

CORE
THE DIGESTIVE DISORDERS FOUNDATION
REGISTERED CHARITY NUMBER 262762

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2008

CORE -THE DIGESTIVE DISORDERS FOUNDATION

LEGAL AND ADMINISTRATIVE DETAILS

Management

The Foundation is a Charity managed by the Board of Trustees, who are its Trustees. Membership during the year ended 31st March 2008 is listed below.

President and Chairman:	Dr J Bennett MD FRCP
Honorary Treasurer:	Mr J C Littler FCA
Honorary Secretary:	Professor A Forbes BSc MD FRCP
Board of Trustees:	Mr A R Bowden DPhil Professor J Crabtree BSc DPhil MRCPPath Professor M. Farthing DSc (Med) MD FRCP F MedSci Mr. J Hemmings Professor R. Jones DM FRCGP FRCP Mr MAMS Leigh Professor C. Nwokolo MD FRCP FRCP (Ed) Professor D Rampton DPhil FRCP Mrs C Rosenkranz MRPS

Chief Executive Mr W Alexander

Research Awards Committee Professor Sir Peter Lachmann FRS (Chairman)
Professor Q. Aziz FRCP PhD
Dr J Bennett MD FRCP
Professor J Crabtree BSc DPhil MRCPPath
Professor B. R. Davidson MD FRCS
Professor C Day PhD MD FRCP
Professor J Iredale DM MCRP
Professor N. Lemoine MD PhD PRCP
Professor R. Logan MB ChB MSc MFPHM FRCP
Professor K. E. L. McColl MD FRCP
Mr J. Marriott
Professor J. Neuberger DM FRCP
Professor R. Playford PhD MRCP
Professor D. Rampton DPhil FRCP
Professor R. Sutton DPhil FRCS
Dr. B. F. Warren MB ChB FRCPPath

Finance and General Purposes Committee

Mr J C Littler FCA (Chairman)
Dr J Bennett MD FRCP
Mr A R Bowden DPhil
Professor C. Nwokolo MD FRCP FRCP (Ed)

Governance Committee Dr J Bennett MD FRCP
Mr A R Bowden DPhil
Mr MAMS Leigh

CORE -THE DIGESTIVE DISORDERS FOUNDATION

LEGAL AND ADMINISTRATIVE DETAILS

CORE Address:

3 St. Andrews Place
Regent's Park
London, NW1 4LB.

Auditors:

Knox Cropper
Chartered Accountants
8/9 Well Court
London, EC4M 9DN

Bankers:

National Westminster Bank Plc
1 Cavendish Square
London, W1A 4NU.

Investment Advisers:

HSBC Investment Management
78 St. James's Street,
London, SW1A 1HL

CORE - THE DIGESTIVE DISORDERS FOUNDATION

REPORT OF THE TRUSTEES

The Trustees have pleasure in submitting their report and financial statements for the year ended 31st March 2008. The financial statements have been prepared according to the accounting policies set out in Note 1 to the financial statements and comply with the Charity's Trust Deed, applicable law and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005.

GOVERNING INSTRUMENT

CORE, the working name of the Digestive Disorders Foundation, known between 1974 and 1999 as the British Digestive Foundation, was inaugurated on 2nd April 1974 by the extension of a Trust Deed, dated 14th June 1971 and is Registered Charity Number 262762. A Scheme was sealed by the Charity Commission on 8th March 1999, which is a revision of the Charity's constitution. The Foundation changed back to its original name at this time. In September 2003, a minor alteration was made to the Scheme to allow the charity to charge other organisations (mainly Gastroenterology Units in hospitals) to cover the printing and distribution of bulk orders of the Charity's patient information leaflets. The patient information leaflets remain free of charge to members of the general public.

STRUCTURE, GOVERNANCE and MANAGEMENT

The policies of the Charity are determined by CORE's Board of Trustees. Its membership is listed on page 1. The Board of Trustees has three sub-committees: the Finance and General Purposes Committee, the Research Awards Committee and the Governance Committee.

The day-to-day running of the Charity is conducted by the Chief Executive, Warren Alexander, assisted by two members of staff. HRH Princess Alexandra is CORE's Royal Patron. Lord Carrington is CORE's Patron.

The Research Policy of the Charity is decided by the Board of Trustees in consultation with the Research Committee of the British Society of Gastroenterology. The Research Awards Committee is responsible for assessing, approving and monitoring applications for funding. The Research Awards Committee is also responsible for reviewing research reports and approving continued funding of research projects.

The Finance and General Purposes Committee is responsible for setting budgets, monitoring expenditure and maintaining financial controls.

The Governance Committee is charged with reviewing the structure and governance of the charity.

New trustees are recruited by introductions from existing trustees and others who are familiar with the work of the Charity. Prospective trustees are interviewed by the Chairman and Chief Executive and asked to submit a CV for review at a Trustees' Meeting. Candidates must be elected by a majority of trustees. The usual term of office for a trustee is three years, renewable on approval of the Board of Trustees.

