

Annual Report and Accounts 2008

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Legal and Administrative Information

<i>Charity Name</i>	Wessex Medical Trust
<i>Trust Office</i>	Building 37 University Road Highfield Southampton SO17 1BJ
<i>Registered Charity Number</i>	274839

Patrons and Trustees**Patrons:**

The Lords Lieutenant of Dorset, Hampshire, Wiltshire and the Isle of Wight
The Bailiffs of Guernsey and Jersey
Sir Norman Browse FRCS, President of the States of Alderney
Lawrie McMenemy MBE
Alastair Stewart OBE
The Lady Fieldhouse

Trustees

Pamela Kimber	<i>Chairman</i>
Richard Blackburn	
Professor Iain Cameron	<i>Appointed by the University of Southampton.</i>
Sir deVic Carey	
Peter Hall	
David Hoare	
Michael Killingley	<i>Appointed 1 February 2008</i>
Malcolm Le Bas	
Lady Malvena Stuart Taylor	<i>Appointed by Southampton University Hospitals NHS Trust</i>
Professor David Williams	<i>Dean of the Faculty of Medicine, Health and Life Sciences University of Southampton</i>
Michael Wilkins	

Officers and Advisers*Independent Examiner*

PEH Wright ACA
Chartered Accountant
Sheen Stickland LLP
7 East Pallant
Chichester
West Sussex
PO19 1TR

Honorary Solicitors

Bond Pearce LLP
Oceana House
Commercial Road
Southampton
SO15 1GA

Bankers

HSBC Bank plc
165 High Street,
Southampton
SO14 2NZ

Investment Managers

M&G Securities Limited
M&G House
Victoria Road
Chelmsford
CM1 1FB

Scientific Advisory Panel

Prof. David Williams

Chairman

Prof. Iain Cameron

Head of School of Medicine,
University of Southampton

Prof. David Shepherd

Head of School of Biological Sciences,
University of Southampton

Prof. Jessica Corner

Head of School of Health Sciences,
University of Southampton

Prof. Tony Kendrick

Associate Dean, Clinical Research,
Faculty of Medicine Health and Life Sciences,
University of Southampton

Prof. Nick Donnelly

Head of School of Psychology
University of Southampton,

Chairman's Statement



“This has been a year of reorganisation and consolidation.”

The grants from our Innovation Fund have continued at the same monetary value but, reacting to a request from our beneficiary, the Faculty of Medicine, Health and Life Sciences at the University of Southampton, they were this year awarded in five units of up to £20,000 each instead of the ten units of up to £10,000 each as previously. The increased scope which the larger individual grants offer has been welcomed by the researchers and we are continuing this revised system into 2009 and beyond.

2008 also saw the introduction of two new-style grants, again following consultation with the research community. The three summer vacation grants for second year undergraduates were much sought after and the successful applicants produced some very encouraging (and in one case quite spectacular) results. The take up of travel grants to enable students in the School of Medicine to present their 4th year projects at conferences has been slower than expected but we are encouraged by the response to date and anticipate this will grow as the grants become more integrated in the structure of the undergraduate course.

In September, we took up an offer of office accommodation within the University and moved our operation to the Highfield Campus. The cost savings, both in running an independent establishment and in certain staff support expenses, will be particularly valuable to our future financing.

Once again, our fundraising activities have been shouldered by our volunteer groups. Each group has made a solid contribution and for that we are extremely grateful. Whilst all the volunteer groups have been successful in their own particular way, I would just like to mention especially the extremely successful Art Exhibition staged in Lymington by the New Forest Group in August: over a three day period, this event managed to raise an extremely impressive £6,000 for us whilst at the same time spreading the word about our activities amongst an influential section of the local community. Our runners in the London Marathon were also very successful, raising between them a total of some £12,000.

Aside from this, our income during the year has been limited and, as anticipated, we have had to draw on our cash reserves in order to maintain the level of grants funding. Whilst this in itself is not a problem in the short term, clearly we will need to look to achieve greater income in future years if we are to continue the present pattern of grant giving.

