

Registered number: 10529899

Charity number: 1173589

PTEN RESEARCH FOUNDATION

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2024

PTEN RESEARCH FOUNDATION
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2024

Trustees/Directors	Siriana Baldini Susannah Clark Renata Crome Robert Williams Riccardo Zacconi
Company Registered Number	10529899
Charity Registered Number	1173589
Registered Office	4 th Floor St James House Cheltenham GL50 3PR
Independent auditors	Crowe U.K. LLP 4 th Floor St James House Cheltenham GL50 3PR
Investment Manager	Brown Advisory 18 Hanover Square London, W1S 1JY
Bankers	Barclays Wealth Mayfair London W1K 1AF JP Morgan SE 6 Route de Treves L-2633 Senningerberg Luxembourg

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

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 year 1st April 2023 to 31st March 2024. The Trustees confirm that the Annual Report and financial statements of the company comply with 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:

Siriana Baldini
 Susannah Clark
 Renata Crome
 Robert Williams
 Riccardo Zacconi

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, which 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 Foundation is constituted under a Memorandum of Association and Articles of Association, dated 16th December 2016, which were revised by a special resolution of the Foundation's member on 18th July 2022 (the 'Revised Articles'). The Foundation's mission is to fund and facilitate research that will lead to better treatments and improved outcomes for PTEN hamartoma tumour syndrome ('PHTS').

2. Methods used to recruit and appoint new trustees

Under the Revised Articles, PTEN Research must have not less than three Trustees and unless and until the Charity determines otherwise by ordinary resolution, the number of its Trustees is not subject to a maximum limit.

The appointment, recruitment, and terms of office of Trustees are 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. Any person who is willing to act as a Trustee and is permitted by law to do so, may be appointed by an ordinary resolution of the member. To date Trustees have been appointed based on their skills and knowledge, and the contribution they can offer the Foundation.

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

The organisational structure of the Foundation is as follows:

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

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daily running of the Foundation. Under the Revised Articles, decisions of the Board must be supported by a majority of the Trustees either in person or in writing. The Trustees and member can exercise the powers of the charity as described in the published Revised Articles. As at 31st March 2024, and as at the date of this report, 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 has a small team of staff who have the delegated authority to oversee the day-to-day running of the charity, ensuring that it adheres to its charitable objectives and mission.

At 31st March 2024, the Scientific Advisory Board (the 'SAB') comprised ten experts whose specialisms included: medicine and genetics, scientific research including specifically drug development, and clinical research. The SAB meets on average once a year to discuss the scientific progress of the Foundation. The SAB is also consulted during the year to advise on grants or to give input into scientific projects. SAB members have an advisory role and no decision-making authority.

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. After an initial meeting at which new trustees meet the Foundation's staff, they are introduced to the Foundation's grant making process, policies and procedures, and other relevant activities. 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. In May and June 2022, Trustees were provided with two training modules commissioned from an external consultant, which covered trustees' duties and responsibilities as required by law and best practice. In Autumn 2023, a self-reflection questionnaire was completed individually by all Trustees and results were discussed by the Board. covering leadership and governance, relationships with staff, delivery of goals, attitude to risk, skills and capabilities, behaviours, diversity and support from staff. Areas for improvement were identified, notably in the area of succession planning, which has now been built into staff annual reviews.

5. Arrangements for setting pay and remuneration of key management personnel

Trustees are not remunerated for their work. Trustee expenses are reimbursed in line with Foundation policy. Pay and remuneration of key management staff is set by the trustees after a review of relevant market data. Key management staff comprise the Chief Executive/Director of Clinical Development (combined role), the Director of Translational Medicine and the Director of Finance and Business Operations. Staff pay and remuneration are reviewed annually.

6. The Charities (Protection and Social Investment) Act 2016

The Foundation is a larger charity as defined by S144(2) of the Charities Act 2011. As such, under The Charities (Protection and Social Investment) Act 2016, it must provide information and undertakings in respect of fund-raising activities carried out during the period under review in its trustees' report. During the year ended 31st March 2024, the Foundation did not engage a professional fundraiser or commercial participator or any other person to raise funds on its behalf; neither the Foundation nor anyone acting on its behalf was subject to an undertaking to be bound by any voluntary scheme for regulating fund-raising, or any voluntary standard of fund-raising; and no complaints were received by the Foundation or any person acting on its behalf about fund raising activities. The Foundation's website states that volunteers are not authorised to raise funds on its behalf, and that volunteers who choose to raise funds in aid of the Foundation are solely responsible for all aspects of those activities, for which the Foundation has no liability. The Foundation's website encourages 'in aid of' fundraisers to act within the law.

Objectives and Activities

1. Purposes of the charity and strategy

Under 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 particular 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*

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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."

PHTS is a rare genetic disease caused by alteration (mutation) to the PTEN gene. These alterations may be inherited from the mother or father, or they may occur spontaneously during embryonic development. They result in a variety of symptoms and signs, including macrocephaly (enlarged head circumference), learning difficulties, autism spectrum disorder, vascular (blood vessel) anomalies, gastrointestinal polyps (growths in the gut), and hamartomas (benign lesions of the skin and other tissues). In addition, people with PHTS have a significantly increased lifetime risk of developing cancer, particularly cancers of the breast, thyroid, and endometrium (lining of the womb).

