



**national eye**  
RESEARCH CENTRE

YOUR SIGHT | OUR VISION

**National Eye Research Centre**  
**A Charitable Incorporated Organisation**  
**Audited Financial Statements and Report**  
**Year Ending 31 March 2016**

Registered Charity Number: 1156134

## National Eye Research Centre

### Reference and administrative details

For the year ended 31 March 2016

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<b>Charity number</b>	1156134
<b>Registered office and operational address</b>	Bristol Eye Hospital Lower Maudlin Street Bristol BS1 2LX
<b>Patron</b>	HRH Prince Michael of Kent GCVO
<b>Vice Presidents</b>	Prof D L Easty MD FRCS Prof John Marshall MBE Lady Wills
<b>Ambassador</b>	Ms Jade Etherington
<b>Trustees</b>	Trustees who served during the year and up to the date of this report were as follows:  Mr Rodney Grey FRCS FRCOphth (Chairman) Miss Clare Bailey MD FRCP FRCOphth (resigned October 2015) Maj Gen (Retired) Chris Callow CB OBE FFPH Dr John Cottrell MA FCA Mr Robert Drewett DL Mr David Good Mr Richard Haynes MD FRCOphth Mr Christopher Lawrance Mr Adam Ross (appointed January 2016) Mr Alan Tasker (resigned April 2015)
<b>Chief executive officer</b>	Mike Daw
<b>Principal bankers</b>	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
<b>Solicitors</b>	Bond Dickinson LLP 3 Temple Quay Temple Back East Bristol BS1 6DZ
<b>Investment managers</b>	Smith & Williamson Investment Managers Portwall Place Portwall Lane Bristol BS1 6NA

**National Eye Research Centre**

**Reference and administrative details**

**For the year ended 31 March 2016**

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<b>Auditors</b>	Godfrey Wilson Limited Chartered accountants and statutory auditors Zone 10 Bath Road Studios 470 Bath Road Bristol BS4 3HG
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## National Eye Research Centre

### Chairman's report

#### For the year ended 31 March 2016

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I am very pleased to report in our 30th birthday year on a much improved year for income. Total income increased by 69% over last year. Legacy income recovered substantially, almost to its five year moving average and was considerably better than the record low that I reported last year. However, I am even more heartened that our fundraising strategy continues to bear fruit, resulting in non-legacy voluntary income improving once again, this year by 29%, up to a level not seen since well before the recession of 2008.

Our year's fundraising efforts benefited from two major highlights. First, in last year's review, we reported on Jade Etherington's charity appeal on BBC Radio 4, but at the time of publication we could not have dreamed how successful that appeal would be. Jade's emotive appeal finally raised a staggering £67,000 and we are enormously grateful to her for the effort she put into making her appeal on our behalf. The amount raised was so far in excess of our expectations that we were able to fund not only the tissue coordinator post that had been the initial focus of the appeal, but also a whole new research project into uveal melanoma. This is an often fatal cancer of the eye and the research is being carried out at the University of Sheffield.

Secondly, the James Tudor Foundation made us a generous pledge of almost £40,000 towards a research project into uveitis on the condition that we raised the remaining £40,000 to fund the research project fully. Our fundraising team took up the challenge of raising this matched funding with gusto and, with just a few weeks to go before our year end, we were able to inform the James Tudor Foundation that we had been successful, thus releasing the funds and enabling the project to be initiated. Uveitis is a debilitating auto-immune disease of the eye and any new interventions discovered as a result of this latest piece of research will be gratefully received by the thousands of people who are given a diagnosis of uveitis in the UK every year.

At National Eye Research Centre we believe that it's important that charities work in partnership, especially when the sums involved are large and the charities are, like ours, relatively modest and short of resources. We were, therefore, delighted when the University of Oxford invited us to join a consortium of charities to fundraise for the purchase of an OCT microscope for retinal gene therapy surgery. It will be used by Professor Robert MacLaren and his team to assist his research into, and the treatment of, Choroideremia. Once again by the year end our fundraising team, together with our consortium partners, had raised the £192,000 necessary to purchase this cutting edge piece of equipment.

As I mentioned in my opening paragraph, in 2016 National Eye Research Centre celebrated its 30th birthday. In our 30 year history we have invested over £14m in vital eye research projects. For much of that time, and right up until his untimely death in 2011, the director of the charity was Colonel Sam Gausson. The trustees decided it was an appropriate time to honour Sam's considerable contribution to eye research and in February, the month of our birthday, we held the first Sam Gausson Memorial Lecture at the Colston Hall in Bristol. We were delighted that world renowned ophthalmologist Professor Sir Peng Tee Khaw agreed to deliver the lecture, entitled 'Translating Laboratory Discovery to Life-Changing Treatments'. Peng delivered an inspirational talk on how research into glaucoma, his specialty, is now informing patient treatments. The lecture was videoed and can now be watched at [www.nerc-charity.org.uk/sgml](http://www.nerc-charity.org.uk/sgml). We think Sam would have been proud.

Rodney Grey  
Chairman

## **National Eye Research Centre**

### **Report of the trustees**

#### **For the year ended 31 March 2016**

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The trustees are pleased to present their annual report together with the financial statements of the charity for the year ending 31 March 2016. The financial statements comply with the Charities Act 2011, the constitution, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

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

#### **Governing document**

The charity is constituted as a Charitable Incorporated Organisation (CIO) registered with the Charity Commission in England and Wales under registration number 1156134 and governed by its constitution dated 1 April 2014.

