



**The North Staffordshire Medical Institute Limited
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021**

The Trustees are pleased to present their report together with the financial statements of the charitable company ("the Charity") for the year ended 5th April 2021

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Modern medical advances have helped millions of people live longer, healthier lives. We owe these improvements to decades of investment in medical research.

Ike Skelton

I think history would say that medical research has, throughout many changes of parties, remained as one of the shining lights of bipartisan agreement, that people are concerned about health for themselves, for their families, for their constituents.

Francis Collins

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TRUSTEES' ANNUAL REPORT

The Medical Institute in 2021

62 years ago, in 1959, Colonel Sir George Wade initiated a campaign to raise £100,000 to establish a Post Graduate Medical Institute in Stoke-on-Trent; we believe the first of its kind in the country. His aim was a centre for Medical Education and Research available to all branches of the local medical community. Within three years he had raised the money; the Institute's facility was built in 1964 and formally opened by Sir George Godber.

It was soon an important part of the community, with its library, sponsoring of research, lectures and formal and informal meetings. It also became a meeting point for 'medics' to discuss various topics and problems. It had close links with the two hospitals, The Royal Infirmary and City General, who supported it financially for many years. It became a model, which would be followed around the country. It prospered for many years fulfilling the aspirations of the founders.

With the amalgamation of the two hospitals and the move onto the old City General site, reforms in the health service, the changes to medical education, training and doctors' working conditions, the Hospital funded Library being relocated to the new teaching building and the emergence of the Keele University Medical School, the Institute has potentially become less relevant to many of the doctors and students.

The Trustees though are trying to address these changes positively to ensure the Institute remains a vibrant and healthy Charity making a modern, positive, contribution to the North Staffordshire Medical community.

The area originally occupied by the library, was converted into office space for research groups from the hospital and now also houses the charity Disability Solutions. The School of Osteopathy operates within the building and is the only teaching facility for the School outside London. With these changes in place, the trustees have developed a strategic plan to increase the focus for funding and facilitating local research, both for the traditional smaller grants programme and, for more regular, larger, grants. The strategy has also led to a modernised governance structure; and continued development and promotion of the Hartshill conference facilities for use by the local medical community. Improving the 'membership offer' in to reinvigorate membership numbers and involvement is also taking place. Following a very generous donation from the Wade Family Charitable Trust, a major refurbishment for the Conference centre, with significant upgrade to the Wade Hall Facility was completed in late 2019.

TRUSTEES' ANNUAL REPORT

Chairman's Report

I am pleased to report that despite the trials and troubles of Covid, we still seem to be here!

In my report last year, I had listed a number of the Institute's achievements from the previous year:

The Wade Conference Centre had undergone its extensive renovation and was formally opened at an event in November 2019 which included a custom-made film, "Six Decades of Progress" about the Institute and its history. A new, simplified membership model had been launched. We had run a fund-raising workshop. A new risk-management process had been implemented. The Wade lecture had been arranged. We seemed "Ready to go"!

But then came Covid and the lockdown. Many proposed plans had suddenly to be put on hold. There was financial uncertainty everywhere. The "Wade Lecture" had to be cancelled and a replacement date is still outstanding and being negotiated. Income from room bookings vanished. Social distancing regulations meant that Virtual meetings needed to be set up - and these were not always 100% successful. Matters were not helped, either, by the loss of our Broadband connection for three months, as the result of damage during demolition work at the Royal Infirmary site.

I am pleased to report that, more recently, matters have started to improve: The value of investments has bounced back. The treasurer has also helped to access a local authority grant to assist us when, in November 2020 we were forced to close our conference centre facilities and then more recently a £18,000 Covid restart grant. Room booking numbers are now starting to improve.

The Research Awards Committee will benefit from £79,000 returned from previous, underspent grants, which together with our normal grants budget means we plan to increase our funding of for grant applications significantly this year.

There will include a change to our awards system as well such that In addition to our normal number of individual <£20,000 grants we are offering a "North Staffordshire Fellowship Scheme". This will offer a maximum award of £60,000 – to run for a one-year period, covering salary and project costs. Its aim will be to help candidates wishing to transition from postgraduate to academic careers in their early years. The venture went active in mid-August, with an original closing date of 29th September, a deadline which has now had to be extended by two weeks.

Over the past year there have been several changes of colleagues:

Pat Doherty, who did a wonderful job for us in overseeing the work to renovate the Conference Centre, producing a scheduled maintenance plan, and ensuring good value for money, has now retired from his post. We welcome Ian Cotterill as a Trustee who has similar specialism too Pat and has also joined the Finance and General Purposes committee (the F&GP). We have also welcomed three new Trustees : -Murray Brunt, Prof. of Oncology, School of Medicine, Keele (& Honorary Prof., Institute of Cancer Research, London), who joined, in November 2020 as deputy chairman.:

June Keeling, Prof. of Nursing, who joined us in March 2021, At the same time as:

Nachi Chockalingam – Prof. of Clinical Biomechanics, Staffordshire University. Murray will serve on both the F&GP committee and the research awards committee.

We are sad that John Kocierz who serve for many years as Secretary and on the F&GP committee and Chris Bolger, who was actively involved with our Midlands Medicine publication, have stepped down as Trustees during the year. I would like to thank them for their long and valuable contributions to the charity over a good few years.

There are also staff changes at the Institute:

Spencer Smith no longer works with us. Malika Idowu-Thomas has recently resigned to move back to Liverpool and hopes later to go to Australia. (We wish her every success in her new life). Jacqui Robinson, who has been such a tower of strength for so many years, has announced her intention to retire in the New Year. Jacqui has an encyclopaedic knowledge of the Institute, its history and personalities. How shall we manage without her?

TRUSTEES' ANNUAL REPORT

Chairman's Report (continued)

It is planned to change the Institute's staffing structure to include a Chief Operating Officer. This job has already been advertised and we hope to have someone in post by January 2022. Further job descriptions and person specs have been drawn up for the appointment of a "Conference and Meetings Room Co-ordinator" and an "Administrative Assistant", with provision being made to emphasise fund-raising. Our President, Bryan Carnes and Treasurer Mark Barnish have put in much work in drawing up these documents and with an impressive and almost infectious enthusiasm.

Good news is that, while this recruitment is in progress, Bentley's catering and business solutions approached the Institute with suggestions of their own about possible staffing and ideas about how the Conference centre facility could be promoted and managed better - which very much matched our own, and we now welcome Jane Hopkinson from Bentleys, who has experience in this field, and who has already taken up the second post on an interim basis.

The Roof

At an F&GP committee meeting in July 2021 it was agreed that in examining our priorities for building maintenance we needed to consider first areas for which failure to act could mean that water ingress or similar damage may result. As such, the roof (which has been in-situ, with little by way of repair work, for over sixty years) now, was of major concern. It was decided to ask our external Health and Safety consultant, Rob Brown, to organise a full expert examination to identify the best course of action. The survey, carried out by AD Booth & Co confirmed our worst fears. The entire roof was beyond economic repair-. There is therefore an urgent need for complete replacement.

The initial quotations received have indicated the cost could be around £160k. We are currently obtaining further competitive quotes to obtain the best price for what, though, needs to be a high-quality solution. The aim is to complete this work by the end of the calendar year 2021. Peter Blood, forever a source of sound counsel, has kindly taken on this project and is liaising with Rob Brown to deal with quotes received.

Our Finances

I don't want to say much here as there is a comprehensive report set out on pages 11 to 14 of the Trustees' Report which follows. I am pleased though to report that following a fairly significant deficit last year due to certain cost of the Wade conference centre refurbishment being expensed in our income and expenditure account, but more significantly the booking of a large unrealised loss on our investments as the markets initial reaction to the pandemic was gloomy, this Financial year ended 5 April 2021 has shown significant surplus due mainly a breakeven position on the conference centre activities but significant increases in the market value of our investment leading to an overall surplus of £479k and largely restoring our balance sheet position to pre-Covid levels.

In closing, may I pay tribute to all those of you who have put in time and expertise to the Institute for your work on its behalf. I feel a reluctance to name names but need, as always, pay a special tribute to our Honorary Treasurer, Mark Barnish, who must devote more time and ability on our behalf than many people in full-time paid posts. Thank you!

And an extra- special "Thank you" to Jacqui Robinson, without whose faithful service and knowledge I have to doubt whether we would have survived so many years as an institution.



John Muir Chairman

TRUSTEES' ANNUAL REPORT

Objectives and Strategy

Charitable objects for public benefit

When the charitable company was established in 1961, its memorandum set out a range of potential objectives which can be seen on inspection of the memorandum the objects paragraph which has not been altered since then is set out below: -

“To promote and advance the study and general knowledge of science and medicine and all matters relating to the progress and development of all branches of medicine and surgery and for that purpose to establish, form, equip and maintain a medical library and laboratories with facilities for medical and scientific research, and buildings for postgraduate medical teaching.

