

Charity registration number 1144798

Company registration number 7567881 (England and Wales)

KIDNEY RESEARCH NORTHWEST
COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

**KIDNEY RESEARCH NORTHWEST
COMPANY LIMITED BY GUARANTEE
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees	Dr A V Crowe A Hammad Prof G Kemp Dr A Sharma	(Appointed 7 February 2022)
Chief Executive	S Stalsberg	
Charity number	1144798	
Company number	7567881	
Registered office	3rd Floor 5 Temple Square Temple Street Liverpool Merseyside L2 5RH	
Independent examiner	DSG 43 Castle Street Liverpool Merseyside L2 9TL	
Bankers	Santander Corporate Banking 298 Deansgate Manchester M3 4HH	
Investment advisors	Blankstone Sington Ltd Walker House Floor 10 Exchange Flags Liverpool Merseyside L2 3YL	

KIDNEY RESEARCH NORTHWEST COMPANY LIMITED BY GUARANTEE CONTENTS

	Page
Trustees' report	1 - 7
Independent examiner's report	8
Statement of financial activities	9
Balance sheet	10 - 11
Statement of cash flows	12
Notes to the financial statements	13 - 23

**KIDNEY RESEARCH NORTHWEST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
*FOR THE YEAR ENDED 30 JUNE 2022***

The trustees present their annual report and financial statements for the year ended 30 June 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The principal objects of the charity are to undertake, promote, develop and encourage research into diseases of the kidney and urinary tract and research into the treatment of such diseases.

The principal method of achieving its objects is to invite applications to fund research projects from consultants and other medical staff at the Royal Liverpool University Hospital and other hospitals in the Merseyside and Cheshire areas.

In principle, the charity agrees to support training posts in the three fields of Transplantation, Urology and Nephrology, providing that these posts are formulated into specific research projects.

Public benefit

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

Grant making policy

All applications for funding are channelled through an Advisory Scientific Sub-committee. Applications could cover projects lasting up to five years. Following review by that Committee, the findings are presented to the trustees and consideration is given as to the availability of funds. If funds are available and the Medical Sub-committee wishes to support a proposal, then the application and supporting documentation are sent to two outside assessors. The independent and impartial assessors can be specialists either in the UK or worldwide and will consider the scientific value of the proposals put before them. They may accept the project, suggest changes to the way it is conducted or dismiss the project. The trustees will take account of the external assessments before committing the charity to any costs.

**KIDNEY RESEARCH NORTHWEST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

Achievements and performance

The charity continues to fund laboratory-based research projects. During the year there were five projects in progress.

Developing a combinatorial therapeutic strategy for kidney cancer by targeting metabolic and apoptotic regulators FBP1 and p53

Kidney cancer kills around 4,000 people each year in the UK and worryingly, has been on the increase for the past three decades with the number of people affected and dying approximately doubling in that period.

For many patients, particularly those in whom the cancer has spread (metastasized) to new sites in the body, currently available therapies, which largely target new blood vessel formation (angiogenesis) and cell growth, have only modest effects in prolonging survival.

For cells to grow, they must synthesise the building blocks of life, and this is accomplished by the cell metabolism using raw materials obtained from outside of the cell. All of the processes that take place inside the cell depend, directly or indirectly upon energy, and the metabolism of carbohydrates, particularly glucose, provides a major source of energy. One of the major differences between tumour cells and most normal cells, is that their metabolism is greatly distorted. Recent studies have identified that a key regulator of metabolism called FBP1 is almost always switched off in kidney cancer. We think that it will be possible to take advantage of this abnormality in the cancer cells as outlined below.

We already know from our own earlier studies that another pathway that does not work properly in kidney cancer is regulated by a gene called p53. P53 is normally one of the most important genes that prevents cancer and we have developed a strategy to re-activate this cancer preventing pathway of p53. However, cancers easily escape from treatments that target a single pathway. We therefore propose to investigate ways to target both p53 and FBP1 since this will hopefully provide for a more robust therapeutic approach. To achieve this, we must first discover how FBP1 is suppressed in kidney cancer and then try to find ways to reverse this effect. We will then examine the effect of combining both approaches. In the first instance we will use tumour cell lines but in later studies we propose to perform experiments using patient biopsies, since these more accurately reflect the disease.

