

Registered number: 10529899
Charity number: 1173589

PTEN RESEARCH FOUNDATION
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

LUBBOCK FINE LLP
Chartered Accountants
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB

PTEN RESEARCH FOUNDATION
(A company limited by guarantee)

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PTEN RESEARCH FOUNDATION
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021

Trustees / Directors	Riccardo Zacconi Renata Crome Sussanah Clark Dr Philip Bedford Siriana Baldini
Company registered number	10529899
Charity registered number	1173589
Registered office	3rd Floor, Paternoster House 65 St. Paul's Churchyard London EC4M 8AB
Independent auditors	Lubbock Fine LLP Chartered Accountants & Statutory Auditors Paternoster House 65 St Paul's Churchyard London EC4M 8AB
Bankers	Barclays Wealth Mayfair London W1K 1AF JP Morgan Bank Luxembourg S.A. 1 Boulevard du Roi Albert II Brussels Belgium B-1210 Brussels

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 MARCH 2021

The Trustees, who are also Directors for the purposes of Company Law, present their annual report together with the audited financial statements of the charity for the period 1st April 2020 to 31st March 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 the 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) (effective 1 January 2019)

Trustees

The trustees who served during the period were:

- Riccardo Zacconi (Director and Trustee)
- Susannah Clark (Director and Trustee)
- Dr Phillip Bedford
- Renata Crome
- Siriana Baldini

It is noted that after the end of the period, on 11th May 2021, Dr Phillip Bedford, Renata Crome and Siriana Baldini were all appointed as directors of the charitable company.

Riccardo Zacconi has signed the report on behalf of the Board of Trustees and the Directors.

Members

The company currently has a single member, Blue Compass PTC Limited who has been in place since 16th December 2016.

Structure, governance and management

1. Name of the governing document and how the charity is constituted

The PTEN Research Foundation ('the Foundation' or 'PTEN Research') was established as a charity under English and Welsh law in 2017 (registered number 1173589). The charity is constituted under a Memorandum of Association and Articles of Association, dated 16th December 2016. The Foundation's mission is to fund and facilitate research that will lead to new and better treatments for PTEN hamartoma tumour syndrome (PHTS).

2. Methods used to recruit and appoint new trustees, including any constitutional provisions if applicable

As per its Articles of Association, PTEN Research shall at all times be governed by not less than three trustees and until the Charity determines otherwise by ordinary resolution, shall not be subject to any maximum.

The appointment, recruitment and terms of office for new trustees is determined by the governance needs of the Foundation to meet its mission. New trustees are recruited through relevant scientific, research or business networks. Active consideration is given to the diversity of the Board. As per the charity's governing document, any person who is willing to act as a trustee and is permitted by law to do so, may be appointed by a majority vote of the existing trustees. To date trustees have been appointed to the Foundation on the basis of their skills and knowledge, and the contribution they can make to the Foundation.

TRUSTEES' REPORT (continued)

FOR THE PERIOD ENDED 31 MARCH 2021

3. The charity's organisational structure and how decisions are made.

The organisational structure of the Foundation is as follows:

- 1) Board of Trustees: the governing entity; they ratify policy and make operational, funding and strategic decisions by majority vote.
- 2) Staff: responsible for carrying out the day-to-day activities of the charity in accordance with its charitable objectives. They are supervised by the trustees and supported in their decision making through a Delegated Scheme of Authority.
- 3) Scientific Advisory Board (SAB): responsible for providing the Foundation with non-binding scientific advice on its programmes and strategy.

At PTEN Research, decisions are made by the trustees or by delegation of authority to staff who manage the daily running of the Foundation. Decisions must either be made by a majority decision of the trustees in person or in writing. The Foundation's trustees and member(s) can exercise the powers of the charity as described in the published articles of association. At the end of March 2021, the Foundation's Board of Trustees included five individuals with knowledge in the fields of drug development, finance, communications, law and business development. The trustees meet at least four times a year.

The Foundation is run by a small team of staff. They have the authority to oversee the day-to-day running of the Foundation by ensuring that PTEN Research adheres to its charitable objectives and mission.

At the end of March 2021, the Scientific Advisory Board (SAB) was comprised of nine experts whose specialisms include: medicine, scientific research, drug development, basic research, clinical research and genetics. The SAB meet on average once a year in person to discuss the scientific progress of the Foundation. In addition, they are consulted during the year to advise on grants or to give input into scientific projects.

- 4 Policies and procedures for induction and training of trustees

On appointment new trustees sign a trustee declaration statement committing their time and expertise to the Foundation. An initial meeting is held with the Foundation staff and trustees, before formally introducing them to the various aspects of the Foundation such as the grant making process, policies and procedures, and other relevant information. New trustees are given access to the Foundation's governing documents, HR policies, financial information, annual reports and accounts, meeting materials and essential trustee guidance provided by the Charity Commission.