New trustees are provided with information concerning the finances, fundraising activities, grant-making and research policies of the Charity. Those who are not familiar with the legal obligations and responsibilities of a trustee are provided with information published by organisations such as the Charity Commission.

CORE works closely with the British Society of Gastroenterology (BSG). The President and Treasurer of the BSG and the Chairman of the Research Committee of the BSG are *ex-officio* members of CORE's Board of Trustees. The President of CORE is an *ex-officio* member of the BSG Council.

The major risks to which the Charity is exposed, as identified by the Trustees, have been reviewed during the year. Measures were taken to reduce areas of risk, and systems have been established to mitigate those risks.

CORE - THE DIGESTIVE DISORDERS FOUNDATION

REPORT OF THE TRUSTEES

OBJECTS AND ACTIVITIES OF THE CHARITY

The Charity aims to:

- promote the study of and research into medicine and surgery with particular reference to the physiology and pathology of the digestive system;
- promote academic gastroenterology by encouraging junior doctors to embark on careers in research through the awarding of clinical research fellowships and other grants, awards and prizes;
- encourage the publication of the results of research; and
- provide public education information to the general public on gastrointestinal diseases.

Once or twice a year, CORE runs a competition to award fellowships and grants for research into digestive disorders. These are advertised in the medical press and on the Charity's web site. Applications are assessed, scored and judged by the Research Awards Committee. This committee is chaired by Professor Sir Peter Lachmann FRS.

The results of research funded by CORE are published in peer-reviewed journals and every year a Research Fellows Meeting is held at which a representative group of CORE Research Fellows present their research findings.

CORE produces a series of 26 leaflets on common digestive disorders, which are distributed directly to the public through hospitals, GP surgeries, pharmacies and health information units. Sixteen fact-sheets are also available covering some of the less common conditions.

ACHIEVEMENTS and PERFORMANCE

During the year under review, CORE has supported research projects and student bursaries with a total value of £2,048,347. Of these 9 were new awards totalling £1,021,655. A total of £494,182 was paid out on research projects in the year (see note 8 for complete list).

In pursuance of CORE's goal of encouraging academic gastroenterology, doctors in post-graduate training at various levels were funded to undertake research projects.

Collaboration with other charities and organisations has enabled CORE to increase its research funding through jointly funded fellowships. During the year CORE worked with, amongst others, the IA (the Ileostomy Association), Diabetes UK, the Nutritional Research Foundation and the Bardhan Research and Education Trust, Medical Research Council, the Royal College of Surgeons of England and the Derek Butler Trust.

Last year, Core was the lead organisation in a successful bid to the Health Foundation for a grant of £521,500 over three years, of which £173,832 has been accounted for in the second year. The project, called IMAGE, aims to improve management of four diseases: Gastro-oesophageal Reflux Disease, Irritable Bowel Syndrome, Coeliac Disease and Inflammatory Bowel Disease. The partners in the bid were Coeliac UK, National Association of Colitis and Crohn's, IBS Network, Primary Care Society for Gastroenterology, British Society of Gastroenterology, Division of Health and Social care Research in the King's College London School of Medicine.

CORE - THE DIGESTIVE DISORDERS FOUNDATION

REPORT OF THE TRUSTEES

ACHIEVEMENTS and PERFORMANCE (Continued)

With funding from Dr Falk Pharma UK, we have again awarded bursaries and prizes to medical students who were undertaking research into gastrointestinal related topics as part of their undergraduate studies. This year two prizes for junior doctors were also awarded. These awards are important because they not only encourage medical students and junior doctors to consider gastroenterology as a specialty, but they also introduce them to the possibility of a career in academic gastroenterology combining clinical practice with research. The bursaries and prizes were awarded at a ceremony at the Annual BSG Scientific Meeting.

The annual Fellows' Meeting took place on November 29th. The presentations were Dr Rene Roux 'MYB Expression and localisation in the Barrett's Metaplasia-Dysplasia-Ademocarcinoma sequence': Dr Matthew Bookes 'The role of iron in WNT Signalling and gastrointestinal Carcinogenesis' : Dr Piyara Begum 'Deconstructing diabetic gastropathology' : Dr Amrutha Ramu '5ASA and 4ASA protect colonocytes from the toxic effects of hydrogen sulphide in vitro' : and Mr John Murphy 'Bile acid and alcohol metabolite potentiate second-messenger dependent intracellular Ca²⁺ release and energy depletion resulting in necrotic death of pancreatic acinar cells.

Two winners of Dr Falk Pharma UK Student Bursaries, Mr Sharriar Islam and Mrs Asli Salih Ücyigit made presentations on their research topics.

Approximately 200,000 patient information leaflets were distributed during the year. The remaining four titles were reviewed, up-dated, re-written and reprinted in a new, more accessible format. This completes a task begun more than three years ago. In order to ensure that the information we provide is up-to-date and in line with current practice, the leaflet on Irritable Bowel Syndrome will be revised to reflect treatment recommendations issued by the National Institute for Health and Clinical Excellence (NICE). The leaflets provide patients, their families and carers with information about the disease and how it is diagnosed and treated. They are written by practising physicians under the editorship of Professor Roger Jones.

