



**Plummer Parsons**  
Chartered Accountants

Charity Registration No. 1055375

**CHRONIC DISEASE RESEARCH FOUNDATION**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 5 APRIL 2019**

# CHRONIC DISEASE RESEARCH FOUNDATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Professor D J Galton Dr E Stonehill Mr M D B Simon Mr N S Pike Mr M Benaim Dr E Buchukova  Dr J Buxton	    (Appointed 6 June 2019) (Appointed 16 October 2019)  (Appointed 16 October 2019)
<b>Charity number</b>	1055375	
<b>Principal address</b>	4th Floor South Wing Block D St Thomas' Hospital London SE1 7EH	
<b>Independent examiner</b>	Nicholas Brown FCA DChA BFP 18 Hyde Gardens Eastbourne East Sussex BN21 4PT	
<b>Bankers</b>	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	

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# CHRONIC DISEASE RESEARCH FOUNDATION

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# CHRONIC DISEASE RESEARCH FOUNDATION

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 5 APRIL 2019**

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The trustees present their report and financial statements for the year ended 5 April 2019.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Foundation's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

### **Objectives and activities**

The Foundation's objects are to provide funds for projects, fellowships and equipment to researchers studying the genetic basis for the common chronic diseases for developed countries and to support studies using twins to uncover clues about causes and risk factors of diseases.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Foundation should undertake.

Grants provided are, in the main, awarded to the Department of Twin Research and Genetic Epidemiology, King's College London (KCL), with the results of each study being monitored by the Foundation's trustees. The results of these studies advance the medical profession as a whole and as such benefit all areas of society.

When the Foundation makes an award, it reserves the right, without notice, to terminate it should it so wish. In such a case, the Foundation will reimburse the Institution for expenditure properly and reasonably incurred under the award up to the termination date but will not be responsible for claims for compensation for which the Institution may be liable as an employer.

### **Achievements and performance**

#### Grants – ongoing awards.

The Foundation received an award of £488,040 (including an administration fee of 5%) in 2014/2015 from the Denise Coates Foundation for the project "The role of the urinary microbiome in relation to morbidity in older people". A total of £130,633 was paid for the project to April 2019 to Kings College London. This is shown as restricted funds in the accounts.

The Denise Coates Foundation has pledged to fund the Foundation an annual amount of £262,500 over a five-year period per annum (which includes an administration fee of £12,500). The Year 3 Grant was paid on 1st April 2019.

The Foundation received an award of £701,673, plus an additional £682,500 (which includes a 5% administration fee) in 2018/2019 from the Denise Coates Foundation to fund the establishment of a Microbiome Laboratory facility to perform DNA extraction of stored samples and fund the cost of sequencing those samples.

# CHRONIC DISEASE RESEARCH FOUNDATION

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 5 APRIL 2019

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These funds have been used for the following grants:

- “Exploring the cardio-metabolic health associated with the faecal metabolome” – an amount of £148,422 over 4.5 years. Equivalent to £32,987 per annum. The amount of £19,505 was paid to April 2019.
- ‘Utilising omega 3 and fibre to improve metabolic health’ – an amount of £155,234 over 4 years. Equivalent to £38,809 per annum. The amount of £86,464 was paid to April 2019.
- “A statistical framework for personalised nutrition recommendations based on genetic and anthropometric data” – an amount of £87,844 over 3 years. Equivalent to £29,281 per annum. The amount of £31,583 was paid to April 2019.
- “Gut microbiome modulation of fasting glucose homeostasis and postprandial glycaemic response in TwinsUK and PREDICT: Towards personalised diet for healthy ageing” – an amount of £147,494 over 3 years. Equivalent to £49,165 per annum. The amount of £72,135 was paid to April 2019.
  - “Changes in peripheral blood mononuclear (PBMC) immunophenotypes during immunotherapy for stage 4 melanoma with correlations with gut microbiome, clinical responses and side effect profiles (PRIMM study) – an amount of £9,400 for a pilot study. None of the amount was paid to April 2019.

