

Company Registration No. 3880213
Charity No. 1079049
OSCR No. SC040196

CYSTIC FIBROSIS TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

CYSTIC FIBROSIS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

Patron

HRH Princess Alexandra KG GCVO

Honorary President

Dr James Littlewood OBE MD FRCP FRCPE
DCH

TRUSTEES

Chairman

George Jenkins OBE #
(Appointed July 2012)

Vice Chairman

Allan Gormly CMG CBE #

Honorary Treasurer

Rupert Pearce Gould FCA

Jenny Agutter #

Georgia Arnold #
(until March 2013)

Sir Peter Cresswell #
(retired July 2013)

Katrina Dujardin #

Professor Stuart Elborn CBE MD FRCP

Brian Henderson #

Archie Norman
(until January 2013)

Professor John Price MD FRCP FRCPCH

Martyn Rose #

Peter Sharp #

*# indicates either CF patient, carrier or close
relative of a carrier of the defective gene*

Finance and Audit Committee

Rupert Pearce Gould (Chair)

Allan Gormly

Guy Harington

Peter Norris

Alistair Peel

Peter Sharp

Nomination & Development Committee

Allan Gormly (Chair)

Katrina Dujardin

Brian Henderson

George Jenkins OBE

Professor John Price MD FRCP FRCPCH

Charity Management Ed Owen - Chief

Executive # (from May 2012)

Phil Smith - Director of Finance &
Business Services
(until Feb 2013)

Stephen Williams - Director of Finance &
Business Services
(from Feb 2013)

Jo Osmond – Director of Clinical Care and
Commissioning

(until Oct 2013)

Tamsyn Clark – Director of Marketing
(maternity leave from May 2013)

Iain McAndrew – Interim Director of
Marketing

(from May 2013)

Dr Janet Allen MD FRSE - Director of
Research

(from September 2012)

Dr Matthew Sowemimo – Director of Policy &
Communications

(from April 2013)

Principal and Registered Office

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Company Limited by Guarantee

Company registration number: 3880213

Charity registration number:

England & Wales – 1079049

Scotland – SC040196

Auditors

Crowe Clark Whitehill LLP

St Bride's House

10 Salisbury Square

London EC4Y 8EH

Bankers

The Royal Bank of Scotland plc

15 Bishopsgate

London EC2N 3NW

Investment Managers

Schroder & Co. Ltd

100 Wood Street

London EC2V 7ER

CYSTIC FIBROSIS TRUST
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

The trustees present their annual report and financial statements of the charity (company number 3880213) for the year ended 31 March 2013. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's memorandum and articles of association, the Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by Charities published in 2005.

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

About cystic fibrosis

Cystic fibrosis is a life-shortening genetic condition that slowly destroys the lungs and digestive system that affects almost 10,000 people in the UK. When the Cystic Fibrosis Trust began its work almost 50 years ago, a child born with the condition was unlikely to live beyond the age of 10. Today average life expectancy is more than 40 years old. Yet only half of those with the condition live to celebrate their 40th birthday. So, while there has been significant progress over recent decades, there is still a huge amount to be done.

About us

Founded in 1964, the Cystic Fibrosis Trust is the only UK-wide charity making a daily difference to the lives of people with cystic fibrosis, and those who care for them. Fighting it is a battle we must win. That's why we must keep working for and fundraising for change; why we must develop better treatments and, ultimately, a cure. Because cystic fibrosis *is* beatable.

What we do:

- **Investing in cutting-edge research**
- **Driving up standards of clinical care**
- **Providing support for all**
- **Campaigning hard**
- **Being heard**

In January 2012, we published a four-year strategy – “Living Longer, Living Better”. This sets at its heart the needs of the cystic fibrosis community, and how research, care, support and communications can be better developed and linked to deliver real benefits to those with cystic fibrosis.

To strengthen our ability to deliver this strategy, a number of important appointments were made in 2012/13, including George Jenkins OBE as Chairman, Ed Owen as Chief Executive and Dr Janet Allen as Director of Research.

Delivering the future

During 2012/13 the Trust continued its strategy of building a financially stable organisation. This strategy focuses on building sufficient reserves and cash balances to provide substantial investment opportunities in the research and clinical care programmes over coming years and this is reflected in the current year's performance.

The 2013/14 financial year sees the introduction of a series of initiatives that are crucial to the future growth and success of the Cystic Fibrosis Trust. This includes an ambitious new research strategy, the continued roll-out of our inspirational new brand and website, and the implementation of a more streamlined peer review process of clinical care centres. The last quarter will see the beginning of the Trust's 50th anniversary year, which will provide further opportunities to motivate our supporters, increase awareness about cystic fibrosis, and raise new funds to support our work.

The Trust has drawn up an operational plan for 2013/14 that links the strategic plan to the programmes of work for the year ahead. The OP translates the strategic plan and overall vision into actual steps, complete with mechanisms for measuring and reporting progress.

CYSTIC FIBROSIS TRUST
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

This will help the Trust in its commitment towards becoming a more professional, impact-driven organisation.

Investing in cutting-edge research

Since the Trust was founded, we have been a major funder of research into the causes and treatment of cystic fibrosis.

How our research grant programmes deliver public benefit

Funds spent on research can lead to the development of new therapies, and a greater understanding of the mechanisms of disease and the basic CF defect. We also contribute to improving the length and quality of life for people with cystic fibrosis through the dissemination of research findings nurturing new CF scientists.

Research currently funded by the Cystic Fibrosis Trust includes:

- **Gene therapy**

The Trust established the UK CF Gene Therapy Consortium (GTC) (University of Edinburgh, Oxford University and Imperial College), in 2001 aims to deliver the normal CFTR gene to the airways by nebulising the gene either in liposomes (Wave 1) or in a viral vector (Wave 2).

This pioneering work has advanced to the stage where the Wave 1 product is currently in a Phase 2b clinical trial. This is the largest gene therapy trial worldwide. The GTC was successful in securing additional funds from the government-funded Efficacy and Mechanism Evaluation to complement funding provided by the Trust. The results of this trial are expected in 2014.

In February 2013 the Trust awarded a grant of £308,000 to the GTC for its work to develop a viral vector as a delivery mechanism for gene therapy (Wave 2). This 14-month grant complements funding for Wave 2 work announced in 2012 from the MRC through its Developmental Pathway Funding Scheme.

- **Lung-reconditioning research**

We also funded a project at Newcastle University aimed at transforming currently unusable donated lungs into viable lungs for transplantation, and supported the roll-out of the study to all five UK transplant centres.

- **Lung-function testing and early detection of lung damage**

We are continuing the unique and successful London CF Collaborative study (LCFC) of clinical status, lung function and structure in children, which we have funded since 1999.

We are also funding research into two cutting-edge technologies developed to measure changes in gas distribution in the airways, one of the earliest consequences of CF lung disease.

- **Immunology**

The Trust has funded a study at the University of Liverpool looking at the ways in which drugs inadvertently activate the patient's immune system.

- **Microbiology**

We are funding a study running until the end of July 2013 that will reveal the direct impact that diabetes has on *Burkholderia* infections of the CF lung, and help guide the most effective management of CF-related diabetes.

- **Basic science**

We are funding a study to help understand the structure of the CFTR protein and the effect of mutations on CFTR structure. We are also supporting research that aims to promote the development of new drugs to treat defects at the root of cystic fibrosis.

