

Annual Report and Accounts 2007

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WESSEX MEDICAL TRUST

Legal and Administrative Information

Charity Name	Wessex Medical Trust
Trust Office	St Mary's Stadium Britannia Road Southampton SO14 5FP
Registered Charity Number	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	Chairman
Richard Blackburn	
Professor Iain Cameron	Representing the University of Southampton.
Sir deVic Carey	
Peter Hall	
David Hoare	
Michael Killingley	appointed 1 February 2008
Malcolm Le Bas	
Lady Malvena Stuart Taylor	Representing Southampton University NHS Hospitals Trust
Professor David Williams	Dean of the Faculty of Medicine, Health and Life Sciences
	University of Southampton
Michael Wilkins	appointed 26 October 2007

Officers and Advisers

Auditors	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 Ltd M&G House Victoria Road

Chelmsford
CM1 1FB

WESSEX MEDICAL TRUST

Scientific Advisory Panel

Prof. David Williams
Prof. Iain Cameron

Prof. David Shepherd

Prof. Maria Stokes

Prof. Jim Stevenson

Dr Nick Donnelly

Chairman
Head of School of Medicine
University of Southampton
Head of School of Biological Sciences
University of Southampton
School of Health Professions and Rehabilitation Sciences
University of Southampton
Associate Dean, Research, Faculty of Medicine Health and
Life Sciences
University of Southampton
School of Psychology
University of Southampton

WESSEX MEDICAL TRUST

Chairman's Statement



“Following the uncertainties of recent years, I am pleased to be able to report a successful and settled year for the Trust. We have both seen a significant inflow of funds and have also been able to make a wide variety of grants for medical research.”

Our main thrust has been to make pump priming grants from our Innovation Fund to early career researchers. During the year twelve such grants, each of up to £10,000, were given to young researchers in the Faculty of Medicine, Health and Life Sciences at the University of Southampton. In addition we were able to make special grants from restricted funds of £70,000 for leukaemia research (from the Steve Mills Fund), £19,000 for continuing research into meningitis B, £50,000 for the ongoing project into early detection of breast cancer and £30,000 for osteoporosis as a result of monies raised at the biennial Great Hip and Knee Walk. Further, we were delighted to be in a position to award the annual grant from the States of Jersey and the biennial grant from the States of Guernsey, in each case continuing a pattern of endowment established over many years and for which we continue to be extremely grateful.

At the same time, we have been successful in dramatically reducing our overhead costs which of course in simple terms means that more of the income we receive flows straight through to provide grants in support of medical research

In our continuing endeavour to encourage new young researchers, we have just introduced a number of small 'tester' grants which will enable undergraduates in the second year of a three year course to undertake some specimen research in the summer vacation before entering their final year of studies. Separately, we are making available up to ten grants of £250 each to students in the School of Medicine to enable them to travel abroad and present their paper produced as a result of their 4th year project. It is hoped that each of these initiatives will encourage more students to consider a postgraduate career in medical research.

Our fundraising activities continue to be underpinned by the hard work of our volunteer groups. However, we have also been particularly fortunate during the year to have been the beneficiary of several substantial legacies. By its very nature, this source of income is unpredictable so, whilst we have been able to maintain the flow of Innovation Grants to young researchers, we have also prudently provided for some of this money to be available for application in future years, thus providing an element of 'smoothing' to the income stream. We will of course review the situation in the light of future income received but it does give us some confidence in our financial position for a few years hence, which is most reassuring.

WESSEX MEDICAL TRUST

We are continuing with our policy of encouraging both existing and new volunteer groups and increasingly, we have been able to arrange for some of those young researchers whom we have recently funded to come and speak at fundraising events. Experience shows that such talks have a disproportionately beneficial effect both on the morale of the volunteer groups and on their ability to attract more supporters. Whilst fundraising remains extremely important, we are careful not to take our eye off the fundraising aspect of our activities which we view as so important in maintaining an ongoing solid base for our activities.

The formal objectives of the Wessex Medical Trust remain 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, osteoporosis, meningitis and leukaemia.