During the year the Governance Sub Committee met once to review Core's employment policies and practices. Changes were made to pension contributions. In order to encourage employees to make pension arrangements, instead of one level of 5% of gross salary paid by the employee matched by 10% contributed by Core, it was proposed that there be a lower entry of 2.5% of basic salary to be paid by the employee with Core contributing 5% and that employees would be able to change level once a year. The Governance Sub Committee recommended delaying a decision to become an Incorporated Charity until the new status of Charitable Incorporated Organisation becomes operable. CIOs are intended to be a much simpler, less bureaucratic form of incorporation than the current system. They are expected to come into operation in 2008.

The review of the charity's research strategy was completed.

Core's web site continues to attract large numbers of visitors. The site had some 300,000 unique hits during the year. Work began on a comprehensive redesign of the site in an attempt to make it a much more effective fundraising tool. The redesign is intended to convert site visitors into donors so that Core can build a base of regular donors to the charity. The majority of visitors to the website are looking for information about digestive diseases. The site is also used by those looking for research funding and to down-load applications for our awards.

CORE - THE DIGESTIVE DISORDERS FOUNDATION

REPORT OF THE TRUSTEES

REVIEW OF FINANCIAL ACTIVITIES

In 2008, CORE generated total incoming resources of £1,422,662, an increase on £972,957 raised in the previous year.

The improved performance in respect of income was primarily due to grants contributing to CORE's research programmes of £1,027,295 compared to £518,417 in 2007. Over the last five years funding received has covered around 80% of the aggregate research programme. Incoming resources includes grants for research in respect of two research programmes, amounting to £275,000, which have not been recognised in outgoing resources because a legal or constructive commitment to undertake the research was not made until after the year end.

Donations and Legacies amounted to £141,096 compared to the previous year when £228,552 was raised.

Donated facilities were again £48,585 (2007: £48,585) made up of Yakult's continued sponsorship of £40,000 towards the costs incurred in promoting Gut Week an annual campaign involving CORE and the IBS Network to raise awareness of Gut & Liver Disease, and the imputed rent of premises which are generously provided by the British Society of Gastroenterology.

Activities from generating funds are sales from CORE's leaflets on digestive disorders. These are "free" to individuals.

Investment income contributed £129,661 (2007 : £106,843). Dividend income performance of the investment funds fell but interest increased as funds were transferred into higher interest bearing accounts.

Resources expended were £1,277,095, compared to £1,158,979 spent in the previous year. New Gastroenterology research commitments undertaken directly (see note 15b) were £1,075,583 compared with £983,540 in 2007. A description of the research undertaken in 2008 is set out in note 8.

The ongoing research commitment at 31 March 2008 is £2,048,347 (note 15b) of which £1,094,943 (see note 12) is covered by commitments due from other funding partners. Of the gross ongoing research commitment, £636,692 is forecast to be accounted for in the 2009 financial year and in the 2010 financial year. These payments will be made from CORE's existing cash resources.

The costs of generating voluntary income and governance costs also fell overall due to savings and strong budgetary control.

The loss on the revaluation of investments was £173,818 in the twelve months to 31 March 2008, compared with a gain of £61,640 in the previous year.

Overall the funds of CORE decreased by £28,251 in the year from £1,727,475 to £1,699,224 compared with a decrease of £124,382 in the previous financial year.

PLANS FOR FUTURE PERIODS

Whilst fundraising continues to be challenging and income is uncertain, it is difficult to plan with any certainty. We will continue the Dr Falk Pharma UK student bursaries and awards for junior doctors and we will be making awards for the first time to full-time clinicians who undertake research in their own time. These awards are intended to encourage translational research projects that are likely to offer a clinical pay-back in the short-term, particularly if they will lever larger amounts or matched funds from other sources including NIHR. There will also be awards for grants that will enable researchers to gain enough data to make applications to the large national funding bodies such as the Medical Research Council and the Wellcome Trust.

CORE - THE DIGESTIVE DISORDERS FOUNDATION

REPORT OF THE TRUSTEES

PLANS FOR FUTURE PERIODS (CONTINUED)

Work will continue on a new design for Core's website with aim of making it easier for visitors to find the information they want as well as turning it into a pro-active fundraising tool.

RESERVES POLICY

Core's General Fund is classified as the Charity's reserves. At the 31st March 2008, this amounted to £284,918. Currently, the income from the General Fund covers the running costs of the Charity and pays for a proportion of its research and public education activities.

Core aims to hold the minimum prudent level of reserves and only commits expenditure for new research when it has identified sufficient funds to cover the research expenditure in full. Core intends to maintain sufficient unrestricted reserves to cover the equivalent of 12 months' administrative, public relations and fundraising expenditure, and a small provision for unforeseen research expenditure (one twelfth of annual research expenditure). Currently, this desired reserve level amounts to £271,188 whilst unrestricted funds total £284,918.