In its current operation the areas on which the Charity currently focuses are

- The provision of research grants and bursaries to fund local medical research across a wide spectrum of science and medicine;
- Provision of a journal “Midlands Medicine” to disseminate knowledge and information on latest Medical research and other developments
- Running the Wade conference centre which provides its members with a space to access medical teaching
- Providing space and facilities for individuals or organisations to provide teaching or research activity to students and researchers.

The provision of library facilities is no longer practicable given the proliferation of on-line learning and the development of the Local University's medical school.

All the charitable activities undertaken are specifically in compliance with the Charity's powers as set out in the current Articles of Association which incorporates the original memorandum.

Strategic Plan

During the period under review the Trustees have continued to try and implement the actions set out in the approved formal strategic plan. Progress has been significantly curtailed however, due to

the impact of government restrictions arising from the COVID 19 pandemic.

The main strategic objectives which are set out on the plan are: -

- To grow the Medical Institute's reserves to a level which will enable the Trustees to increase the annual core grants budget by 5% per annum.
- Seek to be able to distribute special (singular) larger grants (in excess of £100k) on a regular basis.
- Develop a slicker, better resourced and targeted, marketing approach; in order to increase awareness (including within the local community) to enable greater utilisation of the conference facilities, increased funding and additional grant applications.
- Review and reform the current membership structure (including fees) and eligibility. Then improve and increase the Medical Institute's engagement interface using a well articulated membership offer to increase the membership and active member involvement with the Institute's activities.
- Execute a comprehensive review of the Medical Institute's constitution and internal structures and reinvigorate the way the Institute is governed to ensure it remains well governed in the 21st Century context.
- Maintain focus on ensuring the Hartshill conference and meeting facility remains an attractive modern venue, with an increasing useage driving increased revenues. Ensure there is increased promotion to members and the health, education and research communities, as well as the wider public and local community groups.

TRUSTEES' ANNUAL REPORT

Our Vision, Mission and Public Benefit

Our Vision

To be widely recognised as a leading and vital contributor to the improvement of community health and education by facilitating medical research through a unique grants programme achieved from sustainable funding.

Our Mission

To be an increasingly vibrant and sustainable provider of quality medical and scientific research grants. We will promote our continuing success to both the local and wider community to create new partnerships which will leverage additional income in order to increase and expand our future grants programme.

The Institute's conference facility will be run as a cost effective educational and networking resource for the community.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 by referring to the guidance contained in the Charity Commission general guidance on public benefit when reviewing the charity's aims and objectives and the planning of future activities. The impact the strategies have had which demonstrate this are set out in the section which follows.

TRUSTEES' ANNUAL REPORT

Activity, Achievements, and Impact review

The North Staffordshire Medical Institute continues to provide an important research grants programme to the North Staffordshire medical community which enables an on-going local research capability and a valuable contribution to push medical boundaries with both local and wider benefits. During the year in review notwithstanding the Covid 19 Pandemic the Institute has continued to fund its committed grants programme. it has not been able to pursue many of the external actions set out in the Strategic plan' due to the impact of government's restrictions on operating the conference centre and on 'normal life' generally. Further progress has been made though around the governance actions.

This section of our report highlights some of our key achievements in the period and the impact this has had, though as mentioned these have been significantly restricted.

Our desired impact

In pursuing the strategies outlined earlier The North Staffordshire Medical Institute is aiming for the following impact as a Charity:-

- To enable genuine **advancement in medical science**, either through highlighting new areas to study, resolving unanswered questions or devising new methods of treatment or research.
- To facilitate develop and **improve** local research **resources**.
- To **attract** in **additional research funds** from more wealthy sources into local research projects.
- Provide members with the benefit of **access** to a modern and flexible office, social, conference, events and lecture facility.
- Make a substantial contribution towards an **informed and networked local medical community** who are enabled to make notable and significant contributions to the world of medicine.
- Enable the local **community to utilise and access** the conference and catering facilities of the Hartshill complex.

Our principal activities to achieve this

During the review period the Institute has been involved in the following activities to achieve its impact goals: -

- Continued to make payments (£69.3k) for grants previously committed under the annual small grants programme, .
As many of these projects have been on hold the total payments made have reduced significantly though the original commitments remain.
- Completed a further round of grant awards with five new projects totalling £67.7k funded and a further allocation of £79k to the Keele Medical school Aspire programme
- Applied for funding from a larger, broad, Charitable Foundation to utilise in providing core grants under NSMI's own grants programme. Due to the external circumstances this was unsuccessful but remains an option for the future.
- Trustee focus in modernising and streamlining the governance structure actions within the charity's strategic plan,
- Continued to fund and distribute the journal Midlands Medicine

TRUSTEES' ANNUAL REPORT

Activity, Achievements, and Impact review (continued)

Demonstrating our impact

Many of the attributes of the desired impact are demonstrated by reference to the work carried out through the research awards granted. Set out below are details of the awards made during the period and what they aim to achieve. Due to the closure of most research facilities over the last year though most projects are currently on hold, however. Similarly other planned initiatives and activities by the charity have largely had to be halted in this period.

The impact of our work to promote the Institute and the conference facilities has also been minimal due to the pandemic.

Continued funding for research project grants awarded

In the year to 5 April 2021 a total of £69,325 was paid out to five different projects which had successfully applied for and been granted funding in previous periods. These are shown below:

Project	Amount paid Y/E 5 April 2021 £'000s
Major bleeding complications following acute myocardial infarction	37,703
Genome-wide epigenetics of skeletal muscle wasting in elderly patients	4,171
Modulating disease severity in Arrhythmogenic right ventricular cardiomyopathy	5,000
Targeted therapy for ovarian cancer	7,463
Reducing overcrowding in emergency department by facilitating better discharge planning	14,988

Advancement Impact of recently commenced or completed research projects, awarded in prior periods

Due to the interruptions caused by Covid, most research projects which had been commenced have largely had to be mothballed and so it is not feasible to report for this period, on their impact or advancement. None of the previously commenced projects have been completed during this period.

However, one of the key areas funded in recent years is towards the Keele University Medical School Aspire programmes which funds young prospective researchers to take their first steps into research activities. Set out below is some recent feedback we have had from the Medical School. We have also included a short case study demonstrating the impact on one student which by example demonstrates the real impact NSMI's funding has.

When asked *What has the impact of ASPIRE been so far and what do you hope that the programme will have achieved in future?* The intercalated Degree Co-Ordinator, Professor Divya Maitreyi Chari wrote

ASPIRE has had a transformative effect in the introduction of a robust research program for our students at the medical school. The program has grown from small beginnings. The success of ASPIRE has meant that we have been able to raise funds from other sources, most notably from the North Staffordshire Medical Institute to support our research activities for medical students, for which we are immensely grateful.

TRUSTEES' ANNUAL REPORT

Activity, Achievements, and Impact review (continued)

It has allowed us to grow, expand and sustain the programme. This has meant that we have been able to fund over about 90 projects so far in clinical and lab-based areas, medical education and global health including international projects in Brazil. Recently we have been able to set up an international partnership with the Royal College of Surgeons Ireland Bahrain medical school where students are able to undertake research projects with Keele academic staff under the auspices of the Keele Medicine research program. We, at Keele, are also now integrated into the national INSPIRE research placement scheme. The industry scheme is another valuable addition to the program. We hope that in the future we will have a sustainable and exciting research programme, where students can undertake research projects in diverse areas, including with international research partners. In particular, I hope we will be able to develop an MD/PhD style of programme for a few of our talented students.

The case study of one Student **Will Woods** is a great example of this. These are his words:

The ASPIRE scheme facilitated my introduction into academia and has subsequently helped shape my passions, motivations, and future career choices. After developing an interest in neuroscience beyond the scope of my undergraduate medical degree, I was curious to seek out related opportunities. I was fortunate enough to be funded by the medical school's ASPIRE scheme to complete a short summer studentship investigating the feasibility of using the chick embryo as a traumatic spinal cord injury model. As well as developing laboratory skills such as cryo-sectioning and immunostaining, the supportive environment encouraged my scientific creativity and provided an insight into life as a clinical academic. The success of this project lead onto my first experiences of presenting where I was awarded first poster prize at the Keele ASPIRE research conference in 2019.