The proposal is aimed at taking advantage of two pathways that are altered in most kidney cancers to determine whether these can be targeted as a therapeutic strategy. The ultimate goal being to identify novel approaches for treating kidney cancer may provide significant improvements in patient outcomes in the future.

The project has been disrupted due to a number of post-doctoral research assistants leaving and the progress has not been as hoped or expected. However, a replacement research assistant started in May 2019.

The primary focus will be to finish the experimental work needed to complete a substantial manuscript describing the therapeutic potential of targeting rescue of p53 in renal cell carcinoma (RCC) cells combined with a BH3 mimetic to sensitise the cells to apoptosis.

The project finally completed during the current financial year.

**KIDNEY RESEARCH NORTHWEST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

Exploring how cell therapies ameliorate renal damage

With this project we will analyse the therapeutic efficacy of cell therapies administered via three different routes to mice with acute kidney injury. In particular, we are interested in understanding how the route of administration can influence therapeutic efficacy, and elucidate the relationship to the immunomodulatory effect of the cells.

The project is going to plan. It has involved analysis of the tissues (kidneys, lung, spleen) for injury markers and cells of the inflammatory system. It will also look at cell culture and cell administration techniques.

The PhD student presented her work at a meeting "Inflammation: from initiation to restoration" by the British Society for Immunology held in April 2019.

This project also completed during the current financial year.

Phage therapy to treat bacterial urinary tract infections

Urinary tract infections (UTIs) are amongst the most common infections in humans both in the community and in a hospital setting, with the latter often associated with catheter use. They are a common cause of morbidity but can also lead to more severe disease and occasional fatalities. While infection is often limited to the bladder (cystitis), pyelonephritis can occur, and this can cause renal failure. In addition, UTIs can lead directly to life-threatening bacteraemias. Although the majority of UTIs are treated and treatable with antibiotics, there is increasing concern about the spread of antimicrobial resistance (AMR) in pathogens causing UTIs in the UK, with AMR impacting on the efficacy of clinical treatment, leading to the development of more complex cases of UTIs and potentially bloodstream infections requiring hospitalisation.

Two of the key bacterial pathogens causing UTIs (*Escherichia coli*, *Pseudomonas aeruginosa*) have been identified by the World Health Organisation as Priority 1 "Critical" pathogens associated with antibiotic resistance, and against which new therapies are urgently needed. It is clear that the overuse of antibiotics drives AMR. In 2016, the highest combined general practice, hospital and dentist usage of antibiotics in England was in Merseyside, at 27 defined daily doses per 1,000 inhabitants per day. Hence, as a high-prescribing region, Merseyside is especially vulnerable in this respect, and is therefore a priority area for potential interventions.

In England, there is a national target to reduce the incidence of healthcare-associated bacteraemias caused by *E. coli* and *P. aeruginosa* by 50% over the next few years, emphasising the particular importance of these species. Indeed, more than half of bloodstream infections (BSIs) caused by *E. coli*, the most common pathogen associated with BSIs in England, are caused by an underlying UTI. Although relatively low at present in England, carbapenem resistance in *E. coli* and *P. aeruginosa* can increase dramatically over a relatively short period of time and is seen as a significant threat. Hence, there is an urgent need to develop alternative therapeutic approaches to tackle these common infections.

The therapeutic application of bacterial viruses (phage therapy) has a long history, and it has been used routinely in Eastern Europe for some time. However, use in the West has been limited because of the lack of clinical trial data. In addition, the reduced spectrum of activity that bacteriophages (phage) have compared to conventional antibiotics has made them less attractive to the pharmaceutical industry. Despite this, phage therapy was identified in the recent O'Neill report as a key technology in the fight against AMR and there is increasing recognition of the need to develop this approach.

The purpose of this project is to isolate and characterise phages that are effective against contemporary pathogens most commonly associated with UTIs in the Merseyside region, and wider representatives of pathogen populations, in order to develop phage cocktails that could be protected (patented) and taken forward into clinical trials to benefit patients with UTIs.

Whilst this project was approved by the trustees in November 2019, it only commenced at the start of the current financial year as a result of the Covid-19 pandemic and is not expected to complete until November 2023.

**KIDNEY RESEARCH NORTHWEST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

Defining strategies to address the supply and demand of deceased donor kidney transplantation with optimised equity of access: A mixed-method study.

