

THE HUMANE RESEARCH TRUST
(Incorporating the Lawson Tait Medical and Scientific Research Trust)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Charity No: 267779

THE HUMANE RESEARCH TRUST (Incorporating the Lawson Tait Medical and Scientific Research Trust)

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THE HUMANE RESEARCH TRUST (Incorporating the Lawson Tait Medical and Scientific Research Trust)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report together with the financial statements of the Charity for the year ended 31 December 2020. The financial statements have been prepared in accordance with the accounting policies set out on pages 13 and 14 and comply with the Charity's Trust Deed, "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", effective 1 January 2015.

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees: Leslie M Rhoades FCA (Chair to 23 March 2020, deceased)
David S Millson MD, PhD, MRCP, FFPM (Chair)
Kenneth H Cholerton BA (Econ)
Andrew A Berwitz DSS Hon, (Hon. Treasurer)
G Barrie Davies MBE, MRPharmS,
D Malcolm Bowker PhD FRCPsych
Edward A Lock MIBiol PhD, FRCPsych, FBTS, FATS.
Gillian J Homan BSc, MSc, CMCIPD (elected 14 April 2020)

Charity Office: Brook House
29 Bramhall Lane South
Bramhall
Stockport
Greater Manchester
SK7 2DN

Charity Number: 267779

Auditors: Lloyd Piggott Limited
Chartered Accountants and Statutory Auditor
St. George's House
56 Peter Street
Manchester
M2 3NQ

Bankers: Royal Bank of Scotland
Drummond House Branch
1 Redheughs Avenue
Edinburgh
EH12 9JN

THE HUMANE RESEARCH TRUST (Incorporating the Lawson Tait Medical and Scientific Research Trust)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Humane Research Trust is an unincorporated Trust, constituted under a Trust Deed dated 8 May 1974 and is a registered charity, number 267779. During 2020, a merger was completed with the Lawson Tait Medical and Scientific Research Trust and ratified by the Charities Commission. The full name of the Charity is henceforth The Humane Research Trust (Incorporating the Lawson Tait Medical and Scientific Research Trust).

Recruitment and appointment of new Trustees

The Trustees who served during the year are listed on page 1. As noted last year, Dr Millson was elected Chair in April 2020 following the death of Leslie Rhoades.

Appointment of Trustees is governed by Trust Deed, and the Board of Trustees is authorised to appoint new Trustees to fill vacancies arising from resignation or death of an existing Trustee.

The Trustees are appointed by the Board of Trustees and are not required, during their period of office, to submit themselves for re-appointment. The Chair of the Trustee Board is appointed annually by the Trustees.

The Trust Deed provides for a minimum of three Trustees and a maximum of eleven Trustees. The present Trustees, all of whom have a professional background, are not actively involved in medical research, and may seek independent opinions, as appropriate, from scientists known to the Trust.

So as to provide the strategic leadership that is necessary for the Trust, the Board keeps the skill requirements for the Trust Body under review. New Trustees may be sought by personal recommendation or through knowledge of individuals who respect the ethos of the Trust. In addition, a recent step taken has been to advertise for new trustees with specified experience and skills.

Induction and training of Trustees

The induction process for any newly appointed Trustee comprises meetings with the Chair and co-Trustees to explain the powers and responsibilities of the Trustee Board and to provide a brief history of the Trust, the policy statement, the governing Trust Deed, copy minutes and annual reports and accounts together with other financial information. Additionally, any new Trustee is made aware of the Charity Commission's Guidance, 'The Essential Trustee: What you need to know'.

Organisational structure

Normally there are four formal Trustee meetings held during a financial year at which are agreed the overall strategy and areas of activity, including grant making, financial performance, reserves and risk management policies. The day-to-day administration of grants and the processing and handling of applications, once approved by the Trustees, is delegated to the Trust Secretary.

Risk management

The principal risk faced by the Trust lies in the operational risks from ineffective grant making and the capacity of the Trust to make effective grants. The operational risk from ineffective research is managed firstly by having Trustees of sufficient skill and expertise, together with a system of peer reviews of grant applications and the quality of institutions and researchers who we support.

THE HUMANE RESEARCH TRUST (Incorporating the Lawson Tait Medical and Scientific Research Trust)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONT)

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Trust was established to collaborate with medical researchers, as a responsible partner, so as to develop skills and techniques, which would replace the use of animals in laboratory research. The Trust, which relies entirely upon voluntary fund-raising efforts, endeavours to raise finance for pioneering projects which lead to improvement in medical research techniques, the advancement of diagnosis and treatment of disease in humans and the development of innovative alternatives to the use of animals in medical research.

The objects of the Trust are the promotion and encouragement of medical and scientific research and learning and the dissemination of the results of such research for the benefit of the public and, in particular, in fields which may lead to the elimination of the use of animals in research.

