

Charity Registration No. 1016315 (England and Wales)

**THE DERMATITIS AND ALLIED DISEASES
RESEARCH TRUST**

**TRUSTEES' REPORT AND
UNAUDITED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 5 APRIL 2011

THE DERMATITIS AND ALLIED DISEASES RESEARCH TRUST

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THE DERMATITIS AND ALLIED DISEASES RESEARCH TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Charity Status: Registered in England and Wales

Charity Number: 1016315

Working Name: Dermatrust

Address: 40 Queen Anne Street
London W1G 9EL

Website: www.dermatrust.org.uk

Trustees: Professor M H A Rustin
Mr A G Moss
Mr S J Patey
Dr C Orteu
Dr S McBride
Dr V Swale
Professor A Akbar
Dr E Seaton
Dr J Jones
Professor C B Bunker

Patrons: Professor Dame Carol Black
The Lord Colwyn
Ms G Glaister
Sir Bernard Haitink
Mrs W Lourie
Mr John Marshall
Professor K M Spyer
Mr Michael van Straten
Dr T Stuttaford
Rabbi Mark Winer
Sir Terry Wogan
Professor A Zuckerman

Bankers: Lloyds TSB Bank Plc
40 Rosslyn Hill
Hampstead
London NW3 1NL

Accountants: Lewis Golden & Co
Chartered Accountants & Registered Auditors
40 Queen Anne Street
London W1G 9EL

Independent Examiner: C Peters FCA
Bird Luckin Limited
Chartered Accountants & Registered Auditors
Stansted Regional Office
Gateway House
42 High Street
Dunmow
Essex CM6 1AH

THE DERMATITIS AND ALLIED DISEASES RESEARCH TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 5 APRIL 2011

The trustees submit their report and the financial statements for the year ended 5 April 2011.

Legal and Administrative Information

Legal and administrative information set out on page 1 forms part of this report.

The trustees during the year were as follows:-

Prof M H A Rustin	Dr C Orteu	Prof A Akbar	Dr J Jones
Mr A G Moss	Dr S McBride	Dr V Swale	Dr S Dhoat
Mr S J Patey	Dr F Child	Dr E Seaton	Dr A Lally

Dr Aoife Lally and Dr Sasha Dhoat were appointed as trustees on 11 May 2010 and both resigned on 1 March 2011. Dr Fiona Child resigned as a trustee on 12 October 2010. Professor Chris Bunker was appointed as a trustee on 11 October 2011.

Structure, Governance and Management

The Trust was established by Professor M H A Rustin, Dr S Wright, Sir Ian Morrow, Dr T Stuttaford, Mr A G Moss and Mrs W Lourie as the Dermatitis and Allied Diseases Research Trust under a trust deed dated 30 December 1992. The Trust's working name is Dermatrust.

The Trust does not have a Chief Executive. However Professor M H A Rustin is the senior executive trustee and Mr A G Moss oversees the financial reporting of the Trust. Mrs A Rogers resigned as consultant fundraiser to the Trust on 31 August 2010, and was replaced by Mrs Nicky Bryant on 1 August 2011.

The trustees collectively have the authority to appoint new trustees by resolution of a meeting of the trustees. The trustees will consider appropriate methods for the recruitment when it is decided that new trustees are required.

The trustees are required by the trust deed to meet at least once in every year. The quorum at such meetings is three trustees. The trustees met three times during the year.

During the year the trustees have undertaken a risk assessment. This assessment helped to identify the major risks to which the charity is exposed. The trustees have reviewed the major risks and have established a system to mitigate those risks.

Andrew Moss is a partner in Lewis Golden & Co, which provides accountancy and administration services to the Trust. Details of any fees received are disclosed in the notes to the financial statements.

There have been no changes in the policies of the Trust during the year.

Objectives and Activities for the Public Benefit

The objects of the Trust are to support the advancement of research and treatment of benign and malignant diseases of the skin.