CYSTIC FIBROSIS TRUST
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

Research strategy 2013/14

The Trust's new five-year research strategy was published in April 2013 at an international scientific conference organised jointly by the Trust and the Wellcome Trust. The focus of the new strategy is to increase impact, leverage greater resources into cystic fibrosis research and to enhance the role of patients in shaping and developing future priorities.

This new strategy (cysticfibrosis.org.uk/researchstrategy) aims to build on past achievements and positions the Trust to play a leading role in supporting research to benefit people with cystic fibrosis. This five-year strategy refines the way the Trust manages its research portfolio by becoming more outward-looking and building vital partnerships with government agencies such as NIHR, funding councils, industry and other bodies, including overseas CF organisations. This will maximise investment in work that has a real potential impact on the lives of people with cystic fibrosis.

The strategy establishes four funding streams for research:

- Strategic research centres
- Venture and innovation awards
- Research sandpits
- Research coordinators

In contrast to previous years, bespoke calls for applications will be published. The first of these, calling for applications to form up to two strategic research centres, was announced in May 2013.

As part of the new strategy, the governance of research will be restructured to include a Research Strategy Advisory Board and Research Strategy Implementation Board.

Driving up standards of clinical care

All people with cystic fibrosis should receive the best possible care wherever they live, and multi-disciplinary teams in more than 50 specialist cystic fibrosis centres provide expert care within the NHS.

Newborn screening throughout the UK is ensuring early diagnosis, improving the quality and length of life for people with cystic fibrosis.

Implementation of a national tariff for cystic fibrosis – Payment by Results (PbR)

Following a four-year project, funded and facilitated by the Trust, to develop an annual banded national tariff for cystic fibrosis care in England, the Department of Health (DoH) agreed the phased implementation of a mandatory tariff for cystic fibrosis in England from 1 April 2013. We also continue to work closely with the NHS in Scotland, Wales and Northern Ireland.

Quality Improvement Programme (QIP) and peer review

The Quality Improvement Programme (QIP) includes a new, improved, evidence-based peer review process to ensure we drive up standards across all cystic fibrosis centres in the UK. Peer reviews help identify and communicate best practice, improving standards across the NHS.

During 2011/12 a full review of the peer review process was undertaken with a revised procedure developed to make best use of resources and be less burdensome for centres being reviewed. The new process was launched in January 2013.

CYSTIC FIBROSIS TRUST
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

A programme of 10 reviews is taking place in 2013 and 13 more are scheduled for 2014. A full annual report will be provided in January 2014 with individual peer review reports being published on our website.

UK CF Registry

The Trust hosts a high-quality patient registry/database containing information about the location and health outcomes of people with cystic fibrosis. The Registry helps us monitor patient care and treatment and is an important tool in helping to raise the standard of care.

The CF Registry is becoming increasingly valuable as a research tool, with 99% coverage of the UK CF population and over 89% complete data for all patients. It is now possible to compare data with that collected by CF registries in the US and Europe.

During 2012/13 the CF Trust initiated a model of analysing the data for Phase IV pharmacovigilance studies for patient safety of newly licenced therapies. The European Medicine Agency has noted how important registry data is and has insisted these studies are done via Registry data.

In January 2013 we published the UK CF Registry Annual Data Report 2011 - the fifth from the Port CF database.

To build on the Registry's success we have established an external and independent review, to be undertaken in 2013, to consider the direction of the Registry over the next three to five years.

Clinical conferences

In May 2012 we hosted our annual meeting for the directors of the specialist CF centres in the UK in Birmingham. The meeting aimed to have an effective dialogue with clinicians who are responsible for the delivery of care to people with cystic fibrosis, to update them and get feedback on the charity's activities, and to inform our plans and activities by understanding their concerns.

Innovation in 2013

In September 2013 we launched a flagship two-day event, combining a medical conference with the meeting for centre directors. The new event will cater for everyone involved in the provision of clinical care at specialist CF centres and clinics in the UK.

Providing support for all

It is our job to provide high-quality, trusted information and advice, ensuring we assist those who need us the most.

Cystic fibrosis is a complex multi-system condition that is progressive and requires lifelong care that increases with age. Much of the daily burden of care is delivered by the parents or carers of a child with cystic fibrosis and later by the patient. We aim to ensure that patients, parents and carers have access to the information they need to understand the condition and its complications, as well as the level of care they should expect to receive.

Publications, factsheets and consensus documents

We provide information, advice and support through an extensive range of publications, which are produced with the assistance of experts in the relevant area.

CYSTIC FIBROSIS TRUST
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

We are committed to improving the quality of all the information we disseminate to ensure it covers all areas of concern and is delivered in as user-friendly a way as possible. This includes the ongoing review of all Trust publications.

CF Today, our flagship magazine, was produced three times a year containing articles on research, care, social issues and news, with a circulation of around 18,000. In 2013 the magazine is being replaced with a brand new publication, 'is'. The first issue was published for CF Week at the end of June 2013.

Helpline

The Trust continues to provide a national telephone helpline, a vital part of our commitment to providing support for everyone affected by cystic fibrosis. The helpline receives over 3,000 calls a year, and provides a confidential service that enables anyone to obtain advice, support and information on any aspect of cystic fibrosis, including help with financial support.

Welfare grants

We provide financial assistance for specific purposes to those experiencing particular difficulty at a time of stress or crisis relating to cystic fibrosis, including help with funeral costs, home start-up grants and help covering the cost of travel to transplant assessments. During the year we made 281 welfare grants at a total value of £166,911 (2011/12: 266 grants totalling £184,521).

Our website

The first phase of the new web project was completed in spring 2013, with the launch of the website. The new-look website is more dynamic, and all the content was reviewed, updated or newly created prior to launch.

The website provides several very popular community forums aimed at groups such as adults or teenagers with cystic fibrosis, parents and carers, fundraisers and researchers. This is particularly important for people with cystic fibrosis, who are unable to meet each other face to face because of the increased risk of cross-infection. By posting messages users can talk to others in a similar situation and get advice and support from their peers, who have had similar experiences.

2013/14: phase II begins

In phase II of the website's development, we will be working with stakeholders and end users to find innovative ways of engaging audiences and providing accessible information and support. These developments will further position us as the trusted authority on cystic fibrosis issues, providing hope and support for people with cystic fibrosis, their families and carers.

We will also be recruiting a dedicated Social Media officer, to help make the most of the online opportunities available and engage the online community directly.

Getting in shape for the future

In 2013 we are launching a support service survey to establish what the current CF population's information and support needs are. This will help us develop our support service to make sure that we can fully meet the needs of people affected by cystic fibrosis.

CYSTIC FIBROSIS TRUST
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

Campaigning hard

We lobby decision makers hard in the interests of our community.

In 2012/13 we spearheaded a successful eight-month campaign to ensure that a new transformational drug, Kalydeco, was made accessible free to everyone in the UK who would benefit. Kalydeco is the first licensed drug that treats the fundamental defect in people with the G551D mutation of cystic fibrosis – about 4% of patients across the UK.

Trials are now underway for people with two copies of F508del, which represents about 50% of patients with cystic fibrosis in the UK. These trials combine the use of Kalydeco with other drugs.

Other campaigns included encouraging participation in the review of children's cardiac surgery at the Royal Brompton Hospital, which threatened cystic fibrosis services, and championing other treatments being evaluated by NICE.

