HULL AND EAST YORKSHIRE MEDICAL RESEARCH CENTRE

England & Wales · Charity number 1095652

Details

Other names	THE DAISY APPEAL
Status	Registered
Legal form	Charitable company
Company number	04017833
Registered	2003-01-28
Register	View on the Charity Commission register

Contact

Address	The Daisy Appeal Daisy Building Castle Hill Hospital Castle Road Cottingham HU16 5JQ
Phone	01482461909
Email	DAISY@DAISYAPPEAL.ORG
Website	www.daisyappeal.org

Activities

Objects: ARE TO ESTABLISH AND FUND THE PROVISION OF MEDICAL RESEARCH FACILITIES FOR ENQUIRY INTO THE CAUSES, NATURAL HISTORY, PREVENTION, DIAGNOSIS AND TREATMENT OF ILLNESSES AND DISEASES OF ALL KINDS AND TO DISSEMINATE THE USEFUL RESULTS OF SUCH RESEARCH FOR THE BENEFIT OF THE PUBLIC. SUCH FACILITIES WILL BE DEVELOPED FOR THE STUDY OF DISEASES OF THE HEART AND CANCERS IN THE FIRST INSTANCE WITH THE ANTICIPATION THAT SIMILAR FACILITIES WILL BE OFFERED TO OTHER SPECIALIST AREAS OF MEDICAL RESEARCH AS THE CENTRE DEVELOPS AND EXPANDS.

Activities: Establish and fund the provision of medical research facilities for enquiry into the causes, natural history, prevention, diagnosis and treatment of illnesses and diseases of all kinds and to disseminate the useful results of such research for the benefit of the general public.

Classification

- **How:** Provides Buildings/facilities/open Space, Sponsors Or Undertakes Research
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives
- **Who:** Elderly/old People, People With Disabilities, The General Public/mankind

Geography

- East Riding Of Yorkshire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-09-30	£1,254,242	£654,419	£14,439,539	1
2023-09-30	£934,382	£654,414	£13,839,716	1
2022-09-30	£586,846	£544,295	£12,570,361	1
2021-09-30	£1,319,857	£406,136	£12,055,828	1
2020-09-30	£1,258,976	£396,024	£11,815,789	1

Trustees

Name	Role	Appointed
DAVID HAIRE		2024-10-10
DR C A ROWLAND HILL		
David Charles Heuck		2020-03-05
MR T S E BOANAS		
PROF N D STAFFORD		
PROFESSOR MICHAEL JOHN LIND		
PROFESSOR PETER EDWARD DYER		
VICTORIA RIXON HEUCK		2016-03-10

HULL AND EAST YORKSHIRE MEDICAL RESEARCH CENTRE

England & Wales - Charity number 1095652

Accounts

REGISTERED COMPANY NUMBER: 04017833 (England and Wales)
REGISTERED CHARITY NUMBER: 1095652

The Hull & EY Medical Research Centre

Consolidated Financial Statements

30th September 2024

SD-0218774-1-6

The Hull & East Yorkshire Medical Research Centre

Contents of the Consolidated Financial Statements for the year ended 30th September 2024

The Hull & East Yorkshire Medical Research Centre

Report of the Trustees
for the year ended 30th September 2024

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30th September 2024. The trustees have adopted the provisions of 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).

REFERENCE AND ADMINISTRATIVE DETAILS
Registered Company number
04017833 (England and Wales)

Registered Charity number
1095652

Registered office
The Daisy Building
Castle Hill Hospital
Castle Road
Cottingham
East Yorkshire
HU16 5JQ

Trustees
Mr T S E Boanas
Prof P E Dyer
Ms K M Guest
Mr D C Heuck
Mrs V R Heuck
Mr S Howey – resigned 05.12.2024
Prof M J Lind
Dr C A Rowland-Hill
Prof N D Stafford
Mr D Haire – appointed 15.02.2025

Company Secretary
Prof N D Stafford

Auditors
Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

Solicitors
Gordons LLP
Riverside West
Whitehall Road
Leeds
West Yorkshire
LS1 4AW

Gosschalks
Queens Gardens
Hull
HU1 3DZ

The Hull & East Yorkshire Medical Research Centre

Report of the Trustees
for the year ended 30th September 2024

REFERENCE AND ADMINISTRATIVE DETAILS (Continued)
Bankers

Handelsbanken
First Floor, Westcott House
Hesslewood Business Park
Hessle
East Yorkshire
HU13 0PF

National Westminster Bank plc
The Square
Willerby
East Yorkshire
HU10 7XW

Virgin Money
10-12 Paragon Street
Hull
HU1 3ND

Beverley Building Society
57 Market Place
Beverley
HU17 8AA

OBJECTIVES AND ACTIVITIES
Objectives and activities

The company's objectives are to establish and fund the provision of medical research facilities for enquiry into the causes, natural history, prevention, diagnosis and treatment of illnesses and diseases of all kinds and to disseminate the useful results of such research for the benefit of the public. Such facilities will be developed for the study of diseases of the heart and cancers, with the anticipation that similar facilities will be offered to other specialist areas of medical research as the centre develops and expands. The trustees have considered the Charity Commission's guidance on public benefit and are of the opinion that it is fulfilled by the charity's continued pursuit of its objectives.

Public benefit

The directors have reviewed the activities of the Charity and confirm that they are in accord with its objectives. The directors also confirm that the Charity's aims and objectives fall within the descriptions of purposes section in the Charities Act 2011 and are recognised as charitable and carried out for the benefit of the public at large.

ACHIEVEMENT AND PERFORMANCE
Review of the year and future strategy

The Daisy Building Phase 1, which was brought into use in July 2008, continues to fulfil, at the anticipated level of use, the functions envisaged when the Charity was founded. Sited prominently at the NHS Castle Hill Hospital in East Yorkshire, it provides a focal point for the public perception of the work of the Charity.

The Phase 2 Project is to provide, in conjunction with the NHS, scanning facilities (Phase 2a) and a Molecular Imaging Research Centre (Phase 2b) for both research and clinical applications. The project involves research cooperation with both the University of Hull and the NHS, with the intention of creating a unique, world-class facility.

The project incorporates the provision of a PET-CT scanning patient service facility. The provision of this facility, which became fully operational in May 2014, now generates income to recover its cost over a period of 40 years and provides additional funding for the future research activities of the charity.

The agreement with the Alliance Medical Ltd specifies defined periods of time for the use of the scanning facility for research purposes. Additionally, there is the patient benefit of an onsite PET/CT Scanning facility for clinical trials, as well as a clinical service. The Charity is currently planning the provision of a new state-of-the art digital scanner in 2025, which will both increase scanning capacity and reduce scanning times.

The Molecular Imaging Research Centre was formally handed over to the Charity towards the end of 2024. Since that time work has been undertaken by the equipment providers GE Healthcare to complete the commissioning of the sophisticated equipment installation required to manufacture the isotopes used in molecular imaging, be it research or part of a clinical service. At the same time, technical staff are planning the detailed operational arrangements required for the production of such products. On completion of these operational arrangements later this year it is anticipated that application will be made for the necessary MHRA production licence required to operate this facility.

ACHIEVEMENT AND PERFORMANCE

Review of the year and future strategy

The charity, with legal advice from its solicitors, has in place all the necessary property, financial and construction agreements and contracts.

The directors (trustees) are satisfied that this project fulfils the Objective and Activities as defined in the Memorandum of Association.

The Molecular Imaging Research Centre referred to above will provide research benefits, as well as having clinical applications. It is, however, dependent on the scanning facilities to enable it to achieve its full research potential. The site for this new building is adjacent to the Scanning Centre. The close proximity enables the manufacture and delivery of innovative tracers for injecting into patients. Some of these tracers have a short life (measured in minutes) before they become ineffective. They enable the provision of very high-definition imaging, and hence patient benefits, which are not possible at the present time. The applications incorporate cancer, cardiac, dementia and Alzheimer's identification and treatment. The development at Castle Hill Hospital will provide a unique opportunity for a truly translational research programme in PET-CT imaging.

The opening of the Scanning Centre and MIRC, with its attendant publicity, continues to have a very positive effect on the charity's regional profile.

Principal risks and uncertainties

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

FINANCIAL REVIEW

Reserves and investment policy

Total reserves of £14,439,539 (2023: £13,839,716) were held by the charity at 30 September 2024. The balance held as unrestricted funds was £10,958,498 (2023: £10,811,579) of which £634,163 is regarded as free reserves, after allowing for funds relating to tangible fixed assets and investment property.

The balance held as restricted funds was £3,481,041 (2023: £3,028,137).

Reserves are accumulated until such time as expenditure is required for capital projects and/or research grant funding. As in previous years and for the foreseeable future, all monies will be invested as deposits with banks and building societies, i.e. low risk.

Report of the Trustees
for the year ended 30th September 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Hull and East Yorkshire Medical Research Centre is a registered charity and a company limited by guarantee, without share capital. The Charity's governing document is its Memorandum and Articles of Association. This restricts its operations to all such lawful acts as are necessary or incidental to the attainment of its objectives.

Members of the charitable company

Members of the company, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1.

Members of the charitable company guarantee to contribute an amount not exceeding £10 each to the assets of the charitable company in the event of a winding up. The total number of such guarantees at 30 September 2024 was 9 and at 2023 was 9.

Recruitment and appointment of new trustees

The directors of the company are appointed in accordance with the governing document, the company's Memorandum and Articles of Association. The directors are all experienced professionals of varying disciplines, all of which are relevant to the Charity's activities and requirements.

Policies and Procedures for the induction and training of new trustees

The charity provides all new trustees with the following induction material; the charity's governing document and financial information, including up-to-date accounts, together with explanatory material and recent minutes from trustee meetings.

The charity provides support and regularly reviews the development needs of the trustee board to make sure that all trustees are fully acquainted with all matters relating to charity finance, governance and propriety.

Organisational structure

The company's directors meet on a quarterly basis, with additional meetings convened where circumstances dictate. They are responsible for the strategic decisions and policies of the Charity. At the present time there are 9 members from medical, business and professional backgrounds.

Remuneration policy

All trustees give their time freely and no trustee remuneration was paid in the year. Details of trustees' expenses and related party transactions are disclosed in note 6 to the accounts.

Related parties

The under-mentioned directors (trustees) are employed by:

The University of Hull
- Prof M J Lind – ceased 01.12.2023

The relationship relates to the research grant awarded to the University and the use and/or potential use of the Daisy Research Facility for charitable purposes.

Hull and East Yorkshire Hospitals NHS Trust
- Dr C A Rowland-Hill

The relationship relates to the use and/or potential use of the Research Facility for charitable purposes.

The Hull & East Yorkshire Medical Research Centre

Report of the Trustees
for the year ended 30th September 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Hull & East Yorkshire Medical Research Centre for the purposes of company law) are responsible for preparing the Report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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 Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Smailes Goldie, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 22 May 2025 and signed on its behalf by:

D C Heuck

D.C. Heuck - Trustee

Report of the Independent Auditors to the Members of The Hull & East Yorkshire Medical Research Centre

Opinion

We have audited the financial statements of Hull & East Yorkshire Medical Research Centre (the ‘charitable company’) and its subsidiaries (the ‘group’) for the year ended 30th September 2024 which comprise the Consolidated Statement of Financial Activities, Balance sheet, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the group and charitable company’s affairs as at 30th September 2024 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 Companies Act 2006 and Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group and charitable company’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, other than the financial statements and our Report of the independent auditor’s thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of The Hull & East Yorkshire Medical Research Centre

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the group and charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- 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.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities set out on page five, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group and/or the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud are detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the charity only and consolidated financial statements or the operations of the charitable company and the group, including the Companies Act 2006, the Charities Act 2011, data protection, anti-bribery, employment, fundraising regulations, health and safety legislation, health and social care regulations and childcare regulations. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence.

We assessed the susceptibility of the charitable company's and consolidated financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we performed analytical procedures to identify any unusual or unexpected relationships; tested journal entries to identify unusual transactions; assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and investigated the rationale behind significant or unusual transaction.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to agreeing charity only and consolidated financial statement disclosures to underlying supporting documentation; reading the minutes of meetings of those charged with governance; enquiring of management as to actual and potential litigation and claims; and reviewing correspondence with HMRC, relevant regulators and the charitable company's legal advisors.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Luke Taylor BSc (Hons) FCA (Senior Statutory Auditor)
For and on behalf of Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

22 May 2025

The Hull & East Yorkshire Medical Research Centre
Consolidated Statement of Financial Activities
(Incorporating an Income and Expenditure account)
for the year ended 30th September 2024

	Notes	Unrestricted fund £	Restricted funds £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	**357,754**	**307,481**	**665,235**	503,807
Other trading activities	3	**217**	**-**	**217**	337
Investment income	4	**310,169**	**-**	**310,169**	165,617
Commercial trade operations	5	**278,621**	**-**	**278,621**	264,621
Total		**946,761**	**307,481**	**1,254,242**	934,382
EXPENDITURE ON					
Raising funds	6	**87,805**	**-**	**87,805**	130,948
Charitable activities	7				
Medical Research		**340,013**	**64,016**	**404,029**	315,277
Commercial trade operations	5	**162,585**	**-**	**162,585**	208,189
Total		**590,403**	**64,016**	**654,419**	654,414
NET INCOME/(EXPENDITURE)		**356,358**	**243,465**	**599,823**	279,968
Gain on investment property revaluation		**-**	**-**	**-**	989,387
Transfers between Funds		**(209,439)**	**209,439**	**-**	-
NET MOVEMENT IN FUNDS		**146,919**	**452,904**	**599,823**	1,269,355
RECONCILIATION OF FUNDS					
Total funds brought forward		**10,811,579**	**3,028,137**	**13,839,716**	12,570,361
TOTAL FUNDS CARRIED FORWARD		**10,958,498**	**3,481,041**	**14,439,539**	13,839,716

The notes form part of these financial statements

The Hull & East Yorkshire Medical Research Centre (Registered number: 04017833)
Consolidated Balance Sheet
At 30th September 2024

	Notes	**2024** £	2023 £
FIXED ASSETS			
Tangible assets	14	**9,477,969**	9,140,221
Investments			
Investment property	16	**7,990,033**	7,980,961
		17,468,002	17,121,182
CURRENT ASSETS			
Stocks		**6,370**	6,735
Debtors	17	**522,767**	331,990
Cash at bank		**901,210**	1,160,302
		1,430,347	1,499,027
CREDITORS			
Amounts falling due within one year	18	**(955,392)**	(1,101,932)
NET CURRENT ASSETS		**474,955**	397,095
TOTAL ASSETS LESS CURRENT LIABILITIES		**17,942,957**	17,518,277
CREDITORS			
Amount falling due after more than one year	19	**(3,358,334)**	(3,578,333)
PROVISIONS FOR LIABILITIES	20	**(145,084)**	(100,228)
NET ASSETS		**14,439,539**	13,839,716
FUNDS			
Unrestricted funds		**10,958,498**	10,811,579
Restricted funds		**3,481,041**	3,028,137
TOTAL FUNDS		**14,439,539**	13,839,716

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 22 May 2025 and were signed on its behalf by:

D C Heuck

D.C. Heuck - Trustee

The notes form part of these financial statements

The Hull & East Yorkshire Medical Research Centre (Registered number: 04017833)
Charity Balance Sheet
At 30th September 2024

	Notes	2024 £	2023 £
FIXED ASSETS			
Tangible assets	14	**5,440,284**	5,284,839
Investments			
Investments	15	**1**	1
Investment property	16	**7,990,034**	7,980,961
		13,430,319	13,265,801
CURRENT ASSETS			
Stocks		**5,050**	5,099
Debtors	17	**4,803,913**	4,408,185
Cash at bank		**75,147**	526,449
		4,884,110	4,939,733
CREDITORS			
Amounts falling due within one year	18	**(951,029)**	(1,086,788)
NET CURRENT ASSETS		**3,933,081**	3,852,945
TOTAL ASSETS LESS CURRENT LIABILITIES		**17,363,400**	17,118,746
CREDITORS			
Amounts falling due after more than one year	19	**(3,358,334)**	(3,578,333)
NET ASSETS		**14,005,066**	13,540,413
FUNDS			
Unrestricted funds		**10,524,025**	10,512,276
Restricted funds		**3,481,041**	3,028,137
TOTAL FUNDS		**14,005,066**	13,540,413

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 22 May 2025 and were signed on its behalf by:

D C Heuck

D.C. Heuck - Trustee

The notes form part of these financial statements

continued...

The Hull & East Yorkshire Medical Research Centre
Consolidated Cash Flow Statement
for the year ended 30th September 2024

	Notes	**2024** £	2023 £
Net cash provided by operating activities	1	**619,588**	951,508
Cash flows from investing activities:			
Purchase of tangible fixed assets		**(449,056)**	(808,439)
Purchase of investment property		**(9,072)**	-
Interest received		**28,728**	21,372
Interest paid		**(229,281)**	(222,588)
Net cash used in investing activities		**(658,681)**	(1,009,655)
Cash flows from financing activities:			
Loan drawdown in year		**-**	-
Loan repayments in year		**(220,000)**	(201,667)
Change in cash and cash equivalents in the reporting period		**(259,093)**	(259,814)
Cash and cash equivalents at the beginning of the reporting period		**1,160,302**	1,420,116
Cash and cash equivalents at the end of the reporting period		**901,209**	1,160,302

The notes form part of these financial statements

The Hull & East Yorkshire Medical Research Centre
Notes to the Consolidated Cash Flow Statement
for the year ended 30th September 2024

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024	2023
	£	£
Net income for the reporting period (as per the statement of financial activities)	**599,823**	279,968
Adjustments for:		
Depreciation charges	**111,308**	182,271
Interest received	**(28,728)**	(21,372)
Interest paid	**229,281**	222,588
(Increase)/Decrease in stock	**365**	(6,735)
(Increase)/Decrease in debtors	**(190,777)**	35,043
(Decrease)/Increase in creditors	**(101,684)**	259,745
Net cash provided by operating activities	**619,588**	951,508

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 01.10.2023	Cash flow	At 30.09.2024
	£	£	£
Net cash			
Cash at bank	1,160,302	(259,093)	901,209
	1,160,302	(259,093)	901,209
Debt			
Debts falling due within 1 year	(220,000)		(220,000)
Debts falling due after 1 year	(1,778,333)	220,000	(1,558,333)
	(1,998,333)	220,000	(1,778,334)
Total	(838,031)	(39,093)	(877,124)

1. ACCOUNTING POLICIES

Group and Charity Accounting Policies

Basis of preparing the financial statements

The Hull and East Yorkshire Medical Research Centre is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address is given on page 1 of these financial statements.

The financial statements of the charitable company, which is a public benefit entity under FRS 102. Have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated. The charitable company adopted FRS 102 in the current year and there has been no effect on transition.

Basis of consolidation

The group financial statements consolidate the financial statements of the Charity and its subsidiary undertaking, Daisy Medical Research Limited, at 30 September 2024 using acquisition accounting.