The trustees apply the Trust income and resources at their absolute discretion to the research and development of new medicines and equipment for the relief of persons suffering from benign and malignant diseases of the skin. The trust deed imposes no specific restrictions on the way in which the Trust can operate and the trustees may make such investments as they think fit.

The Trust is based at the Royal Free Hospital, London and supports the clinical and research activities of the Consultant Dermatologists at the Royal Free Hospital. Specifically, the Trust supports the research being carried out by Drs Rustin, Orteu, and McBride into the cause and improved treatment of atopic eczema, Fabry disease and psoriasis respectively. The trust now directly funds one clinical research fellow and one research scientist, both registered for PhDs, and one Post-Doctoral Scientist. Collectively this research makes up the Dermatrust Research Programme, which is the primary charitable activity of the Trust. Further information is on the Programme is given in pages 3 to 4.

THE DERMATITIS AND ALLIED DISEASES RESEARCH TRUST

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2011

Objectives and Activities for the Public Benefit (continued)

The trustees use the services of a consultant fundraiser to raise funds which can then be used to develop the Research Programme.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

Achievements and Performance

The fifth Dermatrust Research Fellow Dr Daisy Sandhu commenced her research in December 2009 and was then on maternity leave from February 2010 until October 2010. Since returning to work she has continued to examine the decreased memory T cell response in the skin of old volunteers following intradermal injection of recall antigens. Since T cells are important in controlling primary (chickenpox) and recurring (shingles) varicella-zoster infection (VZV), we believe that the impaired skin response in the elderly may render such people to an increased risk of shingles. However we do not know whether the T cell dysfunction is qualitative or quantitative and/or be compounded by defective epidermal innate immune responses.

Dr Sandhu has therefore continued to recruit healthy young and old volunteers from whom she obtains blood and skin or blister fluid samples after intradermal challenge with varicella VZV antigen. She is then undertaking quantitative analyses of the numbers of macrophages, dendritic cells, regulatory T cells and resident T cells at different time points using a combination of immunohistochemistry, immunofluorescence and flow cytometry. In addition to the above she is also using micro-array RNA analysis of skin biopsies taken at early time points after intradermal challenge with VZV skin antigen to assess the cytokine milieu controlling the cellular response as well as analysing normal and lesional skin from patients with shingles and normal skin from mildly stressed older people who have never had shingles.

Dermatrust provided funds to enable recruitment of a PhD student Ms Judith Seidel who commenced her three year period of research on the 1st of July 2010. She is examining T cell senescence in melanoma patients and this forms part of a collaborative project between Professor Akbar, Professor Malcolm Rustin and Dr Katie Lacy, Consultant Dermatologist in the Cutaneous Medicine and Immunotherapy Unit, St. John's Institute of Dermatology, Division of Genetics and Molecular Medicine, King's College London School of Medicine. The rationale behind this work is that the immune response in some patients with melanoma is thought to inhibit the growth and kill tumour cells but in contrast regulatory T cells are found around the periphery of cutaneous deposits of melanoma suggesting that the immune response might also be preventing such an immune attack. Over the past year she has been examining T cell differentiation in melanoma patients compared to healthy controls. Using an 8 colour flow cytometry panel there was a significant decrease in overall naïve CD4 T cells in elderly patients compared to controls which was accompanied by an increase in differentiated cells, especially central memory cells. She is also isolating melanoma specific T cells using pentamers and peptide pools and will combine the data to analyse whether there is any correlation between the immune status, melanoma staging and survival.

Dr Alexandra Mizara is a clinical psychologist providing a psycho-dermatology service within the Department of Dermatology at the Royal Free Hospital and this was established with financial support from Dermatrust in 2007. There are currently approximately 200 referrals a year to the service, with a 66% increase in referrals over the last year. 43% of patients attending the service have a single consultation and are then discharged, 33% have a course of cognitive behavioural therapy, 6% have schema focused therapy and 18% don't attend their appointment. Patients experience a significant reduction in scores for anxiety and depression as well as improvement in quality of life scores after attending the service. Other benefits include returning to work, reduced systemic therapies and improved relationships.