Kidney transplantation in patients with End-Stage Kidney Disease confers both longevity and quality of life. However, there remains a significant gap between the number of patients who would benefit from transplantation and availability of donor kidneys. Relisting patients for a second or subsequent transplant leads to additional pressure on the national waiting list. Also, the allocation of good quality allografts with the potential for prolonged graft survival, to recipients with the potential for relatively short survival and vice versa increases the gap between supply and demand for deceased donor kidneys. Therefore, research for preferential waiting listing of patients for their first deceased donor transplant is required. There is simultaneously a requirement for developing and validating the best pair of risk scores (recipient and donor) and develop a new composite risk score that would match a graft (kidney) to a recipient in a more sophisticated manner to ensure extended graft and patient.

This study intends to develop this hypothesis by using a mixed-methods study design. The quantitative arm will utilise data obtained from the UK Renal Registry (UKRR) and NHS Blood and Transplant (NHSBT) which will then be merged with NHS digital to enrich data quality with details of comorbidity and Hospital Episode Statistics data. Descriptive statistics and regression models will be used to analyse the data. Techniques that have not typically been applied before, such as Random Forest method for regression/survival analysis and advanced machine learning approaches will also be explored. The qualitative arm will involve semi-structured interviews with patients who have received first, second and subsequent deceased donor transplants and also patients on dialysis waiting for their first transplant. Thematic analysis will be used to organise the coded data, and NVivo software (QSR International) will be used to aid analysis.

This proposed study aims to inform the national allocation policy on both listing for kidney transplantation and the optimal allocation of deceased donor kidneys.

This project was approved by the trustees at its meeting in January 2021 but has not yet commenced.

Jointly funded project with North West Cancer Research - Investigating whether Chemotherapy-induced Senescence affects the behaviour of cancer stem cells in Wilm's Tumour

Following approval in September 2021, the project commenced in January 2022. The project is on track with the first 10 tissues to arrive for analysis and have been trouble shooting protocols for immunocharacterisation. This should all be operational before the summer of 2023, so this is a hot phase right now. A meeting with the PDRA is scheduled and a meeting with the team in June where they will take stock of progress and discuss optimising direction and interpretation of data.

Developing a human kidney cell model of vancomycin-induced kidney injury to support translational research

This is a short project which aimed to develop a ciPTEC model of vancomycin-induced kidney injury at the University of Liverpool in which we will investigate mechanisms of toxicity and potential preventive strategies. This will lead on to a translational research programme, taking these strategies first into pre-clinical models, and ultimately into clinical trials. This work on vancomycin-induced kidney injury will provide an exemplar and foundation for further translational research focused around the prevention and management of drug-induced kidney injury, establishing this as an area of world-leading and internationally excellent research and impact.

The project took place between November 2021 and April 2022 and is complete.

**KIDNEY RESEARCH NORTHWEST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

Covid-19

As new variants of Covid-19 continued throughout 2021 and into 2022, the charity continued to be affected in aspects of its operations.

Thankfully the University laboratories remained open so that we were able to continue our research work. The office was subject to restrictions for part of the year, and our staff continued to work largely from home with regular visits to pick up mail and deal with specific matters as they arose.

We held our first fundraising activity since lock down being the Renal Unit's participation in the Liverpool to Chester Bike Ride.

Trustee meetings were held remotely throughout although consideration is now being given to some future meetings retuning to face-to-face.

Financial review

The accounts for the year to 30 June 2022 are attached to this report.

Total income for the year was £112,955, compared with £292,350 for the previous year, the fall reflecting the level of one-off legacies receivable during 2021 not repeated in the current year.

Donations received increased marginally and the first fundraising event post pandemic raised £1,425. Income on the investment portfolio and on surplus funds amounted to £107,543 (2021 £85,634).

Total resources expended during the year were £184,555 (2021 £278,419) which included £97,763 of contracted research project costs net of releases from prior commitments. There was a deficit of £71,600 (2021 surplus £13,931) for the year before investment gains and losses. Investment losses totalling £94,527 (2021 gains £343,821) comprised a realised loss on the disposal of investments amounting to £1,340 (2021 gains £13,351), and unrealised losses of £93,187 (2021 gains £330,470).

Reserves policy

The trustees regard its "free" reserves to be the unrestricted funds of the charity less the amount which is included in the investment portfolio up to a figure of £2 million that is held for the purposes of earning income (to reflect the significant proportion of the charity's income that this generates), less the carrying value of tangible fixed assets. Ideally the trustees would wish to create 'free' reserves equal to one year's total expenditure. At this level the trustees feel that they can honour existing research projects in the event of a significant fall in funding. At 30 June 2022 free reserves amounted to £378,538 however excluding total funds retained in the portfolio, the figure is £36,965.

