



**national eye**  
RESEARCH CENTRE

YOUR SIGHT OUR VISION

**National Eye Research Centre**  
**A Charitable Incorporated Organisation**  
**Audited Financial Statements and Report**  
**Period Ending 30 June 2017**

Registered Charity Number: 1156134

## National Eye Research Centre

### Reference and administrative details

For the period ended 30 June 2017

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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 (resigned July 2016) The Most Honourable The Marquess of Reading (appointed July 2016)
<b>Vice Presidents</b>	Professor John Armitage Professor David L Easty MD FRCS Professor Andrew Lotery MD FCROphth Professor 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) Major Gen (Retired) Chris G Callow CB OBE FFPH Dr John Cottrell MA FCA Mr Robert Drewett DL Mr David Good Mr Richard Haynes MD FRCOphth Mr Christopher Lawrance (resigned April 2017) Mr Adam Ross MB ChB
<b>Scientific Advisory Committee</b>	Professor Sobha Sivaprasad DM, FRCOphth, FRCS (Chairman) Miss Clare Bailey, MD, FRCP, FRCOphth Professor Alastair Denniston MA MRCP FRCOphth PhD Professor Chris Inglehearn BSc PhD Professor Andrew Lotery MD FRCOphth (resigned March 2017) Dr J. Arjuna Ratnayaka BSc MPhil PhD (appointed April 2017) Professor Alan Stitt Professor Marcela Votruba, PhD FRCOphth Dr Anthony Vugler Professor Andrew Webster
<b>Chief executive officer</b>	Mr Michael Daw
<b>Principal bankers</b>	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ

**National Eye Research Centre**

**Reference and administrative details**

**For the period ended 30 June 2017**

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<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
<b>Auditors</b>	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD

## **National Eye Research Centre**

### **Chairman's report**

#### **For the period ended 30 June 2017**

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In previous years we have reported our results to 31 March and shortly afterwards made our annual grant commitments. This year the trustees decided it would be preferable to make our major grant commitments towards the end of our financial year rather than at the beginning of the new financial year. Hence, the trustees decided to change the charity's year end to 30 June and therefore we are reporting a fifteen month period. This period contains, unsurprisingly, fifteen months of income, but also two rounds of annual grant commitments. Our reserves policy has been adjusted accordingly and I shall endeavour to explain our achievements on a pro-rata basis wherever that is appropriate.

#### **Income**

It is pleasing to report another year where income has increased; this year by a more modest 1.8% on a pro-rata basis. Legacies improved whilst other voluntary income declined. Income from gifts in kind doubled as we enjoyed the full year effect of maximising the traffic that our grant from Google delivers to our website. Investment income also showed strong growth of 14.8% pro-rata and the performance of the stock market also generated healthy gains on our investments.

#### **Expenditure**

As mentioned above the fifteen month reporting period contains two rounds of annual grant commitments. Nevertheless, it is enormously heartening to see that we have invested £1.2 million into eye research in this period. This takes the total that National Eye Research Centre has invested in eye research since its foundation to more than £16 million – a milestone of which we are immensely proud. Investment in fundraising increased by a modest 4% and reflects the challenges charities now face in fundraising when complying with the recent strengthening of legislation by the new Fundraising Regulator, and the demands of the forthcoming EU directive on data protection (GDPR).

#### **Key achievements**

During the period we have been able to fund:

- An appeal which raised £93,709 for a project seeking new treatments for diabetic retinopathy, a leading cause of blindness, at the University of Nottingham under the auspices of Professor David Bates;
- A new research project for £51,816 at the University of Sheffield under the auspices of Dr Karen Sisley into new treatments for uveal melanoma, a distressing and often fatal cancer of the eye;
- £45,962 for the purchase of an enhanced Micron IV eye imaging systems for the University of Bristol;
- £24,500 towards the purchase of a Zeiss Lumera 700 RESCAN intra-operative OCT microscope for the Oxford Eye Hospital and the treatment of Chloridaemia, an inherited blinding condition of young men, using exciting new gene therapy techniques;
- A three year extension of the £80,000 per annum dowry to the Professor of Ophthalmology at the University of Bristol;
- Over £1 million of other research projects awarded during the 2016 and 2017 annual grant rounds.