The Trust furthers its charitable purposes for the public benefit through its grant making policy which aims:

- To fund pioneering medical research projects which cannot obtain support from other sources and which lead to both improvement in medical research techniques and the replacement of animal methodology.
- To finance research fellowships, scholarships for postgraduate research, infrastructure for human tissue studies, facilitate medical research and other projects that further the objects of the charity.
- To provide grants to projects that seek to provide innovative research.

The objectives for the year are shaped by these strategic aims with a view to maintaining a stable programme and to continue to fund medical research.

The Trust looks to achieve its strategic aims and carry out its operational objectives of the year through partnerships with institutions, in particular, UK universities.

Investment powers and objectives

The Trust Deed authorises the Trustees to make and hold investments, at their discretion, using the general funds of the charity. Whilst it has been the Trustees' policy to invest surplus funds, not required in the immediate future, on term deposit with the bank, the continued decline in deposit rates forced a review of this during 2020. The decisions have been taken firstly to access enhanced deposit rates via an intermediary platform also enabling diversification across a panel of regulated banking institutions.

Secondly, the decision has since been taken in 2021 to invest an additional portion of this into a managed ethical investment fund.

Public benefit

The main activities, aims and objectives of the Trust, which are stated within the report of the Trustees, have remained unchanged for many years. The Trustees, having had regard to guidance on public benefit issued by the Charity Commission, confirm that the charitable purposes of this Trust fall within the definitions set out in the Charities Act and, therefore, are for the public benefit.

THE HUMANE RESEARCH TRUST (Incorporating the Lawson Tait Medical and Scientific Research Trust)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONT)

Grant making policy

The Trust, which is recognised and respected at university medical research institutes as well as at main UK hospitals, invites applications, from a wide range of scientists, to the Trustees.

Applications are reviewed against the scientific research criteria and the research objectives established by the Trustees.

Apart from the purchase of one off items of equipment, the Trust normally finances long term medical research projects and has made grant commitments until 2022. Grant recipients are required to submit regular progress reports and may be asked to produce articles for inclusion in the charity's literature and to make presentations at internal conferences and seminars. Communication with grantees is a continual process.

Set out at Note 8 to the Accounts is a list of the projects currently supported by the Trust during 2020. As at the year-end a total of nearly £0.6m of future grants are committed to ongoing research programmes at UK universities.

Details of how to apply for grants, together with the relevant forms are available on the charity's website.

Volunteers

The Trust is able to call upon a significant number of volunteers throughout the UK to assist with fundraising activities on behalf of the charity and to promote its objectives and activities.

The Trustees acknowledge that communication with donors is vital and throughout the year proactive communication is regularly made.

In the absence of reliable information, which would impose additional demands upon our volunteers, it is not practicable to give an indicative value of unpaid voluntary assistance.

ACHIEVEMENT AND PERFORMANCE

Review of the development, activities and achievements

Research Grants and Research Posts

The Trust continues to fund university research fellowships, student grants, scholarships and other medical research projects covering a wide area of techniques and human diseases. A cornerstone of the Trust's long-term philosophy is to encourage scientists to develop innovative alternatives to the use of animals so as to eliminate the suffering of animals in medical research and testing and fulfil an important role in educating the next generation of researchers.

During 2020 inevitably much of the research supported by the Trust was suspended owing to Covid, and which in turn served to prevent any pipeline of new projects. However, the Trust is striving to attract and support new research in 2021 through such initiatives as the (late) Les Rhoades scholarship mentioned below.

A listing of all research grants is given in note 8 to the financial statements.

Past Successes and Current Promising Research

Whilst all our projects have delivered valuable results and promise more success in the future, we would like to particularly highlight the following. The Trust has funded research at Manchester University investigating the role of the unknown microbial agents as causative agents for cancer in a team led over the last 10 years by Professor Ian N Hampson & Dr Lynne Hampson.

THE HUMANE RESEARCH TRUST (Incorporating the Lawson Tait Medical and Scientific Research Trust)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONT)

They have developed the Serum Antibody Repertoire Analysis (SARA) technique, in order to compare antibodies found in pooled blood samples from patients with childhood leukaemia [ALL] to those found in pooled blood from age-matched, disease-free control populations. The SARA method has provided strong evidence for the existence of hitherto unidentified viruses as causative agents for ALL. With respect to anti-self, autoimmune targeted human proteins, >1000 were detected in children with ALL and yet, remarkably, none were found in disease-free children. Most importantly, many of these ALL-associated autoantibody-targeted proteins were found to have functions relevant to leukaemia such as the control of cell growth, cell death and the development of blood cells.

