

The **Dunhill Medical Trust**

ANNUAL REPORT and ACCOUNTS
2008 – 2009



ANNUAL REPORT & FINANCIAL STATEMENTS

for the year ended 31 March 2009



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TRUSTEES AND OFFICERS OF THE DUNHILL MEDICAL TRUST

Trustees

The following Trustees served during the year ended 31 March 2009:

Professor Roger M Boyle CBE	<i>appointed with effect from 5 June 2008</i>
Dr Christopher J T Bateman	<i>retired with effect from 15 June 2008</i>
Sir Cyril Chantler	
The Right Reverend Christopher T J Chessun	
Mrs Kay Glendinning MBE	
Professor Roderick J Hay	<i>appointed with effect from 5 June 2008</i>
Professor James McEwen	
Richard A H Nunneley	<i>appointed with effect from 3 March 2009</i>
Ronald E Perry	
Timothy W Sanderson	
Professor Martin P Severs OBE	

Executive officers

Mrs Claire Large	<i>Administrative Director</i>
Mrs Carole Wise	<i>Secretary to the Trustees</i>

Principal office

3rd Floor, 16-18 Marshalsea Road, London SE1 1HL

Charity number 294286

ORGANISATIONS PROVIDING PROFESSIONAL ADVICE AND SERVICES

Auditors

HLB Vantis Audit plc
St Albans AL1 1HD

Solicitors

Vizards Tweedie LLP
London EC4A 1AD

Bankers

C Hoare & Co
London EC4P 4DQ

Investment managers

Baillie Gifford & Co Edinburgh EH1 3AN	Heronbridge Investment Management LLP Bath BA1 1HE
Cedar Rock Capital Fund plc London W1U 3RW	Investec Asset Management Ltd London EC2V 7QP
Colchester Global Investors Ltd London W1S 3PR	Silchester International Investors Ltd London W1J 6TL
Findlay Park Partners LLP London W1K 2BU	The Charities Property Fund c/o Rensburg Sheppards London EC2V 7QN



The Trustees of the Dunhill Medical Trust present their report and audited financial statements for the year ended 31 March 2009.

Structure, Governance and Management

Background to the Dunhill Medical Trust

The funds comprised in the Dunhill Medical Trust originated from the Will Trust of Herbert Edward Dunhill who died on 8 November 1950. The funds were intended to be used for the furtherance of medical knowledge and research, in the light of Herbert Dunhill's own experience of some twenty five years of ill-health resulting from the effects of tuberculosis.

With the agreement of the Charity Commissioners, the funds comprising the Charitable Trust previously contained in Clause 17(B) of the Will of Herbert Edward Dunhill were reconstituted by a Declaration of Trust dated 15 April 1986, which broadened the charitable objects to include research into care of the elderly and the provision of accommodation and care for the elderly.

By a Scheme dated 15 April 1988, the Charity Commissioners for England and Wales directed that the property hitherto administered under the terms of Clause 17(B) of the Will of Herbert Edward Dunhill should thenceforth be administered and managed as part of the property of the Charity called The Dunhill Medical Trust.

During 2000/01 the Trustees resolved to apply for a Scheme of Amendment to the Declaration of Trust in order to update the provisions for investment and to allow an increase in the number of trustees. The formal order for the Scheme was made by the Charity Commissioners on 10 April 2001.

Connection with the tobacco industry:

The Dunhill Medical Trust promotes the highest ethical practices in scientific and medical research. It does not receive or seek funds from any external body and has had no connection with the tobacco industry for many years. The Trust fully complies with the *Joint Protocol of Cancer Research and Universities UK on Tobacco Industry Funding to Universities* (2004) which states that:

"The following do not constitute tobacco funding for the purposes of this Code: funding from a trust or foundation no longer having any connection with the tobacco industry even though it may bear a name that (for historical reasons) has tobacco industry associations."

The Board of Trustees and its Sub-Committees

Trustees are appointed by the Board of Trustees and serve for five years, after which period they may put themselves forward for reappointment. Although the Declaration of Trust provides for a minimum of three trustees, no maximum number is specified to ensure the Board's ability to have access to a wide range of expertise appropriate to the strategic development of the Trust.

Trustees' meetings are held quarterly (normally in June, September, December and March of each year). At these meetings, the Trustees agree the broad strategy and areas of activity for the Trust in relation to grant-making, investment, risk management, policies and procedures etc. The day-to-day administration and management is delegated to the Administrative Director, who is supported by the Secretary to the Trustees. This includes the administration of grants and processing and handling of grant applications, and the administration relating to investments, prior to their consideration by the relevant sub-committee appointed by the Board of Trustees.