## **National Eye Research Centre**

### **Chairman's report**

#### **For the period ended 30 June 2017**

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During the period we also:

- Conducted a major survey among our current supporters in order to understand better their views about sight loss and eye disease and the role that the charity should play in funding research into eye disease;
- Won an £18,000 grant for the redevelopment of our website. The redevelopment was based largely on the findings of the supporter research above and the new site was launched on 11 September 2017 at [www.nerc-charity.org.uk](http://www.nerc-charity.org.uk).

It remains the case that two million people in the UK are living with a significant degree of sight loss. This number is projected to double to four million by 2050 due to ageing, thereby the population becoming increasingly prone to sight loss. The population will also be at increased risk owing to the increasing incidence of sight loss triggers, such as obesity and diabetes. Yet less than 2% of all medical research investment is directed at eye disease. Your continued support in overcoming this critical level of underfunding is appreciated. Only research will cure blindness!

Rodney Grey  
Chairman

## **National Eye Research Centre**

### **Report of the trustees**

#### **For the period ended 30 June 2017**

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The trustees are pleased to present their annual report together with the financial statements of the charity for the period ending 30 June 2017. 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 and VISION 2020 UK and is registered with the Fundraising Regulator. The charity seeks to abide by each of these 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 period ended 30 June 2017**

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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. 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 widely 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.

#### **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 (AMRC) and abides by the association's 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 period ended 30 June 2017

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#### Achievements and performance

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; and
  - The publications record of grant holders

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

1) Paid out ongoing research grants of £555,494.

2) Awarded four significant new grants:

Institution	Researcher	Title	Type and duration	Grant (£)
Cambridge University	Prof Keith Martin	Manipulation of P13K signalling to enhance regeneration of retinal ganglion cells	Major - 3 yrs	£58,183
Cardiff University	Prof Marcela Votruba	Developing a novel therapy for treatment of autosomal dominant optic atrophy (ADOA), a hereditary blinding disease causing damage to the optic nerve	Major – 14 months	£60,000
Bristol University	Dr Richard Lee	Minimising steroid side-effects in patients with sight-threatening intraocular inflammation	Major – 1yr	£58,000
Liverpool University	Dr Louise Porter	Investigating the epigenetic changes associated with dry age-related macular degeneration	PhD studentship – 3yrs	£60,000

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

Institution	Researcher	Title
Leicester University	Prof Irene Gottlob	Can feedback increase adherence to patching and spectacles wear in amblyopia?
Queens University Belfast	Dr Mei Chen	Investigating the role of IL-33 in Muller cell pathophysiology
University of Bristol	Prof Andrew Dick	The contribution of changing cellular bio-energetics stimulating IL-33ST2 axis in the immune-mediated pathogenesis of age-related macular degeneration



## National Eye Research Centre

### Report of the trustees

#### For the period ended 30 June 2017

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

Institution	Researcher	Title
Bradford University	Prof Edward Mallen	Is peripheral defocus during near work linked by myopia development and progression?
Leeds University	Prof Chris Inglehearn	Determining the pathological basis of keratoconus through combined family, case control and transcriptome studies
Durham University	Prof Roy Quinlan	Sterol mediated reversal of lens opacification
Cardiff University	Prof Jeremy Guggenheim	Gene-environment and gene-gene interactions in myopia
Queens University Belfast	Dr Reinhold Medina	Premature vascular senescence during diabetic retinopathy
Edinburgh University	Mr Neeraj Dhaun	Assessment of retina and choroid using coherence tomography in health, hypertension and chronic kidney disease
University of the West of England	Dr Gabrielle Whewey	Extending the study of splicing factors at the base of the cilium and their role in RP pathogenesis etc.
Southampton University	Dr Arjuna Ratnayaka	Exploitation of a powerful Alzheimer's disease mouse model to study retinal degeneration
University of Bristol	Prof Andrew Dick	Transcriptional plasticity of microglia during intraocular inflammation
University of Bristol	Dr Lindsay Nicholson	Initiation and regulation of experimental autoimmune uveoretinitis
Sheffield University	Dr Karen Sisley	Prognostic testing of Uveal Melanoma: Adaptation of genetic biomarker screening to blood.

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 principal 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 publicly-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 it receives 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 £400,000 annually in eye research.

