

CHRONIC DISEASE RESEARCH FOUNDATION
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2018

CHRONIC DISEASE RESEARCH FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Professor D J Galton Dr E Stonehill Mr M D B Simon Mr N S Pike
Charity number	1055375
Principal address	4th Floor South Wing Block D St Thomas' Hospital London SE1 7EH
Independent examiner	Nicholas Brown FCA DChA 18 Hyde Gardens Eastbourne East Sussex BN21 4PT
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Mailing Kent ME19 4JQ

CHRONIC DISEASE RESEARCH FOUNDATION

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CHRONIC DISEASE RESEARCH FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2018

The trustees present their report and financial statements for the year ended 5 April 2018.

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 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.

Achievements and performance

Grants – ongoing awards.

The Foundation received an award of £315,000 in 2014/15 from Bet365 for "The role of the gut microbiome in cognitive decline and risk for dementia". A total of £139,577.85 was paid for this project to April 2018 to Kings College London. This is shown as restricted funds in the accounts.

The Foundation also received an award of £488,040 in 2016/2017 from the Denise Coates Foundation for "The role of the urinary microbiome in relation to Morbidity in Older People". A total of £63,272.35 was paid for this project to April 2018 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 a 5% administration fee of £12,500). The second Year 2 Grant was due on 1st April 2018.

CHRONIC DISEASE RESEARCH FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2018

These funds have been used for two grants:

1. "Investigation of the microbiome in rheumatoid arthritis discordant monozygotic twins". The full amount of the grant has been paid which is £7013.
2. "BIOTWINCOT: biology of twins from conception to toddler". The full amount of the grant has been paid which is £9,917.14.

The forward commitments of the fund are the following:

1. Exploring the cardio-metabolic health associated with the faecal metabolome" – an amount of £148,442 over a period of 4.5 years. Equivalent to £32,987 per annum.
2. "Utilising omega 3 and fibre to improve metabolic health" – an amount of £119,842 over 3 years. Equivalent to £39,947 per annum.
3. "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.
4. "Gut microbiome modulation of fasting glucose homeostasis and postprandial glycaemic response in TwinsUK and PREDICT: towards personalised diet for healthy aging" – an amount of £147,494 over 27 months. Equivalent to £65,552 per annum.
5. "Changes in peripheral blood mononuclear cell (PBMC) immunophenotypes during immunotherapy for stage 4 melanoma" – an amount of £9,400 for a pilot study.
6. "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 3 years. Equivalent to £49,999 per annum.

The total commitments over the next 12 months are £227,166. The Denise Coates Foundation pledge will cover that commitment and if for any reason, they do not honour their commitment, there are sufficient funds available to cover the cost of these awards.

Financial review

The results for the year show a surplus of £710,770 (2017: £573,726 as restated). The closing Net Assets were £1,612,454 (2017: £901,684 as restated)

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 £4,466, based on the 2018 administration costs. At the end of the year, unrestricted funds amounted to £108,943, 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 £449.55 in donations from private donors.

CHRONIC DISEASE RESEARCH FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2018

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 options of investing the funds. Currently excess funds are held in the Shawbrook 60-day account which pays 0.8% 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:

- Assessing the role of long and short-term food choices on gut microbiome-induced visceral fat mass accumulation

A further donation of £701,673 has been pledged to equip and staff a Microbiome Laboratory.

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

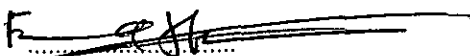
Mr M D B Simon

Mr N S Pike

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.

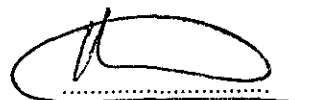
The Trustees' report was approved by the Board of Trustees.



Dr E Stonehill

Trustee

Dated: 5/2/19.....



Mr M D B Simon

Trustee

Dated: 5/2/19.....

CHRONIC DISEASE RESEARCH FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 5 APRIL 2018

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

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 2018.

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).

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.