Moving forward

We are undertaking preparatory work to recruit and deploy 10 supporters in each UK region as grassroots campaigners for cystic fibrosis. This programme will help ensure the voice of people with cystic fibrosis is heard with the health service and elsewhere.

In June 2013 we launched a consultation on improving the care for those with cystic fibrosis awaiting a lung transplant. The report was launched at a Parliamentary event in London during CF Week.

Being heard

The general public's awareness of cystic fibrosis is low, and we are determined to increase understanding, turn the volume up on the issues, and raise more funds for our work.

Rebrand

Throughout 2012 we worked on a project to rebrand the Trust, to help us re-evaluate what we stand for and how we talk about cystic fibrosis and our work. This project culminated in March 2013 with the official launch of the new brand, along with a new website, a new tone of voice and a clearly defined set of values and beliefs.

The new brand will help wider plans to raise more funds for research and clinical care, and help enhance our influence where it matters.

With our new website and brand we are able to communicate more directly with a wide range of audiences, helping them to find the information they need as efficiently as possible.

How we funded our activities, and the funds that we raised

Income

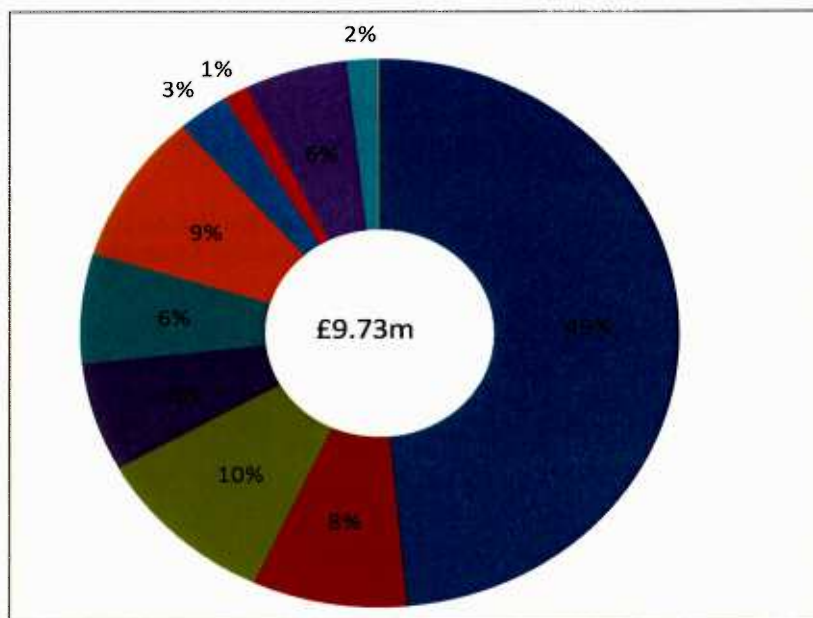
We are extremely grateful to our fundraisers and supporters across the UK without whom we would be unable to carry out our vital work.

Our income for the year was £9,726,000 a fall of 6.7% (2011/12: £10,429,000). Income from individuals, branches, groups and community showed the biggest decrease of £502,000, legacy income fell by £82,000 and individual donations fell by £320,000. The flagging of income reflects the uncertainty of the current economic climate. However, these decreases were in part mitigated by an increase in trading activities by £385,000. (See note 11 to the accounts).

93% of our total incoming resources arises from voluntary income. Income from community fundraising and branches and groups represents about 50% of this, reflecting the commitment and enthusiasm shown by our volunteers and supporters and underlining the importance of the branch and regional fundraising network to the work of the Cystic Fibrosis Trust.

CYSTIC FIBROSIS TRUST
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

Income this year £9.73m (2011/12: £10.43m)



Income

Branches, Groups & Community	£4,723,564
Legacies	£805,042
Individual donations	£971,030
Corporate	£623,931
Gift Aid	£629,496
Regular giving and appeals	£860,879
Trusts	£275,285
Department of Health	£126,110
Trading and merchandising	£539,000
Investment & interest income	£169,000
Other incoming resources: Fixed	£3,050

Total Voluntary income	<u>£9,726,387</u>
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Our annual CF Week is an opportunity for us to unite and focus the CF community in a week of fundraising and awareness. In 2012 over £270,000 was raised during CF Week (a 17% increase on 2011). This year's CF Week was held at the end of June 2013.

The Trust's 50th anniversary in 2014 will provide further opportunities to engage and enlarge our supporter base.

Companies are also vital to our work and our corporate team builds and nurtures relationships with businesses across the UK. We also receive funding from charitable trusts, major gifts from individual donors, and legacies, which enable us to better plan our work and fund world-leading research projects such as gene therapy and improving the availability of lungs for transplant.

CYSTIC FIBROSIS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

Fundraising for a genetic condition that affects a relatively small but growing number of people in the UK continues to be a challenge and requires a relatively large fundraising department. This is demonstrated by the range of sources of income (see note 2) and the large proportion of income that is generated by community fundraising and branches and groups. These fundraising areas require much organisation and nurturing.

Future income

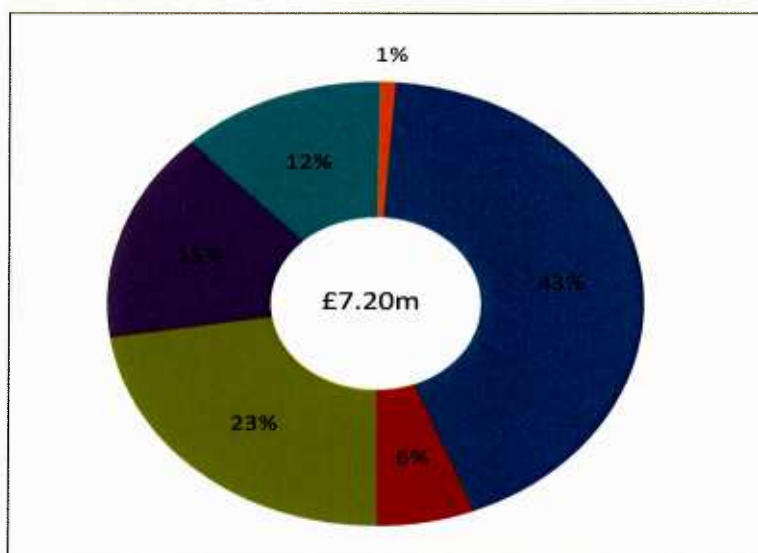
To achieve a more balanced income, we are developing plans to maximise our income from High Value Donors and corporate partners, with a particular focus on establishing partnerships with the pharmaceutical industry.

We are also launching a campaign to boost membership of the Sixty Five Roses Club, which is designed for private donors who give between £1,000 and £5,000 to the Trust each year.

Expenditure

The cost of generating the funds rose from £2.8m to £3.1m whereas overall expenditure in the year increased from £6m to £7.2m. The vast majority (£577,000) of this overall expenditure increase was made in charitable expenditure. These costs include the trading and merchandising operations. The core Governance costs for the year were £63,000 (£95,000 in 2011/12).

Total spend this year was £7.2m (2011/12: £6m)



Expenditure

Fundraising	£3,094,906
Trading-Merchandising	£421,000
Research	£1,627,724
Clinical care	£1,110,000
Information, advice & support	£884,320
Governance	£63,364
	<u>£7,201,314</u>

CYSTIC FIBROSIS TRUST
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

Investment policy

The Finance and Investment Committee sets the investment policy and sets objectives. These are monitored quarterly and reviewed on an annual basis.