To assist the Trustees and to ensure rigorous appraisal of grant applications, a Grants & Research Committee has been established. This includes both academic and lay Trustees and also a number of external scientific advisers with expertise appropriate to the interests of the Trust. The Committee meets quarterly (normally at least one month prior to a Trustees' meeting) to consider grant applications which meet the criteria and priority areas for support and to make recommendations to the Trustees. It is also responsible for developing a strategy to encourage high quality applications and acts as a reference point in matters relating to the monitoring of grants awarded by DMT.

The Board has also established an Investment Committee which meets twice yearly and includes Trustees with relevant financial/investment expertise and a senior representative from the Trust's accountants. The purpose of the Committee is to provide strategic direction on investment matters appropriate to meeting the Trust's charitable aims and to recommend to the Trustees any changes in investment arrangements. It is also responsible for monitoring the performance of the Trust's investment managers.

Recruitment, induction and training of new trustees

The Dunhill Medical Trust has a policy and process for the appointment of trustees which is based on the Charity Commission's requirements to demonstrate openness and good governance. Regular reviews of the existing skill mix are carried out by the Board of Trustees, in order to identify any gaps which may require to be filled. Nominations are initially put forward by current Trustees and/or identified through other internal search methods. Other methods of recruitment are also used as appropriate, including open advertisement. Nominees are approached to ascertain whether they would be willing to stand for election and are asked to confirm in writing that they are eligible to become a Trustee, under the terms of Charity Commission guidance. Following initial interviews with the Chairman and other Trustees as appropriate, the nominee is formally proposed and appointed at the next available Trustees' meeting.

New Trustees are provided with a comprehensive induction pack (including the annual report & accounts and minutes of recent meetings held by the Board of Trustees and its sub-committees), as well as a copy of the Trust handbook which contains a wide range of information on the administration of the Trust. Induction meetings with other Trustees and members of staff are arranged as appropriate. Should any requirements for training be identified, suitable courses can be identified for the new Trustee, as appropriate. To date, however, all DMT Trustees have had considerable previous experience of trusteeship with other charities.

Appointment/Retirement of Trustees during 2008/09

During 2008/09 a key objective has been to enhance the range of skills available to the Board of Trustees by recruiting a number of new/replacement Trustees. Accordingly, the Trustees are pleased to announce the appointment of three new Trustees whose breadth of expertise and experience will be of great benefit to the Board and its sub-committees:

- Professor Roger M Boyle CBE: *National Director of Heart Disease and Stroke, Department of Health*
- Professor Roderick J Hay: *Chairman, International Foundation for Dermatology*
- Mr Richard A H Nunneley: *Braveheart Investment Group plc*

The Trustees wish to record their gratitude to Dr Christopher Bateman who retired as a Trustee in June 2008, after having served as a member of the Trust Board since 1994 and also as a member of the Investment Committee since its establishment in 2005.

Risk management

In line with the Trustees' adoption of a formal risk policy, an annual risk assessment is undertaken for each of the principal areas of the Trust's operations.

In the opinion of the Trustees, the Trust has established resources and review systems which, under normal conditions, should allow the risks identified by them to be mitigated to an acceptable level in its day-to-day operations. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Objectives and activities for the public benefit

The Trustees have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives, in setting grant-making policy and in planning future activities. In particular, the Trustees have considered how planned activities will contribute to the aims and objectives they have set.

Under the terms of the Declaration of Trust, the charitable objects of the Dunhill Medical Trust are:

- the furtherance of medical knowledge and research and the publication of the useful results thereof and the provision of medical care and facilities in such manner as the Trustees shall from time to time in their absolute discretion think fit; and
- research into the care of the elderly and the publication of the useful results thereof and the provision of accommodation and care for the elderly.

In line with the charitable objects, the overall strategic aim of the Trust is to support schemes (both large and small) which help the furtherance of medical knowledge and its dissemination, or its application, or which improve the environment in which older people live.

The Dunhill Medical Trust carries out this aim by:

- providing grants relating to the main priority areas identified for support:
 - care of older people
 - research into diseases and issues related to ageing
 - disabilities which predominantly affect older people
 - rehabilitation for older people;
- supporting projects in fields which have been unduly neglected where it is difficult to attract funding;
- supporting pilot studies which could establish whether major funding is justified;
- supporting research fellowships and other research opportunities aimed at expanding research capacity in the designated priority areas;
- supporting projects that seek to provide innovative services or facilities relating to the designated priority areas which can subsequently be evaluated to establish their effectiveness and transferability;
- exceptionally, providing endowments for innovative academic posts within the designated priority areas.