Turning all the sums raised into good research grants is a task for which we receive substantial support from our Scientific Advisory Panel and from independent peer reviewers outside that panel. A list of grants awarded is given later in this report and it will be seen that there were more grants in number than in some years previously. The total value of grants awarded was £412,824 which is a very satisfactory result, although this does include a number of 'one-off' awards which will not necessarily recur in future years. We are, however, confident that, with the refocusing of the Trust's activities, we will continue to make a very significant contribution to medical research in the greater Wessex region.

Through the generosity of the University Development Office, we have been able to produce a promotional DVD for the Charity. This is now being finalised and it is hoped to make copies widely available to our supporters in the near future.

We are, as always, extremely grateful for the dedication and efforts of all our volunteers and the staff in the Trust Office and, on behalf of all the Trustees, I extend our heartfelt thanks to each of them.

The Trust is now on a sounder financial footing than for some time and, with funds available to support a continuing programme of grants for a number of years hence, we can look forward to the immediate future with some confidence of being able to continue our role of playing a significant part in medical research and education in the Wessex Region.

Pamela Kimber

WESSEX MEDICAL TRUST

Trustees Report

This report should be read in conjunction with information shown on pages i and ii and the Chairman's statement on pages iii - iv.

The Trustees present their report along with the Financial Statements of the Trust for the year ended 31 December 2007. The Financial Statements have been prepared in accordance with the accounting policies set out on page xv and comply with the trust deed, the Charities Act 1993 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.

WESSEX MEDICAL TRUST

Trustees Report

Grants Awarded

Details of all grants awarded during 2007 are set out on pages ix and x. There were a total of 19 grants amounting in aggregate to £412,824 and overall, 35 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.

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 £23,413 of the total of £134,019 raised by the Trust's volunteer groups.

Fundraising and administrative costs were reduced significantly for the second year running and, whilst continuing to monitor this area, the Trustees are satisfied that such costs are now realistic for the current size 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.

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 pumppriming 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 included 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 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.

WESSEX MEDICAL TRUST

Trustees Report

An Executive Committee, comprising the Chairman, the Dean, the Trustee with responsibility for Finance and two additional co-opted Trustees, meets approximately every six weeks 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.

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, an interest-earning cash deposit account has been opened with the Trust's bankers, HSBC.

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 ii 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 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.

Trustees Report

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 gilt based. The Trustees keep the allocation between the funds and cash under regular review to maintain a balance of risk. The total income on investments for the year was £55,099. This approximates to a return of 5.38% on the total investments value at the year end of £1,024,647.

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.

Trustees Report

GRANTS AWARDED FOR THE PERIOD: 1ST JANUARY 2007 - 31ST DECEMBER 2007

Ref	Grantee <i>Research Project</i>	Total Value £
M01	Postgraduate Conference Prizes	1,000
M04	Mr Alex Mirnezami <i>Investigating the role of microRNA's in Colorectal Cancer metastases</i>	9,305
M05	Dr Jane Cleal <i>Expression of novel amino acid transporters in the human placenta and fetal growth</i>	10,000
M06	Dr Claire Jackson <i>The expression and characterisation of nitric oxide synthases in primary ciliary dyskinesia</i>	10,000
M07	Dr Helen Esey <i>An evaluation of user engagement in primary care diabetes services in Southampton City Primary Care Trust</i>	9,931
M08	Mr Antonio Belli <i>Traumatic brain injury: monitoring with cerebral microdialysis in neurointensive care</i>	9,850
M09	Prof John Heckles Donation from Haslar Lodge <i>Dell Dimension 5150 computer</i>	500
M10	Dr Paul Townsend Guernsey Fundraisers <i>Proteomic screening for early detection in breast and colorectal cancer.</i>	50,000
M11	Ms Joanne Turnbull <i>Geographical variation in the use of general practice out-of-hours services: an investigation using modelling techniques.</i>	9,900
M12	Dr Saul Faust <i>Detection of clinically relevant chromosomal imbalances using new high resolution oligonucleotide array-cgh technology in primary immunodeficiency disorder associated with paediatric congenital heart disease.</i>	10,000
M13	Dr Kirsten Poore <i>Combating the risk of obesity: early life undernutrition and mechanisms of altered metabolic homeostasis in adult life.</i>	10,000