Reserves

The Trustees have established a reserve policy to protect the organisation and its charitable activities by providing time to adjust to changing financial circumstances. Our policy is to hold unrestricted funds sufficient to cover six months operating expenditure.

The charity carries out a diverse range of activities, some of which comprise short-term while others comprise longer term projects requiring significant on-going financial commitment and investment.

The Trustees have examined the requirement for free reserves that is those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed.

The level of reserves after allowing for designated and restricted reserves – the “free reserves” – as at 31 March 2013 is £7,136,000 (2012: £9,393,000). However, these are being held against the deficit on the Gene Therapy restricted fund of £533,000 (2012: £6,031,000); thus there is a net surplus of freely available reserves as at 31 March 2013 of £6,603,000 (2012: £3,362,000). This is a positive position against the stated policy and reflects the preparation for a more expansive and longer term research and clinical care strategy that was launched in April 2013.

During the year £5,364,000 of the deficit restricted fund was offset against the general reserves and the remainder of the deficit as at 31 March 2013; £533,000 represents outstanding pledges for Gene Therapy that will be incoming over the next three years.

Corporate Governance

Legal structure

Cystic Fibrosis Trust ('the Trust') is a registered charity in England and Wales (charity number 1079049) and in Scotland (charity number SC040196) and is also a company incorporated in 1964 and limited by guarantee (no 3880213). The overall objects and powers of the Trust are set out in the Memorandum and Articles of Association.

The Board of Trustees ('the Board') has full legal responsibility for corporate governance and all operations of the Trust including determining the strategic direction for the Trust.

For the purposes of the Companies Act 2006, members of the Board are directors of the company and the Board is comprised of 13 Trustees with a range of skills.

Several committees such as the Finance and investment committee support the Senior Leadership Team (SLT) and the Board in reviewing progress during the year and making recommendations to the Board for consideration.

Recruitment, induction and training of Trustees

Trustees consider the relevant skill-set required to enable effective oversight and proper governance of the organisation. New Trustees are appointed on the basis of recommendation or through advertising in the national press.

Upon appointment to the Board, in order to help facilitate their understanding of the current issues concerning the organisation, each new Trustee is provided with specific tailored information: copies of board minutes; the most recent annual audited accounts, along with Finance & Investment Committee reports; the Trust's objectives and strategic plan; and a copy of Charity Commission's briefing document, 'The Essential Trustee'. Opportunities are also provided for the new Trustee to meet with the Chair and Chief Executive, as well as meeting staff working within their own area of specialism.

CYSTIC FIBROSIS TRUST
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

Senior Leadership Team

Members of the SLT are the Chief Executive and the Directors of Finance & Business Services, Marketing, Research, Communications & Policy, Clinical Care & Commissioning, along with the Head of HR.

The SLT reports to the Board both formally at the Board meetings and informally (as appropriate) throughout the year, thereby ensuring a regular flow of information to aid decision making.

Internal control

Systems of internal control embedded within the culture of the Trust and which are designed to provide reasonable assurance against material misstatement or loss include:

- Strategic and operational plans and annual budget
- Consideration of financial and non-financial results on a regular basis
- Identification and management of risks

Risk management

The Board have overall responsibility for ensuring that risk is managed in a constructive and considered manner and mitigated (where possible).

Principal risks identified during the financial year were:

- The continuing impact of the present economic climate on the Trust's ability to generate income streams to budgeted levels.
- Continued reliance on fundraising from branches and community groups which presently raised over 50% of voluntary income.

Grants issued in advance of funding being received.

These risks were mitigated by:

- Regular review of cash-flow forecasts and management accounts, ensuring that expenditure remained within budgeted levels, if possible achieving cost savings;
- The new marketing strategy, particularly with increased focus on building up revenue through direct marketing and utilising the website more effectively as a fundraising and information tool.
- Amendment to recognition of grant commitments. The full value of any grant that is approved is now recognised in the year of approval and the progress monitored.

The Trustees will continue to assess risk in a constructive manner to safeguard the efficacy of the Trust.

Public benefit

In reviewing our aims, objectives and planning future activities, the Trustees have taken into account the Charity Commission's general guidance on public benefit. The Trustees ensure that activities undertaken are always in line with the charitable objectives and aims of the Cystic Fibrosis Trust.

CYSTIC FIBROSIS TRUST
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Cystic Fibrosis Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Practice (United Kingdom Accounting Standards).

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 the group and of the incoming resources and application of resources, including the income and expenditure of the charitable group 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 in the Charities SORP
- make judgments 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; 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provision of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the trustees of the charitable company at the date of approval of this report is aware there is no relevant audit information (information needed by the charitable company's auditor in connection with preparing the audit report) of which the charitable company's auditor is unaware. Each trustee has taken all of the steps that he/she should have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

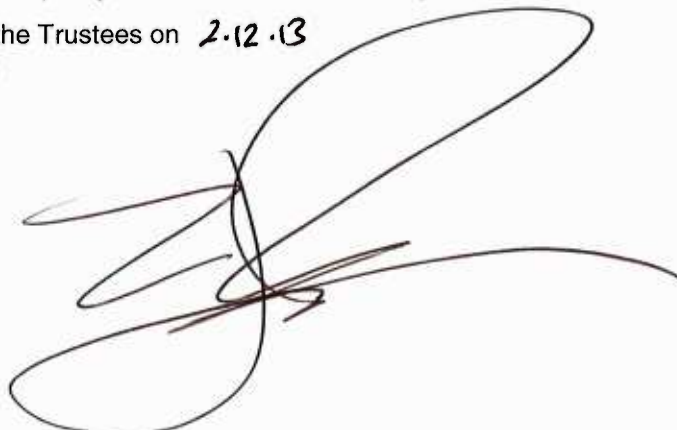
Auditors

Crowe Clark Whitehill LLP have expressed their willingness to continue as auditors for the next financial year.

Finally we would like to thank all patients, carers and supporters for their continuing support. And also the commitment and dedication of all staff that combine to enable the Cystic Fibrosis Trust to continue to improve the quality of life for those touched by CF.

This report was approved by the Trustees on **2.12.13**
and signed on their behalf by:

Mr George R Jenkins OBE
Chairman

A large, stylized handwritten signature in dark ink, consisting of several loops and a long horizontal stroke at the bottom.

Independent Auditor's Report to the Members and Trustees of Cystic Fibrosis Trust

We have audited the financial statements of Cystic Fibrosis Trust for the year ended 31 March 2013 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Cash Flow Statement and the related notes numbered 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 and to the charitable company's trustees, as a body, in accordance with section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005. 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 auditor's 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 the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2013 and of the group's incoming resources and application of resources, including its income and expenditure, for the year 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 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Independent Auditor's Report to the Members and Trustees of Cystic Fibrosis Trust

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 or the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate accounting records; or
- the parent charitable company 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.