- 5 Arrangements for setting pay and remuneration of key management personnel and any criteria used.

Trustees are not remunerated for their work. Trustee expenses are supported in line with Foundation policy. Pay and remuneration for key management staff is set by reviewing market research into pay and remuneration and by agreement of the trustee body. Pay and remuneration are reviewed annually.

6. Statement confirming major risks have been reviewed and systems or procedures have been established to manage these risks

Staff maintain risk registers to manage and monitor risks associated with the functioning of the Foundation and related to the projects it funds. Major risks are raised to the trustees through both written and verbal reports at least once a quarter. If new significant risks occur, these are raised immediately to the trustees outside of the routine cycle of meetings. The Foundation holds an internal programme-focused meeting once a fortnight and fortnightly team staff meeting to review the progress of funded projects and to identify risks or mitigations.

Objectives and Activities

1. Purposes of the charity and strategy

As per its governing documents, the Foundation's purposes are specifically restricted to:

"the protection and promotion of the health of individuals diagnosed with PTEN hamartoma tumour syndrome (PHTS) or other related conditions (by mechanism, clinical presentation or other factors) in particularly by research into the nature, causes, diagnosis, prevention, treatment and cure of PHTS or other related conditions, including the development of findings of research into practical applications for the prevention, treatment and cure of PHTS or other related conditions, and in furtherance of that primary object, to increase awareness of PHTS or other related conditions and provide information and support as appropriate to affected individuals and families; and all purposes that are of public benefit and are exclusively charitable under the law of England and Wales."

The Foundation carries out these objects by implementing activities that support delivery of its strategy as depicted in Figure 1.

The central focus of the Foundation's work is the development of therapy options for the non-malignant symptoms of PHTS that are clinically tractable and have a clear unmet need (Goal 1). A longer-term goal for the Foundation is to improve the management, and potential for prevention, of cancer in PHTS (Goal 2).

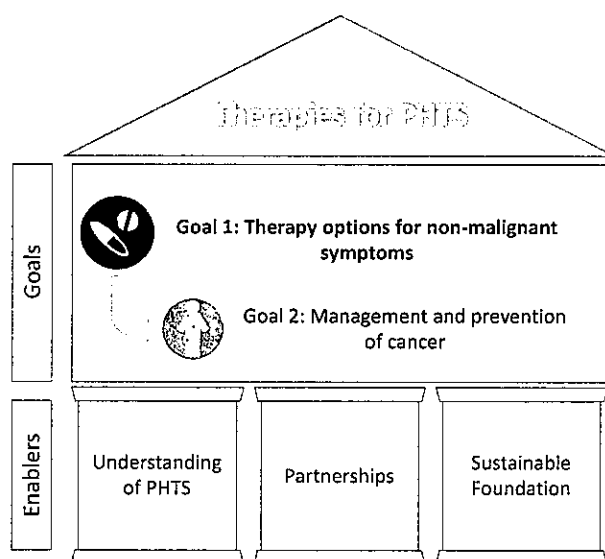


Figure 1: The Foundation's strategic Goals and Critical enabling activities

Specifically, working towards cancer prevention in PHTS is closely tied to the delivery of data generated via the execution of Goal 1. Through supporting basic and translational research, and interventional clinical trials focussed on the non-malignant manifestations of PHTS, the Foundation aims to identify biomarkers of disease that correlate with clinical outcomes, and which could ultimately be evaluated as surrogate markers of cancer initiation or progression in PHTS patients. Thus, the future development of the Foundation's cancer strategy is intimately linked to the delivery of Goal 1.

Each year the strategy, future plan and budgets are reviewed by the trustees and agreed.

TRUSTEES' REPORT (continued)

FOR THE PERIOD ENDED 31 MARCH 2021

2. Activities undertaken in the year.

The total income received for the period ending 31st March 2021 was £722,909. This income was a result of the following activities:

- Restricted donations received: £418. As a result of volunteer fundraising efforts, restricted donations were given to the Foundation for the purposes of funding medical research projects.
- Unrestricted donations received: £nil
- Investment income received: £722,491.

The total expenditure for the year ending 31st March 2021 was £2,530,146. This expenditure supported the Foundation's core activities to set in place the strategy, process and governance bodies to fund clinical trials and medical research projects.

The Foundation's core activities were focused on commissioning work and granting activities to set up awards for scientific research in line with the Foundation's strategy. The Foundation also consulted with many subject matter experts on a range of topics and progressed business development opportunities.

The Foundation maintains a dialogue with PHTS patient advocacy groups to support an understanding of the work that the Foundation is undertaking.

Work continued with industry and an academic institution, on the process of discovery into novel drug development for PHTS.