## **National Eye Research Centre**

### **Report of the trustees**

#### **For the period ended 30 June 2017**

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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, by 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 £1,623,739. Over the previous twelve months the portfolio has returned 15.3%, ahead of the benchmark return of 13.8%. We continue to take a reasonably cautious approach to our investment portfolio and are not proposing any significant change to the investment strategy in the near term.

##### **Fundraising**

There can be no doubt that charity fundraising is becoming more challenging as the demands of more stringent regulation and the impending constraints of the new EU Directive on Data Protection (GDPR) begin to bite. Legacy income remains notoriously volatile although we enjoyed a reasonably average year for legacy receipts. Donations fell as we were unable to replace the income of last year's very successful BBC Radio 4 appeal. We will continue to invest in fundraising to broaden our supporter base and reduce our dependency on volatile and unpredictable legacy income.

##### **Financial review**

The charity has traditionally operated to a year end of 31 March but then made its major grant commitments at the beginning of its next financial year in April. If income expectations in that following year are not met this can depress the financial result for that year. Therefore, the trustees decided to move the year end to 30 June so that grant commitments are made towards the end of the year when most of the year's income has been booked. Thus, we are currently reporting on a 15 month period. Taking a pro rata view of income shows that the charity improved its income by 1.8% over the previous year. Unfortunately, it is too simple to take a pro rata view of expenditure as the 15 month period contains the commitments of two major annual grant rounds. The additional grant round plus a renewed three year commitment to the dowry for the Professor of Ophthalmology at Bristol University more than explains the reported deficit of £413,356.

## National Eye Research Centre

### Report of the trustees

#### For the period ended 30 June 2017

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#### Sources and application of funds

The charity raises funds from a very loyal base of individual supporters, trusts and foundations and is particularly grateful to those individuals who remember the charity in their Wills. This year we were particularly proud to have funded:

- An appeal which raised £93,709 for a project seeking new treatments for diabetic retinopathy, a leading cause of blindness, at the University of Nottingham under the auspices of Professor David Bates;
- A new research project for £51,816 at the University of Sheffield under the auspices of Dr Karen Sisley into new treatments for uveal melanoma, a distressing and often fatal cancer of the eye;
- £45,962 for the purchase of an enhanced Micron IV eye imaging systems for the University of Bristol;
- £24,500 towards the purchase of a Zeiss Lumera 700 RESCAN intra-operative OCT microscope for the Oxford Eye Hospital and the treatment of Chloridaemia, an inherited blinding condition of young men, using exciting new gene therapy techniques;
- A three year extension of the £80,000 per annum dowry to the Professor of Ophthalmology at the University of Bristol;
- Over £1 million of other research projects awarded during the 2016 and 2017 annual grant rounds.

#### Risk management

The trustees consider all the known risks confronting the charity every year and these risks are recorded in a risk register. The trustees then score all the risks on the register according to their likelihood of occurrence and their impact on the charity should they happen. This is managed according to the Charity Commission's guidance on risk in its publication CC26. The charity develops and maintains a schedule of management and mitigation strategies for all the significant risks identified by the trustees.

#### Reserves

Previously the trustees' target for free reserves at the year end date of 31 March was determined to be £1,000,000. This was set in the light of knowing in the following month of April the trustees would make a substantial commitment to new research grants which would considerably diminish the free reserves. Following the change of the year end to 30 June, by which time that year's new grant commitments have already been made, the trustees determined that a lower figure for free reserves would be appropriate. The new target for free reserves has been set at £700,000. At the year end the charity's free reserves were £797,700. 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 period ended 30 June 2017

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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 24 October 2017 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 period ended 30 June 2017 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 30 June 2017 and of its incoming resources and application of resources, including its income and expenditure, for the period 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:

### **GODFREY WILSON LIMITED**

Chartered accountants and statutory auditors  
5th Floor, Mariner House  
62 Prince Street  
Bristol  
BS1 4QD

