

Annual Report and Financial Statements

for the year ended 30 September 2018

**Registered Charity Number 266220**

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# Reference and administrative details

**Registered Name** The Thalidomide Trust

**Charity number** 266220

**Registered address** 1 Eaton Court Road

 Eaton Socon

 St Neots

 Cambridgeshire

PE19 8ER

**Corporate Trustee** The Thalidomide Trust Company (incorporated on 19 January 2018 with Company Number 11160424, registered address as above)

**Directors of the Corporate Trustee Company**

The Directors of The Thalidomide Trust Company appointed on 19 January 2018 and up to the date of approval were:

Sir Robert Nelson QC (Chair of Trustees)

Mark Spofforth OBE BSc FCA CTA FRSA

Professor Tim Briggs CBE MD(Res), MCh(Ort), FRCS

Professor Caroline Glendinning BA MPhil AcSS

Marlene Winfield OBE (Vice-Chair of Trustees)

John Howard BSc - retired September 2018

Kevin Wesbroom MA MA FIA

Mark Benstead MA MBA

David Body MA Solicitor of Senior Courts of England & Wales

From 1 October 2017 to 18 January 2018 the above were Trustees of The Thalidomide Trust.

**Management team** Deborah Jack - Executive Director

Jennifer Tunbridge (to 30 June 2018) - Finance Director

 Jane Darlington (from 9 July 2018) - Finance Director

 Katy Sagoe - Director of Health & Wellbeing

**Medical Advisers** Dr Dee Morrison MB ChB

 Dr Susan Brennan MBChB MRCGP

**Medical Expert** Dr Claus G H Newman MBBS FRCP FRCPCH DCH

**Chair of NAC** Rowland Bareham

**Advisory Council**

**Investment Managers** BlackRock TwentyFour Asset Management

 12 Throgmorton Avenue 8th Floor London The Monument Building

 EC2N 2DL 11 Monument Street

 London

 EC2R 8AF

 Schroders Investment Management Limited

 1 London Wall Place

 London Wall

 London

 EC2Y 5AU

**Solicitors** Withers Hewitsons

 20 Old Bailey Shakespeare House

 London 42 Newmarket Road

 EC4M 7AN Cambridge

 CB5 8EP

**Actuaries** Mercer

 1 Tower Place West

 London

 EC3R 5BU

**Bankers** Lloyds Bank

 39 Threadneedle Street

 London

 EC2R 8AU

**Independent auditors** PricewaterhouseCoopers LLP

 The Maurice Wilkes Building

 St. John’s Innovation Park

 Cowley Road

 Cambridge

 CB4 0DS

# Annual Report Objectives and activities

The Thalidomide Trust (“the Trust”) exists to provide relief and assistance to individuals with disabilities caused by their mothers taking, during pregnancy, a preparation distributed by The Distillers Company (Biochemicals) Limited in the United Kingdom containing the drug known as Thalidomide in the late 1950s and early 1960s.

**Our aims**

All our beneficiaries are now in their mid to late 50s and, as they age, are experiencing multiple health problems which seriously impact on their quality of life and their ability to remain fully independent.

The Trust meets their increasing needs through the provision of financial support – in the form of annual grant payments – and a range of information, advice and advocacy services. To underpin this, we gather evidence on the needs and experience of our beneficiaries and undertake more detailed research on topics that are of greatest relevance to them.

The Trust has a Vision and five Strategic Goals which were jointly developed by the trustees, staff and National Advisory Council (NAC):

|  |
| --- |
| **Our Vision is that …. all beneficiaries of the Trust have access to the resources and support they need to optimise their quality of life throughout their lifetime.****Our five strategic goals are…….****GOAL 1:** To ensure a beneficiary-centred approach in all Trust activities - with an emphasis on equity, empowerment and support.**GOAL 2:** To ensure sustainability and security of income for the Trust and manage financial risk in order to effectively meet the needs of existing and new beneficiaries for the whole of their lives.**GOAL 3:** To apply the Trust’s resources effectively and equitably.**GOAL 4:** To ensure that all beneficiaries have access to the best possible information, advice, services and support – both within and outside the Trust – as they age.**GOAL 5:** To inform and educate those decision-makers and service providers who have an impact on the quality of life of beneficiaries. |

**Public Benefit**

Although the Trust is very much focussed on the needs of a small community of beneficiaries, we also take steps to deliver a broader public benefit by sharing our research and learning with other Thalidomide organisations and, where relevant, with the broader disability community.

The Trust supports an agreed public programme of campaigning activities led by the beneficiary Campaign Team. This is designed to achieve clear agreed outcomes, one of which is increasing public understanding of the Thalidomide scandal to help prevent similar failures occurring and to highlight the ongoing needs and challenges affecting the Trust’s beneficiaries.

**Structure, governance and management**

## Structure

The Thalidomide Trust was set up in 1973 - originally as the Thalidomide Childrens’ Trust - and is a charitable discretionary Trust registered with the Charity Commission for England and Wales.

With the consent of the Charity Commission, on 29 January 2018 a new company limited by guarantee, The Thalidomide Trust Company (incorporated on 19 January 2018, Company Number 11160424), was appointed as sole Corporate Trustee of the Trust, replacing the individual trustees.

The existing trustees became the Directors of the Company. However, although legally Directors, in recognition of the fact that they function as trustees and operate within the legal frameworks and guidance of the Charity Commission, they continue to be referred to as trustees. To reflect this, they are referred to as trustees throughout this Annual Report.

## Trustees (formally Directors of the Trustee Company)

The Trust is governed by a small, skilled Board who bring a wealth of experience and expertise to the charity including medical, legal, social research, governance, financial management and investment, communication and patient advocacy. Trustees are appointed through a structured recruitment process which is overseen by the Trust’s Chair. There is direct beneficiary involvement in all trustee appointments.

The Trust has a well-defined and comprehensive programme of induction for new trustees and all new trustees are offered a mentor from within the Board.

The trustees are legally responsible for the overall management and control of the Trust, and meet as a full Board at least three times a year. One of these three meetings is an Awayday which enables the trustees and senior staff to spend dedicated time focussing on long term strategic issues.

The two key Trust Committees are the Health & Wellbeing Committee and the Finance Committee, which have met two and four times respectively during this year. The Health & Wellbeing Committee is jointly-chaired by a trustee and a beneficiary chosen by the Trust’s National Advisory Council of beneficiaries.

Additional Committees which met on an ad hoc basis during 2017/18 are:

* Claims Committee, which considers all evidence and makes recommendations to the Board regarding whether applicants should be accepted as new beneficiaries of the Trust.
* Research Committee, which oversees all research involving the Trust and its beneficiaries and commissions and shapes new research projects.

**Staff Team**

The day to day running of the Trust is delegated to the Executive Director, supported by a small, dedicated and skilled staff team.

**Remuneration Policy**

The trustees are responsible for the Trust’s remuneration policy as well as deciding on the salaries for senior staff. Trustees take account of market conditions and the pay practice of other comparable charities and employers in the geographic area.

**National Advisory Council**

The Trust Deed makes provision for the appointment of a beneficiary National Advisory Council (NAC) to advise trustees on a range of issues. The NAC is currently comprised of 12 beneficiaries who are elected by the beneficiary community to represent their views and needs. Elections are held each February when three members are elected for a four year term of office. The NAC elects a chair from among the elected members. The trustees make regulations relating to the election and removal of members of the NAC.

There were two meetings of the NAC during the year, which were attended by trustees and staff representatives, and also an NAC Awayday which was attended solely by members of the NAC.

Beneficiary representatives from the NAC attend meetings of the Board, Finance Committee, Health & Wellbeing Committee and Research Committee to represent the views of the beneficiary community to inform the Trust’s decision-making.

During the year the NAC published regular newsletters to keep the beneficiary community informed of its and the Trust’s activities. NAC representatives attended all Trust events, which provided opportunities for them to meet with the beneficiary community to share information and seek feedback.

**Volunteers**

A number of beneficiaries generously volunteer their time and expertise to support the Trust and, through it, the broader beneficiary community. In the last 12 months over 30 beneficiaries volunteered their time in a wide range of roles including: providing peer support; membership of the NAC; sitting as beneficiary representatives on Trust Committees; attending meetings with the four UK Health Departments and contributing to various Trust projects.

**Beneficiaries**

The Trust has responsibility for assessing new applications to become beneficiaries of the Trust and has established a robust procedure for assessing new applications, drawing on international evidence and the conclusions of the WHO conference on Thalidomide Embryopathy held in early 2014.

