

Annual Report and Accounts 2010

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Legal and Administrative Information

| | |
|---|---|
| <i>Charity Name</i> | Wessex Medical Trust |
| <i>Other names by which the charity is known:</i> | Wessex Medical Research Hope for Guernsey |
| <i>Trust Office</i> | Building 37/3107 University Road Highfield Southampton SO17 1BJ |
| <i>Registered Charity Number</i> | 274839 |

Patrons and Trustees**Patrons:**

The Lords Lieutenant of Hampshire, Wiltshire and the Isle of Wight
The Bailiffs of Guernsey and Jersey
Sir Norman Browse FRCS, President of the States of Alderney
Pamela Kimber
Lawrie McMenemy MBE
Alastair Stewart OBE
The Lady Fieldhouse (Deceased 5 March 2011)

Trustees

| | |
|----------------------------|--|
| Mike Killingley | <i>Chairman</i> |
| Sir Christopher Benson | <i>Appointed 30 April 2010</i> |
| Richard Blackburn | |
| Professor Iain Cameron | <i>Dean of the Faculty of Medicine, University of Southampton.</i> |
| Sir deVic Carey | |
| Peter Hall | <i>Retired 28 October 2010</i> |
| David Hoare | |
| Pamela Kimber | <i>Retired 30 April 2010</i> |
| Fleur Kitsell | <i>Appointed 30 April 2010</i> |
| Malcolm Le Bas | <i>Retired 7 February 2011</i> |
| Luke March | <i>Appointed 7 February 2011</i> |
| Lady Malvena Stuart Taylor | <i>Retired 28 October 2010</i> |
| Professor David Williams | <i>Appointed by the University of Southampton</i> |
| Michael Wilkins | |

Officers and Advisers

| | |
|-----------------------------|--|
| <i>Independent Examiner</i> | PEH Wright ACA, DChA Sheen Stickland LLP 7 East Pallant Chichester West Sussex PO19 1TR |
| <i>Honorary Solicitors</i> | 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

Scientific Advisory Committee

| | | |
|--------------------------|-----------------|---|
| Professor Tim Elliott | <i>Chairman</i> | Associate Dean for Research, Faculty of Medicine, University of Southampton. |
| Professor Paul Townsend | | Faculty of Medicine, University of Southampton |
| Professor Donna Davies | | Faculty of Medicine, University of Southampton |
| Professor Carl May | | Faculty of Health Professions and Rehabilitation Sciences, University of Southampton |
| Professor Dan Bader | | Faculty of Health Professions and Rehabilitation Sciences, University of Southampton |
| Professor Tom Fleming | | Faculty of Natural and Environmental Sciences, University of Southampton |
| Dr Lindy Holden-Dye | | Faculty of Natural and Environmental Sciences, University of Southampton |
| Professor Maria Evandrou | | Faculty of Human and Social Sciences, University of Southampton |
| Professor Hywel Morgan | | Faculty of Engineering and the Environment and Physical and Applied Science, University of Southampton |

External Expert Assessors

| | |
|--------------------------|---------------------------|
| Professor John Iredale | University of Edinburgh |
| Professor Tony Kendrick | Hull York Medical School |
| Professor Steve Thornton | Peninsular Medical School |

Chairman's Statement



“We look forward to maintaining the level of grants at at least its current level for the foreseeable future.”

This is my first report as Chairman following Pamela Kimber's retirement in April 2010 after six years as a Trustee, nearly four of which were as Chairman. We shall miss Pamela's passion and enthusiasm, and were delighted when she agreed to accept appointment as a Patron of the Trust. In that role we look forward to her continuing robust support in all our activities, and in particular her support for the role played by our volunteer groups in the continuing success of the charity.

Pamela was particularly involved in the establishment last year of a new volunteer group in Romsey, which is proving extremely successful. Our groups in Salisbury and the New Forest also continued their sterling work and contributed handsomely to our fundraising income. Despite problems arising from falling numbers and the illness of several members, Gosport & Lee group still made a positive contribution on our behalf. However, in terms of overall contribution, we must again congratulate the fundraisers on Guernsey, who seem to be able to produce an endless stream of people willing to swim the Channel for our benefit. Along with the highly-prized States of Guernsey Fellowship, the total amount of money raised on that Island for our charity has been truly amazing: long may it continue.