The forward commitments of the Foundation are the following:

- “Influence of the gut microbiome on inter-individual differences in blood pressure at fasting and in response to a combined glycaemic and lipaemic test meal challenge” – an amount of £149,999 over 4 years. Equivalent to £37,500 per annum.
- “Assessing the role of long and short-term good choices on gut microbiome-induced visceral fat mass accumulation” – an amount of £142,923 over 3.5 years. Equivalent to £40,835 per annum.

#### **Financial review**

The results for the year show a deficit of £72,499 (2018: Surplus £710,770). The closing Net Assets were £1,539,955 (2018: £1,612,454)

The Trustees’ policy with regard to free reserves is to set a minimum for such reserves equal to approximately three months’ projected management and administrative expenditure. The Trustees aim to achieve this by judicious management of resources.

Using this reserves policy, the Foundation needs to have reserves above £7,402, based on the 2019 administration costs. At the end of the year, unrestricted funds amounted to £56,675, which is well in excess of this level.

Excess funds will be carried forward to be used for future grant awards at the trustees’ discretion.

The Foundation’s primary source of income is grants received, along with a small amount of interest income.

The Foundation raised £304 in donations from private donors.

# CHRONIC DISEASE RESEARCH FOUNDATION

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 5 APRIL 2019**

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The Trustees' investment policy is governed by the Trust Deed which permits the funds available to be invested in a wide range of securities and assets.

The Trustees' investment policy is to aim for safety commensurate with immediate and planned spending requirements. Accordingly, funds are held as cash balances and not invested.

The Trustees will continue to manage the Foundation's investments in conformity with the policy and its constitution. They are averse to risk and surplus funds will presently be held on deposit.

The Foundation's cash-flow situation is comfortable, but the Trustees want any excess funds to be invested wisely and will be considering option of investing the funds. Currently excess funds are held in the Shawbrook 60-day account which pays 0.9% p.a. interest and the Shawbrook 1-year fixed saver which pays 1.39% p.a. interest.

The Trustees are responsible for the management of the risks faced by the Foundation.

All major risks to which the Foundation is exposed have been reviewed and systems have been established to mitigate these risks.

New grant applications under review and are being considered are:

- Targeting the gut microbiome and its metabolites to improve cardiovascular outcomes.
- Using the faecal metabolomics and serum glycomics to unravel the microbiome inflammatory pathways causative of cardiovascular disease.
- Targeting metabolomics of urine samples to understand the role of the gut microbiota in food polyphenol metabolism.

### **Structure, governance and management**

The Foundation was established by a Deed of Trust dated 14 March 1996 and is registered with the Charity Commission under charity number 1055375. The Foundation's governing instrument is its Trust Deed which allows for any activities covered by the Foundation's objectives, with no specific restrictions.

The trustees who served during the year and up to the date of signature of the financial statements were:

Professor D J Galton

Dr E Stonehill

Mr M D B Simon

Mr N S Pike

Mr M Benaim

(Appointed 6 June 2019)

Dr E Buchukova

(Appointed 16 October 2019)

Dr J Buxton

(Appointed 16 October 2019)

Appropriately qualified people are selected according to requirements at the time of appointment, such as scientific or medical knowledge in the field of research in which the Foundation is interested, as well as legal and commercial knowledge. As part of the induction programme, the Trustees are provided with a copy of the Trust Deed and a copy of the past 3 years' accounts. The aims and goals of the Foundation are explained to newly appointed Trustees by the Foundation's Medical Director.

The management of the Foundation is the responsibility of the Trustees who are appointed under the terms of the Trust Deed. The Trustees meet regularly to discuss and implement policy.

The Trustees' report was approved by the Board of Trustees.

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# CHRONIC DISEASE RESEARCH FOUNDATION

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 5 APRIL 2019*

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**Mr N S Pike**

Trustee

Dated: .....

**Mr M Benaim**

Trustee

Dated:.....

# CHRONIC DISEASE RESEARCH FOUNDATION

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

*FOR THE YEAR ENDED 5 APRIL 2019*

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

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources of the Foundation for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in operation.

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

# CHRONIC DISEASE RESEARCH FOUNDATION

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF CHRONIC DISEASE RESEARCH FOUNDATION

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I report to the trustees on my examination of the financial statements of Chronic Disease Research Foundation (the Foundation) for the year ended 5 April 2019.