**National Eye Research Centre**

**Statement of financial activities**

**For the period ended 30 June 2017**

	Note	Restricted £	Unrestricted £	15 months to 30 June 2017 Total £	Restated 12 months to 31 March 2016 Total £
<b>Income from:</b>					
Donations and legacies	3	155,439	676,426	<b>831,865</b>	661,363
Investments		-	83,184	<b>83,184</b>	57,950
<b>Total income</b>		<u>155,439</u>	<u>759,610</u>	<u><b>915,049</b></u>	<u>719,313</u>
<b>Expenditure on:</b>					
Raising funds		-	251,989	<b>251,989</b>	193,767
Charitable activities		<u>225,987</u>	<u>1,028,734</u>	<u><b>1,254,721</b></u>	<u>258,390</u>
<b>Total expenditure</b>	4	<u>225,987</u>	<u>1,280,723</u>	<u><b>1,506,710</b></u>	<u>452,157</u>
Net income / (expenditure) before gains / (losses)		(70,548)	(521,113)	<b>(591,661)</b>	267,156
Net gains / (losses) on investments	10	-	178,305	<b>178,305</b>	(74,384)
<b>Net income / (expenditure)</b>		(70,548)	(342,808)	<b>(413,356)</b>	192,772
Transfers between funds		<u>(48,310)</u>	<u>48,310</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>	7	<u>(118,858)</u>	<u>(294,498)</u>	<u><b>(413,356)</b></u>	<u>192,772</u>
<b>Reconciliation of funds:</b>					
Total funds brought forward		<u>87,613</u>	<u>1,092,398</u>	<u><b>1,180,011</b></u>	<u>987,239</u>
<b>Total funds carried forward</b>		<u><u>(31,245)</u></u>	<u><u>797,900</u></u>	<u><u><b>766,655</b></u></u>	<u><u>1,180,011</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 15 to the accounts.

The 2016 comparatives have been restated for classification of income (see note 3). There is no effect to the total income for the period.

## National Eye Research Centre

### Balance sheet

As at 30 June 2017

	Note	£	30 June 2017 £	31 March 2016 £
<b>Fixed assets</b>				
Investments	10		1,623,739	1,467,054
<b>Current assets</b>				
Debtors	11	134,089		24,526
Cash at bank and in hand		<u>223,074</u>		<u>243,821</u>
		<b>357,163</b>		268,347
<b>Liabilities</b>				
Creditors: amounts falling due within 1 year	12	<u>(692,445)</u>		<u>(428,245)</u>
<b>Net current liabilities</b>			<u>(335,282)</u>	<u>(159,898)</u>
<b>Total assets less current liabilities</b>			<b>1,288,457</b>	1,307,156
Creditors: amounts falling due after more than 1 year	13		<u>(521,802)</u>	<u>(127,145)</u>
<b>Net assets</b>	14		<u><b>766,655</b></u>	<u>1,180,011</u>
<b>Funds</b>	15			
Restricted funds			<b>(31,245)</b>	87,613
Unrestricted funds			<u><b>797,900</b></u>	<u>1,092,398</u>
<b>Total charity funds</b>			<u><b>766,655</b></u>	<u>1,180,011</u>

Approved by the trustees on 24 October 2017 and signed on their behalf by

Rodney Grey FRCS FRCOphth - Chairman



## National Eye Research Centre

### Statement of cash flows

For the period ended 30 June 2017

	15 months to to 30 June 2017 £	12 months to 31 March 2016 £
<b>Cash used in operating activities:</b>		
<b>Net movement in funds</b>	<b>(413,356)</b>	192,772
Adjustments for:		
(Gains) / losses on investments	<b>(178,305)</b>	74,384
Dividends and interest from investments	<b>(83,184)</b>	(57,950)
Decrease / (increase) in debtors	<b>(109,563)</b>	(24,526)
Increase / (decrease) in creditors	<b>658,857</b>	<b>(568,778)</b>
<b>Net cash provided by / (used in) operating activities</b>	<b><u>(125,551)</u></b>	<b><u>(384,098)</u></b>
<b>Cash flows from investing activities:</b>		
Dividends and interest from investments	<b>83,184</b>	57,950
Proceeds from the sale of investments	<b>520,591</b>	222,586
Purchase of investments	<b>(498,971)</b>	<b>(340,454)</b>
<b>Net cash provided by / (used in) investing activities</b>	<b><u>104,804</u></b>	<b><u>(59,918)</u></b>
<b>Increase / (decrease) in cash and cash equivalents in the year</b>	<b>(20,747)</b>	(444,016)
Cash and cash equivalents at the beginning of the year	<b><u>243,821</u></b>	<b><u>687,837</u></b>
<b>Cash and cash equivalents at the end of the year</b>	<b><u><u>223,074</u></u></b>	<b><u><u>243,821</u></u></b>

## National Eye Research Centre

### Notes to the financial statements

#### For the period ended 30 June 2017

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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.