3. Criteria used to assess the success of the reporting period

The trustees meet once a quarter and the SAB once a year to assess the progress of the Foundation against its strategic objectives. During the year, trustees agreed goals and objectives for the following twelve months.

4. Significant achievements and how these contribute to the charity's aims

Overview

Despite the impact of the COVID-19 pandemic, the Foundation continued to make significant progress to progress its mission during the period 1st April 2020 to 31st March 2021.

The Foundation's strategy was reviewed, updated and endorsed by the Foundation's Scientific Advisory Board. Whilst this did not fundamentally change the Foundation's mission and vision, it has supported prioritisation and areas of focus for the Foundation. (The updated strategy is summarised in Figure 1.)

There were 18 active projects at the year-end, of which 14 were with academic collaborators and the remainder with commercial partners. A further 3 projects were in active development. Significant progress was made on a number of key scientific projects:

- The randomised, placebo controlled, clinical trial (NCT02991807) assessing the use of the mTOR inhibitor everolimus vs placebo in PHTS subjects with neurobehavioural problems completed recruitment. This was a significant milestone for PHTS research as it was the first ever clinical trial to assess a drug intervention in this specific patient population. Publication of results is expected later in 2021. PTEN Research was the majority funder of this study.
- Reflecting the importance of developing approaches to facilitate future clinical trials in PHTS subjects, grants were made to the University of Melbourne and John Carroll University to support the development of PHTS-specific neurobehavioural evaluation tools. It is hoped that these tools may become endpoints for future clinical trials.
- An application for an International Classification of Diseases (ICD-10-CM) code for PHTS was also submitted to the US Center for Disease Control.

TRUSTEES' REPORT (continued)

FOR THE PERIOD ENDED 31 MARCH 2021

- The Foundation's preclinical work is focussed on the development of relevant preclinical models in which to perform drug repurposing studies to provide supportive data and rationale for future PHTS patient clinical trials. Initially, the studies are focused on a broad range of existing molecules that have been developed to specifically inhibit the key signalling nodes of the PI3K/AKT/mTOR pathway. Inhibitory activity will be assessed both *in vitro* and *in vivo* in models that are dependent on loss of PTEN function. During the year significant progress was made towards model development targeting malignancy (endometrial hyperplasia), vascular anomalies and neurology with multiple academic collaborators. Further, the Foundation signed agreements with the Contract Research Organisations (CROs) Evotec and Charles River Laboratories to broaden the range of available PHTS-specific models and provide capacity to evaluate large numbers of drug repurposing candidates in contrast to the more bespoke studies with academic collaborators.
- A collaboration with the vascular biology group at Josep Carreras Leukaemia Research Institute in Barcelona has established a model of PHTS vascular malformations and is assessing two potential clinical candidates.

Governance:

In the period ending 31st March 2021, the Foundation continued to strengthen its governance. The relationship with the Scientific Advisory Board was reinforced by adoption of a formal charter signed by all members.

Processes for regular reporting and risk escalation to ensure transparent and informed decision-making continue to be used to guide the Foundation's grants and work.

Strategy:

As previously noted, the Foundation's strategy was reviewed and updated as depicted in Figure 1. A longer-term plan of activities until approximately 2029 to deliver the strategy is actively maintained and costed.

Staff:

In March 2021, recognising the growth and maturation of the Foundation, the trustees appointed the Foundation's first Chief Executive. The drivers for this include the increased volume of Foundation activities and associated budget; the need to ensure appropriate ongoing scientific prioritisation and enhanced internal decision-making processes, including portfolio management. The Foundation continues to maintain and develop policies and processes for HR, operations, financial awards and fundraising, as required.

Clinical Development Working Groups (CDWGs):

These are multidisciplinary groups of international PHTS thought leaders supporting the Foundation with outputs envisaged to play a key role in shaping and optimising the design of future prospective PHTS clinical studies and ways to improve patient care more broadly. The continued development of the Clinical Development Working Groups (CDWGs) over the last year has provided significant value to the Foundation.

Patient engagement:

The Foundation has maintained regular interactions with patient advocacy groups. (Historically, staff have attended PHTS patient days however such activities were naturally placed on hold as a result of the COVID-19 pandemic.) The Foundation cannot offer specific advice to individual patients.

Analysis of publicly available scientific and medical literature:

Desk research continues to be held on publications relating to the natural history and the mechanism of disease of PHTS. Trustees and the staff team regularly review these developments to ensure the Foundation's activities remain relevant and robust.

Fundraising:

The Foundation received £418 in donations (all restricted).

TRUSTEES' REPORT (continued)

FOR THE PERIOD ENDED 31 MARCH 2021

5. Grant making policy

The Foundation provides grants in line with its strategic goals and mission.

The Foundation funds research projects that can translate into better treatments for PHTS patients. This includes clinical research studies, interventional clinical trials, preclinical/translational research projects and, where appropriate, basic research projects.

