

Registered number: 10887014
Charity number:

HEALTH DATA RESEARCH UK
(A company limited by guarantee)

FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2018

HEALTH DATA RESEARCH UK
(A company limited by guarantee)

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HEALTH DATA RESEARCH UK
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND
ADVISERS**
FOR THE PERIOD ENDED 31 MARCH 2018

| | |
|----------------------------------|--|
| Trustees | Dr Graham Spittle, CBE, Chair of Trustees (appointed 27 July 2017) Professor Sir Alex Markham, Chair of Audit Committee (appointed 18 January 2018) Professor Jonathan Montgomery, Chair of Nominations Committee (appointed 18 January 2018) David Zahn, Chair of Remuneration Committee (appointed 18 January 2018) Professor Sir James Smith (appointed 18 January 2018) Professor Dame Janet Thornton (appointed 18 January 2018) |
| Company registered number | 10887014 |
| Registered office | Wellcome Trust Gibbs Building 215 Euston Road London NW1 2BE |
| Company secretary | Neil Jenkinson |
| Independent auditors | SRLV Audit Limited 89 New Bond Street London W1S 1DA |
| Bankers | AIB (GB) Ealing Cross 85 Uxbridge Road London W5 5TH |
| Solicitors | Freshfields 65 Fleet Street London EC4Y 1HT |

HEALTH DATA RESEARCH UK
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TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 MARCH 2018

The trustees (who are also the officers of the charity for the purposes of the Companies Act) present their annual report together with the financial statements of Health Data Research UK ("HDR UK", the "company", the "charity, the "charitable company") for the period from incorporation on 27 July 2017 to 31 March 2018.

The trustees are in the process of applying to the Charity Commission to obtain charitable status for the company. The trustees have prepared the annual report and financial statements on the basis that charitable status will be awarded.

The trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015). The trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" effective 1 January 2015.

Objectives and Activities

a. Policies and objectives

Health Data Research UK is the national Institute for data science in health (the "Institute"). Its UK team of experts develop and apply cutting-edge data science approaches to clinical, biological, genomic and other multi-dimensional health data to address the most pressing health research challenges facing the public. Its mission is to make game-changing improvements in the health of patients and populations through research and innovation.

Established in 2017, HDR UK brings together the unique nationwide data assets and specialists across academia, research and healthcare to unlock knowledge and deliver new insights from molecule to man. By undertaking research at scale, across a population of up to 65 million people, there is an unrivalled opportunity to use data to the highest ethical standards to drive breakthroughs in medical research. This unleashes the potential to improve prevention, detection and diagnosis of diseases such as cancer, heart disease and asthma.

b. Strategies for achieving objectives

- **Scientific discovery** – HDR UK will integrate data science with biomedical and health science expertise to perform ground-breaking research, with an initial focus on data analytics, precision medicine, 21st century clinical trials and modernising public health.
- **Training future leaders** – HDR UK will embrace novel approaches to research training and mentorship to foster a cadre of health data science researchers, on a substantial scale.
- **New datasets for research** – HDR UK will develop cutting-edge technologies and trusted research platforms that acquire, store, represent, and process large, multi-dimensional research data.
- **Research and innovation ecosystem** – HDR UK will develop information commons for integrating basic biological knowledge with medical histories and health outcomes of individual patients.
- **National and International partnerships** – HDR UK will work with established partners and industry to support the foundations for a global international integrated medical informatics research infrastructure.
- **Ethical** – HDR UK will work in partnership with the public, funders, social scientist and legal/ethical experts to champion the trustworthy use of data.

c. Grant making policies

As a national Institute, HDR UK is maximising the pioneering expertise in computation and data analysis that exists across the UK through collaboration and partnership. In its mission to make game changing improvements to the health of patients and populations, HDR UK provides long-term funding awards to research organisations with a track record of excellence in data science. This is establishing a collaborative research community across the UK.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 MARCH 2018

HDR UK's initial investments supports six substantive sites that form the core of the Institute. Interim financial awards commenced on 1 May 2018.

Financial review

a. Financial risk management objectives and policies

The trustees have a risk management strategy which comprises:

- an annual review of the principal risks and uncertainties that the Institute faces;
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- the implementation of procedures designed to minimise or manage any potential impact on the Institute should those risks materialise.

b. Reserves policy

The trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately three months of unrestricted charitable expenditure. The trustees consider that this level will provide sufficient funds to respond to ensure that support and governance costs are covered.

The unrestricted funds deficit of £28,659 arises due to timing differences relating to the establishment costs of the Institute along with accrual of all known expenses.