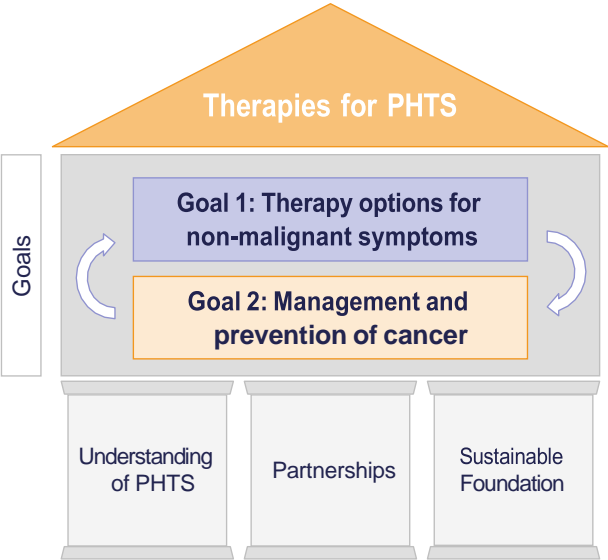
Due to its variable presentation, the true prevalence of PHTS in the general population is not known but is estimated to be about 1 in 200,000 [1]; however, more recent studies based on the prevalence of PTEN mutations in ASD suggest the prevalence of PHTS may be significantly higher. In a recent large study with sequencing data from 5,100 individuals with ASD, PTEN was one of the most common genes with ASD associated rare variants [2] and based on a meta-analysis of 9 studies [3] it has been estimated that 2% of individuals with ASD harbour a PTEN germline mutation [4].

There are currently no health-authority-approved treatments specific to PHTS, and clinical management of people with PHTS is largely focused on cancer surveillance and supportive care, which are associated with a high burden on healthcare systems. Consequently, there is a high unmet need for therapies to treat or even prevent the development of the various symptoms associated with PHTS, as well as to improve the understanding of the syndrome to enable more accurate prognosis and improved management for diagnosed individuals. Developing therapies which mitigate the high burden on health systems is therefore for the wider public benefit.

The Foundation's strategy centres on the generation of preclinical and clinical evidence that will enable the Foundation, and others (both academic collaborators and industry), to develop treatment options for PHTS. We will continue to manage a portfolio of projects to support ongoing research efforts into PHTS and establishing new partnerships. At a cellular level, the genetic alterations to the PTEN gene result in PHTS cause dysregulation of the PI3K/AKT/mTOR pathway. This pathway has been the subject of extensive scientific study because it is often abnormal in acquired (sporadic) cancers that occur in the general population. As result, it may be possible to repurpose inhibitors of the PI3K/AKT/mTOR pathway that were originally developed to treat common cancers to treat individuals with PHTS.

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

Figure 1: The Foundation's strategic goals & critical enabling activities



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The central focus of our 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). In addition, the Foundation is increasingly focused on activities associated with PHTS and malignant disease (Goal 2). These include timely PHTS diagnosis to facilitate the initiation of cancer surveillance prior to a cancer diagnosis, as well as management of malignant disease when this occurs. Whilst continuing to be a longer-term aspiration of the Foundation, cancer prevention strategies are highly challenging at present.

Activities that are integral to ensuring the success of therapy development efforts, but not strategic goals per se, are detailed as 'Enablers'. These encompass research efforts to improve understanding of both the biology of PTEN and PHTS, development of partnerships with key stakeholder groups, and development of a financially sustainable Foundation.

The work undertaken to fulfil the Foundation's objectives in the field of PHTS may have beneficial effects that extend well beyond PHTS. In particular, basic scientific and clinical research aimed at understanding the pathobiology of cancer in PHTS may improve the understanding of cancers more generally.

Similarly, work on vascular anomalies, soft tissue overgrowth and hamartomas in PHTS, has the potential to benefit patients with other genetic disorders which predispose to these manifestations, as well as patients with sporadic non-syndromic conditions.

Also, in the field of neuroscience, there are several other neurodevelopmental conditions characterised by genetic mutations in cellular pathways that overlap with, or are linked to, the PI3K/AKT/mTOR pathway. These include TSC (caused by alterations in the *TSC1* and *TSC2* genes), Rett syndrome (caused by mutation in *MECP2*), and Fragile X syndrome (caused by transcriptional silencing of the *FMR1* gene). Clinical and scientific knowledge gained in PHTS has the potential to support advancement in these related conditions and beyond, for example in non-syndromic ASD.

Finally, PHTS is a rare disease and conducting trials in rare diseases brings particular challenges. Approaches taken by the Foundation may help others who face similar issues. For example, the development of new and more efficient trial designs and disease-specific trial endpoints, partnering with pharmaceutical and biotech companies and contract research organisations (as well as academic collaborators), and early engagement with regulatory agencies, may provide paradigms for other charitable organisations working in rare diseases. The Foundation's strategy, future plans, and budgets are annually reviewed and agreed by the trustees.