#### **Responsibilities and basis of report**

As the trustees of the Foundation you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act). You are satisfied that your charity is not required by charity law to be audited and have chosen instead to have an independent examination.

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

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the next statement.

#### **Independent examiner's statement**

Since the Foundation's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

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

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

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

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

Nicholas Brown FCA DChA BFP

18 Hyde Gardens  
Eastbourne

# **CHRONIC DISEASE RESEARCH FOUNDATION**

## **INDEPENDENT EXAMINER'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF CHRONIC DISEASE RESEARCH FOUNDATION**

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East Sussex  
BN21 4PT

Dated: .....

# CHRONIC DISEASE RESEARCH FOUNDATION

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 5 APRIL 2019

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		Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
	Notes				
<b>Income from:</b>					
Donations and legacies	3	304	945,000	945,304	964,923
Investments	4	6,438	-	6,438	2,269
<b>Total income</b>		<u>6,742</u>	<u>945,000</u>	<u>951,742</u>	<u>967,192</u>
<b>Expenditure on:</b>					
Charitable activities	5	-	1,024,241	1,024,241	256,422
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		6,742	(79,241)	(72,499)	710,770
Fund balances at 6 April 2018		108,943	1,503,511	1,612,454	901,684
<b>Fund balances at 5 April 2019</b>		<u>115,685</u>	<u>1,424,270</u>	<u>1,539,955</u>	<u>1,612,454</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# CHRONIC DISEASE RESEARCH FOUNDATION

## BALANCE SHEET

AS AT 5 APRIL 2019

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	Notes	2019 £	£	2018 £	£
<b>Current assets</b>					
Debtors	12	-		701,672	
Cash at bank and in hand		2,306,399		1,016,658	
		<u>2,306,399</u>		<u>1,718,330</u>	
<b>Creditors: amounts falling due within one year</b>	13	(766,444)		(105,876)	
Net current assets			1,539,955		1,612,454
			<u>1,539,955</u>		<u>1,612,454</u>
<b>Income funds</b>					
Restricted funds	14	1,424,270		1,503,511	
Unrestricted funds		115,685		108,943	
		<u>1,539,955</u>		<u>1,612,454</u>	

The financial statements were approved by the Trustees on .....

.....  
Mr N S Pike  
Trustee

.....  
Mr M Benaim  
Trustee

# CHRONIC DISEASE RESEARCH FOUNDATION

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 5 APRIL 2019

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	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	17	1,283,303		298,809	
<b>Investing activities</b>					
Interest received		6,438		2,269	
<b>Net cash generated from investing activities</b>			6,438		2,269
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>		1,289,741		301,078	
Cash and cash equivalents at beginning of year		1,016,658		715,580	
<b>Cash and cash equivalents at end of year</b>		<u>2,306,399</u>		<u>1,016,658</u>	

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# CHRONIC DISEASE RESEARCH FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 5 APRIL 2019**

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### **1 Accounting policies**

#### **Charity information**

The Chronic Disease Research Foundation is a charitable trust. The principal address is 4th Floor South Wing Bock D, St Thomas's Hospital, Westminster Bridge Road, London, SE1 7EH.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the Foundation's trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The Foundation is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Foundation. Monetary amounts in these financial statements are rounded to the nearest £.

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

The Chronic Disease Research Foundation is a member of the umbrella organisation, the Association of Medical Research Charities.

#### **1.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Charitable funds**

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

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

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Foundation.

#### **1.4 Incoming resources**

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

Cash donations are recognised on receipt. Other donations are recognised once the Foundation has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

# CHRONIC DISEASE RESEARCH FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2019

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### 1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the Foundation has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

### 1.5 Resources expended

Grants provided are, in the main, awarded to various departments of Kings College London (KCL). The research and fulfilment of the project is undertaken by KCL, with the results of each study being monitored by the Foundation's trustees. The results of these studies advance the medical profession as a whole and as such benefit all areas of society.

When the Foundation makes an award, it reserves the right, without notice, to terminate it should it so wish. In such a case, the Foundation will reimburse the Institution for expenditure properly and reasonably incurred under the award up to the termination date but will not be responsible for claims for compensation for which the Institution may be liable as an employer.