Going concern

The trustees, having considered the forecasts for the period to 30 September 2025, have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of 12 months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and when the amount can be measured reliably.

Donations and legacies

Donations and gifts are included in full in the Statement of Financial Activities when receivable. The value of services provided by volunteers has not been included. Donated goods are included at the donated valuation by the donor.

Grants receivable

Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

Investment income

Incoming resources from investments are included when receivable.

Expenditure

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all expenses related to the category. Where expenses cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT is charged as an expense against the activity for which the expenditure was incurred.

1. ACCOUNTING POLICIES – continued

Expenditure – continued
Grants offered subject to conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, finance, personnel and governance costs which support the charities activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

Tangible fixed assets
Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - straight line over 5-10 years

Investment property
Investment property for which fair value can be reliably measured are measured at its fair value at each reporting date with changes recognised in the statement of financial activities.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds to be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Debtors and creditors receivable / payable within one year
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Concessionary loans
Concessionary loans include those payable to third parties which are interest free or below market interest rates and are made to advance charitable purposes. Loans are accounted for in accordance with the terms of the loan agreement.

2. DONATIONS AND LEGACIES

	Unrestricted funds	**Restricted funds**	**2024 Total funds**	2023 Total Funds
	£	**£**	**£**	£
Donations	**357,754**	**307,481**	**665,235**	118,146
Legacies	**-**	**-**	**-**	385,661
	357,754	**307,481**	**665,235**	503,807

3. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
Fundraising events	**86**	**-**	**86**	**-**
Shop income	**131**	**-**	**131**	**337**
	217	**-**	**217**	337

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
Rents received	**281,441**	**-**	**281,441**	144,245
Deposit account interest	**28,494**	**-**	**28,494**	16,015
Legacies interest	**234**	**-**	**234**	5,357
	310,169	**-**	**310,169**	165,617

5. INCOME/(EXPENDITURE) FROM COMMERCIAL TRADE OPERATIONS

	2024 £	2023 £
TURNOVER	278,621	264,621
Administrative expenses	117,729	186,055
OPERATING PROFIT	160,892	78,566
Interest receivable and similar income	19,134	9,367
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	180,026	87,933
Tax on profit on ordinary activities	44,856	22,135
PROFIT FOR THE FINANCIAL YEAR	135,170	65,798

The principal activity of the subsidiary undertaking in the year under review was that of medical research and medical treatment.

6. RAISING FUNDS

Raising donations and legacies

	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total Funds £
Sundries	**274**	**-**	**274**	274

Other trading activities

	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
Purchases	**4,302**	**-**	**4,302**	1,033
PR costs	**16,403**	**-**	**16,403**	45,138
Closing stock	**49**	**-**	**49**	(5,099)
	20,754	**-**	**20,754**	41,072

6. RAISING FUNDS - continued

Investment management costs

	Unrestricted funds	Restricted funds	2024 Total funds	2023 Total funds
	£	£	£	£
Administrative expenses	**10,474**	**-**	**10,474**	36,050
Maintenance charges	**56,303**	**-**	**56,303**	53,552
	66,777	**-**	**66,777**	89,602
Aggregate amounts	**87,805**	**-**	**87,805**	130,948

7. CHARITABLE ACTIVITIES COSTS

	Direct costs	Grant funding of activities	Support costs (See note 8)	Total
	£	£	£	£
Medical Research	**1,030**	**-**	**402,999**	**404,029**

8. SUPPORT COSTS

	Management	Finance	Information Technology	Governance costs	Total
	£	£	£	£	£
Medical Research	**27,665**	**230,285**	**7,775**	**137,274**	**402,999**

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2024	2023
	£	£
Auditors' remuneration – audit services	**13,816**	11,501
Auditors’ remuneration – non-audit services	**10,813**	9,001
Depreciation - owned assets	**111,308**	182,271

10. TRUSTEE REMUNERATION AND BENEFITS

There was no trustees' remuneration or other benefits for the year ended 30th September 2024 nor for the year ended 30th September 2023.

Trustee expenses
There were no trustee expenses paid for the year ended 30th September 2024 nor for the year ended 30th September 2023.

11. STAFF COSTS

	Group and Charity	
	2024	2023
	£	£
Wages and salaries	**20,835**	28,877
Social security costs	**-**	-
Pensions	**333**	-
	21,168	28,877

The average number of employees during the year ended 30th September 2024 was 1 (2023: 1).

No employee received emoluments in excess of £60,000.

12. NET INCOMING RESOURCES OF PARENT CHARITY

As permitted by Section 408 of the Companies Act 2006, the Statement of Financial Activities of the parent charity is not presented as part of these financial statements. The parent charity's net incoming resources for the year ended 30 September 2024 totalled £157,172 (2023: £214,169).

13. COMPARATIVES FOR THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	**Restricted funds £**	**Total funds £**
INCOME AND ENDOWMENTS FROM			
Donations and legacies	503,807	-	503,807
Other trading activities	337	-	337
Investment income	165,617	-	165,617
Commercial trade operations	264,621	-	264,621
Total	934,382	-	934,382
EXPENDITURE ON			
Raising funds	130,948	-	130,948
Charitable activities			
Medical Research	250,520	64,757	315,277
Commercial trade operations	208,189	-	208,189
Total	589,657	64,757	654,414
NET INCOME/(EXPENDITURE)	344,725	(64,757)	279,968
Gain on investment property revaluation	989,387	-	989,387
Transfer between funds	(139,449)	139,449	-
NET MOVEMENT IN FUNDS	1,194,663	74,692	1,269,355
RECONCILIATION OF FUNDS			
Total funds brought forward	9,616,916	2,953,445	12,570,361
TOTAL FUNDS CARRIED FORWARD	10,811,579	3,028,137	13,839,716

14. TANGIBLE FIXED ASSETS

	Property under construction £	Plant and machinery etc £	Total £
GROUP			
COST			
At 1st October 2023	5,282,687	6,098,473	11,381,160
Additions	**156,476**	**292,580**	**449,056**
At 30th September 2024	**5,439,163**	**6,391,053**	**11,830,216**
DEPRECIATION			
At 1st October 2023	-	2,240,939	2,240,939
Charge for year	**-**	**111,308**	**111,308**
At 30th September 2024	**-**	**2,352,247**	**2,352,247**
NET BOOK VALUE			
At 30th September 2024	**5,439,163**	**4,038,806**	**9,477,969**
At 30th September 2023	5,282,687	3,857,534	9,140,221
CHARITY			
COST			
At 1st October 2023	5,282,687	548,368	5,831,055
Additions	**156,476**	**-**	**156,476**
At 30th September 2024	**5,439,163**	**548,368**	**5,987,531**
DEPRECIATION			
At 1st October 2023	-	546,216	546,216
Charge for year	**-**	**1,031**	**1,031**
At 30th September 2024	**-**	**547,247**	**547,247**
NET BOOK VALUE			
At 30th September 2024	**5,439,163**	**1,121**	**5,440,284**
At 30th September 2023	5,282,687	2,152	5,284,839

15. FIXED ASSET INVESTMENTS

CHARITY	**Shares in group undertakings**
	£
MARKET VALUE	
At 1st October 2023 and 30th September 2024	1
NET BOOK VALUE	
At 30th September 2024	1
At 30th September 2023	1

The charity's investments at the balance sheet date in the share capital of companies comprise the following:

Daisy Medical Research Limited
Nature of business: Medical research and treatment

Class of share:	**% holding**
Ordinary	**100**

	2024	2023
	£	£
Aggregate capital and reserves	**434,470**	299,301
Profit for the year	**135,170**	65,798

16. INVESTMENT PROPERTY

GROUP AND CHARITY

	£
At 1st October 2023	7,980,961
Revaluation	9,072
At 30th September 2024	**7,990,033**
NET BOOK VALUE	
At 30th September 2024	**7,990,033**
At 30th September 2023	**7,980,961**

MARKET VALUE

The market value of investment property was assessed by the trustees at 30 September 2024 and is based on valuations undertaken by the Hull and East Yorkshire Hospitals NHS Trust as at 31 March 2024.

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2024	2023	**2024**	2023
	£	£	**£**	£
Amounts owed by group undertakings	**-**	-	4,318,419	4,125,219
Trade debtors	**179,729**	-	179,729	-
Other debtors	**32,816**	41,152	4,166	-
VAT	**6,613**	-	20,405	1,160
Tax	**245,455**	245,455	245,753	258,732
Prepayments and accrued income	**58,154**	45,383	35,441	23,074
	522,767	331,990	4,803,913	4,408,185

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2024	2023	**2024**	2023
	£	£	**£**	£
Trade creditors	**314,029**	**224,243**	**314,029**	224,243
VAT	**-**	**12,324**	**-**	-
Accruals and deferred income	**421,241**	**343,976**	**416,878**	341,156
Social security and other tax	**35**	**1,389**	**35**	1,389
Bank loans	**220,000**	**220,000**	**220,000**	220,000
Other creditors	**87**	**300,000**	**87**	300,000
	955,392	**1,101,932**	**951,029**	1,086,788

Included in the above total is a loan of NIL (2023: £300,000) which is unsecured and interest free. The loan is now repayable on demand.

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2024	2023	**2024**	2023
	£	£	**£**	£
Other creditors	**1,800,000**	1,800,000	**1,800,000**	1,800,000
Bank loans	**1,558,334**	1,778,333	**1,558,334**	1,778,333
	3,358,334	3,578,333	**3,358,334**	3,578,333

Included in the above total is a loan of £1,800,000 (2023: £1,800,000) which is unsecured. The loan is repayable in full on 31 December 2035 and interest is payable at 3.5% per annum.

Included in the above and note 18 is a bank loan totalling £1,778,334 (2023: £1,998,333) repayable by monthly instalments over a period of 10 years to 2032. Interest is charged at 3.55% over base.

20. PROVISIONS FOR LIABILITIES

	Group		Charity	
	2024	2023	**2024**	2023
	£	£	**£**	£
Deferred tax	**145,084**	100,228	**-**	-

	£
Balance at 1 October 2023	100,228
Charge to statement of financial activities during the year	**44,856**
Balance at 30 September 2024	**145,084**

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Unrestricted fund £	Restricted funds £	2024 Total funds £	2023 Total funds £
Fixed assets	**4,037,720**	**5,440,249**	**9,477,969**	9,140,221
Investment property	**7,990,033**	**-**	**7,990,033**	7,980,961
Current assets	**1,396,290**	**34,057**	**1,430,347**	1,499,027
Liabilities	**(2,320,461)**	**(1,993,265)**	**(4,313,726)**	(4,680,265)
Provisions	**(145,084)**	**-**	**(145,084)**	(100,228)
	10,958,498	**3,481,041**	**14,439,539**	13,839,716

Charity	Unrestricted fund £	Restricted funds £	2024 Total funds £	2023 Total funds £
Fixed assets	**35**	**5,440,249**	**5,440,284**	5,284,839
Investments	**1**	**-**	**1**	1
Investment property	**7,990,034**	**-**	**7990,034**	7,980,961
Current assets	**4,850,053**	**34,057**	**4,884,110**	4,939,733
Liabilities	**(2,316,098)**	**(1,993,265)**	**(4,309,363)**	(4,665,121)
	10,524,025	**3,481,041**	**14,005,066**	13,540,413

22. MOVEMENT IN FUNDS

	At 01.10.23 £	Incoming resources £	Resources expended £	Revaluation Gain £	Transfers between reserves £	At 30.09.24 £
Unrestricted funds						
General fund	10,811,579	946,761	(590,403)	-	(209,439)	10,958,498
Restricted funds						
Medical equipment	34,057	-	-	-	-	34,057
Phase 2	2,994,080	307,481	(64,016)	-	209,439	3,446,984
	3,028,137	307,481	(64,016)	-	-	3,481,041
TOTAL FUNDS	13,839,716	1,254,242	(654,419)	-	-	14,439,539

Medical Equipment fund - donations received for medical equipment to be purchased and used for research.
Phase 2 fund - Funds donated for development of Phase 2 as explained in the trustees' report.

Comparative information in respect of the preceding period is as follows:

	At 01.10.22 £	Incoming resources £	Resources expended £	Revaluation Gain £	Transfers between reserves £	At 30.09.23 £
Unrestricted funds						
General fund	9,616,916	934,382	(589,657)	989,387	(139,449)	10,811,579
Restricted funds						
Medical equipment	34,057	-	-	-	-	34,057
Phase 2	2,919,388	-	(64,757)	-	139,449	2,994,080
	2,953,445	-	(64,757)	-	139,449	3,028,137
TOTAL FUNDS	12,570,361	934,382	(654,414)	989,387	-	13,839,716

23. COMMITMENTS

Research building service costs	**2024** **£**	2023 £
Payable within one year	**56,303**	53,552
2-5 years	**225,212**	214,209
Over 5 years	**337,818**	321,314
	619,333	589,075

The research building service costs are subject to an annual increase in respect of the Health Service cost index.

The commitments are covered, except for a relatively small amount of irrecoverable VAT, by rental income receivable on the 25 year lease.

At 30 September 2024 the charitable group has a capital commitment of £3,028,337 (2023: £3,028,337) which is contracted but not provided for in the financial statements. This will be funded from the charity's free reserves.

24. LEASING AGREEMENTS

The investment property is let out to tenants under operating leases. At the year end the committed lease receipts due under non-cancellable leases are as follows:

	2024 **£**	2023 £
Falling due:		
Within one year	**120,605**	120,605
Between one and five year	**482,419**	482,419
Over five years	**1,954,621**	2,075,556
	2,557,645	2,678,580

25. OFF-BALANCE SHEET ARRANGEMENTS

In the year, Handelsbanken provided an unlimited Inter-Company Standard Guarantee by and between the charity and its trading subsidiary, Daisy Medical Research Limited.

26. RELATED PARTY DISCLOSURES

At 30 September 2024 the charity owed £0 (2023: £300,000), to a company controlled by a trustee of the charity. The form of this liability was an interest free loan, repayable on demand, during the year the loan of £300,000 was repaid and the subsequently donated to the charity.

During the year ended 30 September 2024 £10,700 (2023: £50,686) was donated to the charity from D Heuck, a trustee.

During the year ended 30 September 2024 £0 (2023: £800) was donated to the charity from N Stafford, a trustee.

There are no further related party transactions requiring disclosure during the year ended 30 September 2024.

Accounts

Smailes Goldie
CHARTERED ACCOUNTANTS

Smailes Goldie
Copy

REGISTERED COMPANY NUMBER: 04017833 (England and Wales)
REGISTERED CHARITY NUMBER: 1095652

The Hull & EY Medical Research Centre

Consolidated Financial Statements

30 September 2023

SD-0214330-1-6

The Hull & East Yorkshire Medical Research Centre

Contents of the Consolidated Financial Statements for the year ended 30th September 2023

The Hull & East Yorkshire Medical Research Centre

Report of the Trustees
for the year ended 30th September 2023

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30th September 2023. The trustees have adopted the provisions of 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).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
04017833 (England and Wales)

Registered Charity number
1095652

Registered office
The Daisy Building
Castle Hill Hospital
Castle Road
Cottingham
East Yorkshire
HU16 5JQ

Trustees
Dr A Allam – deceased 02.12.2022
Mr T S E Boanas
Prof P E Dyer
Ms K M Guest
Mr D C Heuck
Mrs V R Heuck
Mr S Howey
Prof M J Lind
Dr C A Rowland-Hill
Prof N D Stafford

Company Secretary
Prof N D Stafford

Auditors
Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

Solicitors
Gordans LLP
Riverside West
Whitehall Road
Leeds
West Yorkshire
LS1 4AW

Gosschalks
Queens Gardens
Hull
HU1 3DZ

REFERENCE AND ADMINISTRATIVE DETAILS (Continued)

Bankers

Handelsbanken
First Floor, Westcott House
Hesslewood Business Park
Hessle
East Yorkshire
HU13 0PF

National Westminster Bank plc
The Square
Willerby
East Yorkshire
HU10 7XW

Virgin Money
10-12 Paragon Street
Hull
HU1 3ND

Beverley Building Society
57 Market Place
Beverley
HU17 8AA

OBJECTIVES AND ACTIVITIES

Objectives and activities

The company's objectives are to establish and fund the provision of medical research facilities for enquiry into the causes, natural history, prevention, diagnosis and treatment of illnesses and diseases of all kinds and to disseminate the useful results of such research for the benefit of the public. Such facilities will be developed for the study of diseases of the heart and cancers, with the anticipation that similar facilities will be offered to other specialist areas of medical research as the centre develops and expands. The trustees have considered the Charity Commission's guidance on public benefit and are of the opinion that it is fulfilled by the charity's continued pursuit of its objectives.

Public benefit

The directors have reviewed the activities of the Charity and confirm that they are in accord with its objectives. The directors also confirm that the Charity's aims and objectives fall within the descriptions of purposes section in the Charities Act 2011 and are recognised as charitable and carried out for the benefit of the public at large.

ACHIEVEMENT AND PERFORMANCE

Review of the year and future strategy

The Daisy Building Phase 1, which was brought into use in July 2008, continues to fulfil, at the anticipated level of use, the functions envisaged when the Charity was founded. Sited prominently at the NHS Castle Hill Hospital in East Yorkshire, it provides a focal point for the public perception of the work of the Charity.

The Phase 2 Project is to provide, in conjunction with the NHS, scanning facilities (Phase 2a) and a Molecular Imaging Research Centre (Phase 2b) for both research and clinical applications. The project involves research cooperation with both the University of Hull and the NHS, with the intention of creating a unique, world-class facility.

The project incorporates the provision of a PET-CT scanning patient service facility. The provision of this facility, which became fully operational in May 2014, now generates income to recover its cost over a period of 40 years and provides additional funding for the future research activities of the charity.

The agreement with the Alliance Medical Ltd specifies defined periods of time for the use of the scanning facility for research purposes. Additionally, there is the patient benefit of an onsite state-of-the-art facility for clinical trials, as well as clinical service. This was not previously available in East Yorkshire.

Planning for the Phase 2b project (referred to above) commenced in October 2014. Technical project teams from the NHS Trust and University of Hull are led by three senior employees from those organisations; one of whom has taken the role of Project Director. External specialists are engaged to assist as necessary. The Melocular Imagine Research Centre has been almost completed and cyclotron has been installed although it is not yet operational. This is disappointing from the Charity's point of view and the delay has arisen due to issues with the installation of ducting work within the building and the supply of other ancillary equipment.

It is anticipated that a full handover of the building, will take place in the third quarter of 2024. Testing and commissioning of the equipment will take place after handover.

ACHIEVEMENT AND PERFORMANCE

Review of the year and future strategy

The charity, with legal advice from its solicitors, has in place all the necessary property, financial and construction agreements and contracts.

The directors (trustees) are satisfied that this project fulfils the Objective and Activities as defined in the Memorandum of Association.