We are as always continuing our efforts to increase the number of volunteer groups; in the meantime I take this opportunity, on behalf of the Trustees, to thank the many members of our volunteer groups, together with the many others who so regularly and loyally attend our events and other fundraising initiatives, for their invaluable support which is so key to the continuing success of Wessex Medical Trust.

There have been a number of changes on the Trustee Board during the year. This has arisen as a result of the general requirement for trustees to retire after their second term of three years. To those who have moved on, I offer my grateful thanks for a job well done. To date, we have appointed three new Trustees – Fleur Kitsell, Sir Christopher Benson and Luke March – and we are seeking to appoint at least one more. Being a Trustee is an entirely voluntary occupation, despite bringing with it certain responsibilities, and I am extremely grateful that all Trustees so willingly devote time to this worthwhile cause.

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.

As the consequence of a recent reorganisation within the University of Southampton, we have reviewed and updated the structure of our Scientific Advisory Committee and the basis for peer reviewing grant applications. The new SAC constitution, together with our recently revised Conflicts of Interest policy, are both available for viewing on our website.

Last year, this report anticipated a significantly larger number of grants in 2010 and this has indeed been the case. Details of individual grants are given on page 11 but I can also say that, for the States of Guernsey grant, there were three full and highly meritorious applications whilst for the Innovation Grants, there were a total of 20 applications. The high quality of all the applications for the latter led the Trustees, for 2010 only, to award a further three grants, making eight in all.

With the notification of two significant legacies during the year (one of which has been received), our finances are now in a more healthy state than they have been for some time. As a result, we look forward to maintaining the level of grants at at least its current level for the foreseeable future.

In conclusion, on behalf of the Trustees, I thank our staff in the Trust office for their hard work on the Trust's behalf, without which we would not have been able to achieve the success described in this report.

Mike Killingley

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 to 6.

The Trustees present their report along with the Financial Statements of the Trust for the year ended 31 December 2010. 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 both in the Faculty of Medicine and more generally in the University of Southampton.

The Trustees award grants for the purposes of research into medically-related matters and the advancement of medical practice and medical education, all for the public benefit. These include the provision within the University of Southampton of:

- bursaries and scholarships for students;
- teaching facilities and medical equipment of all kinds; and
- amenities for the students and relevant staff including any person engaged on medically-related research or the instruction of medical students.

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 detriment;
- the general public are the ultimate beneficiary of the Trust's activities through the advancement of medically-related science. Research papers produced as a result of each grant made 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. An amendment made to the Trust Deed during the year means the Trustee Board now has the power in individual cases to extend a Trustee's tenure beyond six years. The Dean of the Faculty of Medicine at the University of Southampton is an ex-officio Trustee; the University of Southampton may appoint one further person to be a Trustee.

Grants Awarded

Details of all grants awarded during 2010 are set out on page 11. There was a total of 17 grants amounting in aggregate to £367,394 and 28 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, *continued*

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 £23,189 of the total of £83,947 raised by the Trust's volunteer groups.

The Trustees continue to keep fundraising and administrative costs under tight control.

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 11.

The overall financial position of the Trust remains sound.

The Future

The major emphasis continues to be on providing pump priming grants from the Innovation Fund to early career researchers. 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. In addition following a review of its finances during the year, the Trustees have now invited applications for a 4-year PhD studentship to commence in October 2011 and a scholarship to mark the inauguration of the new Institute for Life Sciences at the University of Southampton: each grant is valued at £80,000.

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 unless invited specifically by the Trustees to continue for a further period which must itself be specified at the outset. An exception is the Dean of the Faculty of Medicine 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 up to two additional co-opted Trustees, meets approximately every three 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.

The Trustees have considered and determined that, for the purposes of the Finance Act 2010, all those who have general control and management of the administration of the Trust are fit and proper persons for that purpose.

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 Committee, chaired by the Associate Dean for Research of the Faculty of Medicine at the University of Southampton. Committee 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 Committee has vetted all applications for a grant for both scientific quality and relevance to the declared priorities of the Faculty from time to time, all applications, together with its list of preferred candidates will invariably be sent for external review. For grants of £50,000 and over, all applications are sent for formal 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 are 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 procedures in place to mitigate this risk are detailed in the paragraph of this report entitled 'Reserves Policy'. The Trustees have also identified a risk of lack of free reserves during the year: steps to mitigate this risk are also set out in the Reserves Policy.

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 in cash. Charifund is equity based; Charibond is gilt and corporate bond 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 increased during the year as result of the general revival in the financial markets.