Funding is primarily provided through two mechanisms:

- Targeted calls
- Innovation Awards

It is noted that discussions arising from the Clinical Development Working Groups have also led to several grant applications.

Grants are awarded to Principal Investigators who have qualified with an MD or PhD and who have an established research programme in a recognised academic or clinical research institution. Eligibility is not restricted to any specific geography.

Funding is intended to support all essential costs relating to the project, including staff, consumables, equipment, travel and publication costs. The Foundation has a policy to only pay costs directly attributable to the activities of the grant.

Applications undergo a scientific, strategic, and programmatic assessment by the Foundation's internal research team before generally being submitted for external peer review by at least two independent subject-matter experts. The peer reviewed applications are then subject to review by the Scientific Advisory Board (SAB) and trustees.

In addition to grants, the Foundation commissions work with academic and industry partners in the pursuit of its mission. This contracted work undergoes a scientific, strategic and programmatic assessment by the Foundation's internal research team before work commences.

6. Use of volunteers

At present the Foundation does not utilise volunteer staff and has chosen not to develop a fundraising network of volunteers. Instead, the Foundation's approach is to support the effort of 'in aid of' fundraisers, who run events independently and pay in all funds. If this approach were to change in the future, all policies, procedures and relevant governing documents would be updated to reflect the amendment.

As previously noted, trustees are engaged on a voluntary basis.

7. Statement confirming that the activities undertaken were to further the charity's purposes for the public benefit and that the trustees have had regard to Charity Commission's guidance on public benefit.

The trustees confirm that the activities undertaken have been to further the charity's purposes for public benefit and that they have had regard to the Charity Commission's guidance on public benefit.

Registers of interests, hospitality and gifts are kept and made available to stakeholders in line with the Foundation's agreed policy on disclosure.

8. Performance of fundraising activities.

Given the small size of the team and the low public awareness of PHTS, we have not, to date, developed a prototypical charity fundraising strategy.

TRUSTEES' REPORT (continued)

FOR THE PERIOD ENDED 31 MARCH 2021

However, when negotiating legal agreements, including grant terms and conditions, the Foundation actively seeks to equitably share, relative to the proportion of the total costs funded by the Foundation, any potential arising intellectual property ownership, commercialisation rights and/or royalties.

Further by highlighting the unmet medical need of PHTS to pharmaceutical and biotech organisations coupled with potential regulatory incentives associated with both paediatric and rare disease drug development applicable to PHTS, we hope that such organisations may not only provide direct financial support to the charity to access preclinical models developed by the Foundation but also may independently support PHTS drug development.

9. Risk Management

The primary risks that affect the Foundation are those inherent with attempting to develop a drug-based therapy in a rare disease population, given the complexity of the syndrome and the low numbers of PHTS patients worldwide.

We seek to maximise the probability that one or more projects will provide positive data by exploring multiple projects addressing different manifestations of the disease simultaneously.

To ensure good stewardship of charitable funds the Foundation actively seeks the guidance of key opinion leaders in the field PHTS worldwide both via the Scientific Advisory Board and the Clinical Development Working Groups. Further, grants continue to be independently peer reviewed and following robust contracting procedures are subject to active monitoring and evaluation by the Foundation staff.

The Foundation maintains detailed assessment of risks for all its ongoing scientific projects. These are summarised and documented in the Foundation's Project and Portfolio Dashboard. A separate operational risk register is also maintained. Both documents are updated and reviewed as standing agenda items at the quarterly trustee meetings.

Whilst the COVID-19 pandemic could not have been foreseen, the Foundation staff and trustees proactively reviewed the impact of the pandemic on both individual scientific projects and operationally. A detailed and ongoing review of the impact of COVID-19 was undertaken for all scientific projects in partnership with the respective principal investigators. Inevitably, COVID-19 has resulted in the revision of timelines and payment of milestones for certain programmes given the impact this has had both on laboratory and clinical activities.

Operationally, the Foundation staff transitioned to home-based working utilising multiple electronic tools to maintain active communication and teamwork whilst working remotely. Further, the Foundation was able exercise its right not to renew its lease on office space without financial penalty.

The Foundation is fortunate that it was not reliant on fundraising activities during this period to continue its scientific projects or operations.

Financial Review

1 Review of the charity's financial position as at the end of the reporting period

At the end of the reporting period the Foundation holds no restricted funds.

In addition, the charity holds general funds £34,212,308 to be used for direct or support costs over a period of approximately 9 years.

TRUSTEES' REPORT (continued)

FOR THE PERIOD ENDED 31 MARCH 2021

2. Principal fundraising sources.

The Foundation is primarily funded through one-off donations and income from its investments. During the year the Foundation undertook a formal review and retendering of its investment managers with the goal of ensuring appropriate liquidity to meet its short-term liabilities whilst also maximising the opportunity for investment growth.