During 2008/09 key activities relating to DMT's grant-making have included:

- taking forward the initial audit of research grants, including a review of the three professorial Chairs endowed by DMT;
- setting up a programme of Research Training Fellowships to develop research capacity in the fields of ageing, rehabilitation and palliative care;
- initiating a review of the Joint Fellowship Programme administered by partner organizations.

Grant-making Policy

DMT's strategic aims and objectives underpin its grant-making policy, which is kept under regular review to ensure its continued appropriateness and clarity in terms of public benefit.

The main beneficiaries of the Trust's grant-making programmes are ultimately older people within the UK and those with age-related diseases, or with disabilities or requiring rehabilitation as a result of ageing. This focus on ageing and the need to improve the health and well-being of older people reflects the demographic changes towards increasing life expectancy and a rapidly increasing proportion of older people in the population. It applies to both research and non-research programmes and projects. The Trust's research programmes support researchers at all levels within higher education institutions and NHS institutions. Any benefit received by researchers, HEIs, health and social care bodies, or charities is purely incidental to the objects of DMT's charitable grants.

Non-research projects are mainly supported via UK registered charities, with the beneficiaries being the users and carers for whom the projects are designed. In order to ensure the widest benefit for older people from projects supported, an underlying principle of the Trust's grant-making is that applicant organizations should not be unduly restrictive and should operate a policy of inclusiveness, equality and non-discrimination.

The main method by which DMT invites grant applications is via its website www.dunhillmedical.org.uk. In addition to the detailed grant-making policy, guidelines for general grants and research/research-related grants are available, as well as guidelines for Serendipity Awards (launched by DMT in 2007). All guidelines are regularly reviewed to ensure that they are as 'user-friendly' as possible for potential applicants. All documents are available in *pdf* format and may be downloaded from the website, which also provides access to a range of other information about the Trust, including the latest annual report and accounts and grants made in the last three financial years.

The Trust aims to provide a prompt response to all grant applications and requests for information. Rather than proceed to formal application at a stage when many applications may not meet the eligibility criteria, potential applicants are asked to provide a brief outline of the proposed project, together with details of the financial support requested and timescales. Once received, outline applications are subjected to initial assessment to ensure they meet the basic criteria for funding, undertaken by staff in consultation with the Chairman of the Grants & Research Committee, or where appropriate, a sub-group of the Grants & Research Committee. In cases where the criteria are met, applicants are invited to submit a formal application for consideration by the Grants & Research Committee, which makes recommendations to the Trustees on those which are deemed worthy of support. Final decisions are taken at Trustees' meetings and applicants are informed as soon as practicable thereafter. The timescale between initial enquiry and decision may vary dependent upon the complexity of the application, but is kept as short as is practically possible, commensurate with the need to ensure all appropriate steps are taken to reach an informed decision.

As a member of the Association of Medical Research Charities (AMRC) and a recognized charity partner of the National Institute for Health Research (NIHR), DMT follows best practice in maintaining the independence of research funding and in requiring researchers funded by the Trust to abide by research governance regulations and best practice on the use of protected animals in research, with the aim of minimizing the likelihood of harm to research volunteers and animals. A rigorous system of both external and internal peer review is in operation in respect of all research and research-related grants, with independent opinion being sought from at least two (and normally three) appropriate external referees, both from within the UK and internationally. This is provided by a very wide range of clinicians and academics identified by a number of methods, with the majority being identified via literature searches using PubMed (the US National Library of Medicine's bibliographic database) to ensure that the most appropriate expert opinion is being sought. The referees' reports are taken into consideration by the Grants & Research Committee alongside the detailed internal scrutiny to which applications are subjected.

In the case of an application for a research grant involving human participants, organs, tissue or data, DMT requires evidence that ethical approval has been secured (or is in the process of being applied for), before a grant can be released. In addition, written confirmation is required that the research has a formally approved and explicitly stated research sponsor (as required under the terms of the *NHS Research Governance Framework*) or, alternatively, is not applicable.

Monitoring, audit and evaluation

All grants awarded by the Trust are monitored through:

- annual progress reports submitted by grant holders (which must demonstrate appropriate progress to ensure continuation of a grant made for longer than a period of one year);
- visits by DMT executive officers and/or Trustees/members of the Grants & Research Committee, which may be made at any time during the duration of the grant;

Following consideration of the annual progress report and/or any monitoring visit, the Trustees reserve the right to terminate the grant or to withhold payment of subsequent instalments of the grant as they consider fit in the circumstances. On conclusion of the project, the grant holder is expected to submit a final report (normally within 3 months of the end of the grant) detailing fully the results and outputs/ outcomes from the project.