Trustees Report

Reserves Policy

It is the policy of the Trust to retain a reserve of £100,000, which is approximately one year's operational expenditure, to protect the Trust from possible fluctuations in unrestricted income from year to year. This policy is kept under review by the Trustees during the year and on preparation of the annual accounts.

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

Supporters and Advisers

The Board of Trustees thanks our honorary solicitors, Bond Pearce LLP, for their assistance during the year. We are also extremely grateful to those external assessors who give their time voluntarily to assist 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 to them all.

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 requires 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 which enable them to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. 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.

Signed on behalf of the Trustees

Trustee
20 May 2011

GRANTS AWARDED FOR THE PERIOD: 1ST JANUARY 2010 - 31ST DECEMBER 2010

| Ref | Grantee Research Project | Total Value £ |
|------------|---|--------------------------|
| K07 | Professor Mark Hanson <i>BUPA Research Fellowship – Developmental Origins of Health and Disease—additional grant</i> | 6,600 |
| Q01 | Professor Paul Townsend States of Guernsey Grant <i>Detection of aggressive prostate cancer in Guernsey; a proteomic approach.</i> | 119,989 |
| Q02 | Postgraduate conference prizes 2010 | 1,000 |
| Q03 | Carl Mann Undergraduate vacation grant <i>Study of eye movements</i> | 1,440 |
| Q04 | Ina Bobeica Undergraduate vacation grant <i>Control of cellular localisation of HIF-1 subunits in hES cells</i> | 1,440 |
| Q05 | Charlotte Wyatt Undergraduate vacation grant <i>Integrating clinical, experiential, and anthropological models of the development of co-morbidity in anxiety and alcohol use disorders.</i> | 1,440 |
| Q06 | 4 th Year Medical Student Project Presentation Grants | 2,500 |
| Q07 | Mr Aminul Ahmed <i>Endogenous stem cell activation in the adult cortex following traumatic brain injury</i> | 19,750 |
| Q08 | Dr Roxana Carare <i>Age-related changes in the basement membranes of cerebral blood vessels: implications for extracellular fluid homeostasis in Alzheimer's disease</i> | 19,400 |
| Q09 | Mr John Conti <i>The role of tumour stroma in colorectal invasion and metastasis</i> | 20,000 |
| Q10 | Mr Ramsey Cuttress <i>A blood test to screen for breast cancer</i> | 19,991 |
| Q11 | Dr Jonathan Dawson <i>Clay-based Gels for Neo-Vascularisation of Allogeneic Bone Graft for Skeletal Regeneration</i> | 18,412 |
| Q12 | Dr Valentina Di Pietro <i>In vitro characterisation of mild traumatic brain injury</i> | 19,754 |
| Q13 | Dr Barbara Guinn <i>Identification of novel antigens as targets for the immunotherapy of acute lymphocytic leukaemia</i> | 19,296 |
| Q14 | Dr. Salah Mansour <i>A new technology for the study of lipid-specific T cell responses in Tuberculosis (TB)</i> | 20,000 |
| Q15 | Professor John Heckels <i>Supply of 2 x Liebherr GG4010 Laboratory Upright -20°C Freezers</i> | 1,382 |
| Q16 | Professor Paul Townsend <i>MudPIT and iTRAQ LC-MS/MS breast and prostate cancer proteomic biomarker discovery</i> | 75,000 |
| | Annual total 2010 | 367,394 |

WESSEX MEDICAL TRUST**INDEPENDENT EXAMINER'S REPORT TO
THE TRUSTEES OF WESSEX MEDICAL TRUST****YEAR ENDED 31 DECEMBER 2010**

I report on the accounts for the year ended 31st December 2010 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 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 no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

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, DChA
Chartered Accountant
Sheen Stickland LLP
7 East Pallant
Chichester
West Sussex
PO19 1TR