The fantastic mentoring and opportunities I received through the scheme were instrumental in my decision to pursue my passion further by undertaking an intercalated neuroscience MPhil, for which I received bursary funding from the

North Staffordshire Medical Institute. I returned to work with the team I completed my ASPIRE project with to develop a neural cell spray for the treatment of traumatic neurological injuries. The skills I had previously learnt were invaluable and allowed me to concentrate on more advanced cell culturing techniques. Furthermore, previous experiences of academic writing from my ASPIRE project were invaluable in generating two publications for peer-reviewed journals of which I am first author. Additionally, I gained further experiences of presenting at multiple national conferences and was awarded the second place oral/poster prize at the Southwest Undergraduate Neurology and Neurosurgery conference 2021. My ambition is to become an academic neurologist and believe my successes and subsequent application to the academic foundation program have stemmed from experiences provided to me by ASPIRE. I was recently offered my first choice of academic foundation programmes to study neurodegenerative diseases at a world leading centre. It is my belief that the research experience gained throughout medical school, and which facilitated this job offer, have stemmed from the ASPIRE scheme. I am grateful to the medical school and the generous funders who have made this possible.

Promoting the Institute's activities more widely, informing and networking our members and promoting brand awareness of our conference facilities.

The Institute was not able to host the 51st annual Wade lecture in October 2020., it is hoped to resume this important event in early 2022 (as the '2021 Wade Lecture') and begin to further expand the programme of events in 2022. We aim to encourage an increase in membership and create additional awareness in North Staffordshire. The desired impact is to attract additional funds to improve the number and value of our research awards programme, and increase the pool of potential future Trustees and researchers.

Midlands Medicine continued to be published and circulated to members with its mixture of news, reviews, articles and other medical memorabilia, and images though, due to the restrictions, the number of editions had to be reduced from three to one, temporarily.

TRUSTEES' ANNUAL REPORT

Activity, Achievements and Impact review (continued)

Expanding the conference venue usage, upgrading facilities, providing members access to the Hartshill facilities and using them to help support the local community

The refurb of the conference facilities at the Hartshill premises, renamed as the Wade Conference Centre, in 2019, has created a state-of-the-art facility which can help achieve the impact of attracting further membership participation with additional planned events as well as attracting new conference business. It was relaunched in late Autumn 2019 and clients appeared to have given bookings the boost, which had been hoped for but, unfortunately, the pandemic has largely destroyed that momentum and marketing efforts were sidelined

As life is now returning to a little more normality, the marketing focus will be resumed and we have pointed specific resources at that with our catering partner Bentleys providing this. We are optimistic that (subject to no more major restrictions arising), we will begin to see the increased volume impact we are aiming for start to emerge in the latter stages of financial year ending April 2022.

Over a number of years, the Hartshill facilities have hosted an increasing number of local events organised e.g. by the Hartshill and Harpfields Occasions group. Sadly, no such events have been possible in the financial year under review.

Implementing a strategy for the future

The formulation of a strategic plan, which was finalised and approved in the financial year ended 5 April 2019, was a key step in trying to enable the charity to deliver on its strategic objectives. It remains critical to enabling the Institute to continue to make the desired impacts already outlined. The COVID pandemic has unfortunately meant a number of initiatives which had been started have had to be halted meaning the desired impacts will be delayed.

Trustees have though invested time in 2020/21 in completing the remaining action plans around, revised governance structure during the financial year ending 5th April 2021. A revised and modernised set of Articles of Association were approved at the AGM held in November 2020. Trustees have invested time in 2020/21 in completing the remaining action plans around the revised governance structure during the financial year ending 5th April 2021. A revised and modernised set of Articles of Association were approved at the AGM held in November 2020. The previous committee structure was simplified as was the membership structure, resulting in a less complex format for Council membership. Additionally, a series of meetings dealt with succession-planning and a formal succession plan drawn up, which has led to the recruitment of several new Trustees and the election of Professor Murray Brunt as vice Chair. The impact of this is to ensure the charity is able to face up better to the sustainability challenges it faces

A formal fundraising strategy to enable an expansion of the current grants programme which was agreed in late 2019 has been difficult to progress further due to the restrictions enforced during the pandemic.

TRUSTEES' ANNUAL REPORT

Financial Review

Income

Income from donations and legacies for 2021 was a little lower than the previous year at £21.9k (2020: £33.7k). This was due to a lack of 'traditional' donation receipts, instead two grants from government, following their direction through which the conference activities had to fully close down, were the sole income for this category in 2021.

Due to the disruption caused by the pandemic restrictions, income from conferences and room hire fell significantly to £6.0k, (2020 £43.7k). Income from tenants, disclosed as "rentals from investment property", was down from £40.1k in 2020 to £38.1k in 2021 following a rebate to one tenants to compensate for some flood disruption. Other income was down by £3.8k due to the cancellation of the Wade lecture and the waiving of the concession fee from the caterers following the closure of conference facilities.

Investment Income

Our investment income for the year decreased to £62.4k (2020 83.3k) which was below the revised targeted returns set out in the charity's investment policy which had been upgraded following the appointment of Smith & Williamson from 5 April 2019. This was a direct result of the pandemic with worldwide reductions in dividend policies. In that context these returns were deemed to be reasonable. The initial impact of COVID 19 and the UK's first lockdown caused the market value of our investment portfolio plunge from £2.635 million, to £2.267million, which, with investment cash movements, led to an unrealised loss of £380.3k being recorded in 2020. The current year has seen a significant reversal of these losses due to the recovery in global markets and the expertise of our fund managers. This has led to our portfolio being carried at a value of £2.756million even after the drawdown of £50k during the year to support grant payments, This has meant the total of realised and unrealised gains is recorded at £610.9k in the statement of financial activities and has significantly supported the charity in this difficult period.

Lease Income

Space is let within the building, under lease, to two separate tenants.

One lease is for a period of 5 years expiring 2022. The second lease is for a period of 10 years expiring 2023,

Expenditure

The Research Awards Sub-Committee meets annually with the aim of providing start up grants of a pump priming nature especially for young researchers. As part of our ongoing funding and strategic review, we are reassessing the funding and value of grants that we are able to award in order to encourage researchers in North Staffordshire.

The committee met in November 2020 and five further award commitments were made totalling £78k. In 2019/20 £94.1k of grants previously awarded to the Keele School of Medicine, under the Aspire programme were written back as they had time lapsed. Due the circumstances around this the Trustees agreed to award a further £79k to this programme and added to previous awards which had not yet expired, it was agreed not to place time limits on the spending of this revised package with a maximum of £25k to be spent each year. Additionally, the Charity cash funded £69.3) of grants in 2020/21 (2019/20: £96.8k) from its prior award commitment programme.

Full details of all grants awarded including amounts are included in the notes to these financial statements. The statement of financial activities ("SOFA") shows an overall charge of £91.6k (2019/20 credit £40.0k), within Charitable Activities, which is less than the awards mentioned above due to further underspends on past grant commitments made which were credited in the year ended 2021.

This financial period saw a significant fall in costs within the classification of Cost of Raising Funds, which were reduced by £233k to £187.8k (2019/20 £421.1k.) This was partly due to an inflation of the 2020 costs by £160k which related to the refurbishment of the Wade Conference Centre facilities. Salaries were down by £45k with certain staff leaving not being replaced which was only possible because of the reduced activity level caused by the pandemics

TRUSTEES' ANNUAL REPORT

Expenditure (continued)

The balance of the reductions came from a reduction of the costs needed to maintain and operate the Hartshill premises enabled by the restrictions imposed due to the pandemic, offset by an increase in depreciation following the 2020 additions to the building and increased investment management costs linked to the significant rise in the investment portfolio value.

Overall result

The impact of the movements described has been to generate a surplus for the year of £479.1k (2019/20 deficit of £539.63k). This was largely due investment gains offset by the grants programme and a small operational deficit.

Local Resource

The Medical Institute is available for hire and is often used by community groups and is accessible to them through its offering of public lectures and the accommodation to local groups. These activities have been significantly curtailed due to the government restrictions during the pandemic

Institute Assets

The Institute holds assets in the form of investments (managed by Smith and Williamson). These assets are shown at current market value rather than original purchase price. They are held to fund Institute activities in support of medical education and research and to ensure the sustainability of the Wade conference centre activities, through the income and capital growth derived from these investments.

The other key asset held by the Institute is the building, which is shown on the balance sheet under "the Land and Buildings Fund" (formerly described as the Nadin Fund, so named as this held the monies at the time of the original appeals used to fund the buildings). The building has been depreciated at a rate per annum of 2% for fabric, and 10%, for fixtures and fittings,.

In the opinion of the Trustees, the Institute's assets are sufficient to fulfil the obligations of the Charity.

Reserves Policy

Funds

Total funds as at 5th April 2021 were £3.548m (2020 £3.068m). Of these £1.967m (2020: £1.711m) were unrestricted. From these unrestricted funds a total of £1.857m has been designated (2020: £ 1. 604m), leaving £0.110m of free general reserves (2020: £0.107m).