DMT's grant-making programmes are subject to audit processes to assess their effectiveness and to help inform future grant-making strategy. As part of this, all research grant holders are sent an annual pro-forma for completion requesting information on peer reviewed publications, academic presentations and other outcomes/outputs resulting from their DMT grant (see page 10). In addition, the Trust is keen to encourage rigorous independent evaluation of all project developments and initiatives it supports to ensure that the best possible use is made of the charitable funds at the Trustees' disposal.

Achievements and performance

During 2008/09, the Trust has continued to develop its grant-making programmes, particularly in the area of research, with the wider dissemination of information to eligible researchers resulting in more high quality grant applications being received from universities within the UK who have not previously applied to DMT. The nature of research means that most outcomes and resulting benefits to the population group being studied are of necessity long-term. However, **Table A** (page 10) provides some indicators of outcomes/ outputs from recent DMT grants for the year ending 31 March 2009.

Table A Outcomes and outputs arising from DMT grants for year ending 31 March 2009

116	peer reviewed publications
122	academic presentations
67	posters, abstracts etc.
3	consultant appointments
1	postdoctoral Fellow in Neuroimaging appointed
1	PhD
2	MDs
1	MPhil
1	Wellcome Clinical Research Training Fellowship
1	Patent filed

Other outcomes/outputs include:

- Leading Wellcome Trust funded international study (based on DMT funded pilot study)
 - EPSRC/Canadian Institute of Health Research grant to explore aspects of technology in dementia
 - Study funded by DMT cited in *UK Research Councils Annual Report* as a key example from last decade of impact of research on public wellbeing
 - 21 training courses and 10 consultancy projects related to communication skills in aphasia
 - Work funded by DMT incorporated into 6 sets of evidence based clinical guidelines
-

Audit of research grants

As part of assessing what has been achieved with DMT's charitable funds, during 2007/08 a preliminary review was carried out of a sample of research project grants awarded by DMT and/or completed between 2000 and 2005, based on information available in DMT files. As a follow-up to the initial encouraging findings, during 2008/09 a pro-forma was circulated to selected past grant holders to elicit information on:

- The accuracy of information in DMT files
- The main aim(s) of the grant and how it related to other research/research grants within the department or institution
- The main findings resulting from the grant
- How far the original aim(s) of the research was achieved
- Outcomes:
 - publications and presentations;
 - service developments or potential clinical applications;
 - development of the subject and further research applications to other bodies;
 - staff development;
 - development of departmental research policy.

Out of the original 28 grants included in the initial review, 22 grant holders were sent a form for completion, of which 19 responses were received. An analysis of the completed forms confirmed the preliminary findings from the 1st stage of the audit,

showing that the majority of grants had resulted in very positive outcomes.

These include:

- examples of pilot studies funded by DMT going on to become national studies funded by research councils or other major funders such as the Wellcome Trust;
- a pilot study leading to the development of a national screening programme;
- the majority of studies having produced a substantial number of peer-reviewed publications;
- evidence that most DMT-supported staff had now moved to senior posts.

Clearly, this exercise has involved a relatively small number of grants and should therefore only be seen as a 'snapshot' in terms of outcomes. In future, however, a prospective audit of current and new grants will be carried out to ensure that the funding available to the Trustees is used as effectively as possible.

During 2008/09 new arrangements were agreed for reviewing outcomes achieved by the three professorial Chairs endowed by DMT:

- *The Herbert Dunhill Professorship of Neuroimaging*, University of Oxford
- *The Herbert Dunhill Chair of Rehabilitation*, King's College London
- *The Mary Dunhill Chair of Cutaneous Medicine & Immunotherapy*, King's College London

As part of a programme of presentations by Dunhill Chairs, in November 2008 a group of Trustees made a very successful visit to Oxford to receive updates on progress by Professor Peter Jezard and colleagues involved in the *Oxford Stroke Research Programme*. This key initiative in stroke prevention, treatment and care received a major award from DMT in 2006, totalling £1.5m over 6 years.

Research Training Fellowships

As the result of a proposal from the Grants & Research Committee, during 2008/09 Trustees approved the development of a new programme of *Research Training Fellowships*. The purpose of these personal training fellowships will be to provide opportunities for talented clinicians, health professionals and scientists who would like a future career in research in the fields of ageing, rehabilitation or palliative care. The awards will be flexible and may be either in the form of a PhD studentship or granted to experienced health professionals who, having pursued a clinical career, are now interested in branching into research, but lack the necessary training and academic grounding to do so. Whilst the appointees will be expected to undertake a practical research project, the main focus of the training fellowships will be on the completion of a robust training programme in research methods.