##### 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 not 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 period ended 30 June 2017

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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 period ended 30 June 2017

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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.

## 2. Prior period comparatives

	Restricted £	Unrestricted £	Restated 12 months to 31 March 2016 Total £
<b>Income from:</b>			
Donations and legacies	142,287	519,076	<b>661,363</b>
Investments	-	57,950	<b>57,950</b>
<b>Total income</b>	<b>142,287</b>	<b>577,026</b>	<b>719,313</b>
<b>Expenditure on:</b>			
Raising funds	-	193,767	<b>193,767</b>
Charitable activities	91,274	167,116	<b>258,390</b>
<b>Total expenditure</b>	<b>91,274</b>	<b>360,883</b>	<b>452,157</b>
Net income / (expenditure) before gains / (losses)	51,013	216,143	<b>267,156</b>
Net gains / (losses) on investments	-	(74,384)	<b>(74,384)</b>
<b>Net income / (expenditure)</b>	<b>51,013</b>	<b>141,759</b>	<b>192,772</b>
Transfers between funds	-	-	-
<b>Net movement in funds</b>	<b>51,013</b>	<b>141,759</b>	<b>192,772</b>

**National Eye Research Centre**

**Notes to the financial statements**

**For the period ended 30 June 2017**

**3. Donations and legacies**

	Restricted £	Unrestricted £	<b>15 months to 30 June 2017 Total £</b>	Restated 12 months to 31 March 2016 Total £
Donations (including Gift Aid)	155,439	152,307	<b>307,746</b>	335,486
Legacies	-	482,835	<b>482,835</b>	309,400
Gifts in kind	*	41,284	<b>41,284</b>	16,477
<b>Total income from donations and legacies</b>	<b>155,439</b>	<b>676,426</b>	<b>831,865</b>	<b>661,363</b>
* Gifts in kind are represented by:				
Rent and office costs	-	16,984	<b>16,984</b>	13,567
Advertising	-	6,300	<b>6,300</b>	2,910
Website development	-	18,000	<b>18,000</b>	-
	-	41,284	<b>41,284</b>	16,477

Donations and legacies have been restated to include £33,646 of restricted income previously included within income from charitable activities.

National Eye Research Centre

Notes to the financial statements

For the period ended 30 June 2017

4. Expenditure

	Raising funds	Charitable activities	Support and governance costs	15 months to 30 June 2017	12 months to 31 March 2016
	£	£	£	Total £	Total £
Fundraising	56,431	-	-	<b>56,431</b>	60,208
Publicity	48,502	-	-	<b>48,502</b>	26,424
Research grants (Note 5)	-	1,197,642	-	<b>1,197,642</b>	216,588
Salary costs (Note 8)	70,395	29,563	53,151	<b>153,109</b>	108,577
Printing, postage and stationery	-	-	3,790	<b>3,790</b>	3,634
Office costs	-	-	28,183	<b>28,183</b>	19,854
Audit and accountancy	-	-	7,479	<b>7,479</b>	8,772
Professional fees	-	-	2,280	<b>2,280</b>	199
Investment management fees	9,294	-	-	<b>9,294</b>	7,901
<b>Sub-total</b>	184,622	1,227,205	94,883	<b>1,506,710</b>	452,157
Allocation of support and governance costs	67,367	27,516	(94,883)	-	-
<b>Total expenditure</b>	<b>251,989</b>	<b>1,254,721</b>	-	<b>1,506,710</b>	<b>452,157</b>

## National Eye Research Centre

### Notes to the financial statements

#### For the period ended 30 June 2017

#### 5. 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 period for this period and future periods comprise the following:

