

THE UK STEM CELL FOUNDATION

England & Wales · Charity number 1110009

Details

Other names PROPOSED NEW STEM CELL RESEARCH CHARITY

Status Registered

Legal form Charitable company

Company number [05320290](#)

Registered 2005-06-14

Register [View on the Charity Commission register](#)

Contact

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Activities

Objects: 3. THE CHARITABLE OBJECTS FOR WHICH THE COMPANY IS ESTABLISHED ARE THE PRESERVATION, PROMOTION AND ADVANCEMENT OF HUMAN HEALTH AND WELFARE AND THE ADVANCEMENT AND PROMOTION OF KNOWLEDGE AND EDUCATION FOR THE BENEFIT OF THE PUBLIC BY: 3.1 ENHANCING AND PROMOTING KNOWLEDGE OF AND ENGAGING IN, FUNDING AND SUPPORTING RESEARCH INTO THE MECHANISMS OF CELL DEGENERATION, REGENERATION AND MALFUNCTION AND THEIR LINKS TO DEGENERATIVE AND OTHER DISEASES, DISABILITIES, DISORDERS AND CONDITIONS IN RESPECT OF WHICH STEM CELL RELATED MEDICINES, TREATMENTS, CURES, DIAGNOSTICS, APPLICATIONS, THERAPIES, PRODUCTS OR TECHNOLOGIES MIGHT BE BENEFIT; 3.2 ENGAGING IN, FUNDING AND SUPPORTING RESEARCH INTO STEM CELL AND STEM CELL-BASED OR DERIVED METHODS AND TECHNOLOGIES, WITH A VIEW TO DISCOVERING, INVENTING, IMPROVING, DEVELOPING, PRODUCING AND APPLYING MEDICINE, TREATMENTS, CURES, DIAGNOSTICS, APPLICATIONS, THERAPIES, PRODUCTS AND TECHNOLOGIES AND OTHER MEDICINAL AGENTS, METHODS AND PROCESSES, INCLUDING THE TRANSLATION OF PURE RESEARCH INTO OUTPUTS TO A STANDARD SUSCEPTIBLE OF CLINICAL TRIALS WITH A VIEW TO ESTABLISHING THE EFFICACY AND SUPPORTING THE CLINICAL DEVELOPMENT OF MEDICINES, TREATMENTS, CURES, DIAGNOSTICS, APPLICATIONS, THERAPIES, PRODUCTS AND TECHNOLOGIES CAPABLE OF APPLICATION; 3.3 EDUCATING AND INFORMING THE PUBLIC IN RELATION TO STEM CELLS AND THE EFFICACY OF STEM CELL BASED OR DERIVED MEDICINES, TREATMENTS, CURES, DIAGNOSTICS, APPLICATIONS, THERAPIES, PRODUCTS AND TECHNOLOGIES AND OTHER MEDICINAL AGENTS, METHODS AND PROCESSES; AND 3.4 PROMOTING THE ETHICAL USE OF STEM CELLS WHETHER IN RESEARCH, DEVELOPMENT OR OTHERWISE AND THE ETHICAL USE AND PRODUCTION OF STEM CELLS AND STEM CELL BASED OR DERIVED MEDICINES, TREATMENTS, CURES, DIAGNOSTICS, APPLICATIONS, THERAPIES, PRODUCTS AND TECHNOLOGIES AND OTHER MEDICINAL AGENTS, METHODS AND PROCESSES AND THE APPROPRIATE REGULATION AND MANAGEMENT THEREOF AND EDUCATING AND INFORMING THE PUBLIC IN RELATION TO SUCH MATTERS.

Activities: The Key aim of the charity is to address the funding gap that hinders the translation of stem cell research into new treatments that have the potential for direct clinical benefit. The charity supports Universities, medical schools and hospitals in the United Kingdom for the benefit of the general public/mankind.

Classification

- **How:** Makes Grants To Organisations, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** NATIONAL AND OVERSEAS
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£15,282	£178,734	-	-
2023-12-31	£122,402	£380,269	-	-
2022-12-31	£28,368	£320,722	-	-
2021-12-31	£52,775	£317,667	-	-
2020-12-31	£285,248	£344,151	-	-

Trustees

Name	Role	Appointed
Caroline Chang	Chair	2025-01-02
JAMES TAYLOR		2012-10-08
Trevor Michael Phillips		2025-01-02

THE UK STEM CELL FOUNDATION

England & Wales - Charity number 1110009

Accounts

Charity Registration No. 1110009

Company Registration No. 05320290

THE UK STEM CELL FOUNDATION
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

THE UK STEM CELL FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Professor T Jones Mr J Moulton, Chairman Mr N Ross Mr J Taylor Lord R Winston Mr J J Dack	(Appointed 1 September 2023)
Charity number	1110009	
Company number	05320290	
Registered office	Cannon Place 78 Cannon Street LONDON EC4N 6AF	
Independent examiner	John F Mason Johnston Carmichael LLP Chartered Accountants 227 West George Street Glasgow G2 2ND	
Bankers	Coutts & Co. 440 Strand London WC2R 0QS	
Solicitors	CMS Cameron Mckenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF	

THE UK STEM CELL FOUNDATION

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THE UK STEM CELL FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their annual report together with the financial statements of The UK Stem Cell Foundation ("UKSCF") for the year 31 December 2023. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of "Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and activities

Public Benefit Statement

The key aim of the charity is to address the funding gap that hinders the translation of stem cell research into new treatments that have the potential for direct clinical benefit. The charity supports universities, medical schools and hospitals in the United Kingdom for the benefit of the general public and broader mankind.

The trustees have paid due regard to the guidance issued by the Charity Commission in deciding what activities the charitable company should undertake.

Objectives and Activities

The charitable objects for which the charitable company is established are the preservation, promotion and advancement of human health and welfare and the advancement and promotion of knowledge and education for the benefit of the public by:

- enhancing and promoting knowledge of and engaging in, funding and supporting research into the mechanisms of cell degeneration, regeneration and malfunction and their links to degenerative and other diseases, disabilities, disorders and conditions in respect of which stem cell related medicines, treatments, cures, diagnostics, applications, therapies, products or technologies might be of benefit;
- engaging in, funding and supporting research into stem cell and stem cell-based or derived methods and technologies, with a view to discovering, inventing, improving, developing, producing and applying medicines, treatments, cures, diagnostics, applications, therapies, products and technologies and other medicinal agents, methods and processes, including the translation of pure research into outputs to a standard susceptible of clinical trials with a view to establishing the efficacy and supporting the clinical trials with a view to establishing the treatments, cures, diagnostics, therapies, products and technologies capable of application; and
- educating and informing the public in relation to stem cells and the efficacy of stem cell based or derived medicines, treatments, cures, diagnostics, applications, therapies, products and technologies and other medicinal agents, methods, processes and the appropriate regulation and management thereof and educating and informing the public in relation to such matters.

The main activities of the charity continue to be:

- implementing a strong fundraising campaign designed to attract both public sector funding and private donors;
- raising the profile of the charity by enlisting the support of key government departments;
- engaging and maintaining good relations with stem cell networks, researchers, clinicians and commercial operators; and
- increasing public awareness of the charity, its aims and goals.

Grant making policies

The UK Stem Cell Foundation aims to build a pipeline of projects that meets its criteria for support and funding on the route to commercialisation going forward. Grants are provided to support such projects where funding has been obtained by the charity or where funding partners have been secured.

THE UK STEM CELL FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

Achievements and performance

Review of activities

During 2023 the charity operated using its previously established model.

The UK Stem Cell Foundation has reflected upon the challenges to financial recovery post the COVID Pandemic and has sought to modify its approach to fundraising, scientific and public engagement and visibility.

During 2023, the UKSCF has experienced continued financial support through legacies, CSR and public donations but they remain at a reduced level relative to pre-pandemic times.

On the other hand, the charity's 'brand' persists and UKSCF has seen continued levels of interest and contact from members of the public, both national and international, seeking advice and information regarding cell based and related therapies.

Throughout 2023 the UKSCF continued to receive funding requests from research groups in the UK and identified a proportion of these that are appropriate for support.

The financial challenges that UKSCF faced at the close of 2022 served as a catalyst for governance, leadership, and strategic evolution. Throughout 2023, we have built upon this foundation, reinforcing our commitment to long-term sustainability and enhanced impact. Our re-building efforts following the pandemic have accelerated, with a strategic focus now shifting toward education, advocacy, and collaboration objectives.

A significant highlight of 2023 has been the formation of new strategic partnerships with commercial entities, which will strengthen our capacity for greater outreach and innovation. Leadership changes have continued to foster growth, with Jonathan Dack formally joining the Board of Trustees on 1 September 2023. Jonathan brings valuable expertise in life sciences law and regenerative medicine. Further expansion of the Board remains under consideration as we continue to diversify the range of skills and experience within our governance structure.

Looking ahead, the start of 2024 will bring further positive changes to the composition of our Board of Trustees. These upcoming appointments, to be formally announced next year, will continue to expand the breadth of expertise and experience that guide the charity's strategic direction. These changes reflect our ongoing commitment to robust governance as we pursue a sustainable and impactful future for the Foundation.

Financial review

Income in 2023 was £122,402 (2022: £29,696).

Total charitable expenditure was £380,269 (2022: £320,722). The increase in income over 2023 resulted in a reduced deficit for the year of £257,867 (2022: £291,026).

The charity has total reserves of £356,754 at the year end of which £301,127 are unrestricted and £55,627 are restricted.

Reserves policy

The Trustees of the charity have a reserves policy aimed at maintaining the ability of the charity to deliver its charitable objectives. Unrestricted funds are to be held at a minimum level of at least 6 months unrestricted expenditure. With £356,754 of unrestricted reserves held as at 31 December 2023, and total support and operational costs of £380,269 during the year, this has been achieved.