During the year, the Trust received 24 completed applications from individuals who thought they may be entitled to become beneficiaries. Of these, two individuals met the criteria to qualify and have been accepted as beneficiaries.

It is with regret that the trustees report the deaths of four beneficiaries during the year. At 30 September 2018 there were 466 beneficiaries (2017: 468).

The following charts provide a breakdown of beneficiaries by gender, age and country of residence as at 30 September 2018.

**Risk Management**

A key role of trustees is to identify and manage risk and they discharge this duty by means of a Risk Register. The full Risk Register is reviewed by trustees annually. The most significant risks are reviewed by Finance Committee on a quarterly basis. This year, the trustees have satisfied themselves that adequate systems and procedures are in place to manage all of the identified risks.

The principal risks and uncertainties identified by trustees in their 2018 risk review were the security of future funding and of the Trust’s IT systems (including the risk of data security breaches or potential fraud, theft of funds and breach of beneficiary confidentiality). The issue of safeguarding beneficiaries emerged from the regular holistic needs assessments (HNAs) as an important issue and was the focus of the Trustee Awayday in 2018.

Clear plans have been put in place to mitigate these significant risks as far as possible.

We have continued to gather robust evidence on the evolving and increasing needs of our beneficiaries and to share this with our funders, together with information on how their funding is improving beneficiaries’ quality of life. In addition, our new Covenant with Diageo includes measures to provide greater security of future funding for our beneficiaries.

In the last 12 months all staff received cyber-security training. The Trust commissioned an independent IT security review and staff are in the process of implementing the recommendations arising from it.

We have updated our Safeguarding Policy and undertaken safeguarding training for all staff.

**Achievements and performance**

Last year we identified a number of ambitious goals for 2017/18. These are set out below together with an overview of how we have taken these forward over the last 12 months:

|  |  |
| --- | --- |
| **We said we would…** | **We have …** |
| introduce a new peer befriending service for our beneficiaries. | developed a new TalkTogether telephone support service which went live in August 2018 and has received positive feedback from both the service-users and from the beneficiaries who provide peer support. |
| further increase the resources available to beneficiaries – including producing a simple guide on getting the best out of the health service and a comprehensive guide to understanding and accessing social care. | introduced a range of new information resources including a guide to getting the best out of your GP practice and a comprehensive guide to social care. |
| introduce an interactive discussion board on our website to facilitate sharing of information and experiences between beneficiaries. | included a wide range of ‘beneficiary stories’ on our website and introduced a facility to allow beneficiaries to comment on articles and stories. We now plan to develop this further into an interactive ‘beneficiary forum’. |
| ensure compliance with the new data protection regulations (GDPR).  | produced a detailed GDPR implementation plan and implemented this ahead of the regulations coming into force in May 2018. |
| commence work on an initial research project with the Royal National Orthopaedic Hospital (RNOH) focussed on measuring cardiovascular risk amongst our beneficiaries. | almost completed phase 1 of our cardiovascular risk project with the Royal National Orthopaedic Hospital (RNOH) and commenced phase 2 of the study. We are also discussing with German clinical colleagues the possibility of replicating the study there to further strengthen the evidence. |
| hold a new beneficiary event focussing on financial matters. | held a ‘Future Money Matters’ event in Birmingham in May which was well attended and resulted in very positive feedback from beneficiaries who participated. |
| continue to roll out our programme of Holistic Needs Assessments (HNAs) and draw on the findings to increase our understanding of current and emerging beneficiary needs. | undertaken almost 150 HNAs (comprehensive personal assessments conducted by trained Trust staff in beneficiaries’ own homes) in the 12 month period – enabling us to provide increased support to individual beneficiaries and also gather valuable evidence on beneficiaries’ needs. |
| extend and develop our network of external medical specialists. | added a number of external specialists to our clinical network and introduced a ‘professionals directory’ on our website, including patient and professional reviews to help beneficiaries and their GPs make informed decisions about their care. |
| develop an individual care plan for each of our beneficiaries who lack capacity. | worked with legal deputies and key carers to ensure a comprehensive costed care plan is developed for each beneficiary who lacks capacity in order to optimise their quality of life and level of independence. |
| increase communication between the NAC and the wider beneficiary community to promote further engagement. | introduced a number of new initiatives including sharing NAC meeting agendas with beneficiaries in advance, providing a summary of NAC meetings, and making it easier for beneficiaries to contact individual NAC members. |

Other key achievements over the last 12 months include:

* Holding a ‘local’ event in Belfast to create a forum for beneficiaries living in Ireland to get together to share knowledge, create links, and find out more about the support that is available from the Trust.
* Supporting a significant number of beneficiaries through the transition from Disability Living Allowance (DLA) to Personal Independence Payments (PIP)
* Providing personalised Health and Wellbeing advice and support to 349 beneficiaries (75% of the total community) on a wide range of topics including health, daily living and home adaptations, benefits, care and carers. The most common health issues raised by beneficiaries were pain, pins and needles and other neurological issues, emotional and mental health, balance and falls, and ear problems.
* Securing a disregard of Trust income when assessing eligibility for means-tested benefits in all four nations of the UK.

**Plans for the future**

In the next 12 months – as we celebrate the first of our beneficiaries reaching the age of 60! - the trustees, staff and members of the NAC will continue to work together to implement their jointly-owned Strategic Plan.

Specifically, we will:

* Produce a ‘Thalidomide Resource Pack’ for GP practices who have a beneficiary patient.
* Repeat a periodic beneficiary feedback survey to gather the views of beneficiaries on the support that we are currently providing and ideas for further improvement.
* Commence a new research project in partnership with the University of York which aims to improve the emotional wellbeing of beneficiaries using peer support to achieve behavioural change.
* Introduce an interactive process for beneficiaries to engage with at least two NAC members after every NAC meeting.
* Create a guide for beneficiaries on employing/using Personal Assistants, drawing on the experiences of beneficiaries who have put successful arrangements in place.
* Increase the proportion of audio and video content on our website in order to increase accessibility.
* Undertake a review of the communication needs of all our beneficiaries who lack capacity, drawing on the expertise of a speech and language therapist, to help them articulate their needs and preferences as part of the care planning process.
* Fully implement all the priority recommendations of our IT Security review.

**Financial Review**

At the year end the Trust balance sheet had strengthened with net assets increasing by just over 3% to £164.0M from the prior year position (2017: £158.9M).

During the year the Trust allocated grants totalling £29.2M (2017: £55.8M) to its beneficiaries. The Trust received donations from Diageo plc totalling £12.5M (2017: £39.4M).

Health Grant funding from the four Health and Social Care Departments of the United Kingdom totalled £10.9M (2017: £8.9M). As Health Grant funding is provided for specific, agreed health and wellbeing purposes, these are accounted for by the Trust as funds restricted for these purposes.

The Trust is committed to managing its resources effectively and achieving value for money. It operates a robust budget management system which involves regular review of activity and expenditure by budget holders, oversight by the Management Team and regular reporting of variances to the Trust’s Finance Committee. The Trust does not actively fundraise and 100% of its resources are utilised for charitable purposes, including charity governance During 2017/18, 96% of outgoing resources were in the form of Grants to our beneficiaries. Of the remaining 4% of expenditure, over half (excluding investment management fees) was spent on providing health and wellbeing support and financial guidance directly to our beneficiaries by our staff and volunteers. The balance of resources was utilised to administer beneficiary Grants, assess new claims, ensure effective governance of the Trust, and deliver agreed campaigning activities.

**Investment Objectives**

The principal objective of the investment policy is to generate sufficient income and capital return to enable the trustees to pay Annual Grants for the entire lives of the beneficiaries.

The social, environmental and ethical nature of Trust investments has been considered at length by the trustees. As some of the Trust investments are held within pooled funds, the decisions regarding the selection of investments is entrusted to the investment managers, who each act within agreed guidelines.

In line with the new Covenant with Diageo, the trustees adopted an investment policy which will reduce the investment risk of the portfolio over the lifetime of the Trust.

In order to achieve this, from 2017 to 2022 the trustees will continue to try to achieve higher returns with a given amount of risk, managed through diversification and active management of the investment assets. From 2022 to 2032 trustees expect to smoothly reduce the investment risk of the portfolio.

The current benchmark against which performance between 2017 and 2022 will be measured is represented by a portfolio comprising of 75 % global equities and 25% bonds.