3. Reserves Policy

The Foundation did not implement a reserves policy.

All restricted and unrestricted donations received to date have been accounted for in the Foundation's accountancy software and are clearly split with respect to purpose and use.

Plans for Future Periods

In the coming year, the Foundation's existing granted and industry-based collaborations will continue to progress and read out.

The Foundation will continue to forge links with members of the professional and patient communities, with the aim of facilitating future collaborative working. To this end, the Foundation intends to hold a scientific meeting with all its funded researchers and collaborators to further enhance sharing of knowledge and promote synergy. Foundation staff will continue to participate in other events, meetings and patient days, where appropriate.

Specifically, we plan to launch a targeted call for grants specifically to elucidate and support improved understanding of role of non-canonical functions of PTEN in PHTS.

Further, the following activities to strengthen operational processes and performance are planned to be implemented:

- Commission a third-party assessment of the Foundation's governance and trusteeship in order to ensure that systems, process and oversight remain fit for purpose as the organisation continues to mature and evolve.
- Hire a Director of Finance and Business Operations as formally financially trained individual to provide additional strength not only to the Foundation's financial management but also business operations activities including, legal, compliance, HR and IT.
- Further invest in staff development through training and implementation of a new performance management system.

TRUSTEES' REPORT (continued)

FOR THE PERIOD ENDED 31 MARCH 2021

Trustees' Responsibilities Statement

The Trustees (who include all of the directors of PTEN Research Foundation for the purposes of company law) are responsible for preparing the Trustees' 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing 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 and FRS 102;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

Disclosure of information to Auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

In preparing this report, the Trustees have taken advantage of the small companies' exemption provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees, on 22/11/21 and signed on their behalf by:



Riccardo Zacconi
Trustee

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PTEN RESEARCH FOUNDATION
FOR THE YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of PTEN Research Foundation (the 'charity') for the year ended 31 March 2021 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 March 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PTEN RESEARCH FOUNDATION
(CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditors' 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, except to the extent otherwise explicitly stated in our report, 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PTEN RESEARCH FOUNDATION
(CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the 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.

Auditors' 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 auditors' 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.

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. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the sector and the impact of Covid 19 on financial and operating performance and policies;
- Enquiries of management, including obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance of laws and regulations; and
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. The engagement team includes audit partners and staff who have extensive experience of working with entities in similar sectors and this experience was relevant to the discussion about where fraud risks might arise.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Charities Act, Charities SORP 2019 and the Companies Act 2006.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PTEN RESEARCH FOUNDATION
(CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

As a result of these procedures, we considered the particular areas that were susceptible to misstatement due to irregularities including fraud were in respect of income recognition and classification, management override and unrecorded grant commitments. Our procedures to respond to risks identified included the following

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reading minutes of meetings of those charged with governance;
- Reviewing recognition of income to supporting documentation to verify appropriate recognition and classification;
- In addressing the risk of fraud through management override of controls; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of the charity's operations;
- Reviewing grant agreements and evidence supporting stage of completion in respect of grant milestones to verify accuracy of grant commitments.

There are inherent limitations in the audit procedures described above 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 would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of our report

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

David Chandra

David Chandra (Senior Statutory Auditor)

for and on behalf of

Lubbock Fine LLP

Chartered Accountants & Statutory Auditors

Paternoster House

65 St Paul's Churchyard

London

EC4M 8AB

Date: 29 November 2021

PTEN RESEARCH FOUNDATION
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	2	-	418	418	2,874
Investments	3	722,491	-	722,491	698,917
		<u>722,491</u>	<u>418</u>	<u>722,909</u>	<u>701,791</u>
Total income					
Expenditure on:					
Raising funds		65,407	-	65,407	86,024
Charitable activities:	4,5				
Direct costs		2,237,784	3,779	2,241,563	1,358,846
Support costs		223,176	-	223,176	(384,768)
		<u>2,526,367</u>	<u>3,779</u>	<u>2,530,146</u>	<u>1,060,102</u>
Total expenditure					
Net expenditure before net gains/(losses) on investments		(1,803,876)	(3,361)	(1,807,237)	(358,311)
Net gains/(losses) on investments		312,832	-	312,832	(339,140)
Foreign exchange (losses)/gains on investments		(1,718,904)	-	(1,718,904)	430,472
		<u>(3,209,948)</u>	<u>(3,361)</u>	<u>(3,213,309)</u>	<u>(266,979)</u>
Net movement in funds					
Reconciliation of funds:					
Total funds brought forward		37,422,256	3,361	37,425,617	37,692,596
Net movement in funds		(3,209,948)	(3,361)	(3,213,309)	(266,979)
		<u>34,212,308</u>	<u>-</u>	<u>34,212,308</u>	<u>37,425,617</u>
Total funds carried forward					

The notes on pages 18 to 34 form part of these financial statements.