It is the Institute's policy to keep the reserves of the charity under review and ensure the policy for holding reserves remains relevant and up to date.

In carrying out this review the Trustees first identify any restricted funds and ensure they are appropriately separated and disclosed. They then examine the nature of the general funds to determine whether it is appropriate to make designations to allocate funds for known specific purposes.

In 2014 the Trustees refined their presentation of the previous designations to reflect the purposes in a more transparent and rigorous way. In previous periods Trustees had identified certain donated funds and allocated them rather generally for certain purposes. Importantly, these funds retained the original donor's names to perpetuate their memory; this had led, in some cases, to a lack of clarity around the nature of their designation and indeed whether the amounts held were sufficient.

Going forward Trustees have increased their focus on a more accurate estimate of the future needs of the Charity and the reasons funds will be required. This led in 2014 to a more specific naming of the funds to provide greater clarity and transparency, together with a further reallocation of general funds.

The notes to the 2014 financial statements make it clear from which of the previously named funds, these revised designations originate. This name link to the original donors will continue to be made in memoriam.

The current designations are as follows: -

Maintenance Fund

Represents the value of unrestricted funds that Trustees estimate will be needed, over a reasonable cycle, to maintain the fabric of the freehold land and buildings and suitably preserve their condition so that they remain fit for purpose. This was previously part of the **Nadin Fund**.

TRUSTEES' ANNUAL REPORT

Financial Review Reserves Policy (continued)

Land & Buildings Fund

Represents the value of unrestricted funds that are held as freehold land and buildings, and which will continue to have future use within the Charity to carry out its objectives. This was previously the remaining part of the **Nadin Fund** which has now been 'topped up' from general reserves, in order to reflect the book carrying value of the relevant assets.

Income generation Fund

Represents the value of unrestricted funds which, due to the Charity's activities not being geared to generate a regular net income stream, will allow the Institute to provide enough investment income and gains from the capital, to fund an on-going, credible, annual general research grants programme and contribute to any shortfalls in building running costs not met by room hire and sublet income.. This was previously, in part, covered by the **Glover and Gallimore** Fund and has been topped up from general reserves to ensure the designation is enough to meet its purpose.

Wade Trust Refurbishment Fund

As already referred to this fund was created from a donation by the Wade charitable trust which was earmarked to carry out a specified refurbishment programme in 2019/20 and to fund certain identified long-term maintenance requirements, which need to be tackled over the ensuing two to five years. After completing the refurbishment in 2019 the balance on that fund was transferred into a new building Maintenance fund.

General reserves

It is the Institute's policy to hold general reserves equivalent to what might be required to cover any substantial short-to-medium-term loss of income from the sub-letting and room hire activities. The target set is 1 to 1½ years of this 'normal' income stream. For 2022 the target is between £105,000 and £173,000. Actual general reserves at 5th April

2021 stood at £109,740 and, as such, are just above the lower end of that target band. The trustees continue to review their strategy and aim through new initiatives to increase reserves to within the target band. The impact of COVID 19 is making immediate progress on this, difficult. Revenues from room hire will continue to be down but it is anticipated that savings in running costs and staff salaries will enable current general reserve levels to be sufficient. This is supported by the current levels of investment performance.

Investment Policy

All investments have been acquired in accordance with the powers contained in the governing instrument of the Charity. The Institute is governed by the Trustees Act 2000 with its investments managed on a day-to-day basis, from 6 April 2019, by Smith & Williamson, who have discretion over investments with the responsibility of maximising income while maintaining and increasing capital value using investments of medium risk.

We hold regular meetings with Smith & Williamson to review our investment policy and the performance of our investment portfolio.

Grant Making Policy

The North Staffordshire Medical Institute charity has an annual programme to consider new research proposals, usually for funding of up to £20,000 per project. All local health care professionals are eligible to apply. Applications for funding of research proposals require the completion of specific application forms.

From time-to-time larger grants may become available at the discretion of the trustees and subject to there being adequate funds available to maintain the overall reserves levels adequately, in line with the investment policy. All projects are considered by The Research Awards Committee and are peer reviewed. All projects must be deemed to lead to or be for the benefit (directly or indirectly) of the citizens of North Staffordshire.

TRUSTEES' ANNUAL REPORT

Financial Review Reserves Policy (continued)

Funds held by The Institute on behalf of others

In addition to its own monies, the Institute also administers funds belonging to Sections of the Institute and to other individuals, details of which are set out in the annual accounts. These are as follows

- The Section of General Practice account
- The Section of Psychiatry account

Separate statements of the movements in funds for the above are shown in note 17 of the financial statements. The Institute holds and administers these monies because all of the above have a commitment to medical education and/or research in North Staffordshire. All accounts require two signatures on cheques issued by these accounts, one of whom is an Institute Officer. Each account is held separately by the bank and administered separately by the Institute office.

TRUSTEES' ANNUAL REPORT

Organisation and control

Directors and Trustees and legal status of the charity

The Directors of the Charity are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The trustees serving during the year and since the year end are listed in the legal and administrative information on page 42.

The Charity is a company limited by guarantee, not having share capital. It is known as The North Staffordshire Medical Institute Limited as set out in its Memorandum and Articles of Association, signed at incorporation on the 10th of August 1961 and updated by special resolutions on 21st September 1989, 16th October 2014 and the 12 November 2020

Council Composition

The Council of Management ("Council"), which is the collective name used for the Trustee governing body, keeps under review its composition. As part of that ongoing review process, during 2020 a number of further amendments to its byelaws, including principally composition of council and widening of the definitions of eligibility for membership were proposed and approved for adoption by Council. The revisions, were tabled for scrutiny by the members at the 2020 and ensure the byelaws are current and in line with the changes made to the articles at the 2020 AGM.

The amendments to the articles were set out in a detailed schedule which also contained the rationale. Members can obtain a copy of these and the updated byelaws from the administrative office.

The changes are to align the articles with current companies act legislation, reflect a simplified eligibility criteria for membership and a more flexible composition for the Council. None of the changes required the approval of the Charity Commission.

The Council of the North Staffordshire Medical Institute comprise the President, Chair, Deputy Chair, Honorary Treasurer, and ordinary members up to a total maximum number of thirty-six.

Details of the current Council members are set out on page 42 of this annual report and financial statements

Recruitment and appointment of new trustees

As part of the overall governance review carried out during 2019 and 2020 it was recognised that there was no formal succession plan in place nor a procedure for the recruitment of future new trustees, nor indeed honorary officer posts. The board have now put together a new succession plan and identified methods for future Trustee recruitment as well as setting out terms of office, more clearly in the byelaws..

On-going consideration is given to length of service, professional backgrounds and areas of expertise to also try and obtain an appropriate balance of experience. This includes appointing members from outside the medical profession where such expertise is required (e.g., legal, property, finance).

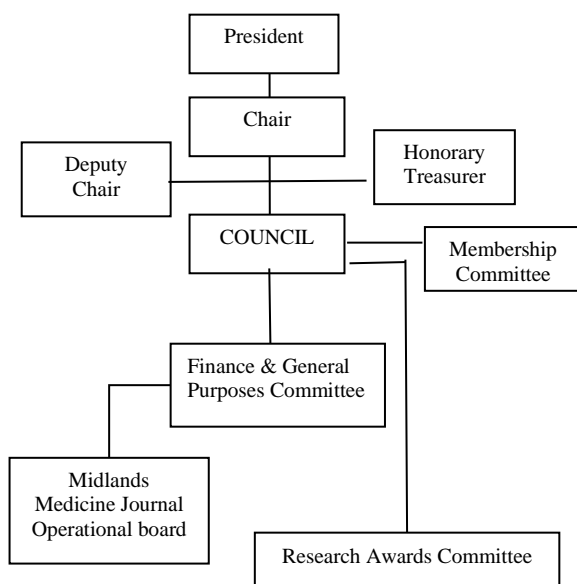
The establishment of the succession plan has led to a number of longer serving Trustees stepping down and new Trustees being appointed. This has helped to bolster the number of medical professionals now serving on the board. A new Deputy Chair post was also created and filled.

All suitable candidates for Council are formally nominated and discussed for suitability within the various committees and at Council, before individuals are approached..

TRUSTEES' ANNUAL REPORT

Organisation and control Organisational structure

the current Structure: effective from July 2019



The Council of the North Staffordshire Medical Institute comprise the President, Chair, Deputy Chair, Honorary Treasurer, and ordinary members up to a total maximum number of thirty-six.

Details of the current Council members are set out on page 42 of this annual report and financial statements

Appointment Terms and Trustee Rotation

The President will be appointed by a special resolution of Council and will hold office for a period to be determined by Council.