We are again continuing our attempts to create or revive further volunteer groups and we remain optimistic that one or more of our initiatives will result in another group becoming active before the end of 2009

The formal objectives of the Wessex Medical Trust continue to be to fund high class peer reviewed medical and health research in the Wessex region. In particular:

1. To provide pump priming grants to early career researchers from our Innovation Fund. The Trust has a track record of starting the research programmes of early career researchers, who are generally the younger scientists, and this has often led to excellent results and further funding from larger organisations;
2. To attract major grants from bodies such as the States of Jersey and the States of Guernsey.
3. To facilitate and support ad hoc projects such as the current research into breast cancer, prostate cancer, Alzheimer's disease, osteoporosis, meningitis and leukaemia.

We are again pleased to record our gratitude for the support received from our Scientific Advisory Panel and the numerous external peer reviewers whom we consult in connection with all our grant applications. The list of grants awarded which is given later in this report shows a satisfactory result for the year: although smaller in monetary terms than last year's total, we did explain then that the latter figure included a number of 'one off' awards.

The Trustees remain very mindful of the time and effort willingly given by so many of our supporters as well as the dedication of the staff in the Trust Office and, once again, it is my pleasure to record my grateful thanks to each of them.

Overall, I am able to report that the Trust remains on a stable footing and we can look forward with confidence to maintaining the current level of grants for a number of years yet.

Pamela Kimber

Trustees Report

This report should be read in conjunction with information shown on pages 2 and 3 and the Chairman's statement on pages 4 and 5.

The Trustees present their report along with the Financial Statements of the Trust for the year ended 31 December 2008. The Financial Statements have been prepared in accordance with the accounting policies set out on page 15 and comply with the trust deed, the Charities Act 2006 and the Statement of Recommended Practice (Accounting and Reporting by Charities) 2005.

Charitable Objects

Wessex Medical Trust is an unincorporated Trust established by a Declaration of Trust dated 7th November 1977 and subsequent Charity Commission Schemes.

The objects of the charity are to further medical education, medical research and medical practice in the Faculty of Medicine, Health & Life Sciences of the University of Southampton.

The Trustees award grants for the purposes of medical research and the advancement of medical practice and medical education, all for the public benefit. These include the provision of:

- bursaries and scholarships for students;
- teaching facilities and medical equipment of all kinds for the Faculty; and
- amenities for the students and staff of the Faculty including any person engaged on medical research or instruction of medical students in connection with the Faculty

at such hospitals, places of education and other establishments as shall from time to time be used for the instruction of students or the carrying out of medical research.

The Trust considers it fulfils the requirements of charitable purpose and public benefit as set out in the Charities Act 2006:

- its principal charitable purpose is the advancement of health but it also contributes incidentally to the relief of those in need by reason of ill health or disability;
- its aims—as set out above—are clear and the benefits it creates are directly related to these aims and outweigh any potential detriments;
- the general public are the ultimate beneficiary of the Trust's activities through the advancement of medical science. Research papers produced as a result of each grant given are available in the public domain and the clinical benefits of the research are, subject to any necessary regulatory approval processes, immediately available to the general public, both in the Wessex region and beyond.

Trustees

The Board of Trustees comprises a maximum of twelve elected persons who may serve for up to two 3-year terms before retiring for a period of at least one year. The Dean of the Faculty of Medicine, Health and Life Sciences is an ex-officio Trustee. The University of Southampton and the Southampton University Hospitals NHS Trust may each appoint one person to be a Trustee.

Grants Awarded

Details of all grants awarded during 2008 are set out on page 10. There were a total of 16 grants amounting in aggregate to £281,109 and overall, 30 applicants made submissions for one or more of these. The Trustees are pleased to report that, once again, the grants made covered a wide range of diseases and conditions.

Trustees Report

Research Results

The Trust not only has a rigorous process to ensure the quality of the research it supports but it also has a system of requiring reports on research results. This allows the Trustees to monitor progress from the fellowships and project grants that we give.

Financial Review

Unrestricted income for the year was in accordance with the budget and included £26,266 of the total of £66,225 raised by the Trust's volunteer groups.

Despite fundraising and administrative costs being strictly controlled they continue to be a strain on the limited resources of the Trust.

The Trustees are continuing to take steps to control costs.

Details of restricted fund movements during the year are set out in Note 17 to the financial statements and details of grants awarded are on page 10.

The overall financial position of the Trust remains sound.

The Future

During 2006 the Trustees decided on a realignment of the Trust's priorities. The major emphasis is now on providing pump priming grants to early career researchers from the Innovation Fund. However, where other funding is made available to the Trust, this continues to be allocated in the traditional way: such funding includes the valuable grants from the States of Jersey and the States of Guernsey.