Restricted funds, £55,627 at the year end, represent those funds received for specific projects undertaken during the year.

THE UK STEM CELL FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

Plans for future periods

The UKSCF is developing public awareness campaigns in partnership with leading academic and medical institutions. These campaigns will highlight the groundbreaking research taking place in the UK, ensuring that the public understands the transformative potential of stem cell therapies. The charity will work with universities and research centers to create educational programs, including seminars, public lectures, and media features, to bring cutting-edge science to a broader audience.

The UKSCF aims to establish new commercial partnerships aimed at fostering innovation and bringing therapies to market. In collaboration with biotech companies and pharmaceutical firms, the charity will support the development and commercialization of cutting-edge treatments. Through corporate social responsibility (CSR) initiatives, businesses are being invited to partner with the UKSCF, aligning their corporate values with transformative healthcare innovations. These partnerships will provide vital resources to accelerate research, bridge the gap between lab discoveries and patient care, and support clinical trials that push the boundaries of regenerative medicine.

To foster a stronger connection with the community, the UKSCF is launching several new initiatives aimed at engaging patients, researchers, and the broader public. Key among these is the reestablishment of the UK Stem Cell Network, which will serve as a vital resource for the scientific community. This platform will facilitate collaboration, knowledge sharing, and resource pooling across research institutions, clinical facilities, and industry stakeholders. By bringing together the brightest minds in stem cell research, the Network will enhance the UK's capacity to drive innovation in regenerative medicine.

The UKSCF is also committed to advancing research in key growth areas such as geroscience applications for regenerative medicine. In partnership with academic institutions, the UKSCF will support pioneering research projects that explore how regenerative medicine can delay aging, treat age-related diseases, and promote healthy longevity.

In the coming years, new funding partnerships will drive the UKSCF's vision of increasing public access to cutting-edge cell therapies. Relationships with research funders, patient care organizations, and government bodies will be deepened, providing the necessary resources to expand the charity's reach and influence. Government-level engagement is also a key priority, and the UKSCF will continue to initiate conversations with policymakers to ensure that regenerative medicine remains a national healthcare priority.

THE UK STEM CELL FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

Structure, governance and management

Constitution

The UK Stem Cell Foundation is a company limited by guarantee, as defined by the Companies Act 2006. It is governed by its Memorandum and Articles of Association dated 23rd December 2004, its date of incorporation, and is a registered charity with the Charity Commission.

Method of Appointment or Election of Trustees

Any person willing to act as a trustee may be appointed by a resolution of the Board. However, any appointment must not contravene the maximum number of trustees fixed by the Articles of Association. The maximum number of trustees for The UK Stem Cell Foundation as stated in the Memorandum and Articles of Association is ten. Any person willing to act in the capacity of the trustee must deliver all documentation as required by the incumbent trustees. In addition, any appointment may be subject to that person satisfying any additional conditions and complying with any additional obligations that the Board may impose.

Policies Adopted for the Induction and Training of Trustees

All new trustees must undergo training to ensure that they are aware of their legal obligations under Charity and Company Law, the content of the Memorandum and Articles of Association, the decision-making process, the business plan and the financial performance of the Charity. At this time, they will also meet the key employees and other trustees.

Pay Policy for Senior Staff

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings.

Organisational Structure and Decision Making

The Board of Trustees administer the Charity. They meet quarterly to review finances and the development of research projects and applications. The Chief Executive Officer, Brendon Noble, is responsible for the day to day running of the Foundation, project development activities as well as financial issues and reports directly to the trustees.

Risk Management

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that the risk management strategy adopted at outset remains in place and comprises of the following:

- Annual reviews of potential risks to the Charity
- Assessments of systems and procedures to mitigate potential risks should they arise
- Monitoring of procedures designed to minimise any potential impact on the Charity

Risks are reviewed and updated regularly to review any major or new risks to which the Charity may be exposed. The systems then implemented remain robust and the trustees are satisfied that the systems in place mitigate any exposure to its major risks.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the Trustees on 24/9/24 and signed on their behalf by:


.....
Professor T Jones

Trustee

Dated: 24/9/2024

THE UK STEM CELL FOUNDATION

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE UK STEM CELL FOUNDATION

I report to the trustees on my examination of the financial statements of The UK Stem Cell Foundation (the charitable company) for the year ended 31 December 2023.

Responsibilities and basis of report

As the trustees of the charitable company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charitable company's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

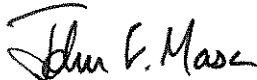
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Use of our report

This report is made to the charitable company's board of trustees, as a body, in accordance with the terms of the engagement. My work has been undertaken to enable me to undertake an independent examination of the charitable company's financial statements on behalf of the charitable company's board of trustees and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charitable company's board of trustees as a body, for my work or for this report.



John F Mason
Johnston Carmichael LLP
Chartered Accountants
227 West George Street
Glasgow
G2 2ND

Dated: 30th September 2024

THE UK STEM CELL FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Income from:					
Donations and legacies	2	117,966	-	117,966	28,368
Investments	3	4,436	-	4,436	1,328
Total income		<u>122,402</u>	<u>-</u>	<u>122,402</u>	<u>29,696</u>
Expenditure on:					
Charitable activities	4	<u>380,269</u>	<u>-</u>	<u>380,269</u>	<u>320,722</u>
Net expenditure for the year/ Net movement in funds		(257,867)	-	(257,867)	(291,026)
Reconciliation of Funds					
Fund balances at 1 January 2023		<u>558,994</u>	<u>55,627</u>	<u>614,621</u>	<u>905,647</u>
Fund balances at 31 December 2023		<u><u>301,127</u></u>	<u><u>55,627</u></u>	<u><u>356,754</u></u>	<u><u>614,621</u></u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE UK STEM CELL FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Current assets					
Debtors	8	771		771	
Cash at bank and in hand		364,632		748,778	
		<u>365,403</u>		<u>749,549</u>	
Creditors: amounts falling due within one year	9	<u>(8,649)</u>		<u>(134,928)</u>	
Net current assets			356,754		614,621
Income funds					
Restricted funds			55,627		55,627
Unrestricted funds			301,127		558,994
			<u>356,754</u>		<u>614,621</u>

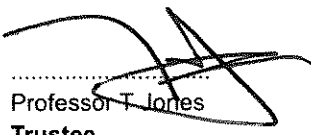
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2023.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 24 Sept 2023


.....
Professor T Jones
Trustee

Company Registration No. 05320290

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

The UK Stem Cell Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is Cannon Place, 78 Cannon Street, LONDON, EC4N 6AF. The nature of the charitable company's operations and principal activities are set out in the Trustees' Report.

1.1 Accounting convention

These financial statements have been prepared in accordance with the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

The charitable company is a Public Benefit Entity as defined by FRS 102.

The charitable company has availed itself of S396 of the Companies Act 2006, as permitted in paragraph 4(1) of Schedule 1 of SI 2008 No 409, and adapted the Companies Act formats to reflect the special nature of the charitable company's activities.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for a period of at least twelve months from the date on which these financial statements have been signed. The trustees, having not identified any material uncertainties, will continue to closely monitor the operation and cost of overheads to maintain the currently held reserve levels as well as actively seeking to obtain new funding towards future projects and research. Based on this analysis the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the charitable company's objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used or which have been raised for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charitable company is entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

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

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

Investment income includes bank interest and interest on funds held on deposit. It is recognised when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1.5 Expenditure

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

Given the size and nature of the charity, all expenditure is categorised as expenditure on charitable activities. Governance costs, which are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements, have been allocated to charitable activities as the primary activity of the charity.

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

All expenditure is inclusive of irrecoverable VAT.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

All assets costing more than £500 are capitalised.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant, machinery & equipment	33% per annum on cost
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.8 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or at the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

2 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Donations and gifts	117,966	28,368

3 Investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Interest received	4,436	1,328

4 Charitable activities

	Total 2023	Total 2022
	£	£
Project costs	29,803	76,965
Share of support costs (see note 5)	345,451	237,687
Share of governance costs (see note 5)	5,015	6,070
	380,269	320,722

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

5 Support costs

	Support costs	Governance costs	2023 Support costs	Governance costs	2022
	£	£	£	£	£
Staff costs	180,860	-	180,860	197,637	197,637
Depreciation	-	-	-	1,133	1,133
Travelling & mileage	2,947	-	2,947	6,371	6,371
Entertainment	177	-	177	124	124
Bank charges	659	-	659	1,989	1,989
Telephone	5,748	-	5,748	3,449	3,449
Postage & stationery	1,055	-	1,055	1,608	1,608
Office expenses	6,708	-	6,708	18,763	18,763
Marketing expenses	5,834	-	5,834	3,235	3,235
Insurance	1,272	-	1,272	1,200	1,200
Professional fees	140,191	-	140,191	2,178	2,178
Independent examination fee	-	5,015	5,015	-	6,070
	<u>345,451</u>	<u>5,015</u>	<u>350,466</u>	<u>237,687</u>	<u>243,757</u>
Analysed between Charitable activities	<u>345,451</u>	<u>5,015</u>	<u>350,466</u>	<u>237,687</u>	<u>243,757</u>

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the current or comparative year.

No trustee or any person related to the charity had any personal interest in any contract or transaction entered into by the charity in the year.

During the year, no trustee received reimbursement of travel expenses (2022: no trustee reimbursement).

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

7 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	2	3
	<u>2</u>	<u>3</u>
Employment costs	2023	2022
	£	£
Wages and salaries	167,060	178,168
Social security costs	12,387	17,338
Other pension costs	1,413	2,131
	<u>180,860</u>	<u>197,637</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2023 Number	2022 Number
In the band £110,001 - £120,000	1	1
	<u>1</u>	<u>1</u>

Key management personnel comprise the outgoing Chief Executive Officer and the Operations Manager, whose employee benefits for the year were £181,125 (2022: £111,824 relating to Chief Executive Officer only).