2. Activities undertaken in the year

The total expenditure for the year ended 31st March 2024 was £4,292,236. This expenditure supported implementation of the Foundation's objects as defined in the Articles of Association and further detailed in the Foundation's strategy document. Expenditure was subject to initial approval by the Foundation's board and subject to ongoing periodic review.

The total income received for the year ended 31st March 2024 was £681,591. This income was a result of the following activities:

- Restricted donations received: £207, as a result of restricted donations given to the Foundation for the purposes of funding medical research projects.
- Unrestricted donations received: £nil.
- Investment income received: £681,384.

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

The Trustees meet at least once a quarter. A standing item of the board meetings is to assess the progress of the Foundation against its agreed annual goals, project progress as detailed in the Foundation's dashboard and strategic objectives.

4. Review of significant activities undertaken to further charitable objectives for the public benefit

Statement of Confirmation

The Trustees confirm that they have given due consideration to the Charity Commission's published guidance

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on the public benefit requirement under Charities Act 2011. They believe the development of therapy options for people with PHTS (the Foundation's primary object) will alleviate significant unmet medical needs of people with PHTS as well as the high burden on healthcare systems associated with the condition, as is further explained in the overview below.

Overview: activities undertaken to further charitable objectives for the public benefit

The Foundation's principal charitable objective is to protect and promote the health of individuals diagnosed with PTEN hamartoma tumour syndrome (PHTS) or other related conditions.

There were 21 active projects at the year-end, of which 19 were with academic collaborators and the rest with commercial partners. Several projects were in active development with 19 further having been previously completed. Since its inception, the work of the Foundation has been acknowledged in 47 peer reviewed academic research papers published in scientific journals. (A listing of publications may be found at <https://www.ptenresearch.org/for-researchers-and-professionals/projects-and-publications/publications/>) These activities have materially increased scientific knowledge associated with PHTS.

Significant progress was made on several key scientific projects:

- Following positive feedback from the inaugural meeting in 2022, an annual Foundation-led scientific meeting has been held for key funded researchers and collaborators in the field in order to share and present summaries of their current research in order to promote collaboration amongst the PHTS research community. Planning for 2025 is ongoing.
- The team developed a detailed 5-year plan. The plan seeks to provide a high-level road map for the next 5+ years including timelines and key deliverables contributing towards the Foundation's overall mission and vision. This was reviewed and endorsed by both the Foundation Trustees and the SAB. In addition, the Foundation published internal Research and Artificial Intelligence strategies.
- In line with our mission to fund and facilitate research that will lead to better treatments and improved outcomes for PHTS, the Foundation recently launched an online resource 'PHTS Research Tools' that includes information on patient cohorts, existing clinical trials data, and laboratory and animal models. It is hoped this will stimulate new ideas and drive further collaboration within the PHTS community, not only to improve the understanding of PHTS but also to accelerate future research. Resources included are generated both from our own funding activities as well those from other groups and funders to create as comprehensive a resource as possible.
- Five new grants were approved by the Trustees (and another grant, approved in an earlier period, initiated conduct).
- The Foundation launched a new targeted call for basic and translational research projects addressing key knowledge gaps in the pathobiology of PHTS. We encourage applications for projects that will utilise PHTS patient-derived induced pluripotent stem cells (iPSCs) that were derived as part of an earlier collaboration with Boston Children's Hospital. Thirteen proposals have been received and evaluation is ongoing.
- The Foundation continues to collaborate with a US academic consortium who submitted an IND application to the US Food and Drug Administration (FDA) for repurposing of a rapalog in PHTS.
- In a further project, the Foundation continues discussion with a major pharma company and US based academic consortium. to support repurposing of a recently approved in oncology medical for individuals with PHTS.
- A collaboration between the Foundation and a major pharma company to support a de novo drug discovery programme for PHTS was terminated as preliminary data indicated that there was an inability to develop a structure activity relationship on hits identified in a prior high throughput screening exercise of a major compound library.
- Our collaborations with Evotec (focussed on neuroscience) and Charles River Laboratories (vascular malformations and tissue overgrowth) have continued to make good progress evaluating small molecule inhibitors of the PI3K pathway in preclinical models.
 - In vitro screening at Evotec has identified three candidates for evaluation in vivo in a disease model mimicking many aspects of PHTS autism spectrum disorder. This work was presented in poster form at the Society for Neuroscience annual meeting in December 2023. We expect to commence disease model characterisation and validation with rapamycin as a reference

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compound before year end; evaluation of our lead molecules will commence in 2025.