#### **Appointment of Trustees**

When appointing new trustees the board discusses the trustees' skills requirements and suitable potential candidates. Candidates are approached and invited to attend a trustee meeting as an observer. If the board approves the candidate and the candidate is willing to serve then they are appointed.

#### **Trustee induction and training**

The induction of new trustees is provided by the Chief Executive who briefs them on their legal liabilities under charity law, Charity Commission guidance on public benefit, the content of the charity's constitution, the business plan, operating budget and current financial status of the charity. Occasional training is provided to the board as a group or individually when a need is identified.

#### **Organisation**

The board of trustees comprises a minimum of three and a maximum of twelve members. The board normally meets quarterly and is quorate for making decisions with a minimum of three members present. At its meetings the board reviews financial performance, the management of research grants and fundraising, and exposure to risk. The day to day management of the charity is delegated to the Chief Executive. All grant-making decisions are made by the board collectively but 'no-cost' grant adjustments are authorised by the Chairman. The board approves an annual operating budget and measures operational performance against this. Significant expenditure outside the budget is authorised by the board.

#### **Membership of professional bodies**

The charity is a member of the Association of Medical Research Charities, Fundraising Standards Board and VISION 2020 UK and seeks to abide by each organisation's principles of best practice at all times.

#### **Related parties**

Trustees are required to maintain a register of interests and when the charity considers purchasing goods or services from a company in which a trustee has an interest that trustee withdraws from any discussion on the awarding of the contract and the value of any contract subsequently awarded is disclosed in these accounts. The charity occupies office space in Bristol Eye Hospital which is provided rent free by the University of Bristol. The University of Bristol also provides IT services and utilities free of charge to the charity (although the charity is recharged for hardware purchases). The University of Bristol employs two of the charity staff and recharges their employment costs to the charity.

## **National Eye Research Centre**

### **Report of the trustees**

#### **For the year ended 31 March 2016**

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#### **Pay policy for senior staff**

The remuneration of the Chief Executive is agreed annually by the board following the Chief Executive's annual appraisal in July. The remuneration and terms of employment of the other charity staff are set by the University of Bristol by whom they are employed and are thus beyond the control of the charity. It is a condition of the University of Bristol that the provision of free accommodation and services is dependent on the continuing employment of these charity staff by the University.

#### **Objectives and activities**

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

The charity's mission is the relief of sickness and the promotion of good health for the public benefit by funding and supporting research into the causes and treatment of eye disease and blindness and publishing and disseminating the useful results thereof.

By investing in eye research the charity aims to facilitate the development of new treatments which will improve eye health and reduce the incidence of eye disease, sight loss and blindness.

The charity aims to raise as much money as possible for investment in the best eye research applications received during its annual grant call. The charity promotes its annual grant call as broadly as possible in order to attract a broad range of grant applications from which it can select the best for funding.

The charity campaigns to raise awareness of the critical underfunding of eye research in the UK and in doing so raises awareness of the charity itself in a bid to attract further donations.

The trustees measure the charity's performance against its charitable objectives by assessing:

- Amount of money raised for investment in eye research;
- The quality of the research applications funded in the current year; and
- The quality of outcomes from previously funded research as measured by:
  - The annual and final reports submitted by grant holders
  - The publications record of grant holders

#### **Research grant funding**

The aim of the charity is to prevent sight loss and blindness by investing in research into treatments for eye disease.

The charity is a member of the Association of Medical Research Charities and abides by its principles of best practice in peer review when prioritising which research applications demonstrate the best scientific merit and likelihood of patient benefit. These principles include the use of a completely independent Scientific Advisory Committee which makes recommendations to the board of trustees regarding the best research applications.

#### **Volunteers**

The charity organises fundraising events throughout the year and is dependent on volunteers to organise matters such as car parking and baking cakes for sale on cake stalls etc.

## National Eye Research Centre

### Report of the trustees

For the year ended 31 March 2016

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#### Achievements and performance

During the year the trustees are pleased to report that the charity:

- Awarded two significant new grants:
  - £59,995, to Queen's University, Belfast - *Investigating the role interleukin-33 (IL-33) in Müller cell pathophysiology*
  - £91,403, the University of Leeds - *Determining the pathological basis of keratoconus through combined family, case control and transcriptome studies*
- Paid out ongoing research grants of £768,257 including a dowry to the University of Bristol of £60,000;
- Launched a PR campaign to appeal for more investment in research into eye disease, sight loss and blindness, including a reception at the House of Commons; and
- Benefited from a highly successful BBC Radio 4 Appeal by our Ambassador, Paralympic skier, Jade Etherington, raising awareness and £67,000 for research into uveal melanoma at the University of Sheffield.