These commitments to the research objectives of the Trust amount to almost £170,000 in the short to medium term. Accordingly the trustees have allocated an equivalent amount, not including amounts accounted for through restricted funds, to a designated fund. Whilst the trust has sufficient resources to meet these commitments, the trustees intend to continue raising funds to satisfy their long-term aims.

As a direct result of Dermatrust's work, the Royal Free Hospital employs Sister Waite in the Clinical Trials Unit. This work generates income for the Hospital, which therefore makes resources available for Dermatrust sponsored research. The income amounted to £21,936 during the year. The cost of employing the nursing staff in the Clinical

THE DERMATITIS AND ALLIED DISEASES RESEARCH TRUST

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2011

Achievements and Performance (continued)

Trials Unit during the year was £12,593. The Hospital Trust covers some of the Dermatrust costs in recognition of this contribution to hospital funds.

How Dermatrust Sponsored Research delivered Public Benefit

The main thrust of the Trust's research is to identify mechanisms causing persistent inflammation in the skin and to examine the effect of ageing on immune responses and immune memory.

The benefits of the Trust's work to the public are the funding of on-going research with the goal of being able to assist sufferers of skin inflammation disorders, the dissemination of research findings, the development of new therapies and the education of future researchers.

During the year, research funded by Dermatrust has been presented at National and International meetings and invited lectures have been given at a number of institutions in England, America and Europe. Results of the research have been published in highly respected peer reviewed journals, and there was one publication arising from Dermatrust support:

Booth NJ, McQuaid AJ, Sobande TO, Kissane S, Agius E, Jackson S, Salmon M, Falciani F, Yong K, Rustin MHA Akbar A, Vukmanovic-Stejic M. Different proliferative potential and migratory characteristics of human CD4⁺ regulatory T cells that express either CD45RA or CD45RO, *J Immunol* 2010; 184(8):4317-26.

The trustees consider that by sponsoring such medical research, they are promoting the general charitable principle of the advancement of health and medical knowledge and this could benefit anybody who suffers from persistent skin inflammations.

Financial Review	2011	2010
	£	£
Income received from donations, legacies & similar incoming resources amounted to	96,815	259,280
Income from investments during the year amounted to	1,230	1,032
Total income for the year was	<u>98,045</u>	<u>260,312</u>
Out of which costs of generating donations & other funds were payable of	(27,131)	(60,189)
Charitable expenditure in furtherance of the charity's objects by purchasing medical equipment and supporting the Research Programme amounted to	(111,997)	(49,754)
Donations were made of	(225)	-
Resources expended on governance costs amounted to	(19,463)	(13,848)
Resulting in a deficit after expenditure for the year of	<u>(60,771)</u>	<u>136,521</u>
Funds balances brought forward at 6 April 2010 amounted to	414,186	277,665
Giving total trust funds carried forward at 5 April 2011 of	<u><u>353,415</u></u>	<u><u>414,186</u></u>

The Trust's voluntary income was significantly reduced compared to the previous year (and accordingly the costs of generating voluntary income), as it was without a consultant fundraiser from 1 September 2010 to 31 July 2011. During this time the trustees considered various options with regard to the continued future of the Trust, including exploratory discussions with another charity in the same field to consider whether or not to merge with it. (This resulted in an increase in governance costs compared to the previous year). The decision was taken however that the Trust should continue in its present form, and a new consultant fundraiser was appointed on 1 August 2011.

There are no funds in deficit at the date of the financial statements. The Trust's financial position at the balance sheet date is sufficient to meet ongoing expenditure and commitments. However, the Trust is reliant on future

THE DERMATITIS AND ALLIED DISEASES RESEARCH TRUST

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2011

donations in order to be able to plan for future research.

The Trust's reserves consist of its Unrestricted Income Fund, which had a balance of £175,878 (2010: £139,627); and the Designated Income Fund and Restricted Income Funds, which are explained in more detail in notes 9 to 11 respectively. It is a long term aim of the trustees to increase the reserves to a level that will generate regular investment income sufficient to support future research. However current rates of return mean that this aim is impractical in the short term. The trustees will continue to review the level of reserves of the Trust.