Governance

The Trust is governed by a Board of Trustees who are each elected for a three year period. A maximum of two consecutive three year periods may be served after which the Trustee must retire. Trustees may then be re-elected after a gap of at least one year. An exception is the Dean of the Faculty of Medicine, Health and Life Sciences of the University of Southampton whose appointment is *ex-officio*.

The Trustees aim to ensure that the board has a mixture of experience and talents and is representative of the Wessex region and the Channel Islands. Once elected, the Trustees are given full written information about their duties and about the Trust and are invited to have a discussion with the Trust Director about specific policies and procedures of the time. They are also made familiar with the Trust's work through activities such as the annual Volunteer Groups Day and, of course, attendance at Board Meetings. A Trustee induction pack is given to all new Trustees.

The Board meets at least three times each year: in January; in the late spring to receive and approve the annual accounts for the previous year; and in the autumn to review the performance of the Trust during the first half year. In addition, the Trustees attend to all matters of policy and governance.

An Executive Committee, comprising the Chairman, the Dean, the Trustee with responsibility for Finance and two additional co-opted Trustees, meets approximately every two months with the Trust Director to review progress. Its minutes are circulated to all Trustees.

The Board of Trustees accepts full responsibility for all of the activities of the Trust and has approved a comprehensive set of policies and procedures that the employed staff are required to follow. The Board seeks external, professional advice where it feels this is appropriate.

Trustees Report *continued*

The Trustee with responsibility for Finance is charged with ensuring that sufficient controls and procedures are in place to protect the interests of our donors and of our Trustees and that the Trust satisfies the requirements of the Charity Commission, as well as advising the Board on financial matters such as the investment of its funds and on other issues such as a reserves policy. The Trustees have appointed M&G to act on their behalf in the investment of funds whilst awaiting application. In addition, owing to the relatively large cash inflow arising from legacies during the year, interest-earning cash deposit accounts have been opened with the Trust's bankers, HSBC and with Bank of Scotland.

As a Member of the Association of Medical Research Charities (AMRC), the Trust subscribes to a code of conduct which includes subjecting applications for funding to peer review in order that the merit and likely outcome of the project can be gauged and the scientific integrity of the projects being funded by the Trust ensured.

To maintain this process independently of the Board of Trustees, the Trust has a Scientific Advisory Panel, chaired by the Dean of the Faculty of Medicine, Health and Life Sciences at the University of Southampton. Panel members are listed on page 3 and each serves for a maximum three year term (with a possible single extension of 2 years) or for the length of their relevant appointment at the University, whichever is shorter. Each member is precluded from receiving any research grant from the Trust during their period of office.

On each occasion, once the Scientific Advisory Panel has vetted all applications for a grant for both scientific quality and relevance to the declared priorities of the Faculty from time to time, its preferred application will invariably be sent for external peer review, normally by at least two reviewers. Additionally, internal peer review may also be sought.

Once peer review has been satisfactorily concluded, the Trustees will be invited to authorise the relevant grant.

Grants are formally awarded by the Trustees on a discretionary basis.

Risk Management

The Trustees have instituted a procedure for considering the risks to which the Trust is exposed and have taken steps to remove or minimise these risks where they are within their control. In evaluating these risks, the Trustees have identified the volatility of the stock market as a significant financial risk. The reserves policy details the procedures in place to mitigate this risk. The Trustees have also identified a risk of lack of free reserves during the year: steps to mitigate this risk are detailed in the paragraph of this report entitled 'Reserves Policy' and in the Chairman's Statement.

Investment Policy

The Trustees have full discretionary investment powers in accordance with the declaration of trust dated 7th November 1977 under which the Trust was set up. They have chosen to invest in two M&G unit trusts, Charifund and Charibond, and cash. Charifund is equity based. Charibond is gilts based. The Trustees keep the allocation between the funds and cash under regular review to maintain a balance of risk.

The overall value of these investments declined during the year as result of the general downturn in the financial markets.

Trustees Report *continued*

Reserves Policy

It is the policy of the Trust to set aside out of reserves designated funds to cover the following eventualities:

- An investment reserve equal to 30% of the value of fixed asset Investments, in recognition of the potential volatility of quoted investments and the short term uncertainty in the Trust finances
- An operational reserve to provide financial stability by protecting the Trust from the effects of fluctuations in the levels of unrestricted income from year to year. The Trustees have evaluated the sum currently required to be £100,000.