The trustees are also pleased to report that they received satisfactory final reports on the following research grants now concluded:

Cardiff University	The A/B/C of GO; Novel assays for the diagnosis and management of Graves' Orbitopathy
University of Bradford	Is peripheral defocus during nearwork linked by myopia development and progression?
University of Bristol	Evaluation of HLA Class II histocompatibility matching and cytokine polymorphisms in corneal transplantation
University of Bristol	The role of the transcription factors Prdm8 and Bhlhb4 in the regulation of interneuron development in the retina and control nerve
University of Bristol	The role of inflammasome activation in the progression of inflammation and angiogenesis related to AMD
University of Bristol	Exploring the retinal connectome in models of inherited retinal disease
University of Bristol	The role of Prdm8 and Bhlhb5 in the development of the retina and CNS

## National Eye Research Centre

### Report of the trustees

#### For the year ended 31 March 2016

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The trustees also received satisfactory interim annual reports on the following ongoing grants:

University of Leicester	Can feedback increase adherence to patching and spectacles wear in amblyopia?
University of Manchester	Genomic analysis of unilateral congenital cataract
University of Manchester	Confirmation and characterisation of a new POAG gene
University of Manchester	Recovery of scotopic sensitivity; development of a rapid technique for assessing retinal function in eye disease
Queens University Belfast	Investigating the role of IL-33 in Muller cell pathophysiology
University of Leeds	Determining the pathological basis of keratoconus through combined family, case control and transcriptome studies
Birmingham University	Defining objective outcome measures in Uveitis; Measuring vitritis with optical coherence tomography
Bristol Eye Hospital	Is a specific defensin gene profile associated with endophthalmitis following a variety of intraocular procedures?
University of Bristol	Reciprocal regulation of canonical wnt signalling and GSK-3 can regulate macrophage activation
University of Bristol	Suppression of lymphangiogenesis and gemangiogenesis through Toll-like receptors in ocular vascular diseases.
University of Bristol	The contribution of changing cellular bio-energetics stimulating IL-33ST2 axis in the immune-mediated pathogenesis of age-related macular degeneration
University of Bristol	Can genetic profiling be used to distinguish good versus poor responders to anti-VEGF Treatment in AMD?

Around two million people in the UK alone suffer from a degree of sight loss that has a significant impact on their daily lives. Increasing longevity and the increase in lifestyle diseases, such as obesity and type 2 diabetes, which are major triggers for eye disease and sight loss, suggest that number will more than double within a generation. The charity is one of very few whose principle objective is to invest in research which will treat or prevent future sight loss rather than support those who have already gone blind. Sight loss is generally feared second only to a cancer diagnosis and most people would rather lose a limb than their sight, yet less than 2% of publically-funded medical research in the UK is directed at eye disease, sight loss and blindness.

The vision of the charity is for research to find an effective treatment for all eye diseases and therefore combat every form of sight loss and blindness. Eye research in the UK remains critically underfunded and National Eye Research Centre generally turns down at least 75% of research applications due to lack of financial resources. Turning down even one excellent research application means people with eye disease or sight loss will wait longer for an effective treatment to be found. The charity employs 2.5 FTE staff and, subject to resources, generally aims to invest around £400k annually in eye research.



## **National Eye Research Centre**

### **Report of the trustees**

#### **For the year ended 31 March 2016**

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##### **Investment policy and performance**

The Trustees delegate the investment of specified funds to professional investment managers and agree a set of investment objectives which are reviewed annually.

The investment objective of the charity is to seek to produce the optimum total return from its investment portfolio, so that the real value of the assets be maintained and enhanced over the long-term, but investing in a diversified portfolio of suitable investments.

The portfolio is to generate a minimum spendable income equivalent to 3.5% of the capital value of the portfolio per annum.

The portfolio will contain a balance between assets intended to maximise the predictability of returns, and assets with greater potential for growth.

Direct investment in companies generating more than 10% of their revenue from the production or sale of tobacco is to be excluded.

At the year end the investment portfolio was valued at £1,467,054. Over the last year the portfolio has returned -0.89%, marginally behind the benchmark return of -0.37%.

During the year, the proportion of the portfolio held in equities was reduced to approximately 67% of the total portfolio by value, reflecting the more cautious approach being adopted, with a commensurate increase in the weighting in fixed interest and property. Nevertheless, given the need to maintain a relatively high level of income now and in the future, equities remain the portfolio's primary asset class. In this respect, we are not proposing a significant change to the strategy being adopted despite current difficult market conditions.

##### **Fundraising**

The trustees took a very cautious approach when creating the operating budget for 2015/16 given the exceptionally poor year for legacy income experienced in 2014/15. Fortunately legacy income improved by more than £200,000, almost returning to the five year average value. The fundraising strategy created and implemented by our Chief Executive continued to bear fruit and non-legacy voluntary income once again improved significantly, this year by a further 28%. Of particular note was the success of our appeal on BBC Radio 4 which raised in excess of £67,000 for research into uveal melanoma, a particularly distressing cancer of the eye.

##### **Financial review**

Following a difficult year in 2014/15 when legacy income was exceptionally poor it was encouraging to see legacy income recover to almost its five year average value and a further significant increase in non-legacy voluntary income, resulting in total income improving by 69% to £719,313. Following such a weak performance in 2014/15 the trustees took a prudent approach when setting the 2015/16 operating budget and therefore approved new grant commitments of just over £264,000. The combination of the improved income position and a relatively modest commitment to new grants meant that the surplus at the year end was a healthier than expected £192,772.