8 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Prepayments	771	771
	<u>771</u>	<u>771</u>

9 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	3,665	21,318
Trade creditors	-	4,320
Accruals	4,984	109,290
	<u>8,649</u>	<u>134,928</u>

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Retirement benefit schemes

Defined contribution schemes

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

The charge to net income/(expenditure) in respect of defined contribution schemes was £1,413 (2022 - £2,131).

11 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Fund balances at 31 December 2023 are represented by:						
Current assets/(liabilities)	356,754	-	356,754	614,621	-	614,621
	<u>356,754</u>	<u>-</u>	<u>356,754</u>	<u>614,621</u>	<u>-</u>	<u>614,621</u>

12 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	-	1,057
Between two and five years	-	16,125
	<u>-</u>	<u>17,182</u>

Amounts recognised in profit or loss as an expense during the period in respect of operating lease arrangements amounted to £3,171 (2022: £9,513).

THE UK STEM CELL FOUNDATION

England & Wales - Charity number 1110009

Accounts

Charity Registration No. 1110009

Company Registration No. 05320290

THE UK STEM CELL FOUNDATION
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

THE UK STEM CELL FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Professor T Jones Mr J Moulton, Chairman Mr N Ross Mr J Taylor Lord R Winston Mr J J Dack	(Appointed 1 September 2023)
Secretary	Mitre Secretaries Limited	
Charity number	1110009	
Company number	05320290	
Registered office	Cannon Place 78 Cannon Street LONDON EC4N 6AF	
Independent examiner	John F Mason Johnston Carmichael LLP Chartered Accountants 227 West George Street Glasgow G2 2ND	
Bankers	Coutts & Co. 440 Strand London WC2R 0QS	
Solicitors	CMS Cameron Mckenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF	

THE UK STEM CELL FOUNDATION

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Balance sheet	7
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THE UK STEM CELL FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their annual report together with the financial statements of The UK Stem Cell Foundation ("UKSCF") for the year 31 December 2022. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of "Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and activities

Public Benefit Statement

The key aim of the charity is to address the funding gap that hinders the translation of stem cell research into new treatments that have the potential for direct clinical benefit. The charity supports universities, medical schools and hospitals in the United Kingdom for the benefit of the general public and broader mankind.

The trustees have paid due regard to the guidance issued by the Charity Commission in deciding what activities the charitable company should undertake.

Objectives and Activities

The charitable objects for which the charitable company is established are the preservation, promotion and advancement of human health and welfare and the advancement and promotion of knowledge and education for the benefit of the public by:

- enhancing and promoting knowledge of and engaging in, funding and supporting research into the mechanisms of cell degeneration, regeneration and malfunction and their links to degenerative and other diseases, disabilities, disorders and conditions in respect of which stem cell related medicines, treatments, cures, diagnostics, applications, therapies, products or technologies might be of benefit;
- engaging in, funding and supporting research into stem cell and stem cell-based or derived methods and technologies, with a view to discovering, inventing, improving, developing, producing and applying medicines, treatments, cures, diagnostics, applications, therapies, products and technologies and other medicinal agents, methods and processes, including the translation of pure research into outputs to a standard susceptible of clinical trials with a view to establishing the efficacy and supporting the clinical trials with a view to establishing the treatments, cures, diagnostics, therapies, products and technologies capable of application; and
- educating and informing the public in relation to stem cells and the efficacy of stem cell based or derived medicines, treatments, cures, diagnostics, applications, therapies, products and technologies and other medicinal agents, methods, processes and the appropriate regulation and management thereof and educating and informing the public in relation to such matters.

The main activities of the charity continue to be:

- implementing a strong fundraising campaign designed to attract both public sector funding and private donors;
- raising the profile of the charity by enlisting the support of key government departments;
- engaging and maintaining good relations with stem cell networks, researchers, clinicians and commercial operators; and
- increasing public awareness of the charity, its aims and goals.

Grant making policies

The UK Stem Cell Foundation aims to build a pipeline of projects that meets its criteria for support and funding on the route to commercialisation going forward. Grants are provided to support such projects where funding has been obtained by the charity or where funding partners have been secured.

THE UK STEM CELL FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and performance

Review of activities

During 2022 the charity operated using its previously established model.

The UK Stem Cell Foundation ("the UKSCF™") has reflected upon the challenges to financial recovery post the COVID Pandemic and has sought to modify its approach to fundraising, scientific and public engagement and visibility.

During 2022, the UKSCF has experienced continued financial support through legacies, CSR and public donations but they remain at a reduced level relative to pre-pandemic times.

On the other hand, the charity's 'brand' persists and UKSCF has seen continued levels of interest and contact from members of the public, both national and international, seeking advice and information regarding cell based and related therapies.

Throughout 2022 the UKSCF continued to receive funding requests from research groups in the UK and identified a proportion of these that are appropriate for support.

The charity was able to enter into discussions regarding funding an exciting project (in 2023) with the potential for significant clinical impact and is in discussion regarding others of a similar quality.

The financial challenge that UKSCF found itself facing at the end of 2022 has served as a positive catalyst for a change in its governance, leadership and strategy. The change (described below) builds upon a significant platform of stakeholder support and a modest but useful financial underpinning.

For members of the Board and Executive, the latter part of 2022 has largely been about the planning and change that will secure a sustainable and impactful future for the charity.

The CEO stepped down and was replaced by an interim CEO who is working closely with the Board to provide a strategy for success. This change coincides with a natural turnover of the Board membership which has provided the opportunity to increase the range of skills and experiences on the governing body and to consider 'structure' more generally (see below).

Thanks are due to Sir Richard Sykes and Lord Winston for their past efforts for the Foundation. Jon Moulton is acting as Chair whilst we complete a search for a new Chair. Jonathan Dack, a preeminent life sciences lawyer with a background in regenerative medicine, has joined the Board and it is likely that there will be further expansion of the Board which will enable consideration of the addition of valuable skill sets.

Financial review

Income in 2022 was £29,696 (2021: £52,775).

Total charitable expenditure was £320,722 (2021: £317,667). The increase in expenditure over the year reflected the investment in more staff and, with our inability to raise funds, the deficit increased to £291,026.

The charity has total reserves of £614,621 at the year end of which £558,994 are unrestricted and £55,627 are restricted.

Reserves policy

The Trustees of the charity have a reserves policy aimed at maintaining the ability of the charity to deliver its charitable objectives. Unrestricted funds are to be held at a minimum level of at least 6 months unrestricted expenditure. With £558,994 of unrestricted reserves held as at 31 December 2022, and total support and operational costs of £243,757 during the year, this has been achieved.

Restricted funds, £55,627 at the year end, represent those funds received for specific projects undertaken during the year.

THE UK STEM CELL FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Plans for future periods

The potential benefits of cell related therapies have been clearly demonstrated in recent years and the technology continues to advance to the clinic at a satisfying pace. Therapies are addressing unmet clinical need in areas such as cancer, MS and many others.

As the only UK charity dedicated to stem cell and cell therapies the UKSCF has an opportunity to support game changing advances in the field of medicine.

The charity has further developed a strong Scientific Advisory Board (SAB) comprising scientists, clinicians and commercialisation experts in the field. The SAB comprises leading stem cell, cell therapy and clinical thought leaders as well as potential partner stakeholders with knowledge of the field. They are affiliated with important UK institutions and play important roles in development, commercialisation and policy relating to cell therapies and regenerative medicine.

The SAB advises the Board and the CEO on scientific, commercial and clinical matters and increases the chance of excellent and impactful decisions being made by the UKSCF.

In the next three years the UKSCF Scientific Advisory Board will identify 'promising' areas of technology in the field and ensure that the charity's funds are deployed to achieve the maximum positive impact on society.

In terms of visibility and public relations, the UKSF is working on the development of media networks and routes to the dissemination of its work. It has initiated the development of a social media strategy that aims to improve visibility and engagement with the work of the charity over the coming years.

The revised fundraising strategy will bring a new level of private sector and public confidence in the charities work and a contemporary social and traditional media campaign will increase the reach of the UKSCF's messages. The messages will be further underpinned through the organisation of public events aimed at both dissemination of knowledge and fundraising. The UKSCF SAB and the scientific and product development networks that they bring will provide a density of experts in the field that will represent a strong benefit to members of the public.

The addition of further scientific and medical expertise will attract further interest from those seeking funding and will broaden the charity's networks and reach.

New funding partnerships will be at the centre of the charity's increased impact plan and progress that has been made to date will be built upon. Relationships with external partners have been forged and will be extended in the future. These include a range of research funders, funders of patient care and discussions are ongoing with groups involved in manufacturing and taking therapies to the clinic.

The charity's engagement with the private sector will afford the opportunity for companies to support its work through corporate social responsibility (CSR) routes and to be a part of this period of exciting clinical advance.

Finally, government level engagement will be sought. A number of government initiatives place the work of the UKSCF firmly in a position to contribute and conversations will be initiated.

THE UK STEM CELL FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Structure, governance and management

Constitution

The UK Stem Cell Foundation is a company limited by guarantee, as defined by the Companies Act 2006. It is governed by its Memorandum and Articles of Association dated 23rd December 2004, its date of incorporation, and is a registered charity with the Charity Commission.

Method of Appointment or Election of Trustees

Any person willing to act as a trustee may be appointed by a resolution of the Board. However, any appointment must not contravene the maximum number of trustees fixed by the Articles of Association. The maximum number of trustees for The UK Stem Cell Foundation as stated in the Memorandum and Articles of Association is ten. Any person willing to act in the capacity of the trustee must deliver all documentation as required by the incumbent trustees. In addition, any appointment may be subject to that person satisfying any additional conditions and complying with any additional obligations that the Board may impose.