The benefits of this new initiative will be to further develop DMT's work in encouraging and expanding research capacity in areas relevant to the charitable objects. It is intended to launch a pilot programme of Research Training Fellowships during 2009/10.

Review of the Joint Fellowship Programme with partner organisations

Since 2004, the Trust has forged partnership arrangements by funding Joint Research Fellowships with three organizations: The Royal College of Surgeons of England; The Royal College of Physicians; and The British Geriatrics Society. Under these

arrangements, DMT provides funding for five two-year Joint Fellowships with a focus on older people and ageing, with the administration of the awards (and any top-up funding required) being the responsibility of the partner organization. In order to assess whether the Fellowships are an effective use of charitable funds, at DMT's request, the Royal College of Surgeons carried out a detailed review of the first two rounds of Joint Fellowships for which they were responsible. The review considered: the type of research carried out; the impact of the research; prizes awarded; the intention of Fellows to continue research; the impact on patient care of the research; and detailed outputs/outcomes from each Fellowship.

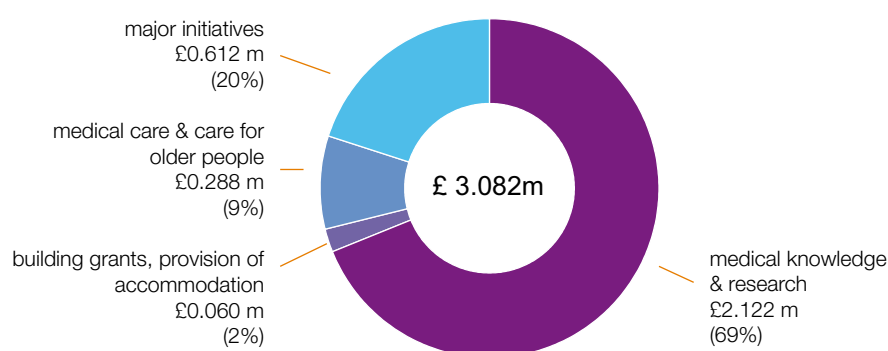
Both the Grants & Research Committee and the Board of Trustees were most impressed by the findings of the review and the ability of the Fellowships to expand and encourage high quality surgical research. As a result, the Trustees have approved the funding for a third round of Joint RCS/DMT Fellowships which will be advertised during 2009/10.

Grants made during 2008/09

The Trust received approximately 350 grant applications over the year 1 April 2008 to 31 March 2009, representing a 25% increase on the previous year (probably as a result of the economic crisis in the second half of 2008/09). 76% of applications received met the basic criteria for funding; of these, 64% were either within the priority areas designated by the Trustees, or were applications for Serendipity Awards (which may be in any area of medicine/medical science/health). **Figure A** below shows the distribution of grants by grant category during 2008/09, with 69% of funds being dedicated to the furtherance of medical knowledge and research; 20% to major initiatives; 9% to services relating to medical care or care for older people and 2% to provision of accommodation for older people. During 2008/09 no grants were made for provision of medical facilities.

The overall amount distributed in 2008/2009 was £3,081,951 (a figure very similar to the annual distribution for 2007/08: £3,064,069).

Figure A Distribution of grants 2008/09 by grant category



Examples of grants made

Below are examples of some of the grants made during 2008/09, demonstrating different aspects of DMT's grant-making programmes. A full list of grants is available in **Section 3: Charitable Grants by Category** (page 30).

Research and research-related grants

■ Professor M Rennie & Dr W Williams University of Nottingham

Title: *Dysfunction of nutritive blood flow as a determinant of anabolic resistance in older people*

Ageing is associated with a progressive loss of muscle, a major cause of disability, loss of independence, and falling and fractures. The investigators have already shown that in older people nutrition is less effective at maintaining muscle size than in the young and this two year grant has been awarded to allow them to study whether one of the reasons for this is that the increases in muscle blood flow after eating and after exercise are diminished with age. Of particular interest is the idea that the portion of blood flow that goes to muscle rather than skin or bone is much less and that this limits the ability to avoid muscle wasting, which would have important implications for ageing and exercise in later life.