Following concerns with the charity's prior year financial statements, we undertook a review of our audit and accountancy provision during the year. Our new auditors performed extensive work to reconcile the prior year accounts to the accounting records, resulting in a number of material adjustments as set out in Note 19. Having now overhauled our financial systems, we begin a new financial year with a clear picture and improved confidence in our finances.

## National Eye Research Centre

### Report of the trustees

#### For the year ended 31 March 2016

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#### Sources and application of funds

The charity raises money to invest in eye research. In 2015/16 we were particularly pleased to be able to purchase a Micron IV retinal imaging system for the University of Bristol and costing £114,000 from a grant secured for the purpose from the Underwood Trust. We were also delighted to receive a matched funding pledge from the James Tudor Foundation for 50% towards an £80,000 grant for research into uveitis, a particularly debilitating autoimmune disease of the eye. During the year we successfully raised the remaining 50% from other trusts and individual supporters and were able to authorise this very important piece of work. We were delighted to have been awarded a BBC Radio 4 charity appeal which was made in August 2015 by our Ambassador, our wonderful Paralympic skier, Jade Etherington. The appeal was a tremendous success and raised over £67,000 for research into uveal melanoma, a particularly distressing, and generally fatal, cancer of the eye. We are always extremely grateful to those individuals kind enough to remember the charity in their wills. This year we benefitted to the tune of £309,400 from such generous gifts, which represented 43% of our total income and enabled many more grant applications to be approved.

#### Risk management

The trustees conduct an annual review of the charity's risk register. In 2015/16 that assessment scored the following risks as representing the major threats confronting the organisation:

Rank	Description
1	Landlord decides to reclaim office space, charge rent etc
2	Loss of key personnel
3	Computer failure
4	Adequacy of reserves
5	Over-dependence on a narrow range of income streams

The charity develops and maintains a schedule of management and mitigation strategies for all of the significant risks confronting the charity.

#### Reserves

At the year end the total funds of the charity stood at £1,180,011 of which free reserves were £1,092,398 against a free reserves target figure of £1,000,000. The trustees consider this level of reserves to be appropriate for a charity with a significant dependency on such a volatile source of income as legacies in order to be able to continue funding research through a lean period.

#### Plans for future periods

The trustees will continue to invest in fundraising to reduce the current over-dependency on legacy income. This will entail broadening the supporter base to mitigate the identified risk of being over-reliant on a too narrow range of income streams. It will also involve more project-based fundraising campaigns aimed at raising income for specific projects rather than the previous broad-brush generic fundraising to finance the annual grants round.

The trustees believe that eye research in the UK is critically underfunded and the charity exists to redress that underfunding. The trustees' ambition is that National Eye Research Centre becomes a leading charity funder of eye research at all centres of research excellence in ophthalmology in the UK.

## National Eye Research Centre

### Report of the trustees

#### For the year ended 31 March 2016

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The trustees also believe that 2% of total medical research funding is too small a percentage for a disease group which significantly impacts the lives of over two million people in the UK alone. Furthermore, with the UK's ageing population and the increasing incidence of significant sight loss triggers, such as obesity and diabetes, the number of people with significant sight loss is projected to double to four million within 30 years. Substantial investment will be required to curtail this projected increase in eye disease, sight loss and blindness. The charity will continue to campaign for greater investment in eye research, whether the source of that funding is public sector, private sector or charities like National Eye Research Centre.

#### Statement of responsibilities of the trustees

The trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

The trustees confirm that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. The trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

Members of the charity are not required to contribute to the assets of the charity in the event of winding up. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

#### Auditors

Godfrey Wilson Limited were appointed as auditors to the charity during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 26 July 2016 and signed on their behalf by

Rodney Grey FRCS FRCOphth - Chairman

## **Independent auditors' report**

### **To the members of**

#### **National Eye Research Centre**

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We have audited the financial statements of National Eye Research Centre for the year ended 31 March 2016 which comprise the statement of financial activities, balance sheet, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 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 auditor's 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charity's circumstances, and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## **Independent auditors' report**

**To the members of**

**National Eye Research Centre**

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### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Date: 26 July 2016

### **GODFREY WILSON LIMITED**

Chartered accountants and statutory auditors  
Zone 10 Bath Road Studios  
470 Bath Road  
Bristol  
BS4 3HG

**National Eye Research Centre**

**Statement of financial activities** (incorporating an income and expenditure account)

**For the year ended 31 March 2016**

	Note	Restricted £	Unrestricted £	2016 Total £	Restated 2015 Total £
<b>Income from:</b>					
Donations and legacies	3	108,641	519,076	<b>627,717</b>	233,228
Charitable activities	4	33,646	-	<b>33,646</b>	117,500
Investments		-	57,950	<b>57,950</b>	73,776
<b>Total income</b>		<u>142,287</u>	<u>577,026</u>	<u><b>719,313</b></u>	<u>424,504</u>
<b>Expenditure on:</b>					
Raising funds		-	193,767	<b>193,767</b>	214,101
Charitable activities		<u>91,274</u>	<u>167,116</u>	<u><b>258,390</b></u>	<u>604,598</u>
<b>Total expenditure</b>	5	<u>91,274</u>	<u>360,883</u>	<u><b>452,157</b></u>	<u>818,699</u>
Net income / (expenditure) before gains / (losses)		51,013	216,143	<b>267,156</b>	(394,195)
Net gains / (losses) on investments	11	-	(74,384)	<b>(74,384)</b>	133,884
<b>Net income / (expenditure)</b>		51,013	141,759	<b>192,772</b>	(260,311)
Transfers between funds		-	-	-	-
<b>Net movement in funds</b>	8	<u>51,013</u>	<u>141,759</u>	<u><b>192,772</b></u>	<u>(260,311)</u>
<b>Reconciliation of funds:</b>					
Total funds brought forward		36,600	950,639	<b>987,239</b>	1,076,583
Prior year adjustments	19	-	-	-	170,967
Total funds brought forward (restated)		<u>36,600</u>	<u>950,639</u>	<u><b>987,239</b></u>	<u>1,247,550</u>
<b>Total funds carried forward</b>		<u><u>87,613</u></u>	<u><u>1,092,398</u></u>	<u><u><b>1,180,011</b></u></u>	<u><u>987,239</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16 to the accounts.