- In collaboration with Charles River Laboratories, evaluation of the PI3K pathway inhibitors in preclinical in vitro models of vascular cell biology has identified several potential candidates that restore normal cell behaviour in PTEN loss vascular cells. Validation of these compounds in vitro will be complete by the end of 2024. Development of an in vivo surrogate model of aberrant PTEN loss vascular cell biology is in progress.
- Charles River Laboratories have successfully established a model of PHTS tissue overgrowth and currently we are evaluating the response to the reference compound rapamycin. We will evaluate further candidate molecules in this model in 2025.
- The initial manuscript from an ongoing grant with Cleveland Clinic to better elucidate the genotype/phenotype correlation in PHTS was published [5]. A further publication is anticipated.

Governance:

A review of the Foundation's constitution by a firm of charity-specialist solicitors led to revisions to its articles of association which were adopted by special resolution by the Foundation's member on 18th July 2022. In addition, a new Trustee Policy of 4th November 2022 codified committees of the Board into the governance structure.

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. In the year to 31st March 2024, staff continued to report to and seek guidance and endorsement from the Trustees, at quarterly Board and Investment Committee meetings, and at Trustee Science meetings the latter being scheduled every two months.

Strategy:

The Foundation's strategy is continually refined and incrementally updated on the basis of emerging data and as previously noted, the team maintain and update the Five Year/Medium Term Plan highlighting key planned activities and goals for the coming years. A longer-term financial plan of activities to deliver the strategy is proactively maintained and costed for the period to March 2029, incorporating expenditure forecasts that are updated and revised on a six-monthly basis.

Staff:

As a result of the pandemic, the Foundation's staff were required to transition to home-based working. Despite the restrictions being lifted, the Trustees and senior staff team have elected to retain this virtual working model as it not only reduces office rental costs but also allows access to a broader talent pool of staff free from geographical restrictions. Mindful of some of the potential downsides associated with permanent virtual working the senior staff team place significant value on maintaining regular face to team meetings and worked with an external facilitator to provide training and support to the team on leadership, engagement, roles and responsibilities and maximising productivity in a virtual environment.

Policies, Guidance Documents and Process:

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, natural history and translational medicine studies with a goal of improving patient care more broadly. The continued development of the CDWGs over the last year has provided significant value to the Foundation.

Patient engagement:

The Foundation maintains regular interactions with patient advocacy groups. These include both dedicated meetings, a quarterly newsletter drafted in lay language and patient group presentations highlighting key Foundation activities on a periodic basis.

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Recognising the importance of soliciting important feedback from people with PHTS and their families as the community that the Foundation seeks to support, our research grant application process has been revised to ensure applicants not only provide details of how the proposed project will benefit the wider PHTS community of individuals with PHTS and their caregivers and families but also detail their interactions with PHTS patient organisations or other patient representatives in developing the application and how the feedback received has influenced the scope of the application. As noted in previous years the Foundation cannot offer specific advice to individual patients.

Analysis of publicly available scientific and medical literature:

Desk research continues to be undertaken on publications relating to the natural history and the mechanism of disease of PHTS. Staff team regularly review these developments to ensure the Foundation's activities remain relevant and robust. To maximise the value of this and as previously noted, the Foundation recently launched an online resource 'PHTS Research Tools' that includes information on patient cohorts, existing clinical trials data, and laboratory and animal models. It is hoped this will stimulate new ideas and drive further collaboration within the PHTS community, not only to improve the understanding of PHTS but also to accelerate future research. Resources included are generated both from our own funding activities as well those from other groups and funders to create as comprehensive a resource as possible.

Policy on grant and non-grant funding:

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

The Foundation primarily funds research projects that can translate into better treatments and/or improved outcomes for people with PHTS. These include interventional clinical trials, natural history studies and patient registries, preclinical/translational research projects and, where appropriate, basic research projects.

Funding is primarily provided through two mechanisms:

- Targeted calls
- Innovation Awards

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 a project, including staff, consumables, equipment, travel and publication costs. The Foundation's policy is to pay only those costs that are directly attributable to the activities of the grant.

Applications undergo a scientific, strategic, and programmatic assessment by the Foundation's internal research team. Successful applications at this stage are then generally 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) prior to a final approval by trustees.

In addition to grants, the Foundation commissions work with industry partners including contract research organisations (CROs) 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.

Fundraising:

The Foundation received £207 in donations (all restricted).

1. Use of volunteers

At present the Foundation does not utilise volunteer staff. As previously noted, trustees are engaged on a voluntary basis.

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2. Fundraising activities

The Foundation is primarily funded through one-off donations and income from its investments. The Foundation commissioned a fund-raising strategy paper from a professional charity fund-raising consultancy during the year but it is unlikely at the current time that professional fundraising will be pursued in the future.

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

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.

Risk management:

We recognise the inherent risks associated with the development of therapy options for a rare disease such as PHTS given the complexity of the syndrome and low number of people with PHTS worldwide. In common with other organizations supporting drug development and life sciences, not all projects supported by the Foundation can be expected to have a positive outcome. However, negative outcomes can often inform our future strategy and provide valuable scientific data and learnings. Potential risks include, but are not limited to, the potential failure of preclinical studies and/or clinical trials to meet safety or efficacy endpoint criteria, the potential unwillingness of industrial partners to support PHTS development, and the challenges of meeting the requirements of global Health Authorities to ensure drug approvals in the rare disease setting.

