conduct a scoping study, examining the landscape for education and training across the medical and allied health and care professions and the extent to which there is any evidence of deficiencies which might be associated with sub-optimal outcomes for older people receiving health care in the UK. The report was received in April, 2018 and a communications plan will be developed for dissemination during 2018/19.

4.5 Events and network of early career researchers' network

Our early career researchers' network was launched in October, 2017 with the energetic assistance of our 2014 cohort. With some very positive feedback and ideas, we will be building on this initial success during 2018/19.

4.6 Developing an evidence base and website content, together with our social media presence.

We continued to develop our website following its relaunch in 2016/17. Applicants are now able to make applications online and monitor their grant's progress via links accessed through the website. A number of case studies of completed grants, highlighting their impact, are now available under the "Our Work in Action" section and details of a growing number of helpful tools and resources for our Community-based applicants and award holders have also been made available.

We have also invested in access to a number of publications and bibliometric databases to allow us to more consistently and comprehensively track the outcomes and impact of the work we are funding and plan to

³ Four Research Training Fellowships were awarded in May 2017, demonstrating a good geographical and disciplinary spread and as their award will be approved and taken up during 2018/19, will be accounted for financially during that year.

build such analysis into our post-award processes and regular strategic review.

We have more than doubled our Twitter following during the year and are finding this a particularly useful platform to keep in touch with the academic research community, partner organisations and community grant holders.

In addition to these planned objectives, in July 2017, the Trustees were pleased to receive notification of approval of a planning application to develop a tranche of land owned by the Trust at Fontwell in West Sussex. The Trust had entered into a development agreement with the *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 substantial proceeds of the intended sale within the next two to three years.

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. 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. 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 2017/18, the value of the Trust's investment portfolio decreased by a modest 1.5% but it has returned 9.4% p.a. since inception, comfortably ahead of cash and its long term objective of RPI +4.5%. Over the rolling year, the portfolio has lagged its benchmark by 1.0%. This is owed largely to the performance of the absolute return funds contained within it.

The Board is also aware that the market outlook for coming years is likely to be turbulent and, on the advice of its consultants and the Investment Committee, has taken the appropriate mitigating actions. 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 2017/18 was slightly lower than the amount for the previous year, with total net income amounting to £3,875,215 (2016/17: £3,936,920).

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

	£m	%
Fixed assets	0.13	0.1
Investments:		
Quoted – other	124.24	88.7
Quoted – property	15.70	11.2
Managed balances	0.37	0.3
Property	0.91	0.7
Bank balances	9.57	6.8
Net current liabilities (excl. bank balances)	(5.07)	(3.6)
Long term liabilities	(5.86)	(4.2)
	<u>139.99</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 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.

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

8. Plans for the future

The main priority of the final year of the agreed three-year plan is laying the foundations for further development of the Trust's activities, both alone and in partnership with organisations which share our objectives, and on developing our approach to dissemination of our impact (for all of our work, but particularly the emerging outcomes of the *Older People's Care Improvement Initiative*) and that of our award holders. We will also initiate the development of the new five-year plan and our succession plan for the orderly handover of the Chairmanship of the Trust, following the current Chair's planned retirement in 2020.

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 on
[date] 6.9.18

and signed on its behalf by:



Professor James McEwen
Chair

Dated: 6 September 2018

2. 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 2018 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 2018 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 pages 10/11, 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

Floor 1,
Verulam Point
St. Albans
Herts
AL1 5HE

Date: 11th September 2018

Balance Sheet
as at 31 March 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Tangible assets	11	134,117	155,170
Investments	12	141,149,638	143,386,373
		<u>141,283,755</u>	<u>143,541,543</u>
CURRENT ASSETS			
Debtors	13	266,094	230,081
Cash at bank and in hand		9,569,335	8,182,320
		<u>9,835,429</u>	<u>8,412,401</u>
Creditors: due within one year	14	5,338,745	4,944,395
Net current assets		4,496,684	3,468,006
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>145,780,439</u>	<u>147,009,549</u>
Creditors: due after more than one year	15	5,857,111	5,789,785
Net assets		<u>139,923,328</u>	<u>141,219,764</u>
CHARITY FUNDS			
Expendable endowment fund	18	139,821,367	140,714,565
Unrestricted funds	18	101,961	505,199
Total charity funds		<u>139,923,328</u>	<u>141,219,764</u>

Under the Companies Act 2006, s454 on a voluntary basis the trustees can amend these financial statements if they subsequently prove to be defective.

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 6.9. 2018.

Signed on behalf of the board of Trustees.