The Trust has funded two research grants at Sheffield University with Dr's Peter Monk and Lynda Partridge, investigating the functional diversity of the tetraspanin proteins which form part of the cell membrane of human cells. Tetraspanins are membrane-spanning proteins with a conserved structure that functions primarily as a membrane protein organiser, where they play a key role signalling and regulating adhesions sites on the protein surface. Sometimes, these functions can get out of control and early work showed that small fragments of the tetraspanin protein could break up the organisation at the surface membranes of cells. Many types of bacteria use tetraspanin-organised membranes to attach firmly to cells, allowing them to infect cells. Further work showed that peptides can prevent bacteria such as MRSA, a type of bacteria that's resistant to several widely used antibiotics, from infecting in a realistic model of human skin, in a way in which bacteria cannot become resistant. This work has led to a novel way of reducing cellular uptake by bacteria and as such has potential for use in treating infection. The second grant asked the question what type of molecule are the tetraspanins organising. It turns out that a complicated sugar molecule, known as glycosaminoglycans (GAG) are involved. GAG's are attached via proteins to the cell membrane and form a type of "glue" that holds the cells together, and helps pass messages between cells to co-ordinate activities. The GAG's are organised on tetraspanins into "sticky patches" that bacteria can hijack when they infect the body. The presence of synthetic peptides affects these sticky patches, to make them disorganised enough so that bacteria can no longer stick sufficiently well, to affect the cells.

The findings with these grants have enabled the researchers to obtain two major grants from the Medical Research Council Developmental Pathway Funding Scheme (£1.4 million) to develop the peptides into a new treatment for eye infections.

This project is a classic example of what the Trust is trying to achieve; by supporting novel ideas which enable scientists to generate data to apply for more substantial grants; but also, to support work with human tissue to treat human diseases.

We have also funded for over 10 years a laboratory and students at the University of East Anglia working on the human eye *in vitro*, using a capsular bag model to study the lens. The model is now being used to test 3D printed lens with regard to safety and better optical properties, prior to use in humans. The lab is also involved in education and in the wider development of human tissue technology.

The bulk of our funding is focused on human-derived cell lines and human tissue *in vitro* and it is important that the medium used to maintain their growth and division does not use animal-derived reagents. We have supported a group at Oxford University working with human fat cells in culture. They have demonstrated that by replacing bovine serum albumin with human serum albumin, that the cells grow and respond to treatments as seen in humans. Currently we are funding a project that is looking to replace an animal-derived reagent commonly used in cell biology, with an alternative matrix for growing human intestinal cells.

Monitoring Achievements

The Trustees require grantees to issue reports, at not less than annual intervals to enable them to monitor progress of the projects embracing pure and applied research. On completion a report is required setting out the research carried out, the results obtained and the conclusions reached. The Trustees use the number of

THE HUMANE RESEARCH TRUST (Incorporating the Lawson Tait Medical and Scientific Research Trust)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONT)

academic papers accepted for publication, independent editorial endorsements of these, together with presentations at scientific conferences, as an indicator of success.

The postgraduate and scholarship programme is evaluated by the number and duration of students who complete their studies successfully, and academic papers accepted for publication or presentation.

Investments

This charity does not hold any investments other than bank balances.

FINANCIAL REVIEW

Financial position

The total income of the Charity for the year ended 31 December 2020 totalled £731,660, an increase of £55,291 when compared with the previous year. Legacy income of £517,943, although reduced from £577,060 in 2019, continues to be the dominant feature of our income. Donations at £64,444 were broadly unchanged on 2019, a pleasing outcome given the circumstances in 2020 impacting usual fund-raising events and the various Covid emergency appeals which will rightly have attracted donors' funds. Bank deposit interest declined significantly, however, in 2020 reflecting the cuts to base rate, prompting a policy change reported above.

As reported above a merger was concluded in 2020 with the Lawson Tait Medical and Scientific Research Trust. This brought in the entirety of the latter's funds resulting in a gift of a £117,774 being its surplus funds over and above the £387,743 sum loaned by the Trust and redeemed on merger.

Governance and support costs continue to be monitored closely. However, these costs increased from £124,000 in 2019 to some £135,000 in 2020. Additional costs were incurred in the form of consultancy fees and IT consumables to enable the charity to function more efficiently in future but in particular to enable remote working. These costs are budgeted for some reduction in 2021 owing to efficiencies being achieved.

Re-imbursement of expenditure on medical research projects funded by the Trust amounted to £460,618 in 2020. No new commitments for research funding were made in the year.

The Trust recorded a surplus of £124,400 in 2020, mainly attributable to the aforementioned Lawson Tait gift. The Trust therefore remains financially sound with free reserves of £2.6 million. This allows the Board to continue to pursue leading edge research projects that also represent good value for money.

Reserves policy

The Trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately one year of unrestricted charitable expenditure. The Trustees consider that this level will provide sufficient funds to respond to applications for grants and ensure that support and governance costs are covered.

Legacy income is a dominant income stream of this charity, with unpredictability in both timing and amount. Grant commitments are normally for research projects of between three and five years. Consequently, there can be time lags between receipt of income and payment of grants. Therefore, the Trust can and frequently does, hold reserves in excess of the amount that is needed.