BALANCE SHEET

AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	9	1,623	3,105
Investments	10	17,145,083	17,142,560
		<u>17,146,706</u>	<u>17,145,665</u>
Current assets			
Debtors	11	4,445	11,614
Investments	12	7,101,446	18,582,510
Cash at bank and in hand		10,562,584	1,799,649
		<u>17,668,475</u>	<u>20,393,773</u>
Creditors: amounts falling due within one year	13	(602,873)	(113,821)
Net current assets		<u>17,065,602</u>	<u>20,279,952</u>
Total assets less current liabilities		<u><u>34,212,308</u></u>	<u><u>37,425,617</u></u>
Charity funds			
Restricted funds	15	-	3,361
Unrestricted funds	15	34,212,308	37,422,256
Total funds		<u><u>34,212,308</u></u>	<u><u>37,425,617</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Riccardo Zacconi
Trustee

Date:

22/11/2021



The notes on pages 18 to 34 form part of these financial statements.

PTEN RESEARCH FOUNDATION
(A company limited by guarantee)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	17	(312,630)	1,305,279
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,199)	(3,557)
Proceeds from sale of investments		12,262,035	28,677,797
Purchase of investments		(14,390,975)	(36,300,392)
Investment income		722,491	698,917
Transfer to investments from cash		10,676,748	(21,144,288)
Net cash provided by/(used in) investing activities		<u>9,269,100</u>	<u>(28,071,523)</u>
Change in cash and cash equivalents in the year		8,956,470	(26,766,244)
Cash and cash equivalents at the beginning of the year		1,799,649	27,964,782
Change in cash and cash equivalents due to exchange rate movements		(193,535)	601,111
Cash and cash equivalents at the end of the year	18	<u><u>10,562,584</u></u>	<u><u>1,799,649</u></u>

The notes on pages 18 to 34 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies

General information

PTEN Research Foundation is a charitable company limited by guarantee incorporated in England on 16 December 2016 and registered with the Charity Commission on 27 June 2017. Its registered office address is 3rd Floor, Paternoster House, 65 St. Paul's Churchyard, London, EC4M 8AB.

1.1 Basis of preparation of financial statements

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

PTEN Research Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The accounts have been prepared in GBP sterling as this is the operating currency of the charity.

1.2 Company status

The sole member of the charity is Blue Compass PTC. In the event of the company being wound up, the liability in respect to the guarantee is limited to £1 per member of the charity.

1.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised in the period in which they are pledged.

Gifts of investments are measured at fair value and are recognised on the balance sheet with a corresponding amount being recognised in income.

1.4 Interest receivable

Interest on funds held on deposit is included 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. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies (continued)

1.5 Expenditure (continued)

Charitable activities are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

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.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include governance costs.

All expenditure is inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	- 33% straight line
Computer equipment	- 33% straight line

1.7 Investments

Current and fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities incorporating Income and Expenditure Account.

Fixed asset investments are those investments held for the generation of investment income, investment potential or both and have a maturity of at least one year from the balance sheet date.

Current asset investments are those investments held for investment purposes rather than to meet short term cash commitments as they fall due. Current asset investments are expected to be realised within 12 months of the reporting date and include cash on deposit and cash equivalents with a maturity of less than one year.

1.8 Debtors

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

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments held to meet short term cash commitments as they fall due rather than for investment potential. Cash and short term highly liquid investments have a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies (continued)

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 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.

Trade and other creditors are recognised at the settlement amount after any trade discounts received. Accruals are value based on the estimated amount to be paid.

1.11 Financial instruments

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

1.12 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities incorporating Income and Expenditure Account.

1.13 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

1.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations	-	418	418

	Unrestricted funds 2020 £	Total funds 2020 £
Donations	2,874	2,874

3. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Investment income	722,491	722,491

	Unrestricted funds 2020 £	Total funds 2020 £
Investment income	698,917	698,917

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

4. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Charitable activities relating to clinical trials and medical research	2,460,960	3,779	2,464,739
		Unrestricted funds 2020 £	Total funds 2020 £
Charitable activities relating to clinical trials and medical research		974,078	974,078

5. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Charitable activities relating to clinical trials and medical research	2,241,563	223,176	2,464,739
	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Charitable activities relating to clinical trials and medical research	1,358,846	(384,769)	974,077

These are costs incurred by the Foundation for its charitable purposes and comprise direct costs, which are attributable to a single charitable activity, and support costs, which are not directly attributable to a single charitable activity and are apportioned between charitable activities on a basis consistent with the use of resources.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

5. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Activities 2021 £	Total funds 2021 £
Staff costs	487,986	487,986
Research contracts, grants and other direct costs	1,753,577	1,753,577
	<u>2,241,563</u>	<u>2,241,563</u>

Staff costs are made up of wages totalling £418,274 (2020 - £329,611), employers national insurance totalling £45,513 (2020 - £36,699) and pension costs totalling £24,199 (2020 - £23,722).