**Investment Strategy and Performance**

The investment strategy is currently implemented through a combination of investments as set out in the table below, together with the ranges within which the policy is managed.

|  |  |  |  |
| --- | --- | --- | --- |
| **Portfolio** | **Manager** | **Central Allocation(% of Assets)** | **Target Ranges(% of Assets)** |
| Active Global Equities  | Schroders | 44 | 25-50 |
| Passive Global Equities | BlackRock | 36 | 25-50 |
| Fixed Income Bonds | BlackRock | 9 | 5-25 |
| Fixed Income Bonds | TwentyFour Asset Management | 9 | 5-25 |
| Cash | Various | 2 | 0-20 |

Cash deposits are held with a variety of banks and investment managers.

The total annual return on the Trust’s investments for the year was 9.3% (2017: 12.4%).

Over the last three years the average rate of return has been 13.4% pa, which is slightly in excess of the benchmark of 12.1%

 **Significant Investments**

At the year end, the following investments represented 5% or more of the total market value of investments:

|  |  |  |
| --- | --- | --- |
|  | **£000s** | **%** |
| BlackRock North America | 35,948 | 21 |
| Vontobel - TwentyFour Strategic income Fund | 14,775 | 9 |
| BlackRock Fixed Income Global Opportunities Fund | 14,464 | 9 |
| Schroders QEP Global Core Fund | 12,974 | 8 |
| Schroders SISF Global Quality Fund | 9,757 | 6 |
| BlackRock Europe | 8,718 | 5 |

**Derivative Instruments**

The trustees have authorised Schroders to use financial contracts, known as derivatives, to help manage investment portfolio risk. At the year end the open derivatives position was a net liability of £1,000 (note 9) (2017: net asset of £101,000) but this is not an issue of concern as the value of derivatives fluctuates over time, based on market conditions.

**Diageo** **Covenant**

A Deed of Covenant is in place, signed by the trustees and Diageo plc (successor to The Distillers Company), which sets out Diageo’s commitment to long-term support for Thalidomide Trust beneficiaries and to underwrite the investment policy of the Trust. The Covenant enables the Thalidomide Trust both to maintain the programme of Annual Grants to its beneficiaries and deliver ongoing support in response to their evolving and growing health and wellbeing needs.

The Deed of Covenant is reviewed by the trustees, the NAC and Diageo every six years. In January 2018, an updated Deed of Covenant was agreed which reflects an increased level of support from Diageo.

**Government Health Grants**

In addition to the assets held by the Trust and the income from Diageo, the UK government supports the Trust by way of Health Grant funding agreements in place with the four UK Health and Social Care Departments. These cover the next five years up until 2022, with total sums pledged over the 10 year period in excess of £100 million. This money has helped beneficiaries to respond to their growing health needs as they age – in order to maximise their independence and quality of life, minimise further deterioration and improve their overall health and wellbeing.

**Grant Making and Reserves Policy**

Beneficiaries receive an Annual Grant, based on their level of disability, from funds that come from Diageo each year in line with the Covenant and the Trust’s reserves, including the interest and investment growth accrued.

The trustees’ distribution policy continues to provide individual Annual Grants to beneficiaries for the whole of their lives. The trustees have to set a policy which will ensure reserves are not depleted whilst beneficiaries are in need of funding, whilst at the same time ensuring all assets are utilised by the time of the death of the last beneficiary. The total unrestricted funds at 30 September 2018 stood at £164.4M (2017: £159.5M) whereas the Restricted Fund had a deficit of £0.4M at the year-end (2017: £0.6M) due to the timing of Health Grant receipts and payments. This deficit is expected to be eliminated by the end of the ten year Grant period.

**Statement of the Corporate Trustee’s Responsibilities**

The Trustee is responsible for preparing the Trustee’s 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 requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the Trustee is required to:

* select suitable accounting policies and then apply them consistently
* observe the methods and principles in the Charities SORP (Statement of Recommended Practice)
* make judgments and estimates that are reasonable and prudent
* state whether applicable accounting standards, comprising FRS 102, 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[[1]](#footnote-2) unless it is inappropriate to presume that the charity will continue in business.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee is responsible for the maintenance and integrity of the charity and financial information included on the charity’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Corporate Trustee:

**Sir Robert Nelson**

**Chair of the Board of the Thalidomide Trust Company**

22 January 2019

Independent auditors’ report to the trustee of The Thalidomide Trust

Report on the audit of the financial statements

## Opinion

In our opinion, The Thalidomide Trust’s financial statements (the financial statements”):

* give a true and fair view of the state of the charity’s affairs as at 30 September 2018 and ofits incoming resources and application of resourcesand cash flows for the year then ended;
* have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, and applicable law); and
* have been prepared in accordance with the requirements of the Charities Act 2011 and Regulation 8 of The Charities (Accounts and Reports) Regulations 2008).

We have audited the financial statements, included within the Annual Report and Financial Statements (the “Annual Report”), which comprise: the balance sheet as at 30 September 2018; the statement of financial activities for the year then ended, cash flow statement for the year then ended; and the notes to the financial statements which include a summary of the significant accounting policies.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors’ responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We remained independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC’s Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

* the trustee’s use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
* the trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charity’s ability to continue as a going concern.

## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors’ report thereon. The trustee is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### *Trustee’s Report*

Under the Charities Act 2011 we are required to report to you if, in our opinion the information given in the Trustee’s Annual Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

## Responsibilities for the financial statements and the audit

### *Responsibilities of the Trustee for the financial statements*

As explained more fully in the Statement of the Corporate Trustee’s Responsibilities set out on page 13, the trustee is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustee is also responsible for such internal control as they 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 trustee is responsible for assessing the charity’sability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to liquidate the charity or to cease operations, or hase no realistic alternative but to do so.

### *Auditors’ responsibilities for the audit of the financial statements*

We are eligible to act and have been appointed as auditors 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.

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

### *Use of this report*

This report, including the opinions, has been prepared for and only for the charity’s trustee as a body in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Other required reporting**

## Charities Act 2011 exception reporting

Under the Charities Act 2011 we are required to report to you if, in our opinion:

* we have not received all the information and explanations we require for our audit; or
* sufficient accounting records have not been kept by the charity; or
* thefinancial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Cambridge

22 January 2019

# Statement of financial activities for the year ended 30 September 2018

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Unrestricted** |  | **Restricted** |  | **Total Funds** |  | Total Funds |  |
|  |  | **Funds** |  | **Funds** |  | **2018** |  | 2017 |  |
|  | Note | **£000s** |  | **£000s** |  | **£000s** |  | £000s |  |
| **Income from:** |  |  |  |  |  |  |  | (note 17) |  |
| Diageo plc donations | 3  | **12,477**  |  | **-**  |  | **12,477**  |  | 39,427  |  |
| Health and Social Care Department Grants | 5  | **-**  |  | **10,946**  |  | **10,946**  |  | 8,907  |  |
| Investment income | 2  | **4,501**  |  | **3**  |  | **4,504**  |  | 3,631  |  |
| Other income |  | **172**  |  | **-**  |  | **172**  |  | 260  |  |
|  |  |  |  |  |  |  |  |  |  |
| **Total** |  | **17,150**  |  | **10,949**  |  | **28,099**  |  | 52,225  |  |
|  |  |  |  |  |  |  |  |  |  |
| **Expenditure on raising funds:** |  |  |  |  |  |  |  |  |  |
| Investment management fees  | 4,6 | **(263)** |  | **-**  |  | **(263)** |  | (350) |  |
| Administrative costs | 4,6 | **(20)** |  | **(1)** |  | **(21)** |  | (25) |  |
| **Expenditure on charitable activities:** |  |  |  |  |  |  |  |  |
| Grants Awarded | 5,11  | **(18,752)** |  | **(10,471)** |  | **(29,223)** |  | (55,785) |  |
| Net (decrease)/increase in  | 10,11 | **(2,184)** |  | **-** |  | **(2,184)** |  | 250  |  |
| Memorandum Account Balances |  |  |  |  |  |  |  |  |  |
| Costs of Grantmaking | 6  | **(86)** |  | **(79)** |  | **(165)** |  | (199) |  |
| Beneficiary Support costs | 6  | **(516)** |  | **(216)** |  | **(732)** |  | (653) |  |
| Other Costs | 6  | **(199)** |  | **(33)** |  | **(232)** |  | (254) |  |
|  |  |  |  |  |  |  |  |  |  |
| **Total** |  | **(22,020)** |  | **(10,800)** |  | **(32,820)** |  | (57,016) |  |
|  |  |  |  |  |  |  |  |  |  |
| Net gains on investments | 9  | **9,811**  |  | **-**  |  | **9,811**  |  | 13,933  |  |
|  |  |  |  |  |  |  |  |  |  |
| **Net income**  |  | **4,941**  |  | **149**  |  | **5,090**  |  | 9,142  |  |
|  |  |  |  |  |  |  |  |  |  |
| **Transfers between funds** |  | - |  | - |  | **-** |  | - |  |
|  |  |  |  |  |  |  |  |   |  |
| **Net movement in funds** |  | **4,941**  |  | **149**  |  | **5,090**  |  | 9,142  |  |
|  |  |  |  |  |  |  |  |  |  |
| **Reconciliation of Funds** |  |  |  |  |  |  |  |  |  |
| Fund balances brought forward | 10  | **159,486**  |  | **(585)** |  | **158,901**  |  | 149,759  |  |
| At 1 October 2017/2016 |  |  |  |  |  |  |  |  |  |
| **Fund balances carried forward** |  |  |  |  |  |  |  |  |  |
| **at 30 September 2018/2017** | 10  | **164,427**  |  | **(436)** |  | **163,991**  |  | 158,901  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |

## All activities are continuing. All gains and losses recognised in the year are included in the Statement of Financial Activities.

## There is no material difference between the outgoing resources for the financial year stated above and their historical cost equivalent.

# Balance sheet as at 30 September 2018

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **Total Funds** |  | Total Funds |  |
|  |  | **30/09/2018** |  | 30/09/2017 |  |
|  |  | **£000s** |  | £000s |  |
|  | Note |  |  |  |  |
| **Fixed Assets** |  |  |  |  |  |
| Tangible assets | 8  | **347**  |  | 368  |  |
| Investments | 9  | **167,676**  |  | 157,766  |  |
|  |  | **168,023**  |  | 158,134  |  |
| **Current Assets** |  |  |  |  |  |
| Debtors and Prepayments | 14  | **43**  |  | 34  |  |
| Advances of Grants | 14  |  |  |  |  |
|  amounts falling due within one year |  | **721**  |  | 725  |  |
|  amounts falling due after one year |  | **2,967**  |  | 2,813  |  |
| Cash at Bank and in Hand |  | **9,862**  |  | 15,106  |  |
|  |  | **13,593**  |  | 18,678  |  |
| **Creditors: amounts falling due** |  |  |  |  |  |
| **within one year** |  |  |  |  |  |
| Beneficiary nominee accounts | 11  | **(17,335)** |  | (17,525) |  |
| Creditors and accruals | 15  | **(290)** |  | (386) |  |
|  |  | **(17,625)** |  | (17,911) |  |
|  |  |  |  |  |  |
| **Net current (liabilities)/assets** |  | **(4,032)** |  | 767  |  |
|  |  |  |  |  |  |
| **Total assets less current liabilities** |  | **163,991**  |  | 158,901  |  |
|  |  |  |  |  |  |
| **Creditors: amounts falling due** |  |  |  |  |  |
| **after more than one year** |  | **-**  |  | -  |  |
|  |  |  |  |  |  |
| **Net Assets** |  | **163,991**  |  | 158,901  |  |
|  |  |  |  |  |  |
| **Trust Funds** |  |  |  |  |  |
| General fund | 10  | **157,746**  |  | 150,621  |  |
| Beneficiary Memorandum Accounts | 10,11 | **6,681**  |  | 8,865  |  |
|  |  | **164,427**  |  | 159,486  |  |
| Restricted fund | 10  | **(436)** |  | (585) |  |
|  |  | **163,991**  |  | 158,901  |  |
|  |  |  |  |  |  |

The financial statements on pages 17 to 34 were approved by the Board on 22 January 2019 and signed on behalf of the Corporate Trustee by:

**Sir Robert Nelson**  **Mr K Wesbroom MA MA FIA**

**Director Director**

**Cash flow statement for the year ended 30 September 2018**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Total Funds** |  | Total Funds |  |
|  |  |  | **2018** |  | 2017 |  |
|  | Note |  | **£000s** |  | £000s |  |
|  |  |  |  |  |  |  |
| **Cash flows from operating activities:** |  |  |  |  |  |  |
| ***Net cash (used in)/provided by operating activities*** |  | **(9,644)** |  | 491  |  |
|  |  |  |  |  |  |  |
| **Cash flows from investing activities** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Dividends, interest and rents from investments |  |  | **4,504**  |  | 3,631  |  |
| Purchase of tangible fixed assets | 8  |  | **(25)** |  | (21) |  |
| Proceeds from sale of tangible fixed assets |  |  | **20**  |  | 6  |  |
| Purchase of investments | 9  |  | **(42,992)** |  | (38,786) |  |
| Proceeds from sale of investments | 9  |  | **40,195**  |  | 38,264  |  |
|  |  |  |  |  |  |  |
| ***Net cash (used in) provided by investing activities*** |  | **1,702**  |  | 3,094  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| **Change in cash and cash equivalents in the**  |  |  |  |  |  |  |
| **reporting period** |  |  | **(7,942)** |  | 3,585  |  |
|  |  |  |  |  |  |  |
| Cash and cash equivalents as 1 October 2017/2016 |  |  | **20,572**  |  | 16,987  |  |
|  |  |  |  |  |  |  |
| **Cash and cash equivalents as at 30 September 2018/2017** | **12,630**  |  | 20,572  |  |
|  |  |  |  |  |  |  |
| Cash held for investment | 9  |  | **2,768**  |  | 5,466  |  |
| Cash at bank and in hand |  |  | **9,862**  |  | 15,106  |  |
|  |  |  |  |  |  |  |
| **Cash and cash equivalents as at 30 September 2018/2017** |  |  | **12,630**  |  | 20,572  |  |
|  |  |  |  |  |  |  |
| **Reconciliation of income to net cash** |  |  |  |  |  |  |
| **(used in)/provided by operating activities** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| ***Net income for the reporting period*** |  |  |  |  |  |
| ***as per the statement of financial activities*** |  |  | **5,090**  |  | 9,142  |  |
| **Adjustments for:** |  |  |  |  |  |  |
| Depreciation & loss/(profit) on disposals |  |  | **26**  |  | 23  |  |
| Gains on investments |  |  | **(9,811)** |  | (13,933) |  |
| Dividends, interest and rents from investments |  |  | **(4,504)** |  | (3,631) |  |
| (Decrease)/increase in creditors due within one year | **(286)** |  | 5,612  |  |
| (Increase)/decrease in debtors |  |  | **(159)** |  | 3,278  |  |
|  |  |  |  |  |  |  |
| ***Net cash (used in)/provided by operating activities*** |  | **(9,644)** |  | 491  |  |
|  |  |  |  |  |  |  |

# Notes to the financial statements for the year ended 30 September 2018

## Accounting policies

**Basis of preparation**

The financial statements have been prepared 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) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a ‘true and fair’ view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a ‘true and fair view’. This departure has involved following 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) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Trust, which is an unincorporated discretionary charitable trust, constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared on a going concern basis (that is to say, that the charity has the resources to continue in operations for a minimum of 12 months from the date of signing these financial statements) and accounting policies have been applied consistently.

The undertaking by Diageo plc to make annual donation payments until 2037 and the Health Grant funding agreements that are in place until 2022, support the conclusion that the charity is a going concern.

The financial statements are prepared in sterling, which is the functional currency of the Trust, and rounded to the nearest £000. The date for authorisation of the issue of the financial statements was 22 January 2019.

**Fund accounting**

Unrestricted Funds

Unrestricted funds are expendable at the discretion of the trustees in the furtherance of the objects of the Thalidomide Trust. The Trust’s level of reserves is maintained in order to meet the anticipated future grant allocations.

The General Fund and Beneficiary Memorandum Accounts are derived from funds provided by Diageo plc and its predecessors, the Health and Social Care Departments in England, Scotland, Wales and Northern Ireland, and investment returns.

Restricted Funds

Restricted income funds are funds whose use is restricted to specific purposes according to the terms on which the funds were received. Where income is received for purposes specified by the donor that income is shown as restricted in the Statement of Financial Activities. Expenditure for the specified purposes is shown as restricted expenditure. Any unexpended balance at the balance sheet date is carried forward as a restricted income fund.