Policies Adopted for the Induction and Training of Trustees

All new trustees must undergo training to ensure that they are aware of their legal obligations under Charity and Company Law, the content of the Memorandum and Articles of Association, the decision-making process, the business plan and the financial performance of the Charity. At this time, they will also meet the key employees and other trustees.

Pay Policy for Senior Staff

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings.

Organisational Structure and Decision Making

The Board of Trustees administer the Charity. They meet quarterly to review finances and the development of research projects and applications. The Chief Executive Officer, Lil Shortland, is responsible for the day to day running of the Foundation, project development activities as well as financial issues and reports directly to the trustees.

Risk Management

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that the risk management strategy adopted at outset remains in place and comprises of the following:

- Annual reviews of potential risks to the Charity
- Assessments of systems and procedures to mitigate potential risks should they arise
- Monitoring of procedures designed to minimise any potential impact on the Charity

Risks are reviewed and updated regularly to review any major or new risks to which the Charity may be exposed. The systems then implemented remain robust and the trustees are satisfied that the systems in place mitigate any exposure to its major risks.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the Trustees on 27 September 2023 and signed on their behalf by:



.....
Mr J Moulton, Chairman

Trustee

Dated: 27 September 2023

THE UK STEM CELL FOUNDATION

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE UK STEM CELL FOUNDATION

I report to the trustees on my examination of the financial statements of The UK Stem Cell Foundation (the charitable company) for the year ended 31 December 2022.

Responsibilities and basis of report

As the trustees of the charitable company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charitable company's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

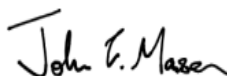
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Use of our report

This report is made to the charitable company's board of trustees, as a body, in accordance with the terms of the engagement. My work has been undertaken to enable me to undertake an independent examination of the charitable company's financial statements on behalf of the charitable company's board of trustees and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charitable company's board of trustees as a body, for my work or for this report.



John F Mason
Johnston Carmichael LLP
Chartered Accountants
227 West George Street
Glasgow
G2 2ND

Dated: 27 September 2023

THE UK STEM CELL FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Income from:					
Donations and legacies	2	28,368	-	28,368	52,660
Investments	3	1,328	-	1,328	115
Total income		<u>29,696</u>	<u>-</u>	<u>29,696</u>	<u>52,775</u>
Expenditure on:					
Charitable activities	4	320,722	-	320,722	317,667
Net expenditure for the year/ Net movement in funds		<u>(291,026)</u>	<u>-</u>	<u>(291,026)</u>	<u>(264,892)</u>
Reconciliation of Funds					
Fund balances at 1 January 2022		<u>850,020</u>	<u>55,627</u>	<u>905,647</u>	<u>1,170,539</u>
Fund balances at 31 December 2022		<u><u>558,994</u></u>	<u><u>55,627</u></u>	<u><u>614,621</u></u>	<u><u>905,647</u></u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE UK STEM CELL FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	8		-		1,133
Current assets					
Debtors	9	771		1,805	
Cash at bank and in hand		748,778		1,034,093	
		<u>749,549</u>		<u>1,035,898</u>	
Creditors: amounts falling due within one year	10	<u>(134,928)</u>		<u>(131,384)</u>	
Net current assets			614,621		904,514
Total assets less current liabilities			<u>614,621</u>		<u>905,647</u>
Income funds					
Restricted funds	12	55,627		55,627	
Unrestricted funds		558,994		850,020	
		<u>614,621</u>		<u>905,647</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 27 September 2023

Jon Moulton

Mr J Moulton, Chairman
Trustee

Company Registration No. 05320290

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

The UK Stem Cell Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is Cannon Place, 78 Cannon Street, LONDON, EC4N 6AF. The nature of the charitable company's operations and principal activities are set out in the Trustees' Report.

1.1 Accounting convention

These financial statements have been prepared in accordance with the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

The charitable company is a Public Benefit Entity as defined by FRS 102.

The charitable company has availed itself of S396 of the Companies Act 2006, as permitted in paragraph 4(1) of Schedule 1 of SI 2008 No 409, and adapted the Companies Act formats to reflect the special nature of the charitable company's activities.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for a period of at least twelve months from the date on which these financial statements have been signed. The trustees, having not identified any material uncertainties, will continue to closely monitor the operation and cost of overheads to maintain the currently held reserve levels as well as actively seeking to obtain new funding towards future projects and research. Based on this analysis the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the charitable company's objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used or which have been raised for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charitable company is entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

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

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

Investment income includes bank interest and interest on funds held on deposit. It is recognised when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1.5 Expenditure

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

Given the size and nature of the charity, all expenditure is categorised as expenditure on charitable activities. Governance costs, which are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements, have been allocated to charitable activities as the primary activity of the charity.

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

All expenditure is inclusive of irrecoverable VAT.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

All assets costing more than £500 are capitalised.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant, machinery & equipment	33% per annum on cost
------------------------------	-----------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.9 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or at the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

2 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022 £	2021 £
Donations and gifts	28,368	52,660

3 Investments

	Unrestricted funds	Unrestricted funds
	2022 £	2021 £
Interest received	1,328	115

4 Charitable activities

	Total 2022 £	Total 2021 £
Project costs	76,965	62,688
Share of support costs (see note 5)	237,687	252,229
Share of governance costs (see note 5)	6,070	2,750
	<u>320,722</u>	<u>317,667</u>

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

5 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Staff costs	197,637	-	197,637	204,179	-	204,179
Depreciation	1,133	-	1,133	680	-	680
Travelling & mileage	6,371	-	6,371	6,667	-	6,667
Entertainment	124	-	124	600	-	600
Bank charges	1,989	-	1,989	2,375	-	2,375
Telephone	3,449	-	3,449	3,995	-	3,995
Postage & stationery	1,608	-	1,608	4,099	-	4,099
Consultancy fees	-	-	-	662	-	662
Office expenses	18,763	-	18,763	15,766	-	15,766
Marketing expenses	3,235	-	3,235	5,043	-	5,043
Insurance	1,200	-	1,200	1,217	-	1,217
Professional fees	2,178	-	2,178	6,946	-	6,946
Independent examination fee	-	6,070	6,070	-	2,750	2,750
	<u>237,687</u>	<u>6,070</u>	<u>243,757</u>	<u>252,229</u>	<u>2,750</u>	<u>254,979</u>
Analysed between Charitable activities	<u>237,687</u>	<u>6,070</u>	<u>243,757</u>	<u>252,229</u>	<u>2,750</u>	<u>254,979</u>

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the current or comparative year.

No trustee or any person related to the charity had any personal interest in any contract or transaction entered into by the charity in the year.

During the year, no trustee received reimbursement of travel expenses (2021: one trustee reimbursed £44).

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

7 Employees

The average monthly number of employees during the year was:

	2022	2021
	Number	Number
	3	3
	<u>3</u>	<u>3</u>

Employment costs

	2022	2021
	£	£
Wages and salaries	178,168	183,968
Social security costs	17,338	17,136
Other pension costs	2,131	3,075
	<u>197,637</u>	<u>204,179</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2022	2021
	Number	Number
In the band £110,001 - £120,000	1	1
	<u>1</u>	<u>1</u>

Key management personnel comprise the Chief Executive Officer, whose employee benefits for the year were £111,824 (2021: £111,205).

8 Tangible fixed assets

	Plant, machinery & equipment
	£
Cost	
At 1 January 2022	15,426
At 31 December 2022	<u>15,426</u>
Depreciation and impairment	
At 1 January 2022	14,293
Depreciation charged in the year	1,133
At 31 December 2022	<u>15,426</u>
Carrying amount	
At 31 December 2021	<u>1,133</u>

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

9 Debtors	2022	2021
	£	£
Amounts falling due within one year:		
Prepayments	771	1,805
	<u>771</u>	<u>1,805</u>
10 Creditors: amounts falling due within one year	2022	2021
	£	£
Other taxation and social security	21,318	23,844
Trade creditors	4,320	-
Accruals	109,290	107,540
	<u>134,928</u>	<u>131,384</u>

11 Retirement benefit schemes

Defined contribution schemes

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

The charge to net income/(expenditure) in respect of defined contribution schemes was £2,131 (2021 - £3,075).

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		Movement in funds		
	Balance at 1 January 2021	Income	Balance at 1 January 2022	Income	Balance at 31 December 2022
	£	£	£	£	£
UKSCF Project - Developing olfactory ensheathing cell implantation	45,877	-	45,877	-	45,877
MS Society	9,750	-	9,750	-	9,750
	<u>55,627</u>	<u>-</u>	<u>55,627</u>	<u>-</u>	<u>55,627</u>

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Fund balances at 31 December 2022 are represented by:						
Tangible assets	-	-	-	1,133	-	1,133
Current assets/(liabilities)	614,621	-	614,621	848,887	55,627	904,514
	<u>614,621</u>	<u>-</u>	<u>614,621</u>	<u>850,020</u>	<u>55,627</u>	<u>905,647</u>

14 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	1,057	10,570
Between two and five years	16,125	16,125
	<u>17,182</u>	<u>26,695</u>

Amounts recognised in profit or loss as an expense during the period in respect of operating lease arrangements amounted to £9,513 (2021: £12,684).

15 Related party transactions

The London office of the UK Stem Cell Foundation was rented on a commercial basis from The Royal Institution of Great Britain, within which Sir Richard Sykes acted as chairman of the board for part of the year. During the reporting period rent was charged to the charity at a cost of £3,171 per quarter.