Professor James McEwen, Chair

Date: 6 September 2018

Statement of Financial Activities

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

	Note	Unrestricted income Fund	Expendable Endowment	2018 £	2017 £
Income and endowments from:					
Investment income	2	3,875,215	-	3,875,215	3,936,920
Total income and endowments		3,875,215	-	3,875,215	3,936,920
Expenditure on:					
Raising funds	3	-	(225,575)	(225,575)	(201,475)
Charitable activities	4	(4,278,453)	(1,147,114)	(5,425,567)	(7,047,369)
Total expenditure		(4,278,453)	(1,372,689)	(5,651,142)	(7,248,844)
Other recognised gains / (losses):					
Net gains/ (losses) on investments		-	560,140	560,140	24,303,067
Other gains / (losses) -exchange gains			(80,649)	(80,649)	(525,720)
Net income / (expenditure)	7	(403,238)	(893,198)	(1,296,436)	20,465,423
Reconciliation of funds:					
Total funds brought forward		505,199	140,714,565	141,219,764	120,754,341
Total funds carried forward	18	101,961	139,821,367	139,923,328	141,219,764

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, 2018

	Note	2018 £	2017 £
Cash flow from operating activities			
	20	(1,406,898)	(1,133,668)
Net cash flow from operating activities		<u>(1,406,898)</u>	<u>(1,133,668)</u>
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(2,965)	(3,507)
Receipts from sales of tangible fixed assets		-	7,500
Payments to acquire fixed asset investments		(31,926,094)	(26,383,011)
Receipts from sales of fixed asset investments		34,637,094	29,863,117
Net cash flow from investing activities		<u>2,708,035</u>	<u>3,484,099</u>
Net increase / (decrease) in cash and cash equivalents		1,301,137	2,350,431
Cash and cash equivalents at 1 April 2017		8,637,236	6,286,805
Cash and cash equivalents at 31 March 2018		<u>9,938,373</u>	<u>8,637,236</u>

	Note	2018 £	2017 £
Cash at bank and in hand		9,569,335	8,182,320
Bank balances controlled by investment managers at year end	12	369,038	454,916
Cash and cash equivalents at 31 March, 2018		<u>9,938,373</u>	<u>8,637,236</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 including research into care of the elderly and the provision of accommodation and care for the elderly.

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 2018. 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

	2018	2017
	£	£
Dividends and interest on quoted investments	3,870,795	3,924,497
Rental Income	4,064	4,471
Bank Interest	356	7,952
	<u>3,875,215</u>	<u>3,936,920</u>

Income from investments was £3,875,212 (2017 - £3,936,920) all of which was attributable to unrestricted funds.

3. Investment management costs

	2018	2017
	£	£
Investment managers' fees	225,575	201,475
	<u>225,575</u>	<u>201,475</u>

£225,575 (2017 - £201,475) 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

	2018	2017
	£	£
Grants*	4,759,851	6,372,260
Support Costs	665,716	675,109
	<u>5,425,567</u>	<u>7,047,369</u>

£ 1,147,114 (2017 - £3,528,308) of the above costs were attributable to endowment funds and
£ 4,278,453 (2017 - £3,519,061) of the above costs were attributable to unrestricted funds.

* £ 4,920,996 less £ 161,145 withdrawn or amounts returned during the year

5. Allocation of support costs and overheads

Unrestricted Income Fund	Charitable activities £	Governance costs £	Total Year ended 31/3/18 £	Total Year ended 31/3/17 £
Establishment expenses				
Rent, rates, water and service charge	117,292	-	117,292	123,669
Repairs and renewals	2,444	-	2,444	1,119
Insurance - property-related	1,761	-	1,761	2,435
Cleaning	4,059	-	4,059	2,485
Electricity	7,559	-	7,559	4,445
	<u>133,115</u>	<u>-</u>	<u>133,115</u>	<u>134,153</u>
Administration expenses				
Salaries and National Insurance	222,055	55,514	277,569	260,019
Staff recruitment and training	5,276	1,319	6,595	2,625
Pension contributions	19,190	4,798	23,988	22,265
Telephone	5,548	-	5,548	1,661
Stationery, postage, archiving and other sundries	8,652	-	8,652	19,693
Subscriptions	8,083	-	8,083	9,049
IT Software and support	30,355	-	30,355	30,294
Motor and petrol expenses	-	-	-	28
Travel and subsistence expenses	10,967	-	10,967	12,069
Catering, trustee and management meetings	3,476	869	4,345	4,521
Impact and events	16,133	-	16,133	-
Depreciation				
- Office equipment	1,079	-	1,079	493
- Leasehold	22,939	-	22,939	22,939
Loss on disposal of motor vehicle	-	-	-	5,574
Equipment rental	3,259	-	3,259	3,589
Insurance - office-related	1,980	-	1,980	2,755
	<u>358,992</u>	<u>62,500</u>	<u>421,492</u>	<u>397,574</u>
Finance expenses				
Bank charges	466	-	466	655
Legal and professional	24,607	-	24,607	12,474
Accountancy and audit fees	16,010	690	16,700	12,858
	<u>41,083</u>	<u>690</u>	<u>41,773</u>	<u>25,987</u>
Expendable Endowment				
Legal, accountancy and audit fees	58,986	10,350	69,336	117,395
	<u>58,986</u>	<u>10,350</u>	<u>69,336</u>	<u>117,395</u>
Total per Statement of Financial Activities (SOFA)	<u>592,176</u>	<u>73,540</u>	<u>665,716</u>	<u>675,109</u>
	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)	277,569	55,514	222,055
Staff Pension (staff time)	23,988	4,798	19,190
Catering, trustee and management meetings	4,345	869	3,476
Staff recruitment and training	6,595	1,319	5,276
Audit fees (Finance expenses)	3,450	690	-
Audit fees (Expendable endowment)	10,350	10,350	-
	<u>326,297</u>	<u>73,540</u>	<u>249,997</u>
		(note 5)	(included in note 5)