The Chairman of the Council shall be elected by the Council. This appointment must be ratified at the next Annual General Meeting.

The Honorary Treasurer shall be appointed by the Council and this appointment must be ratified at the next Annual General Meeting of members.

Under Article 21.1 of the Charity's Articles of Association one third of the members of the Council (or if the number is not a multiple of three

then the number nearest to one third) shall retire from office in rotation each year.

Effective from the adoption of the revised byelaws in September 2020, the Chair's term of office as Chair, is by individual agreement up to a maximum term of 5 years,

The Honorary Treasurers term is for three years, this can be renewed by Council for further three-year terms up to a maximum of three terms. All other Trustees are appointed with a maximum term of 12 years.

Frequency of meetings and key governance sub-committees

Council meets a minimum of three times in each financial year.

- **The Finance and General Purposes Committee** ("F&GP") is a key governance sub-committee of the Council. Its primary function is to advise Council on the day-to-day management of the Institute, its activities and the related financing thereof. It has the powers where necessary to take delegated executive action. The Committee meets approximately every two months. Membership of the Committee currently comprises the four honorary officers together with four other members.
- **The Research Awards Sub-Committee** is also key and is a sub-committee of the F&GP Committee. Its function is to consider all applications for grants, for research or educational purposes and to make recommendations to the F&GP Committee. It has powers of co-option for special items and may refer submissions to outside experts for further specialist opinion.

Trustee Induction and Training

On joining the North Staffordshire Medical Institute Trustees are offered a half day induction session at the Institute's Offices in Hartshill, Stoke-on-Trent, at which they are presented with an induction pack containing committee structures, Articles of Association, Byelaws, Trustees' Report & Financial Statements, a copy of the strategic plan and Charity Commission key guidance publications.

TRUSTEES' ANNUAL REPORT

Organisation and control

Management

The Trustees' form the key management of the Charity. No Trustees' receive remuneration. Trustee's policy allows the reimbursement of expenses.

Risk Management

The Trustees have examined the major strategic business and operational risks which the Charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Key risks identified are: -

- An increase in the gap between income and expenditure in running the Hartshill facility;
- A reduction in take up on the core general research grant;
- A significant reduction in the membership;
- Recurring level of low or negative returns on the managed portfolio of investments.
- Hartshill premises remaining an attractive venue and suitability maintained.
- Impact of Pandemic on operational ability
- Impact of Pandemic on market values of the charity's investment portfolio

By focusing on these risks and identifying mitigating actions the Trustees remain confident that they are adequately managing these key risks.

COVID 19 Pandemic

Towards the end of the 2019/20 financial year the impact of the global pandemic was becoming evident and a lockdown of UK movements and the economy ensued. The Trustees have continued to meet to monitor this impact and commissioned a specific risk assessment of safe operation of the Hartshill premises to enable us to react in accordance with government guidelines. We allowed one of the lease tenants to remain operational and provide services to its beneficiaries throughout the lock downs. The Trustees have supported the necessary investment to enable us to operate in a more limited capacity in accordance with government guidelines during periods when the lockdown restrictions were eased. The economic impact on revenues has largely been offset by cost savings such that there has been no large operational drain on reserves.

Trustees are keeping this under close review as we emerge in the 2021/22 financial period in operational mode at least initially.

The initial market impact on investment values was significant as can be seen for the 2019/20 financial results. During the current period these investment falls have been reversed and significant additional gains achieved

The Trustees believe though that their continued scrutiny and risk management actions will continue to minimise the impact and, given its strong balance sheet the Charity is not in any immediate danger.

Governance and Financial Control

The Medical Institute continues to pursue high standards of governance based on the Good Governance code for the Voluntary and Community sector. Where applicable this guidance is taken into account in managing the affairs of the Institute.

Through the operation of the Finance & General Purposes Committee the Council keep key financial information under review together with reports from the charity's investment managers, Smith & Williamson, and its Auditors. This committee also keeps the internal financial controls under review and ensures key risk areas are addressed. It also monitors the performance of professional advisors including the investment managers and external auditors.

TRUSTEES' ANNUAL REPORT

Plans for the Future

Pursuit of the action plans developed to deliver the strategies set out on page 5 will continue to be the main thrust of the Medical Institute's plans.

A new Membership offer was launched in November 2019 and it was planned to try and put some of the practical back up to these proposals in place in 2020. The onset of the pandemic has delayed this implementation which will be resumed once restrictions are fully lifted and a greater degree of normality restored. This is hoped to be in the second half of the financial year ending 2021/22

The next key area of the strategic plan which requires Trustee work is to formulate and plan resource development actions which will follow on from the new membership offer and the notification post year end of staff departures.

Once life returns to normal it is planned to proactively push and market the rebranded Wade Conference Centre and drive up the activity and usage.

The search for new connections and partnerships, a broadening of outlook and reach and an exploration of how old ties to the now named University Hospitals North Midlands ("UHNM") can be renewed is planned.

We will continue to focus resource to implement a marketing plan to improve our conference and room hire income as well as to start to create and deliver a fundraising strategy. The aim of this will be to add to reserves and enable an expansion of the existing grants programme.

Statement as to disclosure of information to Auditors

The Directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the directors has confirmed that they have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditors

A resolution for the reappointment of Geens Limited, as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Signed on behalf of the Council

Bryan Carnes M.B.E.
President

29th October 2021

TRUSTEES' ANNUAL REPORT

Trustees' Responsibilities Statement

The Trustees (who are also directors of The North Staffordshire Medical Institute Limited 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 which give a true and fair value 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 (FRS 102)-2019;
- make judgements and accounting 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 business.

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

In so far as the Trustees are aware:

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)
for the year ended 5 April 2021**

	Note	Unrestricted funds £	Restricted funds £	Endowed funds £	Total 2021 £	Total 2020 £
INCOME FROM:						
Donations and legacies	4	21,856	-	-	21,856	33,685
Other trading activities:						
<i>Rentals from room hire</i>		6,033	-	-	6,033	43,677
Investments:						
<i>Rentals from investment property</i>		38,063	-	-	38,063	40,063
<i>Income from investments</i>	5	62,372	-	-	62,372	83,321
Other income	6	34,662	-	-	34,662	38,458
TOTAL		162,986	-	-	162,986	239,204
EXPENDITURE ON:						
Raising funds	7	187,759	-	-	187,759	421,120
Charitable activities	8	15,608	91,555	-	107,163	(22,560)
TOTAL		203,367	91,555	-	294,922	398,560
NET INCOME/(EXPENDITURE)		(40,381)	(91,555)	-	(131,936)	(159,356)
Net gains/(losses) on investments:						
- unrealised		229,894	291,249	24,013	545,156	(480,258)
- realised		65,833	-	-	65,833	99,977
TOTAL NET GAINS/(LOSSES) ON INVESTMENTS		295,727	291,249	24,013	610,989	(380,281)
NET MOVEMENT IN FUNDS		255,346	199,694	24,013	479,053	(539,637)
RECONCILIATION OF FUNDS:						
Total funds brought forward	17	1,711,492	1,324,378	32,822	3,068,692	3,608,329
TOTAL FUNDS CARRIED FORWARD	17	1,966,838	1,524,072	56,835	3,547,745	3,068,692

Incoming resources and resources expended derive from continuing activities.

BALANCE SHEET
for the year ended 5 April 2021

	Note	2021	2020
		£	£
FIXED ASSETS			
Tangible fixed assets	12	752,247	762,195
Investments	13	2,979,922	2,491,037
		<hr/>	<hr/>
		3,732,169	3,253,232
CURRENT ASSETS			
Debtors	14	63,016	75,654
Cash at bank and in hand		98,223	88,632
		<hr/>	<hr/>
		161,239	164,286
LIABILITIES			
Creditors: Amounts falling due within one year	15	(185,663)	(256,826)
		<hr/>	<hr/>
NET CURRENT ASSETS/(LIABILITIES)		(24,424)	(92,540)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,707,745	3,160,692
Creditors: Amounts falling due after more than one year	16	(160,000)	(92,000)
		<hr/>	<hr/>
NET ASSETS		3,547,745	3,068,692
		<hr/>	<hr/>
FUNDS OF THE CHARITY	17		
<i>Unrestricted funds</i>			
General Fund		109,740	107,153
<i>Designated funds</i>			
Building Maintenance Fund		210,497	60,497
Land and Buildings Fund		942,897	946,880
Income Generation Fund		703,704	596,962
		<hr/>	<hr/>
		1,966,838	1,711,492
<i>Restricted funds</i>			
Research Fund		897,258	788,813
Kidney Fund		613,931	522,682
Section of General Practice		11,353	11,353
Section of Psychiatry		1,530	1,530
		<hr/>	<hr/>
		1,524,072	1,324,378