In some cases, we will actively choose to undertake multiple activities in parallel to enhance the probability that we will ultimately fulfil our mission, as well as gate certain future activities on the read-out of predecessors. To ensure good stewardship of charitable funds the Foundation actively seeks the guidance of key opinion leaders in the PHTS field worldwide both via the SAB and the CDWGs. Further, grants continue to be independently peer reviewed, follow robust contracting procedures and are subject to active monitoring and evaluation by Foundation staff.

Whilst the immediate direct impact of the COVID-19 pandemic has largely passed, healthcare systems globally continue to report pressures in relation to catching up with clinical case backlogs and staffing issues resulting from the previous disruption. This has led to ongoing delays of certain clinical projects. We continue to monitor the situation closely in the context of ongoing and future planned activities with our key partners.

To enable active portfolio and risk management, the Foundation uses a project dashboard with visualisations of our portfolio of projects by phase, associated project risks, and financial analyses. It is acknowledged that, in the future, a more active approach to portfolio management will be needed, based not only on emerging data and which projects are most likely to lead to a future treatment for people with PHTS but which also considers the need for the Foundation to operate within its available funds. We utilise standard industry attrition rates of projects by phase to inform decision making and portfolio management and undertake a 6-monthly review of forecast of expected annual expenditure for the following 5-year period, in both fully loaded and attrition-adjusted models.

Potential risks also arise in relation to our finances. Though we have a generous endowment, our resources are finite. The Foundation has a bond portfolio whose constituents are held to maturity. The Foundation also had a growth investment portfolio (primarily comprising quoted equities) which was largely liquidated in June 2024, with some of the proceeds transferred to the bond portfolio and the balance invested in money market funds managed by JP Morgan. Together, these funds might reasonably be expected to cover expenditure to March 2029. Inflation continues to abate from its peak in Winter 2022; if there were a return to higher levels, however, the Foundation's bond portfolio and liquid assets may fall short of the outgoings they are designed to fund.

The following other risks have been identified in our operational risk register and remedial action taken.

- Following a review undertaken by an IT consultancy in 2024, upgraded anti-virus software and malicious website and email filtering software have been installed, and a cloud backup solution put in place to

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replicate the Foundation's data. In 2023, comprehensive cyber insurance was purchased after consultation with the Foundation's insurance brokers.

- Given that staff work from home, and the risk that this may detract from staff's ability to work as a cohesive team, we have supplemented virtual staff interaction with monthly physical meetings, and organisational training provided by an independent consultant.
- Finally, to ensure good governance, we commissioned a governance review from an independent consultant, following which our trustee policy was updated, and the same consultant has provided training to our Trustees.

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.

The Charity holds general funds of £23,741,548 at 31 March 2024, to be used for direct and support costs over the period to 31st March 2029.

2. Investment management

Brown Advisory continues to be engaged as the Foundation's exclusive discretionary investment manager.

Brown Advisory have created a portfolio of bonds to be held to maturity, recently supplemented by the proceeds of liquidating a growth investment portfolio (largely comprising quoted equities) which together might reasonably be expected to cover forecast spend to March 2029. Of the investments managed on a discretionary basis for the Foundation by Brown Advisory, at least 85% must be realizable into cash within 5 business days; and up to a maximum 15% within 45 business days.

3. Reserves Policy and Going Concern

The Foundation does 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.

With due regard to the Foundation's finances and projected expenditure, the trustees remain satisfied that it has sufficient resources to continue as a going concern for at least 12 months after the approval of the financial statements to which this report relates.

4. Plans for Future Periods

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

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 further scientific meetings including with its funded researchers and collaborators, and with industry collaborators and regulators such as the US FDA with the overall goal to enhance sharing of knowledge and promote synergy. Foundation staff will continue to participate in other events, meetings and patient days, where appropriate.

Trustees' Responsibilities Statement

The Trustees (who include all 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,

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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 4th December 2024 and signed on their behalf by:

DocuSigned by:

53FBAE9B869949A...

Riccardo Zacconi
Trustee, PTEN Research Foundation

References

- [1] M. R. Nelen *et al.*, "Novel PTEN mutations in patients with Cowden disease: absence of clear genotype–phenotype correlations," *European Journal of Human Genetics*, vol. 7, pp. 267–273, 1999, [Online]. Available: <http://www.stockton-press.co.uk/ejhg>
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PTEN RESEARCH FOUNDATION
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PTEN RESEARCH FOUNDATION

FOR THE YEAR ENDED 31 MARCH 2024

Opinion

We have audited the financial statements of PTEN Research Foundation ('the charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2024 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

PTEN RESEARCH FOUNDATION
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PTEN RESEARCH FOUNDATION
FOR THE YEAR ENDED 31 MARCH 2024

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept; 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10-11, 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.

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor's report.

PTEN RESEARCH FOUNDATION
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PTEN RESEARCH FOUNDATION

FOR THE YEAR ENDED 31 MARCH 2024

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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 might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

 7431BDE51053F4A1...