Date: 20 May 2011

WESSEX MEDICAL TRUST

**Statement of Financial Activities (including income and expenditure account)
For the Year Ended 31st December 2010**

| | Note | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2010 £ | Total Funds 2009 £ |
|--|-------|----------------------------|--------------------------|--------------------------|--------------------------|
| Incoming resources | | | | | |
| Incoming resources from generated funds | | | | | |
| Voluntary income | | | | | |
| Donations | 2a | 17,159 | 63,758 | 80,917 | 110,598 |
| Legacies | 2b | 125,886 | 50,000 | 175,886 | 255,268 |
| Activities for generating funds | | 24,119 | 60,759 | 84,878 | 97,238 |
| Investment income | 3 | 67,753 | - | 67,753 | 56,265 |
| Total incoming resources | | 234,917 | 174,517 | 409,434 | 519,369 |
| Resources expended | | | | | |
| <i>Costs of generating funds</i> | 5 | 57,774 | 11,291 | 69,065 | 71,299 |
| Net incoming resources available for charitable application | | 177,143 | 163,226 | 340,369 | 448,070 |
| <i>Charitable Activities: advancement of medical research</i> | | | | | |
| Grants payable in furtherance of the charity's objects | 7 | 155,223 | 204,925 | 360,148 | 119,616 |
| Transfer of Gift of Sight funds to the University of Southampton Development Trust | | - | 1,671 | 1,671 | - |
| Support costs of activities in furtherance of the charity's objects | 4 | 27,767 | - | 27,767 | 29,262 |
| Total charitable activities | | 182,990 | 206,596 | 389,586 | 148,878 |
| <i>Governance costs</i> | 4 | 8,178 | - | 8,178 | 7,566 |
| Total resources expended | 6 | 248,942 | 217,887 | 466,829 | 227,743 |
| Net incoming/(outgoing) resources before other recognised gains/losses | | (14,025) | (43,370) | (57,395) | 291,626 |
| Other recognised gains/(losses) on investment assets | | | | | |
| Unrealised gains/(losses) on investment assets | 10/11 | 38,931 | - | 38,931 | 44,069 |
| Net movement in funds | | 24,906 | (43,370) | (18,464) | 335,695 |
| Balances brought forward at 1 st January 2010 | | 597,692 | 244,627 | 842,319 | 506,624 |
| Balances carried forward at 31 st December 2010 | | 622,598 | 201,257 | 823,855 | 842,319 |

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.

WESSEX MEDICAL TRUST

Balance Sheet as at 31st December 2010

| | Note | 2010 £ | 2009 £ | |
|--|------------|------------------|------------------|----------------|
| Fixed Assets | | | | |
| Tangible Assets | 9 | - | - | |
| Investments | 10 | 513,791 | 478,720 | |
| | | <u>513,791</u> | <u>478,720</u> | |
| Current Assets | | | | |
| Investments | 11 | 677,497 | 673,637 | |
| Debtors | 12 | 135,312 | 12,264 | |
| Short Term Deposits | | 100,000 | 100,000 | |
| Cash at bank and in hand | | 110,765 | 117,375 | |
| | | <u>1,023,574</u> | <u>903,276</u> | |
| Current Liabilities | | | | |
| Amounts falling due within one year | 13 | <u>(510,208)</u> | <u>(491,891)</u> | |
| Net Current Assets / (Liabilities) | | 513,366 | 411,385 | |
| Total Assets less Current Liabilities | | <u>1,027,157</u> | <u>890,105</u> | |
| Liabilities | | | | |
| Amounts falling due after more than one year | 14 | (203,302) | (47,786) | |
| Net Assets | 16 | <u>823,855</u> | <u>842,319</u> | |
| Funds | | | | |
| Unrestricted | General | 18 | 622,598 | 354,076 |
| | Designated | 18 | - | 243,616 |
| Restricted | | 17 | 201,257 | 244,627 |
| | | | <u>823,855</u> | <u>842,319</u> |

These financial statements were approved by the Board of Trustees on 20th May 2011 and were signed on its behalf by

Mike Killingley
Chairman

The notes on pages 15 to 20 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) 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. For further details of expenses, please refer to note 4 of the accounts.

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.

Notes forming part of the financial statements - continued

| 2a. Donations | 2010 | 2009 |
|---|---------------|----------------|
| | £ | £ |
| Trusts and foundations | 3,900 | 12,600 |
| Individuals | 13,909 | 26,808 |
| Gift aid (over provided in previous year) | (821) | 949 |
| Corporate | 60,833 | 65,370 |
| Community groups | 1,267 | 1,561 |
| Other | 1,829 | 3,310 |
| | <u>80,917</u> | <u>110,598</u> |

2b. Legacies

At 31 December 2010 the Trust had received £50,000 in respect of a legacy for which the final amount receivable could not be quantified with certainty.