M14	Dr Tilman Sanchez-Elsner <i>microRNA-155 role in dendritic cell maturation and its involvement in asthma.</i>	10,000
M15	Dr Nicola Engllyst and Dr Judith Holloway <i>Development of novel high throughput micro-facs detection of endothelial microparticles for early screening of vascular disease.</i>	10,000
M16	Dr Simon Crabb <i>HDAC inhibitors and their relevance to breast cancer</i>	8,788
M17	Dr Andrew Duncombe Steve Mills Fund Grant <i>In vivo kinetics of stem cell homing in blood and marrow transplant patients—relevance to stem cell therapy in tissue repair.</i>	70,000
M18	Dr Paul Townsend 12th States of Guernsey Grant <i>Protemic screening for early detection of breast and colorectal cancer.</i>	100,000
M19	Dr H I Roach <i>The involvement of NF-κB and the effects of glucosamine and hyaluronan on the cytokine-induced loss of DNA methylation in osteoarthritic chondrocytes</i>	30,310
K07	Prof Mark Hanson BUPA Fellowships 2005 <i>Addition to original grant to fund 2 researchers for extended period</i>	34,240
M21	Prof John Heckles <i>Cellular interactions of meningitis-causing bacteria</i>	19,000
	Annual total 2007	412,824

Note: references M02 and M03 not used. M20 and M22 were not officially granted until 2008.

Trustees Report

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

9 May 2008

WESSEX MEDICAL TRUST

WESSEX MEDICAL TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF WESSEX MEDICAL TRUST

YEAR ENDED 31 DECEMBER 2007

We have audited the financial statements of Wessex Medical Trust for the year ended 31 December 2007 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with Section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND THE AUDITORS

The responsibilities of the trustees for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities on page x.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with the regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Trustees' Annual Report and the Chairman's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the charity's state of affairs as at 31 December 2007 and of its incoming resources and application of resources, in the year then ended; and

- have been properly prepared in accordance with the Charities Act 1993.

Sheen Stickland LLP
Chartered Accountants
Registered Auditors
7 East Pallant
Chichester
West Sussex PO19 1TR

9 May 2008

WESSEX MEDICAL TRUST
Statement of Financial Activities (incorporating income and expenditure account) for the Year Ended 31st December 2007

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2007	Total Funds 2006
		£	£	£	£
Incoming resources					
Incoming resources from generated funds					
Voluntary income					
Donations	2a	46,747	273,190	319,937	89,193
Legacies	2b	314,565	-	314,565	27,350
Activities for generating funds		27,825	110,546	138,371	105,246
Investment income	3	36,449	24,900	61,349	62,688
Total incoming resources		425,586	408,636	834,222	284,477
Resources expended					
<i>Costs of generating funds</i>	5	77,926	12,163	90,089	169,354
Net incoming resources available for charitable application		347,660	396,473	744,133	115,123
<i>Charitable Activities: advancement of medical research</i>					
Grants payable in furtherance of the Charity's objects	7	72,300	322,120	394,420	116,878
Transfer of Gift of Sight funds to the University of Southampton Development Trust		-	20,000	20,000	151,000
Support costs of activities in furtherance of the charity's objects	4	46,358	-	46,358	62,729
Total charitable activities		118,658	342,120	460,778	330,607
<i>Governance costs</i>	4	11,539	-	11,539	12,684
Total resources expended	6	208,123	354,283	562,406	512,645
Net incoming/(outgoing) resources before other recognised gains/(losses)		217,463	54,353	271,816	(228,168)

Other recognised gains/(losses) on investment assets

Realised gains on investment assets		-	-	-	16,878
Unrealised gains/(losses) on investment assets	10/11	(76,058)	-	(76,058)	79,020

Net movement in funds

		141,405	55,353	195,758	(132,270)
Balances brought forward at 1 st January 2007		497,772	162,439	660,211	792,481
Balances carried forward at 31 st December 2007		639,177	216,792	855,969	660,211

All amounts relate to continuing activities.

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

The notes on pages xv to xxi form part of these financial statements.