**KIDNEY RESEARCH NORTHWEST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

Investments and investment policy

The constitution authorises the trustees to make and hold investments using the general funds of the charity, details of which are shown in note 14 to the accounts.

The trustees delegate responsibility for the management of the portfolio to an Investment Sub-committee. Full discretionary management has been given to the charity's investment managers, Blankstone Singleton Limited.

The Investment Sub-committee meets quarterly and reviews the performance of the fund over the period and is advised of changes made or proposed changes to individual holdings.

The charity adopts a low risk profile in its investment policy. Income from investments is targeted to achieve the London Interbank Offer Rate (LIBOR). Capital performance is benchmarked against the FTSE 100 Index, FT-All Share Index, and more specifically the FTSE UK Private Investor Income Index.

The Investment Sub-committee has previously set a target of total income of £120,000 from its investment activities, but more recently it has been agreed that a target income of £100,000 is more realistic in the short term. During the year income from these sources amounted to £107,543 (2021 £85,634), slightly ahead of the target.

The charity has regard to ethical considerations whereby no direct investments are permitted in companies that are directly involved in Armaments or Tobacco production.

Performance between 1 July 2019 and 30 June 2020 is compared against the benchmarks in the table below:

	Year ended 30 June 2022 % change
Charity portfolio	(4.00)%
FTSE 100	2.00%
FT All Share	(2.00)%
MSCI WMA PI Income	5.00%

Risk management

The trustees have undertaken a review of the major areas of risk faced by the charity and continue to monitor and improve the ongoing risk management strategies that should ensure that risks are mitigated to an acceptable level in its day to day operations.

The trustees consider the main risks to be:

- A significant fall in the value of the investment portfolio and the level of investment income.
- Reduced donations and fundraising income.
- Funding inappropriate research projects.

The trustees continue to take the appropriate actions to mitigate the risks in each of these areas.

Future developments

There are no planned changes to the activities of the charity.

Structure, governance and management

The charity is a company limited by guarantee and is governed by a Memorandum and Articles of Association adopted on 17th March 2011 as subsequently amended on 25th October 2011.

**KIDNEY RESEARCH NORTHWEST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

Trustees

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Dr A V Crowe	
P L Griffiths	(Resigned 3 November 2022)
A Hammad	
Prof G Kemp	
N Vlatkovic	(Resigned 19 August 2021)
Dr A Sharma	(Appointed 7 February 2022)

Recruitment and appointment of trustees

Appointment of trustees is governed by the Articles of Association. The trustees have the power to appoint new members to fill vacancies arising through resignation or death of existing members. Additionally trustees may be appointed by ordinary resolution of the members.

Organisation

The charity is administered by a Board of Trustees. The number of trustees shall not be less than three and there is no maximum. The trustees meet on a quarterly basis. The trustees delegate the day to day responsibility for marketing, organising fund raising events and administration to the Chief Executive.

The trustees have appointed an Advisory Medical Sub-committee to consider and examine applications for funding, and an Investment Sub-committee to oversee the management of the investment portfolio.

Trustee induction and training

Potential trustees are often drawn from volunteers, from medical staff within the Royal Liverpool University Hospital, former renal patients, and from the local business community and as a result are often already familiar with the objects of the Association. Potential trustees are given the opportunity to meet the existing trustees and with the Chief Executive to discuss the operation of the charity and are provided with relevant Charity Commission publications and the constitution of the charity in relation to their responsibilities.

Remuneration of key management personnel

It is the charity's policy to pay the staff at rates reflecting the local market and inline with similar organisations. The workforce consists of the Chief Executive and one administration worker whose pay reflect the experience, length of service and level of responsibility of the individuals concerned.

Related parties

Full details of transactions with related parties are included in note 10 to the financial statements.

Small company provisions

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

The trustees' report was approved by the Board of Trustees.

A Hammad

Trustee

Dated: 23 March 2023

**KIDNEY RESEARCH NORTHWEST
COMPANY LIMITED BY GUARANTEE
INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF KIDNEY RESEARCH NORTHWEST**

I report to the trustees on my examination of the financial statements of Kidney Research Northwest (the charity) for the year ended 30 June 2022.