Michael Hicks

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

St Bride's House

10 Salisbury Square

London EC4Y 8EH

Date

4.12.13

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CYSTIC FIBROSIS TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2013

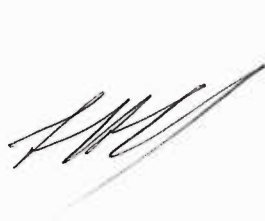
	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2013	As restated Total 2012
		£'000	£'000	£'000	£'000	£'000
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	2	8,247	768	-	9,015	10,120
Activities for generating funds						
Trading and merchandising	11	539	-	-	539	154
Investment & interest income		32	55	82	169	152
Other incoming resources:						
Fixed asset disposal gain		3	-	-	3	3
Total incoming resources		8,821	823	82	9,726	10,429
RESOURCES EXPENDED						
Cost of generating funds						
Costs of generating voluntary Income		3,095	-	-	3,095	2,799
Trading and merchandising	11	421	-	-	421	93
Costs of generating funds		3,516	-	-	3,516	2,892
Charitable activities						
Research		1,032	596	-	1,628	1,283
Clinical Care		607	503	-	1,110	1,064
Information, advice & support		884	-	-	884	666
Governance costs		63	-	-	63	95
Total resources expended	3	6,102	1,099	-	7,201	6,000
NET INCOMING RESOURCES		2,719	(276)	82	2,526	4,429
Transfers between funds	5	(5,321)	5,321	-	-	-
Realised investment gain		76	-	-	76	-
Net (Expenditure) Income for the year		(2,526)	5045	82	2,602	4,429
Unrealised investment gains/(losses)		368	-	-	368	(3)
NET MOVEMENT IN FUNDS		(2,158)	5045	82	2,970	4,426
Funds brought forward as previously stated		13,364	(5,056)	985	9,293	4,500
Prior Year Adjustment		(367)	-	-	(367)	-
Funds brought forward as restated		12,997	(5,056)	985	8,926	4,500
FUNDS CARRIED FORWARD	5	10,839	(11)	1,067	11,895	8,926

All of the operations are continuing. There were no recognised gains or losses other than those stated above.

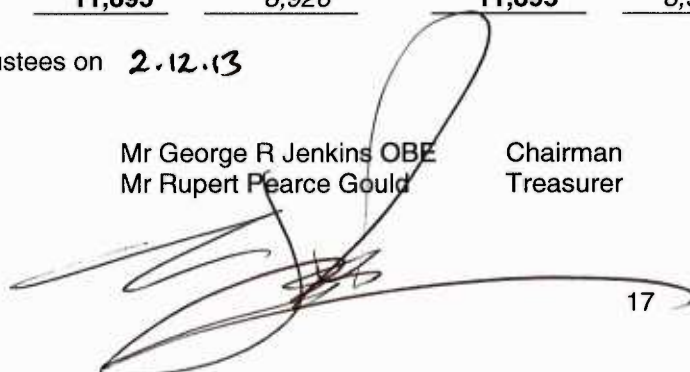
CYSTIC FIBROSIS TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2013

		Consolidated	<i>As restated</i>	Charity	<i>As restated</i>
	Notes	Total 2013 £'000	<i>Total 2012 £'000</i>	Total 2013 £'000	<i>Total 2012 £'000</i>
Company no. 3880213					
Fixed Assets					
Tangible assets	6	944	<i>845</i>	944	<i>845</i>
Investments	7	5,518	<i>4,962</i>	5,518	<i>4,962</i>
		<u>6,462</u>	<u><i>5,807</i></u>	<u>6,462</u>	<u><i>5,807</i></u>
Current assets					
Debtors	8	344	<i>536</i>	766	<i>616</i>
Cash held as short term investment		878	<i>848</i>	878	<i>848</i>
Cash at bank & in hand		7,574	<i>4,676</i>	7,108	<i>4,531</i>
		<u>8,796</u>	<u><i>6,060</i></u>	<u>8,752</u>	<u><i>5,995</i></u>
Creditors: amounts due within one year					
Grants payable		(1,901)	<i>(1,047)</i>	(1,901)	<i>(1,047)</i>
Creditors and accrued charges		(623)	<i>(1,527)</i>	(579)	<i>(1,462)</i>
		<u>(2,524)</u>	<u><i>(2,574)</i></u>	<u>(2,480)</u>	<u><i>(2,509)</i></u>
Net current asset		6,272	<i>3,486</i>	6,272	<i>3,486</i>
Creditors: amounts due after one year					
Grants payable		(839)	<i>(367)</i>	(839)	<i>(367)</i>
Net assets		<u>11,895</u>	<u><i>8,926</i></u>	<u>11,895</u>	<u><i>8,926</i></u>
Represented by:					
Designated Funds	5	3,703	<i>3,604</i>	3,703	<i>3,604</i>
General Reserves					
Unrestricted general funds	5	7,136	<i>9,393</i>	7,136	<i>9,393</i>
Restricted Reserves					
Deficit on restricted funds	5	(533)	<i>(6,031)</i>	(533)	<i>(6,031)</i>
Surplus on restricted funds		522	<i>975</i>	522	<i>975</i>
Endowment funds	5	1,067	<i>985</i>	1,067	<i>985</i>
		<u>11,895</u>	<u><i>8,926</i></u>	<u>11,895</u>	<u><i>8,926</i></u>

Approved and authorised for issue by the Trustees on **2.12.13**
and signed on their behalf by:

 } Trustees

Mr George R Jenkins OBE Chairman
Mr Rupert Pearce Gould Treasurer



CYSTIC FIBROSIS TRUST
CONSOLIDATED CASH FLOW STATEMENTS
AS AT 31 MARCH 2013

	2013	<i>2012</i>
	£'000	<i>£'000</i>
Net cash Inflow from operating activities (Note A)	3,107	<i>1,268</i>
Returns on investments and servicing of finance		
Investment income	169	<i>152</i>
Capital expenditure and financial investment		
Purchase of fixed assets	(239)	<i>(40)</i>
Purchase of investments	(112)	<i>(126)</i>
Proceeds of sales of fixed assets	3	<i>3</i>
	(348)	<i>(163)</i>
Management of liquid resources		
(Increase) in cash held as short term investments	(30)	<i>(9)</i>
Increase in cash (Note B)	2,898	<i>1,248</i>

NOTES TO CASHFLOW STATEMENT

**A. RECONCILIATION OF NET INCOMING RESOURCES
TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

	2013	<i>As restated 2012</i>
	£'000	<i>£'000</i>
Net incoming resources	2,525	<i>4,429</i>
Fixed Asset Disposal gain	(3)	<i>(3)</i>
Depreciation	141	<i>180</i>
Investment income	(169)	<i>(152)</i>
Decrease in debtors	192	<i>(172)</i>
Increase in creditors	422	<i>(3,014)</i>
	3,107	<i>1,268</i>

B. ANALYSIS OF CHANGES IN NET CASH RESOURCES DURING THE YEAR

Net cash resources at 1 April 2012	5,524	<i>4,267</i>
Net increase in cash at bank & in hand	2,898	<i>1,248</i>
(Decrease) in short term investments	30	<i>9</i>
Net cash resources at 31 March 2013 (being cash at bank & in hand and cash held as short term investments)	8,452	<i>5,524</i>

CYSTIC FIBROSIS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

1. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements are prepared under the historical cost convention as modified by the revaluation of investments and in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in March 2005 and the Companies Act 2006.