The Trust and its trustees do not hold any funds as Custodian Trustee on behalf of others.

Financial Review (continued)

The trustees' powers to invest are unrestricted. The trustees have decided to place most of the Trust's funds on monthly money market deposit in order to balance the level of return obtainable with the requirement to fund the Research Programme. At the date of the accounts, the Trust had a balance of £370,000 (2010: £280,000) on deposit. The trustees do not consider there to be sufficient free reserves available to justify long term investments. The trustees will continue to review the level of funds on deposit with regard to the changing investment climate.

Plans for Future Periods

The Trust has sufficient funds designated to meet its current commitments, supporting the research of Dr Sandhu until September 2012 and to fund two new PhD Research students, who commenced their research in August and October respectively. However, the Trust is reliant on raising new funds in order to be able to expand the Research Programme and commit to funding new research. The trustees would like to raise sufficient funds to be able to additionally sponsor an Academic Chair of Dermatology at the combined Royal Free Hospital and University College Medical Schools. The trustees intend to continue fundraising, and in particular to establish a new appeals committee. It is hoped that the committee will both assist in fundraising and arranging fundraising events, and will help to raise the profile of the Trust.

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of state of affairs of the Trust and its financial activities for that year. In preparing the financial statements to give a true and fair view the trustees should follow best practice and are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 operation.

The trustees are responsible for keeping proper accounting records which 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 1993 (as amended). They are also responsible for the safeguarding of the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as the trustees are aware, there is no relevant information of which the Charity's independent examiner is unaware. The trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant independent examination information and to establish that the Charity's independent examiner is aware of that information.

THE DERMATITIS AND ALLIED DISEASES RESEARCH TRUST

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2011

The financial statements have been prepared in accordance with the requirements of the Statement of Recommended Practice and the trust deed.

Approved and signed on behalf of the trustees on *12 January 2012.*



Malcolm H A Rustin
Trustee



Andrew G Moss
Trustee

THE DERMATITIS AND ALLIED DISEASES RESEARCH TRUST

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE DERMATITIS AND ALLIED DISEASES RESEARCH TRUST

I report on the financial statements of the Trust for the year ended 5 April 2011 as set out on pages 8 to 14.

This report is made solely to the charity's trustees, as a body, in accordance with section 43 Charities Act 1993 (as amended). Our work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in this 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 members as a body, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of financial statements. The charity's trustees consider that an audit is not required for the year (under section 43(2) of the Charities Act 1993 (the Act) (as amended)) and that an independent examination is needed.

It is my responsibility to:

- examine the financial statements (under section 43(3)(a) of the 1993 Act);
- to follow the procedures laid down in the General Directions given by the Charity Commission (under section 43(7)(b) of the 1993 Act); and
- to state where particular matters have come to my attention.


Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- a) which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with section 41 of the 1993 Act; and
 - to prepare financial statements which accord with the accounting records and to comply with the accounting requirements of the 1993 Act
- have not been met; or
- b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.


C Peters FCA
Bird Luckin Limited
Chartered Accountants
Stansted Regional Office
Gateway House
42 High Street
Dunmow
Essex CM6 1AH

25 January 2012
Date

THE DERMATITIS AND ALLIED DISEASES RESEARCH TRUST

STATEMENT OF FINANCIAL ACTIVITIES (including an income and expenditure account) FOR THE YEAR ENDED 5 APRIL 2011