Tara Westcott

Senior Statutory Auditor

For and on behalf of: Crowe U.K. LLP, Statutory Auditor

4th Floor St James House, St James' Square, Cheltenham. GL50 3PR

Date: 17-Dec-24 | 15:43 GMT

PTEN RESEARCH FOUNDATION
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2024

	Note	Unrestricted Funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations	2	-	207	207	911
Investments	3	681,384	-	681,384	646,024
Total income		681,384	207	681,591	646,935
Expenditure on:					
Raising funds		102,117	-	102,117	97,085
Charitable activities:	4,5				
Direct costs		3,820,255	207	3,820,462	3,793,649
Support costs		441,094	-	441,094	213,806
Total expenditure		4,363,466	207	4,363,673	4,104,540
Net expenditure before net (losses) on investments		(3,682,082)	-	(3,682,082)	(3,457,605)
Net (losses)/gains on investments		1,278,480	-	1,278,480	(1,217,732)
Foreign exchange gains/(losses) on investments		(254,196)	-	(254,196)	924,425
Net movement in funds		(2,657,798)	-	(2,657,798)	(3,750,912)
Reconciliation of funds:					
Total funds brought forward		26,399,346	-	26,399,346	30,150,258
Net movement in funds		(2,657,798)	-	(2,657,798)	(3,750,912)
Total funds carried forward		23,741,548	-	23,741,548	26,399,346

The notes on pages 18 to 33 form part of these financial statements.

PTEN RESEARCH FOUNDATION
(A company limited by guarantee)

REGISTERED NUMBER: 10529899

BALANCE SHEET

AS AT 31 MARCH 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	9	2,646	3,276
Investments	10	<u>15,783,784</u>	<u>20,052,722</u>
		15,786,430	20,055,998
Current assets			
Debtors	11	4,938	4,730
Investments	12	4,510,798	3,745,907
Cash at bank and in hand		<u>3,828,592</u>	<u>3,374,828</u>
		8,344,328	7,125,465
Creditors: amounts falling due within one year	13	<u>(389,210)</u>	<u>(782,117)</u>
Net current assets		<u>7,955,118</u>	<u>6,343,348</u>
Net assets		<u>23,741,548</u>	<u>26,399,346</u>
Charity funds			
Restricted funds	15	-	-
Unrestricted funds	15	<u>23,741,548</u>	<u>26,399,346</u>
Total funds		<u>23,741,548</u>	<u>26,399,346</u>

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

DocuSigned by:

53FBAE9B869949A...
Riccardo Zacconi
Trustee
Date: 4th December 2024

The notes on pages 18 to 33 form part of these financial statements.

PTEN RESEARCH FOUNDATION
(A company limited by guarantee)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

		2024	2023
	Note	£	£
Cash flows from operating activities			
Net cash provided by operating activities	17	<u>(4,754,430)</u>	<u>(3,615,695)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,698)	(1,249)
Proceeds from sale of investments		6,131,425	9,743,034
Purchase of investments		(1,400,703)	(5,691,644)
Investment income		681,384	646,024
Transfer to investments from cash		<u>(184,978)</u>	<u>61,405</u>
Net cash provided by/(used in) investing activities		<u>5,225,430</u>	<u>4,757,570</u>
Change in cash and cash equivalents in the year		471,000	1,141,875
Cash and cash equivalents at the beginning of the year		3,374,828	2,397,117
Cash and cash equivalents due to exchange rate movements		<u>(17,236)</u>	<u>(164,164)</u>
Cash and cash equivalents at the end of the year		<u><u>3,828,592</u></u>	<u><u>3,374,828</u></u>

The notes on pages 18 to 33 form part of these financial statements

PTEN RESEARCH FOUNDATION
(A company limited by guarantee)

NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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 4th Floor, St James House, St James Square, Cheltenham GL50 3PR.

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 are prepared on the basis that the Charity is a going concern.

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.

PTEN RESEARCH FOUNDATION
(A company limited by guarantee)

NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. Accounting policies (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. Accounting policies are supplemented by estimation techniques where judgement is required in measuring the value of income and expenditure.

Termination payments are recognised when the commitment is made to terminate employment.

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:

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.

PTEN RESEARCH FOUNDATION
(A company limited by guarantee)

NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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.

PTEN RESEARCH FOUNDATION
(A company limited by guarantee)

NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Income from donations

	Unrestricted funds 2024	Restricted funds 2024	Total funds 2024
	£	£	£
Donations	-	207	207
		Restricted funds 2023	Total funds 2023
		£	£
Donations		911	911

3. Investment income

	Unrestricted funds 2024	Total funds 2024
	£	£
Investment income	681,384	681,384
	Unrestricted funds 2023	Total funds 2023
	£	£
Investment income	646,024	646,024

PTEN RESEARCH FOUNDATION
(A company limited by guarantee)

NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

4. Analysis of expenditure on charitable activities - summary by fund type

	Unrestricted funds 2024	Restricted funds 2024	Total funds 2024
	£	£	£
Charitable activities relating to clinical trials and medical research	4,261,349	207	4,261,556

	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023
	£	£	£
Charitable activities relating to clinical trials and medical research	4,006,544	911	4,007,455

5. Analysis of expenditure by activities

	Activities undertaken directly 2024	Support costs 2024	Total funds 2024
	£	£	£
Charitable activities relating to clinical trials and medical research	3,820,462	441,094	4,261,556

	Activities undertaken directly 2023	Support costs 2023	Total funds 2023
	£	£	£
Charitable activities relating to clinical trials and medical research	3,793,649	213,806	4,007,455

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.