	2017 No.	2017 £	2016 No.	2016 £
<b>Research grants:</b>				
University of Bristol	6	586,401	3	92,196
Cardiff University	2	119,823	-	-
University of Nottingham	2	94,609	-	-
Fight for Sight	2	57,500	-	-
University of Liverpool	1	60,000	-	-
University of Durham	1	60,000	-	-
Queen's University, Belfast	1	60,000	1	59,995
University of Cambridge	1	59,183	-	-
University of Sheffield	1	51,816	1	11,000
University of Oxford	1	27,963	-	-
University of the West of England	1	10,000	-	-
University of Southampton	1	9,999	-	-
University of Edinburgh	1	8,925	-	-
Glasgow Caledonian University	1	5,210	-	-
St James' University Hospital	1	2,414	-	-
University of Birmingham	-	-	1	91,403
University of Leeds	-	-	1	10,000
		<u>1,213,843</u>		<u>264,594</u>
Total grants committed during the period		<b>1,213,843</b>		264,594
Less: Written back grants from prior periods		<u>(16,201)</u>		<u>(48,006)</u>
Total grant expenditure		<u><b>1,197,642</b></u>		<u>216,588</u>

#### 6. Grants commitments

	15 months to 30 June 2017 £	12 months to 31 March 2016 £
Grants payable to institutions:		
Grant commitments brought forward	535,154	1,086,823
Grants committed during the period	1,213,843	264,594
Grants paid during the period	(555,494)	(768,257)
Less: Written back grants from prior periods	<u>(16,201)</u>	<u>(48,006)</u>
Grant commitments carried forward	<u><b>1,177,302</b></u>	<u>535,154</u>

## National Eye Research Centre

### Notes to the financial statements

For the period ended 30 June 2017

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#### 7. Net movement in funds

This is stated after charging:

	<b>15 months to 30 June 2017 £</b>	12 months to 31 March 2016 £
Trustees' remuneration	<b>Nil</b>	Nil
Trustees' reimbursed expenses	<b>438</b>	155
Auditors' remuneration:		
▪ Statutory audit (including VAT)	<b>3,360</b>	3,990
▪ Other services (including VAT)	<b>4,119</b>	4,974
	<b><u>4,119</u></b>	<b><u>4,974</u></b>

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

#### 8. Staff costs and numbers

Staff costs were as follows:

	<b>15 months to 30 June 2017 £</b>	12 months to 31 March 2016 £
Salaries and wages	<b>71,700</b>	50,000
Pensions	<b>1,300</b>	-
Social security costs	<b>8,079</b>	3,780
Contract staff	<b>72,030</b>	54,797
	<b><u>153,109</u></b>	<b><u>108,577</u></b>

One employee earned between £60,000 and £70,000 during the 15 month accounting period (2016: None in the 12 month accounting period).

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 period were £70,000 over 15 months (2016: £50,000 over 12 months).

	<b>15 months to 30 June 2017 No.</b>	12 months to 31 March 2016 No.
Average head count during the period:		
▪ Employed staff	<b>1</b>	1
▪ Contract staff	<b>2</b>	2
	<b><u>2</u></b>	<b><u>2</u></b>

#### 9. Taxation

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



**National Eye Research Centre**

**Notes to the financial statements**

**For the period ended 30 June 2017**

**10. Investments**

	<b>15 months to 30 June 2017 £</b>	12 months to 31 March 2016 £
<b>Listed investments:</b>		
Market value at 1 April 2016	<b>1,467,054</b>	1,423,570
Additions	<b>498,971</b>	340,454
Disposals proceeds	<b>(520,591)</b>	(222,586)
Realised gains / (losses)	<b>18,118</b>	(5,334)
Unrealised gains / (losses)	<b>160,187</b>	(69,050)
<b>Market value at 30 June 2017</b>	<b><u>1,623,739</u></b>	<u>1,467,054</u>
<b>Historical cost at 30 June 2017</b>	<b><u>1,362,816</u></b>	<u>1,336,115</u>

**11. Debtors**

	<b>At 30 June 2017 £</b>	At 31 March 2016 £
Other debtors	<b>125,209</b>	24,526
Prepayments	<b>8,880</b>	-
	<b><u>134,089</u></b>	<u>24,526</u>

**12. Creditors : amounts due within 1 year**

	<b>At 30 June 2017 £</b>	At 31 March 2016 £
Trade creditors	<b>3,777</b>	2,452
Accruals	<b>33,168</b>	17,784
Grant commitments (Note 6)	<b>655,500</b>	408,009
	<b><u>692,445</u></b>	<u>428,245</u>