**Notes to the financial statements for the year ended 30 September 2018 (continued)**

**1 Accounting policies (continued)**

Restricted Funds are derived from the Health and Social Care Departments in England, Scotland, Wales and Northern Ireland as detailed in note 5.

**Tangible fixed assets**

As an unincorporated association, the Trust is not able to hold property in its own name. In prior years, the property was held in the names of the individual trustees. In January 2018, following the establishment of the sole corporate trustee, the Thalidomide Trust Company, title for the property transferred to the Thalidomide Trust Company. Beneficial ownership, and in substance control, remains with the Trust and the building is therefore disclosed in the financial statements of the Trust.

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight-line basis over the useful economic lives of the assets concerned.

The principal depreciation rates used are as follows:

Motor vehicles - 25% per annum

Furniture and equipment - 20% per annum

Buildings - 2% per annum

The Trust has a capitalisation threshold of £2,500.

Tangible fixed assets are written down to their realisable value if it is considered there has been a permanent diminution in their value.

**Investments**

Investments are stated at market value as quoted on the relevant Stock Exchange at close of business on the last working day before the year end date. Unquoted unit trust investments are stated at the market value as established by the administrators of the unit trust. Market value is based upon the buying and selling price of the underlying securities in the relevant market with allowances made for cash, accrued income and costs within the unit trust fund.

Derivatives are initially recognised at transaction value and subsequently measured at their settlement value.

**Income from investments**

Income from investments is recognised when its receipt is probable and the amount receivable can be measured reliably. Any realised and unrealised gains and losses on revaluation or disposals are combined in the statement of financial activities.

**Other incoming resources**

Other income consists of fee income charged to beneficiaries, which is recognised upon the issuance of advances on future grants to beneficiaries. These advances are intended to assist with major property, mobility and health related purchases. The fee level is based on the cost to the Trust of making the advances, which includes the loss of income generated by the Trust’s cash and investments as a result of withdrawing the cash to be advanced to the beneficiary.

**Notes to the financial statements for the year ended 30 September 2018 (continued)**

**1 Accounting policies (continued)**

**Income from rent and service charge**

Income from rent and service charge is recognised on a straight line basis over the period in which the service is provided.

**Diageo donation**

The Diageo donation is paid under the terms of a Deed of Covenant dated 23 January 2018 which sets out an undertaking to make annual payments until 2037.

The income is recognised when there is evidence of entitlement, receipt is probable and the amount can be measured reliably. For the Diageo donation, this is upon the receipt of the cash.

**Income from Health and Social Care Departments**

The UK Government supports the Trust by way of Health Grant funding agreements in place with the Health and Social Care Departments in England, Scotland, Wales and Northern Ireland up until 2022.

The income is recognised when there is evidence of entitlement, receipt is probable and the amount can be measured reliably. For the Health and Social Care Departments Grants, this is upon the receipt of the cash.

**Pension arrangements**

The Trust operates a defined contribution pension scheme for employees. Contributions are paid into the group scheme, the assets of which are held in an independently administered fund. Contributions are charged to the statement of financial activities as they become payable. The Trust provides no other post-retirement benefits to its employees.

## Charitable expenditure

All charitable expenditure is accounted for on an accruals basis and has been classified under the category headings, which aggregate all costs related to each category, as shown in note 6. Where costs cannot be directly attributed to particular headings they have been allocated in proportion to the time spent by staff on work under each heading.

**Grant-making**

Grants payable are accounted for in full as liabilities of the charity when approved by the trustees.

## Non-financial support costs

Beneficiary support costs comprise the direct costs, including staff, attributable to delivering the Trust’s service of support to beneficiaries.

**Governance**

Governance costs cover expenditure on maintaining the constitutional and policymaking framework of the Trust and compliance with statutory requirements.

**Irrecoverable VAT**

Any irrecoverable VAT is charged to the statement of financial activities, or capitalised as part of the cost of the related asset, where appropriate.

**Notes to the financial statements for the year ended 30 September 2018 (continued)**

**Accounting policies (continued)**

**Judgements and key sources of estimation uncertainty**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include the recognition of incoming donations and grants, and value of the Advances of Grants amounts falling due within, and after, one year.

Incoming grants and donations are considered on a year by year basis when discussions take place with Diageo plc and the four Health and Social Care Departments in the UK to consider the level of support needed for current beneficiaries. Future receipts are not anticipated within the financial statements as there is uncertainty as to the level of the receipts.

Advances of Grants are recovered by the Trust through deductions from future grants allocated to beneficiaries. Where possible, the Trust places a charge on property as security for the Advance and has further reduced the risk of the non-repayment of an Advance through an insurance policy held by the Trust. Based on these actions, in the judgement of the Trust’s management the Advances as at the year-end are fully recoverable.

1. **Investment income**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | **2018** |  | 2017 |  |
| **Unrestricted** |  |  |  | **£000s** |  | £000s |  |
|  |  |  |  |  |  |  |  |
| Quoted Investments and Investment Trusts | **1,527** |  | 2,533 |  |
|  |  |  |  |  |  |  |  |
| Listed Unit Trusts - UK Regulated |  | **558** |  | - |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Listed Unit Trusts – Overseas Regulated | **73** |  | 48 |  |
|  |  |  |  |  |  |  |  |
| Authorised common investment fund |  | **2,310** |  | 1,032 |  |
|  |  |  |  |  |  |  |  |
| Term Deposit Interest |  |  | **33** |  | 9 |  |
|  |  |  |  |  |  |   |  |
|  |  |  |  | **4,501** |  | 3,622 |  |
| **Restricted Fund** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Term Deposit Interest |  |  | **3** |  | 9 |  |
|  |  |  |  |  |  |  |  |
| Total per Statement of Financial Activities | **4,504** |  | 3,631 |  |

1. **Diageo plc donation**

On 12 July 2012 Diageo plc entered into a Deed of Covenant with the Thalidomide Trust which replaced earlier covenants executed by Guinness plc in 1995 and Diageo plc in 2000 and 2005.

The 2012 Covenant was reviewed during 2016 and a new Deed of Covenant was formally agreed in the current financial year. Under the new Covenant future increases in the Annual Grant paid to beneficiaries will be in line with the Retail Price Index (RPI.)

**Notes to the financial statements for the year ended 30 September 2018 (continued)**

1. **Investment management fees**

The Investment Managers charge a fee for their services based upon an agreed percentage of the market value of the investments under management and a performance related fee.

The Investment Managers’ fees charged for the year amounted to £263,000 (2017: £350,000).

In addition to the Investment Managers’ fees, Trust costs relating to investment management were £21,000 (2017: £25,000), which comprised of unrestricted costs of £20,000 and restricted costs of £1,000.

**5 Grantmaking**

**Unrestricted Funds: General Grants**

The trustees’ grant making policy has been:

For beneficiaries with capacity to manage their financial affairs

The trustees maintain a non-interest bearing nominee account for each beneficiary.

An Annual Grant is paid into the nominee account. A beneficiary has absolute entitlement to the balance in his or her nominee account and the balance is recognised as a liability of the Trust. Beneficiaries can instruct the Trust to make payments up to the balance in their nominee accounts from which they have entire discretion over the payee, amount and frequency of the payments.

The Annual Grant is calculated with reference to the financial position of the Trust and each beneficiary’s degree of disability, in accordance with the criteria applicable to distributions set out in the Trust Deed. The trustees reserve the right to amend the method of calculating the Annual Grant.

In addition to the Annual Grant, the trustees will consider requests for Major Advances (normally relating to significant one-off costs to meet mobility and housing needs), Short-Term Advances (to enable beneficiaries to make a transition in their housing arrangements where there are complex needs) and Emergency Advances (to meet unanticipated costs in the short term).

Where a Major, Short-Term or Emergency Advance has been made, future Annual Grants will be reduced by the amortisation of the Advance and an agreed annual fee to reflect the costs associated with making the Advance and the reduction in the Trust’s investment assets as a result of the Advances. Major Advances will normally result in a reduction to the Annual Grants for a number of years whereas Short-Term and Emergency Advances will normally result in a reduction to the following year’s Annual Grant.