Grants are recognised in the accounts when the Foundation is committed to making the payment, based on the requirements of each grant agreement.

Support/governance costs are those that related to the running of the Foundation and fulfilling its statutory obligations. These costs are recognised when incurred.

### 1.6 Tangible fixed assets

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

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

Fixtures and fittings	25% Reducing balance
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

### 1.7 Cash and cash equivalents

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

### 1.8 Financial instruments

The Foundation 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 Foundation's balance sheet when the Foundation 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.

# CHRONIC DISEASE RESEARCH FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2019

### 1 Accounting policies

(Continued)

#### **Basic financial assets**

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

#### **Basic financial liabilities**

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

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

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

#### **Derecognition of financial liabilities**

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

### 2 Critical accounting estimates and judgements

In the application of the Foundation'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.

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2019	2019	2019	2018
	£	£	£	£
Donations and gifts	304	-	304	750
Grants	-	945,000	945,000	964,173
	<u>304</u>	<u>945,000</u>	<u>945,304</u>	<u>964,923</u>
<b>For the year ended 5 April 2018</b>	<u>750</u>	<u>964,173</u>		<u>964,923</u>

# CHRONIC DISEASE RESEARCH FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2019

### 4 Investments

	Unrestricted funds	Total
	2019 £	2018 £
Interest receivable	6,438	2,269

### 5 Charitable activities

	Charitable Expenditure 2019 £	Charitable Expenditure 2018 £
Grant funding of activities (see note 6)	994,634	238,560
Share of governance costs (see note 7)	29,607	17,862
	<u>1,024,241</u>	<u>256,422</u>

All the above figures relating to Charitable activities (including comparatives) are restricted.

### 6 Grants payable

	2019 £	2018 £
Grants to institutions:		
Role of the gut microbiome in cognitive decline and risk for dementia	-	100,960
Role of urinary microbiome in relatio to Mobidty on Older People	108,845	90,100
Investigation of microbiome in rheumatoid arthritis discordant monozygotic twins	-	7,013
The biology of twins from conception to toddler	-	9,917
Role of the cardio-metabolic health associated faecal metabolome	8,007	11,498
A statistical framework for personalised nutrition recommendations based on genetic and anthropometric data	22,645	8,937
Utilising Omega 3 and Fibre to improve metabolic health	76,329	10,135
Gut microblome modulation of fasting glucose homeostasis and postprandial glycemic response in Twins UK	72,135	-
Microbiome laboratory	701,673	-
Other	5,000	-
	<u>994,634</u>	<u>238,560</u>

The above grants were made to Kings College, London.

# CHRONIC DISEASE RESEARCH FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2019

### 7 Support costs

	Support costs	Governance costs	2019	2018
	£	£	£	£
Depreciation	-	-	-	9
Accountancy	-	3,840	3,840	1,320
Legal and professional	-	18,966	18,966	11,906
Management expenses	-	6,707	6,707	4,562
Bank charges	-	94	94	65
	<u>-</u>	<u>29,607</u>	<u>29,607</u>	<u>17,862</u>
Analysed between				
Charitable activities	<u>-</u>	<u>29,607</u>	<u>29,607</u>	<u>17,862</u>

Governance costs includes payments to the independent examiners of £650 (2018- £600) for independent examination fees and £3,200 for other services.

### 8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the Foundation during the year.

### 9 Employees

There were no employees during the year.

### 10 Tangible fixed assets

	Fixtures and fittings
	£
<b>Cost</b>	
At 6 April 2018	1,887
Disposals	(1,887)
	<u>          </u>
<b>Depreciation and impairment</b>	
At 6 April 2018	1,887
Eliminated in respect of disposals	(1,887)
	<u>          </u>
<b>Carrying amount</b>	
At 5 April 2019	-
	<u>          </u>
At 5 April 2018	-
	<u>          </u>

# CHRONIC DISEASE RESEARCH FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2019

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11 Financial instruments	2019	2018
	£	£
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	-	701,672
	<u>          </u>	<u>          </u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	766,444	105,876
	<u>          </u>	<u>          </u>

In June 2018, the charity was granted an option agreement, to buy £43,242 shares in Zoe Global Limited, at any point in the subsequent 15 years. The Foundation's Medical Director, Prof Tim Spector, is one of the founders of Zoe Global Limited

At the end of the year, the value of these share options couldn't be quantified, as the company is still in the very early stages and the Foundation doesn't expect to exercise its options within the next two years. The trustees will re-assess this at each subsequent year end.