The 2015 comparatives have been restated for prior period adjustments as set out in Note 19 to the accounts.

## National Eye Research Centre

### Balance sheet

As at 31 March 2016

	Note	£	2016 £	Restated 2015 £
<b>Fixed assets</b>				
Investments	11		1,467,054	1,423,570
<b>Current assets</b>				
Debtors	12	24,526		-
Cash at bank and in hand		<u>243,821</u>		<u>687,837</u>
		<b>268,347</b>		687,837
<b>Liabilities</b>				
Creditors: amounts falling due within 1 year	13	<u>428,245</u>		<u>769,794</u>
<b>Net current liabilities</b>			<u>(159,898)</u>	<u>(81,957)</u>
<b>Total assets less current liabilities</b>			<b>1,307,156</b>	1,341,613
Creditors: amounts falling due after more than 1 year	14		<u>(127,145)</u>	<u>(354,374)</u>
<b>Net assets</b>	15		<u><b>1,180,011</b></u>	<u>987,239</u>
<b>Funds</b>	16			
Restricted funds			<b>87,613</b>	36,600
Unrestricted funds			<u><b>1,092,398</b></u>	<u>950,639</u>
<b>Total charity funds</b>			<u><b>1,180,011</b></u>	<u>987,239</u>

The 2015 comparatives have been restated for prior period adjustments as set out in Note 19 to the accounts.

Approved by the trustees on 26 July 2016 and signed on their behalf by

Rodney Grey FRCS FRCOphth - Chairman

## National Eye Research Centre

### Statement of cash flows

For the year ended 31 March 2016

	2016 £	Restated 2015 £
<b>Cash used in operating activities:</b>		
<b>Net movement in funds</b>	<b>192,772</b>	(260,311)
Adjustments for:		
Loss on disposal of fixed assets	-	10
(Gains) / losses on investments	<b>74,384</b>	(133,884)
Dividends and interest from investments	<b>(57,950)</b>	(73,776)
Decrease / (increase) in debtors	<b>(24,526)</b>	-
Increase / (decrease) in creditors	<b>(568,778)</b>	19,768
<b>Net cash provided by / (used in) operating activities</b>	<b><u>(384,098)</u></b>	<u>(448,193)</u>
<b>Cash flows from investing activities:</b>		
Dividends and interest from investments	<b>57,950</b>	73,776
Proceeds from the sale of investments	<b>222,586</b>	868,733
Purchase of investments	<b>(340,454)</b>	(240,944)
<b>Net cash provided by / (used in) investing activities</b>	<b><u>(59,918)</u></b>	<u>701,565</u>
<b>Increase / (decrease) in cash and cash equivalents in the year</b>	<b>(444,016)</b>	253,372
Cash and cash equivalents at the beginning of the year	<b><u>687,837</u></b>	<u>434,465</u>
<b>Cash and cash equivalents at the end of the year</b>	<b><u><u>243,821</u></u></b>	<u><u>687,837</u></u>



## National Eye Research Centre

### Notes to the financial statements

#### For the year ended 31 March 2016

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#### 1. Accounting policies

##### a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

National Eye Research Centre meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

##### b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the charity's ability to continue as a going concern. The charity had net current liabilities at the year end but is able to draw down from its investment portfolio if required to meet liabilities as they fall due.

##### c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have been met, then the legacy is treated as a contingent asset and disclosed if material.

##### d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

## National Eye Research Centre

### Notes to the financial statements

#### For the year ended 31 March 2016

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**e) Investment income**

Interest on funds held on deposit, dividends and other investment income are included when receivable and the amount can be measured reliably by the charity. This is normally upon notification of the amounts paid or payable by the bank or investment managers.

**f) Funds accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific research projects being funded by the charity.

**g) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**h) Grants payable**

Grants payable are charged in the year in which the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attached have been fulfilled. Grants offered subject to conditions at the year end are noted as commitment but are not accrued as expenditure.

**i) Allocation of support and governance costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs have been allocated between cost of raising funds and expenditure on charitable activities on the basis of staff time spent on each activity:

Raising funds	71.0%
Charitable activities	29.0%

**j) Listed investments**

Investments in quoted shares, traded bonds and similar investments are measured initially at cost and subsequently at fair value (their market value). The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

**k) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**l) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

## National Eye Research Centre

### Notes to the financial statements

#### For the year ended 31 March 2016

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##### m) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

##### n) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

##### o) Transition to FRS 102

No restatement of the opening fund position was required in making the transition to FRS 102. The transition date was 1 April 2014.