■ Professor H Griffiths *et al* Aston University

Title: *Does modified LDL in the blood during mid-life contribute to neuronal loss and cognitive decline during ageing and do statins reduce LDL modification in vivo?*

There are 700,000 people with dementia in the UK, with dementia affecting one in five people over 80 years of age and one in 20 aged over 65. Evidence suggests that Alzheimer's Disease (AD) and cardiovascular diseases share common risk factors, including elevated plasma cholesterol in mid-life. Reduced risk for AD has been observed in users of cholesterol-lowering statin drugs and the aim of this three year project grant is to better understand why statins are effective against AD. The investigators are examining which changes in LDL (bad cholesterol) chemistry occur in patients diagnosed with dementia compared to healthy older adults and will also identify whether statin-usage in mid-life can prevent the LDL modifications which cause brain cell death.

■ Dr K Lowton *et al* King's College London

Title: *Improving the safety and wellbeing of vulnerable older people through professional integration of falls and accidental domestic fires risk assessments*

This two year study aims to evaluate the integration of falls intervention and fire risk assessment through London Fire Brigade's Home Fire Safety Visits and NHS Falls Clinics, to improve the health, safety and wellbeing of community-dwelling older people in Southwark and Lambeth. Older adults are at increased risk of falling and accidental fire and the consequences of these events are considerable, with 62% of all fatal injuries in older people being the result of a fall. In addition, the highest percentage of fatalities from home fires occurs in the over 60 year age group, particularly those living in deprived areas. The aim of this project is to demonstrate whether joint working between the two agencies responsible for falls intervention and fire risk assessment can result in better outcomes for older people at risk of experiencing these accidents.

Total grant Paid in year

£290,577 £176,632

£147,021 £45,944

£118,689 £57,055

■ **Professor M Partridge** Imperial College London

Title: *Initial specialist telephone consultations with new patients being referred from primary to secondary care – an attempt to simplify the patient's journey*

Many patients attending hospitals do so with long term medical conditions, involving frequent attendances which are difficult and costly. This one-off project grant has been awarded to try to improve the outpatient experience for patients. A group of patients will be offered the opportunity to have their medical history taken over the telephone prior to their first face-to-face appointment, with those refusing being offered a standard consultation. Very often a first consultation is followed by the patient having to return to the hospital on a separate occasion for further tests. This study will investigate whether taking a new patient's history over the telephone results in better selection and arrangement of any tests prior to their first hospital appointment, and also patients' satisfaction with the alternative of an initial telephone consultation, compared to a standard consultation.

■ **Dr M Llewelyn** University of Sussex

Title: *The immunopathogenesis of rheumatic fever: a novel role for streptococcal superantigens?*

This two year Serendipity Award has been awarded to follow up a chance observation with regard to the 'superantigen' toxins made by *Streptococcus pyogenes* (the cause of 'strep throat'). The investigators noticed that superantigens appeared to corrupt the immune system's normal regulatory mechanisms, a potentially important finding as it may explain how this condition sometimes causes rheumatic fever (a disease which still kills over 200,000 people every year). In order to understand fully this serendipitous observation, experiments will be carried out to purify regulatory cells from normal donors and stimulate them with superantigens in the laboratory. It is hoped that proof-of-concept data from this work will provide a base to take forward more complex studies in this area.

Non-research grants

■ **Integrated Neurological Services** Kew Surrey TW9 2EL

A three year staffing grant to support an additional junior therapist to help to expand services for people suffering from stroke, Parkinson's Disease, multiple sclerosis and other neurological conditions, and their carers. INS provides weekly multi-disciplinary self-help therapy groups for people suffering from the same condition, led by a physiotherapist and occupational therapist, with regular input from a social worker. In addition, home visits are offered to those who are unable to attend the weekly groups. The emphasis of the services is on promoting self-help and developing coping strategies, with therapies being designed around each individual's goals.

Total grant **Paid in year**

£65,398 £65,398

£23,088 £16,859

£90,000 £30,000

	Total grant	Paid in year
<p>■ Walthew House (<i>previously Eyeline Stockport</i>) Stockport SK2 6QS</p> <p>A two year staffing grant awarded to support a part-time development officer to consult with, and develop services for, older deaf people in Stockport and to provide equal access in line with services already provided by Walthew House for blind and partially sighted people. The consultation on the new services will include different groups of people suffering from deafness who do not necessarily have the same needs, e.g. congenitally deaf older people; people who have developed deafness along with other health problems; and people who are hard of hearing. The grant will allow the project to go ahead on a 'task and finish' basis, after which the new services will be run on a volunteer basis, in line with the other services already being provided by the organization.</p>	£45,500	£23,525
<p>■ Canterbury Oast Trust Woodchurch, Kent TN26 3RJ</p> <p>A one-off grant towards the creation of a new facility for people with learning disabilities who have developed age-related illnesses such as dementia. With a number of ageing service users, the Canterbury Oast Trust has undertaken a study to assess how best to continue to support the needs of this increasingly large group of residents. In creating an appropriate and cost-effective service focused on age-related conditions, the project will provide six residential places in a safe environment with experienced care staff able to manage and monitor mental deterioration in people who are already vulnerable due to living with a learning disability.</p>	£20,000	£20,000
<p>■ Arts Together Edington, Wilts BA13 4QF</p> <p>A three year grant towards the core costs of running arts groups for older people in Devizes, Pewsey and Marlborough. Arts Together aims to help isolated and vulnerable older people to develop an increased capacity to live an enriched life by participating in a wide variety of high quality, challenging and professionally run arts activities, such as painting and drawing, puppet making, mosaics, silk painting, writing poetry, Indian hand dancing and drumming.</p>	£19,500	£9,750