At 31st March the charity had a surplus on funds of £11,895,000. Having reviewed the expected cash flows over the next twelve months the trustees are satisfied that sufficient reserves will be available for the charity to meet all its commitments as they fall due. Further details of the charity's reserves policy can be found in the Trustees' Report.

b) Consolidation

The financial statements include the results and assets and liabilities of the charity and its wholly owned subsidiary and are consolidated on a line by line basis. Both entities draw up their financial statements to 31 March each year. The parent charity has claimed exemption from presenting its own statement of financial activities under section 408 of Companies Act 2006.

c) Fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and are depreciated by equal annual instalments over their estimated useful lives. The current estimated rates of depreciation are:

Computer equipment	33 $\frac{1}{3}$ %
Furniture and fittings	25%
Cars	20%
Website	33 $\frac{1}{3}$ %
Freehold buildings	2%

Freehold land is not depreciated.

d) Income

Income from voluntary fundraising branches and groups is taken to the Statement of Financial Activities on the basis of the accounting returns received. Donations, legacies and other income are brought into the statement of financial activities on an accruals basis, when the Trust knows with certainty that the income will be received. All income arises from continuing activities.

e) Resources expended

All expenditure is accounted for on an accruals basis and includes irrecoverable VAT where applicable.

Expenditure is allocated to relevant activity categories on a basis that is consistent with the use of the resource.

- Costs of generating funds includes all costs relating to activities where the primary aim is to raise funds, along with an apportionment of support costs.
- Charitable activities includes all costs relating to activities where the primary aim is part of the objects of the charity, along with an apportionment of support costs.

CYSTIC FIBROSIS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

e) *Resources expended (continued)*

- Governance costs includes the cost of trustee expenses, audit fees, and an apportionment of support costs.

Support costs, which include general management, payroll administration, budgeting and accounting, information technology, and human resources, are apportioned based on the estimated amount of time spent by the support area on each activity category.

f) *Investments*

Investments are included in the balance sheet at market value at the balance sheet date and the surplus or deficit on revaluation is shown as unrealised gains or losses on the face of the Statement of Financial Activities.

Realised gains and losses represent the difference between the sale proceeds and the opening market value of an investment or cost if purchased during the year.

Liquid resources are regarded as cash deposits held overnight or at very short call (normally seven days).

g) *Grants*

Grants payable within one year are included in the statement of financial activities when approved and when all conditions relating to the grant have been fulfilled. Having reviewed the basis on which grants are made, grants payable after one year, which have been approved, are now accrued and included in the statement of financial activities.

Grant commitments of £367,413 as at March 2012 have now been charged to the SOFA and treated as a prior year adjustment resulting in funds brought forward being restated from £9,293,000 to £8,926,000

h) *Foreign Currency Transactions*

Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All exchange differences are taken to the Statement of Financial Activities.

i) *Pension scheme*

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity. Charges to the Statement of Financial Activities in the period are on an accruals basis.

j) *Taxation*

No charge to taxation arises on the result for the year because the company is able to take advantage of the tax exemptions available to charities.

k) *Funds*

Unrestricted funds are those which the Trustees are free to use for any purpose in furtherance of the charitable objects.

Designated funds are set aside out of unrestricted funds by the Trustees, for particular purposes.

Restricted Funds are monies, which have legal restrictions on their use where donors have specified the funds can only be spent on certain of the charity's activities.

Endowed Funds are funds where the trustees are required to hold capital, as represented by the investments, and are not entitled to spend it. Income arising from these funds is either restricted income or unrestricted income depending upon the details included with the original gift.

CYSTIC FIBROSIS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

2. VOLUNTARY INCOME

	Unrestricted Funds	Restricted Funds		Total 2013	<i>Total 2012</i>
	£'000	Gene Therapy Research £'000	Other Restricted Funds £'000	£'000	£'000
Branches, Groups & Community	4,558	110	56	4,724	5,226
Legacies	805			805	887
Individual donations	792	151	28	971	1,291
Corporate	342	84	198	624	504
Gift Aid	629	-	-	629	651
Regular giving and appeals	838	21	2	861	878
Trusts	157	118	-	275	508
Department of Health	126	-	-	126	124
NHS National Services Scotland	-	-	-	-	51
Total Voluntary Income	<u>8,247</u>	<u>484</u>	<u>284</u>	<u>9,015</u>	<u>10,120</u>

3. RESOURCES EXPENDED

	Grants from restricted income £'000	Grants Other £'000	Direct Costs £'000	Support Costs £'000	Total 2013 £'000	<i>Total 2012 £'000</i>
Costs of generating funds						
Fundraising/Marketing	-	-	2,341	754	3,095	2,799
Trading & Merchandising	-	-	421	-	421	93
Charitable activities						
Research	596	7	768	257	1,628	1,283
Clinical Care	503	214	177	216	1,110	1,064
Information, advice & support	-	167	491	226	884	666
Governance	-		25	38	63	95
	<u>1,099</u>	<u>388</u>	<u>4,223</u>	<u>1,491</u>	<u>7,201</u>	<u>6,000</u>

Analysis of allocated Support Costs	Management £'000	Finance £'000	IT Support £'000	HR & OD £'000	HQ & Facilities £'000	Total 2013 £'000
Fundraising	36	153	160	120	285	754
Research	118	31	79	4	25	257
Clinical Care	35	31	79	14	57	216
Information, advice & support	24	25	79	24	74	226
Governance	24	13	-	-	1	38
	<u>237</u>	<u>253</u>	<u>397</u>	<u>162</u>	<u>442</u>	<u>1,491</u>

Costs are allocated on the basis of time spent on the activity by full time staff.

CYSTIC FIBROSIS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

3. RESOURCES EXPENDED (CONTINUED)

Analysis of Governance Costs

	2013 £'000	<i>2012</i> <i>£'000</i>
External audit fee	16	16
Trustees' travel expenses	4	4
Managing strategy & compliance	43	75
Total Governance costs	63	95

4. STAFF COSTS

Staff costs comprise the following:

	2013 £'000	<i>2012</i> <i>£'000</i>
Salaries	2,317	1,960
Social security costs	243	209
Other pension costs	71	65
	2,631	2,234

Analysis of average staff numbers by category:

	2013 No.	<i>2012</i> <i>No.</i>
Fundraising	37	28
Research	2	2
Clinical Care	5	8
Information, advice & support	14	6
Management	3	2
Finance	4	3
IT support	1	2
HR & OD	1	
HQ & Facilities	3	9
Average number of employees during the year	70	60

The number of employees whose pay exceeded £60,000 in the year was:

	2013 No.	<i>2012</i> <i>No.</i>
£60,001 - £70,000	3	2
£80,001 - £90,000	1	-
£90,001 - £100,000	-	1

Pension contributions to defined contribution pension schemes for these employees totalled £13,802 (2012 - £19,192).

No remuneration was paid to the trustees. The charity paid £1,517 towards the cost of flights and accommodation for the Chair to attend an international conference. Travel expenses of £879 (2012 - £3,448) were settled for three trustees (2012 - 3).