THE UK STEM CELL FOUNDATION

England & Wales - Charity number 1110009

Accounts

Charity Registration No. 1110009

Company Registration No. 05320290

THE UK STEM CELL FOUNDATION
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

THE UK STEM CELL FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms C Banzky Professor J S Jones Professor T Jones Mr J Moulton, Chairman Mr N Ross Sir R Sykes Mr J Taylor Lord R Winston
Secretary	Mitre Secretaries Limited
Charity number	1110009
Company number	05320290
Registered office	Cannon Place 78 Cannon Street LONDON EC4N 6AF
Independent examiner	John F Mason Johnston Carmichael LLP Chartered Accountants 227 West George Street Glasgow G2 2ND
Bankers	Coutts & Co. 440 Strand London WC2R 0QS
Solicitors	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF

THE UK STEM CELL FOUNDATION

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Statement of financial activities	6
Balance sheet	7
Notes to the financial statements	8 - 16

THE UK STEM CELL FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their annual report together with the financial statements of The UK Stem Cell Foundation ("UKSCF") for the year 31 December 2021. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of "Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and activities

Public Benefit Statement

The key aim of the charity is to address the funding gap that hinders the translation of stem cell research into new treatments that have the potential for direct clinical benefit. The charity supports universities, medical schools and hospitals in the United Kingdom for the benefit of the general public and broader mankind.

The trustees have paid due regard to the guidance issued by the Charity Commission in deciding what activities the charitable company should undertake.

Objectives and Activities

The charitable objects for which the charitable company is established are the preservation, promotion and advancement of human health and welfare and the advancement and promotion of knowledge and education for the benefit of the public by:

- enhancing and promoting knowledge of and engaging in, funding and supporting research into the mechanisms of cell degeneration, regeneration and malfunction and their links to degenerative and other diseases, disabilities, disorders and conditions in respect of which stem cell related medicines, treatments, cures, diagnostics, applications, therapies, products or technologies might be of benefit;
- engaging in, funding and supporting research into stem cell and stem cell-based or derived methods and technologies, with a view to discovering, inventing, improving, developing, producing and applying medicines, treatments, cures, diagnostics, applications, therapies, products and technologies and other medicinal agents, methods and processes, including the translation of pure research into outputs to a standard susceptible of clinical trials with a view to establishing the efficacy and supporting the clinical trials with a view to establishing the treatments, cures, diagnostics, therapies, products and technologies capable of application; and
- educating and informing the public in relation to stem cells and the efficacy of stem cell based or derived medicines, treatments, cures, diagnostics, applications, therapies, products and technologies and other medicinal agents, methods, processes and the appropriate regulation and management thereof and educating and informing the public in relation to such matters.

The main activities of the charity continue to be to:

- implement a strong fundraising campaign designed to attract both public sector funding and private donors;
- raise the profile of the charity by enlisting the support of key government departments;
- engage and maintain good relations with stem cell networks, researchers, clinicians and commercial operators; and
- increase public awareness of the charity, its aims and goals.

Grant making policies

The UK Stem Cell Foundation aims to build a pipeline of projects that meets its criteria for support and funding on the route to commercialisation going forward. Grants are provided to support such projects where funding has already been obtained by the charity.

THE UK STEM CELL FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance

Review of activities

The UK Stem Cell Foundation ("the UKSCF") works closely with a number of funders and collaborators that have interests in particular disease types or stem cell research. This allows us to maximise the potential of our funding sources when seeking resources for a particular project. The affiliation that our donors have with the research and subject matter ensures effective financial support for these projects and clinical trials. As ever, we must maintain these relationships to ensure the continued development of these ongoing projects. Additionally, we aim to cultivate new partnerships with other medical research charities and trusts to develop co-funding strategies which should evolve into co-funding of translational research projects.

The global pandemic continued to have a significant impact on the fundraising capabilities of the Foundation. Most public engagements were postponed into late 2021 and in some cases 2022. The uncertainty has done little to assist the Foundation in its charitable work.

The Foundation does look to attract more future legacy payments. This is to be achieved with a targeted marketing campaign, highlighting the research projects the Foundation support, what stem cell research could mean for the future of healthcare and using published data to establish where this campaign will be best received.

Firm partnerships have been established amongst exciting potential sponsors and patrons to broaden the marketing and fundraising potential of the Foundation. During the year the pandemic has continued to hinder any significant progress in the development of these relationships but in time should prove invaluable to the charitable work the Foundation aims to partake in.

The UKSCF continue to receive applications for funding to review, building a database of projects that meet the criteria for support and funding on the route to commercialisation. All operating costs and further funding for projects are solely reliant on the ability of the Foundation to fundraise and attract donations from the private sector, other charities and the general public. In addition to the fundraising directive, the activities of the Foundation continue to elevate the profile of the UKSCF. This subsequently heightens public awareness and will continue the growth of the UK's emerging cell therapy industry. Through digital and social media and more traditional marketing methods such as newspaper advertorials the Foundation aims to reach a wider demographic. Building upon the rise in social media engagement and the unique ability for consumers to communicate directly with a 'brand' the Foundation aims to fortify its standing in the medical research field by adding measurable value to its audience. The UKSCF will do this through the sharing of educational material and interactive posts.

Financial review

Income in 2021 was £52,775 (2020: £285,248). The decrease in income for the financial year 2021 has been largely due to the Covid-19 pandemic and the sporadic lockdowns imposed on the Charity therefore impacting the day-to-day activities. The Trustees have acknowledged the impact this has had to the foundation and its ability to raise funds and will monitor closely the situation over the next 12 months.

Total charitable expenditure was £317,667 (2020: £344,151). The increase in expenditure over the year reflected the investment in more staff and, with our inability to raise funds, the deficit increased to £264,892.

The charity has total reserves of £905,647 at the year end of which £850,020 are unrestricted and £55,627 are restricted.

Reserves policy

The Trustees of the charity have a reserves policy aimed at maintaining the ability of the charity to deliver its charitable objectives. Unrestricted funds are to be held at a minimum level of at least 6 months unrestricted expenditure. With £905,647 of unrestricted reserves held as at 31 December 2021, and total support and operational costs of £252,229 during the year, this has been achieved.

Restricted funds, £55,627 at the year end, represent those funds received for specific projects undertaken during the year.

THE UK STEM CELL FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

PLANS FOR FUTURE PERIODS

For 2022, the Foundation will continue to focus its efforts on its ongoing strategy and implement changes to criteria as well as its ability to raise funds for new projects. Building upon the work from the past year in establishing new corporate partnerships note above. This will afford new contacts in industry to reach higher levels of engagement in both the academic community and in the public sphere. We are committed to contributing to knowledge exchange in understanding of stem cell technologies and work to dispel common myths surrounding stem cell applications. The Foundation will continue to work for the safety and understanding of our supporters and continue to educate on the dangers of stem cell tourism and unregulated, unproven stem cell offerings in the UK of which there are many.

The Foundation intends on capitalising on its growing reputation as an authority in the field of translational stem cell research and funding by actively approaching news and media agencies. We seek to establish new academic partnerships in the area of STEMs and use their platform as a vehicle for fundraising and educational activities. Alongside this we plan to hold two public events to raise funds and awareness for new projects and to continue to celebrate the work of fundraisers who support the Foundation.

The Board of Trustees will continue to closely monitor the operation and costs of overheads to maintain current levels and continues its commitment to allocate more funding to projects. The Board will lobby government for additional support and funding for projects once the rigorous review process has been finalised and approved. In 2022 the Foundation intends to refine its strategic plan for social impact and to accommodate and respond to changes in the political, economic and technological spheres.

The Foundation will rebrand based on the socioeconomic climate and refresh its funding criteria and the way in which the Foundation reviews research applications in order to capture more relevant research applications, with call periods to assist in the operational management of this process.

Structure, governance and management

Constitution

The UK Stem Cell Foundation is a company limited by guarantee, as defined by the Companies Act 2006. It is governed by its Memorandum and Articles of Association dated 23rd December 2004, its date of incorporation, and is a registered charity with the Charity Commission.

Method of Appointment or Election of Trustees

Any person willing to act as a trustee may be appointed by a resolution of the Board. However, any appointment must not contravene the maximum number of trustees fixed by the Articles of Association. The maximum number of trustees for The UK Stem Cell Foundation as stated in the Memorandum and Articles of Association is ten. Any person willing to act in the capacity of the trustee must deliver all documentation as required by the incumbent trustees. In addition, any appointment may be subject to that person satisfying any additional conditions and complying with any additional obligations that the Board may impose.

Policies Adopted for the Induction and Training of Trustees

All new trustees must undergo training to ensure that they are aware of their legal obligations under Charity and Company Law, the content of the Memorandum and Articles of Association, the decision-making process, the business plan and the financial performance of the Charity. At this time, they will also meet the key employees and other trustees.

Pay Policy for Senior Staff

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings.

Organisational Structure and Decision Making

The Board of Trustees administer the Charity. They meet quarterly to review finances and the development of research projects and applications. The Chief Executive Officer, Lil Shortland, is responsible for the day to day running of the Foundation, project development activities as well as financial issues and reports directly to the trustees.

THE UK STEM CELL FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Risk Management


The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that the risk management strategy adopted at outset remains in place and comprises of the following:

- Annual reviews of potential risks to the Charity
- Assessments of systems and procedures to mitigate potential risks should they arise
- Monitoring of procedures designed to minimise any potential impact on the Charity

Risks are reviewed and updated regularly to review any major or new risks to which the Charity may be exposed. The systems then implemented remain robust and the trustees are satisfied that the systems in place mitigate any exposure to its major risks.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the Trustees on 20/12/22 and signed on their behalf by:



.....
Mr J Moulton, Chairman

Trustee 20/12/22

Dated:

THE UK STEM CELL FOUNDATION

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE UK STEM CELL FOUNDATION

I report to the trustees on my examination of the financial statements of The UK Stem Cell Foundation (the charitable company) for the year ended 31 December 2021.