	Activities 2020 £	Total funds 2020 £
Staff costs	390,032	390,032
Research contracts, grants and other direct costs	968,814	968,814
	<u>1,358,846</u>	<u>1,358,846</u>

These direct costs are attributable to a single charitable activity.

Analysis of support costs

	Activities 2021 £	Total funds 2021 £
Staff costs	107,119	107,119
Depreciation	889	889
Foreign exchange gain	(30,521)	(30,521)
General costs	8,884	8,884
Legal & professional fees	50,465	50,465
Bank charges	22,959	22,959
Premises costs	51,867	51,867
Travel costs	1,322	1,322
Audit fees (governance)	8,400	8,400
Loss on disposal of fixed assets	1,792	1,792
	<u>223,176</u>	<u>223,176</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

5. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

Staff costs are made up of wages totalling £91,816 (2020 - £72,354), employers national insurance totalling £9,991 (2020 - £8,056) and pension costs totalling £5,312 (2020 - £5,207).

	Activities 2020 £	Total funds 2020 £
Staff costs	85,617	85,617
Depreciation	1,328	1,328
Foreign exchange gain	(657,788)	(657,788)
General costs	7,045	7,045
Legal & professional fees	63,011	63,011
Bank charges	28,254	28,254
Premises costs	68,035	68,035
Travel costs	11,329	11,329
Audit fees (governance)	8,400	8,400
	<u>(384,769)</u>	<u>(384,769)</u>

These support costs are not directly attributable to a single charitable activity and are apportioned between charitable activities on a basis consistent with the use of resources.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. Grants to Institutions

	2021 £	2020 £
Boston Children's Hospital	193,806	102,108
Cambridge University	21,555	-
Radboud University Medical Center	118,573	124,638
Ohio State University	-	37,891
Beth Israel Deaconess Medical Centre Inc	51,113	157,592
University College London	234,670	248,999
Bellvitge Biomedical Research Institute	73,718	51,682
TC Istanbul Bilim University	(2,311)	-
Biocruces Bizkaia Health Research Institute	26,510	-
Cleveland Clinic	420,813	-
Evotec International	458,624	-
Imagen Therapeutics Ltd	18,140	-
John Carroll University	23,308	-
University of Melbourne	10,352	-
	<u>1,648,871</u>	<u>722,910</u>

During the year grants were made to institutions in respect of research projects and clinical trials.

These Grants to institutions form part of the Foundation's direct costs, which are costs attributable to a single charitable activity.

7. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	8,400	8,400
Fees payable to the Charity's auditor in respect of:		
Other services	<u>2,226</u>	<u>4,260</u>

Auditor's remuneration forms part of the Foundation's support costs, which are not directly attributable to a single charitable activity and are apportioned between charitable activities on a basis consistent with the use of resources.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

8. Staff costs

	2021 £	2020 £
Wages and salaries	510,090	401,965
Social security costs	55,504	44,755
Other pension costs	29,511	28,929
	<u>595,105</u>	<u>475,649</u>

Staff costs include direct costs, which are attributable to a single charitable activity, and support costs, which are not directly attributable to a single charitable activity and are apportioned between charitable activities on a basis consistent with the use of resources.

The average number of persons employed by the Charity during the year was as follows:

	2021 No.	2020 No.
Research and support staff	<u>7</u>	<u>6</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 No.	2020 No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	1	-
In the band £90,001 - £100,000	1	2
In the band £150,001 - £160,000	1	-

Transactions with Trustees

During the year donations totalling £80 (2020 - £nil) were made to a school on behalf of Siriana Baldini, a trustee of the charity.

Transactions with Key Management Personnel

At 31 March 2021, £8 (2020 - £202) was due to key management personnel.

During the year, the Charity's key management personnel received total remuneration of £499,170 (2020 - £405,766).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 April 2020	2,500	3,106	5,606
Additions	-	1,199	1,199
Disposals	(2,500)	-	(2,500)
At 31 March 2021	-	4,305	4,305
Depreciation			
At 1 April 2020	456	2,045	2,501
Charge for the year	252	637	889
On disposals	(708)	-	(708)
At 31 March 2021	-	2,682	2,682
Net book value			
At 31 March 2021	-	1,623	1,623
At 31 March 2020	2,044	1,061	3,105

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2020	17,142,560
Additions	11,410,311
Disposals	(3,629,674)
Revaluations	482,495
Transfers between classes	(7,365,599)
Foreign exchange movement	(895,010)
At 31 March 2021	<u>17,145,083</u>
Net book value	
At 31 March 2021	<u>17,145,083</u>
At 31 March 2020	<u>17,142,560</u>