The funds available at the Balance Sheet date of £113,346 are judged to be adequate to cover short term costs. Regular funding of the core costs occurs throughout each financial year based on detailed cash flow projections.

c. Principal funding

The Institute's work is reliant on funding led by the Medical Research Council (MRC) together with Wellcome Trust, the National Institute for Health Research, British Heart Foundation, the Economic and Social Research Council (ESRC), the Engineering and Physical Sciences Research Council (EPSRC), HSC R&D Division Northern Ireland and the health research departments of England, Wales and Scotland.

Initial core funding awards received of £403,000 covered the initial start-up support and governance costs of the Institute.

Structure, governance and management

a. Constitution

HDR UK was registered as a company limited by guarantee in July 2017. Its key leadership positions were appointed, including the HDR UK Chair, Dr Graham Spittle on incorporation and HDR UK Director, Professor Andrew Morris, in August 2017. Subsequent non-Executive Directors were recruited to the Board and the prospective Board met in November 2017. The recruitment process for these key roles was led by the Medical Research Council on behalf of the funders committee. The trustees consider HDR UK to be a public benefit entity as defined by the SORP.

Premises for HDR UK's headquarters were established at the Wellcome Trust offices in London and initial appointments have been made to start to build a core team.

The Institute has begun to develop its brand identity and its approach to communications, marketing and engagement. An initial website was launched in January 2018 to provide an overview of the Institute, its mission and vision, and to highlight key appointments.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 MARCH 2018

Substantive Sites

Following a call for applications in August 2017, HDR UK announced six successful Substantive Sites to form its national Institute in February 2018. Each site has world-class expertise; a track record in using health data to derive new knowledge, scientific discovery and insight; and works in close partnership with NHS bodies and the public to translate research findings into benefits for patients and populations.

Together, these six sites and their 22 research organisations will work collaboratively, with a common set of terms and conditions, as foundation partners in HDR UK.

Partnerships

HDR UK's vision and strategic priorities will be realised through effective collaboration with academia, health and social care, industry, charities, patients and the public. The Director has established strategic partnerships with Asthma UK, the British Heart Foundation, The Alan Turing Institute and Medicines Discovery Catapult to draw on and share expertise and resources for mutual support.

b. Method of appointment or election of trustees

New trustees are appointed and serve for five years after which they may put themselves forward for re-appointment. The Articles provide for a minimum of six trustees, to a maximum of ten trustees, with no more than three trustees due for re-appointment in any one year.

c. Policies adopted for the induction and training of trustees

The trustees seek to follow the good practice 'Charity Trustees Guide' issued by ICSA. A Nominations Committee will be convened to keep the skills and composition of the trustee body and succession planning under review and, where needed, to recruit new trustee(s) for their experience, empathy and knowledge of the Institute. The trustees have also developed a code of conduct for trustees including formal statements of role and responsibilities and provision for trustee training.

New trustees may be sought by open advertisement or through a dialogue with stakeholders and strategic partners. The ultimate decision on selection is a matter for the trustees.

On appointment, new trustees sign a model trustee declaration statement committing them to giving of their time and expertise. The induction process has been changed to follow the ICSA good practice Charity Trustees' Guide with a formal induction programme for any newly appointed trustee, which includes an initial meeting with the Chair and the trustees.

d. Pay policy for senior staff

The trustees consider the board of trustees and the Director to be the key management personnel in charge of directing and controlling the Institute. Professor Andrew Morris is involved in the running and operation of the Institute on a day to day basis. All trustees give of their time freely, with the chair receiving a remuneration which was paid during the year. Details of trustee expenses and related party transactions are disclosed in note 15 to the accounts.

In accordance with the Institute's policy, trustees are required to disclose all relevant interests and register them with the Chair of Trustees and to withdraw from decisions where a conflict of interest arises.

The pay of the Institute's key management personnel is reviewed annually by the Remuneration Committee. The remuneration is bench-marked with grant-making institutes of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 MARCH 2018

e. Organisational structure and decision making

At the quarterly trustees' meetings, the trustees agree the broad strategy and areas of activity for the Institute, including consideration of grant making, reserves and risk management policies and performance.

Assisting the trustees, the sub committees will meet at bi-annually.

Plans for future periods

a. Future developments

- **Defining national strategic priorities** – the Director will work with the Senior Scientific Leadership Committee and the wider HDR UK community of researchers across disciplines to determine the priority scientific themes. This will form HDR UK's strategic plan for the next five years.
- **Developing an information commons for research** – HDR UK will work in partnership with the public, NHS bodies, academia, industry and charities to develop an information commons for research. This will facilitate secure storage, access, and sharing of health, biomedical data and associated tools, to support researchers to perform novel scientific research.
- **Launching a future leaders programme** – HDR UK will develop a training strategy that supports career pathways for interdisciplinary health data scientists.
- **Building a core team** – key appointments will be made to strengthen the Institute's executive leadership team and support the strategic developments and delivery.