Free Reserves and Details of Designated Funds are set out in Notes 18 and 19 to the accounts.

The Board of Trustees thanks our honorary solicitors, Bond Pearce, for their assistance during the year. We are also extremely grateful to the external advisors who gave their time voluntarily as members of the Scientific Advisory Committee.

Finally we are enormously grateful to all our donors, many of long standing, who have continued to support our work: without their support the charity could not have achieved so much over recent years. Members of our volunteer fundraising groups work tirelessly organising events to raise funds and gain publicity for the charity. Our thanks go out to them all.

GRANTS AWARDED FOR THE PERIOD: 1ST JANUARY 2008 - 31ST DECEMBER 2008

Ref	Grantee <i>Research Project</i>	Total Value £
M20	Dr Andrew Walls States of Jersey Grant <i>Anaphylactic reactions as a major cause of death in drug users.</i>	44,901
M22	Dr Juliet Gray <i>Optimising therapy with immunostimulatory monoclonal antibodies in pre-clinical neuroblastoma models</i>	10,000
N01	Postgraduate Conference Prizes	1,000
N02	Gillian Ritchie Undergraduate vacation grant <i>Test retest reliability of a wrist and elbow rig for use in assessing motor impairments of the upper arm</i>	1,440
N03	Christopher Tse Undergraduate vacation grant <i>T cell activation status detection, using label-free impedance based system</i>	1,440
N04	Emma Murray Undergraduate vacation grant <i>Effect of inflammation on anti-coagulant function of vascular endothelial cells</i>	1,440
N05	Dr Jens Madsen <i>Recombinant surfactant Protein D as a potential therapeutic against respiratory syncytial virus infections</i>	20,000
N06	Dr Sandrine Willaime-Morawek <i>Brain tumour development: role of the neural stem cells and their microenvironment or niche</i>	20,000
N07	Dr Graham Burdge <i>Mechanisms for induced changes in the epigenome during early development</i>	10,000
N08	Dr Tom Wilkinson <i>Ex-vivo modelling of infection and therapeutics in COPD and asthma</i>	19,926
N09	Dr Wolff Scholtz <i>Prenatal adversity and brain development</i>	18,000
N10	10 x Undergraduate Medical Student Travel Grants	2,500
N11	Dr Paul Townsend <i>Proteomic characterisation of novel breast cancer biomarkers (Further Grant)</i>	65,000
N12	Dr Paul Townsend <i>Proteomic characterisation of novel prostate cancer biomarkers</i>	30,087
N13	Dr Bashir Zeidan Spire Healthcare Limited Research Grant <i>Proteomic characterisation of novel breast cancer biomarkers</i>	30,000
N14	Prof John Warner Henry Bartlam Trust Fund (additional grant)	5,375
	Annual Total 2008	281,109

Statement of Trustees' Responsibilities

Under charity law, the Trustees are required to prepare financial statements for each financial year which show a true and fair view of the Trust's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements, generally accepted accounting practice entails that the Trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the recommendations of applicable Accounting Standards and the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP 2005) 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 the Trust will continue its activities.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the Trust Deed of the Trust, within the framework of Trust law. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Trust and to prevent and detect fraud and other infringements.

These accounts comply with the current statutory requirements and with the requirements of the Trust's governing document and the Charities SORP 2005.

Signed on behalf of the Trustees

1 May 2009

INDEPENDENT EXAMINERS' REPORT TO THE TRUSTEES OF WESSEX MEDICAL TRUST

YEAR ENDED 31 DECEMBER 2008

I report on the accounts for the year ended 31st December 2008 set out on pages thirteen to twenty-one.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under Section 43(2) of the Charities Act 1993 (the 1993 Act)) and that an independent examination is required.

It is my responsibility to:

- examine the accounts under Section 43(3)(a) of the 1993 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 43(7)(b) of the 1993 Act); and
- to state whether particular matters have come to my attention.

BASIS OF THE INDEPENDENT EXAMINER'S REPORT

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 accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, 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 I do not express an audit opinion on the view given by the accounts.