WESSEX MEDICAL TRUST

Balance Sheet as at 31st December 2007

	Note	2007 £	2006 £	
Fixed Assets				
Tangible Assets	9	-	1,425	
Investments	10	648,893	719,379	
		648,893	720,804	
Current Assets				
Investments	11	375,754	381,326	
Debtors	12	104,845	24,603	
Short Term Deposits		305,065	-	
Cash at bank and in hand		103,874	250,995	
		889,538	656,924	
Current Liabilities				
Amounts falling due within one year	13	(520,922)	(677,920)	
Net Current Assets /(Liabilities)				
		368,616	(20,996)	
Total Assets less Current Liabilities				
		1,017,509	699,808	
Liabilities				
Amounts falling due after more than one year	14	(161,540)	(39,597)	
Net Assets				
	16	855,969	660,211	
Funds				
Unrestricted	General	18	344,509	181,958
	Designated	18	294,668	315,814

Restricted	17	216,792	162,439
		855,969	660,211

These financial statements were approved by the Board of Trustees on 9th May 2008 and were signed on its behalf by

Pamela Kimber
Chairman

The notes on pages xv to xxi form part of these financial statements.

WESSEX MEDICAL TRUST

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 and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005).
- 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.

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.

WESSEX MEDICAL TRUST

Notes forming part of the financial statements - *continued*

2a Donations	2007	2006
	£	£
Trusts and foundations	10,989	21,600
Individuals	62,282	38,817
Gift aid	21,460	-
Corporate	213,363	14,236
Community Groups	7,577	9,745
Other	<u>4,266</u>	<u>4,795</u>
	<u>319,937</u>	<u>89,193</u>

2b Legacies

At the year end the Trust had received total sums on account of £195,000 in respect of one legacy, further amounts due were unable to be quantified with certainty and therefore have not been included in the Statement of Financial Activities.

3. Investment Income

	2007	2006
	£	£
Income from UK quoted investments	55,099	52,536
Income on short term deposits and cash	6,250	10,152
	<u>61,349</u>	<u>62,688</u>

4. Allocation of Support Costs

	Fundraising	Charitable Activities	Governance	Total
	£	£	£	£
Staff Costs	12,638	13,663	1,025	27,326
Office Costs	12,040	16,577	223	28,840
Computer Costs	712	474	-	1,186
Professional Fees	12,363	15,073	6,465	33,901
Audit	-	-	3,826	3,826
Depreciation	854	571	-	1,425
	<u>38,607</u>	<u>46,358</u>	<u>11,539</u>	<u>96,504</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	2007	2006
	£	£	£	£
Salaries	24,900	-	24,900	56,886
Direct fundraising costs	24,438	1,035	25,473	42,928
Brochures and Leaflets	-	-	-	1,380
Advertising	1,109	-	1,109	515
Support Costs	27,479	11,128	38,607	67,645
	<u>77,926</u>	<u>12,163</u>	<u>90,089</u>	<u>169,354</u>

WESSEX MEDICAL TRUST

Notes forming part of the financial statements - *continued*

6. Analysis of Resources Expended

	Staff	Other	2007	2006
	£	£	£	£
Costs of Generating Funds	37,538	52,551	90,089	169,354
Grants payable in furtherance of the charity's objects	-	394,420	394,420	116,878
Transfer of Gift of Sight funds to the University of Southampton Development Trust	-	20,000	20,000	151,000
Costs of activities in furtherance of the charity's objects	13,663	32,695	46,358	62,729
Governance	1,025	10,514	11,539	12,684
	<u>52,226</u>	<u>510,180</u>	<u>562,406</u>	<u>512,645</u>

Staff costs include £4,763 in respect of social security costs (2006: £7,980)

The average number of persons employed by the Trust during the year was 3 (FTE 2) (2006: 5(FTE 4))

No remuneration was paid to any Trustee in 2007 (2006: nil)

No expenses were paid to Trustees (2006: nil)

7. Grants Awarded

During the year 2007, 19 grants totalling £412,824 (2006: 10 grants totalling £116,878) were awarded to the University of Southampton to fund educational posts and research projects as detailed on pages ix and x. Grants not expended totalling £18,404 (2006: £nil) were netted against these figures in the Statement of Financial Activities.