The Molecular Imaging Research Centre referred to above will provide research benefits, as well as having clinical applications. It is, however, dependent on the scanning facilities to enable it to achieve its full research potential. The site for this new building is adjacent to the Scanning Centre. The close proximity enables the manufacture and delivery of innovative tracers for injecting into patients. Some of these tracers have a short life (measured in minutes) before they become ineffective. They enable the provision of very high-definition imaging, and hence patient benefits, which are not possible at the present time. The applications incorporate cancer, cardiac, dementia and Alzheimer's identification and treatment. The development at Castle Hill Hospital will provide a unique opportunity for a truly translational research programme in PET-CT imaging.

The opening of the Scanning Centre and plans for Phase 2b, with its attendant publicity, continues to have a very positive effect on the charity's regional profile.

Principal risks and uncertainties

The construction of the Molecular Imaging Research Centre is now almost complete. The cost of the project stands at £8.7 million and the charity's assets are currently in excess of £7 million, therefore the main risk to the charity is bridging this shortfall. It still has a number of opportunities to pursue in terms of fundraising from various individuals and institutions and one of the trustees has committed to underwriting the residual funding gap that might exist in 2024-25 when the charity is due to pay the balance on both the building and the cyclotron and ancillary equipment.

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

FINANCIAL REVIEW

Reserves and investment policy

Total reserves of £13,839,716 (2022: £12,570,361) were held by the charity at 30 September 2023. The balance held as unrestricted funds was £10,811,579 (2022: £9,616,916) of which £562,813 is regarded as free reserves, after allowing for funds relating to tangible fixed assets and investment property.

The balance held as restricted funds was £3,028,137 (2022: £2,953,445) of which £34,057 is regarded as free reserves, after allowing for funds relating to tangible fixed assets.

Reserves are accumulated until such time as expenditure is required for capital projects and/or research grant funding. As in previous years and for the foreseeable future, all monies will be invested as deposits with banks and building societies, i.e. low risk.

The Hull & East Yorkshire Medical Research Centre

Report of the Trustees
for the year ended 30th September 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Hull and East Yorkshire Medical Research Centre is a registered charity and a company limited by guarantee, without share capital. The Charity's governing document is its Memorandum and Articles of Association. This restricts its operations to all such lawful acts as are necessary or incidental to the attainment of its objectives.

Members of the charitable company

Members of the company, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1.

Members of the charitable company guarantee to contribute an amount not exceeding £10 each to the assets of the charitable company in the event of a winding up. The total number of such guarantees at 30 September 2023 was 9 and at 2022 was 10.

Recruitment and appointment of new trustees

The directors of the company are appointed in accordance with the governing document, the company's Memorandum and Articles of Association. The directors are all experienced professionals of varying disciplines, all of which are relevant to the Charity's activities and requirements.

Policies and Procedures for the induction and training of new trustees

The charity provides all new trustees with the following induction material; the charity's governing document and financial information, including up-to-date accounts, together with explanatory material and recent minutes from trustee meetings.

The charity provides support and regularly reviews the development needs of the trustee board to make sure that all trustees are fully acquainted with all matters relating to charity finance, governance and propriety.

Organisational structure

The company's directors meet on a quarterly basis, with additional meetings convened where circumstances dictate. They are responsible for the strategic decisions and policies of the Charity. At the present time there are 9 members from medical, business and professional backgrounds.

Remuneration policy

All trustees give their time freely and no trustee remuneration was paid in the year. Details of trustees' expenses and related party transactions are disclosed in note 25 to the accounts.

Related parties

The under-mentioned directors (trustees) are employed by:

The University of Hull
- Prof M J Lind

The relationship relates to the research grant awarded to the University and the use and/or potential use of the Daisy Research Facility for charitable purposes.

Hull and East Yorkshire Hospitals NHS Trust
- Dr C A Rowland-Hill

The relationship relates to the use and/or potential use of the Research Facility for charitable purposes.

The Hull & East Yorkshire Medical Research Centre

Report of the Trustees
for the year ended 30th September 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES
The trustees (who are also the directors of The Hull & East Yorkshire Medical Research Centre for the purposes of company law) are responsible for preparing the Report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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 Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS
The auditors, Smailes Goldie, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 27 June 2024 and signed on its behalf by:

D.C. Heuck - Trustee

Report of the Independent Auditors to the Members of The Hull & East Yorkshire Medical Research Centre

Opinion

We have audited the financial statements of Hull & East Yorkshire Medical Research Centre (the 'charitable company') and its subsidiaries (the 'group') for the year ended 30th September 2023 which comprise the Consolidated Statement of Financial Activities, Balance sheet, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the group and charitable company's affairs as at 30th September 2023 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 Companies Act 2006 and Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group and charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, other than the financial statements and our Report of the independent auditor's thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of The Hull & East Yorkshire Medical Research Centre

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the group and charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- 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.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities set out on page five, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group and/or the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud are detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the charity only and consolidated financial statements or the operations of the charitable company and the group, including the Companies Act 2006, the Charities Act 2011, data protection, anti-bribery, employment, fundraising regulations, health and safety legislation, health and social care regulations and childcare regulations. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence.

We assessed the susceptibility of the charitable company's and consolidated financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we performed analytical procedures to identify any unusual or unexpected relationships; tested journal entries to identify unusual transactions; assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and investigated the rationale behind significant or unusual transaction

Report of the Independent Auditors to the Members of The Hull & East Yorkshire Medical Research Centre

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to agreeing charity only and consolidated financial statement disclosures to underlying supporting documentation; reading the minutes of meetings of those charged with governance; enquiring of management as to actual and potential litigation and claims; and reviewing correspondence with HMRC, relevant regulators and the charitable company's legal advisors.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Luke Taylor BSc (Hons) ACA (Senior Statutory Auditor)
For and on behalf of Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

27 June 2024

The Hull & East Yorkshire Medical Research Centre
Consolidated Statement of Financial Activities
(Incorporating an Income and Expenditure account)
for the year ended 30th September 2023

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	**503,807**	**-**	**503,807**	216,627
Other trading activities	3	**337**	**-**	**337**	2,758
Investment income	4	**165,617**	**-**	**165,617**	116,956
Commercial trade operations	5	**264,621**	**-**	**264,621**	250,505
Total		**934,382**	**-**	**934,382**	586,846
EXPENDITURE ON					
Raising funds	6	**130,948**	**-**	**130,948**	124,354
Charitable activities	7				
Medical Research		**250,520**	**64,757**	**315,277**	204,208
Commercial trade operations	5	**208,189**	**-**	**208,189**	215,733
Total		**589,657**	**64,757**	**654,414**	544,295
NET INCOME/(EXPENDITURE)		**344,725**	**(64,757)**	**279,968**	42,551
Gain on investment property revaluation		**989,387**	**-**	**989,387**	471,982
Transfers between Funds		**(139,449)**	**139,449**	**-**	-
NET MOVEMENT IN FUNDS		**1,194,663**	**74,692**	**1,269,355**	514,533
RECONCILIATION OF FUNDS					
Total funds brought forward		**9,616,916**	**2,953,445**	**12,570,361**	12,055,828
TOTAL FUNDS CARRIED FORWARD		**10,811,579**	**3,028,137**	**13,839,716**	12,570,361

The notes form part of these financial statements

The Hull & East Yorkshire Medical Research Centre (Registered number: 04017833)
Consolidated Balance Sheet
At 30th September 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Tangible assets	14	**9,140,221**	8,514,053
Investments			
Investment property	16	**7,980,961**	6,991,574
		17,121,182	15,505,627
CURRENT ASSETS			
Stocks		**6,735**	-
Debtors	17	**331,990**	367,034
Cash at bank		**1,160,302**	1,420,116
		1,499,027	1,787,150
CREDITORS			
Amounts falling due within one year	18	**(1,101,932)**	(845,989)
NET CURRENT ASSETS		**397,095**	941,161
TOTAL ASSETS LESS CURRENT LIABILITIES		**17,518,277**	16,446,788
CREDITORS			
Amount falling due after more than one year	19	**(3,578,333)**	(3,798,333)
PROVISIONS FOR LIABILITIES	20	**(100,228)**	(78,094)
NET ASSETS		**13,839,716**	12,570,361
FUNDS			
Unrestricted funds		**10,811,579**	9,616,916
Restricted funds		**3,028,137**	2,953,445
TOTAL FUNDS		**13,839,716**	12,570,361

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 27 June 2024 and were signed on its behalf by:

N Stafford - Trustee

The notes form part of these financial statements

The Hull & East Yorkshire Medical Research Centre (Registered number: 04017833)
Charity Balance Sheet
At 30th September 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Tangible assets	14	**5,284,839**	5,019,452
Investments			
Investments	15	**1**	
Investment property	16	**7,980,961**	6,991,574
		13,265,801	12,011,027
CURRENT ASSETS			
Stocks		**5,099**	-
Debtors	17	**4,408,185**	4,245,360
Cash at bank		**526,449**	700,987
		4,939,733	4,946,347
CREDITORS			
Amounts falling due within one year	18	**(1,086,788)**	(822,184)
NET CURRENT ASSETS		**3,852,945**	4,124,163
TOTAL ASSETS LESS CURRENT LIABILITIES		**17,118,746**	16,135,190
CREDITORS			
Amounts falling due after more than one year	19	**(3,578,333)**	(3,798,333)
NET ASSETS		**13,540,413**	12,336,857
FUNDS			
Unrestricted funds		**10,512,276**	9,383,412
Restricted funds		**3,028,137**	2,953,445
TOTAL FUNDS		**13,540,413**	12,336,857

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 27 June 2024 and were signed on its behalf by:

N Stafford – Trustee

The notes form part of these financial statements

continued...

The Hull & East Yorkshire Medical Research Centre
Consolidated Cash Flow Statement
for the year ended 30th September 2023

	Notes	2023 £	2022 £
Net cash provided by operating activities	1	**951,508**	502,287
Cash flows from investing activities:			
Purchase of tangible fixed assets		**(808,439)**	(3,050,301)
Interest received		**21,372**	62
Interest paid		**(222,588)**	(137,448)
Net cash used in investing activities		**(1,009,655)**	(3,187,687)
Cash flows from financing activities:			
Loan drawdown in year		**-**	2,200,000
Loan repayments in year		**(201,667)**	-
Change in cash and cash equivalents in the reporting period		**(259,814)**	(485,400)
Cash and cash equivalents at the beginning of the reporting period		**1,420,116**	1,905,516
Cash and cash equivalents at the end of the reporting period		**1,160,302**	1,420,116

The notes form part of these financial statements

The Hull & East Yorkshire Medical Research Centre
Notes to the Consolidated Cash Flow Statement
for the year ended 30th September 2023

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net income for the reporting period (as per the statement of financial activities)	**279,968**	42,551
Adjustments for:		
Depreciation charges	**182,271**	181,914
Interest received	**(21,372)**	(62)
Interest paid	**222,588**	137,448
(Increase)/Decrease in stock	**(6,735)**	-
(Increase)/Decrease in debtors	**35,043**	(19,575)
(Decrease)/Increase in creditors	**259,745**	160,011
Net cash provided by operating activities	**951,508**	502,287

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 01.10.2022 £	Cash flow £	At 30.09.2023 £
Net cash			
Cash at bank	1,420,116	(259,814)	1,160,302
	1,420,116	(259,814)	1,160,302
Debt			
Debts falling due within 1 year	(201,667)	(18,333)	(220,000)
Debts falling due after 1 year	(1,998,333)	220,000	(1,778,333)
	(2,200,000)	201,667	(1,998,333)
Total	(779,884)	(58,147)	(838,031)

The Hull & East Yorkshire Medical Research Centre
Notes to the Financial Statements
for the year ended 30th September 2023

1. ACCOUNTING POLICIES

Group and Charity Accounting Policies
Basis of preparing the financial statements

The Hull and East Yorkshire Medical Research Centre is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address is given on page 1 of these financial statements.

The financial statements of the charitable company, which is a public benefit entity under FRS 102. Have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated. The charitable company adopted FRS 102 in the current year and there has been no effect on transition.

Basis of consolidation
The group financial statements consolidate the financial statements of the Charity and its subsidiary undertaking, Daisy Medical Research Limited, at 30 September 2023 using acquisition accounting.

Going concern
The trustees, having considered the forecasts for the period to 30 September 2025, have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of 12 months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and when the amount can be measured reliably.

Donations and legacies
Donations and gifts are included in full in the Statement of Financial Activities when receivable. The value of services provided by volunteers has not been included. Donated goods are included at the donated valuation by the donor.

Grants receivable
Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

Investment income
Incoming resources from investments are included when receivable.

Expenditure
Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all expenses related to the category. Where expenses cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT is charged as an expense against the activity for which the expenditure was incurred.

1. ACCOUNTING POLICIES – continued

Expenditure – continued
Grants offered subject to conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, finance, personnel and governance costs which support the charities activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

Tangible fixed assets
Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - straight line over 5-10 years

Investment property
Investment property for which fair value can be reliably measured are measured at its fair value at each reporting date with changes recognised in the statement of financial activities.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds to be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Debtors and creditors receivable / payable within one year
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Concessionary loans
Concessionary loans include those payable to third parties which are interest free or below market interest rates and are made to advance charitable purposes. Loans are accounted for in accordance with the terms of the loan agreement.

2. DONATIONS AND LEGACIES

	Unrestricted funds	Restricted funds	2023 Total funds	2022 Total Funds
	£	£	£	£
Donations	118,146	-	118,146	133,384
Legacies	385,661	-	385,661	83,243
	503,807	-	503,807	216,627

3. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
Fundraising events	-	-	-	1,967
Shop income	337	-	337	791
	337	-	337	2,758

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
Rents received	144,245	-	144,245	116,894
Deposit account interest	6,649	-	6,649	62
Legacies interest	5,357	-	5,357	-
	156,251	-	156,251	116,956

5. INCOME/(EXPENDITURE) FROM COMMERCIAL TRADE OPERATIONS

	2023 £	2022 £
TURNOVER	264,621	250,503
Administrative expenses	186,055	184,440
OPERATING PROFIT	78,566	66,063
Interest receivable and similar income	9,367	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	87,933	66,063
Tax on profit on ordinary activities	22,135	31,293
PROFIT FOR THE FINANCIAL YEAR	65,798	34,770

The principal activity of the subsidiary undertaking in the year under review was that of medical research and medical treatment.

6. RAISING FUNDS

Raising donations and legacies

	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total Funds £
Sundries	274	-	274	274

Other trading activities

	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
Purchases	1,033	-	1,033	17,358
PR costs	45,138	-	45,138	30,064
Closing stock	(5,099)	-	(5,099)	-
	41,072	-	41,072	47,422

6. RAISING FUNDS - continued

Investment management costs

	Unrestricted funds	Restricted funds	2023 Total funds	2022 Total funds
	£	£	£	£
Administrative expenses	36,050	-	36,050	23,981
Maintenance charges	53,552	-	53,552	52,677
	89,602	-	89,602	76,658
Aggregate amounts	130,948	-	130,948	124,354

7. CHARITABLE ACTIVITIES COSTS

	Direct costs	Grant funding of activities	Support costs (See note 8)	Total
	£	£	£	£
Medical Research	1,771	-	313,506	315,277

8. SUPPORT COSTS

	Management	Finance	Information Technology	Governance costs	Total
	£	£	£	£	£
Medical Research	29,186	223,487	14,943	45,890	313,506

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2023	2022
	£	£
Auditors' remuneration – audit services	11,501	10,235
Auditors' remuneration – non-audit services	9,001	6,051
Depreciation - owned assets	182,271	181,914

10. TRUSTEE REMUNERATION AND BENEFITS

There was no trustees' remuneration or other benefits for the year ended 30th September 2023 nor for the year ended 30th September 2022.

Trustee expenses
There were no trustee expenses paid for the year ended 30th September 2023 nor for the year ended 30th September 2022.

11. STAFF COSTS

	Group and Charity 2023 £	2022 £
Wages and salaries	**28,877**	25,852
Social security costs	**-**	-
	28,877	25,852

The average number of employees during the year ended 30th September 2023 was 1 (2022: 1).

No employee received emoluments in excess of £60,000.

12. NET INCOMING RESOURCES OF PARENT CHARITY

As permitted by Section 408 of the Companies Act 2006, the Statement of Financial Activities of the parent charity is not presented as part of these financial statements. The parent charity's net incoming resources for the year ended 30 September 2023 totalled £214,169 (2022: £7,778).

13. COMPARATIVES FOR THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	216,627	-	216,627
Other trading activities	2,758	-	2,758
Investment income	116,956	-	116,956
Commercial trade operations	250,505	-	250,505
	586,846	-	586,846
Total			
EXPENDITURE ON			
Raising funds	124,354	-	124,354
Charitable activities			
Medical Research	134,215	69,993	204,208
Commercial trade operations	215,733	-	215,733
Total	474,302	69,993	544,295
NET INCOME/(EXPENDITURE)	112,544	(69,993)	42,551
Gain on investment property revaluation	471,982	-	471,982
Transfer between funds	(473,564)	473,564	-
NET MOVEMENT IN FUNDS	110,962	403,571	514,533
RECONCILIATION OF FUNDS			
Total funds brought forward	9,505,954	2,549,874	12,055,828
TOTAL FUNDS CARRIED FORWARD	9,616,916	2,953,445	12,570,361

14. TANGIBLE FIXED ASSETS

	Property under construction £	Plant and machinery etc £	Total £
GROUP			
COST			
At 1st October 2022	5,018,180	5,554,541	10,572,721
Additions	264,507	543,932	808,439
At 30th September 2023	5,282,687	6,098,473	11,381,160
DEPRECIATION			
At 1st October 2022	-	2,058,668	2,058,668
Charge for year		182,271	182,271
At 30th September 2023		2,240,939	2,240,939
NET BOOK VALUE			
At 30th September 2023	5,282,687	3,857,534	9,140,221
At 30th September 2022	5,018,180	3,495,873	8,514,053
CHARITY			
COST			
At 1st October 2022	5,018,180	545,718	5,563,898
Additions	264,507	2,650	267,157
At 30th September 2023	5,282,687	548,368	5,831,055
DEPRECIATION			
At 1st October 2022	-	544,445	544,445
Charge for year	-	1,771	1,771
At 30th September 2023	-	546,216	546,216
NET BOOK VALUE			
At 30th September 2023	5,282,687	2,152	5,284,839
At 30th September 2022	5,018,180	1,273	5,019,453

15. FIXED ASSET INVESTMENTS

CHARITY	Shares in group undertakings £
MARKET VALUE	
At 1st October 2022 and 30th September 2023	1
NET BOOK VALUE	
At 30th September 2023	1
At 30th September 2022	1

The charity's investments at the balance sheet date in the share capital of companies comprise the following:

Daisy Medical Research Limited
Nature of business: Medical research and treatment

Class of share:	% holding
Ordinary	100

	2023 £	2022 £
Aggregate capital and reserves	299,301	233,503
Profit for the year	65,798	34,770

16. INVESTMENT PROPERTY

GROUP AND CHARITY	£
MARKET VALUE	
At 1st October 2022	6,991,574
Revaluations	989,387
At 30th September 2023	7,980,961
NET BOOK VALUE	
At 30th September 2023	7,980,961
At 30th September 2022	6,991,574

The market value of investment property was assessed by the trustees at 30 September 2023 and is based on valuations undertaken by the Hull and East Yorkshire Hospitals NHS Trust as at 31 March 2023.