Disclosure of information to auditors

Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by the trustees, on 20/9/18 and signed on their behalf by:



Dr Graham Spittle, CBE
Chair of Trustees

HEALTH DATA RESEARCH UK
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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2018

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

HEALTH DATA RESEARCH UK
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEALTH DATA RESEARCH UK

Opinion

We have audited the financial statements of Health Data Research UK (the 'charitable company') for the period ended 31 March 2018 set out on pages 10 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEALTH DATA RESEARCH UK

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

HEALTH DATA RESEARCH UK
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEALTH DATA RESEARCH UK

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

SRLV Audit Limited

Richard Gilbert (Senior Statutory Auditor)

for and on behalf of
SRLV Audit Limited

Chartered Accountants
Statutory Auditor

89 New Bond Street
London
W1S 1DA

20 SEP 2018

HEALTH DATA RESEARCH UK
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE
ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 2018**

| | Note | Unrestricted funds 2018 £ | Total funds 2018 £ |
|---|------|------------------------------------|-----------------------------|
| Income from: | | | |
| Donations | 2 | 403,081 | 403,081 |
| Investments | 3 | 81 | 81 |
| Total income | | <u>403,162</u> | <u>403,162</u> |
| Expenditure on: | | | |
| Governance costs | 4 | 7,158 | 7,158 |
| Charitable activities | 5 | 336,432 | 336,432 |
| Support costs | 6 | 88,231 | 88,231 |
| Total expenditure | 7 | <u>431,821</u> | <u>431,821</u> |
| Net expenditure before other recognised gains and losses | | (28,659) | (28,659) |
| Net movement in funds | | (28,659) | (28,659) |
| Reconciliation of funds: | | | |
| Total funds brought forward | | - | - |
| Total funds carried forward | | <u>(28,659)</u> | <u>(28,659)</u> |

The notes on pages 12 to 18 form part of these financial statements.

HEALTH DATA RESEARCH UK
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REGISTERED NUMBER: 10887014

BALANCE SHEET
AS AT 31 MARCH 2018

| | Note | £ | 2018 £ |
|---|------|------------------|------------------------|
| Current assets | | | |
| Debtors | 12 | 4,676 | |
| Cash at bank and in hand | | <u>113,346</u> | |
| | | <u>118,022</u> | |
| Creditors: amounts falling due within one year | 13 | <u>(146,681)</u> | |
| Net current liabilities | | | <u>(28,659)</u> |
| Net liabilities | | | <u>(28,659)</u> |
| Charity funds | | | |
| Unrestricted funds | 15 | | <u>(28,659)</u> |
| Total deficit | | | <u><u>(28,659)</u></u> |

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

The financial statements were approved and authorised for issue by the trustees on 20/9/18 and signed on their behalf, by:



Dr Graham Spittle, CBE
Chair of Trustees

The notes on pages 12 to 18 form part of these financial statements.

HEALTH DATA RESEARCH UK
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2018

1. Accounting policies

1.1 General information

The principal objective of the charity is for the provision of grants in the medical research community.

Health Data Research UK is a private company limited by guarantee and is registered in England and Wales. The registered office and the address of the principal place of business is Wellcome Trust, Gibbs Building, 215 Euston Road, London, NW1 2BE.

1.2 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Health Data Research UK meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The trustees have taken the exemption as per FRS 102 Update Bulletin 1 to not produce a statement of cash flows.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

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NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the friends is not recognised and refer to the trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided, or on completion of the service.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.6 Going concern

The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

1.7 Operating leases

Rentals under operating leases are charged to the statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2018

1. Accounting policies (continued)

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the bank.

1.9 Debtors

Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at bank and in hand

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

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. Income from donations

| | Unrestricted funds 2018 £ | Total funds 2018 £ |
|--------|--|---------------------------------------|
| Grants | 403,081 | 403,081 |

3. Investment income

| | Unrestricted funds 2018 £ | Total funds 2018 £ |
|------------------------|--|---------------------------------------|
| Bank interest received | 81 | 81 |

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NOTES TO THE FINANCIAL STATEMENTS
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4. Governance costs

| | Governance costs | Total 2018 |
|------------------------------|-------------------------|-------------------|
| | £ | £ |
| Audit and non-audit services | 7,158 | 7,158 |
| | <u>7,158</u> | <u>7,158</u> |