## 2. Prior period comparatives

	Restricted £	Unrestricted £	Restated 2015 Total £
<b>Income from:</b>			
Donations and legacies	14,500	218,728	<b>233,228</b>
Charitable activities	117,500	-	<b>117,500</b>
Investments	-	73,776	<b>73,776</b>
<b>Total income</b>	<b>132,000</b>	<b>292,504</b>	<b>424,504</b>
<b>Expenditure on:</b>			
Raising funds	-	214,101	<b>214,101</b>
Charitable activities	128,500	476,098	<b>604,598</b>
<b>Total expenditure</b>	<b>128,500</b>	<b>690,199</b>	<b>818,699</b>
Net income / (expenditure) before gains / (losses)	3,500	(397,695)	<b>(394,195)</b>
Net gains / (losses) on investments	-	133,884	<b>133,884</b>
<b>Net income / (expenditure)</b>	<b>3,500</b>	<b>(263,811)</b>	<b>(260,311)</b>
Transfers between funds	-	-	-
<b>Net movement in funds</b>	<b>3,500</b>	<b>(263,811)</b>	<b>(260,311)</b>

**National Eye Research Centre**

**Notes to the financial statements**

**For the year ended 31 March 2016**

**3. Donations and legacies**

	Restricted £	Unrestricted £	<b>2016 Total £</b>	Restated 2015 Total £
Donations	108,641	162,760	<b>271,401</b>	132,104
Legacies	-	309,400	<b>309,400</b>	77,879
Gift aid	-	30,439	<b>30,439</b>	8,391
Gifts in kind	*	16,477	<b>16,477</b>	14,854
Total donations and legacies	<u>108,641</u>	<u>519,076</u>	<u><b>627,717</b></u>	<u>233,228</u>

\* Gifts in kind are represented by

Rent and office costs	-	13,567	<b>13,567</b>	13,567
Advertising	-	2,910	<b>2,910</b>	1,287
	<u>-</u>	<u>16,477</u>	<u><b>16,477</b></u>	<u>14,854</u>

**4. Charitable activities**

	Restricted £	Unrestricted £	<b>2016 Total £</b>	2015 Total £
Grants receivable	<u>33,646</u>	<u>-</u>	<u><b>33,646</b></u>	<u>117,500</u>
Total charitable activities	<u>33,646</u>	<u>-</u>	<u><b>33,646</b></u>	<u>117,500</u>

**National Eye Research Centre**

**Notes to the financial statements**

**For the year ended 31 March 2016**

**5. Expenditure**

	Raising funds	Charitable activities	Support and governance costs	2016 Total	Restated 2015 Total
	£	£	£	£	£
Fundraising	60,208	-	-	<b>60,208</b>	63,875
Publicity	26,424	-	-	<b>26,424</b>	35,997
Research grants (Note 6)	-	216,588	-	<b>216,588</b>	560,408
Salary costs (Note 9)	48,750	21,182	38,645	<b>108,577</b>	115,366
Stationery and printing	-	-	2,232	<b>2,232</b>	3,786
Telephone and postage	-	-	1,402	<b>1,402</b>	2,461
Office costs	-	-	19,854	<b>19,854</b>	19,859
Audit and accountancy	-	-	8,772	<b>8,772</b>	2,712
Professional fees	-	-	199	<b>199</b>	4,852
Investment management fees	7,901	-	-	<b>7,901</b>	9,383
<b>Sub-total</b>	143,283	237,770	71,104	<b>452,157</b>	818,699
Allocation of support and governance costs	50,484	20,620	(71,104)	-	-
<b>Total expenditure</b>	<b>193,767</b>	<b>258,390</b>	-	<b>452,157</b>	818,699

## National Eye Research Centre

### Notes to the financial statements

For the year ended 31 March 2016

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#### 6. Grants payable to institutions

All grants were made for the purpose of carrying out research into the causes and treatment of diseases and disabilities of the eye and blindness and the prevention thereof. The amount payable and committed in the year for this year and future years comprise the following:

	2016 No.	2016 £
<b>Research grants:</b>		
University of Bristol	3	92,196
Queens University, Belfast	1	59,995
University of Leeds	1	91,403
University of Birmingham	1	10,000
University of Sheffield	1	<u>11,000</u>
Total grants committed during the year		264,594
Less: Written back grants from prior periods		<u>(48,006)</u>
Total grant expenditure		<u><u>216,588</u></u>

#### 7. Grants commitments

	2016 £
Grants payable to institutions:	
Grant commitments brought forward (restated)	1,086,823
Grants committed during the year	264,594
Grants paid during the year	(768,257)
Less: Written back grants from prior periods	<u>(48,006)</u>
Grant commitments carried forward	<u><u>535,154</u></u>

#### 8. Net movement in funds

This is stated after charging:

	2016 £	2015 £
Loss on disposal of fixed assets	-	10
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	155	190
Auditors' remuneration:		
▪ Statutory audit (including VAT)	3,990	2,592
▪ Other services	<u>4,974</u>	<u>396</u>

Trustees' reimbursed expenses related to subsistence costs for quarterly board meetings.