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2023	2022	**2023**	2022
	£	£	**£**	£
Amounts owed by group undertakings		-	4,125,219	3,948,037
Other debtors	**41,152**	82,438	-	14,506
VAT	**-**	-	1,160	1,978
Tax	**245,455**	245,455	258,732	261,392
Prepayments and accrued income	**45,383**	39,141	23,074	19,447
	331,990	367,034	4,408,185	4,245,360

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2023	2022	**2023**	2022
	£	£	**£**	£
Trade creditors	**224,243**	12,384	**224,243**	12,384
VAT	**12,324**	10,903	**-**	-
Accruals and deferred income	**343,976**	320,621	**341,156**	307,719
Social security and other tax	**1,389**	414	**1,389**	414
Bank loans	**220,000**	201,667	**220,000**	201,667
Other creditors	**300,000**	300,000	**300,000**	300,000
	1,101,932	845,989	**1,086,788**	822,184

Included in the above total is a loan of £300,000 (2022: £300,000) which is unsecured and interest free. The loan is now repayable on demand.

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2023	2022	**2023**	2022
	£	£	**£**	£
Other creditors	**1,800,000**	1,800,000	**1,800,000**	1,800,000
Bank loans	**1,778,333**	1,998,333	**1,778,333**	1,998,333
	3,578,333	3,798,333	**3,578,333**	3,798,333

Included in the above total is a loan of £1,800,000 (2022: £1,800,000) which is unsecured. The loan is repayable in full on 31 December 2035 and interest is payable at 3.5% per annum.

Included in the above and note 18 is a bank loan totalling £1,998,333 (2022: £2,200,000) repayable by monthly instalments over a period of 10 years to 2032. Interest is charged at 3.55% over base.

20. PROVISIONS FOR LIABILITIES

	Group		Charity	
	2023	2022	**2023**	2022
	£	£	**£**	£
Deferred tax	**100,228**	78,094	**-**	-

	£
Balance at 1 October 2022	**78,094**
Charge to statement of financial activities during the year	**22,134**
Balance at 30 September 2023	**100,228**

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Unrestricted fund	Restricted funds	2023 Total funds	2022 Total funds
	£	£	£	£
Fixed assets	3,855,432	5,284,789	9,140,221	8,514,053
Investment property	7,980,961	-	7,980,961	6,991,574
Current assets	1,464,970	34,057	1,499,027	1,787,150
Liabilities	(2,389,556)	(2,290,709)	(4,680,265)	(4,644,322)
Provisions	(100,228)	-	(100,228)	(78,094)
	10,811,579	3,028,137	13,839,716	12,570,361

Charity	Unrestricted fund	Restricted funds	2023 Total funds	2022 Total funds
	£	£	£	£
Fixed assets	50	5,284,789	5,284,839	5,019,452
Investments	1	-	1	1
Investment property	7,980,961	-	7,980,961	6,991,574
Current assets	4,905,676	34,057	4,939,733	4,946,347
Liabilities	(2,374,412)	(2,290,709)	(4,665,121)	(4,620,517)
	10,512,276	3,028,137	13,540,413	12,336,857

22. MOVEMENT IN FUNDS

	At 01.10.22	Incoming resources	Resources expended	Revaluation Gain	Transfers between reserves	At 30.09.23
	£	£	£	£	£	£
Unrestricted funds						
General fund	9,616,916	934,382	(589,657)	989,387	(139,449)	10,811,579
Restricted funds						
Medical equipment	34,057	-	-	-	-	34,057
Phase 2	2,919,388	-	(64,757)	-	139,449	2,994,080
	2,953,445	-	(64,757)	-	139,449	3,028,137
TOTAL FUNDS	12,570,361	934,382	(654,414)	989,387	-	13,839,716

Medical Equipment fund - donations received for medical equipment to be purchased and used for research.
Phase 2 fund - Funds donated for development of Phase 2 as explained in the trustees' report.

Comparative information in respect of the preceding period is as follows:

	At 01.10.21	Incoming resources	Resources expended	Revaluation Gain	Transfers between reserves	At 30.09.22
	£	£	£	£	£	£
Unrestricted funds						
General fund	9,505,954	586,846	(474,302)	471,982	(473,564)	9,616,916
Restricted funds						
Medical equipment	34,057	-	-	-	-	34,057
Phase 2	2,515,817	-	(69,993)	-	473,564	2,919,388
	2,549,874	-	(69,993)	-	473,564	2,953,445
TOTAL FUNDS	12,055,828	586,846	(544,295)	471,982	-	12,570,361

23. COMMITMENTS

Research building service costs	**2023** **£**	2022 £
Payable within one year	**53,552**	52,676
2-5 years	**214,209**	210,704
Over 5 years	**321,314**	316,056
	589,075	579,436

The research building service costs are subject to an annual increase in respect of the Health Service cost index.

The commitments are covered, except for a relatively small amount of irrecoverable VAT, by rental income receivable on the 25 year lease.

At 30 September 2023 the charitable group has a capital commitment of £3,634,004 (2022: £574,004) which is contracted but not provided for in the financial statements. This will be funded from the charity's free reserves.

24. LEASING AGREEMENTS

The investment property is let out to tenants under operating leases. At the year end the committed lease receipts due under non-cancellable leases are as follows:

	2023 **£**	2022 £
Falling due:		
Within one year	**120,605**	114,873
Between one and five year	**482,419**	459,493
Over five years	**2,075,556**	2,118,378
	2,678,580	2,692,744

25. OFF-BALANCE SHEET ARRANGEMENTS

In the year, Handelsbanken provided an unlimited Inter-Company Composite Guarantee by and between the charity and its trading subsidiary, Daisy Medical Research Limited.

26. RELATED PARTY DISCLOSURES

At 30 September 2023 the charity owed £300,000 (2022: £300,000), to a company controlled by a trustee of the charity. The form of this liability is an interest free loan, repayable on demand.

During the year ended 30 September 2023 £50,686 (2022: £36,533) was donated to the charity from D Heuck, a trustee.

During the year ended 30 September 2023 £800 (2022: NIL) was donated to the charity from N Stafford, a trustee.

There are no further related party transactions requiring disclosure during the year ended 30 September 2023.

HULL AND EAST YORKSHIRE MEDICAL RESEARCH CENTRE

England & Wales - Charity number 1095652

Accounts

Smailes Goldie Group
CREATING ADVANTAGE

REGISTERED COMPANY NUMBER: 04017833
REGISTERED CHARITY NUMBER: 1095652

The Hull & East Yorkshire Medical Research Centre

Consolidated Financial Statements

30th September 2022

SD-0209349-1-6

The Hull & East Yorkshire Medical Research Centre

Contents of the Consolidated Financial Statements
for the year ended 30th September 2022

The Hull & East Yorkshire Medical Research Centre

Report of the Trustees
for the year ended 30th September 2022

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30th September 2022. The trustees have adopted the provisions of 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).

REFERENCE AND ADMINISTRATIVE DETAILS
Registered Company number
04017833 (England and Wales)

Registered Charity number
1095652

Registered office
The Daisy Building
Castle Hill Hospital
Castle Road
Cottingham
East Yorkshire
HU16 5JQ

Trustees
Dr A Allam – deceased 02.12.2022
Mr T S E Boanas
Prof P E Dyer
Ms K M Guest
Mr D C Heuck
Mrs V R Heuck
Mr A N Horncastle – resigned 30.06.2022
Mr S Howey
Prof M J Lind
Dr C A Rowland-Hill
Prof N D Stafford

Company Secretary
Prof N D Stafford

Auditors
Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

Solicitors
Andrew Jackson
Marina Court
Castle Street
Hull
HU1 1TJ

Gosschalks
Queens Gardens
Hull
HU1 3DZ

REFERENCE AND ADMINISTRATIVE DETAILS (Continued)

Bankers

Handelsbanken
First Floor, Westcott House
Hesslewood Business Park
Hessle
East Yorkshire
HU13 0PF

National Westminster Bank plc
The Square
Willerby
East Yorkshire
HU10 7XW

Virgin Money
10-12 Paragon Street
Hull
HU1 3ND

Beverley Building Society
57 Market Place
Beverley
HU17 8AA

OBJECTIVES AND ACTIVITIES

Objectives and activities

The company's objectives are to establish and fund the provision of medical research facilities for enquiry into the causes, natural history, prevention, diagnosis and treatment of illnesses and diseases of all kinds and to disseminate the useful results of such research for the benefit of the public. Such facilities will be developed for the study of diseases of the heart and cancers, with the anticipation that similar facilities will be offered to other specialist areas of medical research as the centre develops and expands. The trustees have considered the Charity Commission's guidance on public benefit and are of the opinion that it is fulfilled by the charity's continued pursuit of its objectives.

Public benefit

The directors have reviewed the activities of the Charity and confirm that they are in accord with its objectives. The directors also confirm that the Charity's aims and objectives fall within the descriptions of purposes section in the Charities Act 2011 and are recognised as charitable and carried out for the benefit of the public at large.

ACHIEVEMENT AND PERFORMANCE

Review of the year and future strategy

The Daisy Building Phase 1, which was brought into use in July 2008, continues to fulfil, at the anticipated level of use, the functions envisaged when the Charity was founded. Sited prominently at the NHS Castle Hill Hospital in East Yorkshire, it provides a focal point for the public perception of the work of the Charity.

The Phase 2 Project is to provide, in conjunction with the NHS, scanning facilities (Phase 2a) and a Molecular Imaging Research Centre (Phase 2b) for both research and clinical applications. The project involves research cooperation with both the University of Hull and the NHS, with the intention of creating a unique, world-class facility.

The project incorporates the provision of a PET-CT scanning patient service facility. The provision of this facility, which became fully operational in May 2014, now generates income to recover its cost over a period of 40 years and provides additional funding for the future research activities of the charity.

The agreement with the Alliance Medical Ltd specifies defined periods of time for the use of the scanning facility for research purposes. Additionally, there is the patient benefit of an onsite state-of-the-art facility for clinical trials, as well as clinical service. This was not previously available in East Yorkshire.

Planning for the Phase 2b project (referred to above) commenced in October 2014. Technical project teams from the NHS Trust and University of Hull are led by three senior employees from those organisations; one of whom has taken the role of Project Director. External specialists are engaged to assist as necessary. The Melocular Imagine Research Centre has been almost completed and cyclotron has been installed although it is not yet operational. This is disappointing from the Charity's point of view and the delay has arisen due to issues with the installation of ducting work within the building and the supply of other ancillary equipment.

It is anticipated that a partial handover of the building, comprising the Radio Pharmacy, will take place in the first quarter of 2023 and that the rest of the building will be handed over before the end of September 2023. Testing and commissioning of the equipment will take place after handover.

ACHIEVEMENT AND PERFORMANCE

Review of the year and future strategy

The charity, with legal advice from its solicitors, has in place all the necessary property, financial and construction agreements and contracts.

The directors (trustees) are satisfied that this project fulfils the Objective and Activities as defined in the Memorandum of Association.

The Molecular Imaging Research Centre referred to above will provide research benefits, as well as having clinical applications. It is, however, dependent on the scanning facilities to enable it to achieve its full research potential. The site for this new building is adjacent to the Scanning Centre. The close proximity enables the manufacture and delivery of innovative tracers for injecting into patients. Some of these tracers have a short life (measured in minutes) before they become ineffective. They enable the provision of very high-definition imaging, and hence patient benefits, which are not possible at the present time. The applications incorporate cancer, cardiac, dementia and Alzheimer's identification and treatment. The development at Castle Hill Hospital will provide a unique opportunity for a truly translational research programme in PET-CT imaging.

The opening of the Scanning Centre and plans for Phase 2b, with its attendant publicity, continues to have a very positive effect on the charity's regional profile.

Principal risks and uncertainties

The construction of the Molecular Imaging Research Centre is now almost complete. The cost of the project stands at £8.5 million and the charity's assets are currently in excess of £7 million, therefore the main risk to the charity is bridging this shortfall. It still has a number of opportunities to pursue in terms of fundraising from various individuals and institutions and one of the trustees has committed to underwriting the residual funding gap that might exist in 2022-23 when the charity is due to pay the balance on both the building and the cyclotron and ancillary equipment.

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

FINANCIAL REVIEW

Reserves and investment policy

Total reserves of £12,570,361 (2021: £12,055,828) were held by the charity at 30 September 2022. The balance held as unrestricted funds was £9,616,916 (2021: £9,505,954) of which £1,129,010 is regarded as free reserves, after allowing for funds relating to tangible fixed assets and investment property.

The balance held as restricted funds was £2,953,445 (2021: £2,549,874) of which £34,056 is regarded as free reserves, after allowing for funds relating to tangible fixed assets.

Reserves are accumulated until such time as expenditure is required for capital projects and/or research grant funding. As in previous years and for the foreseeable future, all monies will be invested as deposits with banks and building societies, i.e. low risk.

Report of the Trustees
for the year ended 30th September 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document
The Hull and East Yorkshire Medical Research Centre is a registered charity and a company limited by guarantee, without share capital. The Charity's governing document is its Memorandum and Articles of Association. This restricts its operations to all such lawful acts as are necessary or incidental to the attainment of its objectives.

Members of the charitable company
Members of the company, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1.

Members of the charitable company guarantee to contribute an amount not exceeding £10 each to the assets of the charitable company in the event of a winding up. The total number of such guarantees at 30 September 2022 was 10 and at 2021 was 10.

Recruitment and appointment of new trustees
The directors of the company are appointed in accordance with the governing document, the company's Memorandum and Articles of Association. The directors are all experienced professionals of varying disciplines, all of which are relevant to the Charity's activities and requirements.

Policies and Procedures for the induction and training of new trustees
The charity provides all new trustees with the following induction material; the charity’s governing document and financial information, including up-to-date accounts, together with explanatory material and recent minutes from trustee meetings.

The charity provides support and regularly reviews the development needs of the trustee board to make sure that all trustees are fully acquainted with all matters relating to charity finance, governance and propriety.

Organisational structure
The company's directors meet on a quarterly basis, with additional meetings convened where circumstances dictate. They are responsible for the strategic decisions and policies of the Charity. At the present time there are 10 members from medical, business and professional backgrounds.

Remuneration policy
All trustees give their time freely and no trustee remuneration was paid in the year. Details of trustees’ expenses and related party transactions are disclosed in note 25 to the accounts.

Related parties
The under-mentioned directors (trustees) are employed by:

The University of Hull
- Prof M J Lind

The relationship relates to the research grant awarded to the University and the use and/or potential use of the Daisy Research Facility for charitable purposes.

Hull and East Yorkshire Hospitals NHS Trust
- Dr C A Rowland-Hill

The relationship relates to the use and/or potential use of the Research Facility for charitable purposes.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Hull & East Yorkshire Medical Research Centre for the purposes of company law) are responsible for preparing the Report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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 Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Smailes Goldie, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 20 April 2023 and signed on its behalf by:

David. C. Heuck

D.C. Heuck - Trustee

Report of the Independent Auditors to the Members of The Hull & East Yorkshire Medical Research Centre

Opinion

We have audited the financial statements of Hull & East Yorkshire Medical Research Centre (the 'charitable company') and its subsidiaries (the 'group') for the year ended 30th September 2022 which comprise the Consolidated Statement of Financial Activities, Balance sheet, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the group and charitable company's affairs as at 30th September 2022 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 Companies Act 2006 and Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group and charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, other than the financial statements and our Report of the independent auditor's thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of The Hull & East Yorkshire Medical Research Centre

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the group and charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- 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.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities set out on page five, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group and/or the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud are detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the charity only and consolidated financial statements or the operations of the charitable company and the group, including the Companies Act 2006, the Charities Act 2011, data protection, anti-bribery, employment, fundraising regulations, health and safety legislation, health and social care regulations and childcare regulations. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence.

We assessed the susceptibility of the charitable company's and consolidated financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we performed analytical procedures to identify any unusual or unexpected relationships; tested journal entries to identify unusual transactions; assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and investigated the rationale behind significant or unusual transactions.

Report of the Independent Auditors to the Members of The Hull & East Yorkshire Medical Research Centre

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to agreeing charity only and consolidated financial statement disclosures to underlying supporting documentation; reading the minutes of meetings of those charged with governance; enquiring of management as to actual and potential litigation and claims; and reviewing correspondence with HMRC, relevant regulators and the charitable company's legal advisors.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors. This description forms part of our auditor's report.

Use of our report
This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Luke Taylor BSc (Hons) ACA (Senior Statutory Auditor)
For and on behalf of Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

20 April 2023

Consolidated Statement of Financial Activities
(Incorporating an Income and Expenditure account)
for the year ended 30th September 2022

	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	**216,627**	**-**	**216,627**	952,880
Other trading activities	3	**2,758**	**-**	**2,758**	6,572
Investment income	4	**116,956**	**-**	**116,956**	116,331
Commercial trade operations	5	**250,505**	**-**	**250,505**	244,074
Total		**586,846**	**-**	**586,846**	1,319,857
EXPENDITURE ON					
Raising funds	6	**124,354**	**-**	**124,354**	82,080
Charitable activities	7				
Medical Research		**134,215**	**69,993**	**204,208**	127,824
Commercial trade operations	5	**215,733**	**-**	**215,733**	196,232
Total		**474,302**	**69,993**	**544,295**	406,136
NET INCOME/(EXPENDITURE)		**112,544**	**(69,993)**	**42,551**	913,721
Gain on investment property revaluation		**471,982**	**-**	**471,982**	(673,682)
Transfers between Funds		**(473,564)**	**473,564**	**-**	-
NET MOVEMENT IN FUNDS		**110,962**	**403,571**	**514,533**	240,039
RECONCILIATION OF FUNDS					
Total funds brought forward		**9,505,954**	**2,549,874**	**12,055,828**	11,815,789
TOTAL FUNDS CARRIED FORWARD		**9,616,916**	**2,953,445**	**12,570,361**	12,055,828

The notes form part of these financial statements

The Hull & East Yorkshire Medical Research Centre (Registered number: 04017833)

Consolidated Balance Sheet
At 30th September 2022

	Notes	**2022** £	2021 £
FIXED ASSETS			
Tangible assets	14	**8,514,053**	5,645,666
Investments			
Investment property	16	**6,991,574**	6,519,592
		15,505,627	12,165,258
CURRENT ASSETS			
Debtors	17	**367,034**	347,459
Cash at bank		**1,420,116**	1,905,516
		1,787,150	2,252,975
CREDITORS			
Amounts falling due within one year	18	**(845,989)**	(515,605)
NET CURRENT ASSETS		**941,161**	1,737,370
TOTAL ASSETS LESS CURRENT LIABILITIES		**16,446,788**	13,902,628
CREDITORS			
Amount falling due after more than one year	19	**(3,798,333)**	(1,800,000)
PROVISIONS FOR LIABILITIES	20	**(78,094)**	(46,800)
NET ASSETS		**12,570,361**	12,055,828
FUNDS	21		
Unrestricted funds		**9,616,916**	9,505,954
Restricted funds		**2,953,445**	2,549,874
TOTAL FUNDS		**12,570,361**	12,055,828

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 20 April 2023 and were signed on its behalf by:

N Stafford - Trustee

Charity Balance Sheet
At 30th September 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	14	**5,019,452**	4,610,231
Investments			
Investments	15	**1**	1
Investment property	16	**6,991,574**	6,519,592
		12,011,027	11,129,824
CURRENT ASSETS			
Debtors	17	**4,245,360**	2,163,879
Cash at bank		**700,987**	876,773
		4,946,347	3,040,652
CREDITORS			
Amounts falling due within one year	18	**(822,184)**	(513,379)
NET CURRENT ASSETS		**4,124,163**	2,527,273
TOTAL ASSETS LESS CURRENT LIABILITIES		**16,135,190**	13,657,097
CREDITORS			
Amounts falling due after more than one year	19	**(3,798,333)**	(1,800,000)
NET ASSETS		**12,336,857**	11,857,097
FUNDS			
Unrestricted funds		**9,383,412**	9,307,223
Restricted funds		**2,953,445**	2,549,874
TOTAL FUNDS		**12,336,857**	11,857,097

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 20 April 2023 and were signed on its behalf by:

N Stafford – Trustee

continued...