The balance of unrestricted reserves as at 31 December 2020 amounted to £3.2 million. As stated in note 20 on page 26 of the financial statements, the Trustees have agreed to make future grants payments amounting to £0.6 million payable during the period from 2021 to 2022. After taking account of this future commitment and making other appropriate adjustments, £2.6 million is regarded as free reserves. This figure is considerably higher than expected due to the closure of universities during the pandemic. As the universities have re-opened many high-quality grant applications have been received which, the trustees expect, will lead to grants being made thus reducing the reserves to the normal levels.

THE HUMANE RESEARCH TRUST (Incorporating the Lawson Tait Medical and Scientific Research Trust)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONT)

FUTURE DEVELOPMENTS

Plans for the future

The Trustees continue to investigate medical research programmes and new initiatives consistent with scientific excellence, so as to minimise the levels of uncommitted cash resources. It is our intention to reach out to scientists in Universities that we have not funded to date, but obviously this will depend on the quality of the applications received. The Trust likes to fund new ideas where traditional funding bodies may need clear proof of principle. It does however need to be with human tissue. Our aim is to continue supporting translation from *in vitro* to clinical application as achieved with funding at the University of Manchester and East Anglia.

Les Rhoades and his legacy for the future

We reported last year on the sad loss of the Trust's longstanding former chairman who died suddenly in March 2020. Les Rhoades was passionate about developing the careers of young scientists in the field of humane research. Therefore, the Trustees have instituted a special research award: The Les Rhoades Memorial Grant. Applications under this scheme having been received, a first such award is expected to be made in 2021, and, it is expected that there will be continuing research under this scheme for many years ahead.

Key management, personnel and remuneration

The Trustees consider the Board of Trustees as the key management personnel of the charity in charge of directing and controlling the charity. All Trustees give their time freely and no remuneration is paid to any Trustee.

The Trustees engaged an accountant, Mr Tim Askham, as a consultant to introduce new accounting systems. To achieve this safely ITG Technologies were engaged to upgrade the IT systems to ensure industry standards were complied with regarding security of information and ease of working especially during the period of working from home caused by the coronavirus pandemic. ITG supplied new computer hardware and software during the year to meet the accounting requirements set by Mr Askham and to improve control of grant making and communications with the supporters. ITG provide on-going monitoring of the IT system ensuring the Trust is compliant with current best practice.

Mr Askham has now been appointed as consultant Finance Officer to provide regular support to the staff and Trustees on financial matters. The Trustees wish to place on record their thanks to Mr Askham.

Dr Millson, as chairman, formed a management group comprising of several Trustees, the employed trust secretary and the consultant finance officer which meets regularly (remotely in 2020) for discharging the daily business of the charity. This group reports the Trustee board quarterly or as required.

Trustees are required to disclose all relevant interests and register them with the Chairman and in accordance with the Trust's policy withdraw from discussions where a conflict of interest exists. Details of Trustees expenses and related party transactions are stated in the notes to the financial statements.

The Trust employs three paid administrators, two of whom are full time and one is part time (vacant currently), and in addition engaged the services of the consultant finance officer. All are involved in providing either support to the governance of the charity or support services to its charitable activities. No employee has employee benefits in excess of £60,000.

The salaries of the charity's employees are reviewed mainly annually with reference to current average earnings, having been bench-marked so as to be not out of line with similar organisations and similar roles.

ACKNOWLEDGEMENTS

The Trustees acknowledge and thank the staff, dedicated volunteers and supporters for their commitment to the Trust over many years.

THE HUMANE RESEARCH TRUST (Incorporating the Lawson Tait Medical and Scientific Research Trust)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONT)

ACKNOWLEDGEMENTS (continued)

The Trustees thank all members of staff for their exceptional efforts during the pandemic, mixing home and office working to ensure a continued high standard of service to donors and supporters. Also, for the valuable voluntary assistance provided by Mr Simon Duffy in advising on our upgrade in IT equipment procurement and control procedures.

Statement of Trustees' Responsibilities

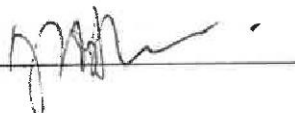
The Trustees are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, and the provisions of the Trust Deed, requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources, including the income and expenditure, of the Trust 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 Trust and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approval

This report was approved by the Trustees on the  and signed on their behalf.

D S Millson
Chair of Trustees

THE HUMANE RESEARCH TRUST (Incorporating the Lawson Tait Medical and Scientific Research Trust)
REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE HUMANE RESEARCH TRUST FOR THE YEAR ENDED 31 DECEMBER 2020

We have audited the financial statements of The Humane Research Trust (the “charity”) for the year ended 31 December 2020 on pages 11 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity’s affairs as at 31 December 2020 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 Charities Act 2011

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities under those standards are further described in the Auditors’ responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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’s use of the going concern basis of accounting in 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 other information comprises the information included in the annual report, other than the financial statements and our auditors’ report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and 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.