8. Auditors remuneration

	2007	2006
	£	£
Audit services	3,826	3,375
Non-audit services	-	-
	<u>3,826</u>	<u>3,375</u>

WESSEX MEDICAL TRUST

Notes forming part of the financial statements - *continued*

9. Tangible Fixed Assets

	Fixtures, Fittings and Equipment £
Cost at 1st January 2007	18,476
Additions	-
Disposals	(4,157)
Cost at 31st December 2007	<u>14,319</u>
Accumulated depreciation at 1st January 2007	17,051
Charge for year	1,425
Disposals	(4,157)
Accumulated depreciation at 31st December 2007	<u>14,319</u>
Net Book Value	
31 st December 2007	-
31 st December 2006	<u>1,425</u>

10. Investments at market value: fixed assets

	£
Equities - UK	
Market Value at 1st January 2007	719,379
Unrealised loss for the year	(70,486)
Market value at 31st December 2007	<u>648,893</u>

The historical cost of investments at 31st December 2007 amounted to £484,736 (2006: £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 2007	381,326
Unrealised loss for the year	(5,572)
Market value at 31st December 2007	<u>375,754</u>

The historical cost of investments at 31st December 2007 amounted to £401,444 (2006: £401,444).

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

WESSEX MEDICAL TRUST

Notes forming part of the financial statements - *continued*

12. Debtors

	2007	2006
	£	£
Other debtors	104,799	24,557
Prepayments	46	46
	<u>104,845</u>	<u>24,603</u>

13. Creditors: amounts falling due within one year

	2007	2006
	£	£
Grants payable	407,720	394,034
Trade creditors	61,357	261,715
Other creditors	719	788
Accruals	51,126	21,383
	<u>520,922</u>	<u>677,920</u>

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

	2007	2006
	£	£
Grants payable	161,540	39,597
	<u>161,540</u>	<u>39,597</u>

15. Commitments under operating leases

As at 31st December 2007 the Trust had annual commitments under non-cancellable operating leases as set out below:

	2007		2006	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Operating leases which expire:				
Within 1 year	-	-	-	-
Within 2 - 5 years	12,338	2,961	10,281	2,961
Total	<u>12,338</u>	<u>2,961</u>	<u>10,281</u>	<u>2,961</u>

16. Analysis of net assets

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed Assets	648,893	-	648,893
Current Assets	162,068	727,471	889,539
Current Liabilities	(151,649)	(369,274)	(520,923)
Amounts falling due after more than 1 year	(20,135)	(141,405)	(161,540)
Total Net Assets	<u>639,177</u>	<u>216,792</u>	<u>855,969</u>

WESSEX MEDICAL TRUST

Notes forming part of the financial statements - *continued*

17. Restricted Funds

	2007 £	2006 £
Opening balance at 1 st January 2007	162,439	317,697
Net movement in restricted funds	54,353	(155,258)
Balance at 31st December 2007	<u>216,792</u>	<u>162,439</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 1 st January 2007 £	Incoming Resources £	Resources Expended £	Closing balance at 31 st December 2007 £
Asthma	10,978	1,023	(2,495)	9,506
Child health	-	5,400	-	5,400
Cancer	2,828	113,764	(50,200)	66,392

Diabetes	898	-	(898)	-
Meningitis	17,971	1,507	(19,500)	(22)
Miscellaneous medical research	4,130	177	-	4,307
Healthy babies	2,233	-	(2,233)	-
Orthopaedics	-	37,446	(31,345)	6,101
Innovation fund	8,377	2,132	(10,509)	-
Gift of Sight	23,175	13,428	(20,000)	16,603
Spire (BUPA) research fellowships	-	35,311	(34,240)	1,071
Steve Mills fund	51,574	20,076	(70,000)	1,650
States of Guernsey	13,996	122,410	(111,128)	25,278
States of Jersey	16,600	50,000	1,075	67,675
Other disease specific funds	9,679	5,962	(2,810)	12,831
Total	162,439	408,636	(354,283)	216,792

During the year a sum of £20,000 was transferred from the Gift of Sight appeal fund to the University of Southampton Development Trust. The remaining balance being transferred in April 2008.

WESSEX MEDICAL TRUST

Notes forming part of the financial statements - *continued*

18. Unrestricted Funds

		2007	2006
		£	£
Unrestricted Funds consist of:			
Designated Funds	Note 19	294,668	315,814
Tangible Fixed Assets		-	1,425
Free Reserves		344,509	180,533
		<u>639,177</u>	<u>497,772</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 viii:

2007	2006
£	£

Investment Reserve	194,668	215,814
Operational Reserve	<u>100,000</u>	<u>100,000</u>
	<u>294,668</u>	<u>315,814</u>