3. Investment Income

| | 2010 | 2009 |
|--|---------------|---------------|
| | £ | £ |
| Income from UK quoted investments | 67,403 | 52,044 |
| Income on short term deposits and cash | 350 | 4,221 |
| | <u>67,753</u> | <u>56,265</u> |

4. Allocation of Support Costs

| | Fundraising | Charitable Activities | Governance | Total |
|-----------------------------|--------------------|------------------------------|-------------------|---------------|
| | £ | £ | £ | £ |
| Staff Costs | 5,628 | 5,628 | - | 11,256 |
| Office Costs | 6,058 | 4,038 | 814 | 10,910 |
| Computer Costs | 722 | 482 | - | 1,204 |
| Professional Fees | 14,275 | 17,619 | 4,544 | 36,438 |
| Independent Examiner's Fees | - | - | 2,820 | 2,820 |
| | <u>26,683</u> | <u>27,767</u> | <u>8,178</u> | <u>62,628</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 | 2010 | 2009 |
|--------------------------|---------------------|-------------------|---------------|---------------|
| | £ | £ | £ | £ |
| Salaries | 27,130 | - | 27,130 | 26,632 |
| Direct fundraising costs | 1,542 | - | 1,542 | 15,177 |
| Event Costs | 7,118 | - | 7,118 | - |
| Brochures and Leaflets | 6,302 | - | 6,302 | 450 |
| Advertising | 290 | - | 290 | 443 |
| Support Costs | 15,392 | 11,291 | 26,683 | 28,597 |
| | <u>57,774</u> | <u>11,291</u> | <u>69,065</u> | <u>71,299</u> |

WESSEX MEDICAL TRUST

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

| | Staff £ | Other £ | 2010 £ | 2009 £ |
|--|---------------|----------------|----------------|----------------|
| Costs of Generating Funds | 32,758 | 36,307 | 69,065 | 71,299 |
| Grants payable in furtherance of the charity's objects | - | 360,148 | 360,148 | 119,616 |
| Transfer of Gift of Sight funds to the University of Southampton Development Trust | - | 1,671 | 1,671 | - |
| Costs of activities in furtherance of the charity's objects | 5,628 | 22,139 | 27,767 | 29,262 |
| Governance | - | 8,178 | 8,178 | 7,566 |
| | <u>38,386</u> | <u>428,443</u> | <u>466,829</u> | <u>227,743</u> |

Staff costs include £3,077 in respect of social security costs (2009: £3,272)

The average number of persons employed by the Trust during the year was 2 (FTE 2) (2009: 2(FTE 2))

No remuneration was paid to any Trustee in 2010 (2009: nil)

No expenses were paid to Trustees in 2010 (2009: nil)

7. Grants Awarded

During the year 2010, 17 grants totalling £367,394 (2009: 11 grants totalling £119,616) were awarded to the University of Southampton to fund educational posts and research projects as detailed on page 11. Grants not expended totalling £7,246 (2009: £nil) were netted against these figures in the Statement of Financial Activities.

8. Auditors and Independent Examiners Fees

| | 2010 £ | 2009 £ |
|---|--------------|--------------|
| Audit services (under accrued in previous year) | 300 | 3,466 |
| Independent Examiner's services (over accrual in previous year) | 2,520 | (633) |
| Non-audit services | - | - |
| | <u>2,820</u> | <u>2,833</u> |

Notes forming part of the financial statements - *continued*

9. Tangible Fixed Assets

| | Fixtures, Fittings and Equipment |
|--|---|
| | £ |
| Cost at 1st January 2010 | 2,229 |
| Additions | - |
| Disposals | - |
| Cost at 31st December 2010 | <u>2,229</u> |
| Accumulated depreciation at 1st January 2010 | 2,229 |
| Charge for year | - |
| Disposals | - |
| Accumulated depreciation at 31st December 2010 | <u>2,229</u> |
| Net Book Value | |
| 31 st December 2010 | <u>-</u> |
| 31 st December 2009 | <u>-</u> |

10. Investments at market value: fixed assets

| | £ |
|---|----------------|
| Equities - UK | |
| Market Value at 1st January 2010 | 478,720 |
| Unrealised gain for the year | 35,071 |
| Market value at 31st December 2010 | <u>513,791</u> |

The historical cost of investments at 31st December 2010 amounted to £484,736 (2009: £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 2010 | 673,637 |
| Unrealised gain for the year | <u>3,860</u> |
| Market value at 31st December 2010 | <u>677,497</u> |

The historical cost of investments at 31st December 2010 amounted to £701,444 (2009: £701,444).