STATEMENT OF RESPONSIBILITIES OF TRUSTEES

The law applicable to charities in England and Wales requires that the Trustees should prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Charity during the year, and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and consistently apply them;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards, have been followed subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Charity, and which enable them to ensure that the financial statements comply with the relevant legislation and the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps to prevent and detect fraud, or other irregularities.

CORE - THE DIGESTIVE DISORDERS FOUNDATION

REPORT OF THE TRUSTEES

MOVEMENT OF FIXED ASSETS

Details of movements in fixed assets are set out in Notes 10 and 11.

AUDITORS

Messrs Knox Cropper have expressed their willingness to continue in office. Their re-appointment will be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE TRUSTEES

**Dr John Bennett MD FRCP
(President and Chairman)**

9th July 2008

INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF

CORE - THE DIGESTIVE DISORDERS FOUNDATION

We have audited the financial statements of CORE - The Digestive Disorders Foundation for the year ended 31st March 2008 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting historical cost convention as modified by the valuation of investments at market value and the accounting policies set out therein.

This report is made solely to the Trustees, as a body, in accordance with regulations made under Section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

Trustees' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees Responsibilities.

We have been appointed as auditors under Section 43 of the Charities Act 1993 and report in accordance with regulations made under Section 44 of that act.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Report of the Trustees is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Trustees. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the Financial Statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of CORE - The Digestive Disorders Foundation affairs at 31st March 2008 and of its incoming resources and outgoing resources for the year then ended and have been properly prepared in accordance with the Charities Act 1993.

8/9 Well Court
London, EC4V 6AX

9th July 2008

Knox Cropper
Chartered Accountants
Registered Auditors

CORE - THE DIGESTIVE DISORDERS FOUNDATION**STATEMENT OF FINANCIAL ACTIVITIES****FOR THE YEAR ENDED 31ST MARCH 2008**

	Notes	Un- restricted Funds £	Restricted Funds £	Total Funds 2008 £	Total Funds 2007 £
INCOMING RESOURCES					
Incoming Resources from Generated Funds					
Voluntary Income	2	175,223	72,458	247,681	329,137
Activities for Generating Funds	3	18,025	-	18,025	18,560
Investment Income	4	53,097	76,564	129,661	106,843
Incoming Resources from Charitable Activities					
Grants for Research	5	-	1,027,295	1,027,295	518,417
Total Incoming Resources		<u>246,345</u>	<u>1,176,317</u>	<u>1,422,662</u>	<u>972,957</u>
OUTGOING RESOURCES					
Costs of Generating Voluntary Income	6	34,793	1,033	35,826	35,619
Charitable Activities	7	101,031	1,094,977	1,196,008	1,076,604
Governance Costs	9	45,261	-	45,261	46,756
Total Resources Expended		<u>181,085</u>	<u>1,096,010</u>	<u>1,277,095</u>	<u>1,158,979</u>
Net (Outgoing)/Incoming Resources before other recognised gains and losses					
		65,260	80,307	145,567	(186,022)
(Loss)/Gain on Revaluation of Investments	11	(61,462)	(112,356)	(173,818)	61,640
Net Movement In Funds		<u>3,798</u>	<u>(32,049)</u>	<u>(28,251)</u>	<u>(124,382)</u>
Funds Brought Forward		281,120	1,446,355	1,727,475	1,851,857
Funds Carried Forward		<u>£284,918</u>	<u>£1,414,306</u>	<u>£1,699,224</u>	<u>£1,727,475</u>

None of the Charity's activities were acquired or discontinued during the above two financial years.

There were no recognised gains or losses other than those stated above.

CORE - THE DIGESTIVE DISORDERS FOUNDATION**BALANCE SHEET****AS AT 31ST MARCH 2008**

	Notes	2008		2007	
		£	£	£	£
FIXED ASSETS					
Tangible Fixed Assets	10	2,170		1,532	
Investments	11(a)	<u>1,130,010</u>		<u>1,336,979</u>	
			1,132,180		1,338,511
CURRENT ASSETS					
Debtors	12	1,101,296		526,610	
Cash at Bank and In Hand	13	<u>1,524,633</u>		<u>1,402,449</u>	
		2,625,929		1,929,059	
Creditors : Amounts falling due within one year	14	<u>(647,230)</u>		<u>(642,243)</u>	
Net Current Assets			1,978,699		1,286,816
Total Assets less current Liabilities			<u>3,110,879</u>		<u>2,625,327</u>
Creditors : Amounts falling due after one year	15(a)		(1,411,655)		(897,852)
TOTAL NET ASSETS			<u>£1,699,224</u>		<u>£1,727,475</u>
FUNDS					
Unrestricted			284,918		281,120
Restricted	16		<u>1,414,306</u>		<u>1,446,355</u>
TOTAL FUNDS			<u>£1,699,224</u>		<u>£1,727,475</u>

The accounts were approved by the Trustees on the 9th July 2008

Dr J. Bennett (President)

Dr A. Emmanuel (Hon Secretary)

CORE - THE DIGESTIVE DISORDERS FOUNDATION**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31ST MARCH 2008****1. ACCOUNTING POLICIES****(a) Basis of Preparation**

These Financial Statements have been prepared under the historical cost convention, subject to the inclusion of investments at market value, in accordance with applicable Accounting Standards and in accordance with Statement of Recommended Practice (Accounting and Reporting by Charities) issued by the Charity Commissioners in March 2005 and the Charities Act 1993.

