

BRIGHTWATER RESEARCH
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2021

Company No. 12440181 (England and Wales)
Registered Charity No. 1191048

BRIGHTWATER RESEARCH

COMPANY INFORMATION

Directors and Trustees	Mr D Crane Mrs S Crane Mr D Garnett Mr E Youngman
Company Number	12440181 (England and Wales)
Charity Number	1191048
Registered Office	Acuity Law Limited 3 Assembly Square Britannia Quarry Cardiff CF10 4PL

BRIGHTWATER RESEARCH

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BRIGHTWATER RESEARCH
TRUSTEES' REPORT
FOR THE PERIOD ENDED 28 FEBRUARY 2021

The trustees, who are also directors of the charity, present their report with the financial statements of the charity for the year ended 28 February 2021. The trustees have adopted the provisions of the Charities SORP 2015 (FRS102).

Charity information

Brightwater Research is a registered charity and private company limited by guarantee with no issued share capital, incorporated in England and Wales. The registered office is Acuity Law, 3 Assembly Square, Britannia Quay, Cardiff, CF10 4PL. The registered company number is 12440181 (England & Wales), and the registered charity number is 1191048.

Trustees/Directors

The directors/trustees, who held office during the year and up to the date of signature of the financial statements was as follows:

Mr D Crane		(Appointed 9th November 2020)
Mrs S Crane		(Appointed 24th September 2020)
Mr D Garnett	(Chair)	(Appointed 4th February 2020)
Mr E Youngman		(Appointed 10th June 2020)

Objects of the Charity, Principal Activities and Organisation of Charity's work

Brightwater Research was registered on 27 August 2020 with the specific focus of conducting research and proving the efficacy of new treatments for various forms of cancers and disseminating those proven results to oncology clinicians and others for the successful treatment of cancer patients.

Activities this year were specifically; ongoing research and testing as well as implementing the governance and procedures necessary for the running of the company.

Achievement and performance

Brightwater was spun off from privately funded research and is currently privately funded.

Our primary objective is to develop new treatments for Ewing Sarcoma. Ewing is a rare and particularly brutal form of cancer typically occurring during late childhood or early adolescence; however, it can also develop later in life. Normally described as a "soft tissue cancer", it originates from the bone with first symptoms of Stage one of disease begin with joint pain, fatigue, sometimes heart problems and then quickly develop into a Stage two of the same cancer, the soft tissue variant in which soft tissue sarcomas (or tumours) typically present as lumps in the limbs or thorax.

Brightwater Research is in the late stages of developing a new drug to stop the spread of the cancer clone cells using our new drug 'Valoxydin'.

Ewing Sarcoma is a very rare cancer, with typically no more than 40 people in the UK being exposed to it at any one time and by extrapolation, 10,000 worldwide. As a consequence of the low frequency of occurrence, Ewing Sarcoma does not feature high on the investment/research of the more traditional "large pharma" organisations, despite an average survival rate of just 45%.

Financial Review of the Activities of the Charity

In Brightwater's first year since its incorporation, we have had the relative luxury of having had adequate funding for all the year's activities, courtesy of our chief benefactor. The majority of the money has been spent on research operations; upgrading and operating aspects of capital equipment, purchase of research specific consumables such as liquid nitrogen and an investment on creating a web presence.

During this year, we had no employees. We do intend to hire a part time specialist research scientist in the following trading year as Valoxydin completes its *in vitro* testing phase and we prepare for clinical trials. Thus far we have been reliant on the expertise of our chief researcher, Dr David Garnett and a number of enthusiastic volunteers that are leaders in their respective fields.

BRIGHTWATER RESEARCH

TRUSTEES' REPORT (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2021

Plans for Future Periods

Upon the successful completion of in-vivo testing, we will begin to scale up to initiate clinical trials to test the drug on patients suffering from the sarcoma. As a consequence of Brexit, this will require us to set up a subsidiary trading company in the EU and potential the USA, allowing us to obtain the necessary permissions to carry out trials.

In 2021/22, we will explore the likely implications of a full clinical trial, which will conceivably take place in multiple countries given the comparatively low frequency of Ewing Sarcoma in any one country's population. This will give us a clearer understanding of the likely cost implications and provide guidance as to the likely probability for fund raising from third parties.