INDEPENDENT EXAMINER'S STATEMENT

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
 - to keep accounting records in accordance with Section 41 of the 1993 Act; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 1993 Act

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

PEH Wright ACA
Chartered Accountant
Sheen Stickland LLP
7 East Pallant
Chichester
West Sussex
PO19 1TR

Date: May 2009

**Statement of Financial Activities (including income and expenditure account)
For the Year Ended 31st December 2008**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2008 £	Total Funds 2007 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income					
Donations	2a	69,437	60,231	129,668	319,937
Legacies	2b	31,515	-	31,515	314,565
Activities for generating funds		27,982	39,959	67,941	138,371
Investment income	3	75,749	-	75,749	61,349
Total incoming resources		204,683	100,190	304,873	834,222
Resources expended					
<i>Costs of generating funds</i>	5	63,869	25,205	89,074	90,089
Net incoming resources available for charitable application		140,814	74,985	215,799	744,133
<i>Charitable Activities: advancement of medical research</i>					
Grants payable in furtherance of the charity's objects	7	105,744	174,031	279,775	394,420
Transfer of Gift of Sight funds to the University of Southampton Development Trust		-	16,852	16,852	20,000
Support costs of activities in furtherance of the charity's objects	4	42,993	-	42,993	46,358
Total charitable activities		148,737	190,883	339,620	460,778
<i>Governance costs</i>	4	9,165		9,165	11,539
Total resources expended	6	221,771	216,088	437,859	562,406
Net incoming/(outgoing) resources before other recognised gains/(losses)		(17,088)	(115,898)	(132,986)	271,816
Other recognised gains/(losses) on investment assets					
Unrealised gains/(losses) on investment assets	10/11	(216,359)	-	(216,359)	(76,058)
Net movement in funds		(233,447)	(115,898)	(349,345)	195,758
Balances brought forward at 1 st January 2008		639,177	216,792	855,969	660,211
Balances carried forward at 31 st December 2008		405,730	100,894	506,624	855,969

All amounts relate to continuing activities.

There were no other recognised gains or losses during the period.

The notes on pages 15 to 21 form part of these financial statements.

Balance Sheet as at 31st December 2008

	Note	2008 £	2007 £	
Fixed Assets				
Tangible Assets	9	-	-	
Investments	10	439,653	648,893	
		439,653	648,893	
Current Assets				
Investments	11	368,635	375,754	
Debtors	12	6,487	104,845	
Short Term Deposits		300,000	305,065	
Cash at bank and in hand		78,372	103,874	
		753,494	889,538	
Current Liabilities				
Amounts falling due within one year	13	(604,986)	(520,922)	
Net Current Assets / (Liabilities)				
		148,508	368,616	
Total Assets less Current Liabilities				
		588,161	1,017,509	
Liabilities				
Amounts falling due after more than one year	14	(81,537)	(161,540)	
Net Assets				
	16	506,624	855,969	
Funds				
Unrestricted	General	18	173,834	344,509
	Designated	18	231,896	294,668
Restricted		17	100,894	216,792
		506,624	855,969	

These financial statements were approved by the Board of Trustees on 1st May 2009 and were signed on its behalf by

Pamela Kimber
Chairman

The notes on pages 15 to 21 form part of these financial statements.

Notes forming part of the financial statements

1. Accounting policies

- a) The financial statements are prepared under the historical cost convention as modified by the revaluation of investments at market value, and are in accordance with applicable Accounting Standards, the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005) and the Charities Act 1993.
- b) The restricted funds represent monies received by the Trust that is specified by the donors for particular projects. The unrestricted fund represents uncommitted funds. The designated funds are unrestricted funds that have been set aside by the Trustees for a specific purpose.
- c) Investments are stated at mid-market value. Investments that are separately held to meet current obligations are treated as current assets. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.
- d) All resources expended, including irrecoverable VAT, are charged against income on an accruals basis. Expenditure is allocated directly where the costs are directly attributable otherwise on a basis of staff usage and their allocation of time. Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the Trust. Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.
- e) Donations and legacies are recognised in the Statement of Financial Activities only when there is a reasonable assurance of receipt.
- f) Dividends on investments and bank interest are accounted for on the accruals basis.
- g) Fixed assets are depreciated over their estimated useful lives. The method of depreciating Fixtures, Fittings and Equipment is 33% on cost. All assets costing over £500 are capitalised.
- h) Costs in respect of operating leases are charged on a straight line basis over the lease term.
- i) Gifts in kind are recognised at market value at the date of receipt.