Financial Review and Investment Policy

Under the terms of the Declaration of Trust, the Trustees have full powers to hold the Trust Funds in any form of investment which they deem to be necessary in furtherance of the charitable objects.

As required by the Trustee Act 2000, the Statement of Investment Principles is reviewed annually by the Investment Committee, with any subsequent changes being recommended to the Trustees for approval. As the statement continues to meet the overall investment objectives of the Trust, no significant changes have been made since it was originally approved in June 2001. The Statement of Investment Principles outlines the Trust's current long and medium term objectives, as well as restrictions with regard to capital, income and financial investments, and establishes the broad parameters within which fund managers are appointed and individual mandates given.

Performance against the investment policy is monitored by the Investment Committee on an ongoing basis. Regular presentations to the Committee are made by the Trust's investment managers, including question and answer sessions to inform the Committee's assessment of performance. The Committee also holds 'beauty parades' of potential new/replacement managers as and when required.

Due to the unprecedented turbulence in global markets experienced in the year 2008/09, there has been a significant reduction in the value of DMT's assets, with the overall performance of investments failing to meet the target of maintaining real capital value as set out in the Statement of Investment Principles. Most of the Trust's investments suffered as a result of the major downturn, with the exception of the bond portfolio managed by Colchester Global Investors which performed notably well. However, the diversity of DMT's portfolio of assets has helped to provide a level of protection overall and, given that the strategic aim has always been to achieve long term return, the Trustees consider that the financial health and stability of the Trust has not been seriously affected beyond the relatively short term. Nevertheless, as a matter of prudence, it has been decided to reduce the indicative distribution level from £3.4m (as in recent years) to £3m for the year 2009/10.

During 2008/09, following a review by the Investment Committee, the Trustees accepted the Committee's recommendation that part of the Trust's portfolio of equities should be reorganized. As a result, the balanced portfolio managed by Investec Asset Management was liquidated and the funds reinvested in Silchester International Investors Ltd (international equities ex US) and Cedar Rock Capital Fund plc (high quality branded equities), both of these managers having performed particularly well over recent years.

The income objectives of the Trust were achieved during the year. Total income of the Trust amounted to £3,387,692. £3,275,827 of this arose from income from quoted securities.

The Trustees made charitable grants totalling £3,081,951, details of which are shown in **Section 3** and shown statistically in the **Figures B** and **C**.

The overall capital value of the fund over recent years is shown in **Figure D** (page 18).

The total funds of the charity at the year end were represented as follows:

	£m	%
Fixed assets	2.4	3.2
Investments: quoted – other	67.6	90.6
quoted – property	2.9	3.9
property	0.5	0.7
Bank balances	3.2	4.3
Net current liabilities	(2.0)	(2.7)
	74.6	100

Figure B Value of grants 2008/09 (by grant size compared to previous year)

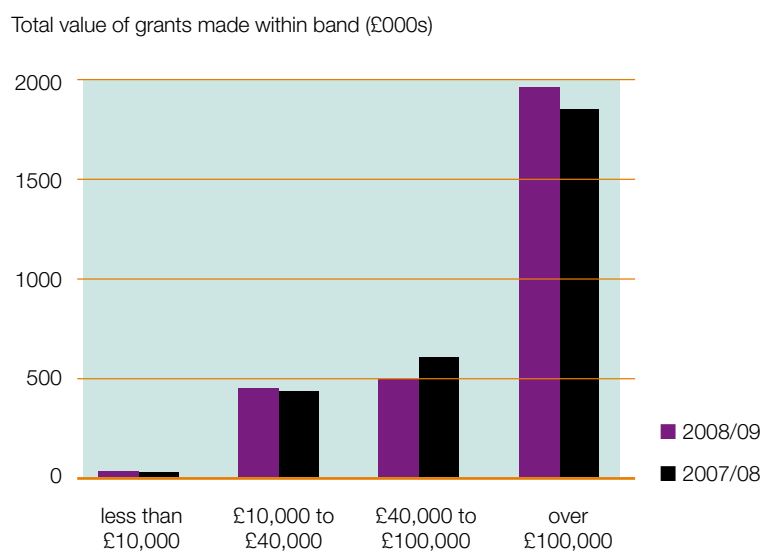


Figure C Number of grants 2008/09 (by grant value compared to previous year)