Structure, Governance and Management

Brightwater has four trustees, each bringing their own unique skillsets. They are:

Dr David Garnett – Chair, trustee and director
Edward Youngman – Trustee and Director
David Crane – Trustee and Director
Sonja Crane - Trustee and Director

Over the Covid outbreak, the board has met on an ad-hoc basis, chiefly via Zoom to set direction of the company. As the complexity of our work scales up and we move beyond the research stage, there will be a need for routine monthly meetings to discuss opportunities, challenges and agree strategy. Operationally the company is managed by David Crane, with Dr David Garnett acting as chief researcher.

Please contact: David.crane@brightwater-research.com for any further information.

Trustees' liability

As a company limited by guarantee, Brightwater Research trustees will exercise reasonable skill and care in the governance of the charity, taking responsibility for any liabilities incurred. Their personal liability is limited to £1 under the conditions of Companies House requirements providing they govern prudently and lawfully within the company's governing document. Any breach of trust will render the trustees jointly liable for that breach.

Statement of trustees' responsibilities

The trustees (who are also directors of Brightwater Research for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that 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 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

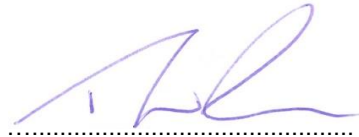
The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

BRIGHTWATER RESEARCH
TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 28 FEBRUARY 2021

In so far as the trustees are aware:

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

Approved by order of the board of trustees on 17th May 2021, and signed on its behalf by:



.....
Mr D Crane
Trustee and Director

BRIGHTWATER RESEARCH

**ACCOUNTANTS REPORT
BRIGHTWATER RESEARCH**

**ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE
UNAUDITED STATUTORY FINANCIAL STATEMENTS OF BRIGHTWATER RESEARCH FOR THE PERIOD
ENDED 28 FEBRUARY 2021**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Brightwater Research for the Period ended 28 February 2021 which comprise the profit and loss account, the balance sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of Brightwater Research, as a body, in accordance with the terms of our engagement letter dated 24 February 2021. Our work has been undertaken solely to prepare for your approval the financial statements of Brightwater Research and state those matters that we have agreed to state to the Board of Directors of Brightwater Research, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Brightwater Research and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Brightwater Research has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Brightwater Research. You consider that Brightwater Research is exempt from the statutory audit requirement for the Period.

We have not been instructed to carry out an audit or a review of the financial statements of Brightwater Research. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



Robert Humphreys BEng FCA

James Holyoak & Parker Limited

Chartered Accountants

Dated: 17th May 2021

1 Knights Court
Archers Way
Battlefield Enterprise Park
Shrewsbury
Shropshire
SY1 3GA

BRIGHTWATER RESEARCH

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 28 FEBRUARY 2021

Summary Income and Expenditure Account

	Notes	Restricted £	Unrestricted £	Total 2021 £
Income from:				
Donations & legacies	2	-	276,050	276,050
Total incoming resources		-	276,050	276,050
Expenditure on:				
Charitable activities	3	-	50,881	50,881
Other expenditure	4	-	750	750
Transfers between funds		-	-	-
Net income/(expenditure) and net movement in funds		-	224,419	224,419
Reconciliation of funds:				
Total funds brought forward	12	-	-	-
Total funds carried forward	12	-	224,419	224,419

The Statement of Financial Activities includes details of all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

BRIGHTWATER RESEARCH
BALANCE SHEET
FOR THE PERIOD ENDED 28 FEBRUARY 2021

	Notes	2021 £
Fixed assets		
Tangible assets	8	152,382
Current assets		
Debtors	9	4,673
Cash at bank and in hand		68,113
		<u>72,787</u>
Creditors: amounts falling due within one year	10	<u>(750)</u>
Net current assets		<u>72,037</u>
Net assets		<u><u>224,419</u></u>
Charity funds		
Unrestricted funds	12	<u>224,419</u>
		<u><u>224,419</u></u>

For the period ending 28 February 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved and authorised for issue by the Board of Trustees on 17th May 2021 and signed on its behalf by:



.....
Mr D Crane
Director and Trustee

The notes on pages 10 to 14 form part of these financial statements.