12 Debtors	2019	2018
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	-	701,672
	<u>          </u>	<u>          </u>

Trade Debtors, in the prior year, relate to a £701,673 grant awarded for the cost of equipping and operating a laboratory for four years. The grant was acknowledged on the 23 March 2018.

13 Creditors: amounts falling due within one year	2019	2018
	£	£
Trade creditors	701,673	103,657
Accruals and deferred income	64,771	2,219
	<u>          </u>	<u>          </u>
	<u>766,444</u>	<u>105,876</u>

Trade creditors includes £701,673 towards the cost of a new Microbiome Laboratory at Kings College London. The work has been completed, but details of the amounts payable are yet to be received. A creditor has therefore been included for the anticipated amount.

Accruals includes £59,010 towards project expenditure incurred between January and March 2019 but not invoiced until after the year end.

### Contingent liabilities

At the end of the year, the Foundation has agreed to make further grants of up to £1,441,969 to various projects. The timing of these payments is not yet known.

Some of the grants received contain a claw-back clause if all of the grant conditions are not followed. The trustees do not anticipate that these clauses should be enacted and will do everything in their power to ensure that the terms are adhered to.

# CHRONIC DISEASE RESEARCH FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2019

### 14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Balance at 5 April 2019 £
	Balance at 6 April 2018 £	Incoming resources £	Resources expended £	
Urinary Microbiome	337,979	-	(130,633)	207,346
Laboratory	701,673	650,000	(701,673)	650,000
Microbiome research projects	452,499	250,000	(162,328)	540,171
Administration	11,360	45,000	(29,607)	26,753
	<u>1,503,511</u>	<u>945,000</u>	<u>(1,024,241)</u>	<u>1,424,270</u>

The Urinary Microbiome fund relates to the restricted income and expenditure towards a project relating to the Urinary microbiome and its relation to morbidity in older people. Funding for the project included £23,200 to be used towards the foundations administration costs.

The Laboratory fund consists of amounts received with the restricted purpose of funding the cost of equipping and operating a laboratory for 4 years.

The Microbiome research projects fund is for the support of activities relating to the study of the Microbiome and aging.

The Administration fund relates to the amounts that have been received with the propose of being used to cover the foundations administration costs.

### 15 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Total
	2019 £	2019 £	2019 £	2018 £
Fund balances at 5 April 2019 are represented by:				
Current assets/(liabilities)	56,675	1,483,280	1,539,955	1,612,454
	<u>56,675</u>	<u>1,483,280</u>	<u>1,539,955</u>	<u>1,612,454</u>

# CHRONIC DISEASE RESEARCH FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2019

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### 16 Related party transactions

#### Transactions with related parties

During the year, £19,141 was charged by Collyer Bristow for administration and other legal services and the amount of £2,641 remained outstanding at the year end. (2018: £11,906, of which all was outstanding). Mr M D B Simon, trustee, is a partner of Collyer Bristow.

As covered elsewhere in the accounts, the Foundation has been given share purchase options in Zoe Global Limited, of which Prof Tim Spector (Medical Director) is a Founder.

Expenditure in the 2019 accounts includes £730,922 to projects of which Prof Tim Spector (Medical Director) is the lead researcher. A further £832,565 has been approved for payment to projects led by Prof Spector and this is contained in Contingent liabilities.

17 Cash generated from operations	2019 £	2018 £
(Deficit)/surplus for the year	(72,499)	710,770
Adjustments for:		
Investment income recognised in statement of financial activities	(6,438)	(2,269)
Depreciation and impairment of tangible fixed assets	-	9
Movements in working capital:		
Decrease/(increase) in debtors	701,672	(439,172)
Increase in creditors	660,568	29,471
<b>Cash generated from operations</b>	<b>1,283,303</b>	<b>298,809</b>