**For beneficiaries who lack capacity to manage their financial affairs**

The trustees make payments to meet the needs of the beneficiary following discussion with the beneficiary’s deputy or attorney officially registered with the Court of Protection to manage the beneficiary’s financial affairs. Once funds have been transferred to the deputy or attorney for the benefit of the beneficiary, control of these funds passes absolutely out of the Trust. However, in line with Trust’s policy on beneficiaries who lack capacity, there is a requirement for regular reporting on how these funds are utilised to meet the needs of the beneficiary and professional oversight.

**Notes to the financial statements for the year ended 30 September 2018 (continued)**

**5 Grantmaking (cont)**

All payments will always remain at the discretion of the trustees and will be allocated in accordance with the principles set out in the Trust Deed and in line with the Trust’s policy on beneficiaries who lack capacity.

|  |  | 2018 | 2017 |
| --- | --- | --- | --- |
|  |  | Number of beneficiaries | Value of grants£££ | Number of beneficiaries | Value of grants£ |
|  |  |  | **£000s** |  | £000s |
| Beneficiaries with capacity to manage their financial affairs |  | 453 | **17,901** | 455 | 43,426 |
| Beneficiaries who lack capacity to manage their financial affairsmanage their financial affairs |  | 13 | 851 | 13 | 2,033 |
| **Total of Grants** |  | 466 | 18,752 | 468 | 45,459 |

**Restricted Funds: Departments of Health and Social Care Grants**

The four UK Health and Social Care Departments provide funding for the Health Grants under an agreement for the period 2013 to 2022.

Health Grant funding is distributed in accordance with the Trust’s existing distribution policy. The costs associated with administering the scheme are met from the funding. Details of Health Grant direct and indirect costs are set out in note 6. The level of costs charged has been determined by reference to factors such as the time spent on Health Grant related work (both administering and monitoring /reporting activities), together with appropriate proportions of operating costs.

Trust staff and beneficiary representatives meet with each of the Health and Social Care Departments on an ongoing basis. One of the key objectives of these reviews and the related negotiations is to actively manage the level of support requested from the four UK Health and Social Care Departments and the level and nature of the Health Grant fund expenditure such that there are no long term deficits, or surpluses, on the restricted Health Grant funds.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Health Grants by Country** |  |  |  |  |  |  |
|  | **England** | **Scotland** | **Wales** | **N. Ireland** |  | **Total** |
| **£000s** |  |  |  |  |  | **£000s** |
|  |  |  |  |  |  |  |
| Fund balances as at 1 October 2017 | **(339)** | **75**  | **(203)** | **(118)** |  | **(585)** |
|  |  |  |  |  |  |  |
| Incoming Health Grants | 8,367  | 1,258  | 830  | 491  |  | **10,946**  |
|  |  |  |  |  |  |  |
| Health Grants | (7,919) | (1,185) | (855) | (512) |  | **(10,471)** |
|  |  |  |  |  |  |  |
| Interest income | 2  | 1  | -  | -  |  | **3**  |
| Health Grant - Direct costs | (25) | (2) | (2) | -  |  | **(29)** |
| Health Grants – Indirect costs | (237) | (36) | (17) | (10) |  | **(300)** |
|  |  |  |  |  |  |  |
| **Fund balances as at** **30 September 2018** | **(151)** | **111**  | **(247)** | **(149)** |  | **(436)** |
|  |  |  |  |  |  |  |

**Notes to the financial statements for the year ended 30 September 2018 (continued)**

**6 Trust costs and net income**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  | **Unrestricted costs** | **Restricted Costs** |
|  |  |  |  |  |  | **Other Costs** |  |  |
|  |  |  | **Investment Management** | **Costs of Grant****Making** | **Beneficiary Support****Costs** | **Governance**  | **New****Claims** | **Campaigns** | **Health Grant recharged costs** | **Totals****2018** | Totals2017(see below) |  |
|  |  |  | **£000s** | **£000s** | **£000s** | **£000s** | **£000s** | **£000s** | **£000s** | **£000s** | £000s |  |
|  | Staff and other HR Costs | 14 | 35 | 382 | 35 | 36 | 7 | 246 | **755** | 606 |  |
|  | Administration and Running Costs | 6 | 43 | 127 | 15 | 3 | - | 69 | **263** | 277 |  |
|  | Investment Management Fees | 263 | - | - | - | - | - | - | **263** | 350 |  |
|  | Legal, Professional and Audit fees | - | 8 | 13 | 19 | 15 | - | 14 | **69** | 99 |  |
|  | National Advisory Council | - | - | 3 | 13 | - | - | - | **16** | 41 |  |
|  | Campaigning Costs | - | - | - | - | - | 56 | - | **56** | 46 |  |
|  | Research & Development | - | - | (9) | - | - | - | - | **(9)** | 62 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Subtotal | **283** | **86** | **516** | **82** | **54** | **63** | **329** | **1,413** | 1,481 |  |
|  | Total Unrestricted Costs | **283** | **86** | **516** |  | **199** |  |  | **1,084** | 1,106 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total Restricted costs | **1** | **79** | **216** |  | **33** |  |  | **329** | 375 |  |
|  | TOTAL | **284** | **165** | **732** |  | **232** |  |  | **1,413** | 1,481 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  | **Other costs** |  |  |  |  |
|  | **Comparatives** |  | **Investment** | **Costs of Grant** | **Beneficiary****Support** | **Governance**  | **New** | **Campaigns** | **Health Grant** | **Totals** |  |  |
|  |  |  | **Management** | **Making** | **Costs** |  | **Claims** |  | **recharged** | **2017** |  |  |
|  |  |  |  |  |  |  |  |  | **costs** |  |  |  |
|  |  |  | **£000s** | **£000s** | **£000s** | **£000s** | **£000s** | **£000s** | **£000s** | **£000s** |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Staff and other HR Costs | 12 | 30 | 255 | 29 | 30 | 6 | 244 | 606 |  |  |
|  | Administration and Running Costs | 9 | 54 | 101 | 16 | 3 | - | 94 | 277 |  |  |
|  | Investment Management Fees | 350 | - | - | - | - | - | - | 350 |  |  |
|  | Legal, Professional and Audit fees | - | 25 | 7 | 22 | 32 | - | 13 | 99 |  |  |
|  | National Advisory Council | - | - | 8 | 33 | - | - | - | 41 |  |  |
|  | Campaigning Costs | - | - | - | - | - | 46 | - | 46 |  |  |
|  | Research & Development | - | - | 38 | - | - | - | 24 | 62 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Subtotal | 371 | 109 | 409 | 100 | 65 | 52 | 375 | 1,481 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total Unrestricted Costs | 371 | 109 | 409 |   | 217 |   |  | 1,106 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total Restricted costs | 4 | 90 | 244 |   | 37 |  |  | 375 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |

**Notes to the financial statements for the year ended 30 September 2018 (continued)**

**6 Trust costs and net income (continued)**

Net income for the year is stated after charging:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | **2018** |  | 2017 |
|  |  |  |  | **£000s** |  | £000s |
|  |  |  |  |  |  |  |
| Depreciation and loss on disposals |  | **26** |  | 22 |
| Audit Fees | **32** |  | 27 |

**7 Trustee and employee information**

The monthly average number of persons employed by the Trust during the year was 14 (2017: 12).

| **Staff costs (for the above persons)** | 2018£000s | 2017£000s |
| --- | --- | --- |
| Gross salaries and wages | 561 | 475 |
| Social security costs | 62 | 52 |
| Employer pension contributions | 57 | 47 |
| Other employee benefits | **28** | 24 |
|  | 708 | 598 |

The number of employees whose total emoluments (i.e. salary and taxable benefits) exceeded £60,000 per annum were:

|  | 2018Number | 2017Number |
| --- | --- | --- |
| £60,001 - £70,000 | **2** | 3 |
| £70,001 - £80,000 | **1** | - |
| £100,001 - £110,000 | **-** | 1 |
| £110,001 - £120,000 | **1** | - |

Pension contributions towards a money purchase scheme paid in the year for the above staff paid more than £60,000 per annum amounted to £29,000 (2017: £28,000).

Retirement benefits are accruing under a money purchase scheme for 4 employees (2017: 4) paid more than £60,000 per annum.

No remuneration was paid to the trustees of The Thalidomide Trust Company Ltd (2017: £nil). Travel and subsistence expenses of £3,500 (2017: £4,100) were reimbursed to 6 (2017: 5) trustees/directors of The Thalidomide Trust Company Ltd during the year.

The total remuneration and benefits received by the Trust’s key management personnel was £251,000 (2017: £237,000) for 3 employees (2017: 3).