INCOME AND EXPENDITURE

	Notes	Unrestricted Income Fund 2011 £	Designated Income Funds 2011 £	Restricted Income Funds 2011 £	Expendable Endowment Capital Fund 2011 £	Total 2011 £	2010 £
Incoming Resources							
Incoming resources from generated funds							
Voluntary income	3	96,315	-	500	-	96,815	259,280
Investment income	4	1,230	-	-	-	1,230	1,032
Total Incoming Resources		<u>97,545</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>98,045</u>	<u>260,312</u>
Resources Expended							
Costs of generating funds							
Costs of generating voluntary income	5	(27,131)	-	-	-	(27,131)	(60,189)
Charitable activities							
Purchase of equipment		-	-	-	-	-	(1,019)
Research Programme - Dermatrust fellows, technicians & consumables		-	(22,750)	(89,247)	-	(111,997)	(48,735)
Donations		(225)	-	-	-	(225)	-
Governance costs	6	(19,463)	-	-	-	(19,463)	(13,848)
Total Resources Expended		<u>(46,819)</u>	<u>(22,750)</u>	<u>(89,247)</u>	<u>-</u>	<u>(158,816)</u>	<u>(123,791)</u>
Net Incoming/(Outgoing) Resources before Transfers		50,726	(22,750)	(88,747)	-	(60,771)	136,521
Transfers between funds	9	(14,475)	14,475	-	-	-	-
Net Movement In Funds		<u>36,251</u>	<u>(8,275)</u>	<u>(88,747)</u>	<u>-</u>	<u>(60,771)</u>	<u>136,521</u>
Fund balances brought forward							
As at 6 April 2010		<u>139,627</u>	<u>117,775</u>	<u>156,684</u>	<u>100</u>	<u>414,186</u>	<u>277,665</u>
Fund Balances Carried Forward as at 5 April 2011		<u>175,878</u>	<u>109,500</u>	<u>67,937</u>	<u>100</u>	<u>353,415</u>	<u>414,186</u>

THE DERMATITIS AND ALLIED DISEASES RESEARCH TRUST

BALANCE SHEET AS AT 5 APRIL 2011

	Notes	2011		2010	
		£	£	£	£
Current Assets					
Cash at bank and in hand		393,510		454,182	
Debtors	7	330		695	
		<u>393,840</u>		<u>454,877</u>	
Creditors: Amounts Falling Due Within One Year					
	8	<u>40,425</u>		<u>40,691</u>	
Net Current Assets			353,415		414,186
Net Assets			<u>353,415</u>		<u>414,186</u>
Unrestricted Income Fund	9		175,878		139,627
Designated Income Funds	9		109,500		117,775
Restricted Income Funds	10		67,937		156,684
Expendable Endowment Capital Fund	10		100		100
Total Trust Funds			<u>353,415</u>		<u>414,186</u>

Approved and signed on behalf of the Trustees on: 12 January 2012



Malcolm H A Rustin
Trustee



Andrew G Moss
Trustee

THE DERMATITIS AND ALLIED DISEASES RESEARCH TRUST

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2011

1 BASIS OF PREPARATION

1.1 Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention as modified by adjusting the investments to market value at the balance sheet date, and with the Charities Act 1993 (as amended).

The requirements of the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005 (SORP 2005) and The Charities (Accounts and Reports) Regulations 2005 have been taken into account in preparing these financial statements.

1.2 Change in basis of accounting

There has been no change to the accounting policies (valuation rules and methods of accounting) since last year.

1.3 Changes to previous financial statements

No changes have been made to financial statements for previous years.

2 ACCOUNTING POLICIES

2.1 Incoming resources

(i) Recognition of incoming resources

These are included in the Statement of Financial Activities (SoFA) when: the charity becomes entitled to the resources; the trustees are virtually certain they will receive the resources; and the monetary value can be measured with sufficient reliability.

(ii) Incoming resources with related expenditure

Where incoming resources have related expenditure, the incoming resources and related expenditure are reported gross in the SoFA. Income from activities for generating funds and direct expenditure to generate such income are shown separately in the SoFA. The constituent income and receipts are together recognised on an accruals basis.

(iii) Grants, donations and legacies (Income)

Grants, donations and legacies are only included in the SoFA when the charity has unconditional entitlement to the resources. In effect this is on a receipts basis.

(iv) Tax reclaims on donations and gifts

Incoming resources from tax reclaims are included in the SoFA at the same time as the gift to which they relate.