PTEN RESEARCH FOUNDATION
(A company limited by guarantee)

NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

5. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Activities 2024	Total funds 2024
	£	£
Staff Costs	491,537	491,537
Research contracts, grants, and other direct costs	3,328,925	3,328,925
	<u>3,820,462</u>	<u>3,820,462</u>

Staff costs comprise wages totalling £424,369 (2023 - £496,627), employers national insurance totalling £43,592 (2023 - £56,029) and pension costs totalling £23,576 (2023 - £26,509).

	Activities 2023	Total funds 2023
	£	£
Staff Costs	577,683	577,683
Research contracts, grants, and other direct costs	3,215,966	3,215,966
	<u>3,793,649</u>	<u>3,793,649</u>

These direct costs are attributable to a single charitable activity.

Analysis of support costs

	Activities 2024	Total funds 2024
	£	£
Staff Costs	107,898	107,898
Depreciation	2,151	2,151
Foreign exchange loss	54,966	54,966
General costs	185,272	185,272
Legal & professional fees	56,638	56,638
Bank charges	3,065	3,065
Premises costs	-	-
Travel costs	16,053	16,053
Audit fees (governance)	14,875	14,875
Loss on disposal of fixed assets	176	176
	<u>441,094</u>	<u>441,094</u>

PTEN RESEARCH FOUNDATION
(A company limited by guarantee)

NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

5. Analysis of expenditure by activities (continued)

Staff costs are made up of wages totalling £93,154 (2023 - £108,690), employers national insurance totalling £9,569 (2023 - £12,299) and pension costs totalling £5,175 (2023 - £5,819).

	Activities 2023	Total funds 2023
	£	£
Staff Costs	126,808	126,808
Depreciation	2,085	2,085
Foreign exchange gain	(6,931)	(6,931)
General costs	44,481	44,481
Legal & professional fees	23,100	23,100
Bank charges	2,530	2,530
Travel costs	8,533	8,533
Audit fees (governance)	13,200	13,200
	<u>213,806</u>	<u>213,806</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.

PTEN RESEARCH FOUNDATION
(A company limited by guarantee)

NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

6. Grants to Institutions

	2024	2023
	£	£
AstraZeneca	-	56,978
Biocruces Bizkaia Health Research Institute	-	1,755
Boston Children's Hospital	186,627	85,618
Cambridge University	5,557	5,557
Charles River Laboratories International Inc.	1,474,141	773,812
Children's Hospital of Philadelphia	51,218	-
Developmental Synaptopathies Consortium	-	47,003
Evotec International GmbH	949,240	1,556,022
Geisel School of Medicine	97,264	34,417
Generon Ltd.	15,600	-
Institut Josep Carreras	45,355	64,776
John Carroll University	7,894	70,886
Radboud University Medical Centre	-	65,704
Renown Health Foundation	38,187	83,246
Taconic Biosciences	62,525	-
The Cleveland Clinic	50,401	41,350
University of British Columbia	29,910	-
University College London	219,743	311,033
University Hospital Southampton NHS Foundation	23,605	8,729
University of Melbourne	-	(21,654)
	<u>3,257,267</u>	<u>3,185,232</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.

PTEN RESEARCH FOUNDATION
(A company limited by guarantee)

NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

7. Auditors' remuneration

	2024	2023
	£	£
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	12,800	11,000
Fees payable to the Charity's auditor in respect of non-audit services	7,981	4,289
	<u> </u>	<u> </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.

8. Staff costs

	2024	2023
	£	£
Wages and salaries	521,857	605,643
Social security costs	53,161	68,328
Other pension costs	24,417	32,328
	<u> </u>	<u> </u>
	599,435	706,299

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.

PTEN RESEARCH FOUNDATION
(A company limited by guarantee)

NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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

	2024	2023
	No.	No.
Research and support staff	<u>6</u>	<u>7</u>

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

	2024	2023
	No.	No.
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
In the band £110,001 - £120,000	-	1
In the band 170,001 - £180,000	1	1

Transactions with Trustees

During the year, expenses were reimbursed to 2 trustees (2023:2) totalling £3,482 (2023: £92). Expenses related to travel and IT costs (2023: travel costs).

Transactions with Key Management Personnel

During the year, the Charity's key management personnel received total remuneration of £435,834 (2023-£528,710). Key management personnel comprised the Chief Executive and Director of Clinical Development, the Director of Translational Medicine, the Director of Research and the Director of Finance and Business Operations.