2a. Donations

	2008	2007
	£	£
Trusts and foundations	44,300	10,989
Individuals	21,245	62,282
Gift aid	6,296	21,460
Corporate	39,500	213,363
Community groups	14,098	7,577
Other	4,229	4,266
	<u>129,668</u>	<u>319,937</u>

2b. Legacies

December 2008 the Trust had not been notified of any legacies which could not be quantified with certainty.

At 31 December 2007 the Trust had received total sumes on account of £195,000 in respect of a legacy. Further amounts due were unable to be quantified with certainty and therefore were not included in the Statement of Financial Activities.

3. Investment Income

	2008	2007
	£	£
Income from UK quoted investments	56,853	55,099
Income on short term deposits and cash	18,896	6,250
	<u>75,749</u>	<u>61,349</u>

4. Allocation of Support Costs

	Fundraising	Charitable Activities	Governance	Total
	£	£	£	£
Staff Costs	14,349	15,357	1,008	30,714
Office Costs	9,158	11,549	775	21,482
Computer Costs	608	405	-	1,013
Professional Fees	13,211	16,242	4,481	33,934
Audit & Independent Examination	-	-	2,901	2,901
Depreciation / Profit on disposal of assets	(840)	(560)	-	(1,400)
	<u>36,486</u>	<u>42,993</u>	<u>9,165</u>	<u>88,644</u>

Staff costs and professional fees (relating to bookkeeping, accountancy and trust director) have been apportioned by the approximate amount of time spent in each area by the staff/professional to which the cost relates.

Office costs, computer costs and depreciation on equipment have been apportioned to the cost categories by reference to which activity the asset/cost related to.

5. Costs of Generating Funds

	Unrestricted	Restricted	2008	2007
	£	£	£	£
Salaries	26,031	-	26,031	24,900
Direct fundraising costs	19,045	1,209	20,254	25,473
Brochures and Leaflets	5,733	-	5,733	0
Advertising	570	-	570	1,109
Support Costs	12,490	23,996	36,486	38,607
	<u>63,869</u>	<u>25,205</u>	<u>89,074</u>	<u>90,089</u>

Notes forming part of the financial statements - continued**6. Analysis of Resources Expended**

	Staff £	Other £	2008 £	2007 £
Costs of Generating Funds	40,380	48,694	89,074	90,089
Grants payable in furtherance of the charity's objects	-	279,775	279,775	394,420
Transfer of Gift of Sight funds to the University of Southampton Development Trust	-	16,852	16,852	20,000
Costs of activities in furtherance of the charity's objects	15,357	27,636	42,993	46,358
Governance	<u>1,008</u>	<u>8,157</u>	<u>9,165</u>	<u>11,539</u>
	<u><u>56,745</u></u>	<u><u>381,114</u></u>	<u><u>437,859</u></u>	<u><u>562,406</u></u>

Staff costs include £5,106 in respect of social security costs (2007: £4,763)

The average number of persons employed by the Trust during the year was 3 (FTE 2) (2007: 3(FTE 2))

No remuneration was paid to any Trustee in 2008 (2007: nil)

No expenses were paid to Trustees (2007: nil)

7. Grants Awarded

During the year 2008, 16 grants totalling £281,109 (2007: 19 grants totalling £412,824) were awarded to the University of Southampton to fund educational posts and research projects as detailed on page 10. Grants not expended totalling £1,334 (2007: £18,404) were netted against these figures in the Statement of Financial Activities.

8. Auditors and Independent Examiner's remuneration

	2008 £	2007 £
Audit services (including under accrual for previous year)	26	3,826
Independent Examiner's services	2,875	-
Non-audit services	-	-
	<u><u>2,901</u></u>	<u><u>3,826</u></u>

Notes forming part of the financial statements - *continued***9. Tangible Fixed Assets**

	Fixtures, Fittings and Equipment £
Cost at 1st January 2008	14,319
Additions	-
Disposals	(12,090)
Cost at 31st December 2008	<u>2,229</u>
Accumulated depreciation at 1st January 2008	14,319
Charge for year	-
Disposals	(12,090)
Accumulated depreciation at 31st December 2008	<u>2,229</u>
Net Book Value	
31 st December 2008	<u>-</u>
31 st December 2007	<u>-</u>

10. Investments at market value: fixed assets

	£
Equities - UK	
Market Value at 1st January 2008	648,893
Unrealised loss for the year	(209,240)
Market value at 31st December 2008	<u>439,653</u>

The historical cost of investments at 31st December 2008 amounted to £484,736 (2007: £484,736).