(v) Incoming resources from charitable activities

These resources arising from activities in furtherance of charitable objects are shown in the financial statements on a receipts basis. They comprise donations received arising from laser treatment.

(vi) Donated services and facilities

The value of any donated services or facilities are not included in the financial statements, but are described in the trustees' annual report.

(vii) Investment income

Investment income is shown in the financial statements on an accruals basis. Investment income earned on the Restricted Income Fund is recognised in the Unrestricted Income Fund.

THE DERMATITIS AND ALLIED DISEASES RESEARCH TRUST

NOTES ON FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 5 APRIL 2011

2.2 Expenditure and liabilities

(i) Liability recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

(ii) Governance costs

Governance costs are accounted for on an accruals basis and include costs of the preparation and examination of financial statements and the cost of any advice given to the trustees on governance or constitutional matters.

(iii) Grants with performance conditions

Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specified service or output.

(iv) Grants payable without performance conditions

These are only recognised in the financial statements when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity.

(v) Costs of generating voluntary income

Fundraising and publicity costs include consultancy fees and direct expenditure.

(vi) Resources expended on charitable activities

Direct charitable expenditure and other expenditure are accounted for on an accruals basis. All costs are directly attributable to a specific activity.

2.3 Funds

The Trust maintains a capital fund called "Expendable Endowment Capital Fund" comprising the monies with which the Trust was established. The Trust also maintains an "Unrestricted Income Fund" which is available for charitable expenditure. Periodically the trustees designate unrestricted funds to ensure that sufficient funds are put aside to cover the cost of future planned research. These "Designated Income Funds" comprise monies expected to be paid by the Trust on sponsored research, but subject to performance conditions. The "Restricted Income Funds" are funds over which the donor has placed specific conditions relating to their use.

3 VOLUNTARY INCOME	2011	2010
	£	£
Donations and grants received	94,332	258,132
Income tax on donations recoverable	2,483	1,148
	<u>96,815</u>	<u>259,280</u>
4 INVESTMENT INCOME		
Income received directly attributed to:		
UK Bank interest	<u>1,230</u>	<u>1,032</u>

THE DERMATITIS AND ALLIED DISEASES RESEARCH TRUST

NOTES ON FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 5 APRIL 2011

5 COSTS OF GENERATING VOLUNTARY INCOME	2011	2010
	£	£
Fundraising events		
London Marathon entry	2,794	2,653
	<hr/>	<hr/>
Fundraising and publicity expenses		
Professional fees	18,000	44,250
Expenses	2,456	8,057
	<hr/>	<hr/>
	20,456	52,307
Printing and stationery	1,507	5,020
Justgiving charges	1,144	209
Website costs	1,230	-
	<hr/>	<hr/>
	24,337	57,536
	<hr/>	<hr/>
Total	27,131	60,189
	<hr/>	<hr/>
<p>The prior figures have been restated by separately disclosing the 'Justgiving charges' for 2010, which in the financial statements for the year ended 5 April 2010 were disclosed as part of 'Expenses'.</p>		
6 GOVERNANCE COSTS		
Independent examination fee	1,906	2,134
Accountancy and administration charges (note 12)	17,557	11,714
	<hr/>	<hr/>
	19,463	13,848
	<hr/>	<hr/>
7 DEBTORS		
Accrued income	330	695
	<hr/>	<hr/>
8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Accruals	40,425	40,691
	<hr/>	<hr/>

THE DERMATITIS AND ALLIED DISEASES RESEARCH TRUST

NOTES ON FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 5 APRIL 2011

9 UNRESTRICTED FUNDS

	As at 6 April 2010 £	Incoming resources £	Outgoing resources £	Transfers £	As at 5 April 2011 £
Designated funds:					
Research Programme	117,775	-	(22,750)	14,475	109,500
Unrestricted Income Fund	139,627	97,545	(46,819)	(14,475)	175,878
	<u>257,402</u>	<u>97,545</u>	<u>(69,569)</u>	<u>-</u>	<u>285,378</u>

The Designated Research Programme Fund has been set aside by the trustees out of the unrestricted income fund for the specific purpose of supporting the Research Programme. The trustees periodically consider the funds required and designate a sufficient amount by means of transfer from the Unrestricted Income Fund to cover the cost of current and planned research.