(b) Research Grants

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are commitments made to third parties in the furtherance of the charitable objectives of the Foundation. The grants are accounted for where either the trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the Foundation.

(c) Tangible Fixed Assets and Depreciation

All assets costing more than £500 were capitalised and all assets are valued at historic cost. Depreciation of fixed assets is calculated on cost at rates estimated to write off the assets, by equal instalments, over their expected working lives. Fixtures and fittings and office equipment are written off over five years. Computers are written off over three years.

(d) Income

Research funding income is recognised in the year in which the charity receives a written commitment from the funder. Research funding is deferred only when the charity has to fulfil conditions before becoming entitled to it or the donor has specified that the income has to be spent in a future period.

All other incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

(e) Value Added Tax

The Charity is not registered for VAT and accordingly, where applicable, all costs and expenditure incurred are inclusive of VAT.

(f) Cashflow Statement

The Charity has not prepared a Cash Flow Statement for the year as required by the Financial Reporting Standard No.1 because the Charity has relied on the exemption available for small undertakings.

(g) Allocation of Overhead and Support Costs

Overhead and support costs have been allocated between charitable activities and governance. Overhead and support costs relating to charitable activities have been apportioned based on a weighted salary percentage basis. The apportionment of overhead and support costs is analysed in note 9.

CORE - THE DIGESTIVE DISORDERS FOUNDATION**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31ST MARCH 2008****1. ACCOUNTING POLICIES (Continued)**

- (h) **Costs of Generating Voluntary Income**
The costs of generating voluntary income includes fundraising costs, investment managers fees and a proportion of staff costs.
- (i) **Charitable Activities**
Costs of charitable activities include grants made and an apportionment of overhead and support costs as shown in note 7.
- (j) **Governance Costs**
Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit together with an apportionment of overhead and support costs.
- (k) **Fixed Asset Investments**
Investments are stated at market value as at the balance sheet date. The statement of financial activities included the net gains and losses arising on revaluation and disposals throughout the year.
- (l) **Realised Gains and Losses**
All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later).
- (m) **Funds**
Unrestricted funds are those funds which can be used at the Trustees' discretion. Restricted Funds are funds whose purposes have been restricted by the donor.
- (n) **Donated Facilities**
Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost.

CORE - THE DIGESTIVE DISORDERS FOUNDATION
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST MARCH 2008

2. VOLUNTARY INCOME

	Unrestricted Funds	Restricted Funds	2008	2007
	£	£	£	£
Donations	65,193	32,458	97,651	129,337
Legacies	43,445	-	43,445	99,215
Donated Facilities (Note 21)	8,585	40,000	48,585	48,585
Grants for Research	58,000	-	58,000	52,000
	<u>£175,223</u>	<u>£72,458</u>	<u>£247,681</u>	<u>£329,137</u>

3. ACTIVITIES FOR GENERATING FUNDS

Public Education	<u>£18,025</u>	<u>-</u>	<u>£18,025</u>	<u>£18,560</u>
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4. INVESTMENT INCOME

Interest – Fixed Interest Securities	15,446	28,236	43,682	2,731
Dividends – UK equities	13,368	24,437	37,805	32,829
Dividends – Overseas Equities	883	1,613	2,496	2,010
Dividends – HSBC Sterling Cash Fund	12,186	22,278	34,464	52,993
Interest on cash deposits	11,214	-	11,214	16,280
	<u>£53,097</u>	<u>£76,564</u>	<u>£129,661</u>	<u>£106,843</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

Grants for Research	<u>-</u>	<u>£1,027,295</u>	<u>£1,027,295</u>	<u>£518,417</u>
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In 2007 an award of £521,500 was made by the Health Foundation to Core as the lead organisation in a consortium of charities. The award is made over three years under the Health Foundation's "Engaging with Quality in Primary Care" programme. The award is in stages and contingent upon satisfactory progress and reporting. For this year's accounts a sum of £173,832 is included above representing income expected for the second year, whilst expenditure of an equivalent amount is disclosed as new research in Note 8 within charitable activities representing the commitment to remit these sums to the award holder.