**Notes to the financial statements for the year ended 30 September 2018 (continued)**

**8 Tangible assets**

Tangible assets comprise the following:

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Motor** |  | **Furniture &** |  | **Building** |  | **Total** |  |
|  |  |  | **Vehicles** |  | **equipment** |  |  |  |  |  |
|  |  |  | **£000s** |  | **£000s** |  | **£000s** |  | **£000s** |  |
| **Cost** |  |  |  |  |  |  |  |  |  |  |
| At 1 October 2017 | 69 |  | 9 |  | 465 |  | **543** |  |
| Additions |  |  | 25 |  | - |  | - |  | **25** |  |
| Disposals |  |  | (48) |  | - |  | - |  | **(48)** |  |
| **At 30 September 2018** | **46** |   | **9** |  | **465** |  | **520** |  |
|  |  |  |  |  |  |  |  |  |  |  |
| **Accumulated depreciation** |  |  |  |  |  |  |  |
| At 1 October 2017 | 29 |  | 9 |  | 137 |  | **175** |  |
| Charged |  |  | 12 |  | - |  | 10 |  | **22** |  |
| Disposals |  |  | (24) |  | - |  | - |  | **(24)** |  |
| **At 30 September 2018** | **17** |   | **9** |  | **147** |  | **173** |  |
|  |  |  |  |  |  |  |  |  |  |  |
| **Net book value**  |  |  |  |  |  |  |  |  |  |
| **At 30 September 2018** | **29** |  | **0** |  | **318** |  | **347** |  |
| At 30 September 2017 | 40 |   | 0 |   | 328 |   | 368 |  |
|  |  |  |  |  |  |  |  |  |  |  |

All tangible fixed assets are unrestricted.

**9**  **Investments**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | **2018** |  | 2017 |  |
|  |  |  |  | **£000s** |  | £000s |  |
| **Listed Investments** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| UK Equities |  |  |  | **30,126** |  | 29,575 |  |
|  |  |  |  |  |  |  |  |
| US Equities |  |  |  | **2,307** |  | 2,433 |  |
|  |  |  |  |  |  |  |  |
| Europe Equities |  |  | **405** |  | - |  |
|  |  |  |  |  |  |  |  |
| Other Equities |  |  | **3,354** |  | - |  |
|  |  |  |  |  |  |  |  |
| **Unlisted investments** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Overseas Unit Trusts |  |  | **96,314** |  | 63,897 |  |
|  |  |  |  |  |  |  |  |
| UK Fixed Income Bonds |  |  | **29,239** |  | 30,293 |  |
|  |  |  |  |  |  |  |  |
| UK Common Investment Funds |  | **3,164** |  | 27,067 |  |
|  |  |  |  |  |  |  |  |
| Open Derivatives Positions |  | **(1)** |  | (965) |  |
|  |  |  |  |  |  |  |  |
| Cash held for investments |  | **2,768** |  | 5,466 |  |
| (including accrued investment income) |  |  |  |  |
| **Total per Balance Sheet** |  |  | **167,676** |   | 157,766 |  |

All investments are held as unrestricted funds.

**Notes to the financial statements for the year ended 30 September 2018 (continued)**

**9 Investments (continued)**

The movement on investments in the year was as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | **2018** |  | 2017 |  |
|  |  |  |  | **£000s** |  | £000s |  |
|  |  |  |  |  |  |  |  |
| Market value at 1 October 2017/2016 |  | **157,766** |  | 141,864 |  |
| Less: Disposal proceeds/ share exchanges | **(40,195)** |  | (38,264) |  |
| Add: Purchases at cost/share exchanges | **42,992** |  | 38,786 |  |
| Realised and unrealised gains | **9,811** |  | 13,933 |  |
| (Decrease)/increase in cash held for investment  | **(2,698)** |  | 1,447 |  |
| (including accrued investment income) |  |  |  |  |
| **Market Value at 30 September 2018/2017** |  | **167,676** |   | 157,766 |  |
|  |  |  |  |  |  |  |  |
| **Historical cost at 30 September 2018/2017** | **131,706** |   | 118,277 |  |

The trustees believe that the carrying value of the listed investments is supported by the underlying net assets.

Derivatives

Derivatives are initially recognised at transaction value and subsequently measured at their settlement value.

The following table shows derivatives in relation to investments.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | **2018** |  | 2017 |  |
|  |  |  |  | **£000s** |  | £000s |  |
|  |  |  |  |  |  |  |  |
| Cash offset index futures |  |  | **(339)** |  | (1,045) |  |
| Open currency forward agreements |  | **(30)** |  | 80  |  |
| Equities Futures |  |  | **368**  |  | - |  |
| Open Derivatives Positions |  | **(1)** |   | (965) |  |
|  |  |  |  |   |   |   |  |
| Futures held as part of |  |  |  |  |  |  |
| UK Equities |  |  |  | **-**  |  | 733  |  |
| Overseas Unit Trusts |  |  | **-**  |  | 333  |  |
|  |  |  |  |  |  |  |
| Total |  |  | **(1)** |  | 101 |  |

**Notes to the financial statements for the year ended 30 September 2018 (continued)**

**10 Trust Fund including comparatives**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **Unrestricted funds** |  |  |  |
|  |  |  |  |  |  |  |
|  |  | **Beneficiary** | **General** | **Restricted** | **Total** |  |
|  |  | **memorandum** | **Fund** | **Funds** | **Trust** |  |
|  |  | **Accounts** |  |  | **Funds** |  |
|  |  | **£000s** | **£000s** | **£000s** | **£000s** |  |
|  |  |  |  |  |  |  |
| Balance as at 1 October 2017 | 8,865 | 150,621 | (585) | 158,901 |  |
|  |  |  |  |  |  |  |
| Net incoming resources as per Statement of Financial Activities | - | 4,941 | 149 | 5,090 |  |
|  |  |  |  |  |  |  |
| Adjustment for net (decrease) in beneficiary memorandum accounts(Note 11) | (2,184) | 2,184 | - | - |  |
|  |  |  |  |  |  |  |
| **Balance as at 30 September 2018** | **6,681** | **157,746** | **(436)** | **163,991** |  |
|  |  | note 11 |  |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **Unrestricted funds** |  |  |  |
|  |  |  |  |  |  |  |
|  |  | **Beneficiary** | **General** | **Restricted** | **Total** |  |
|  |  | **memorandum** | **Fund** | **Funds** | **Trust** |  |
|  |  | **Accounts** |  |  | **Funds** |  |
|  |  | **£000s** | **£000s** | **£000s** | **£000s** |  |
|  |  |  |  |  |  |  |
| **Fixed Assets** |  |  |  |  |  |  |
| Tangible |  | - | 347 | - | 347 |  |
| Investments |  | 5,727 | 161,949 | - | 167,676 |  |
| **Current Assets** |  |  |  |  |  |  |
| Debtors and Prepayments | - | 43 | - | 43 |  |
| Advance of Grants |  | - | 3,688 | - | 3,688 |  |
| Cash at Bank and in Hand | 954 | 6,174 | 2,734 | 9,862 |  |
| **Creditors: amounts falling due** |  |  |  |  |  |
| **within one year** |  |  |  |  |  |  |
| Beneficiary nominee accounts | - | (14,165) | (3,170) | (17,335) |  |
| Creditors and accrued expenses | - | (290) | - | (290) |  |
|  |  |  |  |  |  |  |
| **Balance as at 30 September 2018** | **6,681** | **157,746** | **(436)** | **163,991** |  |
|  |  | note 11 |  |  |  |  |
|  |  |  |  |  |  |  |