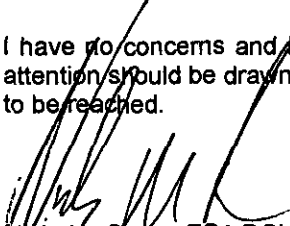
Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting 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
18 Hyde Gardens
Eastbourne
East Sussex
BN21 4PT

Dated: 19/2/18

CHRONIC DISEASE RESEARCH FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 5 APRIL 2018

	Notes	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £	Total 2017 £
Income from:					
Donations and legacies	3	750	964,173	964,923	761,107
Investments	4	2,269	-	2,269	2,658
Total income		3,019	964,173	967,192	763,765
Expenditure on:					
Charitable activities	5	-	256,422	256,422	190,039
Net incoming resources before transfers		3,019	707,751	710,770	573,726
Gross transfers between funds		2,161	(2,161)	-	-
Net income for the year/ Net movement in funds		5,180	705,590	710,770	573,726
Fund balances at 6 April 2017		103,763	797,921	901,684	327,958
Fund balances at 5 April 2018		108,943	1,503,511	1,612,454	901,684

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 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	10		-		9
Current assets					
Debtors	12	701,672		262,500	
Cash at bank and in hand		1,016,658		715,580	
		<u>1,718,330</u>		<u>978,080</u>	
Creditors: amounts falling due within one year	13	(105,876)		(76,405)	
Net current assets			1,612,454		901,675
Total assets less current liabilities			<u>1,612,454</u>		<u>901,684</u>
Income funds					
Restricted funds	14		1,503,511		776,503
Unrestricted funds			108,943		125,181
			<u>1,612,454</u>		<u>901,684</u>

The financial statements were approved by the Trustees on ...05.102.19..



Trustee

CHRONIC DISEASE RESEARCH FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 5 APRIL 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	18		298,809		373,235
Investing activities					
Interest received		2,269		2,658	
Net cash generated from Investing activities			2,269		2,658
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			301,078		375,893
Cash and cash equivalents at beginning of year			715,580		339,687
Cash and cash equivalents at end of year			<u>1,016,658</u>		<u>715,580</u>
Short term deposits included in current asset investments			-		-
Bank overdrafts included in creditors payable within one year			-		-

CHRONIC DISEASE RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2018

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 2018

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 Impairment of fixed assets

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

1.8 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.

CHRONIC DISEASE RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2018

1 Accounting policies

(Continued)

1.9 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.

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.

CHRONIC DISEASE RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2018

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2018	2018	2018	2017
	£	£	£	£
Donations and gifts	750	-	750	498,607
Grants	-	964,173	964,173	262,500
	<u>750</u>	<u>964,173</u>	<u>964,923</u>	<u>761,107</u>
For the year ended 5 April 2017	<u>10,567</u>	<u>750,540</u>		<u>761,107</u>

4 Investments

	Unrestricted funds	Total
	2018	2017
	£	£
Interest receivable	<u>2,269</u>	<u>2,658</u>

5 Charitable activities

	2018	2017
	£	£
Grant funding of activities (see note 6)	238,560	177,679
Share of governance costs (see note 7)	17,862	12,360
	<u>256,422</u>	<u>190,039</u>
Analysis by fund		
Restricted funds	<u>256,422</u>	
For the year ended 5 April 2017		
Unrestricted funds		(21,418)
Restricted funds		<u>211,457</u>
		<u>190,039</u>

CHRONIC DISEASE RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2018

6 Grants payable

	2018 £	2017 £
Grants to institutions:		
Role of the gut microbiome in cognitive decline and risk for dementia	100,960	140,717
Role of urinary microbiome in relation to Morbidity on Older People	90,100	36,962
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	11,498	-
A statistical framework for personalised nutrition recommendations based on genetic and anthropometric data	8,937	-
Utilising Omega 3 and Fibre to improve metabolic health	10,135	-
	<u>238,560</u>	<u>177,679</u>

The above grants were made to Kings College, London.

7 Support costs

	Support costs £	Governance costs £	2018 £	2017 £
Depreciation	-	9	9	3
Accountancy	-	1,320	1,320	1,440
Legal and professional	-	11,906	11,906	4,583
Management expenses	-	4,562	4,562	6,314
Bank charges	-	65	65	20
	<u>-</u>	<u>17,862</u>	<u>17,862</u>	<u>12,360</u>
Analysed between				
Charitable activities	<u>-</u>	<u>17,862</u>	<u>17,862</u>	<u>12,360</u>

Governance costs includes payments to the independent examiners of £600 (2017- £1,440) for independent examination fees and £720 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.

CHRONIC DISEASE RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2018

9 Employees

There were no employees during the year.