6. COST OF GENERATING VOLUNTARY INCOME

Fundraising Costs	4,304	-	4,304	3,319
Investment Management Fees	565	1,033	1,598	1,641
Staff Costs	24,837	-	24,837	24,213
Support Costs	5,087	-	5,087	6,446
	<u>£34,793</u>	<u>£1,033</u>	<u>£35,826</u>	<u>£35,619</u>

7. ANALYSIS OF CHARITABLE ACTIVITIES

	Undertaken Directly	Research Grants Payable	Support Costs	2008	2007
	£	£	£	£	£
Promotion of Academic Gastroenterology	-	1,021,655	26,072	1,047,727	676,966
Other Gastroenterology Research (DCC)	-	-	23,511	23,511	274,089
Public Education	90,572	-	34,198	124,770	125,549
	<u>£90,572</u>	<u>£1,021,655</u>	<u>£83,781</u>	<u>£1,196,008</u>	<u>£1,076,604</u>

Research Grants payable represents commitments made for research, and is set out in detail in Note 8.

CORE - THE DIGESTIVE DISORDERS FOUNDATION NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST MARCH 2008

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8. RESEARCH GRANTS PAYABLE

Promotion of Academic Gastroenterology			As At 1/4/07 £	New Research £	Grants Paid £	As At 31/3/08 £
Ongoing Research						
Dr. R. Roux	Derek Butler Fellowship	"MYB Expression and localisation in the Barrett's Metaplasia-Dysplasia-Adenocarcinoma Sequence"	134,967	35,950	(71,952)	98,965
Mr. P. Conaghan	BSG Research Fellowship	"Using certain antibodies to target colorectal cancer cells".	14,159	-	(14,159)	-
Mr. J. Murphy	Amelie Waring Research Fellowship	"The role of intracellular second messenger and premature intracellular enzyme activation in the pathogenesis of acute pancreatitis"	16,890	(8,673)	(8,217)	-
Dr. M. Brookes	Altana Fellowship	"A role for iron transport proteins in oesophageal adenocarcinoma"	36,000	-	(30,674)	5,326
Dr. T. Crnogorac-Jurcevic	PCRF Phd	"A Role of S100PBP in early pancreatic cancer development"	75,000	-	(7,427)	67,573
Dr. P. Begum	Diabetes (UK Fellowship)	Deconstructing diabetic gastroenteropathy".	195,000	-	(31,714)	163,286
Dr. S. Shetty	BRET Research Fellowship	"Clever 1 and Mannose receptor mediate lymphocyte and dendritic cell recruitment to the liver"	181,248	-	(25,827)	155,421
TBA	Altana Fellowship	TBA	40,000	(40,000)	-	-
Prof. Roger Jones	Health Foundation	"Improving management in Gastroenterology"	217,260	173,832	(65,750)	325,342
Other			1,000	14,500	(15,500)	-
			911,524	175,609	(271,220)	815,913
New Commitments						
Emily Johns	IBS Fellowship	"Developing a model of chronic abdominal pain using Functional Magnetic Resonance Imaging".		55,000		55,000
Oliver Brain	NACC Fellowship	"Investigation of NOD2 signalling in Crohn's Disease"		186,246		186,246
Sarah Donnelly	Coeliac Fellowship	"Identification of Coeliac Disease Triggering Peptides and their measurement in Foods".		195,000		195,000
Dr Charlotte Hedin	Wolfson Fellowship	"Using molecular microbiology to investigate the impact of the gastrointestinal microbiota on intestinal permeability and inflammation in patients with quiescent Crohn's disease and their healthy siblings"		192,176		192,176
Dr R Mukherjee	Amelie Waring Fellowship	"Mitochondrial injury in the pathogenesis of necrotizing pancreatitis"		147,879	(8,996)	138,883
Dr G Fowell	MRC Fellowship	"The investigation of Strategies to Inhibit Liver Fibrosis Through Modulation of TIMP - 1 and - 2"		75,000	(24,181)	50,819
			-	851,301	(33,177)	818,124
Research Completed during the year						
Mr R Lindley	RCS Fellowship	"Understanding the causes of chronic unexplained gut pain in patients with functional gastrointestinal disorders".	8,747	(4,374)	(4,373)	-
Dr D Gaya	BRET Research Fellowship	"Targeting a specific gene to combat Ulcerative Colitis".	50,641	(881)	(49,760)	-
Dr Amrutha Ramu	Belmont Trust	"Sulphide Toxicity in Ulcerative Colitis"				
Dr Scott Levison	2007	"Trichuris Muris as a biologically valid model for human UC"	10,000	-	(10,000)	-
			69,388	(5,255)	(64,133)	-
			980,912	1,021,655	(368,530)	1,634,037
Total for Promotion of Academic Gastroenterology						
Other Gastroenterology						
Ongoing Research						
Professor M Dunlop	DCC Edinburgh	"Establishing a centre for colorectal cancer research in Edinburgh"	188,170	-	(44,942)	143,228
Dr R Houlston	DCC Surrey	"Identifying and Characterising low penetrance colorectal cancer genes".	18,851	-	(11,500)	7,351
Professor N Lemoine	DCC London	"Targeting genes responsible for causing pancreatic cancer using the common cold virus".	332,941	-	(69,210)	263,731
			539,962	-	(125,652)	414,310
Total for Other Gastroenterology						
			539,962	-	(125,652)	414,310
			£1,520,874	£1,021,655	£(494,182)	£2,048,347