**Notes to the financial statements for the year ended 30 September 2018 (continued)**

**10 Trust Fund including comparatives (continued)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **Unrestricted funds** |  |  |  |
| Comparatives |  | **Beneficiary** | **General** | **Restricted** | **Total** |  |
|  |  | **memorandum** | **Fund** | **Funds** | **Trust** |  |
|  |  | **Accounts** |  |  | **Funds** |  |
|  |  | **£000s** | **£000s** | **£000s** | **£000s** |  |
|  |  |  |  |  |  |  |
| Balance as at 1 October 2016 | 8,615 | 139,944 | 1,200 | 149,759 |  |
|  |  |  |  |  |  |  |
| Net incoming/(outgoing) resources as per Statement of Financial Activities | - | 10,927 | (1,785) | 9,142 |  |
|  |  |  |  |  |  |  |
| Adjustment for net increase in beneficiary memorandum accounts (note 11) | 250 | (250) | - | - |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Balance as at 30 September 2017 | 8,865 | 150,621 | (585) | 158,901 |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  | **Unrestricted funds** |  |  |  |
| Comparatives |  | **Beneficiary** | **General** | **Restricted** | **Total** |  |
|  |  | **memorandum** | **Fund** | **Funds** | **Trust** |  |
|  |  | **Accounts** |  |  | **Funds** |  |
|  |  | **£000s** | **£000s** | **£000s** | **£000s** |  |
|  |  |  |  |  |  |  |
| Fixed Assets |  |  |  |  |  |  |
| Tangible |  | - | 368 | - | 368 |  |
| Investments |  | 8,770 | 148,996 | - | 157,766 |  |
| Current Assets |  |  |  |  |  |  |
| Debtors and Prepayments | - | 34 | - | 34 |  |
| Advance of Grants |  | - | 3,538 | - | 3,538 |  |
| Cash at Bank and in Hand | 95 | 12,780 | 2,231 | 15,106 |  |
| Creditors: amounts falling due |  |  |  |  |  |
| within one year |  |  |  |  |  |  |
| Beneficiary nominee accounts | - | (14,709) | (2,816) | (17,525) |  |
| Creditors and accrued expenses | - | (386) | - | (386) |  |
|  |  |  |  |  |  |  |
| Balance as at 30 September 2017 | 8,865 | 150,621 | (585) | 158,901 |  |
|  |  | note 11 |  |  |  |  |

**Notes to the financial statements for the year ended 30 September 2018 (continued)**

**11 Beneficiary accounts**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | **Beneficiary** | **Beneficiary** | **Beneficiary** | **Total** | Total |
|  |  | **memorandum**  | **nominee** | **Health Grant** | **2018** | 2017 |
|  |  | **accounts** | **accounts** | **accounts** |  |  |
|  |  | **£000s** | **£000s** | **£000s** | **£000s** | £000s |
| As at 1 October 2017: |  |  |  |  |  |
| Balance Sheet creditors |  | 14,709 | 2,816 | **17,525** | 11,925 |
| Trust fund balance | 8,865 |  |  |  |  |
|  |  |  |  |  |  |  |
| Annual Grant |  | 851 | 17,901 |  | **18,752** | 18,680 |
|  |  |  |  |  |  |  |
| CHP (see note below) |  |  |  |  | **-** | 26,779 |
|  |  |  |  |  |  |  |
| Health Grant |  |  |  | 10,471 | **10,471** | 10,326 |
|  |  |  |  |  |  |  |
| Payments from beneficiary accounts | (3,035) | (18,445) | (10,117) | **(31,597)** | (49,935) |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Adjustment for net decrease/(increase) in Beneficiary Memorandum Accounts  |  |  |  | **2,184** | (250) |
|  |  |  |  |  |  |  |
| **As at 30 September 2018:** |  |  |  |  |  |
| **Balance Sheet creditors** |  | 14,165 | 3,170 | **17,335** | 17,525 |
| **Trust fund balance** | **6,681** |  |  |  |  |
|  |  | note 10 |  |  |   |  |

Beneficiary Memorandum Accounts are all designated funds and include: accounts for beneficiaries who lack capacity to manage their financial affairs (as detailed at note 5); backdated grants allocated to beneficiaries; and the remaining balances of grant funds allocated prior to the enactment of Statutory Instrument 2004/1819.

Beneficiary nominee accounts include the grant funds to which a beneficiary has absolute entitlement and which have not been requested by beneficiaries at the year-end (as detailed in note 5).

Beneficiary Health Grant accounts include the Health Grant funding made available, but not requested by, or applied for beneficiaries (as detailed in note 5).

During the previous year a one off Capital/Health Payment (CHP) to meet the changing health and wellbeing needs of the beneficiaries was agreed and paid by Diageo plc.

**12 Taxation**

The Trust is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

During the current and prior years, all distributions to beneficiaries were paid under the terms of Statutory Instrument 2004 No 1819, which allows distributions from the Trust to be paid free of income tax, and therefore no income tax liability arose.

**Notes to the financial statements for the year ended 30 September 2018 (continued)**

**13 Pension obligations**

**Defined contribution scheme**

Permanent staff are eligible to receive a pension provision equivalent to 10% of gross salary under a defined contribution scheme. During the year employer contributions to this scheme amounted to £57,000 (2017: £47,000).

At the end of the year other creditors and accruals included £5,800 (2017: £5,000) payable in respect of employer pension contributions.

1. **Debtors**

|  | Total funds2018£000s | Total funds 2017£000s |
| --- | --- | --- |
| Advances of Grants |   |  |
|  amounts falling due within one year | 721 | 725 |
|  amounts falling due after one year | 2,967 | 2,813 |
| Prepayments and accrued income | 43 | 34 |
| **Total** | 3,731 | 3,572 |

As set out in note 5, the trustees will consider requests for Major Advances and Emergency Advances. The Advances consist of Major Advances and Emergency Advances balances as at 30 September 2018. Advances are recoverable from future Annual Grant allocations. Emergency Advances are recoverable within one year, Major Advances are recoverable up to a maximum of ten years.

**15 Creditors**

|  | Total funds2018£000s | Total funds 2017£000s |
| --- | --- | --- |
| **Creditors: amounts falling due within one year** |  |  |
| Beneficiary nominee accounts (note 11) | 17,335 | 17,525 |
| Other creditors and accruals | 290 | 386 |
| **Total** | 17,625 | 17,911 |

**16 Related Party Transactions**

Other than expenses paid to Trustees (see note 7), there were no related party transactions during the year.

There is no parent undertaking. The ultimate controlling party is The Thalidomide Trust Company Ltd.

**Notes to the financial statements for the year ended 30 September 2018 (continued)**

**17 Comparatives for Statement of Financial Activities**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Comparatives |  | **Unrestricted** |  | **Restricted** |  | **Total Funds** |  |
|  |  | **Funds** |  | **Funds** |  | **2017** |  |
|  | Note | **£000s** |  | **£000s** |  | **£000s** |  |
| Income from: |  |  |  |  |  |  |  |
| Diageo donations | 3  | 39,427  |  | -  |  | 39,427  |  |
| Health Department Grants | 5  | - |  | 8,907  |  | 8,907  |  |
| Investment income | 2  | 3,622  |  | 9  |  | 3,631  |  |
| Other income |  | 260  |  | -  |  | 260  |  |
|  |  |  |  |  |  |  |  |
| Total |  | 43,309  |  | 8,916  |  | 52,225  |  |
|  |  |  |  |  |  |  |  |
| Expenditure on raising funds: |  |  |  |  |  |  |  |
| Investment management fees  | 4,6 | (350) |  | -  |  | (350) |  |
| Administrative costs | 4,6 | (21) |  | (4) |  | (25) |  |
| Expenditure on charitable activities |  |  |  |  |  |  |  |
| Grants | 5  | (45,459) |  | (10,326) |  | (55,785) |  |
| Costs of Grantmaking | 6  | (109) |  | (90) |  | (199) |  |
| Beneficiary Support costs | 6  | (409) |  | (244) |  | (653) |  |
| Other costs | 6  | (217) |  | (37) |  | (254) |  |
| Net increase in Memorandum | 10,11 | 250  |  | - |  | 250  |  |
| Account Balances |  |  |  |  |  |  |  |
| Total |  | (46,315) |  | (10,701) |  | (57,016) |  |
|  |  |  |  |  |  |  |  |
| Net gains on investments | 9  | 13,933  |  | -  |  | 13,933  |  |
| Net income/(expenditure) |  | 10,927  |  | (1,785) |  | 9,142  |  |
| Transfers between funds |  | - |  | - |  | - |  |
|  |  |   |  |   |  |   |  |
| Net movement in funds |  | 10,927  |  | (1,785) |  | 9,142  |  |
| Reconciliation of Funds |  |  |  |  |  |  |  |
| Fund balances brought forward | 10  | 148,559  |  | 1,200  |  | 149,759  |  |
| At 1 October 2016 |  |  |  |  |  |  |  |
| Fund balances carried forward |  |  |  |  |  |  |  |
| at 30 September 2017 | 10  | 159,486  |  | (585) |  | 158,901  |  |
|  |  |  |  |  |  |  |  |

1. The going concern basis means that the charity has the resources to continue in operations for a minimum of 12 months from the date of signing these financial statements [↑](#footnote-ref-2)