Company Registration Number: 12440181 (England & Wales)

BRIGHTWATER RESEARCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2021

1. Summary of significant accounting policies

1.1 General information and basis of preparation

Brightwater Research is a private company limited by guarantee, and a registered charity in England / Wales . The company number is 12440181 (England & Wales), and the registered charity number is 1191048. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is Acuity Law, 3 Assembly Square, Britannia Quay, Caerdydd, CF10 4PL. The nature of the charity's operations and principal activities is to develop a drug which will stop the metastasis of Ewing's sarcoma.

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

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

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Funds

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 cost 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.

1.3 Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Voluntary income is received by way of grants, donations and gifts, and is included in full in the Statement of Financial Affairs when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

1.4 Expenditure recognition

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

Expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

1.5 Allocation and apportionment of costs

Allocation of wages and salaries is based on the cost for each staff member and the fund for which they work.

Allocation of support costs is based on the share of the income for each fund as the trustees believe this best represents the consumption of resources.

BRIGHTWATER RESEARCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2021

1.6 Tangible fixed assets

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

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Plant & Machinery	25% Reducing Balance
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1.7 Tax

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

1.8 Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1.9 Significant judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. In the opinion of the trustees there are no estimates nor assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1.10 Donated Assets

Goods donated for on-going use by the charity in carrying out its activities are recognised as tangible fixed assets with the corresponding gain recognised as income from donations within the SOFA.

Donated assets are valued at fair value, and subject to depreciation, and assessed for impairment at the reporting date.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2021

2. Donations and legacies	Restricted	Unrestricted	Total 2021
Donations	-	276,050	276,050
	-	276,050	276,050

3. Analysis of expenditure on charitable activities	Restricted £	Unrestricted £	Total 2021 £
Costs directly allocated to activities			
Purchases	-	593	593
Equipment repairs	-	1,376	1,376
Professional fees	-	6,250	6,250
Advertising costs	-	3,168	3,168
General expenses	-	944	944
Office expenses	-	38,550	38,550
	-	50,881	50,881

4. Analysis of other expenditure	Restricted £	Unrestricted £	Total 2021 £
Support costs			
Accountancy fee	-	750	750
	-	750	750

5. Net income/(deficit) for the year	2021 £
Net income/(deficit) is stated after charging:	
Depreciation of tangible fixed assets owned by the charity	38,095

6. Trustees' and key management personnel remuneration and expenses

No remuneration was paid to trustees during the year, or in the prior year.

No remuneration was paid to key management personnel during the year or prior period, as key management functions are undertaken by the trustees.

There were no trustees' expenses paid for the period ended 28th February 2021.

7. Staff costs and employee benefits

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

	2021 Number	2021 FTE
Direct charitable work	-	-
Administration and support	-	-
	-	-

No employee received total remuneration and employee benefits of more than £60,000.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2021

8. Tangible fixed assets

	Plant & Machinery £
Cost or valuation:	
At 4 February 2020	-
Additions	190,477
	<hr/>
At 28 February 2021	190,477
	<hr/>
Depreciation:	
At 4 February 2020	-
Charge for year	38,095
	<hr/>
At 28 February 2021	38,095
	<hr/>
Net book value:	
At 4 February 2020	-
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At 28 February 2021	152,382
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All fixed assets disclosed are used for charitable purposes.

9. Debtors

	2021 £
Prepayments	4,673
	<hr/>
	4,673
	<hr/>

10. Creditors: amounts falling due within one year

	2021 £
Accrued expenses	750
	<hr/>
	750
	<hr/>

11. Analysis of net assets between the funds

	Unrestricted funds £	Restricted fund £	Total £
Fixed assets	152,382	-	152,382
Net current assets	72,037	-	72,037
	<hr/>	<hr/>	<hr/>
	224,419	-	224,419
	<hr/>	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2021

12. Fund reconciliation

	As at 4 February 2020 £	Income £	Expenditure & gains/(losses) £	Transfers £	As at 31 March 2020 £
Unrestricted:					
General reserve	-	276,050	(51,631)	-	224,419
Total unrestricted funds	-	276,050	(51,631)	-	224,419
 Total funds	 -	 276,050	 (51,631)	 -	 224,419

13. Related party transactions

No material transactions with related parties occurred during the year.