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

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

	2018 £	2017 £
Depreciation of tangible fixed assets	24,018	23,432
Operating lease rentals	112,461	119,296

8. Auditor's and accountants' remuneration

	2018 £	2017 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	16,700	16,000
Fees payable to the charity's accountant for other services:		
Taxation	-	9,500
Management accounts, book-keeping, consultancy fees and financial statements	54,935	67,000
	<u>71,635</u>	<u>92,500</u>

9. Trustees' and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration during the year (2017: £Nil).

Seven Trustees were reimbursed travel expenses of £5,731 (2017: £6,967) during the year.

The total remuneration (salary, employer's National Insurance and pension contributions) by key management personnel was £106,896 (2017: £94,769). The Trust considers its key management personnel to be Executive Director Ms Susan Kay.

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:

	2018 Number	2018 FTE	2017 Number	2017 FTE
Charitable activities	4	4	3	3
Governance	1	1	1	1
	<u>5</u>	<u>5</u>	<u>4</u>	<u>4</u>

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

	2018 £	2017 £
Employees' emoluments	251,653	233,819
Social security	25,916	26,200
Pension contributions	<u>23,988</u>	<u>22,265</u>
	<u>301,557</u>	<u>282,284</u>

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

	2018 Number	2017 Number
£60,000 - £70,000	1	1
£70,001 - £80,000	0	0
£80,001 - £90,000	<u>1</u>	<u>0</u>
	<u>2</u>	<u>1</u>

11. Fixed assets - tangible

	Short leasehold	Office Equipment	Total
Cost / Valuation	£	£	£
At 1 April 2017	229,392	46,496	275,888
Additions in the year	0	2,965	2,965
Disposals in the year	0	0	0
At 31 March 2018	229,392	49,461	278,853
Depreciation			
At 1 April 2017	77,948	42,770	120,718
Charge for the year	22,939	1079	24,018
On disposals	0	0	0
At 31 March 2018	100,887	43,849	144,736
Net Book Value			
At 31 March 2018	128,505	5,612	134,117
At 31 March 2017	151,444	3,726	155,170

12. Fixed assets investments

	Quoted Investments £	Development land £	Balances controlled by Investment Managers £	Investment in subsidiary £	Total £
Cost or valuation					
At 1 April 2017	142,022,824	908,632	454,916	1	143,386,373
Additions	31,926,094	-	-	-	31,926,094
Disposals	(34,637,094)	-	(85,878)	-	(34,722,972)
Revaluation	560,143	-	-	-	560,143
At 31 March 2018	139,871,967	908,632	369,038	1	141,149,638
Carrying amount:					
At 31 March 2018	139,871,967	908,632	369,038	1	141,149,638
At 31 March 2017	142,022,824	908,632	454,916	1	143,386,373
			2018		2017
Managed Funds			£		£
UK - Property fund			15,700,892		11,868,527
UK Investments			36,806,010		33,376,885
International investments			72,475,943		81,673,063
Equities and Fixed Interest Securities					
UK			5,749,540		3,123,944
International			9,139,583		11,980,405
			<u>139,871,967</u>		<u>142,022,824</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, 2018.