10 Tangible fixed assets

	Fixtures and fittings £
Cost	
At 6 April 2017	1,887
At 5 April 2018	<u>1,887</u>
Depreciation and impairment	
At 6 April 2017	1,878
Depreciation charged in the year	9
At 5 April 2018	<u>1,887</u>
Carrying amount	
At 5 April 2017	<u>9</u>

	2018 £	2017 £
11 Financial instruments		
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>701,672</u>	<u>262,500</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>105,876</u>	<u>76,405</u>

	2018 £	2017 £
12 Debtors		
Amounts falling due within one year:		
Trade debtors	<u>701,672</u>	<u>262,500</u>

Trade Debtors 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.

CHRONIC DISEASE RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2018

13 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	103,657	76,405
Accruals and deferred income	2,219	-
	<u>105,876</u>	<u>76,405</u>

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 2018 £
	Balance at 6 April 2017 £	Incoming resources £	Resources expended £	Transfers £	
Gut microbiome in cognitive decline & risk for dementia	101,304	-	(100,960)	(344)	-
Urinary Microbiome	428,078	-	(90,099)	-	337,979
DEXA machine	1,817	-	-	(1,817)	-
Laboratory	-	701,673	-	-	701,673
Microbiome research projects	250,000	250,000	(47,501)	-	452,499
Administration	16,722	12,500	(17,862)	-	11,360
	<u>797,921</u>	<u>964,173</u>	<u>(256,422)</u>	<u>(2,161)</u>	<u>1,503,511</u>

The Gut microbiome in cognitive decline and risk for dementia fund consists of amounts received and spent with the restricted purpose of supporting the 3 year project exploring the role of the gut microbiome in cognitive decline and risk for dementia. Initial funding received included £15,000 to cover the foundations administration costs.

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 DEXA machine fund is for the purpose of contributing towards the cost of a new DEXA machine in the department of Twin Research at St Thomas' Hospital.

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.

CHRONIC DISEASE RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2018

15 Analysis of net assets between funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £	Total 2017 £
Fund balances at 5 April 2018 are represented by:				
Tangible assets	-	-	-	9
Current assets/(liabilities)	108,943	1,503,511	1,612,454	901,675
	<u>108,943</u>	<u>1,503,511</u>	<u>1,612,454</u>	<u>901,684</u>

16 Related party transactions

Transactions with related parties

During the year, £11,906 was charged by Collyer Bristow for administration services and the whole amount remained outstanding at the end of the year (2017: £4,583, of which £1,094 was outstanding). Mr M D B Simon, trustee, is a partner of Collyer Bristow.

17 Restatement of comparatives

Due to errors in previous years, adjustments have been needed to the comparative figures and opening balances. The changes to the 2017 accounts, as previously submitted, were as follows:

		Per original accounts £	Adjusted £	Revised closing figures £
Statement of financial activities				
Total income	a	501,265	262,500	763,765
Total expenses		(190,039)	-	(190,039)
		<u>311,226</u>	<u>262,500</u>	<u>573,726</u>
Statement of financial position				
Net assets		<u>639,184</u>	<u>262,500</u>	<u>901,684</u>
Unrestricted funds	b	67,593	36,170	103,763
Restricted funds	c	571,591	226,330	797,921
		<u>639,184</u>	<u>262,500</u>	<u>901,684</u>

CHRONIC DISEASE RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2018

17 Restatement of comparatives

(Continued)

	£	
a Grant income accrued in 2016/17 and omitted from debtors	262,500	
	<u>262,500</u>	
b Bank interest reanalysed to Unrestricted funds	2,392	
Historic administration costs reimbursed by Administration Restricted fund	33,778	
	<u>36,170</u>	
	<u>36,170</u>	
c Historic admin costs reimbursed to Unrestricted funds	(33,778)	
Bank interest reanalysed to Unrestricted funds	(2,392)	
Grant income accrued in 2016/17 and omitted from debtors	262,500	
	<u>226,330</u>	
	<u>226,330</u>	
18 Cash generated from operations	2018	2017
	£	£
Surplus for the year	710,770	573,726
Adjustments for:		
Investment income recognised in statement of financial activities	(2,269)	(2,658)
Depreciation and impairment of tangible fixed assets	9	3
Movements in working capital:		
(Increase) in debtors	(439,172)	(262,500)
Increase in creditors	29,471	64,664
Cash generated from operations	298,809	373,235
	<u>298,809</u>	<u>373,235</u>