**13. Creditors : amounts due after 1 year**

	<b>At 30 June 2017 £</b>	At 31 March 2016 £
Grant commitments (Note 6)	<b>521,802</b>	127,145
	<b><u>521,802</u></b>	<u>127,145</u>

**National Eye Research Centre**

**Notes to the financial statements**

**For the period ended 30 June 2017**

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**14. Analysis of net assets between funds**

	Restricted funds £	Unrestricted funds £	Total funds £
Investments	-	1,623,739	<b>1,623,739</b>
Current assets	247,939	109,224	<b>357,163</b>
Current liabilities	(191,073)	(501,372)	<b>(692,445)</b>
Long term liabilities	<u>(88,111)</u>	<u>(433,691)</u>	<u><b>(521,802)</b></u>
<b>Net assets at 30 June 2017</b>	<u><b>(31,245)</b></u>	<u><b>797,900</b></u>	<u><b>766,655</b></u>

National Eye Research Centre

Notes to the financial statements

For the period ended 30 June 2017

15. Movements in funds

	At 1 April 2016 £	Income £	Expenditure £	Gains / losses £	Transfers between funds £	At 30 June 2017 £
<b>Restricted funds</b>						
Age-related Macular Degeneration	377	645	-	-	-	1,022
Diabetic Retinopathy	-	68,673	(93,709)	-	-	(25,036)
Glaucoma	-	10,150	(10,000)	-	-	150
Uveitis	(27,291)	50	-	-	-	(27,241)
Eye Cancer	52,320	3,817	(51,816)	-	-	4,321
Yorkshire Research Fund	41,687	4,804	-	-	(34,990)	11,501
St James's University Hospital	1,020	12,300	-	-	(13,320)	-
University of Oxford	19,500	5,000	(24,500)	-	-	-
Equipment	-	50,000	(45,962)	-	-	4,038
<b>Total restricted funds</b>	<b>87,613</b>	<b>155,439</b>	<b>(225,987)</b>	<b>-</b>	<b>(48,310)</b>	<b>(31,245)</b>
<b>Unrestricted funds</b>						
General funds	1,092,398	759,610	(1,280,723)	178,305	48,310	797,900
<b>Total unrestricted funds</b>	<b>1,092,398</b>	<b>759,610</b>	<b>(1,280,723)</b>	<b>178,305</b>	<b>48,310</b>	<b>797,900</b>
<b>Total funds</b>	<b>1,180,011</b>	<b>915,049</b>	<b>(1,506,710)</b>	<b>178,305</b>	<b>-</b>	<b>766,655</b>

**National Eye Research Centre**

**Notes to the financial statements**

**For the period ended 30 June 2017**

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**15. Movements in funds (continued)**

**Purposes of restricted funds**

<b>Age-related Macular Degeneration</b>	Donations given specifically to fund research into Age-related Macular Degeneration (AMD).
<b>Diabetic Retinopathy</b>	Donations given specifically to fund research into Diabetic Retinopathy.
<b>Glaucoma</b>	Donations given specifically to fund research into Glaucoma.
<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>Yorkshire Research Fund</b>	This fund relates to donations for projects being carried out in the Yorkshire region. Transfers made during the period were made to apply the funds to a grant committed from unrestricted funds in the prior period. This grant met the conditions of the fund.
<b>St James's University Hospital</b>	Donations given specifically to fund research at St James University Hospital in Leeds. The balance of this fund has been transferred out to apply to a grant committed in the prior period, which met the conditions of the fund.
<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>University of Oxford</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>Equipment</b>	Donations given for the purchase of specifically identified pieces of equipment to facilitate research into eye disease or clinical trials of new treatments for sight loss.

## **National Eye Research Centre**

### **Notes to the financial statements**

**For the period ended 30 June 2017**

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#### **16. Related party transactions**

Robert Drewett, trustee, is a member of Bond Dickinson LLP. During the period, Bond Dickinson received payments of £2,280 (2016: £nil) for the provision of legal services. No amounts were outstanding at the period end.

Christopher Lawrance, Trustee to April 2017, is a Director of JBP Associates Limited. During the period, the charity paid £nil (2016: £30,990) for fundraising and services. No amounts were outstanding at the period end.