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	2018	2017
	£	£
Other debtors	92,306	78,040
Accrued income	173,788	152,041
	<u>266,094</u>	<u>230,081</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	2018	2017
	£	£
Trade creditors	110,156	95,759
Other tax and social security	9,174	7,690
Committed grants	5,219,415	4,840,946
	<u>5,338,745</u>	<u>4,944,395</u>

15. Creditors: amounts due after one year	2018	2017
	£	£
Committed grants	5,857,111	5,789,785
	<u>5,857,111</u>	<u>5,789,785</u>

16. Leases	2018	2017
	£	£
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	285,648	285,648
Later than five years	35,706	107,118
	<u>392,766</u>	<u>464,178</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, 2017	Incoming Resources	Resources Expended	Total
	£	£	£	£
Unrestricted Income Fund	505,199	3,875,215	(4,278,453)	101,961
Expendable Endowment	140,714,565	560,140	(1,453,338)	139,821,367
	<u>141,219,764</u>	<u>4,435,355</u>	<u>(5,731,791)</u>	<u>139,923,328</u>

19. Analysis of net assets between funds

	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	<u>101,961</u>	<u>139,821,367</u>	<u>139,923,328</u>

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

	2018	2017
	£	£
Net income / (expenditure) for year	(1,296,436)	20,465,423
Depreciation of tangible fixed assets	24,018	23,432
(Gains) / losses on investments	(560,140)	(24,303,067)
Loss on disposal of tangible fixed assets	-	5,574
(Increase) / decrease in debtors	(36,013)	(150,730)
Increase / (decrease) in creditors	461,673	2,825,700
Net cash flow from operating activities	<u>(1,406,898)</u>	<u>(1,133,668)</u>

21. Related party transactions

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. Mr R Perry resigned as a trustee of The Dunhill Medical Trust in January 2017. Legal fees amounting to £16,113 (2017: £16,274) were paid by the Trust to Veale Wasbrough Vizards during the year to 31 March, 2018. At 31 March, 2018 there was a balance due to Veale Wasbrough Vizards of £819 (2017: £1,168). Mr R Perry has not served as a trustee in the year to 31 March, 2018.

Grants paid to institutions where the Trustees or advisers of Dunhill Medical Trust have an involvement are disclosed in section 3.

22. Financial instruments

	2018 £	2017 £
Financial Instruments measured at amortised cost		
Other Debtors	92,306	78,040
Per accounts	<u>92,306</u>	<u>78,040</u>
Financial liabilities measured at amortised cost		
Trade creditors	21,258	95,759
Committed grants	11,076,526	10,630,731
Per accounts	<u>11,097,784</u>	<u>10,726,490</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		Research project	Value of award
Professor Charles Wolfe	King's College London	Improving the quality of care for stroke survivors in care homes	£292,728*
Professor Chakravarthi Rajkumar	University of Sussex	A multi-centre, open-label, randomised study assessing the cardiovascular outcomes following treatment of white coat hypertension in the Very Elderly (HYVET 2)-Feasibility Study	£236,417*
Professor Carmel Hughes	Queen's University Belfast	A pilot study of the S-MAR (Solutions for Medication Adherence Problems) intervention in older adults prescribed polypharmacy in primary care	£293,075
Dr Sally Dawson	University College London	Can we prevent hearing loss by manipulating the stress granule pathway?	£96,726
Dr Magdalena Sastre	Imperial College London	The therapeutic effect of PGC1 α at advanced stages of Alzheimer's disease in animal models of amyloid and tau pathology	£264,595
Dr Sheena Ramsay	Newcastle University	Identifying oral health markers of malnutrition and sarcopenia in older people in the community	£212,617
Professor Tonià Vincent	University of Oxford	The HALLO splint: a remote compliance and force sensing splint for base of thumb osteoarthritis	£176,367
Dr Stuart Gray	University of Glasgow	Resistance exercise training at different intensities in healthy and frail older people: A feasibility study	£81,572
Professor Henry Houlden	University College London	Genomic analysis of spontaneous intracerebral haemorrhage: providing new insights into vascular and neurodegenerative mechanisms of dementia	£74,850
Dr Juanita Hoe	City, University of London	Risk Assessment and Increasing Safety in Dementia - RAISE-Dementia study	£242,282
Professor Kelvin Jordan	Keele University	Measurement of Dementia Disease progression in Primary care: the MEDDIP study	£140,373*
Dr Amanda Mackenzie	University of Bath	Targeting Molecular Pathways Leading to Retinal Dysfunction in Age Related Macular Degeneration	£97,670
Professor Doreen McCullug	Glasgow Caledonian University	Transcutaneous Tibial Nerve Stimulation for the Treatment of Lower Urinary Tract Symptoms in People with Parkinson's	£298,190
Professor Marie Fox	University of Liverpool	He means the world to me: Human rights implications of separating older people from their pets in residential care/nursing homes	£77,184