Consolidated Cash Flow Statement
for the year ended 30th September 2022

	Notes	2022 £	2021 £
Net cash provided by operating activities	1	**502,287**	667,432
Cash flows from investing activities:			
Purchase of tangible fixed assets		**(3,050,301)**	(1,127,183)
Interest received		**62**	-
Interest paid		**(137,448)**	(81,451)
Net cash used in investing activities		**(3,187,687)**	(1,208,634)
Cash flows from financing activities:			
Loan drawdown in year		**2,200,000**	-
Change in cash and cash equivalents in the reporting period		**(485,400)**	(541,202)
Cash and cash equivalents at the beginning of the reporting period		**1,905,516**	2,446,718
Cash and cash equivalents at the end of the reporting period		**1,420,116**	1,905,516

Notes to the Consolidated Cash Flow Statement
for the year ended 30th September 2022

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021
	£	£
Net income for the reporting period (as per the statement of financial activities)	**42,551**	913,721
Adjustments for:		
Depreciation charges	**181,914**	181,804
Interest received	**(62)**	-
Interest paid	**137,448**	81,451
(Increase)/Decrease in debtors	**(19,575)**	(231,963)
(Decrease)/Increase in creditors	**160,011**	(277,581)
Net cash provided by operating activities	**502,287**	667,432

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 01.10.2021	**Cash flow**	**At 30.09.2022**
	£	**£**	**£**
Net cash			
Cash at bank	1,905,516	(485,400)	1,420,116
	1,905,516	(485,400)	1,420,116
Debt			
Debts falling due within 1 year	-	(201,667)	(201,667)
Debts falling due after 1 year	-	(1,998,333)	(1,998,333)
	-	(2,200,000)	(2,200,000)
Total	1,905,516	(2,685,400)	(779,884)

1. ACCOUNTING POLICIES

Group and Charity Accounting Policies
Basis of preparing the financial statements

The Hull and East Yorkshire Medical Research Centre is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address is given on page 1 of these financial statements.

The financial statements of the charitable company, which is a public benefit entity under FRS 102. Have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated. The charitable company adopted FRS 102 in the current year and there has been no effect on transition.

Basis of consolidation

The group financial statements consolidate the financial statements of the Charity and its subsidiary undertaking, Daisy Medical Research Limited, at 30 September 2022 using acquisition accounting.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and when the amount can be measured reliably.

Donations and legacies

Donations and gifts are included in full in the Statement of Financial Activities when receivable. The value of services provided by volunteers has not been included. Donated goods are included at the donated valuation by the donor.

Grants receivable

Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

Investment income

Incoming resources from investments are included when receivable.

Expenditure

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all expenses related to the category. Where expenses cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT is charged as an expense against the activity for which the expenditure was incurred.

Grants offered subject to conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure.

1. ACCOUNTING POLICIES – continued

Allocation and apportionment of costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, finance, personnel and governance costs which support the charities activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc	- straight line over 5-10 years

Investment property

Investment property for which fair value can be reliably measured are measured at its fair value at each reporting date with changes recognised in the statement of financial activities.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds to be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Concessionary loans

Concessionary loans include those payable to third parties which are interest free or below market interest rates and are made to advance charitable purposes. Loans are accounted for in accordance with the terms of the loan agreement.

2. DONATIONS AND LEGACIES

	Unrestricted funds	**Restricted funds**	**2022 Total funds**	2021 Total Funds
	£	**£**	**£**	£
Donations	**133,384**	**-**	**133,384**	923,080
Legacies	**83,243**	**-**	**83,243**	29,800
	216,627	**-**	**216,627**	952,880

3. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Fundraising events	1,967	-	1,967	6,015
Shop income	791	-	791	557
	2,758	-	2,758	6,572

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Rents received	116,894	-	116,894	116,331
Deposit account interest	62	-	62	-
	116,956	-	116,956	116,331

5. INCOME/(EXPENDITURE) FROM COMMERCIAL TRADE OPERATIONS

	2022 £	2021 £
TURNOVER	250,503	244,074
Administrative expenses	184,440	185,138
OPERATING PROFIT	66,065	58,936
Interest receivable and similar income	-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	66,065	58,936
Tax on profit on ordinary activities	31,293	11,094
PROFIT FOR THE FINANCIAL YEAR	34,770	47,842

The principal activity of the subsidiary undertaking in the year under review was that of medical research and medical treatment.

6. RAISING FUNDS

Raising donations and legacies

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total Funds £
Sundries	274	-	274	562

Other trading activities

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Purchases	17,358	-	17,358	6,048
PR costs	30,064	-	30,064	5,035
	47,422	-	47,422	11,083

6. RAISING FUNDS - continued

Investment management costs

	Unrestricted funds	Restricted funds	2022 Total funds	2021 Total funds
	£	£	£	£
Administrative expenses	**23,981**	**-**	**23,981**	18,797
Maintenance charges	**52,677**	**-**	**52,677**	51,638
	76,658	**-**	**76,658**	70,435
Aggregate amounts	**124,354**	**-**	**124,354**	82,080

7. CHARITABLE ACTIVITIES COSTS

	Direct costs	Grant funding of activities	Support costs (See note 8)	Total
	£	£	£	£
Medical Research	**1,414**	**-**	**202,794**	**204,208**

8. SUPPORT COSTS

	Management	Finance	Information Technology	Governance costs	Total
	£	£	£	£	£
Medical Research	**26,582**	**138,885**	**12,819**	**24,508**	**202,794**

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021
	£	£
Auditors' remuneration – audit services	**8,300**	11,030
Auditors' remuneration – non-audit services	**4,321**	6,664
Depreciation - owned assets	**181,914**	181,805

10. TRUSTEE REMUNERATION AND BENEFITS

There was no trustees' remuneration or other benefits for the year ended 30th September 2022 nor for the year ended 30th September 2021.

Trustee expenses
There were no trustee expenses paid for the year ended 30th September 2022 nor for the year ended 30th September 2021.

11. STAFF COSTS

	Group and Charity	
	2022	2021
	£	£
Wages and salaries	**25,852**	24,132
Social security costs	**-**	-
	25,852	24,132

The average number of employees during the year ended 30th September 2022 was 1 (2021: 1).

No employee received emoluments in excess of £60,000.

12. NET INCOMING RESOURCES OF PARENT CHARITY

As permitted by Section 408 of the Companies Act 2006, the Statement of Financial Activities of the parent charity is not presented as part of these financial statements. The parent charity's net incoming resources for the year ended 30 September 2022 totalled £7,778 (2021: £192,199).

13. COMPARATIVES FOR THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	852,880	100,000	952,880
Other trading activities	6,572	-	6,572
Investment income	116,331	-	116,331
Commercial trade operations	244,074	-	244,074
Total	1,219,857	100,000	1,319,857
EXPENDITURE ON			
Raising funds	82,080	-	82,080
Charitable activities			
Medical Research	52,139	75,685	127,824
Commercial trade operations	196,232	-	196,232
Total	330,451	75,685	406,136
NET INCOME/(EXPENDITURE)	889,406	24,315	913,721
Gain on investment property revaluation	(673,682)	-	(673,682)
Transfer between funds	(563,429)	563,429	-
NET MOVEMENT IN FUNDS	(347,705)	587,744	240,039
RECONCILIATION OF FUNDS			
Total funds brought forward	9,853,659	1,962,130	11,815,789
TOTAL FUNDS CARRIED FORWARD	9,505,954	2,549,874	12,055,828

14. TANGIBLE FIXED ASSETS

	Property under construction £	Plant and machinery etc £	Total £
GROUP			
COST			
At 1st October 2021	**4,607,616**	**2,914,804**	**7,522,420**
Additions	**410,564**	**2,639,737**	**3,050,301**
At 30th September 2022	**5,018,180**	**5,554,541**	**10,572,721**
DEPRECIATION			
At 1st October 2021	**-**	**1,876,754**	**1,876,754**
Charge for year	**-**	**181,914**	**181,914**
At 30th September 2022	**-**	**2,058,668**	**2,058,668**
NET BOOK VALUE			
At 30th September 2022	**5,018,180**	**3,495,873**	**8,514,053**
At 30th September 2021	4,607,616	1,038,050	5,645,666
CHARITY			
COST			
At 1st October 2021	**4,607,616**	**545,646**	**5,153,262**
Additions	**410,564**	**72**	**410,636**
At 30th September 2022	**5,018,180**	**545,718**	**5,563,898**
DEPRECIATION			
At 1st October 2021	**-**	**543,031**	**543,031**
Charge for year	**-**	**1,414**	**1,414**
At 30th September 2022	**-**	**544,445**	**544,445**
NET BOOK VALUE			
At 30th September 2022	**5,018,180**	**1,273**	**5,019,453**
At 30th September 2021	4,607,616	2,615	4,610,231

15. FIXED ASSET INVESTMENTS

CHARITY	Shares in group undertakings £
MARKET VALUE	
At 1st October 2021 and 30th September 2022	**1**
NET BOOK VALUE	
At 30th September 2022	**1**
At 30th September 2021	1

The charity's investments at the balance sheet date in the share capital of companies comprise the following:

Daisy Medical Research Limited
Nature of business: Medical research and treatment

Class of share:	% holding
Ordinary	**100**

	2022 £	2021 £
Aggregate capital and reserves	**233,503**	198,733
Profit for the year	**34,770**	47,843

16. INVESTMENT PROPERTY

GROUP AND CHARITY

MARKET VALUE	£
At 1st October 2021	**6,519,592**
Revaluations	**471,982**
At 30th September 2022	**6,991,574**
NET BOOK VALUE	
At 30th September 2022	**6,991,574**
At 30th September 2021	**6,519,592**

The market value of investment property was assessed by the trustees at 30 September 2022 and is based on valuations undertaken by the Hull and East Yorkshire Hospitals NHS Trust as at 31 March 2022.

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2022	2021	**2022**	2021
	£	£	**£**	£
Amounts owed by group undertakings	**-**	-	3,948,037	1,849,808
Other debtors	**82,438**	39,922	14,506	14,748
VAT	**-**	35,271	1,978	47,474
Tax	**245,455**	245,455	261,392	245,455
Prepayments and accrued income	**39,141**	26,811	19,447	6,394
	367,034	347,459	4,245,360	2,163,879

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2022	2021	**2022**	2021
	£	£	**£**	£
Trade creditors	**12,384**	24,964	**12,384**	24,963
VAT	**10,903**	-	**-**	-
Accruals and deferred income	**320,621**	195,913	**307,719**	193,688
Social security and other tax	**414**	317	**414**	317
Bank loans	**201,667**	-	**201,667**	-
Other creditors	**300,000**	294,411	**300,000**	294,411
	845,989	515,605	**822,184**	513,379

Included in the above total is a loan of £300,000 (2021: £294,411) which is unsecured and interest free. The loan is now repayable on demand.

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2022	2021	**2022**	2021
	£	£	**£**	£
Other creditors	**1,800,000**	1,800,000	**1,800,000**	1,800,000
Bank loans	**1,998,333**	-	**1,998,333**	-
	3,798,333	1,800,000	**3,798,333**	1,800,000

Included in the above total is a loan of £1,800,000 (2021: £1,800,000) which is unsecured. The loan is repayable in full on 31 December 2035 and interest is payable at 3.5% per annum.

Included in the above and note 18 is a bank loan totalling £2,200,000 (2021: £nil) repayable by monthly instalments over a period of 10 years to 2032. Interest is charged at 3.55% over base.

20. PROVISIONS FOR LIABILITIES

	Group		Charity	
	2022	2021	**2022**	2021
	£	£	**£**	£
Deferred tax	**78,094**	46,800	**-**	-

	Deferred tax
	£
Balance at 1st October 2021	**46,800**
Charge to Statement of financial activities during year	**31,294**
Balance at 30th September 2022	**78,094**

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Unrestricted fund	Restricted funds	2022 Total funds	2021 Total funds
	£	£	£	£
Fixed assets	**3,494,664**	**5,019,389**	**8,514,053**	5,645,666
Investment property	**6,991,574**	**-**	**6,991,574**	6,519,592
Current assets	**1,753,094**	**34,056**	**1,787,150**	2,252,975
Liabilities	**(2,544,322)**	**(2,100,000)**	**(4,644,322)**	(2,315,605)
Provisions	**(78,094)**	**-**	**(78,094)**	(46,800)
	9,616,916	**2,953,445**	**12,570,361**	12,055,828

Charity	Unrestricted fund	Restricted funds	2022 Total funds	2021 Total funds
	£	£	£	£
Fixed assets	**63**	**5,019,389**	**5,019,452**	4,610,231
Investments	**1**	**-**	**1**	1
Investment property	**6,991,574**	**-**	**6,991,574**	6,519,592
Current assets	**4,912,291**	**34,056**	**4,946,347**	3,040,652
Liabilities	**(2,520,517)**	**(2,100,000)**	**(4,620,517)**	(2,313,379)
	9,383,412	**2,953,445**	**12,336,857**	11,857,097

22. MOVEMENT IN FUNDS

	At 01.10.21	Incoming resources	Resources expended	Revaluation Gain	Transfers between reserves	At 30.09.22
	£	£	£	£	£	£
Unrestricted funds						
General fund	9,505,954	586,846	(474,302)	471,982	(473,564)	9,616,916
Restricted funds						
Medical equipment	34,057	-	-	-	-	34,057
Phase 2	2,515,817	-	(69,993)	-	473,564	2,919,388
	2,549,874	-	(69,993)	-	473,564	2,953,445
TOTAL FUNDS	12,055,828	586,846	(544,295)	471,982	-	12,570,361

Medical Equipment fund - donations received for medical equipment to be purchased and used for research.
Phase 2 fund - Funds donated for development of Phase 2 as explained in the trustees' report.

Comparative information in respect of the preceding period is as follows:

	At 01.10.20	Incoming resources	Resources expended	Revaluation Gain	Transfers between reserves	At 30.09.21
	£	£	£	£	£	£
Unrestricted funds						
General fund	9,853,659	1,219,857	(330,451)	(673,682)	(563,429)	9,505,954
Restricted funds						
Medical equipment	34,057	-	-	-	-	34,057
Phase 2	1,928,073	100,000	(75,685)	-	563,429	2,515,817
	1,962,130	100,000	(75,685)	-	563,429	2,549,874
TOTAL FUNDS	11,815,789	1,319,857	(406,136)	(673,682)	-	12,055,828

23. COMMITMENTS

Research building service costs	**2022** **£**	2021 £
Payable within one year	**52,676**	51,638
2-5 years	**210,704**	206,552
Over 5 years	**316,056**	361,466
	579,436	619,656

The research building service costs are subject to an annual increase in respect of the Health Service cost index.

The commitments are covered, except for a relatively small amount of irrecoverable VAT, by rental income receivable on the 25 year lease.

At 30 September 2022 the charitable group has a capital commitment of £574,004 (2021: £3,573,916) which is contracted but not provided for in the financial statements. This will be funded from the charity's free reserves.

24. LEASING AGREEMENTS

The investment property is let out to tenants under operating leases. At the year end the committed lease receipts due under non-cancellable leases are as follows:

	2022 **£**	2021 £
Falling due:		
Within one year	**114,873**	114,873
Between one and five year	**459,493**	459,493
Over five years	**1,612,009**	1,726,882
	2,186,375	2,301,248

25. OFF-BALANCE SHEET ARRANGEMENTS

In the year, Handelsbanken provided an unlimited Inter-Company Composite Guarantee by and between the charity and its trading subsidiary, Daisy Medical Research Limited.

26. RELATED PARTY DISCLOSURES

At 30 September 2022 the charity owed £300,000 (2021: £300,000), to a company controlled by a trustee of the charity. The form of this liability is an interest free loan, repayable on demand.

During the year ended 30 September 2022 £36,533 (2021: nil) was donated to the charity from D Heuck, a trustee.

There are no further related party transactions requiring disclosure during the year ended 30 September 2022.

Signable

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Parties involved with this document

Document processed	Party + Fingerprint
Tue, 25th Apr 2023 14:55:54 BST	Mr David Heuck - Signer (4fd441473ae6eb8b2d51751b746da1e6)
Thu, 27th Apr 2023 13:50:43 BST	Nick Stafford - Signer (c8f39ddd08a2d7df69ee9de18fc9d01c)
Thu, 27th Apr 2023 13:55:35 BST	Luke Taylor - Signer (d18e8b26981f5063b8cd581ca111ad40)
Thu, 27th Apr 2023 13:55:35 BST	Samantha Hesford - Copied In (a1aaa1d1f09320a79bda745f994362f4)

Audit history log

Date	Action
Thu, 27th Apr 2023 13:55:35 BST	The envelope has been signed by all parties. (213.249.229.122)
Thu, 27th Apr 2023 13:55:35 BST	Sent a copy of the envelope to Samantha Hesford (Samanthahesford@smailesgoldie.co.uk). (213.249.229.122)
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HULL AND EAST YORKSHIRE MEDICAL RESEARCH CENTRE

England & Wales - Charity number 1095652

Accounts

Smailes Goldie Group
CREATING ADVANTAGE

The Hull & East Yorkshire Medical Research Centre

Consolidated Financial Statements

30 September 2021

SD-0203165-1-6

ICAEW CHARTERED ACCOUNTANTS

Chartered accountants & lawyers

The Hull & East Yorkshire Medical Research Centre

Contents of the Consolidated Financial Statements
for the year ended 30th September 2021

The Hull & East Yorkshire Medical Research Centre

Report of the Trustees
for the year ended 30th September 2021

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30th September 2021. The trustees have adopted the provisions of 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 2019).