THE HUMANE RESEARCH TRUST (Incorporating the Lawson Tait Medical and Scientific Research Trust)

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE HUMANE RESEARCH TRUST FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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 Charity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

The Trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011. Accordingly, we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Non-compliance with the Charities Act and financial reporting requirements of the Charity SORP, tax and other financial regulations were assessed to be most relevant. Our audit procedures to identify non-compliance with laws and regulations in these areas consisted of:

- Identifying and assessing the design effectiveness of control those charged with governance have put in place to prevent and detect fraud. Including the review of grants payable monitoring procedures;
- Enquiries with trustees;
- Inspection of trustee meeting minutes and other regulatory correspondence;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;

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REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE HUMANE RESEARCH TRUST FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

- Auditing the risk of management override of controls though testing journal entries and other adjustments for appropriateness;
- Challenges to management assumptions and judgements in relation to accounting estimates.

Despite appropriate planning and performing our work in accordance with International Auditing Standards, there are always inherent limitations that non-compliance is not detected. Non-compliance with laws and regulations is often further removed from the events and transactions reflected in the financial statements and material misstatements due to fraud can be deliberately concealed from auditors, for example through misrepresentation, forgery or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website. This description forms part of our auditors' report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility.

Lloyd Piggott Limited
Chartered Accountants and Statutory Auditor
St George's House
56 Peter Street
Manchester M2 3NQ
Date:

Lloyd Piggott Limited

THE HUMANE RESEARCH TRUST (Incorporating the Lawson Tait Medical and Scientific Research Trust)
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted Funds	
		2020	2019
		£	£
	Note		
<i>Income and endowments from</i>			
Donations and legacies	2	700,161	640,843
Other trading activities	3	18,732	16,088
Income from investments	4	12,767	19,438
		<hr/>	<hr/>
Total income and endowments		731,660	676,369
		<hr/>	<hr/>
<i>Expenditure on</i>			
Raising funds	6	55,556	53,736
Charitable activities	7	551,703	699,375
		<hr/>	<hr/>
Total expenditure		607,259	753,111
		<hr/>	<hr/>
Net (expenditure)/income		124,401	(76,742)
		<hr/>	<hr/>
Net movement in funds		124,401	(76,742)
		<hr/>	<hr/>
Reconciliation of funds			
Total funds brought forward		3,104,649	3,181,391
		<hr/>	<hr/>
Total funds carried forward		3,229,050	3,104,649
		<hr/>	<hr/>

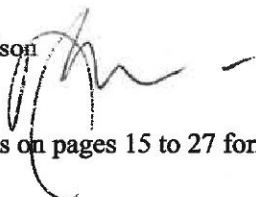
The notes on pages 15 to 27 form part of these financial statements.

THE HUMANE RESEARCH TRUST (Incorporating the Lawson Tait Medical and Scientific Research Trust)
BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	£	2020 £	£	2019 £
Fixed assets					
Tangible assets	13		49,913		43,974
Current assets					
Stocks	14		3,620		7,736
Debtors	15		27,082		450,680
Cash at bank and in hand			<u>3,357,351</u>		<u>2,834,714</u>
Total current assets			3,388,053		3,293,130
Creditors:					
Amounts falling due within one year	16		208,916		232,455
Net current assets			3,179,137		3,060,675
Total assets less current liabilities			<u>3,229,050</u>		<u>3,104,649</u>
The funds of the charity					
Trust fund			100		100
Property reserve	17		31,668		33,068
Unrestricted fund	17		3,197,282		3,071,481
Total charity funds			<u>3,229,050</u>		<u>3,104,649</u>

Approved by the Trustees on the 23/06/2021 and signed on their behalf.

D S Millson
Trustee



A B Berwitz
Trustee



The notes on pages 15 to 27 form part of these financial statements.

THE HUMANE RESEARCH TRUST (Incorporating the Lawson Tait Medical and Scientific Research Trust)
STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Net cash generated from operating activities	19	518,009	115,830
Cash flows from investing activities			
Bank deposit interest		12,767	19,438
Purchase of office equipment		(8,139)	-
Net cash generated by investing activities		4,628	19,438
Cash flows from financing activities		-	-
Change in cash and cash equivalents in the year		522,637	135,268
Cash and cash equivalents brought forward		2,834,714	2,699,466
Cash and cash equivalents carried forward		3,357,351	2,834,714

THE HUMANE RESEARCH TRUST (Incorporating the Lawson Tait Medical and Scientific Research Trust)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

1. Accounting policies

a) Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2015, the Financial Reporting Standard (FRS 102) and the Charities Act 2011.

The Trustees consider that no material uncertainties exist about the Trust's ability to continue as a going concern in the foreseeable future.

b) Tangible fixed assets and depreciation

Assets costing more than £500 are capitalised and accounted for at historical cost.