Dr Leigh Breen	University of Birmingham	Understanding the role of obesity in the deterioration of skeletal muscle mass and quality in older age: New mechanistic insights	£228,342
Professor Hazel Screen	Queen Mary, University London	Identifying the causes of age-related tendon injury	£190,374
Dr Aileen Crawford	University of Sheffield	A novel biomimetic osteochondral medical device to regenerate articular cartilage	£161,536
Dr Andrew Keeling	University of Leeds	3-D Printed Dentures; Development and assessment of cost-effective workflows to enhance clinical delivery	£247,552
Dr Anastassia Angelopoulou	University of Westminster	Automated Diagnostic Toolkit for Dementia in Ageing Deaf Users of British Sign Language (BSL)	£65,173
Joanna Woodford	University of Exeter	Open access publication charge relating to prior year grant	£446

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

GRANTS FOR ACADEMIC AND CLINICAL RESEARCHERS: RESEARCH TRAINING FELLOWSHIPS

Fellow		Research project	Value of award
Anneka Mitchell	University of Bath	A comparison of the effectiveness and safety of activity of the Direct Oral Anticoagulants (DOACs) versus Warfarin in Older People with Atrial Fibrillation	£182,759
Oliver Todd	University of Bradford	Optimising blood pressure management for older people with frailty	£192,301
Peter Hartley	University of Cambridge	Investigating and preventing loss in muscle strength in frail older adults admitted to hospital with an acute medical illness	£163,243
Jatinder Minhas	University of Leicester	Feasibility of improving Cerebral Autoregulation (CA) in Intracerebral Haemorrhage	£211,471
Evan Edmond	University of Oxford	Biomarkers and modulation of cortical hyperexcitability in amyotrophic lateral sclerosis (ALS) (In partnership with the Association of British Neurologists)	£87,132

GRANTS FOR COMMUNITY-BASED ORGANISATIONS

Charity	Project	Value of award
Hospiscare	Volunteer Care Navigator project	£30,000
Castle Point Social Car Scheme	Contribution to the purchase and running of an additional mobility vehicle	£30,000
Paintings in Hospitals	Regional coordinators for art in care homes project	£25,000
Skinners Company	Refurbishment and modernisation of Percy Bilton Court	£25,000

Toynbee Hall	Centre for Wellbeing	£40,000
Dementia Adventure	Supported short breaks for people with dementia	£75,000
Bridgnorth Housing	The building of 22 extra-arms houses in Bridgnorth	£25,000
E&N Herts NHS Charitable Trust	The Butterfly Project	£64,450
Warwick Vision Support	My Sight programme	£50,225
Daventry Area Community Transport	Extension to current premises	£31,206
Age UK East Sussex	Community Visitors project	£19,653
Action for Elders Trust	Swansea Bay Volunteer Activators	£39,448
Care and Repair Cymru	Builders' Charter project	£39,836
Royal Philharmonic Orchestra	Music therapy for stroke survivors	£39,510

GRANTS TO SUPPORT OLDER PEOPLE'S CARE IMPROVEMENT INITIATIVE

Organisation	Project	Value of award
Picker Institute Europe	Educating the Workforce	£71,693

Summary of all grants awarded in the financial year 2017/18

Total grants for academic and clinical researchers	£4,314,975
Total grants for community-based organisations	£534,328
Total grants to support older people's care improvement initiative	£71,693
Total	£4,920,996

4. Statement of Financial Activities

Statement of Financial Activities to March 2017

Including income and expenditure account for the year ended 31 March 2017

Income and endowments from:	Unrestricted Income Fund	Expendable Endowment	2017 £
Investment income	3,936,920	-	3,936,920
Total income and endowments	3,936,920	-	3,936,920
Expenditure on:			
Raising funds	-	(201,475)	(201,475)
Charitable activities	(3,519,061)	(3,528,308)	(7,047,369)
Total expenditure	(3,519,061)	(3,729,783)	(7,248,844)
Net gains/(losses) on investments	-	21,693,800	21,693,800
Profit/(loss) on disposal of investment	-	2,609,267	2,609,267
Net income/(expenditure)	417,859	20,573,284	20,991,143
Other recognised gains/(losses):			
Other gains/(losses) - exchange gains	-	(525,720)	(525,720)
Net movement in funds	417,859	20,047,564	20,465,423
Reconciliation of funds:			
Total funds brought forward	87,340	120,667,001	120,754,341
Total funds carried forward	505,199	140,714,565	141,219,764

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.