This report is made solely to the charitable company's directors, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charitable company's directors those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable company and the charitable company's directors as a body, for my work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of the charity (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 charity 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 charity'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 charity 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.

**Jean Ellis BA FCA CTA
DSG**

Chartered Accountants
43 Castle Street
Liverpool
Merseyside
L2 9TL

Dated: 23 March 2023

**KIDNEY RESEARCH NORTHWEST
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2022**

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes						
Income from:							
Donations and legacies	3	3,987	-	3,987	206,716	-	206,716
Other trading activities	4	1,425	-	1,425	-	-	-
Investments	5	107,543	-	107,543	85,634	-	85,634
Total income		<u>112,955</u>	<u>-</u>	<u>112,955</u>	<u>292,350</u>	<u>-</u>	<u>292,350</u>
Expenditure on:							
Raising funds	6	39,479	-	39,479	39,842	-	39,842
Charitable activities	7	145,076	-	145,076	238,577	-	238,577
Total resources expended		<u>184,555</u>	<u>-</u>	<u>184,555</u>	<u>278,419</u>	<u>-</u>	<u>278,419</u>
Net gains/(losses) on investments	12	(94,527)	-	(94,527)	343,821	-	343,821
Net movement in funds		<u>(166,127)</u>	<u>-</u>	<u>(166,127)</u>	<u>357,752</u>	<u>-</u>	<u>357,752</u>
Fund balances at 1 July 2021		<u>2,545,178</u>	<u>13,427</u>	<u>2,558,605</u>	<u>2,187,426</u>	<u>13,427</u>	<u>2,200,853</u>
Fund balances at 30 June 2022		<u><u>2,379,051</u></u>	<u><u>13,427</u></u>	<u><u>2,392,478</u></u>	<u><u>2,545,178</u></u>	<u><u>13,427</u></u>	<u><u>2,558,605</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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

**KIDNEY RESEARCH NORTHWEST
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET**

AS AT 30 JUNE 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	14		513		660
Investments	15		2,341,573		2,443,579
			<u>2,342,086</u>		<u>2,444,239</u>
Current assets					
Debtors	17	581		203,930	
Cash at bank and in hand		468,906		282,234	
		<u>469,487</u>		<u>486,164</u>	
Creditors: amounts falling due within one year	18	<u>(185,578)</u>		<u>(174,768)</u>	
Net current assets			283,909		311,396
Total assets less current liabilities			2,625,995		2,755,635
Creditors: amounts falling due after more than one year	19		(233,517)		(197,030)
Net assets			<u>2,392,478</u>		<u>2,558,605</u>
Income funds					
Restricted funds	20		13,427		13,427
Unrestricted funds			2,379,051		2,545,178
			<u>2,392,478</u>		<u>2,558,605</u>

**KIDNEY RESEARCH NORTHWEST
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET (CONTINUED)**

AS AT 30 JUNE 2022

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 June 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 23 March 2023

A Hammad
Trustee

Company registration number 7567881

**KIDNEY RESEARCH NORTHWEST
COMPANY LIMITED BY GUARANTEE
STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	25		70,744		(241,958)
Investing activities					
Purchase of tangible fixed assets		-		(733)	
Purchase of investments		(452,708)		(120,362)	
Proceeds from disposal of investments		460,187		131,970	
Investment income received		108,449		85,634	
Net cash generated from investing activities			115,928		96,509
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			186,672		(145,449)
Cash and cash equivalents at beginning of year			282,234		427,683
Cash and cash equivalents at end of year			468,906		282,234

The notes on pages 13 to 23 form part of these financial statements.

**KIDNEY RESEARCH NORTHWEST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

1 Accounting policies

Charity information

Kidney Research Northwest is a private company limited by guarantee incorporated in England and Wales. The registered office is 3rd Floor, 5 Temple Square, Temple Street, Liverpool, Merseyside, L2 5RH.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, and having due regard to the impact of Covid-19, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus 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 their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. 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 charity is legally 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 charity 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.

No amount is included in the financial statements for volunteer time in line with the SORP. Further detail is given in the Trustees' Annual Report.

Legacies are recognised on receipt or otherwise if the charity 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.

Investment income is earned through holding assets for investment purposes such as shares and bank deposits. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

**KIDNEY RESEARCH NORTHWEST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

1 Accounting policies

(Continued)

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds.
- Expenditure on charitable activities.
- Other expenditure represents those items not falling into the categories above.
-

Research project costs are now recognised as a liability in full in the year in which the project is approved. This represents a change in accounting policy due to the implementation of FRS 102, as previously research grants were recognised in the period to which the costs related.