REFERENCE AND ADMINISTRATIVE DETAILS
Registered Company number
04017833 (England and Wales)

Registered Charity number
1095652

Registered office
The Daisy Building
Castle Hill Hospital
Castle Road
Cottingham
East Yorkshire
HU16 5JQ

Trustees
Dr A Allam
Mr T S E Boanas
Prof P E Dyer
Ms K M Guest
Mr D C Heuck
Mrs V R Heuck
Mr A N Horncastle
Mr S Howey
Prof M J Lind
Dr C A Rowland-Hill
Mr M S Simms – resigned 07.03.2021
Prof N D Stafford

Company Secretary
Prof N D Stafford

Auditors
Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

Solicitors
Andrew Jackson
Marina Court
Castle Street
Hull
HU1 1TJ

Gosschalks
Queens Gardens
Hull
HU1 3DZ

REFERENCE AND ADMINISTRATIVE DETAILS (Continued)

Bankers

Handelsbanken
First Floor, Westcott House
Hesslewood Business Park
Hessle
East Yorkshire
HU13 0PF

National Westminster Bank plc
The Square
Willerby
East Yorkshire
HU10 7XW

Yorkshire Bank
46 Prospect Centre
Prospect Street
Hull
HU2 8PW

Beverley Building Society
57 Market Place
Beverley
HU17 8AA

OBJECTIVES AND ACTIVITIES

Objectives and activities

The company's objectives are to establish and fund the provision of medical research facilities for enquiry into the causes, natural history, prevention, diagnosis and treatment of illnesses and diseases of all kinds and to disseminate the useful results of such research for the benefit of the public. Such facilities will be developed for the study of diseases of the heart and cancers, with the anticipation that similar facilities will be offered to other specialist areas of medical research as the centre develops and expands. The trustees have considered the Charity Commission's guidance on public benefit and are of the opinion that it is fulfilled by the charity's continued pursuit of its objectives.

Public benefit

The directors have reviewed the activities of the Charity and confirm that they are in accord with its objectives. The directors also confirm that the Charity's aims and objectives fall within the descriptions of purposes section in the Charities Act 2011 and are recognised as charitable and carried out for the benefit of the public at large.

ACHIEVEMENT AND PERFORMANCE

Review of the year and future strategy

The Daisy Building Phase 1, which was brought into use in July 2008, continues to fulfil, at the anticipated level of use, the functions envisaged when the Charity was founded. Sited prominently at the NHS Castle Hill Hospital in East Yorkshire, it provides a focal point for the public perception of the work of the Charity.

The Phase 2 Project is to provide, in conjunction with the NHS, scanning facilities (Phase 2a) and a Molecular Imaging Research Centre (Phase 2b) for both research and clinical applications. The project involves research cooperation with both the University of Hull and the NHS, with the intention of creating a unique, world-class facility.

The project incorporates the provision of a PET-CT scanning patient service facility. The provision of this facility, which became fully operational in May 2014, now generates income to recover its cost over a period of 40 years and provides additional funding for the future research activities of the charity.

The agreement with the Alliance Medical Ltd specifies defined periods of time for the use of the scanning facility for research purposes. Additionally, there is the patient benefit of an onsite state-of-the-art facility for clinical trials, as well as clinical service. This was not previously available in East Yorkshire.

Planning for the Phase 2b project (referred to above) commenced in October 2014. Technical project teams from the NHS Trust and University of Hull are led by three senior employees from those organisations; one of whom took the role of Project Director. External specialists are engaged to assist as necessary. Meetings are held with senior representatives from the manufacturer of the cyclotron (GE Healthcare), which is now approaching the final stage of its development capable of producing a range of radioisotopes. Construction of the Molecular Imaging Research Centre (Phase 2b) commenced in June 2019 and the building will be handed over to the charity during 2022. Equipping and commissioning of the cyclotron and ancillary equipment in the MIRC will be completed in 2022 assuming there are no further disruptions resulting from the Covid pandemic.

Report of the Trustees
for the year ended 30th September 2021

ACHIEVEMENT AND PERFORMANCE

Review of the year and future strategy

The charity, with legal advice from its solicitors, has in place all the necessary property, financial and construction agreements and contracts.

The directors (trustees) are satisfied that this project fulfils the Objective and Activities as defined in the Memorandum of Association.

The Molecular Imaging Research Centre referred to above will provide research benefits, as well as having clinical applications. It is, however, dependent on the scanning facilities to enable it to achieve its full research potential. The site for this new building is adjacent to the Scanning Centre. The close proximity enables the manufacture and delivery of innovative tracers for injecting into patients. Some of these tracers have a short life (measured in minutes) before they become ineffective. They enable the provision of very high definition imaging, and hence patient benefits, which are not possible at the present time in most UK facilities. The applications incorporate cancer, cardiac, dementia and Alzheimer's identification and treatment. The development at Castle Hill Hospital will provide a unique opportunity for a truly translational research programme in PET-CT imaging.

The fundraising focus is now for Phase 2b - the Molecular Imaging Research Centre. The timescale will be dependent on achieving necessary funding.

The grant funded project undertaken by the University of Hull in conjunction with the cyclotron manufacturer GE Healthcare, as referred to in prior years' Reports and Financial Statements, has now finished.

The opening of the Scanning Centre and plans for Phase 2b, with its attendant publicity, continues to have a very positive effect on the charity's regional profile.

The ongoing PET-CT research programme headed by Professor Steve Archibald and Dr Azeem Saleem demonstrates the success of the partnership between the NHS and the University of Hull. A number of successful grant funding applications has brought in considerable income with grants from institutions such as the Medical Research Council (MRC), the Engineering and Physical Sciences Research Council (EPSRC) and Cancer Research UK (CRUK). Following on from such successes the group has now been invited to become a member of PET Network UK, a research organisation whose other members are Oxford, Cambridge, Cardiff and Edinburgh universities and Imperial and Kings colleges.

Inevitably the charity has been affected by the Covid pandemic which has delayed the project considerably, however, despite measures put in by Government in 2020/21 the charity has been able to pursue most of its day-to-day activities.

Principal risks and uncertainties

The construction of the Molecular Imaging Research Centre is now at an advanced stage with completion and handover of the building scheduled for 2022, subject to the influences of the "Coronavirus situation". The cost of the project stands at £8.75 million and the charity's assets are currently in excess of £7.5 million, therefore the main risk to the charity is bridging this shortfall. It still has a number of opportunities to pursue fundraising from various individuals and institutions and one of the trustees has committed to underwriting any residual funding gap that might exist when the charity is due to pay the balance on both the building and the cyclotron and ancillary equipment.

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

FINANCIAL REVIEW

Reserves and investment policy

Total reserves of £12,055,828 (2020: £11,815,789) were held by the charity at 30 September 2021. The balance held as unrestricted funds was £9,505,954 (2020: £9,853,659) of which £1,950,925 is regarded as free reserves, after allowing for funds relating to tangible fixed assets and investment property.

Restricted funds totalling £2,549,874 (2020: £1,962,130) were held at 30 September 2021 with £4,610,229 (2020: £4,011,161) relating to tangible fixed assets.

Reserves are accumulated until such time as expenditure is required for capital projects and/or research grant funding. As in previous years and for the foreseeable future, all monies will be invested as deposits with banks and building societies, i.e. low risk.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Hull and East Yorkshire Medical Research Centre is a registered charity and a company limited by guarantee, without share capital. The Charity's governing document is its Memorandum and Articles of Association. This restricts its operations to all such lawful acts as are necessary or incidental to the attainment of its objectives.

Members of the charitable company

Members of the company, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1.

Members of the charitable company guarantee to contribute an amount not exceeding £10 each to the assets of the charitable company in the event of a winding up. The total number of such guarantees at 30 September 2021 was 10 and at 2020 was 13.

Recruitment and appointment of new trustees

The directors of the company are appointed in accordance with the governing document, the company's Memorandum and Articles of Association. The directors are all experienced professionals of varying disciplines, all of which are relevant to the Charity's activities and requirements.

Policies and Procedures for the induction and training of new trustees

The charity provides all new trustees with the following induction material; the charity’s governing document and financial information, including up-to-date accounts, together with explanatory material and recent minutes from trustee meetings.

The charity provides support and regularly reviews the development needs of the trustee board to make sure that all trustees are fully acquainted with all matters relating to charity finance, governance and propriety.

Organisational structure

The company's directors meet on a quarterly basis, with additional meetings convened where circumstances dictate. They are responsible for the strategic decisions and policies of the Charity. At the present time there are 11 members from medical, business and professional backgrounds.

Remuneration policy

All trustees give their time freely and no trustee remuneration was paid in the year. Details of trustees’ expenses and related party transactions are disclosed in note 25 to the accounts.

Related parties

The under-mentioned directors (trustees) are employed by:

The University of Hull
- Prof M J Lind

The relationship relates to the research grant awarded to the University and the use and/or potential use of the Daisy Research Facility for charitable purposes.

Hull and East Yorkshire Hospitals NHS Trust
- Mr M S Simms – resigned 07.03.2021
- Dr C A Rowland-Hill

The relationship relates to the use and/or potential use of the Research Facility for charitable purposes.

The Hull & East Yorkshire Medical Research Centre

Report of the Trustees
for the year ended 30th September 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES
The trustees (who are also the directors of The Hull & East Yorkshire Medical Research Centre for the purposes of company law) are responsible for preparing the Report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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 Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS
The auditors, Smailes Goldie, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 3 March 2022 and signed on its behalf by:

A N Horncastle -Trustee

Report of the Independent Auditors to the Members of
The Hull & East Yorkshire Medical Research Centre

Opinion

We have audited the financial statements of Hull & East Yorkshire Medical Research Centre (the 'charitable company') and its subsidiaries (the 'group') for the year ended 30th September 2021 which comprise the Consolidated Statement of Financial Activities, Balance sheet, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the group and charitable company's affairs as at 30th September 2021 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 Companies Act 2006 and Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group and charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, other than the financial statements and our Report of the independent auditor's thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report of the Independent Auditors to the Members of
The Hull & East Yorkshire Medical Research Centre

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the group and charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:
- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- 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.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities set out on page five, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group and/or the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud are detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the charity only and consolidated financial statements or the operations of the charitable company and the group, including the Companies Act 2006, the Charities Act 2011, data protection, anti-bribery, employment, fundraising regulations, health and safety legislation, health and social care regulations and childcare regulations. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence.

We assessed the susceptibility of the charitable company's and consolidated financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we performed analytical procedures to identify any unusual or unexpected relationships; tested journal entries to identify unusual transactions; assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and investigated the rationale behind significant or unusual transactions.

Report of the Independent Auditors to the Members of
The Hull & East Yorkshire Medical Research Centre

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to agreeing charity only and consolidated financial statement disclosures to underlying supporting documentation; reading the minutes of meetings of those charged with governance; enquiring of management as to actual and potential litigation and claims; and reviewing correspondence with HMRC, relevant regulators and the charitable company's legal advisors.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors. This description forms part of our auditor's report.

Use of our report
This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Luke Taylor BSc (Hons) ACA (Senior Statutory Auditor)
For and on behalf of Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

3 March 2022

The Hull & East Yorkshire Medical Research Centre

Consolidated Statement of Financial Activities
(Incorporating an Income and Expenditure account)
for the year ended 30th September 2021

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	**852,880**	**100,000**	**952,880**	899,692
Other trading activities	3	**6,572**	**-**	**6,572**	10,271
Investment income	4	**116,331**	**-**	**116,331**	117,422
Commercial trade operations	5	**244,074**	**-**	**244,074**	231,591
Total		**1,219,857**	**100,000**	**1,319,857**	1,258,976
EXPENDITURE ON					
Raising funds	6	**82,080**	**-**	**82,080**	83,366
Charitable activities	7				
Medical Research		**52,139**	**75,685**	**127,824**	120,040
Commercial trade operations	5	**196,232**	**-**	**196,232**	192,618
Total		**330,451**	**75,685**	**406,136**	396,024
NET INCOME/(EXPENDITURE)		**889,406**	**24,315**	**913,721**	862,952
(Loss)/Gain on investment property revaluation		**(673,682)**	**-**	**(673,682)**	1,413,232
Transfers between Funds		**(563,429)**	**563,429**	**-**	-
NET MOVEMENT IN FUNDS		**(347,705)**	**587,744**	**240,039**	2,276,184
RECONCILIATION OF FUNDS					
Total funds brought forward		**9,853,659**	**1,962,130**	**11,815,789**	9,539,605
TOTAL FUNDS CARRIED FORWARD		**9,505,954**	**2,549,874**	**12,055,828**	11,815,789

The notes form part of these financial statements

The Hull & East Yorkshire Medical Research Centre (Registered number: 04017833)

Consolidated Balance Sheet
At 30th September 2021

	Notes	**2021** **£**	2020 £
FIXED ASSETS			
Tangible assets	14	**5,645,666**	4,700,288
Investments			
Investment property	16	**6,519,592**	7,193,274
		12,165,258	11,893,562
CURRENT ASSETS			
Debtors	17	**347,459**	115,496
Cash at bank		**1,905,516**	2,446,718
		2,252,975	2,562,214
CREDITORS			
Amounts falling due within one year	18	**(515,605)**	(521,193)
NET CURRENT ASSETS		**1,737,370**	2,041,021
TOTAL ASSETS LESS CURRENT LIABILITIES		**13,902,628**	13,934,583
CREDITORS			
Amount falling due after more than one year	19	**(1,800,000)**	(2,083,088)
PROVISIONS FOR LIABILITIES	20	**(46,800)**	(35,706)
NET ASSETS		**12,055,828**	11,815,879
FUNDS	21		
Unrestricted funds		**9,505,954**	9,853,659
Restricted funds		**2,549,874**	1,962,130
TOTAL FUNDS		**12,055,828**	11,815,789

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 3 March 2022 and were signed on its behalf by:

A N Horncastle -Trustee

The notes form part of these financial statements

The Hull & East Yorkshire Medical Research Centre (Registered number: 04017833)

Charity Balance Sheet
At 30th September 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	14	**4,610,231**	3,606,286
Investments			
Investments	15	**1**	1
Investment property	16	**6,519,592**	7,193,274
		11,129,824	10,799,561
CURRENT ASSETS			
Debtors	17	**2,163,879**	1,788,971
Cash at bank		**876,773**	1,660,345
		3,040,652	3,449,316
CREDITORS			
Amounts falling due within one year	18	**(513,379)**	(500,981)
NET CURRENT ASSETS		**2,527,273**	2,948,425
TOTAL ASSETS LESS CURRENT LIABILITIES		**13,657,097**	13,747,986
CREDITORS			
Amounts falling due after more than one year	19	**(1,800,000)**	(2,083,088)
NET ASSETS		**11,857,097**	11,664,898
FUNDS			
Unrestricted funds		**11,608,185**	11,440,302
Restricted funds		**248,912**	224,596
TOTAL FUNDS		**11,857,097**	11,664,898

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 3 March 2022 and were signed on its behalf by:

A N Horncastle –Trustee

The notes form part of these financial statements

continued...

Consolidated Cash Flow Statement
for the year ended 30th September 2021

	Notes	2021 £	2020 £
Net cash provided by operating activities	1	**667,432**	390,208
Cash flows from investing activities:			
Purchase of tangible fixed assets		**(1,127,183)**	(1,682,962)
Interest received		**-**	1,575
Interest paid		**(81,451)**	(70,753)
Net cash used in investing activities		**(1,208,634)**	(1,752,140)
Cash flows from financing activities:			
Loan drawdown in year		**-**	600,000
Change in cash and cash equivalents in the reporting period		**(541,202)**	(761,932)
Cash and cash equivalents at the beginning of the reporting period		**2,446,718**	3,208,650
Cash and cash equivalents at the end of the reporting period		**1,905,516**	2,446,718

The notes form part of these financial statements

The Hull & East Yorkshire Medical Research Centre

Notes to the Consolidated Cash Flow Statement
for the year ended 30th September 2021

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net income for the reporting period (as per the statement of financial activities)	**913,721**	862,952
Adjustments for:		
Depreciation charges	**181,804**	181,527
Interest received	**-**	(1,575)
Interest paid		70,753
(Increase)/Decrease in debtors	**(231,963)**	1,739
(Decrease) in creditors and provisions	**(277,581)**	(725,188)
Net cash provided by operating activities	**667,432**	390,208

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Group and Charity Accounting Policies

Basis of preparing the financial statements

The Hull and East Yorkshire Medical Research Centre is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address is given on page 1 of these financial statements.

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated. The charitable company adopted FRS 102 in the current year and there has been no effect on transition.

Basis of consolidation

The group financial statements consolidate the financial statements of the Charity and its subsidiary undertaking, Daisy Medical Research Limited, at 30 September 2021 using acquisition accounting.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and when the amount can be measured reliably.

Donations and legacies

Donations and gifts are included in full in the Statement of Financial Activities when receivable. The value of services provided by volunteers has not been included. Donated goods are included at the donated valuation by the donor.

Grants receivable

Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

Investment income

Incoming resources from investments are included when receivable.

Expenditure

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all expenses related to the category. Where expenses cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT is charged as an expense against the activity for which the expenditure was incurred.

Grants offered subject to conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure.

1. ACCOUNTING POLICIES – continued

Allocation and apportionment of costs
Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, finance, personnel and governance costs which support the charities activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

Tangible fixed assets
Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - straight line over 5-10 years

Investment property
Investment property for which fair value can be reliably measured are measured at its fair value at each reporting date with changes recognised in the statement of financial activities.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds to be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Debtors and creditors receivable / payable within one year
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Concessionary loans
Concessionary loans include those payable to third parties which are interest free or below market interest rates and are made to advance charitable purposes. Loans are accounted for in accordance with the terms of the loan agreement.

2. DONATIONS AND LEGACIES

	Unrestricted funds	Restricted funds	2021 Total funds	2020 Total Funds
	£	£	£	£
Donations	823,080	100,000	923,080	899,692
Legacies	29,800	-	29,800	-
	852,880	100,000	952,880	899,692

3. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Fundraising events	6,015	-	6,015	10,271
Shop income	557	-	557	-
	6,572	-	6,572	10,271

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Rents received	116,331	-	116,331	115,847
Deposit account interest	-	-	-	1,575
	116,331	-	116,331	117,422

5. INCOME/(EXPENDITURE) FROM COMMERCIAL TRADE OPERATIONS

	2021 £	2020 £
TURNOVER	244,074	231,591
Administrative expenses	185,138	183,807
OPERATING PROFIT	58,936	47,784
Interest receivable and similar income	-	522
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	58,936	48,306
Tax on profit on ordinary activities	11,094	9,333
PROFIT FOR THE FINANCIAL YEAR	47,842	38,973

The principal activity of the subsidiary undertaking in the year under review was that of medical research and medical treatment.