Responsibilities and basis of report

As the trustees of the charitable company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charitable company's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

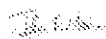
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 386 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Use of our report

This report is made to the charitable company's board of trustees, as a body, in accordance with the terms of the engagement. My work has been undertaken to enable me to undertake an independent examination of the charitable company's financial statements on behalf of the charitable company's board of trustees and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charitable company's board of trustees as a body, for my work or for this report.


John F Mason
Johnston Carmichael LLP
Chartered Accountants
227 West George Street
Glasgow
G2 2ND

Dated: 21/12/2022

THE UK STEM CELL FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Income from:					
Donations and legacies	2	52,660	-	52,660	283,884
Investments	3	115	-	115	1,364
Total income		52,775	-	52,775	285,248
Expenditure on:					
Charitable activities	4	317,667	-	317,667	344,151
Net expenditure for the year/ Net movement in funds		(264,892)	-	(264,892)	(58,903)
Reconciliation of Funds					
Fund balances at 1 January 2021		1,114,912	55,627	1,170,539	1,229,442
Fund balances at 31 December 2021		850,020	55,627	905,647	1,170,539

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2008.

THE UK STEM CELL FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	8		1,133		1,813
Current assets					
Debtors	9	1,805		2,015	
Cash at bank and in hand		1,034,093		1,298,485	
		<u>1,035,898</u>		<u>1,300,500</u>	
Creditors: amounts falling due within one year	10	<u>(131,384)</u>		<u>(131,774)</u>	
Net current assets			<u>904,514</u>		<u>1,168,726</u>
Total assets less current liabilities			<u><u>905,647</u></u>		<u><u>1,170,539</u></u>
Income funds					
Restricted funds	12		55,627		55,627
Unrestricted funds			850,020		1,114,912
			<u>905,647</u>		<u>1,170,539</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2021.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the Trustees on 20/12/22


.....
Mr J Moulton, Chairman
Trustee

Company Registration No. 05320290

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

† Accounting policies

Charity information

The UK Stem Cell Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is Cannon Place, 78 Cannon Street, LONDON, EC4N 6AF. The nature of the charitable company's operations and principal activities are set out in the Trustees' Report.

1.1 Accounting convention

These financial statements have been prepared in accordance with the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

The charitable company is a Public Benefit Entity as defined by FRS 102.

The charitable company has availed itself of S396 of the Companies Act 2006, as permitted in paragraph 4(1) of Schedule 1 of SI 2008 No 409, and adapted the Companies Act formats to reflect the special nature of the charitable company's activities.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for a period of at least twelve months from the date on which these financial statements have been signed. The trustees, having not identified any material uncertainties, will continue to closely monitor the operation and cost of overheads to maintain the currently held reserve levels as well as actively seeking to obtain new funding towards future projects and research. Based on this analysis the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the charitable company's objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used or which have been raised for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charitable company is entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

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

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

Investment income includes bank interest and interest on funds held on deposit. It is recognised when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1.5 Expenditure

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

Given the size and nature of the charity, all expenditure is categorised as expenditure on charitable activities. Governance costs, which are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements, have been allocated to charitable activities as the primary activity of the charity.

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

All expenditure is inclusive of irrecoverable VAT.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

All assets costing more than £500 are capitalised.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant, machinery & equipment	33% per annum on cost
------------------------------	-----------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.9 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or at the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Donations and legacies

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2021	2020	2020	2020
	£	£	£	£
Donations and gifts	52,660	20,576	9,750	30,326
Legacies receivable	-	253,558	-	253,558
	<u>52,660</u>	<u>274,134</u>	<u>9,750</u>	<u>283,884</u>

3 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Interest received	115	1,364
	<u>115</u>	<u>1,364</u>

4 Charitable activities

	Total 2021	Total 2020
	£	£
Project costs	62,688	83,648
Share of support costs (see note 5)	252,229	254,053
Share of governance costs (see note 5)	2,750	6,450
	<u>317,667</u>	<u>344,151</u>
Analysis by fund		
Unrestricted funds	317,667	336,651
Restricted funds	-	7,500
	<u>317,667</u>	<u>344,151</u>

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Staff costs	204,179	-	204,179	192,126	-	192,126
Depreciation	680	-	680	865	-	865
Travelling & mileage	6,667	-	6,667	1,471	-	1,471
Entertainment	800	-	600	145	-	145
Bank charges	2,375	-	2,375	2,170	-	2,170
Telephone	3,995	-	3,995	3,626	-	3,626
Postage & stationery	4,099	-	4,099	4,784	-	4,784
Consultancy fees	662	-	662	-	-	-
Office expenses	15,766	-	15,766	19,584	-	19,584
Marketing expenses	5,043	-	5,043	20,090	-	20,090
Insurance	1,217	-	1,217	1,179	-	1,179
Professional fees	6,946	-	6,946	8,013	-	8,013
Audit fees	-	-	-	-	6,450	6,450
Independent examination fee	-	2,750	2,750	-	-	-
	<u>252,229</u>	<u>2,750</u>	<u>254,979</u>	<u>254,053</u>	<u>6,450</u>	<u>260,503</u>
Analysed between						
Charitable activities	<u>252,229</u>	<u>2,750</u>	<u>254,979</u>	<u>254,053</u>	<u>6,450</u>	<u>260,503</u>

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the current or comparative year.

No trustee or any person related to the charity had any personal interest in any contract or transaction entered into by the charity in the year.

During the year, one trustee received reimbursement of travel expenses amounting to £44 (2020: one trustee reimbursed £42).

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	3	3
	=====	=====
Employment costs	2021	2020
	£	£
Wages and salaries	183,968	170,973
Social security costs	17,136	18,306
Other pension costs	3,075	2,847
	=====	=====
	204,179	192,126
	=====	=====

The number of employees whose annual remuneration was £60,000 or more were:

	2021 Number	2020 Number
In the band £110,001 - £120,000	1	1
	=====	=====

Key management personnel comprise the Chief Executive Officer, whose employee benefits for the year were £111,205 (2020: £111,205).

8 Tangible fixed assets

	Plant, machinery & equipment £
Cost	
At 1 January 2021	15,426

At 31 December 2021	15,426

Depreciation and impairment	
At 1 January 2021	13,613
Depreciation charged in the year	680

At 31 December 2021	14,293

Carrying amount	
At 31 December 2021	1,133
	=====
At 31 December 2020	1,813
	=====

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

9 Debtors	2021	2020
	£	£
Amounts falling due within one year:		
Prepayments	1,805	2,015

10 Creditors: amounts falling due within one year	2021	2020
	£	£
Other taxation and social security	23,844	13,154
Accruals	107,540	118,620
	<u>131,384</u>	<u>131,774</u>

11 Retirement benefit schemes

Defined contribution schemes

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

The charge to net income/(expenditure) in respect of defined contribution schemes was £3,075 (2020 - £2,847).

THE UK STEM CELL FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

12 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		Movement in funds		Balance at 31 December 2021
	Income	Expenditure	Balance at 1 January 2021	Income	
	£	£	£	£	£
UKSCF Project - Developing olfactory ensheathing cell implantation	-	(7,500)	45,877	-	45,877
MS Society	9,750	-	9,750	-	9,750
	<u>9,750</u>	<u>(7,500)</u>	<u>55,627</u>	<u>-</u>	<u>55,627</u>

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Fund balances at 31 December 2021 are represented by:						
Tangible assets	1,133	-	1,133	1,813	-	1,813
Current assets/(liabilities)	848,887	55,627	904,514	1,113,099	55,627	1,168,726
	<u>850,020</u>	<u>55,627</u>	<u>905,647</u>	<u>1,114,912</u>	<u>55,627</u>	<u>1,170,539</u>

14 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021	2020
	£	£
Within one year	10,570	10,570
Between two and five years	16,125	26,425
	<u>26,695</u>	<u>36,995</u>

Amounts recognised in profit or loss as an expense during the period in respect of operating lease arrangements amounted to £12,684 (2020: £12,684).

15 Related party transactions

The London office of the UK Stem Cell Foundation is rented on a commercial basis from The Royal Institution of Great Britain, within which Sir Richard Sykes sits as chairman of the board. During the reporting period rent was charged to the charity at a cost of £3,171 per quarter.

THE UK STEM CELL FOUNDATION

England & Wales - Charity number 1110009

Accounts

Charity Registration No. 1110009

Company Registration No. 05320290

THE UK STEM CELL FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

THE UK STEM CELL FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms C Banzky Professor J S Jones Professor T Jones Mr J Moulton Mr N Ross Sir R Sykes, Chairman Mr J Taylor Lord R Winston
Secretary	Mitre Secretaries Limited
Charity number	1110009
Company number	05320290
Registered office	Cannon Place 78 Cannon Street LONDON EC4N 6AF
Auditor	Johnston Carmichael LLP Chartered Accountants 227 West George Street Glasgow G2 2ND
Bankers	Coutts & Co. 440 Strand London WC2R 0QS
Solicitors	CMS Cameron Mckenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF

THE UK STEM CELL FOUNDATION

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THE UK STEM CELL FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their annual report together with the audited financial statements of The UK Stem Cell Foundation for the year 31 December 2020. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of "Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and activities

Public Benefit Statement

The key aim of the charity is to address the funding gap that hinders the translation of stem cell research into new treatments that have the potential for direct clinical benefit. The charity supports universities, medical schools and hospitals in the United Kingdom for the benefit of the general public and broader mankind.

The trustees have paid due regard to the guidance issued by the Charity Commission in deciding what activities the charitable company should undertake.