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

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at the charity's registered office. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises and overheads have been allocated on the basis of staff numbers.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 9.

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.

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:

Fixtures and fittings	20% per annum
Computers	33% per annum

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 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity 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).

**KIDNEY RESEARCH NORTHWEST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

1 Accounting policies

(Continued)

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity 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 charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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 and bank loans 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.11 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

1.12 Employee benefits

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

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**KIDNEY RESEARCH NORTHWEST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies (Continued)

1.13 Retirement benefits

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

2 Critical accounting estimates and judgements

In the application of the charity'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.

3 Donations and legacies

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Donations and gifts	3,987	3,692
Legacies receivable	-	203,024
	<u>3,987</u>	<u>206,716</u>

4 Other trading activities

	Unrestricted funds 2022 £	Total 2021 £
Fundraising events	<u>1,425</u>	<u>-</u>

**KIDNEY RESEARCH NORTHWEST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

5 Investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Income from listed investments	106,920	85,202
Bank interest receivable	623	432
	<u>107,543</u>	<u>85,634</u>

6 Raising funds

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Fundraising and publicity		
Support costs	26,139	27,235
Investment management	13,340	12,607
	<u>39,479</u>	<u>39,842</u>

7 Charitable activities

	Research projects 2022 £	Research projects 2021 £
Grant funding of activities (see note 8)	97,763	192,890
Share of support costs (see note 9)	43,052	42,027
Share of governance costs (see note 9)	4,261	3,660
	<u>145,076</u>	<u>238,577</u>

**KIDNEY RESEARCH NORTHWEST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

8 Grants payable

	Research projects 2022 £	Research projects 2021 £
Grants to institutions:		
University of Liverpool	97,763	192,890
	<u>97,763</u>	<u>192,890</u>

9 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Staff costs	60,013	-	60,013	58,277	-	58,277
Depreciation	147	-	147	73	-	73
Telephone	899	-	899	871	-	871
Bank charges	116	-	116	63	-	63
Insurance	553	-	553	549	-	549
Bookkeeping and administration	7,309	-	7,309	9,353	-	9,353
Sundry expenses	154	-	154	76	-	76
Audit fees	-	4,170	4,170	-	3,582	3,582
Statutory fees	-	91	91	-	78	78
	<u>69,191</u>	<u>4,261</u>	<u>73,452</u>	<u>69,262</u>	<u>3,660</u>	<u>72,922</u>
Analysed between						
Fundraising	26,139	-	26,139	27,235	-	27,235
Charitable activities	43,052	4,261	47,313	42,027	3,660	45,687
	<u>69,191</u>	<u>4,261</u>	<u>73,452</u>	<u>69,262</u>	<u>3,660</u>	<u>72,922</u>

With the exception of the Chief Executive's employment costs and travel, that are charged 60% to fundraising and 40% to charitable activities based on the estimated proportion of time spent on those areas, all other support costs are charged to charitable activities,

**KIDNEY RESEARCH NORTHWEST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

10 Trustees

An amount of £7,309 (2021 £9,353) (including value added tax) was charged by Mitchell Charlesworth LLP, Chartered Accountants, during the year for bookkeeping and accountancy services. Mr P L Griffiths (who was a trustee and the Company Secretary until 3 November 2022), is a partner in Mitchell Charlesworth LLP and its successor firm.

No remuneration was paid to any other trustees during the year, nor were any trustee expenses reimbursed.

The total amount of employee remuneration received by key management personnel was £41,015 (2021 £40,764).

The charity considers its key management personnel to comprise the Chief Executive Officer.

11 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Administration and fundraising	2	2
	<u>2</u>	<u>2</u>
Employment costs	2022	2021
	£	£
Wages and salaries	58,215	55,500
Social security costs	455	1,235
Other pension costs	1,343	1,542
	<u>60,013</u>	<u>58,277</u>
	<u>60,013</u>	<u>58,277</u>

There were no employees whose annual remuneration was £60,000 or more.