BALANCE SHEET (continued)
for the year ended 5 April 2021

	2021	2020
	£	£
<i>Endowed fund</i>		
Dr McCall Memorial Fund	32,274	8,261
Dorothy Evans Bequest Fund	24,561	24,561
	<hr/>	<hr/>
	56,835	32,822
	<hr/>	<hr/>
TOTAL FUNDS	3,547,745	3,068,692
	<hr/>	<hr/>

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

The financial statements on pages 20 to 38 were approved by the Council and authorised for issue on 29th October 2021 and are signed on its behalf by:

J. D. Muir
Chairman

Company Registration No. 00705320
Registered Charity No. 200843

STATEMENT OF CASH FLOWS
for the year ended 5 April 2021

STATEMENT OF CASH FLOWS	2021	2020
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES:		
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(206,278)	(428,877)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Dividends, interest and rents from investments	100,435	123,384
Purchase of tangible fixed assets	(6,670)	(103,976)
Proceeds from sale of investments	332,105	2,521,430
Purchase of investments	(210,001)	(2,533,943)
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	215,869	6,895
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD	9,591	(421,982)
Cash and cash equivalents at the beginning of the reporting period	88,632	510,614
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	98,223	88,632
RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES	2021	2020
	£	£
Net income/(expenditure) for the reporting period	479,053	(539,637)
<i>Adjusted for;</i>		
Depreciation	16,618	16,484
(Gains)/losses on investments	(610,989)	380,281
Dividends, interest and rents from investments	(100,435)	(123,384)
(Increase)/decrease in debtors	12,638	(11,163)
Increase/(decrease) in creditors	(3,163)	(151,458)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(206,278)	(428,877)
ANALYSIS OF CASH AND CASH EQUIVALENTS	2021	2020
	£	£
Cash in bank	21,272	12,888
Investment fund current account	76,951	75,744
	98,223	88,632

ACCOUNTING POLICIES

The principal policies adopted, judgements together with the key sources of estimation uncertainty used in the preparation of the financial statements are as follows;

BASIS OF PREPARATION

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 (FRS102) (effective 1 January 2019) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The Financial Statements are prepared in sterling, which is the functional currency of the Charity, and are rounded to the nearest £.

KEY JUDGEMENTS

In preparing the financial statements no judgements have been made apart from those involving estimates in the process of applying the charity's accounting policies. No assumptions concerning the future have a significant risk of causing material adjustment to the carrying value of assets and liabilities within the next reporting period.

PUBLIC BENEFIT ENTITY

The charitable company meets the definition of a public benefit entity under FRS 102.

GOING CONCERN

The Trustees believe there are adequate resources which will enable the company to meet its liabilities for at least one year from the date the financial statements are signed and authorised for issue. For this reason, the trustees have adopted the going concern basis in preparing the financial statements.

FUND ACCOUNTING

Details concerning fund accounting split by unrestricted, designated, restricted and endowed funds, are shown in note 17 of the financial statements.

The financial statements include the consolidation of the funds held by the Institute on behalf of others and these funds are not necessarily and wholly under the control of the Trustees.

INCOME

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

- Donations and legacies
Income from donations is recognised as income when they are receivable.
For legacies entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or part, is only considered probable when the amount can be measured reliably, and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.
- Other trading activities
Rental from room hire is included in the period in which the service is supplied.

ACCOUNTING POLICIES

INCOME (continued)

- **Investments**
Income from investment property is included in the period in which the service is supplied. Investment income is included when receivable by the charity. The total income is shown gross.
- **Other**
Income from subscriptions, catering and other sources is included in the period in which the service is supplied.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

EXPENDITURE AND IRRECOVERABLE VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprises the costs associated with attracting voluntary income and the costs of providing room facilities for fundraising purposes.
- Charitable activities expenditure comprises the costs of grant making and governance costs.

Grant cost are recognised in full in the financial year the grant award commitment is made.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity

Support costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly.

OPERATING LEASES

Annual rentals under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

TANGIBLE FIXED ASSETS

Items of equipment and other fixed assets are capitalised where the purchase price exceeds £500 and the items have an estimated useful economic life of greater than two years. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Tangible fixed assets have been restated at fair value as at 6th April 2014 in accordance with FRS102. These values have been used as deemed cost from 6th April 2014.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Land	-	no depreciation
Buildings	-	2% per annum straight line
Office equipment	-	10% per annum straight line

ACCOUNTING POLICIES

INVESTMENTS

Investments are stated in the balance sheet at market value. Unrealised gains and losses are recorded in the statement of financial activities in accordance with the revaluation of fixed asset investments to market value.

FINANCIAL INSTRUMENTS

The charitable company 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.

DEBTORS AND CREDITORS RECEIVABLE/PAYABLE WITHIN ONE YEAR

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

CASH AT BANK AND IN HAND

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

TAXATION

As a registered charity, The North Staffordshire Medical Institute is exempt from tax on income and gains to the extent that these are applied to its charitable objects. Accordingly, there is no taxation charge in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 5 April 2021

1 DETAILED COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted funds £	Restricted funds £	Endowed funds £	Total 2020 £
INCOME FROM:					
Donations and legacies	4	3,692	29,993	-	33,685
Other trading activities:					
<i>Rentals from room hire</i>		43,677	-	-	43,677
Investments:					
<i>Rentals from investment property</i>		40,063	-	-	40,063
<i>Income from investments</i>	5	83,321	-	-	83,321
Other income	6	38,458	-	-	38,458
TOTAL		209,211	29,993	-	239,204
EXPENDITURE ON:					
Raising funds	7	421,120	-	-	421,120
Charitable activities	8	17,440	(40,000)	-	(22,560)
TOTAL		438,560	(40,000)	-	398,560
NET INCOME/(EXPENDITURE)		(229,349)	69,993	-	(159,356)
Net gains/(losses) on investments:					
- unrealised		(182,498)	(273,747)	(24,013)	(480,258)
- realised		99,977	-	-	99,977
TOTAL NET GAINS/(LOSSES) ON INVESTMENTS		(82,521)	(273,747)	(24,013)	(380,281)
NET MOVEMENT IN FUNDS		(311,870)	(203,754)	(24,013)	(539,637)
RECONCILIATION OF FUNDS:					
Total funds brought forward	17	2,023,362	1,528,132	56,835	3,608,329
TOTAL FUNDS CARRIED FORWARD	17	1,711,492	1,324,378	32,822	3,068,692

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 5 April 2021**

2 MEMBERS' LIABILITY

The North Staffordshire Medical Institute is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to a maximum of £2 each per member of the charity.

3 NET MOVEMENT OF FUNDS FOR THE FINANCIAL YEAR

Net movement in funds for the financial year is stated after charging/(crediting):

	2021	2020
	£	£
Auditors' remuneration	3,840	3,840
Depreciation and other amounts written off tangible fixed assets	21,023	16,484
Rents receivable in respect of operating leases	(38,063)	(40,063)
Operating lease charges	1,578	1,578
	<u><u> </u></u>	<u><u> </u></u>

4 DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	21,856	33,685
	<u><u> </u></u>	<u><u> </u></u>

5 INCOME FROM INVESTMENTS

	2021	2020
	£	£
Interest	10,123	8,034
Dividends receivable	52,249	75,287
	<u><u> </u></u>	<u><u> </u></u>
	62,372	83,321
	<u><u> </u></u>	<u><u> </u></u>
Included above is income from listed investments:		
Interest on Government stocks & Fixed rate bonds	4,867	7,036
Dividends	52,249	74,886
	<u><u> </u></u>	<u><u> </u></u>
	57,116	81,922
	<u><u> </u></u>	<u><u> </u></u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 5 April 2021

6 OTHER INCOME

	2021	2020
	£	£
<i>Unrestricted funds:</i>		
Members subscriptions	3,165	2,031
Concession for catering	-	2,400
Service recharge to tenants	31,497	31,847
Wade lecture income	-	2,180
	34,662	38,458

7 EXPENDITURE ON: RAISING FUNDS

	Unrestricted funds	Restricted funds	Endowed funds	2021	2020
	£	£	£	£	£
Salaries contribution	75,733	-	-	75,733	120,185
Insurance	4,960	-	-	4,960	4,149
Repairs, maintenance and equipment	19,659	-	-	19,659	26,655
Refurbishment costs	-	-	-	-	160,062
Printing, stationery, postage and Telephone	3,328	-	-	3,328	12,910
Advertising	3,750	-	-	3,750	4,680
Computer and website support	1,454	-	-	1,454	5,092
Lecture/event/training costs	-	-	-	-	4,405
General	9,379	-	-	9,379	10,330
Catering	-	-	-	-	4,422
Rates, heat, light and water	31,585	-	-	31,585	41,182
Subscriptions	270	-	-	270	879
Depreciation	16,618	-	-	16,618	16,484
Investment management costs	21,023	-	-	21,023	12,250
Bad debt provision	-	-	-	-	(2,565)
	187,759	-	-	187,759	421,120