Objectives and Activities

The charitable objects for which the charitable company is established are the preservation, promotion and advancement of human health and welfare and the advancement and promotion of knowledge and education for the benefit of the public by:

- enhancing and promoting knowledge of and engaging in, funding and supporting research into the mechanisms of cell degeneration, regeneration and malfunction and their links to degenerative and other diseases, disabilities, disorders and conditions in respect of which stem cell related medicines, treatments, cures, diagnostics, applications, therapies, products or technologies might be of benefit;
- engaging in, funding and supporting research into stem cell and stem cell-based or derived methods and technologies, with a view to discovering, inventing, improving, developing, producing and applying medicines, treatments, cures, diagnostics, applications, therapies, products and technologies and other medicinal agents, methods and processes, including the translation of pure research into outputs to a standard susceptible of clinical trials with a view to establishing the efficacy and supporting the clinical trials with a view to establishing the treatments, cures, diagnostics, therapies, products and technologies capable of application; and
- educating and informing the public in relation to stem cells and the efficacy of stem cell based or derived medicines, treatments, cures, diagnostics, applications, therapies, products and technologies and other medicinal agents, methods, processes and the appropriate regulation and management thereof and educating and informing the public in relation to such matters.

The main activities of the charity continue to be to:

- implement a strong fundraising campaign designed to attract both public sector funding and private donors;
- raise the profile of the charity by enlisting the support of key government departments;
- engage and maintain good relations with stem cell networks, researchers, clinicians and commercial operators; and
- increase public awareness of the charity, its aims and goals.

THE UK STEM CELL FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Grant making policies

The UK Stem Cell Foundation aims to build a pipeline of projects that meets its criteria for support and funding on the route to commercialisation going forward. Grants are provided to support such projects where funding has already been obtained by the charity.

Achievements and performance

Review of activities

The UK Stem Cell Foundation (“the UKSCF”) works closely with a number of funders and collaborators that have interests in particular disease types or stem cell research. This allows us to maximise the potential of our funding sources when seeking resources for a particular project. The affiliation that our donors have with the research and subject matter ensures effective financial support for these projects and clinical trials. As ever, we must maintain these relationships to ensure the continued development of these ongoing projects. Additionally, we aim to cultivate new partnerships with other medical research charities and trusts to develop co-funding strategies which should evolve into co-funding of translational research projects.

The global pandemic has had a significant impact on the fundraising capabilities of the Foundation, due to two national lockdowns all public engagements have been postponed in to late 2021 and in some cases 2022. There is still very much an atmosphere of unease with the potential of yet another lock down on the horizon. This uncertainty has done little to assist the Foundation in it's charitable work.

The Foundation does look to attract more future legacy payments. This is to be achieved with a targeted marketing campaign, highlighting the research projects the Foundation support, what stem cell research could mean for the future of healthcare and using published data to establish where this campaign will be best received.

In early 2020 the Foundation recruited an additional member of full time staff to broaden the marketing and fundraising potential. Firm partnerships have been established amongst exciting potential sponsors and patrons. Again, the pandemic has hindered any significant progress in the development of these relationships but in time should prove invaluable to the charitable work the Foundation aims to partake in.

The UKSCF continue to receive applications for funding to review, building a database of projects that meet the criteria for support and funding on the route to commercialisation. All operating costs and further funding for projects are solely reliant on the ability of the Foundation to fundraise and attract donations from the private sector, other charities and the general public. In addition to the fundraising directive, the activities of the Foundation continue to elevate the profile of the UKSCF. This subsequently heightens public awareness and will continue the growth of the UK's emerging cell therapy industry. Through digital and social media and more traditional marketing methods such as newspaper advertorials the Foundation aims to reach a wider demographic. Building upon the rise in social media engagement and the unique ability for consumers to communicate directly with a 'brand' the Foundation aims to fortify its standing in the medical research field by adding measurable value to its audience. The UKSCF will do this through the sharing of educational material and interactive posts.

THE UK STEM CELL FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Financial review

Income in 2020 was £285,248 (2019: £643,501). The decrease, compared to the prior year, was due to the receipt of two significant legacies in the prior year. Legacy income has become an important income source for the charity and the timing of receipt of legacies is unpredictable in nature. Additionally, the activity in 2019 was concentrated on the finalisation of certain projects and so the focus, going forward for the charity, is on identifying additional projects to commence fundraising for.

Total charitable expenditure was £344,151 (2019: £279,871) of which £7,500 was against restricted funds. The increase in expenditure over the year reflected a new member of staff being employed and therefore higher staff costs as well as project costs being paid out which were delayed in the prior year.

The charity has total reserves of £1,170,539 at the year end of which £1,114,912 are unrestricted and £55,627 are restricted.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for at the least the next twelve months. This is based on the level of unrestricted reserves held and the fact that commitments are only made to fund major projects when the charity is already "in funds". Additionally, following the Covid-19 pandemic, the charity has utilised this "lockdown" period to finalise their strategy and take forward new projects. There has been no immediate delays or significant impact, caused by the pandemic, as no projects were in operation at the time, therefore the financial position of the charity has not been adversely affected. For these reasons, the trustees continue to adopt the going concern basis in preparing the financial statements. The Trustees have also agreed to review the strategy document in 2021 and establish changes to the funding criteria so the Foundation remains a going concern.

Reserves Policy

The Trustees of the charity have a reserves policy aimed at maintaining the ability of the charity to deliver its charitable objectives. Unrestricted funds are to be held at a minimum level of at least 6 months unrestricted expenditure. With £1,114,912 of unrestricted reserves held as at 31 December 2020, and total support and operational costs of £247,349 during the year, this has been achieved during the year.

Restricted funds, £55,627 at the year end, represent those funds received for specific projects undertaken during the year.

PLANS FOR FUTURE PERIODS

For 2021, the Foundation will continue to focus its efforts on raising money to fund new projects. Building upon the work from the past year in establishing new corporate partnerships we will utilise these contacts in industry to reach higher levels of engagement in both the academic community and in the public sphere. We are committed to contributing to knowledge exchange in the area of public understanding of stem cell technologies and work to dispel common myths surrounding the industry. We will continue to work for the safety and understanding of our supporters and continue to educate on the dangers of stem cell tourism and unregulated, unproven stem cell offerings in the UK.

The Foundation intends on capitalising on its growing reputation as an authority in the field of translational stem cell research and funding by actively approaching news and media agencies. We seek to establish new academic partnerships in the area of STEMs and use their platform as a vehicle for fundraising and educational activities. Alongside this we plan to hold two public events to raise funds for new projects and to continue to celebrate the work of fundraisers who support the Foundation.

THE UK STEM CELL FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Board of Trustees will continue to closely monitor the operation and costs of overheads to maintain current levels and continues its commitment to allocate more funding to projects. The Board will lobby government for additional support and funding for projects once the rigorous review process has been undertaken and approved. In 2021 the Foundation intends to refine its strategic plan for social impact and to accommodate and respond to changes in the political, economic and technological spheres.

It is likely the Foundation will be rebranded depending on the socioeconomic climate and the review of the strategy document. With this rebranding, a refresh of the funding criteria and the way in which the Foundation reviews research applications will take place. This would be in order to capture more relevant research applications, with call periods to assist in the operational management of this process.

Structure, governance and management

Constitution

The UK Stem Cell Foundation is a company limited by guarantee, as defined by the Companies Act 2006. It is governed by its Memorandum and Articles of Association dated 23rd December 2004, its date of incorporation, and is a registered charity with the Charity Commission.

Method of Appointment or Election of Trustees

Any person willing to act as a trustee may be appointed by a resolution of the Board. However, any appointment must not contravene the maximum number of trustees fixed by the Articles of Association. The maximum number of trustees for The UK Stem Cell Foundation as stated in the Memorandum and Articles of Association is twelve. Any person willing to act in the capacity of the trustee must deliver all documentation as required by the incumbent trustees. In addition, any appointment may be subject to that person satisfying any additional conditions and complying with any additional obligations that the Board may impose.

Policies Adopted for the Induction and Training of Trustees

All new trustees must undergo training to ensure that they are aware of their legal obligations under Charity and Company Law, the content of the Memorandum and Articles of Association, the decision-making process, the business plan and the financial performance of the Charity. At this time, they will also meet the key employees and other trustees.

Pay Policy for Senior Staff

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings.

Organisational Structure and Decision Making

The Board of Trustees administer the Charity. They meet quarterly to review finances and the development of research projects and applications. The Chief Executive Officer, Lil Shortland, is responsible for the day to day running of the Foundation, project development activities as well as financial issues and reports directly to the trustees.

Risk Management

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that the risk management strategy adopted at outset remains in place and comprises of the following:

- Annual reviews of potential risks to the Charity
- Assessments of systems and procedures to mitigate potential risks should they arise
- Monitoring of procedures designed to minimise any potential impact on the Charity

Risks are reviewed and updated regularly to review any major or new risks to which the Charity may be exposed. The systems then implemented remain robust and the trustees are satisfied that the systems in place mitigate any exposure to its major risks.

THE UK STEM CELL FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Auditor

The auditor, Johnston Carmichael LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006

Statement of disclosure of information to the auditor

Insofar as each of the persons who are Trustees at the time when this Trustees' Report is approved are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the auditor is aware of the information.

This report was approved by the Trustees on _____ and signed on their behalf by:

.....
Sir R Sykes, Chairman
Trustee
Dated:

THE UK STEM CELL FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees, who are also the directors of The UK Stem Cell Foundation for the purposes of company law, are responsible for preparing the Trustees' Annual Report 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 year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

THE UK STEM CELL FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE UK STEM CELL FOUNDATION

Opinion

We have audited the financial statements of The UK Stem Cell Foundation (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 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.