## National Eye Research Centre

### Notes to the financial statements

For the year ended 31 March 2016

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#### 9. Staff costs and numbers

Staff costs were as follows:

	2016 £	2015 £
Salaries and wages	50,000	59,133
Social security costs	3,780	4,168
Contract staff	<u>54,797</u>	<u>52,065</u>
	<u><u>108,577</u></u>	<u><u>115,366</u></u>

No employee earned more than £60,000 during the year.

The key management staff of the charity comprise the Trustees and the Chief Executive Officer. The total employee benefits of key management staff during the year were £50,000 (2015: £47,500).

	2016 No.	2015 No.
Average head count during the year:		
▪ Employed staff	1	1.5
▪ Contract staff	<u>2</u>	<u>2</u>

#### 10. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

#### 11. Investments

	2016 £	Restated 2015 £
<b>Listed investments:</b>		
Market value at 1 April 2015	1,423,570	1,917,475
Additions	340,454	240,944
Disposals proceeds	(222,586)	(868,733)
Realised gains / (losses)	(5,334)	126,737
Unrealised gains / (losses)	<u>(69,050)</u>	<u>7,147</u>
<b>Market value at 31 March 2016</b>	<u><u>1,467,054</u></u>	<u><u>1,423,570</u></u>
<b>Historical cost at 31 March 2016</b>	<u><u>1,336,115</u></u>	<u><u>1,175,998</u></u>

National Eye Research Centre

Notes to the financial statements

For the year ended 31 March 2016

12. Debtors

	2016 £	2015 £
Other debtors	<u>24,526</u>	<u>-</u>

13. Creditors : amounts due within 1 year

	2016 £	Restated 2015 £
Trade creditors	2,452	-
Accruals	17,784	37,345
Grant commitments (Note 7)	<u>408,009</u>	<u>732,449</u>
	<u>428,245</u>	<u>769,794</u>

14. Creditors : amounts due after 1 year

	2016 £	Restated 2015 £
Grant commitments (Note 7)	<u>127,145</u>	<u>354,374</u>

15. Analysis of net assets between funds

	Restricted funds £	Unrestricted funds £	Total funds £
Investments	-	1,467,054	1,467,054
Current assets	233,896	34,451	268,347
Current liabilities	(79,388)	(348,857)	(428,245)
Long term liabilities	<u>(66,895)</u>	<u>(60,250)</u>	<u>(127,145)</u>
<b>Net assets at 31 March 2016</b>	<u>87,613</u>	<u>1,092,398</u>	<u>1,180,011</u>



National Eye Research Centre

Notes to the financial statements

For the year ended 31 March 2016

16. Movements in funds

	At 1 April 2015 £	Prior year adjustment £	Restated at 1 April 2015 £	Income £	Expenditure £	Gains / losses £	Transfers between funds £	At 31 March 2016 £
<b>Restricted funds</b>								
Yorkshire Research Fund	39,100	(2,500)	36,600	5,087	-	-	-	41,687
St James's University Hospital	-	-	-	1,020	-	-	-	1,020
University of Sheffield	-	-	-	11,000	(11,000)	-	-	-
Oxford Microscope	-	-	-	19,500	-	-	-	19,500
Uveitis	-	-	-	52,983	(80,274)	-	-	(27,291)
Eye Cancer	-	-	-	52,320	-	-	-	52,320
Age-related Macular Degeneration	-	-	-	377	-	-	-	377
Underwood Trust	84,284	(84,284)	-	-	-	-	-	-
Primary Open Angle Glaucoma	14,999	(14,999)	-	-	-	-	-	-
Improving Diagnosis for ROP	7,500	(7,500)	-	-	-	-	-	-
Retinoblastoma in Sub-Saharan Africa	4,035	(4,035)	-	-	-	-	-	-
Wooler Memorial AMRD Fund	400	(400)	-	-	-	-	-	-
<b>Total restricted funds</b>	<b>150,318</b>	<b>(113,718)</b>	<b>36,600</b>	<b>142,287</b>	<b>(91,274)</b>	<b>-</b>	<b>-</b>	<b>87,613</b>
<b>Unrestricted funds</b>								
General funds	608,213	342,426	950,639	577,026	(360,883)	(74,384)	-	1,092,398
<b>Total unrestricted funds</b>	<b>608,213</b>	<b>342,426</b>	<b>950,639</b>	<b>577,026</b>	<b>(360,883)</b>	<b>(74,384)</b>	<b>-</b>	<b>1,092,398</b>
<b>Total funds</b>	<b>758,531</b>	<b>228,708</b>	<b>987,239</b>	<b>719,313</b>	<b>(452,157)</b>	<b>(74,384)</b>	<b>-</b>	<b>1,180,011</b>

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### Notes to the financial statements

For the year ended 31 March 2016

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#### 16. Movements in funds (continued)

##### Purposes of restricted funds

<b>Yorkshire Research Fund</b>	This fund relates to donations for projects being carried out in the Yorkshire region.
<b>St James's University Hospital</b>	Donations given specifically to fund research at St James University Hospital in Leeds.
<b>University of Sheffield</b>	Monies raised for the funding of the research post of Tissue Co-ordinator investigating the eye cancer, uveal melanoma at University of Sheffield.
<b>Oxford Microscope</b>	Funds raised towards purchase of a microscope for the investigation and treatment of Choroideremia at the University of Oxford, paid in May 2016.
<b>Uveitis</b>	Monies raised for the investigation of the autoimmune eye disease, uveitis. The fund appears in deficit at year end. However the charity has secured the commitment of full funding for this project over its three years.
<b>Eye Cancer</b>	Donations given specifically to fund research into Eye Cancer.
<b>Age-related Macular Degeneration</b>	Donations given specifically to fund research into Age-related Macular Degeneration (AMD).