Depreciation is provided on tangible fixed assets over the period of their useful economic lives at the following rates:

Freehold property	2% per annum on cost
Fixtures, fittings and office equipment	20% per annum on reducing value

c) Fixed asset investments

Investments purchased by the charity are included at cost. Investments received by gift or legacy are valued at market value on the date when the Trust acquired title. Provision for permanent impairment in value is provided for.

d) Stocks

Stocks are valued at the lower of cost and net realisable value.

e) Funds structure

Unrestricted income funds are those funds which the Trustees are free to use for any purpose in furtherance of the charitable objectives. Restricted funds can only be used in accordance with the specific restrictions imposed by the donor.

f) Taxation

The activities of the charity are exempt from corporation tax and capital gains tax, under the Income and Corporation Taxes Act 1988 and the Taxation of Chargeable Gains Act 1992, to the extent that they are applied to the organisation's charitable objects.

THE HUMANE RESEARCH TRUST (Incorporating the Lawson Tait Medical and Scientific Research Trust)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

1. Accounting policies (continued)

g) Value Added Tax

Value added tax that is not recovered by the charity, is included in the relevant costs in the Statement of Financial Activities. Irrecoverable VAT is charged to the category of expenditure to which it relates.

h) Income recognition

Income is recognised once the charity has entitlement to it, it is probable that it will be received and can be measured reliably.

Legacy income is recognised on a case by case basis following the grant of probate, and the charity has been advised in writing of both the amount and the settlement date.

i) Expenditure

Liabilities are recognised as soon as there is an obligation committing the charity to the expenditure. All expenditure is accounted for on the accruals basis of accounting and has been charged to expense classifications as appropriate.

Grants in furtherance of the charitable objectives of the Trust become payable when an application for funding has been approved by the Trustees, the recipient has been informed and an agreement for research has been completed and signed.

j) Allocation of operational and support costs

Operational and support costs are allocated between costs of raising funds, charitable activities and governance. So far as is practicable, operational and support costs are charged to specific expense classifications. All other costs are allocated on a basis that is consistent and appropriate.

k) Costs of raising funds

The costs of raising funds comprise staff costs, specific expenditure and an apportionment of operational and support costs.

l) Charitable activities

Costs of charitable activities include grants made in the year, staff costs, specific expenditure and an apportionment of operational and support costs.

m) Governance costs

Governance costs comprise those costs involving the accountability of the charity and its compliance with regulation and good practice. The costs include costs relating to staff, statutory audit and professional fees together with an apportionment of operational and support costs.

THE HUMANE RESEARCH TRUST (Incorporating the Lawson Tait Medical and Scientific Research Trust)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

2. Donations and legacies

	Unrestricted Funds	
	2020	2019
	£	£
Group donations	-	4,032
Other donations	64,444	59,000
Legacies	517,943	577,060
Covenanted income	-	751
Transfer from Lawson Tait Medical & Scientific Research Trust	117,774	-
	<u>700,161</u>	<u>640,843</u>

3. Other Trading Activities

	Unrestricted Funds	
	2020	2019
	£	£
Goods purchased for resale	18,732	16,088
	<u>18,732</u>	<u>16,088</u>

4. Income from Investments

	Unrestricted Funds	
	2020	2019
	£	£
Interest on deposits with banks	12,767	19,438
	<u>12,767</u>	<u>19,438</u>

THE HUMANE RESEARCH TRUST (Incorporating the Lawson Tait Medical and Scientific Research Trust)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

5. Allocation of governance and support costs

The analysis of governance and support costs and the basis of allocation is stated below:

	Total allocated	Governance related	Other support costs	Basis of allocation
	£	£	£	
Staff costs	79,976	26,392	53,584	Staff time
Administrative costs	53,302	25,891	27,411	Staff time/Specific
Depreciation	2,200	733	1,467	Staff time/Specific
	135,478	53,016	82,462	

	2020	2019
	£	£
Governance costs		
Trustee expenses	-	1,136
Auditors remuneration	6,250	7,328
Auditors remuneration - non-audit services	2,635	2,576
Staff costs	26,392	24,916
Support costs	17,739	9,369
	53,016	45,325

The support costs attributable to charitable activities is apportioned on a basis similar to that stated above.

The remuneration of the auditors amounted to £6,250 (2019: £6,250)

6. Costs of raising funds	2020	2019
	£	£
Cost of goods for resale	11,163	9,364
Advertising and publicity	3,616	3,239
Supporter appeals and other communication costs	-	297
Staff costs	27,192	25,670
Support costs	11,464	12,061
Mail order catalogues and other marketing literature	2,121	3,105
	55,556	53,736

THE HUMANE RESEARCH TRUST (Incorporating the Lawson Tait Medical and Scientific Research Trust)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

7. Charitable activities

In assessing and considering grant applications, the Trustees encourage and support new medical research which does not include the use of animals, with the objective of advancing the diagnosis and treatment of disease in humans. The charity also encourages scientists to develop innovative alternatives to the use of animals in medical research and testing and fulfils an important role in educating the next generation of researchers. Further details of the grantees, the purpose of the grants and the amounts are contained in notes 8 and 9.