CYSTIC FIBROSIS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

5. FUNDS

	As <i>restated</i> <i>Balance</i> <i>April 1</i> <i>2012</i> <i>£'000</i>	Fixed Asset Investment gains and income <i>£'000</i>	Income <i>£'000</i>	Expenditure <i>£'000</i>	Transfers <i>£'000</i>	Balance March 31 2013 <i>£'000</i>
Designated funds:						
Fixed Asset Fund	845	-	-	-	99	944
Development & strategic reserve	2,759	-	-	-	-	2,759
Total Designated Funds	3,604	-	-	-	99	3,703
General Reserves:						
Unrestricted Funds						
Unrestricted General Fund	9,393	476	8,789	(6,064)	(5,458)	7,136
Restricted Funds						
With a deficit						
Gene Therapy Research <i>For gene therapy research</i>	(6,031)	-	484	(349)	5,363	(533)
Free Reserves	3,362	476	9,273	(6,413)	(94)	6,603
Total Unrestricted Funds	6,966	476	9,273	(6,413)	4	10,306
Restricted funds:						
Department of Health <i>for information for parents</i>	7	-	-	-	-	7
Ena Bennie Memorial fund <i>to fund the Gene Therapy Research</i>	64	33	-	(33)	(64)	-
EW Joseph fund <i>for community home care support</i>	136	11	-	(6)	-	141
Joseph Levy Memorial fund <i>for education</i>	39	9	47	(65)	-	30
Transplant research <i>Transplant Donor</i>	376	-	150	(22)	(504)	-
<i>co-ordinator</i>	60	-	-	-	-	60
Diabetes & CF lung research	18	-	-	-	-	18
Kings College CF Unit appeal	128	-	30	(432)	274	-
Waterloo Foundation <i>for dietician at the Children's Hospital for Wales, Cardiff</i>	30	-	-	-	-	30
Various sundry Restricted funds	117	2	57	(230)	290	236
Total Other Restricted funds	975	55	284	(788)	(4)	522
Endowment funds:						
Ena Bennie Memorial fund <i>To fund the Gene Therapy Consortium</i>	495	44	-	-	-	539
EW Joseph fund <i>For community home care support</i>	189	3	-	-	-	192
Joseph Levy Memorial fund <i>For education</i>	258	25	-	-	-	283
Other Endowment funds	43	10	-	-	-	53
Total Endowment funds	985	82	-	-	-	1,067
TOTAL FUNDS	8,926	613	9,557	(7,201)	-	11,895

CYSTIC FIBROSIS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

5. FUNDS (CONTINUED)

The Fixed asset fund comprises the net book value of the charity's tangible fixed assets, the existence of which is fundamental to the charity being able to perform its charitable work and thereby achieve its charitable objectives. The value represented by such assets should not, therefore, be regarded as realisable.

During the year transfers between funds were made as follows:

- a) £99,000 from the general funds to designated fixed asset fund to reflect the higher book value of fixed assets at the end of the year.
- b) £5,321,000 from general funds to restricted funds of which (i) £5,363,000 for Gene Therapy leaving a deficit balance of £533,000 which represents outstanding pledges which are expected to be received over the next three years and (ii) £564,000 to other restricted funds to cover deficits.
- c) £Nil transfers were made during the year to the designated development and strategic reserve fund. The development and strategic reserve is to provide the Trust with the ability to offer commitment to and recognise future estimated costs for long term projects and work flow. This is reviewed on an annual basis and reflects changes in future estimated costs.

Analysis of funds	Unrestricted Funds	Endowment funds	Gene Therapy Restricted Funds	Other restricted funds	Total 2013
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	944	-	-	-	944
Investments	3,994	1,067	-	457	5,518
Current assets	8,731	-	-	65	8,796
Internal obligations	533	-	(533)	-	-
Current liabilities	(3,363)	-	-	-	(3,363)
	<u>10,839</u>	<u>1,067</u>	<u>(533)</u>	<u>522</u>	<u>11,895</u>

CYSTIC FIBROSIS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

6. TANGIBLE ASSETS

Group and Charity

	Freehold property £'000	Furniture & fittings £'000	Computer Equipment £'000	Cars £'000	Website £'000	Total £'000
Cost						
At 1 April 2012	948	189	712	248	-	2,097
Additions	-	-	144	-	95	239
Disposals	-	-	-	(13)	-	(13)
At 31 March 2013	948	189	856	235	95	2,323
Depreciation						
At 1 April 2012	246	183	646	176	-	1,251
Disposals	-	-	-	(13)	-	(13)
Charge for the year	17	6	73	33	12	141
At 31 March 2013	263	189	719	196	12	1,379
Net book value at 31 March 2013	685	-	137	39	83	944
Net book value at 31 March 2012	702	6	65	72	-	845

7. INVESTMENTS

Group and Charity

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000	<i>Total 2012 £'000</i>
Market Value as at 1 April 2012	3,574	1,388	4,962	<i>4,839</i>
Dividends/interest held in portfolio	81	31	112	<i>126</i>
Realised and unrealised investment gains/(losses) in the year	323	121	444	<i>(3)</i>
Market Value as at 31 March 2013	3,978	1,540	5,518	<i>4,962</i>
Represented by:				
Investments held in Unit Trusts				
Equities	1,599	587	2,186	<i>1,810</i>
Fixed interest	1,106	512	1,618	<i>1,549</i>
Cash held as part of portfolio	1,273	441	1,714	<i>1,603</i>
	3,978	1,540	5,518	<i>4,962</i>
Investments held in Unit Trusts:				
Historical cost as at 31 March 2013	1,943	892	2,835	<i>2,835</i>
Unrealised gains at 31 March 2013	762	207	969	<i>524</i>

Under the terms of the trust deed there are no restrictions on the trustees' powers of investment.

CYSTIC FIBROSIS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

8. DEBTORS

	Group 2013 £'000	<i>Group 2012 £'000</i>	Charity 2013 £'000	<i>Charity 2012 £'000</i>
Trade debtors	47	35	-	-
Amount due from subsidiary undertaking	-	-	469	115
Prepayments and accrued income	297	501	297	501
	344	<i>536</i>	766	<i>616</i>

9. GRANTS PAYABLE

	2013 £'000	<i>2012 as restated £'000</i>
Grant creditor at 1 April 2012	2,531	2,402
Grants paid during the year (note 14)	(1,482)	(979)
Grants approved before 31 March 2013 awarded but withdrawn	(204)	(19)
Grants for welfare approved and payable within the year	167	
Grants approved in prior years and underprovided	12	75
Grants approved before 31 March 2013 and payable within one year	978	685
Grants approved before 31 March 2013 and payable after one year	738	367
	2,740	<i>2,531</i>
Grant creditor at 31 March 2013		
Represented by		
Grants awaiting claim at 31 March 2013	720	612
Grants due within one year at 31 March 2013	1,181	1,552
Grants due more than one year at 31 March 2013	839	367
	2,740	<i>2,531</i>

10. CREDITORS

	Group 2013 £'000	<i>Group 2012 £'000</i>	Charity 2013 £'000	<i>Charity 2012 £'000</i>
Trade creditors	282	490	260	435
Other creditors	179	972	177	969
Accruals and deferred income	162	64	143	58
	623	<i>1,526</i>	580	<i>1,462</i>

CYSTIC FIBROSIS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

11. INTEREST IN SUBSIDIARY

Cystic Fibrosis Services Limited is a wholly owned subsidiary of the charity, incorporated in England, and inter alia provides support to the Cystic Fibrosis Trust including medical services, information and data system support and merchandising of marketing materials.

The profit and loss account of Cystic Fibrosis Services Limited for the year ended 31 March can be summarised as follows:

	Total 2013 £'000	<i>Total 2012 £'000</i>
Sales and sundry income	539	154
Cost of sales and administration	(421)	(93)
Intercompany interest	(2)	
	<hr/>	
Net profit received by the charity	116	61

At 31 March 2013 Cystic Fibrosis Services Limited had net assets of £2 (2012 - £2).