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

| | 2010 | 2009 |
|---------------|----------------|---------------|
| | £ | £ |
| Other debtors | 135,312 | 12,264 |
| | <u>135,312</u> | <u>12,264</u> |

13. Creditors: amounts falling due within one year

| | 2010 | 2009 |
|-----------------|----------------|----------------|
| | £ | £ |
| Grants payable | 454,205 | 459,223 |
| Trade creditors | 46,408 | 21,991 |
| Other creditors | 757 | 990 |
| Accruals | 8,838 | 9,687 |
| | <u>510,208</u> | <u>491,891</u> |

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

| | 2010 | 2009 |
|----------------|----------------|---------------|
| | £ | £ |
| Grants payable | 203,302 | 47,786 |
| | <u>203,302</u> | <u>47,786</u> |

15. Commitments under operating leases

As at 31st December 2010 the Trust had annual commitments under non-cancellable operating leases as set out below:

| | 2010 | | 2009 | |
|--------------------------------|---------------------------|--------------|---------------------------|--------------|
| | Land and Buildings | Other | Land and Buildings | Other |
| | £ | £ | £ | £ |
| Operating leases which expire: | | | | |
| Within 1 year | - | - | - | 2,961 |
| Within 2 - 5 years | - | - | - | - |
| Total | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,961</u> |

16. Analysis of net assets

| | Unrestricted Funds | Restricted Funds | Total Funds |
|--|---------------------------|-------------------------|--------------------|
| | £ | £ | £ |
| Fixed Assets | 513,791 | - | 513,791 |
| Current Assets | 430,084 | 593,490 | 1,023,574 |
| Current Liabilities | (242,975) | (267,233) | (510,208) |
| Amounts falling due after more than 1 year | (78,302) | (125,000) | (203,302) |
| Total Net Assets | <u>622,598</u> | <u>201,257</u> | <u>823,855</u> |

WESSEX MEDICAL TRUST

Notes forming part of the financial statements - *continued*

17. Restricted Funds

| | 2010 | 2009 |
|---|----------------|----------------|
| | £ | £ |
| Opening balance at 1st January 2010 | 244,627 | 100,894 |
| Net movement in restricted funds | (43,370) | 143,733 |
| Balance at 31st December 2010 | <u>201,257</u> | <u>244,627</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 2010 | Incoming Resources | Resources Expended | Closing balance at 31 st December 2010 |
|-----------------------------------|---|-----------------------|-----------------------|---|
| | £ | £ | £ | £ |
| Asthma | 9,506 | - | 4,035 | 13,541 |
| Child health | 25 | - | - | 25 |
| Cancer | 75,939 | 110,379 | (77,756) | 108,562 |
| Diabetes | - | 70 | - | 70 |
| Meningitis | 4,247 | 1,500 | - | 5,747 |
| Miscellaneous medical research | 8,582 | 90 | - | 8,672 |
| Orthopaedics | 6,568 | - | (415) | 6,153 |
| Innovation fund | 100 | - | - | 100 |
| Gift of Sight | 1,671 | 410 | (1,671) | 410 |
| Spire (BUPA) research fellowships | 9,951 | - | (6,600) | 3,351 |
| Steve Mills fund | 16,758 | 1,705 | - | 18,463 |
| States of Guernsey | 76,652 | 58,833 | (131,280) | 4,205 |
| States of Jersey | 12,774 | - | - | 12,774 |
| Other disease specific funds | 21,854 | 1,530 | (4,200) | 19,184 |
| Total | <u>244,627</u> | <u>174,517</u> | <u>(217,887)</u> | <u>201,257</u> |

During the year a sum of £1,671 was transferred from the Gift of Sight appeal fund to the University of Southampton Development Trust.

WESSEX MEDICAL TRUST

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

| | 2010 | 2009 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Unrestricted Funds consist of: | | |
| Designated Funds | - | 243,616 |
| Unrestricted Funds | 622,598 | 354,076 |
| | <u>622,598</u> | <u>597,692</u> |

19. Designated Funds

| | 2010 | 2009 |
|---------------------|-------------|----------------|
| | £ | £ |
| Investment Reserve | - | 143,616 |
| Operational Reserve | - | 100,000 |
| | <u>-</u> | <u>243,616</u> |