CORE - THE DIGESTIVE DISORDERS FOUNDATION
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST MARCH 2008

9. TOTAL RESOURCES EXPENDED

	Costs of Generating Voluntary Income £	Promotion of Academic Gastroenterology £	Other Gastroenterology Research (DCC) £	Public Education £	Governance £	2008 £	2007 £
DIRECTLY INCURRED							
Grants Payable	-	1,021,655	-	-	-	1,021,655	894,680
Research Administration	-	-	-	-	11,339	11,339	9,324
Audit	-	-	-	-	5,746	5,746	7,478
Book-keeping Costs	-	-	-	-	4,630	4,630	6,040
Fundraising Costs	4,304	-	-	-	-	4,304	3,319
Donated Facilities	-	-	-	40,000	8,585	48,585	48,585
Public Education	-	-	-	50,572	-	50,572	50,510
Investment Management	1,598	-	-	-	-	1,598	1,641
	5,902	1,021,655	-	90,572	30,300	1,148,429	1,021,577
SUPPORT COSTS							
Staff Costs (see note 18)	24,837	21,288	19,514	28,385	12,418	106,442	103,771
Research Administration	-	425	-	-	-	425	6,007
Postage	628	538	494	718	314	2,692	2,854
Telephone	823	706	647	941	412	3,529	3,114
Stationery, Printing and Design	758	649	595	866	379	3,247	3,034
Insurance	191	163	150	218	95	817	665
Bank Charges	310	266	244	355	155	1,330	1,019
Meeting Costs	447	383	351	511	224	1,916	5,178
Subscriptions/Publications	343	295	269	392	171	1,470	1,845
Equipment/Maintenance	740	635	581	846	370	3,172	4,717
Depreciation	281	241	221	320	140	1,203	1,474
Consultancy	308	264	242	351	153	1,318	2,906
Training	258	220	203	295	129	1,105	818
	29,924	26,073	23,511	34,198	14,960	128,666	137,402
	£35,826	£1,047,728	£23,511	£124,770	£45,260	£1,277,095	£1,158,979

CORE - THE DIGESTIVE DISORDERS FOUNDATION
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST MARCH 2008

10. TANGIBLE FIXED ASSETS

	Office Furniture and Equipment £
Cost:	
At 1 st April 2008	76,752
Additions in the year	1,841
At 31 st March 2008	£78,593
Accumulated Depreciation:	
At 1 st April 2007	75,220
Charge for Year	1,203
At 31 st March 2008	76,423
Net Book Value:	
At 31 st March 2008	£2,170
At 31 st March 2007	£1,532

11. INVESTMENTS

	2008 £	2007 £
(a) Analysis by Type		
Quoted investments at Market value		
(i) UK Equities	862,109	1,028,712
(ii) Overseas Equities	134,290	141,505
	996,399	1,170,217
Cash held with Brokers	133,611	166,762
Total Investments	1,130,010	1,336,979
(b) Movement in Quoted Investments		
Balance brought forward	1,170,217	1,133,577
Additions		-
Disposal Proceeds		(25,000)
Investment Gains/(Losses)		
Realised Gains/(Losses)	-	-
Unrealised Gains/(Losses)	(173,818)	61,640
Total investment Gains/(Losses)	(173,818)	61,640
Balance carried forward	£996,399	£1,170,217
Quoted Investments at Cost	£788,621	£788,621
All the quoted investments are listed in the UK.		
Individual investments within the portfolio:		
Charinco/Charishare – Char Tobacco Restricted Inc	221,277	239,125
Charities Aid Foundation - CAF UK Equity Growth Fund	201,344	257,839
M&G Securities Ltd - Charifund Inc	209,587	260,648
Schroders Charity - Charity Equity Inc	229,900	271,100
Chariguard CIF FDS – Overseas Equity Inc	134,291	141,505
	996,399	1,170,217

CORE - THE DIGESTIVE DISORDERS FOUNDATION**NOTES TO THE ACCOUNTS (CONTINUED)****FOR THE YEAR ENDED 31ST MARCH 2008**12. **DEBTORS**

	2008	2007
	£	£
Prepayments and Sundry Debtors	6,354	7,498
Commitments due from other Funding Partners	1,094,943	519,112
	<u>£1,101,296</u>	<u>£526,610</u>

Included in commitments from other funding partners are £455,692 due after more than one year (2007: £276,392).