6. RAISING FUNDS

Raising donations and legacies

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total Funds £
Sundries	562	-	562	184

Other trading activities

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Purchases	6,048	-	6,048	7,805
PR costs	5,035	-	5,035	5,060
	11,083	-	11,083	12,865

6. RAISING FUNDS - continued

Investment management costs

	Unrestricted funds	Restricted funds	2021 Total funds	2020 Total funds
	£	£	£	£
Administrative expenses	18,797	-	18,797	19,190
Maintenance charges	51,638	-	51,638	51,127
	70,435	-	70,435	70,317
Aggregate amounts	82,080	-	82,080	83,366

7. CHARITABLE ACTIVITIES COSTS

	Direct costs	Grant funding of activities	Support costs (See note 8)	Total
	£	£	£	£
Medical Research	1,305	-	126,519	127,824

8. SUPPORT COSTS

	Management	Finance	Information Technology	Governance costs	Total
	£	£	£	£	£
Medical Research	24,595	81,451	2,779	17,694	126,519

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Auditors' remuneration – audit services	11,030	10,304
Auditors' remuneration – non-audit services	6,664	11,120
Depreciation - owned assets	181,805	181,527

10. TRUSTEE REMUNERATION AND BENEFITS

There was no trustees' remuneration or other benefits for the year ended 30th September 2021 nor for the year ended 30th September 2020.

Trustee expenses
There were no trustee expenses paid for the year ended 30th September 2021 nor for the year ended 30th September 2020.

11. STAFF COSTS

	Group and Charity 2021 £	2020 £
Wages and salaries	**24,132**	24,132
Social security costs	**-**	1,070
	24,132	25,202

The average number of employees during the year ended 30th September 2021 was 1 (2020: 1).

No employee received emoluments in excess of £60,000.

12. NET INCOMING RESOURCES OF PARENT CHARITY

As permitted by Section 408 of the Companies Act 2006, the Statement of Financial Activities of the parent charity is not presented as part of these financial statements. The parent charity's net incoming resources for the year ended 30 September 2021 totalled £866,637 (2020: £823,979).

13. COMPARATIVES FOR THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	178,648	721,044	899,692
Other trading activities	10,271	-	10,721
Investment income	117,422	-	117,422
Commercial trade operations	231,591	-	231,591
Total	537,932	721,044	1,258,976
EXPENDITURE ON			
Raising funds	83,366	-	83,366
Charitable activities			
Medical Research	49,287	70,753	120,040
Commercial trade operations	98,022	94,596	192,618
Total	230,675	165,349	396,024
NET INCOME/(EXPENDITURE)	307,257	555,695	862,952
Gain on investment property revaluation	1,413,232	-	1,413,232
Transfer between funds	(1,205,682)	1,205,682	-
NET MOVEMENT IN FUNDS	514,807	1,761,377	2,276,184
RECONCILIATION OF FUNDS			
Total funds brought forward	9,338,852	200,753	9,539,605
TOTAL FUNDS CARRIED FORWARD	9,853,659	1,962,130	11,815,789

14. TANGIBLE FIXED ASSETS

	Property under construction £	Plant and machinery etc £	Total £
GROUP			
COST			
At 1st October 2020	**3,602,367**	**2,792,870**	**6,395,237**
Additions	**1,005,249**	**121,934**	**1,127,183**
At 30th September 2021	**4,607,616**	**2,914,804**	**7,522,420**
DEPRECIATION			
At 1st October 2020	**-**	**1,694,949**	**1,694,949**
Charge for year	**-**	**181,805**	**181,805**
At 30th September 2021	**-**	**1,876,754**	**1,876,754**
NET BOOK VALUE			
At 30th September 2021	**4,607,616**	**1,038,050**	**5,645,666**
At 30th September 2020	3,602,367	1,097,921	4,700,288

	Property under construction £	Plant and machinery etc £	Total £
CHARITY			
COST			
At 1st October 2020	**3,602,367**	**545,646**	**4,148,013**
Additions	**1,005,249**	**-**	**1,005,249**
At 30th September 2021	**4,607,616**	**545,646**	**5,153,262**
DEPRECIATION			
At 1st October 2020	**-**	**541,727**	**541,727**
Charge for year	**-**	**1,304**	**1,304**
At 30th September 2021	**-**	**543,031**	**543,031**
NET BOOK VALUE			
At 30th September 2021	**4,607,616**	**2,615**	**4,610,231**
At 30th September 2020	3,602,367	3,919	3,606,286

15. FIXED ASSET INVESTMENTS

CHARITY	Shares in group undertakings £
MARKET VALUE	
At 1st October 2020 and 30th September 2021	**1**
NET BOOK VALUE	
At 30th September 2021	**1**
At 30th September 2020	1

The charity's investments at the balance sheet date in the share capital of companies comprise the following:

Daisy Medical Research Limited
Nature of business: Medical research and treatment

Class of share:	% holding
Ordinary	**100**

	2021 £	2020 £
Aggregate capital and reserves	**198,732**	150,890
Profit for the year	**47,843**	38,973

16. INVESTMENT PROPERTY

GROUP AND CHARITY

	£
MARKET VALUE	
At 1st October 2020	**7,193,274**
Revaluations	**(673,682)**
At 30th September 2021	**6,519,592**
NET BOOK VALUE	
At 30th September 2021	**6,519,592**
At 30th September 2020	7,193,274

The market value of investment property was assessed by the trustees at 30 September 2021 and is based on valuations undertaken by the Hull and East Yorkshire Hospitals NHS Trust as at 30 April 2021.

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2021	2020	**2021**	2020
	£	£	**£**	£
Amounts owed by group undertakings	**-**	-	**1,849,808**	1,741,330
Other debtors	**39,922**	83,757	**14,748**	35,065
VAT	**35,271**	-	**47,474**	-
Tax	**245,455**	-	**245,455**	-
Prepayments and accrued income	**26,811**	31,739	**6,394**	12,576
	347,459	115,496	**2,163,879**	1,788,971

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2021	2020	**2021**	2020
	£	£	**£**	£
Trade creditors	**24,964**	19,482	**24,963**	12,035
VAT	**-**	377,560	**-**	366,931
Accruals and deferred income	**195,913**	123,830	**193,688**	121,606
Social security and other tax	**317**	321	**317**	319
Other creditors	**294,411**	-	**294,411**	-
	515,605	521,193	**513,379**	500,891

Included in the above total is a loan of £294,411 (2020: £283,088) which is unsecured and interest free. The loan is repayable in full on 25 March 2022. The 2020 total was disclosed with other creditors due after more than one year, at note 19.

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2021	2020	**2021**	2020
	£	£	**£**	£
Other creditors	**1,800,000**	2,083,088	**1,800,000**	2,083,088
	1,800,000	2,083,088	**1,800,000**	2,083,088

Included in the above total is a loan of £1,800,000 (2020: £1,800,000) which is unsecured. The loan is repayable in full on 31 December 2035 and interest is payable at 3.5% per annum.

20. PROVISIONS FOR LIABILITIES

	Group		Charity	
	2021	2020	**2021**	2020
	£	£	**£**	£
Deferred tax	**46,800**	35,706	**-**	-

	Deferred tax
	£
Balance at 1st October 2020	**35,706**
Charge to Statement of Financial Activities during the year	**11,094**
Balance at 30th September 2021	**46,800**

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	**Restricted funds**	**2021 Total funds**	2020 Total funds
	£	**£**	**£**	£
Fixed assets	**1,035,437**	**4,610,229**	**5,645,666**	4,700,288
Investment property	**6,519,592**	**-**	**6,519,592**	7,193,274
Current assets	**2,218,919**	**34,056**	**2,252,975**	2,562,214
Liabilities	**(221,194)**	**(2,094,411)**	**(2,315,605)**	(2,604,281)
Provisions	**(46,800)**	**-**	**(46,800)**	(35,706)
	9,505,954	**2,549,874**	**12,055,828**	11,815,789

22. MOVEMENT IN FUNDS

	At 01.10.20	**Incoming resources**	**Resources expended**	**Revaluation Loss**	**Transfers between reserves**	**At 30.09.21**
	£	**£**	**£**	**£**	**£**	**£**
Unrestricted funds						
General fund	9,853,659	1,219,857	(330,451)	(673,682)	(563,429)	9,505,954
Restricted funds						
Medical equipment	34,057	-	-	-	-	34,057
Phase 2	1,928,073	100,000	(75,685)	-	563,429	2,515,817
	1,962,130	100,000	(75,685)	-	563,429	2,549,874
TOTAL FUNDS	11,815,789	1,319,857	(406,136)	(673,682)	-	12,055,828

Medical Equipment fund - donations received for medical equipment to be purchased and used for research.

Phase 2 fund - Funds donated for development of Phase 2 as explained in the trustees' report.

Comparative information in respect of the preceding period is as follows:

	At 01.10.19	**Incoming resources**	**Resources expended**	**Revaluation Loss**	**Transfers between reserves**	**At 30.09.20**
	£	**£**	**£**	**£**	**£**	**£**
Unrestricted funds						
General fund	9,338,852	537,932	(230,675)	1,413,232	(1,205,682)	9,853,659
Restricted funds						
Medical equipment	34,057	-	-	-	-	34,057
Phase 2	166,696	721,044	(165,349)	-	1,205,682	1,928,073
	200,753	721,044	(165,349)	-	1,205,682	1,962,130
TOTAL FUNDS	9,538,605	1,258,976	(396,024)	1,413,232	-	11,815,789

23. COMMITMENTS

Research building service costs	**2021** **£**
Payable within one year	51,638
2-5 years	206,552
Over 5 years	361,466
	619,656

The research building service costs are subject to an annual increase in respect of the Health Service cost index.

The commitments are covered, except for a relatively small amount of irrecoverable VAT, by rental income receivable on the 25 year lease.

At 30 September 2021 the charitable group has a capital commitment of £3,573,916 which is contracted but not provided for in the financial statements.

24. LEASING AGREEMENTS

The investment property is let out to tenants under operating leases. At the year end the committed lease receipts due under non-cancellable leases are as follows:

	2021 **£**	2020 £
Falling due:		
Within one year	**114,873**	114,873
Between one and five year	**459,493**	459,493
Over five years	**1,726,882**	1,841,755
	2,301,248	2,416,121

25. RELATED PARTY DISCLOSURES

At 30 September 2021 the charity owed £300,000 (2020: £300,000), discounted to its present value of £294,411 in the financial statements to a company controlled by a trustee of the charity. The form of this liability is an interest free loan.

There are no further related party transactions requiring disclosure during the year ended 30 September 2021.

HULL AND EAST YORKSHIRE MEDICAL RESEARCH CENTRE

England & Wales - Charity number 1095652

Accounts

REGISTERED COMPANY NUMBER: 04017833 (England and Wales)
REGISTERED CHARITY NUMBER: 1095652

The Hull & East Yorkshire Medical Research Centre

Consolidated Financial Statements

30th September 2020

The Hull & East Yorkshire Medical Research Centre

Contents of the Consolidated Financial Statements
for the year ended 30th September 2020

The Hull & East Yorkshire Medical Research Centre

Report of the Trustees
for the year ended 30th September 2020

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30th September 2020. The trustees have adopted the provisions of 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).

REFERENCE AND ADMINISTRATIVE DETAILS
Registered Company number
04017833 (England and Wales)

Registered Charity number
1095652

Registered office
The Daisy Building
Castle Hill Hospital
Castle Road
Cottingham
East Yorkshire
HU16 5JQ

Trustees

Dr A Allam		
Mr M C Auton	-	Resigned 16.07.2020
Mrs L Bellsey	-	Resigned 03.09.2020
Mr T S E Boanas		
Prof J G F Cleland	-	Resigned 29.11.2019
Prof P E Dyer		
Ms K M Guest		
Mrs V R Heuck		
Mr D C Heuck	-	Appointed 05.03.2020
Mr A N Horncastle		
Mr S Howey		
Prof M J Lind		
Dr C A Rowland-Hill		
Mr M S Simms	-	Resigned 07.03.2021
Prof N D Stafford		

Company Secretary
Prof N D Stafford

Auditors
Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

Solicitors

Andrew Jackson	Gosschalks
Marina Court	Queens Gardens
Castle Street	Hull
Hull	HU1 3DZ
HU1 1TJ	

REFERENCE AND ADMINISTRATIVE DETAILS (Continued)
Bankers

Handelsbanken
First Floor, Westcott House
Hesslewood Business Park
Hessle
East Yorkshire
HU13 0PF

National Westminster Bank plc
The Square
Willerby
East Yorkshire
HU10 7XW

Yorkshire Bank
46 Prospect Centre
Prospect Street
Hull
HU2 8PW

Beverley Building Society
57 Market Place
Beverley
HU17 8AA

OBJECTIVES AND ACTIVITIES
Objectives and activities

The company's objectives are to establish and fund the provision of medical research facilities for enquiry into the causes, natural history, prevention, diagnosis and treatment of illnesses and diseases of all kinds and to disseminate the useful results of such research for the benefit of the public. Such facilities will be developed for the study of diseases of the heart and cancers, with the anticipation that similar facilities will be offered to other specialist areas of medical research as the centre develops and expands. The trustees have considered the Charity Commission's guidance on public benefit and are of the opinion that it is fulfilled by the charity's continued pursuit of its objectives.

Public benefit

The directors have reviewed the activities of the charity and confirm that they are in accord with its objectives. The directors also confirm that the charity's aims and objectives fall within the descriptions of purposes section in the Charities Act 2011 and are recognised as charitable and carried out for the benefit of the public at large.

ACHIEVEMENT AND PERFORMANCE
Review of the year and future strategy

The Daisy Building Phase 1, which was brought into use in July 2008, continues to fulfil, at the anticipated level of use, the functions envisaged when the charity was founded. Sited prominently at the NHS Castle Hill Hospital in East Yorkshire, it provides a focal point for the public perception of the work of the charity.

The Phase 2 project is to provide, in conjunction with the NHS, scanning facilities (Phase 2a) and a Molecular Imaging Research Centre (Phase 2b) for both research and clinical applications. The project involves research cooperation with both the University of Hull and the NHS, with the intention of creating a unique, world-class facility.

The project incorporates the provision of a PET-CT scanning patient service facility. The provision of this facility, which became fully operational in May 2014, now generates income to recover its cost over a period of 40 years and provides additional funding for the future research activities of the charity.

The agreement with the Alliance Medical Ltd specifies defined periods of time for the use of the scanning facility for research purposes. Additionally, there is the patient benefit of an onsite state-of-the-art facility for clinical trials, as well as clinical service. This was not previously available in East Yorkshire.

Planning for the Phase 2b project (referred to above) commenced in October 2014. Technical project teams from the NHS Trust and University of Hull are led by three senior employees from those organisations; one of whom took the role of Project Director. External specialists are engaged to assist, as necessary. Meetings are held with senior representatives from the manufacturer of the cyclotron (GE Healthcare), which is now approaching the final stage of its development capable of producing a range of radioisotopes. Construction of the Molecular Imaging Research Centre (Phase 2b) commenced in June 2019 and is due for completion in August 2021. Equipping and commissioning of the cyclotron and ancillary equipment in the MIRC will be completed by January 2022.

ACHIEVEMENT AND PERFORMANCE

Review of the year and future strategy

The charity, with legal advice from its solicitors, has in place all the necessary property, financial and construction agreements and contracts.

The directors (trustees) are satisfied that this project fulfils the Objective and Activities as defined in the Memorandum of Association.

The Molecular Imaging Research Centre referred to above will provide research benefits, as well as having clinical applications. It is, however, dependent on the scanning facilities to enable it to achieve its full research potential. The site for this new building is adjacent to the Scanning Centre. The proximity enables the manufacture and delivery of innovative tracers for injecting into patients. Some of these tracers have a short life (measured in minutes) before they become ineffective. They enable the provision of very high-definition imaging, and hence patient benefits, which are not possible at the present time. The applications incorporate cancer, cardiac, dementia and Alzheimer's identification and treatment. The development at Castle Hill Hospital will provide a unique opportunity for a truly translational research programme in PET-CT imaging.

The fundraising focus is now for Phase 2b - the Molecular Imaging Research Centre. The timescale will be dependent on achieving necessary funding.

The grant funded project undertaken by the University of Hull in conjunction with the cyclotron manufacturer GE Healthcare, as referred to in prior years' Reports and Financial Statements, has now finished.

The opening of the Scanning Centre and plans for Phase 2b, with its attendant publicity, continues to have a very positive effect on the charity's regional profile.

The charity was impacted by the COVID-19 pandemic and the control measures that were put in place by the Government towards the end of the first quarter of 2020. As highlighted elsewhere in this report the main impact to the charity was a delay of the Phase 2b project. Despite the measures put in place by the Government to control the spread of COVID-19, the charity continued most of its day-to-day activities, by alternative means where necessary and as a result the pandemic did not have a significant effect on the charity or its ability to continue as a going concern.

Principal risks and uncertainties

The construction of the Molecular Imaging Research Centre is now at an advanced stage with the building completion anticipated by August 2021. The projected cost of the project stands at some £8.5 million the main risk to the charity is bridging this shortfall. It still has several opportunities to pursue in terms of fundraising from various individuals and institutions and is currently in the process of finalising two loan agreements to the value of £750,000. The charity is due to pay the balance on both the building, the cyclotron and ancillary equipment during 2021.

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

FINANCIAL REVIEW

Reserves and investment policy

Total reserves of £11,815,789 (2019: £9,539,605) were held by the charity at 30 September 2020. The balance held as unrestricted funds was £ 9,853,659 (2019: £9,338,852) of which £1,970,986 is regarded as free reserves, after allowing for funds relating to tangible fixed assets and investment property.

Restricted funds totalling £1,962,130 (2019: £290,932) were held at 30 September 2020 with £4,011,161 (2019: £2,453,736) relating to tangible fixed assets.

Reserves are accumulated until such time as expenditure is required for capital projects and/or research grant funding. As in previous years and for the foreseeable future, all monies will be invested as deposits with banks and building societies, i.e., low risk.

Report of the Trustees
for the year ended 30th September 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Hull and East Yorkshire Medical Research Centre is a registered charity and a company limited by guarantee, without share capital. The charity's governing document is its Memorandum and Articles of Association. This restricts its operations to all such lawful acts as are necessary or incidental to the attainment of its objectives.

Members of the charitable company

Members of the company, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1.

Members of the charitable company guarantee to contribute an amount not exceeding £10 each to the assets of the charitable company in the event of a winding up. The total number of such guarantees at 30 September 2020 was 12 (2019: 13)

Recruitment and appointment of new trustees

The directors of the company are appointed in accordance with the governing document, the company's Memorandum and Articles of Association. The directors are all experienced professionals of varying disciplines, all of which are relevant to the charity's activities and requirements.

Policies and Procedures for the induction and training of new trustees

The charity provides all new trustees with the following induction material; the charity’s governing document and financial information, including up-to-date accounts, together with explanatory material and recent minutes from trustee meetings.

The charity provides support and regularly reviews the development needs of the trustee board to make sure that all trustees are fully acquainted with all matters relating to charity finance, governance and propriety.

Organisational structure

The company's directors meet on a quarterly basis, with additional meetings convened where circumstances dictate. They are responsible for the strategic decisions and policies of the Charity. At the present time there are 11 members from medical, business and professional backgrounds.