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 charitable company 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

THE UK STEM CELL FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE UK STEM CELL FOUNDATION

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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, the trustees, who are also the directors of the charitable company for the purpose 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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.

Extent to which an audit is considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include FRS 102, including the Charities SORP (FRS 102), the Companies Act 2006 and corporation tax legislation.

THE UK STEM CELL FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE UK STEM CELL FOUNDATION

We gained an understanding of how the company is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of submitted returns and board meeting minutes.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk.

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing minutes of meetings of those charged with governance;
- Reviewing the level and reasoning behind the company's procurement of any legal and professional fees;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material risk due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available 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/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. 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, and to the charitable company's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Keith Macpherson (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

.....

Chartered Accountants
Statutory Auditor

Johnston Carmichael LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE UK STEM CELL FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<u>Income from:</u>					
Donations and legacies	3	274,134	9,750	283,884	638,956
Investments	4	1,364	-	1,364	4,545
Total income		<u>275,498</u>	<u>9,750</u>	<u>285,248</u>	<u>643,501</u>
<u>Expenditure on:</u>					
Charitable activities	5	336,651	7,500	344,151	279,871
Net (expenditure)/income for the year/ Net movement in funds		<u>(61,153)</u>	<u>2,250</u>	<u>(58,903)</u>	<u>363,630</u>
Reconciliation of Funds					
Fund balances at 1 January 2020		<u>1,176,065</u>	<u>53,377</u>	<u>1,229,442</u>	<u>865,812</u>
Fund balances at 31 December 2020		<u><u>1,114,912</u></u>	<u><u>55,627</u></u>	<u><u>1,170,539</u></u>	<u><u>1,229,442</u></u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE UK STEM CELL FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	9		1,813		638
Current assets					
Debtors	10	2,015		1,455	
Cash at bank and in hand		1,298,485		1,348,524	
		<u>1,300,500</u>		<u>1,349,979</u>	
Creditors: amounts falling due within one year	11	<u>(131,774)</u>		<u>(121,175)</u>	
Net current assets			1,168,726		1,228,804
Total assets less current liabilities			<u>1,170,539</u>		<u>1,229,442</u>
The funds of the charity:					
Restricted funds	13		55,627		53,377
Unrestricted funds			1,114,912		1,176,065
			<u>1,170,539</u>		<u>1,229,442</u>

The financial statements were approved by the Trustees on

.....
Sir R Sykes, Chairman
Trustee

Company Registration No. 05320290

THE UK STEM CELL FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash absorbed by operations	17		(49,363)		(103,586)
Investing activities					
Purchase of tangible fixed assets		(2,040)		-	
Investment income received		1,364		4,545	
Net cash (used in)/generated from investing activities			(676)		4,545
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(50,039)		(99,041)
Cash and cash equivalents at beginning of year			1,348,524		1,447,565
Cash and cash equivalents at end of year			1,298,485		1,348,524

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

The UK Stem Cell Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is Cannon Place, 78 Cannon Street, LONDON, EC4N 6AF. The nature of the charitable company's operations and principal activities are set out in the Trustees' Report.

1.1 Accounting convention

These financial statements have been prepared in accordance with the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

The charitable company is a Public Benefit Entity as defined by FRS 102.

The charitable company has availed itself of S396 of the Companies Act 2006, as permitted in paragraph 4 (1) of Schedule 1 of SI 2008 No 409, and adapted the Companies Act formats to reflect the special nature of the charitable company's activities.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The trustees will continue to closely monitor the operation and cost of overheads to maintain the currently held reserve levels as well as actively seeking to obtain new funding towards future projects and research. Based on this analysis the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the charitable company's objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used or which have been raised for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charitable company is entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

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

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

Investment income includes bank interest and interest on funds held on deposit. It is recognised when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1.5 Expenditure

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

Given the size and nature of the charity, all expenditure is categorised as expenditure on charitable activities. Governance costs, which are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements, have been allocated to charitable activities as the primary activity of the charity.

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

All expenditure is inclusive of irrecoverable VAT.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

All assets costing more than £500 are capitalised.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant, machinery & equipment	33% per annum on cost
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.9 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or at the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Trustees consider there to be no critical accounting estimates and judgements.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2020	2020	2020	2019
	£	£	£	£
Donations and gifts	20,576	9,750	30,326	23,974
Legacies receivable	253,558	-	253,558	614,982
	<u>274,134</u>	<u>9,750</u>	<u>283,884</u>	<u>638,956</u>

4 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Interest received	<u>1,364</u>	<u>4,545</u>

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Charitable activities

	Total 2020 £	Total 2019 £
Project costs	83,648	65,680
Share of support costs (see note 6)	254,053	208,041
Share of governance costs (see note 6)	6,450	6,150
	<u>344,151</u>	<u>279,871</u>
Analysis by fund		
Unrestricted funds	336,651	214,191
Restricted funds	7,500	65,680
	<u>344,151</u>	<u>279,871</u>

6 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Staff costs	192,126	-	192,126	139,458	-	139,458
Depreciation	865	-	865	1,314	-	1,314
Travelling & mileage	1,471	-	1,471	10,011	-	10,011
Entertainment	145	-	145	1,136	-	1,136
Bank charges	2,170	-	2,170	2,099	-	2,099
Telephone	3,626	-	3,626	3,577	-	3,577
Postage & stationery	4,784	-	4,784	3,285	-	3,285
Consultancy fees	-	-	-	9,000	-	9,000
Office expenses	19,584	-	19,584	16,573	-	16,573
Marketing expenses	20,090	-	20,090	14,061	-	14,061
Insurance	1,179	-	1,179	1,173	-	1,173
Professional fees	8,013	-	8,013	6,354	-	6,354
Audit fees	-	6,450	6,450	-	6,150	6,150
	<u>254,053</u>	<u>6,450</u>	<u>260,503</u>	<u>208,041</u>	<u>6,150</u>	<u>214,191</u>
Analysed between Charitable activities	<u>254,053</u>	<u>6,450</u>	<u>260,503</u>	<u>208,041</u>	<u>6,150</u>	<u>214,191</u>

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the current or comparative year.

No trustee or any person related to the charity had any personal interest in any contract or transaction entered into by the charity in the year.

During the year, one trustee received reimbursement of travel expenses amounting to £42 (2019: one trustee reimbursed £24).

8 Employees

The average monthly number of employees during the year was:

	2020	2019
	Number	Number
	3	2
	<u>3</u>	<u>2</u>

Employment costs

	2020	2019
	£	£
Wages and salaries	170,973	125,628
Social security costs	18,306	11,970
Other pension costs	2,847	1,860
	<u>192,126</u>	<u>139,458</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2020	2019
	Number	Number
In the band £100,001 - £110,000	-	1
In the bank £110,001 - £120,000	1	-
	<u>1</u>	<u>-</u>

Key management personnel comprise the Chief Executive Officer, whose employee benefits for the year were £111,205 (2019: £106,733).

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Tangible fixed assets

Plant, machinery & equipment
£

Cost

At 1 January 2020	13,386
Additions	2,040
At 31 December 2020	15,426

Depreciation and impairment

At 1 January 2020	12,748
Depreciation charged in the year	865
At 31 December 2020	13,613

Carrying amount

At 31 December 2020	1,813
At 31 December 2019	638

10 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Prepayments	2,015	1,455

11 Creditors: amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	13,154	5,855
Accruals	118,620	115,320
	131,774	121,175

12 Retirement benefit schemes

Defined contribution schemes

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

The charge to net income/(expenditure) in respect of defined contribution schemes was £2,847 (2019 - £1,860).

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at	Expenditure	Transfers	Balance at	Movement in funds		Balance at
	1 January 2019			1 January 2020	Income	Expenditure	31 December 2020
	£	£	£	£	£	£	£
UKSCF Project - Developing olfactory ensheathing cell implantation	119,057	(65,680)	-	53,377	-	(7,500)	45,877
Ex Vivo Expanded Corneal Limbal Transplantation	21,904	-	(21,904)	-	-	-	-
MS Society	27,720	-	(27,720)	-	9,750	-	9,750
	<u>168,681</u>	<u>(65,680)</u>	<u>(49,624)</u>	<u>53,377</u>	<u>9,750</u>	<u>(7,500)</u>	<u>55,627</u>

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Fund balances at 31 December 2020 are represented by:						
Tangible assets	1,813	-	1,813	638	-	638
Current assets/ (liabilities)	1,113,099	55,627	1,168,726	1,175,427	53,377	1,228,804
	<u>1,114,912</u>	<u>55,627</u>	<u>1,170,539</u>	<u>1,176,065</u>	<u>53,377</u>	<u>1,229,442</u>

15 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	10,570	10,570
Between two and five years	26,425	5,285
	<u>36,995</u>	<u>15,855</u>

Amounts recognised in profit or loss as an expense during the period in respect of operating lease arrangements amounted to £12,684 (2019: £12,684).

16 Related party transactions

The London office of the UK Stem Cell Foundation is rented on a commercial basis from The Royal Institution of Great Britain, within which Sir Richard Sykes sits as chairman of the board. During the reporting period rent was charged to the charity at a cost of £3,171 per quarter.

17 Cash generated from operating activities

	2020	2019
	£	£
(Net expenditure)/income for the year	(58,903)	363,630
Adjustments for:		
Investment income recognised in statement of financial activities	(1,364)	(4,545)
Depreciation and impairment of tangible fixed assets	865	1,314
Movements in working capital:		
(Increase)/decrease in debtors	(560)	346
Increase/(decrease) in creditors	10,599	(464,331)
Cash absorbed by operating activities	<u>(49,363)</u>	<u>(103,586)</u>

THE UK STEM CELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2020*

18 **Analysis of changes in net funds**

The charitable company had no debt during the year.