11. Debtors

	2021 £	2020 £
Due within one year		
Other debtors	-	11,550
Prepayments and accrued income	4,445	64
	<u>4,445</u>	<u>11,614</u>

12. Current asset investments

	2021 £	2020 £
Listed investments	<u>7,101,446</u>	<u>18,582,510</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

13. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	16,594	12,022
Other creditors	-	4,208
Accruals and deferred income	586,279	97,591
	<u>602,873</u>	<u>113,821</u>

14. Financial instruments

	2021	2020
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	24,246,529	35,725,070
Financial assets measured at amortised cost	14	11,615
	<u>24,246,543</u>	<u>35,736,685</u>

	2021	2020
	£	£
Financial liabilities		
Financial instruments measured at amortised cost	<u>602,873</u>	<u>109,613</u>

Financial assets measured at fair value through income and expenditure comprise of fixed and current asset investments.

Financial assets measured at amortised cost comprise of accrued income.

Financial liabilities measured at amortised cost comprise of trade creditors and accruals.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

15. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds					
General Funds	37,422,256	722,491	(2,526,367)	(1,406,072)	34,212,308
Restricted funds					
Medical Research	3,361	418	(3,779)	-	-
Total of funds	<u>37,425,617</u>	<u>722,909</u>	<u>(2,530,146)</u>	<u>(1,406,072)</u>	<u>34,212,308</u>

Medical Research - To support medical research taken place into the PTEN gene and finding a potential treatment of PHTS.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

15. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2020 £
Unrestricted funds					
General Funds	37,689,235	701,791	(1,060,102)	91,332	37,422,256
Restricted funds					
Medical Research	3,361	-	-	-	3,361
Total of funds	<u>37,692,596</u>	<u>-</u>	<u>(1,060,102)</u>	<u>91,332</u>	<u>37,425,617</u>

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	1,623	1,623
Fixed asset investments	17,145,083	17,145,083
Current assets	17,668,475	17,668,475
Creditors due within one year	(602,873)	(602,873)
Total	<u>34,212,308</u>	<u>34,212,308</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

16. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	3,105	-	3,105
Fixed asset investments	17,142,560	-	17,142,560
Current assets	20,390,412	3,361	20,393,773
Creditors due within one year	(113,821)	-	(113,821)
Total	37,422,256	3,361	37,425,617

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(1,494,405)	(697,451)
Adjustments for:		
Depreciation charges	181	1,328
Loss on disposal	1,792	-
Dividends and interests from investments	(722,491)	(698,917)
Decrease in debtors	7,169	2,860,779
Increase in creditors	489,052	101,511
(Gain) / loss on investments	(312,832)	339,140
Foreign exchange non cash movements on investments	1,718,904	(1,031,583)
Net cash provided by/(used in) operating activities	(312,630)	874,807

18. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank	10,562,584	1,799,649
Total cash and cash equivalents	10,562,584	1,799,649

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

19. Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	Other non- cash changes £	At 31 March 2021 £
Cash at bank and in hand	1,799,649	8,956,470	(193,535)	10,562,584
Liquid investments	18,582,510	(10,922,629)	(558,435)	7,101,446
	<u>20,382,159</u>	<u>(1,966,159)</u>	<u>(751,970)</u>	<u>17,664,030</u>

20. Pension commitments

The charity operates a defined contribution pension scheme, pension costs for the year were £29,511 (2020 - £28,929).

21. Operating lease commitments

At 31 March 2021 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Amounts payable:		
Within 1 year	<u>-</u>	<u>41,510</u>

The following lease payments and changes in lease payments have been recognised in the statement of financial activities:

	2021 £	2020 £
Operating lease rentals	48,916	47,742
Changes in lease payments arising from COVID-19 related rent concessions	<u>(2,669)</u>	<u>-</u>
	<u>46,247</u>	<u>47,742</u>

22. Related party transactions

Apart from the transactions disclosed in note 8, there were no related party transactions in the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

23. Post balance sheet events

The ongoing COVID-19 pandemic has adversely impacted global markets, and it is expected that this will also adversely affect the value of the investments held by the Charity and income generated from these investments. The extent of the impact on the value of investments held by the charity and income generated from these investments will depend on future developments, including the duration and spread of the outbreak, related advice and restrictions and the impact of COVID-19 on the financial markets and the overall economy, all of which are highly uncertain and cannot be predicted. If the financial markets and/or the overall economy are impacted for an extended period, the Charity's results may be materially adversely affected and this could have an impact on the valuation of the Charity's investments and income generated from these investments. The Trustees are monitoring the performance of the investment portfolios in conjunction with the investment managers and will take the necessary steps to mitigate against any adverse impact due to COVID-19.