13. **CASH AT BANK AND IN HAND**

National Westminster accounts	274,633	252,449
HSBC sterling cash fund	1,250,000	1,150,000
	<u>£1,524,633</u>	<u>£1,402,449</u>

14. **LIABILITIES : AMOUNTS FALLING DUE WITHIN ONE YEAR**

Other creditors	3,642	7,326
Accruals	6,895	11,895
Research Grants (see note 15b)	636,692	623,022
	<u>£647,230</u>	<u>£642,243</u>

15(a) **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

Research Grants (see note 15b)	<u>£ 1,411,655</u>	<u>£897,852</u>
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15(b) **Research commitments**

Commitments at 1 st April 2007	1,520,874	1,313,964
Commitments made in the year (see note 8)	1,075,583	983,540
Commitments no longer required	(53,928)	(88,861)
Grants paid during the year	(494,182)	(687,769)
Commitments at 31 st March 2008	<u>£2,048,347</u>	<u>£1,520,874</u>

Commitments at 31st March 2008 are payable as follows:

Within one year (see note 14)	636,692	623,022
After more than one year (see note 15a)	1,411,655	897,852
	<u>£2,048,347</u>	<u>£1,520,874</u>

CORE - THE DIGESTIVE DISORDERS FOUNDATION
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST MARCH 2008

16. **RESTRICTED FUNDS**

The income funds of the Charity include restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes:

	Balance b/f	Income	Expenditure	Investment (losses)	Balance c/f
	£	£	£	£	£
Amelie Waring	1,413,010	85,237	(149,249)	(112,356)	1,236,642
Research Grants					
- Health Foundation	-	173,832	(173,832)	-	-
- Other	-	807,943	(714,904)	-	93,039
Public Education	-	18,025	(18,025)	-	-
Dame Sheila Sherlock	13,345	1,280	-	-	14,625
Gifts in Kind	-	40,000	(40,000)	-	-
DCC	-	-	-	-	-
DDC	20,000	50,000	-	-	70,000
	<u>1,446,355</u>	<u>1,176,317</u>	<u>(1,096,010)</u>	<u>(112,356)</u>	<u>1,414,306</u>

The purposes of CORE's restricted funds are as follows:

1. The Amelie Waring Fund: a special fund donated in memory of the late Amelie Waring, principally for research into any aspect of pancreatic disease.
2. Research Grants-Health Foundation: Improving Management in Gastroenterology.
3. Research Grants-Other: Grants for research into a range of digestive disorders.
4. Public education: public education and information work to increase public awareness and understanding of digestive disorders.
5. Dame Sheila Sherlock: a fund donated in memory of the late Dame Sheila Sherlock, principally for research into any aspect of liver disease.
6. Gifts in kind: the value of the following three in-kind contributions is recorded in the accounts:
 - Gut Week, a public awareness week to raise the profile of digestive disorders
 - maintaining CORE's website. The site contains information about DDF-supported research and education activities as well as factsheets on digestive disorders
 - for providing CORE with office accommodation at a peppercorn rent.
7. Digestive Cancer Campaign (DCC): A joint campaign of CORE and the British Society of Gastroenterology (BSG) to fund collaborative, multi-disciplinary research into digestive cancers.
8. Diarrhoeal Disorders Campaign (DDC): A joint campaign of CORE and the British Society of Gastroenterology (BSG) to fund collaborative, multi-disciplinary research into diarrhoeal disorders.

CORE - THE DIGESTIVE DISORDERS FOUNDATION**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST MARCH 2008****17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Total	Fixed Assets	Investments	Net Current Assets	Long Term Liabilities
	£	£	£	£	£
Restricted Funds	1,414,306	-	730,438	683,868	-
Unrestricted Funds	284,918	2,170	399,572	1,294,831	(1,411,655)
	<u>£1,699,224</u>	<u>£2,170</u>	<u>£1,130,010</u>	<u>£1,978,699</u>	<u>£(1,411,655)</u>

18. EMPLOYEE COSTS

	2008	2007
	£	£
Salaries and Wages	91,633	89,393
Social Security	9,830	9,428
Pension	4,979	4,950
Total Head Office Salaries	<u>£106,442</u>	<u>£103,771</u>

The average number of employees during the year at Head Office was 3 (2007: 3).

No employee earned more than £60,000 during the year.

19. TRUSTEES' REMUNERATION AND EXPENSES

No remuneration, directly or indirectly, out of the funds of the Charity was paid or payable for the year to any Trustee or to any person or persons known to be connected with any of them.

4 trustees (2007:6) were reimbursed for travel expenses of £1,312 (2007: £3,289). during the year.

20. TAXATION

CORE – The Digestive Disorders Foundation is a registered charity and is potentially exempt from taxation in respect of income and capital gains received within the categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

21. INTANGIBLE INCOME

	2008	2007
	£	£
British Society of Gastroenterology		
Rent	4,500	4,500
Rates	585	585
Services Charge	3,500	3,500
	<u>8,585</u>	<u>8,585</u>
 Yakult UK		
Sponsorship of "Gut Week" (public education)	40,000	40,000
TOTAL	<u>£48,585</u>	<u>£48,585</u>

22. OPERATING LEASE COMMITMENTS

The charity has five-year lease commitment for a photocopier at a cost of £1,167 p.a. (2007: £1,167) which expires in February 2009.