12 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Revaluation of investments	(93,187)	330,470
Gain/(loss) on sale of investments	(1,340)	13,351
	<u>(94,527)</u>	<u>343,821</u>
	<u>(94,527)</u>	<u>343,821</u>

**KIDNEY RESEARCH NORTHWEST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

13 Taxation

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

14 Tangible fixed assets

	Fixtures and fittings	Computers	Total
	£	£	£
Cost			
At 1 July 2021	2,569	2,182	4,751
	<hr/>	<hr/>	<hr/>
At 30 June 2022	2,569	2,182	4,751
	<hr/>	<hr/>	<hr/>
Depreciation and impairment			
At 1 July 2021	2,569	1,522	4,091
Depreciation charged in the year	-	147	147
	<hr/>	<hr/>	<hr/>
At 30 June 2022	2,569	1,669	4,238
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 30 June 2022	-	513	513
	<hr/>	<hr/>	<hr/>
At 30 June 2021	-	660	660
	<hr/>	<hr/>	<hr/>

**KIDNEY RESEARCH NORTHWEST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

15 Fixed asset investments

	ListedCash in portfolio investments		Total
	£		£
Cost or valuation			
At 1 July 2021	2,300,664	142,915	2,443,579
Additions	452,708	-	452,708
Valuation changes	(99,037)	-	(99,037)
Movement in cash	-	(111,105)	(111,105)
Disposals	(344,572)	-	(344,572)
At 30 June 2022	2,309,763	31,810	2,341,573
Carrying amount			
At 30 June 2022	2,309,763	31,810	2,341,573
At 30 June 2021	2,300,664	142,915	2,443,579

	2022	2021
	£	£
Fees paid to Blankstone Sington Limited		
Management fees	13,340	12,606

16 Financial instruments

	2022	2021
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	2,309,763	2,300,664

17 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Other debtors	-	906
Prepayments and accrued income	581	203,024
	581	203,930

**KIDNEY RESEARCH NORTHWEST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

18 Creditors: amounts falling due within one year

	2022	2021
	£	£
Other taxation and social security	951	861
Trade creditors	642	60
Accruals and deferred income	183,985	173,847
	<u>185,578</u>	<u>174,768</u>

19 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Accruals and deferred income	233,517	197,030
	<u>233,517</u>	<u>197,030</u>

20 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 July 2020	Incoming resources	Balance at 1 July 2021	Incoming resources	Balance at 30 June 2022
	£	£	£	£	£
Mrs. C B Gleave (deceased) fund	13,427	-	13,427	-	13,427
	<u>13,427</u>	<u>-</u>	<u>13,427</u>	<u>-</u>	<u>13,427</u>

The restricted fund represents a legacy received by Kidney Research Northwest from the estate of Mrs. Clarisse Bamford Gleave which must be used wholly to provide research into 'Wegeners' and other related diseases.

21 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 30 June 2022 are represented by:						
Tangible assets	513	-	513	660	-	660
Investments	2,341,573	-	2,341,573	2,443,579	-	2,443,579
Current assets/(liabilities)	270,482	13,427	283,909	297,969	13,427	311,396
Long term liabilities	(233,517)	-	(233,517)	(197,030)	-	(197,030)
	<u>2,379,051</u>	<u>13,427</u>	<u>2,392,478</u>	<u>2,545,178</u>	<u>13,427</u>	<u>2,558,605</u>

**KIDNEY RESEARCH NORTHWEST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

22 Capital commitments

There were no capital commitments as at 30 June 2022 (2021 £nil).

23 Related party transactions

There were no disclosable related party transactions during the year (2021 - none) other than those reported in note 10.

24 Other information

A payment of £250,000 was made by the charity during the year ended 30th June 1995, as a grant, for the provision of research facilities at the University of Liverpool over a period of 25 years.

The charity exercised its right to extend the term by a further 15 years during 2020 at no extra cost.

25 Cash generated from operations	2022	2021
	£	£
(Deficit)/surplus for the year	(166,127)	357,752
Adjustments for:		
Investment income recognised in statement of financial activities	(107,543)	(85,634)
Loss/(gain) on disposal of investments	1,340	(13,351)
Fair value gains and losses on investments	93,187	(330,470)
Depreciation and impairment of tangible fixed assets	147	73
Movements in working capital:		
Decrease/(increase) in debtors	202,443	(203,022)
Increase in creditors	47,297	32,694
Cash generated from/(absorbed by) operations	70,744	(241,958)

26 Analysis of changes in net funds

The charity had no debt during the year.

27 Company limited by guarantee

The company is limited by guarantee and has no share capital. On winding up of the company each member will contribute £1.