#### 17. Related party transactions

Robert Drewett, trustee, is a member of Bond Dickinson LLP. During the year, Bond Dickinson received payments of £nil (2015: £3,870) for the provision of legal services. No amounts were outstanding at the year end.

Christopher Lawrance, Trustee, is a Director of JBP Associates Limited. During the year, the charity paid £30,990 (2015: £33,705) for fundraising and services. No amounts were outstanding at the year end.

#### 18. Post balance sheet events

The charity approved its grant commitments for the year 2016/17 at its board meeting on 19 April 2016. It approved total commitments of £51,816 from restricted funds and £319,671 from general funds.

## National Eye Research Centre

### Notes to the financial statements

#### For the year ended 31 March 2016

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#### 19. Prior period adjustments

The prior period comparatives have been adjusted for the following material and fundamental prior period errors found, as follows:

- a) Grants payable had been over-accrued for in prior periods against unrestricted funds, and under-accrued against restricted funds. The effect is a decrease in grant expenses of £37,839 in the year ended 31 March 2015, a decrease in grant commitments of £208,806 at 31 March 2015, an increase in funds at 31 March 2015 of £208,806 and an increase in the opening funds at 1 April 2014 of £170,967.
- b) Contract staff salaries, which are paid to an external party, were over accrued for in the prior year, and incorrectly posted to grant expenses. The effect is a decrease in accruals and grant expenses of £21,721 at 31 March 2015.
- c) Bank and cash in hand contained an erroneous petty cash balance of £1,809 which required writing off, resulting in a decrease in bank and cash in hand and an increase in administration expenses.
- d) Fixed assets with a net book value of £10 had been disposed of at 31 March 2015, resulting in the reduction of fixed assets to nil and an increase in administration expenses.
- e) Cash held within fixed asset investments of £354,196 was reclassified within bank and cash in hand, resulting in a decrease in fixed asset investments and an increase in current assets.
- f) Income from donations was increased by £14,874, expenditure on office costs was increased by £13,567 and expenditure on marketing was increased by £1,287, to account for gifts in kind received in the year to 31 March 2015.
- g) Transfers from restricted to general funds were made for the following funds:

Primary Open Angle Glaucoma	This fund was found to be fully spent in a prior period.
Improving Diagnosis for ROP	These funds had been raised historically, but no beneficiary had been identified.
Retinoblastoma in Sub-Saharan Africa	Insufficient funds had been raised in the past for this project, and they were deemed to be released for other research.
Wooler Memorial AMRD Fund	The origin of this fund was unknown.

An additional transfer from general to restricted funds was required as per the prior year accounts in order to reconcile the opening funds balances at 1 April 2014.

**National Eye Research Centre**

**Notes to the financial statements**

**For the year ended 31 March 2016**

**19. Prior period adjustments (continued)**

**Reconciliation of prior period adjustments**

	Restricted £	Unrestricted £	Total £
Funds at 31 March 2015 (as originally stated):	150,318	608,213	<b>758,531</b>
<i>Prior period adjustments:</i>			
Over / (under) accrual of grant liabilities	(86,784)	295,590	<b>208,806</b>
Over accrual of staff salaries	-	21,721	<b>21,721</b>
Write off of petty cash	-	(1,809)	<b>(1,809)</b>
Disposal of fixed assets	-	(10)	<b>(10)</b>
Reduction of fixed asset investments for cash	-	(354,196)	<b>(354,196)</b>
Increase in bank and cash in hand	-	354,196	<b>354,196</b>
<i>Transfers between funds:</i>			
Primary Open Angle Glaucoma	(14,999)	14,999	-
Improving Diagnosis for ROP	(7,500)	7,500	-
Retinoblastoma in Sub-Saharan Africa	(4,035)	4,035	-
Wooler Memorial AMRD Fund	(400)	400	-
Funds at 31 March 2015 (as restated):	<u>36,600</u>	<u>950,639</u>	<u><b>987,239</b></u>
	Restricted £	Unrestricted £	Total £
Funds at 1 April 2014 (as originally stated):	51,952	1,024,631	<b>1,076,583</b>
<i>Prior period adjustments:</i>			
Over / (under) accrual of grant liabilities	(86,784)	257,751	<b>170,967</b>
<i>Transfers between funds:</i>			
Primary Open Angle Glaucoma	(14,999)	14,999	-
Improving Diagnosis for ROP	(7,500)	7,500	-
Retinoblastoma in Sub-Saharan Africa	(4,035)	4,035	-
Wooler Memorial AMRD Fund	(400)	400	-
Additional transfer per prior year accounts	<u>94,866</u>	<u>(94,866)</u>	-
Funds at 1 April 2014 (as restated):	<u>33,100</u>	<u>1,214,450</u>	<u><b>1,247,550</b></u>