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 5 April 2021**

8 EXPENDITURE ON: CHARITABLE ACTIVITIES

	2021 £	2020 £
Governance costs	15,608	17,440
Grant making (see note 9)	91,555	(40,000)
	<u>107,163</u>	<u>(22,560)</u>

9 GRANT MAKING

	2021 £	2020 £
Research projects approved by grants panel and Council	156,697	54,057
Less underspent grants returned and notified reductions in commitments	(65,142)	(94,057)
	<u>91,555</u>	<u>(40,000)</u>

The amount payable in the year comprises:

	2021 £	2020 £
<i>Research Grants and awards</i>		
<i>Keele University 5 grants (2020: 3 grants)</i>		
- Tissue Engineering patch for lung resections to repair leaks	18,250	-
- Assess reason for readmission after heart attacks	15,220	-
- Vagus nerve simulation in obesity	19,996	-
- Assess effect of different coloured crockery on nutrition of the elderly	13,600	-
- Testosterone replacement therapy	10,631	-
- Reducing overcrowding in emergency department by facilitating better discharge planning	-	14,988
- Novel targeted therapy for ovarian cancer	-	19,990
- Antimicrobial nanoparticle platforms enhancing capecitabine efficacy in pancreatic cancer	-	19,079
	<u>77,697</u>	<u>54,057</u>
Total grants awarded	77,697	54,057
- Re-award of underspends	79,000	-
- Lapsed grants	(65,142)	-
- Underspends on previous grants paid	-	(79,000)
- Write back of previous unpaid commitments no longer required	<u>-</u>	<u>(15,057)</u>
	<u>91,555</u>	<u>(40,000)</u>

NOTES TO THE FINANCIAL STATEMENTS for the year ended 5 April 2021

9 GRANT MAKING (continued)

Reconciliation of grants payable:

	2021 £	2020 £
Commitments at beginning of year	299,774	396,522
Commitments made in the year	156,697	54,057
Agreed reductions in future commitments	(65,142)	(54,000)
	<hr/>	<hr/>
Grants paid during the year	391,329 (69,325)	396,579 (96,805)
	<hr/>	<hr/>
Commitments at end of year	322,004	299,774
	<hr/>	<hr/>
Commitments at end of year are payable as follows:-		
Within one year	162,004	207,774
After more than one year	160,000	92,000
	<hr/>	<hr/>

10 TRUSTEES' REMUNERATION AND EXPENSES

No emoluments were paid during the year to the Chairman, trustees, officers or members of Council. (2020: £nil)

No expenses have been reimbursed during the year to the Chairman, trustees, officers or members of Council. (2020: £nil)

Trustees are the key management personnel of the Charity.

11 STAFF COSTS

The average number of UK staff engaged throughout the year, calculated on a full-time basis was:-

	2021 Number	2020 Number
Services to the general public	1	1
Administration and management	2	2
	<hr/>	<hr/>
	3	3
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS for the year ended 5 April 2021

11 STAFF COSTS (cont)

The cost of engaging those staff was:-

	2021	2020
	£	£

Salaries, national insurance and pension scheme	<u>75,733</u>	<u>120,185</u>
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No employee received remuneration amounting to more than £60,000 in either year

12 TANGIBLE FIXED ASSETS

	Freehold land	Freehold buildings	Office Equipment	Total
	£	£	£	£
COST				
At beginning of year	250,000	526,000	327,281	1,103,281
Additions	-	6,670	-	6,670
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	250,000	532,670	327,281	1,109,951
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
At beginning of year	-	53,120	287,966	341,086
Charge for the year	-	10,653	5,965	16,618
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	-	63,773	293,931	357,704
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
At 5 April 2021	250,000	468,897	33,350	752,247
	<hr/>	<hr/>	<hr/>	<hr/>
At 5 April 2020	250,000	472,880	39,315	762,195
	<hr/>	<hr/>	<hr/>	<hr/>

The freehold land and buildings were valued on 14 April 2016 by Louis Taylor Ltd. and confirmed as being valid at an effective date of 6 April 2014. The market valuation was based on current or similar use of the existing land and buildings. The valuation has been used as the deemed cost, being the fair value at the date of transition to Financial Reporting Standard 102 by the Charity.

As part of the valuation the Charity has been able to quantify the element of the building that represents investment property. The investment property is classified as fixed asset investment in these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 5 April 2021**

13 FIXED ASSET INVESTMENTS

	2021 £	2020 £
Investment Property	224,000	224,000
Investment Portfolio	2,755,922	2,267,037
	<u>2,979,922</u>	<u>2,491,037</u>

The Investment Property relates to the long-term lease of part of the building to independent tenants on commercial lease terms.

	Listed Investments £
INVESTMENT PORTFOLIO VALUATION: Equities, Government Stock and fixed rate Bonds.	
At 6 April 2020	2,267,037
Additions	210,001
Revaluation	610,989
Equalisation	-
Disposals at opening market value	(332,105)
At 5 April 2021	2,755,922
COST OF INVESTMENTS	
At 5 April 2021	2,969,588
At 5 April 2020	2,759,587

The analysis of market valuations is as follows:

	£
EQUITIES	
Market value at 5 April 2021	2,628,051
Market value at 5 April 2020	2,087,738
GOVERNMENT STOCK & FIXED RATE BONDS	
Market value at 5 April 2021	127,871
Market value at 5 April 2020	179,299
Total market value at 5 April 2021	2,755,922
Total market value at 5 April 2020	2,267,037

All investments are listed on a recognised stock exchange. All the equities are held with a UK domiciled fund , It is the Charity's policy only to deal with listed securities .

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 5 April 2021

14	DEBTORS	2021	2020
		£	£
	Investment Managers	1,149	1,461
	Trade debtors	52,169	54,626
	Prepayments and accrued income	6,148	17,721
	VAT	3,550	1,846
		<hr/>	<hr/>
		63,016	75,654
		<hr/>	<hr/>
15	CREDITORS: Amounts falling due within one year	2021	2020
		£	£
	Grants (see note 9)	162,004	207,774
	Accruals and deferred income	15,328	13,019
	Other creditors	8,331	36,033
		<hr/>	<hr/>
		185,633	256,826
		<hr/>	<hr/>
16	CREDITORS: Amounts falling due after more than one year	2021	2020
		£	£
	Grants (see note 9)	160,000	92,000
		<hr/>	<hr/>
		160,000	92,000
		<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 5 April 2021**

17 MOVEMENT ON FUNDS

	Balance at 5 April 2020	Incoming Resources	Resources Expended	Gains & losses	Transfers	Balance at 5 April 2021
	£	£	£	£	£	£
UNRESTRICTED FUNDS						
General Fund	107,153	109,971	(192,714)	45,000	40,330	109,740
<i>Designated Funds</i>						
Building Maintenance fund	60,497	-	-	-	150,000	210,497
Land and Buildings Fund	946,880	-	(10,653)	-	6,670	942,897
Income Generation fund	596,962	53,015	-	250,727	(197,000)	703,704
	<u>1,711,492</u>	<u>162,986</u>	<u>(203,367)</u>	<u>295,727</u>	<u>-</u>	<u>1,966,838</u>
RESTRICTED FUNDS						
Research Fund	788,813	-	(91,555)	200,000	-	897,258
Kidney Fund	522,682	-	-	91,249	-	613,931
Section of General Practice	11,353	-	-	-	-	11,353
Section of Psychiatry	1,530	-	-	-	-	1,530
	<u>1,324,378</u>	<u>-</u>	<u>(91,555)</u>	<u>291,249</u>	<u>-</u>	<u>1,524,072</u>
ENDOWED FUNDS						
Dr McCall Memorial Fund	8,261	-	-	24,013	-	32,274
Dorothy Evans Bequest Fund	24,561	-	-	-	-	24,561
	<u>32,822</u>	<u>-</u>	<u>-</u>	<u>24,013</u>	<u>-</u>	<u>56,835</u>
	<u><u>3,068,692</u></u>	<u><u>162,986</u></u>	<u><u>(294,922)</u></u>	<u><u>610,989</u></u>	<u><u>-</u></u>	<u><u>3,547,745</u></u>

NOTES TO THE FINANCIAL STATEMENTS for the year ended 5 April 2021

17 MOVEMENT ON FUNDS (continued)

UNRESTRICTED FUNDS

General Fund

General donations to the Charity are initially brought into the General Fund. In addition members' subscriptions, rentals from room hire, investment income and incidental income of the Institute, contribute to the fund. A levy is made on the other funds towards the administration costs, based on the fund's investment income received. This fund is monitored to ensure it sits within the Charity's reserve policy as set out on pages 11 and 12 of the Trustees' report.