There were no termination payments made during the year, or the previous year.

PTEN RESEARCH FOUNDATION
(A company limited by guarantee)

NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

9. Tangible fixed assets

	Computer equipment	Total
Cost or valuation	£	£
At 1 April 2023	7,214	7,214
Additions	1,698	1,698
Disposals	(1,199)	(1,199)
As at 31 March 2024	7,713	7,713
Depreciation		
At 1 April 2023	3,938	3,938
Charge for the year	2,152	2,152
On Disposals	(1,023)	(1,023)
As at 31 March 2024	5,067	5,067
Net book value		
At 31 March 2024	2,646	2,646
At 31 March 2023	3,276	3,276

10. Fixed asset investments

	Listed Investments
Valuation	£
At 1 April 2023	20,052,722
Additions	1,300,991
Disposals	(2,299,198)
Revaluations	1,143,930
Transfers between classes	(4,241,573)
Foreign Exchange movement	(173,088)
At 31 March 2024	15,783,784

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NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

11. Debtors

Due within one year

	2024	2023
	£	£
Prepayments and accrued income	4,938	4,730
	<u>4,938</u>	<u>4,730</u>

12. Current asset investments

	2024	2022
	£	£
Listed investments	4,510,798	3,745,907
	<u>4,510,798</u>	<u>3,745,907</u>

13. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Trade creditors	23,454	12,992
Other creditors	6,565	15,548
Accruals	359,191	753,577
	<u>389,210</u>	<u>782,117</u>

14. Financial instruments

	2024	2023
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	20,294,582	23,798,629
	<u>20,294,582</u>	<u>23,798,629</u>

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

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NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

15. Statement of funds

Statement of funds - current year

	Balance at 1 April 2023	Income	Expenditure	Gains/ (Losses)	Balance at 31 March 2024
	£	£	£	£	£
Unrestricted funds					
General Funds	26,399,346	681,384	(4,363,466)	1,024,284	23,741,548
Restricted Funds					
Medical Research	-	207	(207)	-	-
Total	26,399,346	681,591	(4,363,673)	1,024,284	23,741,548

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

Statement of funds – prior year

	Balance at 1 April 2022	Income	Expenditure	Gains/ (Losses)	Balance at 31 March 2023
	£	£	£	£	£
Unrestricted funds					
General Funds	30,150,258	646,024	(4,103,629)	(293,307)	26,399,346
Restricted Funds					
Medical Research	-	911	(911)	-	-
Total	30,150,258	646,935	(4,104,540)	(293,307)	26,399,346

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NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2024	Total funds 2024
	£	£
Tangible fixed assets	2,646	2,646
Fixed asset investments	15,783,784	15,783,784
Current assets	8,344,328	8,344,328
Creditors due within one year	(389,210)	(389,210)
Total	23,741,548	23,741,548

Analysis of net assets between funds - prior year

	Unrestricted funds 2023	Total funds 2023
	£	£
Tangible fixed assets	3,276	3,276
Fixed asset investments	20,052,722	20,052,722
Current assets	7,125,465	7,125,465
Creditors due within one year	(782,117)	(782,117)
Total	26,399,346	26,399,346

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NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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

	2024	2023
	£	£
Net expenditure for the year (as per Statement of Financial Activities)	(2,657,798)	(3,750,912)
Adjustments for:		
Depreciation charges	2,152	2,065
Loss on disposal	-	-
Dividends and interests from investments	(681,384)	(646,024)
(Increase) in debtors	(208)	(138)
Increase/(Decrease) in creditors	(392,908)	486,007
Loss/(gain) on investments	(1,278,480)	1,217,732
Foreign exchange non-cash movements on investments	254,196	(924,425)
Net cash used in operating activities	(4,754,430)	(3,615,695)

18. Analysis of cash and cash equivalents

	2024	2023
	£	£
Cash at bank	3,828,592	3,374,828
Total cash and cash equivalents	3,828,592	3,374,828

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NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

19. Analysis of changes in net debt

	At 1 April 2023	Cash Flows	Other non- cash changes	At 31 March 2024
	£	£	£	£
Cash at bank and in hand	3,374,828	471,013	(17,249)	3,828,592
Liquid investments	3,745,907	833,250	(68,359)	4,510,798
	7,120,735	1,304,263	(85,608)	8,339,390

20. Pension commitments

The charity operates a defined contribution pension scheme, pension costs for the year were £80,927 (2023 - £76,403). At year end, a balance of £6,565 (2023: £15,546) was due to be paid in respect of pensions.

21. Related party transactions

In addition to the transactions disclosed in note 8, fees amounting to £52,633 (2023: £nil) were paid to Siriative Ltd., a UK limited company owned by Siriana Baldini, a Trustee, for legal services provided to the Foundation pursuant to a consultancy agreement approved by the Board. An amount of £14,400 was owed to Siriative Ltd. at 31st March 2024 (2023: £nil) and was included in trade creditors (Note 13).