Remuneration policy

All trustees give their time freely and no trustee remuneration was paid in the year. Details of trustees’ expenses and related party transactions are disclosed in note 25 to the accounts.

Related parties

The under-mentioned directors (trustees) are employed by:

The University of Hull
- Prof M J Lind

The relationship relates to the research grant awarded to the University and the use and/or potential use of the Daisy Research Facility for charitable purposes.

Hull and East Yorkshire Hospitals NHS Trust
- Mr M S Simms – Resigned 07.03.2021
- Dr C A Rowland-Hill

The relationship relates to the use and/or potential use of the Research Facility for charitable purposes.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Hull & East Yorkshire Medical Research Centre for the purposes of company law) are responsible for preparing the Report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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 Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Smailes Goldie, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 6th May 2021 and signed on its behalf by:

A N Horncastle -Trustee

Report of the Independent Auditors to the Members of The Hull & East Yorkshire Medical Research Centre

Opinion

We have audited the financial statements of Hull & East Yorkshire Medical Research Centre (the 'charitable company') and its subsidiaries (the 'group') for the year ended 30th September 2020 which comprise the Consolidated Statement of Financial Activities, Balance sheet, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the group and charitable company's affairs as at 30th September 2020 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 Companies Act 2006 and Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group and charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, other than the financial statements and our Report of the independent auditor's thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report of the Independent Auditors to the Members of The Hull & East Yorkshire Medical Research Centre

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the group and charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- 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.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities set out on page five, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group and/or the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors. This description forms part of our auditor's report.

Report of the Independent Auditors to the Members of The Hull & East Yorkshire Medical Research Centre

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Luke Taylor BSc (Hons) ACA (Senior Statutory Auditor)
For and on behalf of Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

6th May 2021

The Hull & East Yorkshire Medical Research Centre

Consolidated Statement of Financial Activities
(Incorporating an Income and Expenditure account)
for the year ended 30th September 2020

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	**178,648**	**721,044**	**899,692**	1,581,632
Other trading activities	3	**10,271**	**-**	**10,271**	26,777
Investment income	4	**117,422**	**-**	**117,422**	116,363
Commercial trade operations	5	**231,591**	**-**	**231,591**	224,793
Total		**537,932**	**721,044**	**1,258,976**	1,949,565
EXPENDITURE ON					
Raising funds	6	**83,366**	**-**	**83,366**	90,767
Charitable activities					
Medical Research	7	**49,287**	**70,753**	**120,040**	74,481
Commercial trade operations	5	**98,022**	**94,596**	**192,618**	193,471
Total		**230,675**	**165,349**	**396,024**	358,719
NET INCOME/(EXPENDITURE)		**307,257**	**555,695**	**862,952**	1,590,846
Gain on investment property revaluation		**1,413,232**	**-**	**1,413,232**	-
Transfers between Funds		**(1,205,682)**	**1,205,682**	**-**	-
NET MOVEMENT IN FUNDS		**514,807**	**1,761,377**	**2,276,184**	1,590,846
RECONCILIATION OF FUNDS					
Total funds brought forward		**9,338,852**	**200,753**	**9,539,605**	7,948,759
TOTAL FUNDS CARRIED FORWARD		**9,853,659**	**1,962,130**	**11,815,789**	9,539,605

The notes form part of these financial statements

The Hull & East Yorkshire Medical Research Centre (Registered number: 04017833)

Consolidated Balance Sheet
At 30th September 2020

	Notes	**2020** £	2019 £
FIXED ASSETS			
Tangible assets	14	**4,700,288**	3,198,853
Investments			
Investment property	16	**7,193,274**	5,780,042
		11,893,562	8,978,895
CURRENT ASSETS			
Debtors	17	**115,496**	117,235
Cash at bank		**2,446,718**	3,208,650
		2,562,214	3,325,885
CREDITORS			
Amounts falling due within one year	18	**(521,193)**	(66,631)
NET CURRENT ASSETS		**2,041,021**	3,274,213
TOTAL ASSETS LESS CURRENT LIABILITIES		**13,934,583**	12,238,149
CREDITORS			
Amount falling due after more than one year	19	**(2,083,088)**	(2,672,171)
PROVISIONS FOR LIABILITIES	20	**(35,706)**	(26,373)
NET ASSETS		**11,815,789**	9,539,605
FUNDS			
Unrestricted funds	21	**9,853,659**	9,338,852
Restricted funds		**1,962,130**	200,753
TOTAL FUNDS		**11,815,789**	9,539,605

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 6th May 2021 and were signed on its behalf by:

A N Horncastle -Trustee

The notes form part of these financial statements

The Hull & East Yorkshire Medical Research Centre (Registered number: 04017833)

Charity Balance Sheet
At 30th September 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	14	**3,606,286**	2,033,837
Investments			
Investments	15	**1**	1
Investment property	16	**7,193,274**	5,780,042
		10,799,561	7,813,880
CURRENT ASSETS			
Debtors	17	**1,788,971**	1,712,873
Cash at bank		**1,660,345**	2,637,512
		3,449,316	4,350,385
CREDITORS			
Amounts falling due within one year	18	**(500,981)**	(64,406)
NET CURRENT ASSETS		**2,948,425**	4,285,979
TOTAL ASSETS LESS CURRENT LIABILITIES		**13,747,986**	12,099,859
CREDITORS			
Amounts falling due after more than one year	19	**(2,083,088)**	(2,672,171)
NET ASSETS		**11,664,898**	9,427,687
FUNDS			
Unrestricted funds		**10,111,562**	9,132,338
Restricted funds		**1,553,337**	295,349
TOTAL FUNDS		**11,664,898**	9,427,687

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 6th May 2021 and were signed on its behalf by:

A N Horncastle –Trustee

The notes form part of these financial statements

continued...

The Hull & East Yorkshire Medical Research Centre

Consolidated Cash Flow Statement
for the year ended 30th September 2020

	Notes	**2020** **£**	2019 £
Net cash provided by operating activities	1	**390,208**	1,808,427
Cash flows from investing activities:			
Purchase of tangible fixed assets		**(1,682,962)**	(1,183,077)
Interest received		**(70,753)**	1,000
Interest paid		**1,575**	(20,261)
Net cash used in investing activities		**(1,752,140)**	(1,202,338)
Cash flows from financing activities:			
Loan drawdown in year		**600,000**	1,472,171
Change in cash and cash equivalents in the reporting period		**(761,932)**	2,078,260
Cash and cash equivalents at the beginning of the reporting period		**3,208,650**	1,130,390
Cash and cash equivalents at the end of the reporting period		**2,446,718**	3,208,650

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the year ended 30th September 2020

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020	2019
	£	£
Net income for the reporting period (as per the statement of financial activities)	**862,952**	1,590,846
Adjustments for:		
Depreciation charges	**181,527**	189,343
Interest received	**(1,575)**	(1,000)
Interest paid	**70,753**	20,261
(Increase)/decrease in debtors	**1,740**	(11,800)
Increase/(decrease) in creditors and provisions	**(725,188)**	20,777
Net cash provided by operating activities	**390,208**	1,808,427

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Group and Charity Accounting Policies

Basis of preparing the financial statements

The Hull and East Yorkshire Medical Research Centre is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address is given on page 1 of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and the UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated. The charitable company adopted FRS 102 in the current year and there has been no effect on transition.

Basis of consolidation

The group financial statements consolidate the financial statements of the Charity and its subsidiary undertaking, Daisy Medical Research Limited, at 30 September 2020 using acquisition accounting.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and when the amount can be measured reliably.

Donations and legacies

Donations and gifts are included in full in the Statement of Financial Activities when receivable. The value of services provided by volunteers has not been included. Donated goods are included at the donated valuation by the donor.

Grants receivable

Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

Investment income

Incoming resources from investments are included when receivable.

Expenditure

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all expenses related to the category. Where expenses cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT is charged as an expense against the activity for which the expenditure was incurred.

Grants offered subject to conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure.

1. ACCOUNTING POLICIES - continued

Allocation and apportionment of costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, finance, personnel and governance costs which support the charities activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - straight line over 5-10 years

Investment property

Investment property for which fair value can be reliably measured are measured at its fair value at each reporting date with changes recognised in the statement of financial activities.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds to be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Concessionary loans

Concessionary loans include those payable to third parties which are interest free or below market interest rates and are made to advance charitable purposes. Loans are accounted for in accordance with the terms of the loan agreement.

2. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total Funds £
Donations	178,648	721,044	899,692	1,573,832
Legacies	-	-	-	7,800
	178,648	721,044	899,692	1,581,632

3. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Fundraising events	10,271	-	10,271	26,777

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Rents received	115,847	-	-	115,363
Deposit account interest	1,575	-	1,575	1,000
	117,422	-	117,422	116,363

5. INCOME/(EXPENDITURE) FROM COMMERCIAL TRADE OPERATIONS

	2020 £	2019 £
TURNOVER	231,590	224,319
Administrative expenses	183,807	186,125
OPERATING PROFIT	47,783	38,194
Interest receivable and similar income	522	474
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	48,305	38,668
Tax on profit on ordinary activities	9,333	7,346
PROFIT FOR THE FINANCIAL YEAR	38,972	31,322

The principal activity of the subsidiary undertaking in the year under review was that of medical research and medical treatment.

6. RAISING FUNDS

Raising donations and legacies

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total Funds £
Sundries	184	-	184	216

Other trading activities

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Purchases	7,805	-	7,805	18,705
PR costs	5,060	-	5,060	4,352
	12,865	-	12,865	23,057

6. RAISING FUNDS - continued

Investment management costs

	Unrestricted funds	Restricted funds	2020 Total funds	2019 Total funds
	£	£	£	£
Administrative expenses	19,190	-	19,190	16,052
Maintenance charges	51,127	-	51,127	51,442
	70,317	-	70,317	67,494
Aggregate amounts	83,366	-	83,366	90,767

7. CHARITABLE ACTIVITIES COSTS

	Direct costs	Grant funding of activities	Support costs (See note 8)	Total
	£	£	£	£
Medical Research	1,027	-	97,590	98,617

8. SUPPORT COSTS

	Management	Governance	Totals
	£	£	£
Medical Research	25,508	72,082	97,590

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£	£
Auditors' remuneration – audit services	10,304	9,010
Auditors' remuneration – non-audit services	11,120	6,785
Depreciation - owned assets	181,527	189,343

10. TRUSTEE REMUNERATION AND BENEFITS

There was no trustees' remuneration or other benefits for the year ended 30th September 2020 nor for the year ended 30th September 2019.

Trustee expenses
There were no trustee expenses paid for the year ended 30th September 2020 nor for the year ended 30th September 2019.

11. STAFF COSTS

	Group and Charity	
	2020	2019
	£	£
Wages and salaries	**24,132**	24,132
Social security costs	**1,070**	2,154
	25,202	26,286

The average number of employees during the year ended 30th September 2020 was 1 (2019: 1).

No employee received emoluments in excess of £60,000.

12. NET INCOMING RESOURCES OF PARENT CHARITY

As permitted by Section 408 of the Companies Act 2006, the Statement of Financial Activities of the parent charity is not presented as part of these financial statements. The parent charity's net incoming resources for the year ended 30 September 2020 totalled £823,979 (2019: £1,574,483).

13. COMPARATIVES FOR THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,548,303	33,329	1,581,632
Other trading activities	26,777	-	26,777
Investment income	116,363	-	116,363
Commercial trade operations	224,793	-	224,793
Total	1,916,236	33,329	1,949,565
EXPENDITURE ON			
Raising funds	90,767	-	90,767
Charitable activities			
Medical Research	45,569	28,912	74,481
Commercial trade operations	98,875	94,596	193,471
Total	235,211	123,508	358,719
NET INCOME/(EXPENDITURE)	1,681,025	(90,179)	1,590,846
Transfer between funds	-	-	-
NET MOVEMENT IN FUNDS	1,681,025	(90,179)	1,590,846
RECONCILIATION OF FUNDS			
Total funds brought forward	7,657,827	290,932	7,948,759
TOTAL FUNDS CARRIED FORWARD	9,338,852	200,753	9,539,605

14. TANGIBLE FIXED ASSETS

	Property under construction £	Plant and machinery etc £	Total £
GROUP			
COST			
At 1st October 2019	**2,033,315**	**2,678,960**	**4,712,275**
Additions	**1,569,052**	**113,910**	**1,682,962**
At 30th September 2020	**3,602,367**	**2,792,870**	**6,395,237**
DEPRECIATION			
At 1st October 2019	**-**	**1,513,422**	**1,513,422**
Charge for year	**-**	**181,527**	**181,527**
At 30th September 2020	**-**	**1,694,949**	**1,694,949**
NET BOOK VALUE			
At 30th September 2020	**3,602,367**	**1,097,921**	**4,700,288**
At 30th September 2019	2,033,315	1,165,538	3,198,853
CHARITY			
COST			
At 1st October 2019	**2,033,315**	**541,222**	**2,574,537**
Additions	**1,569,052**	**4,424**	**1,573,476**
At 30th September 2020	**3,602,367**	**545,646**	**4,148,013**
DEPRECIATION			
At 1st October 2019	**-**	**540,700**	**540,700**
Charge for year	**-**	**1,027**	**1,027**
At 30th September 2020	**-**	**541,727**	**541,727**
NET BOOK VALUE			
At 30th September 2020	**3,602,367**	**3,919**	**3,606,286**
At 30th September 2019	2,033,315	522	2,033,837

15. FIXED ASSET INVESTMENTS

CHARITY	Shares in group undertakings £
MARKET VALUE	
At 1st October 2019 and 30th September 2020	**1**
NET BOOK VALUE	
At 30th September 2020	**1**
At 30th September 2019	1

The charity's investments at the balance sheet date in the share capital of companies comprise the following:

Daisy Medical Research Limited
Nature of business: Medical research and treatment

Class of share:	% holding
Ordinary	**100**

	2020 £	2019 £
Aggregate capital and reserves	**150,890**	111,918
Profit for the year	**38,972**	31,322

16. INVESTMENT PROPERTY

GROUP AND CHARITY

	£
MARKET VALUE	
At 1st October 2019	**5,780,042**
Revaluation	**1,413,232**
At 30th September 2020	**7,193,274**
NET BOOK VALUE	
At 30th September 2020	**7,193.274**
At 30th September 2019	5,780,042

The market value of investment property was assessed by the trustees at 30 September 2020.

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2020	2019	**2020**	2019
	£	£	**£**	£
Amounts owed by group undertakings	**-**	-	**1,741,330**	1,647,645
Other debtors	**83,757**	80,056	**35,065**	35,695
VAT	**-**	3,913	-	15,141
Prepayments and accrued income	**31,739**	33,266	**12,576**	14,372
	115,496	117,235	**1,788,971**	1,712,873

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2020	2019	**2020**	2019
	£	£	**£**	£
Trade creditors	**19,482**	11,103	**12,035**	11,103
VAT	**377,560**	-	**366,931**	-
Accruals and deferred income	**123,830**	55,022	**121,606**	52,797
Social security and other tax	**321**	506	**319**	506
	521,193	66,631	**500,891**	64,406

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2020	2019	**2020**	2019
	£	£	**£**	£
Other creditors	**2,083,088**	2,672,171	**2,083,088**	2,672,171
	2,083,088	2,672,171	**2,083,088**	2,672,171

Included in the above total is a loan of £283,088 (2019: £272,171) which is unsecured and interest free. The loan is repayable in full on 25 March 2022.

Included in the above total is a loan of £1,800,000 (2019: £1,200,000) which is unsecured. The loan is repayable in full on 31 December 2035 and interest is payable at 3.5% per annum.

20. PROVISIONS FOR LIABILITIES

	Group		Charity	
	2020	2019	**2020**	2019
	£	£	**£**	£
Deferred tax	**35,706**	26,373	**-**	-

	Deferred tax
	£
Balance at 1st October 2019	26,373
Charge to Statement of financial activities during year	**9,333**
Balance at 30th September 2020	**35,706**

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
Fixed assets	689,127	4,011,161	4,700,288	3,198,853
Investment property	7,193,274	-	7,193,274	5,780,042
Current assets	2,528,157	34,057	2,562,214	3,325,885
Liabilities	(521,193)	(2,083,088)	(2,604,281)	(2,738,802)
Provisions	(35,706)	-	(35,706)	(26,373)
	9,853,659	1,962,130	11,815,789	9,539,605

22. MOVEMENT IN FUNDS

	At 30.09.20 £	Incoming resources £	Resources expended £	Revaluation gain £	Transfers between reserves £	At 30.09.20 £
Unrestricted funds						
General fund	9,338,852	537,932	(230,675)	1,413,232	(1,205,682)	9,853,659
Restricted funds						
Medical equipment	34,057	-	-	-	-	34,057
Phase 2	166,696	721,044	(165,349)	-	1,205,682	1,928,073
	200,753	721,044	(165,349)	-	1,205,682	1,962,130
TOTAL FUNDS	9,539,605	1,258,976	396,024	1,413,232	-	11,815,789

Medical Equipment fund - donations received for medical equipment to be purchased and used for research.

Phase 2 fund - Funds donated for development of Phase 2 as explained in the trustees' report.

Amounts transferred during the period relate to unrestricted reserves that have been invested into the Phase 2B development project.

23. COMMITMENTS

Research building service costs	**2020** £
Payable within one year	49,189
2-5 years	196,756
Over 5 years	442,701
	688,646

The research building service costs are subject to an annual increase in respect of the Health Service cost index.

The commitments are covered, except for a relatively small amount of irrecoverable VAT, by rental income receivable on the 25 year lease.

At 30 September 2020 the charitable group had two capital commitments of £3,573,916 and £1,252,466 which is contracted but not provided for in the financial statements.

24. LEASING AGREEMENTS

The investment property is let out to tenants under operating leases. At the year end the committed lease receipts due under non-cancellable leases are as follows:

	2020 £	2019 £
Falling due:		
Within one year	**114,873**	114,873
Between one and five year	**459,493**	459,493
Over five years	**1,841,755**	1,956,628
	2,416,121	2,530,994

25. RELATED PARTY DISCLOSURES

At 30 September 2020 the charity owed £300,000 (2019: £300,000), discounted to its present value of £283,088 in the financial statements to a company controlled by a trustee of the charity. The form of this liability is an interest free loan.

During the year ended 30 September 2020 £10,604 (2018: £50,000) was donated to the charity from Horncastle Group PLC a company controlled by a trustee.

On 23 September 2016 the charity received a payment of £1,200,000 from a trustee, Dr A Allam, which was recognised as a deferred donation due to performance conditions being imposed on the donated amount in accordance with a signed donation agreement. The donation has been returned to Dr A Allam as the performance related conditions will not be met.

During the year ended 30th September 2020 Dr A Allam also donated a further £400,000 with the same performance conditions being imposed. This amount was donated the charity via the NHS and was match funded by the NHS. The donation has been returned to Dr A Allam as the performance related conditions will not be met.

There are no further related party transactions requiring disclosure during the year ended 30 September 2020.