5. Charitable activities

| | Charitable activities | Total 2018 |
|--------------------------------|------------------------------|-------------------|
| | £ | £ |
| Site visits | 5,738 | 5,738 |
| Hotels, travel and subsistence | 23,727 | 23,727 |
| Meetings | 1,666 | 1,666 |
| Computer expenses | 8,218 | 8,218 |
| Printing and stationery | 1,281 | 1,281 |
| Insurances | 525 | 525 |
| Telephone and fax | 90 | 90 |
| Subscriptions | 5,777 | 5,777 |
| Bank charges | 231 | 231 |
| Seconded salaries | 250,789 | 250,789 |
| Staff welfare | 28 | 28 |
| Wages and salaries | 36,869 | 36,869 |
| Pension cost | 1,493 | 1,493 |
| | <u>336,432</u> | <u>336,432</u> |

6. Support costs

| | Support costs | Total 2018 |
|---------------------------|----------------------|-------------------|
| | £ | £ |
| Consultancy | 63,156 | 63,156 |
| Rent | 19,591 | 19,591 |
| Service charge | 1,970 | 1,970 |
| Advertising and promotion | 3,514 | 3,514 |
| | <u>88,231</u> | <u>88,231</u> |

7. Analysis of expenditure by expenditure type

| | Staff costs 2018 | Other costs 2018 | Total 2018 |
|--|-------------------------|-------------------------|-------------------|
| | £ | £ | £ |
| Expenditure on charitable activities and support costs | 38,362 | 386,301 | 424,663 |
| Expenditure on governance | - | 7,158 | 7,158 |
| | <u>38,362</u> | <u>393,459</u> | <u>431,821</u> |

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NOTES TO THE FINANCIAL STATEMENTS
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8. Net income/(expenditure)

During the period, no trustee received any benefits in kind.

9. Auditors' remuneration

Audit and non-audit services includes audit fees of £5,500 and non-audit fees of £1,500.

10. Staff costs

Staff costs were as follows:

| | |
|---------------------|---------------------------|
| | 2018 |
| | £ |
| Wages and salaries | 36,869 |
| Other pension costs | 1,493 |
| | <hr/> 38,362 <hr/> |

Not included in staff costs were recharged seconded salary costs amounting to £250,789.

The average number of persons employed by the company during the period was as follows:

| |
|-------------|
| 2018 |
| No. |
| 0 |

No employee received remuneration amounting to more than £60,000 during the period.

Including costs incurred from recharged salary costs charged by third parties, the total compensation of key management personnel was £176,475.

11. Taxation

Factors affecting tax charge for the period

Health Data Research UK is considered to pass the tests set out in paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Charitable Gains act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

12. Debtors

| | |
|-------------|--------------------------|
| | 2018 |
| | £ |
| Prepayments | 4,676 |
| | <hr/> 4,676 <hr/> |

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NOTES TO THE FINANCIAL STATEMENTS
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13. Creditors: Amounts falling due within one year

| | 2018 £ |
|------------------------------------|-----------------------|
| Trade creditors | |
| Other taxation and social security | 13,968 |
| Other creditors | 2,431 |
| Accruals and deferred income | 9,233 |
| | 121,049 |
| | <u><u>146,681</u></u> |

14. Financial instruments

| | 2018 £ |
|--|------------------|
| Financial assets measured at fair value through income and expenditure | 113,346 |
| Financial liabilities measured at amortised cost | (103,879) |

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

Financial liabilities measured at amortised cost comprise trade creditors, other taxation and social security, other creditors and accruals.

15. Statement of funds

Statement of funds - current year

| | Balance at 27 July 2017 £ | Income £ | Expenditure £ | Balance at 31 March 2018 £ |
|---------------------------|---|-----------------------|-------------------------|--|
| Unrestricted funds | | | | |
| General funds - all funds | - | 403,162 | (431,821) | (28,659) |
| | <u><u>-</u></u> | <u><u>403,162</u></u> | <u><u>(431,821)</u></u> | <u><u>(28,659)</u></u> |

Summary of funds - current year

| | Balance at 27 July 2017 £ | Income £ | Expenditure £ | Balance at 31 March 2018 £ |
|---------------|---|-----------------------|-------------------------|--|
| General funds | - | 403,162 | (431,821) | (28,659) |
| | <u><u>-</u></u> | <u><u>403,162</u></u> | <u><u>(431,821)</u></u> | <u><u>(28,659)</u></u> |

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16. Operating lease commitments

At 31 March 2018 the total of the charitable company's future minimum lease payments under non-cancellable operating leases was:

| | 2018 |
|-------------------------|---------------|
| | £ |
| Amounts payable: | |
| Within 1 year | 27,567 |

17. Related party transactions

During the year, the company received donations of £403,081 from The Medical Research Council. The Medical Research Council is a founding member of the charitable company.

During the period, Dr Graham Spittle, CBE, a trustee, was paid £16,430 for his services as Chair of Trustees. At the period end there was £NIL owed to the trustee.

During the period the trustees were reimbursed expenses amounting to £1,232. The nature of the expenses were travel and subsistence.