The equities are investments held in the M&G Equities Investment Fund for charities (Charifund)

11. Investments at market value: current assets

	£
Government Stocks	
Market Value at 1st January 2008	375,754
Unrealised loss for the year	(7,119)
Market value at 31st December 2008	<u>368,635</u>

The historical cost of investments at 31st December 2008 amounted to £401,444 (2007: £401,444).

The government stocks are UK securities investments held in the M&G Charibond Charities Fixed Interest Common Investment Fund.

Notes forming part of the financial statements - continued**12. Debtors**

	2008	2007
	£	£
Other debtors	6,119	104,799
Prepayments	368	46
	<u>6,487</u>	<u>104,845</u>

13. Creditors: amounts falling due within one year

	2008	2007
	£	£
Grants payable	554,730	407,720
Trade creditors	40,340	61,357
Other creditors	1,831	719
Accruals	8,085	51,126
	<u>604,986</u>	<u>520,922</u>

14. Creditors: amounts falling due after more than one year

	2008	2007
	£	£
Grants payable	81,537	161,540
	<u>81,537</u>	<u>161,540</u>

15. Commitments under operating leases

As at 31st December 2008 the Trust had annual commitments under non-cancellable operating leases as set out below:

	2008		2007	
	Land and Buildings	Other	Land and Buildings	Other
	£	£	£	£
Operating leases which expire:				
Within 1 year	-	-	-	-
Within 2 - 5 years	-	2,961	12,338	2,961
Total	<u>-</u>	<u>2,961</u>	<u>12,338</u>	<u>2,961</u>

16. Analysis of net assets

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Fixed Assets	439,653	-	439,653
Current Assets	143,091	610,403	753,494
Current Liabilities	(147,821)	(457,165)	(604,986)
Amounts falling due after more than 1 year	(29,193)	(52,344)	(81,537)
Total Net Assets	<u>405,730</u>	<u>100,894</u>	<u>506,624</u>

Notes forming part of the financial statements - continued**17. Restricted Funds**

	2008	2007
	£	£
Opening balance at 1 st January 2008	216,792	162,439
Net movement in restricted funds	(115,898)	54,353
Balance at 31st December 2008	<u><u>100,894</u></u>	<u><u>216,792</u></u>

The income funds of the charity include restricted funds where the donors wish the monies to be applied in a specific research area. The Trust holds many different income funds and the largest of these are illustrated below.

The sums shown are the unexpended balances of donations held on trust to be applied for a specific purpose by the Trustees at a future date.

	Opening balance at 1st January 2008	Incoming Resources	ResourcesE xpended	Closing balance at 31st December 2008
	£	£	£	£
Asthma	9,506	-	-	9,506
Child health	5,400	-	(5,375)	25
Cancer	66,392	44,959	(96,296)	15,055
Meningitis	(22)	2,395	-	2,373
Miscellaneous medical research	4,307	63	-	4,370
Orthopaedics	6,101	40	415	6,556
Innovation fund	-	50	-	50
Gift of Sight	16,603	1,480	(16,852)	1,231
Spire (BUPA) research fellowships	1,071	38,880	(30,000)	9,951
Steve Mills fund	1,650	9,984	-	11,634
States of Guernsey	25,278	-	(13,996)	11,282
States of Jersey	67,675	-	(54,901)	12,774
Other disease specific funds	12,831	2,339	917	16,087
Total	<u><u>216,792</u></u>	<u><u>100,190</u></u>	<u><u>(216,088)</u></u>	<u><u>100,894</u></u>

During the year a sum of £16,852 was transferred from the Gift of Sight appeal fund to the University of Southampton Development Trust.

Notes forming part of the financial statements - *continued***18. Unrestricted Funds**

		2008	2007
		£	£
Unrestricted Funds consist of:			
Designated Funds	Note 19	231,896	294,668
Tangible Fixed Assets		-	-
Free Reserves		<u>173,834</u>	<u>344,509</u>
		<u><u>405,730</u></u>	<u><u>639,177</u></u>

19. Designated Funds

The following designated funds have been set aside from the unrestricted funds in accordance with the reserves policy set out on page 9

		2008	2007
		£	£
Investment Reserve		131,896	194,668
Operational Reserve		<u>100,000</u>	<u>100,000</u>
		<u><u>231,896</u></u>	<u><u>294,668</u></u>