The Unrestricted Income Fund comprises monies that can be used in accordance with the charitable objects of the Trust at the discretion of the trustees.

10 RESTRICTED FUNDS

	As at 6 April 2010 £	Incoming resources £	Outgoing resources £	Transfers £	As at 5 April 2011 £
Restricted funds:					
Equipment	3,684	500	-	-	4,184
Dr Sandhu consumables	3,000	-	-	-	3,000
Audrey & Stanley Burton Charitable Settlement (PhD Students)	150,000	-	(89,247)	-	60,753
Expendable Endowment Fund	100	-	-	-	100
	<u>156,784</u>	<u>500</u>	<u>(89,247)</u>	<u>-</u>	<u>68,037</u>

The restricted funds consist of donations received for particular restricted purposes within the objects of the charity. In particular the funds comprise monies received from The Locker Foundation for the purchase of equipment; a grant in a previous year from The Mason le Page Charitable Trust to fund consumables used by Dr Daisy Sandhu in her third year; and a grant from the Audrey and Stanley Burton Charitable Settlement in a previous year to fund two clinical research PhD students, of which £75,000 has been paid to King's College London to sponsor a PhD student for a period of three years.

11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Income Fund £	Designated Income Funds £	Restricted Income Funds £	Expendable Endowment Fund £	Total 2011 £
Cash at bank and in hand	187,038	133,250	73,122	100	393,510
Other net current liabilities	(11,160)	(23,750)	(5,185)	-	(40,095)
	<u>175,878</u>	<u>109,500</u>	<u>67,937</u>	<u>100</u>	<u>353,415</u>

THE DERMATITIS AND ALLIED DISEASES RESEARCH TRUST

NOTES ON FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 5 APRIL 2011

12 TRUSTEES' INTEREST IN CONTRACTS

Andrew G Moss is a partner in Messrs Lewis Golden & Co, Chartered Accountants, who provided accountancy, administration and tax services to the Trust to the value of £17,557 (2010: £11,714) including VAT.

None of the other trustees received any remuneration or reimbursement of expenses during the year.

13 RELATED PARTY TRANSACTIONS

Professor M H A Rustin and C Orteu, S MacBride, F Child, V Swale, E Seaton, J Jones, A Lally and S Dhoat, trustees, are employees of the Royal Free Hospital. As a result of Dermatrust's work the Royal Free Hospital employs a nurse in the Clinical Trials Unit and this generates income for the Hospital. While no entries are made in the Trust financial statements for this income or expenditure, the Special Trustees of the hospital make resources available to the Dermatrust Research programme. In the year ended 5 April 2011 such resources have been allocated to funding the Trust's research programme, reducing its cost to Dermatrust.

14 CONTROL

There was no ultimate controlling party of the charity in the current or prior years.

15 FUTURE COMMITMENTS – DERMATRUST RESEARCH PROGRAMME

The trust is funding Dr Sandhu, a clinical research fellow at the Royal Free Hospital for two years from December 2010. The trustees have designated £109,500 to cover the remainder of her initial two years and are seeking funding from donors for a proposed third year of research. The trust has received a grant from The Mason le Page Charitable Trust in a previous year to fund consumables used by Dr Sandhu in her third year.

The trustees are also using a grant received from the Audrey and Stanley Burton Charitable Trust to fund two clinical research PhD students for 3 years each: one of who will be working with a former Dermatrust Research Fellow Dr Lacey and Professor Nestle at Kings College London; and one will be working with Professor Akbar at University College London.

The trust has sufficient resources to meet these existing commitments.

Committed funding

The trust has various funding from various charitable sources to meet its obligations, some of which is received directly by the Royal Free Hospital NHS Trust.