Building Maintenance Fund

The Trustees have recognised that, in order to maintain the premises at Hartshill and keep it in good operational condition, there needs to be a fund available to cope with larger maintenance expenditure which may come along on a cyclical basis. This designation was in part included in the previously named **Nadin Fund** (established by a general gift of £42,444 from the Estate of Mrs W. Nadin in 1980) and has been created by a transfer from that fund.

Land and Buildings Fund

This fund is comprised of the freehold land and buildings, and the freehold investment property at Hartshill. These are an integral part of the Institute and its membership and the wider community, the Trustees regard these as enduring assets which will be retained by the Charity for the longer term. Accordingly, the net book values, which forms part of the Charity's unrestricted reserves, have been designated for them to remain with their current use and purposes. As with the maintenance fund this was previously represented, in part, by the **Nadin Fund**.

Income Generation Fund

This designation has been made by trustees in recognition of the fact that the charity no longer has a significant ongoing external income stream to enable it to provide an annual general research grants programme, (excluding the specific grants available from the restricted *Kidney Fund*). In order to maintain such a program (minimum of £40,000 p.a.) they have set aside reserves for investment to enable them, via income and capital growth, to generate sufficient resources to provide this minimum annually. For 2020/21 this fund has been used to restore the level of general funds to the target required, and provide funds for anticipated major repairs to the Hartshill premises required in the next financial period.

They have also recognised that the general operation of the building for its charitable purposes is likely for the foreseeable future to give rise to an operating shortfall. A further amount of resources therefore is also needed to be put aside to generate sufficient investment returns to fund this annual shortfall. Together these are now described as the *Income Generation Fund*. This was previously partly represented by the **Glover and Gallimore Fund**, a fund established in the year ended 2006 to recognise the substantial donations received in the year ended 5 April 2003 and to, inter alia, generally support the Institute.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 5 April 2021**

17 MOVEMENT ON FUNDS (continued)

RESTRICTED FUNDS

Research Fund

Established by public donations partly to finance and partly to endow medical research under the auspices of the North Staffordshire Medical Institute Limited (limited by guarantee). During 2020/21 this was used to provide funds for the annual awards programme which totalled

Kidney Fund

Established by public subscription in 1967 to provide a kidney unit at the North Staffordshire Hospital Centre and to finance research into kidney disease.

Section of General Practice

The object of the section is to promote further education within general practice.

Section of Psychiatry

The object of the section is to promote further education within psychiatry.

ENDOWED FUNDS

Dr McCall Memorial Fund

Established in 1996 from a donation by Mrs McCall to finance research in pathology.

Dorothy Evans Bequest Fund

Established in 1998 by a gift of £16,691 from the Estate of Miss Dorothy Evans to finance the purchase of books for the library. The funds were created from donations which were to be held as capital. The income arising is only to be used to finance specific expenditure.

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed assets	Investments	Net current assets/(liabilities)	Long term liabilities	Total
	£	£	£	£	£
Unrestricted					
- general	33,352	2,129	74,259	-	109,740
- designated	718,895	1,138,203	-	-	1,857,098
Restricted	-	1,782,755	(98,683)	(160,000)	1,524,072
Endowed	-	56,835	-	-	56,835
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	752,247	2,979,922	(24,424)	(160,000)	3,547,745
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS for the year ended 5 April 2021

19 COMMITMENTS UNDER OPERATING LEASES

At 5th April the company was committed to making the following minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Plant and machinery:		
Expiring between 2 and 5 years	1,578	1,578
	<u> </u>	<u> </u>

20 RELATED PARTY TRANSACTIONS

Owing to the nature of the Charities operations and the composition of the board of trustees being drawn from a medical background, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the charity's financial regulations and normal procurement procedures.

22 FINANCIAL INSTRUMENTS

The carrying amount of the charitable company's financial instruments are as follows:

	2021 £	2020 £
Financial assets		
Measured at fair value through net income/expenditure:		
Fixed asset listed investments (note 13)	2,755,922	2,267,037
	<u> </u>	<u> </u>
Debt instruments measured at amortised cost:		
Debtors (note 14)	27,169	54,626
	<u> </u>	<u> </u>
Financial liabilities		
Measured at amortised cost:		
Creditors (note 15)	23,659	49,052
	<u> </u>	<u> </u>
Net gains and (losses) (including changes in fair value).		
Financial assets measured at fair value through net income/expenditure	610,989	(380,281)
	<u> </u>	<u> </u>

Independent Auditors Report to the members of The North Staffordshire Medical Institute Limited

Opinion

We have audited the financial statements of The North Staffordshire Medical Institute Limited (the 'charitable company') for the year ended 5th April 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- * give a true and fair view of the state of the charitable company's affairs as at 5th April 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- * have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- * have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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. The other information comprises the information included in the trustees' 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Independent Auditors Report to the members of The North Staffordshire Medical Institute Limited

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the [strategic report and the]⁴ directors' 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 accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19, 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.

Independent Auditors Report to the members of The North Staffordshire Medical Institute Limited

Auditor's responsibilities for the audit of the financial statements (continued)

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

As part of our planning process:

- we enquired of management the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, whether there was any known, suspected or alleged fraud. the charity did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: the Charity SORP. FRS 102, Charities Act 2011. Companies Act 2006.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates.
- Assessing the extent of compliance, or lack of, with relevant laws and regulations.
- Assessing the validity of the classification of income, expenditure, assets and liabilities between unrestricted and restricted funds.
- Obtaining third party confirmation of material bank balances.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as charity board minutes for discussions of irregularities including fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Independent Auditors Report to the members of The North Staffordshire Medical Institute Limited

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.

MRS KAREN STALEY FCA BSc (Hons)
Senior Statutory Auditor
For and on behalf of Geens Limited, Statutory Auditors
68 Liverpool Road
Stoke-on-Trent
ST4 1BG

29th October 2021

Independent Auditors Report to the members of The North Staffordshire Medical Institute Limited (continued)

For the avoidance of doubt the information below is part of the Trustee's report set out on pages 5-18 of this Annual Report and Financial statements for the year ended 5 April 2021.

The following Trustees held office in the year ended 5 April 2021. With the exception of those Trustees where a date of resignation is noted or where the date of appointments (as noted) were made after the year end. As such this list is also the current serving Trustees at the date the Trustees report was approved.

Trustees / Company Directors

Dr. C. Banks*
Mr. M. W. Barnish*
Mr. P. E. C. Blood*
Mr. A. C. Bolger⁰ (resigned 14th September 2020)
Prof A.M Brunt. (appointed 12th November 2020)
Mr. B. C. Carnes MBE*
Prof N Chockalingam (appointed 17th May 2021)
Mr I. Cotterill (appointed 17th May 2021)
Mr. P. J. Doherty*(resigned 5th April 2020)
Mr. R. W. Farmiloe
Prof. N.R. Forsyth⁰
Prof. A.A. Fryer
Prof J. Keeling (appointed 17th May 2021)
Mr. J. Kocierz (resigned 7th August 2020)
Prof K Maddock
Mr. J. D. Muir*⁰
Mr. J. G. Wade
Dr. P Wu

* denotes member of Finance & General Purposes Committee

⁰ denotes member of Research & Awards Sub-Committee

The following individuals held and, unless indicated otherwise, continue to hold the Honorary Officer positions set out in the Charity's byelaws:

Honorary Officers

President	Mr B. C. Carnes MBE.
Chair	Mr. J. D. Muir.
Honorary Treasurer	Mr M. W. Barnish.
Deputy Chair	Prof A. M. Brunt.

Other Appointments

Editor of Midlands Medicine Journal.
Dr. D. L. P. de Takats.

Charity's Advisors

Auditors
Geens Limited, 68 Liverpool Road,
Stoke-on-Trent, Staffordshire, ST4 1BG.

Investment Managers
Smith & Williamson Investment Management
LLP, 9 Colmore Row, Birmingham B3 2BJ.

Bankers
National Westminster Bank PLC, 75 High
Street,
Newcastle-under-Lyme, Staffordshire, ST5 1PP.

Solicitors
Knights Professional Services Ltd, The
Brampton,
Newcastle-under-Lyme, Staffordshire, ST5
0QW.

Charity registration numbers and address

Company Registration number 00705320
Registered Charity number 200843
Registered Office
Hartshill Road, Hartshill, Stoke-on-Trent,
Staffordshire, ST4 7NY