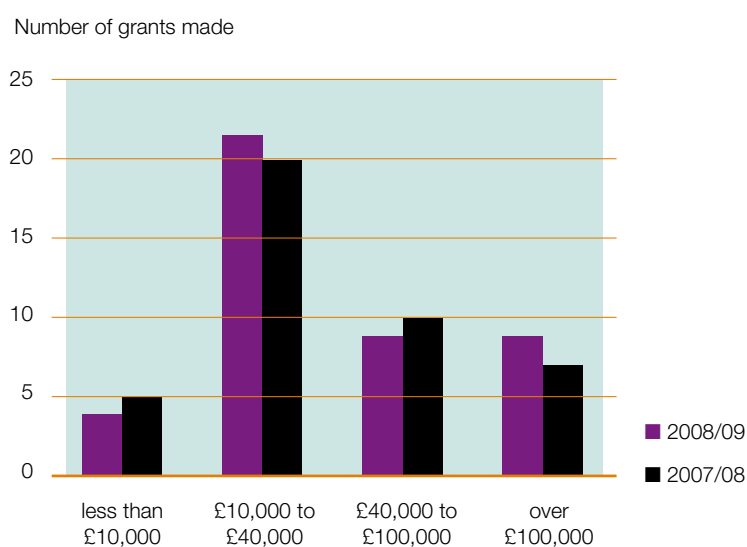
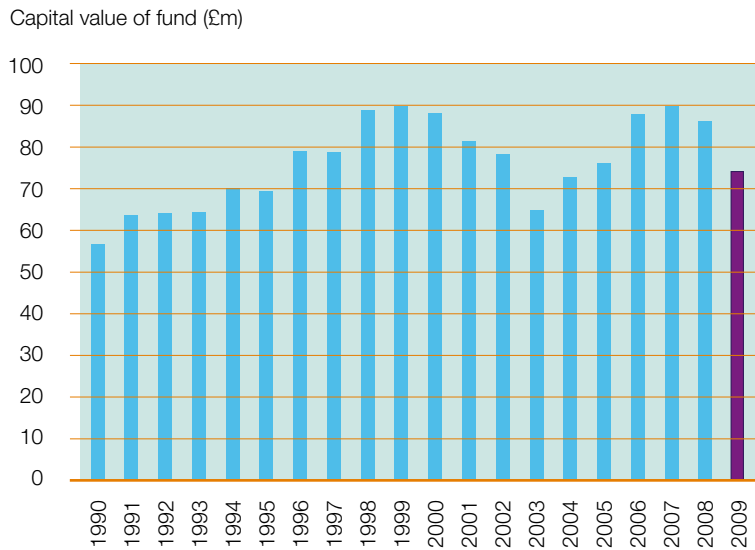


Figure D Capital value of fund (£ millions) over recent years

Reserves policy

It is the policy of the Trust to distribute as grants the annual net income each year. At the Trustees' discretion, grants may also be made out of capital of the Trust.

The Trust holds a very large proportion of its assets in cash or relatively liquid equity and fixed income instruments. These are unrestricted assets, the value of which greatly exceeds current annual grants, annual running costs and the current financial commitments of the Trust.

Plans for the future

During 2009/10, the Trustees propose to focus on the following objectives:

- To continue to maintain the current grant-making programmes, developing them as appropriate in the light of available funding dependent on investment performance during the year.
- To take forward the work on Research Training Fellowships carried out during 2008/09 by launching a pilot scheme during 2009/10.
- To manage the environmental aspects of DMT's assets in order to ensure the maximum amount of funding is available for charitable grants

Trustees' responsibilities in relation to the financial statements

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards. The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and enable them to ascertain and to ensure that the financial statements comply with the Charities Act 1993, 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 Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website.

As far as the Trustees are aware, there is no relevant audit information of which the charity's auditors are 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 audit information and to establish that the charity's auditors are aware of that information.

Approved by the Board of Trustees on 3rd September 2009 and signed on its behalf by:

R E Perry

Chairman of Trustees

Date 20 October 2009