	2020	2019
	£	£
Grants (note 8)	460,618	619,428
Staff costs	26,392	24,916
Publicity	904	810
Support costs	10,773	8,896
Governance costs (note 5)	53,016	45,325
	<hr/>	<hr/>
	551,703	699,375
	<hr/>	<hr/>

THE HUMANE RESEARCH TRUST (Incorporating the Lawson Tait Medical and Scientific Research Trust)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020(CONTINUED)

8. Grants-in-aid

<u>Name and address of recipient Institutions</u>	<u>Purpose of grant</u>	<u>Amount</u>
Prof I M Wormstone School of Biological Sciences University of East Anglia	Funding the Humane Research Trust laboratory; tissue culture human lens epithelial Cells	£ 93,540
	Humane Research Trust Phd Studentship	15,000
Dr M Williams School of Biological Sciences University of East Anglia	Development of a xeno-free living human intestinal tissue bank and next generation 3D culture systems for the investigation of gut health and disease.	66,291
	Designer human intestinal organoids for the study of colon cancer prevention.	61,992
Prof W D Fraser Norwich Medical School University of East Anglia	Single cell RNA sequencing in childhood bone cancer circulating tumour cells.	49,774
Dr Gavrilovic Norwich Medical School University of East Anglia	Reasons for poor wound healing in diabetic patients.	50,294

THE HUMANE RESEARCH TRUST (Incorporating the Lawson Tait Medical and Scientific Research Trust)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

8. Grants-in-aid (continued)

<u>Name and address of recipient Institutions</u>	<u>Purpose of grant</u>	<u>Amount</u>
Prof L Paraoan Department of Eye and Vision Science University of Liverpool	In vitro molecular modelling of age-related macular degeneration. At the crossroads of apoptosis and inflammatory pathways. How does PERP function as a key junction.	£ 25,901 7,536
Dr N Hodges School of Biosciences University of Birmingham	Understanding the role of cytoglobin in cancer cell resistance to cisplatin.	50,462
Prof M Coleman School of Life and Health Sciences Aston University	Development of a human in vitro model for the role of the immune system in Huntington's disease using human induced pluripotent stem cells.	32,562
Dr K Pinnick Radcliffe Department of Medicine University of Oxford	Developing new in vitro cellular models to culture human lipid-laden cells.	7,266

460,618

THE HUMANE RESEARCH TRUST (Incorporating the Lawson Tait Medical and Scientific Research Trust)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

9. Grants payable

Reconciliation of grants payable

	2020 £	2019 £
Commitments at 1 January 2020 (note 16)	215,527	121,717
Commitments made in the year	460,618	619,428
Grants paid during the year	(487,771)	(525,618)
	<hr/>	<hr/>
Commitments at 31 December 2020 (note 16)	188,374	215,527
	<hr/> <hr/>	<hr/> <hr/>

Commitments made in the year	£
Prof I M Wormstone, School of Biological Sciences, University of East Anglia	108,540
Dr M Williams, School of Biological Sciences, University of East Anglia	128,283
Prof L Paraoan, Department of Eye and Vision Science, University of Liverpool	33,437
Dr N Hodges School of Biosciences, University of Birmingham	50,462
Prof M Coleman School of Life and Health Sciences, Aston University	32,562
Prof W D Fraser Norwich Medical School, University of East Anglia	49,774
Dr J Gavrilovic University of East Anglia	50,294
Dr K Pinnick Radcliffe Department of Medicine, University of Oxford	7,266
	<hr/>
	460,618
	<hr/> <hr/>
Contingent liabilities settled during the year	487,771
	<hr/> <hr/>

All grants are institutional.

THE HUMANE RESEARCH TRUST (Incorporating the Lawson Tait Medical and Scientific Research Trust)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

10. Related party transactions

The charity had 7 Trustees common to the Lawson Tait Medical and Scientific Research Trust which was, therefore, considered to be a related undertaking. During the year as explained in the Trustee's Report the two charities have merged, with the funds of the Lawson Tait Medical and Scientific Research Trust being donated to The Humane Research Trust after settlement of the related party debt. No other related party transactions have been registered with the charity.

11. Trustee remuneration

No remuneration was paid to any Trustee in the year (2019: £nil).

Expenses totalling £400 in 2020 (2019: £1,356) represent approved costs incurred by Trustees, on behalf of the charity, in carrying out their duties as Trustees. Trustee Travel expenses amounted to £400 (2019: £998) and subsistence, accommodation and other costs amounted to £NIL (2019: £358).

Expenses amounting to £400 were reimbursed to Trustees and there were no amounts (2019: £358) paid direct to third parties.

12. Staff costs

	2020 £	2019 £
Salaries	75,470	70,928
Social security costs	2,311	2,743
Pension costs	2,195	1,831
	<hr/> 79,976	<hr/> 75,502
	<hr/>	<hr/>

The average number of full-time employees during the year was 3 (2019: 3).

No employee has emoluments in excess of £60,000.

THE HUMANE RESEARCH TRUST (Incorporating the Lawson Tait Medical and Scientific Research Trust)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

13. Tangible fixed assets

	Freehold Land and Buildings	Office Equipment	Total
	£	£	£
Cost			
At 1 January 2020	67,546	9,635	77,181
Additions	-	8,139	8,139
Disposals	-	-	-
At 31 December 2020	<u>67,546</u>	<u>17,774</u>	<u>85,320</u>
Depreciation			
At 1 January 2020	25,428	7,779	33,207
Charge for the year	1,400	800	2,200
Disposals	-	-	-
At 31 December 2020	<u>26,828</u>	<u>8,579</u>	<u>35,407</u>
Net Book Value			
At 31 December 2020	<u>40,718</u>	<u>9,195</u>	<u>49,913</u>
At 31 December 2019	<u>42,118</u>	<u>1,856</u>	<u>43,974</u>

Freehold land and buildings were stated at their original historic cost in the accounts of The Lawson Tait Medical and Scientific Research Trust in May 1988, the date when the property was donated to The Humane Research Trust.

The Trustees are of the opinion that the current market value of the freehold land and buildings is substantially in excess of its net book value. As the property is used solely for the administration of the Trust and there is currently no intention to sell, the Trustees cannot justify the cost of a professional valuation.

THE HUMANE RESEARCH TRUST (Incorporating the Lawson Tait Medical and Scientific Research Trust)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

14. Stocks	2020	2019
	£	£
Goods for resale	3,620	7,736

15. Debtors - amounts falling due within one year	2020	2019
	£	£
Amount owed by related undertaking	-	387,744
Other debtors	2,520	5,692
Prepayments and accrued income	24,562	57,244
	27,082	450,680

The amount owed by related undertaking, the Lawson Tait Medical and Scientific Research Trust, was cleared during the year as a result of the two Trusts merging, and as a result, has a balance of £NIL as at 31 December 2020.

16. Creditors – amounts falling due within one year	2020	2019
	£	£
Other taxes and social security costs	3,312	2,870
Grants payable (note 9)	188,374	215,527
Accruals and deferred income	17,230	14,058
	208,916	232,455

17. Funds	Property Reserve	Unrestricted Fund	Total
	£	£	£
At 1 January 2020	33,068	3,071,481	3,104,549
Net income/(expenditure)	-	124,401	124,401
Transfers	(1,400)	1,400	-
At 31 December 2020	31,668	3,197,282	3,228,950

THE HUMANE RESEARCH TRUST (Incorporating the Lawson Tait Medical and Scientific Research Trust)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

18. Analysis of net assets between funds

	Tangible Fixed Assets	Net Current Assets	Total
	£	£	£
Property reserve	31,668	-	31,668
Trust fund	-	100	100
	<u>31,668</u>	<u>100</u>	<u>31,768</u>
Unrestricted funds	<u>18,245</u>	<u>3,179,037</u>	<u>3,197,282</u>
	<u>49,913</u>	<u>3,179,137</u>	<u>3,229,050</u>

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

	2020	2019
	£	£
Net movement in funds	124,401	(76,742)
Depreciation provided	2,200	1,867
Interest income	(12,767)	(19,438)
(Increase) / Decrease in stocks	4,116	(1,564)
Decrease in debtors	423,598	114,732
Increase in creditors	(23,539)	96,975
	<u>518,009</u>	<u>115,830</u>

20. Contingent liabilities

At 31 December 2020, the Trust had agreed to make future grants of £598,399 (2019: £1,067,539) dependent on certain conditions being met by the claimants.

Grant commitments	£
Brought forward at 1 January 2020	1,067,539
New commitments awarded in the year	146,773
Grants paid in the year (note 8)	(460,618)
Commitments revoked in the year	(155,295)
	<u>598,399</u>
Carried forward at 31 December 2020	<u>598,399</u>

THE HUMANE RESEARCH TRUST (Incorporating the Lawson Tait Medical and Scientific Research Trust)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

21. Contingent Assets

At 31 December 2020, the charity had been notified, by executors acting for the estates of 19 deceased supporters of the Trust, of indicative amounts of legacies totalling some £1.03m of which aside from one small pecuniary legacy are all residual shares. At 31 December 2020, each estate was at a varying degree of completion and neither final estate accounts nor schedules of interim distributions had been submitted for approval by the residuary legatees.

Consequently, due to the uncertainty in the timing and value of legacy payments, and in accordance with the charity's accounting policy, no provision has been made for any anticipated income in these financial statements.