The charity owns the whole of the issued ordinary share capital of Cystic Fibrosis Services Limited, which comprises 100 ordinary shares of £1 each. 2 shares have been allotted, which are called up and fully paid.

12. GRANT COMMITMENTS

At the balance sheet date, the charity had commitments in respect of grants approved which have been accrued in these financial statements. This treatment represents a change of policy and as such grant liabilities for last year have been restated.

	2013 £'000	<i>2012 as restated £'000</i>
Payable between two and five years	<hr/>	<hr/>

13. RELATED PARTY TRANSACTIONS

The group has taken advantage of the exception which is conferred by Financial Reporting Standard No. 8 'Related Party Disclosures' that allows it not to disclose transactions with group undertakings that are eliminated on consolidation.

The Trust has made three grants in prior years which remain active in the current year and in which Professor Stuart Elborn is either an applicant or co-applicant. These grants vary in period between 12 and 36 months. The original sum of the grants made in which Professor Elborn has an interest was £303,281. Professor Elborn was not involved in the selection process of the successful grants by the Trustees where he was either an applicant or co-applicant.

Any other transactions between the Trust and its trustees are disclosed in note 4.

CYSTIC FIBROSIS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

14. GRANTS PAID DURING THE YEAR

		As <i>restated</i>
	Total 2013	Total 2012
Research grants paid - funds:	£'000	£'000
University of Edinburgh	426,754	
Oxford University	230,488	
Imperial College	363,666	
	1,020,908	363,891
Newcastle University	35,799	108,213
Total Research grants paid – Restricted funds	1,056,707	472,104
Research grants paid - General funds		
<i>Controlling infection</i>		
Queen's University, Belfast	22,149	1,098
<i>Understanding and controlling inflammation</i>		
Queen's University, Belfast	-	28,633
<i>Lung imaging with physiological assessment</i>		
University of Sheffield	21,152	-
<i>Understanding and correcting the CF protein (CFTR)</i>		
University of Cambridge	524	584
<i>New Born Screening and lung function detection</i>		
University College London	65,230	38,452
<i>Microbiology – therapeutic targets to combat bacterial infection</i>		
Cardiff University	18,986	26,921
Bristol University	20,472	-
<i>Correcting sodium channel dysfunction</i>		
Queen's University, Belfast	-	50,000
<i>Clinical & other studies</i>		
Leeds Teaching Hospitals NHS Trust	-	9,477
Total Research grants paid – General funds	148,513	155,165
Development and other grants paid		
Harefield Hospital	-	12,895
Papworth Hospital	24,909	26,634
Northern General Hospital, Sheffield	-	50,000
St James' University Hospital	32,964	24,047
Cardiff University	-	30,000
Royal Victoria Infirmary, Newcastle	24,970	32,374
Total Development and other grants paid	82,843	175,950

CYSTIC FIBROSIS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

14. GRANTS PAID DURING THE YEAR (CONTINUED)

	Total 2013 £'000	<i>As restated Total 2012 £'000</i>
Training grants paid		
Southampton General Hospital	-	(18,996)
Exeter University	3,049	13,297
Manchester University	23,508	15,701
Total Training grants paid	26,557	10,002
Grants paid (note 9)	1,314,620	813,221
Grants to individuals	166,911	184,521
Total Grants Paid	1,481,531	997,742

CYSTIC FIBROSIS SERVICES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

**CYSTIC FIBROSIS SERVICES LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

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CYSTIC FIBROSIS SERVICES LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

FINANCIAL STATEMENTS

The directors present their report and financial statements for the year ended 31 March 2013. The directors' report has been prepared taking advantage of the exemptions available to small companies under the Companies Act 2006. The company is registered in England and Wales under number 00900164

PRINCIPAL ACTIVITY

The principal activities of the company during the year were:

- Study report services to the pharmaceutical industry.
- Commission on sale of charity Christmas cards and other merchandise

Under the deeds of covenant dated 5 February 1968 and 30 October 1980, the surplus of income over expenditure, if any, is donated to the Cystic Fibrosis Trust.

DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. The directors have each taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

DIRECTORS

The directors of the company and those who served during the year are

T Clark
J Osmond
R Pearce Gould FCA
E P Owen (appointed 11 May 2012)
M Reed (resigned 11 May 2012)
P J Smith (resigned Feb 2013)

**CYSTIC FIBROSIS SERVICES LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

AUDITORS

Crowe Clark Whitehill have expressed their willingness to continue as auditors for the next financial year.

By order of the board

A handwritten signature in dark ink, appearing to read 'E. Owen', followed by a long horizontal flourish.

Ed Owen
CEO

11 London Road
Bromley
Kent BR1 1BY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CYSTIC FIBROSIS SERVICES LIMITED

We have audited the financial statements of Cystic Fibrosis Services Limited for the year ended 31 March 2013 which are set out pages 5 to 8.

The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the 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 company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CYSTIC FIBROSIS SERVICES LIMITED (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.

Michael Hicks
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
London

CYSTIC FIBROSIS SERVICES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2013

	Notes	2013 £	2012 £
TURNOVER	2	538,832	153,431
Cost of sales		<u>(314,811)</u>	<u>(48,903)</u>
GROSS PROFIT		224,021	104,528
Distribution costs		(98,004)	(33,832)
Administrative expenses		<u>(8,625)</u>	<u>(6,900)</u>
OPERATING PROFIT	3	117,392	63,796
Interest payable		<u>(2,245)</u>	<u>(2,112)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE DEED OF COVENANT		115,147	61,684
Payment under deed of covenant		<u>(115,147)</u>	<u>(61,684)</u>
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX		-	-
Taxation	4	<u>-</u>	<u>-</u>
RETAINED RESULT FOR THE YEAR	7	<u>-</u>	<u>-</u>

The company has no recognised gains or losses in either period other than as shown above.


The notes on pages 7 and 8 form part of these financial statements.

CYSTIC FIBROSIS SERVICES LIMITED
BALANCE SHEET
AS AT 31 MARCH 2013

	Notes	2013 £	2012 £
CURRENT ASSETS			
Debtors	5	47,394	34,984
Cash at bank		465,528	144,936
		512,922	179,920
CREDITORS: amounts falling due within one year	6	(512,920)	(179,918)
NET CURRENT ASSETS		2	2
NET ASSETS		2	2
CAPITAL AND RESERVES			
Called up share capital	7	2	2
Profit and loss account	7	-	-
Shareholders' funds		2	2

The financial statements have been prepared in accordance with the provisions of the small companies regime within Part 15 of the Companies Act 2006 and the Financial reporting Standard for Smaller Entities (effective April 2008).

Approved and authorised for issue by the Board on



} Director



The notes on pages 7 and 8 form part of these financial statements.

CYSTIC FIBROSIS SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with:

- i. the Financial Reporting Standard for Smaller Entities (effective April 2008);
- ii. the provisions of the small companies regime within Part 15 of the Companies Act 2006.

The Directors consider it appropriate for these financial statements to be prepared on a going concern basis, which assumes that the Company will continue to operate.

As a wholly owned subsidiary of Cystic Fibrosis Trust, the directors have decided to take advantage of the exemption available under "FRS1 (Revised) Cash Flow Statements" not to produce a cash flow statement.

2. TURNOVER

	2013 £	2012 £
Commission on Sale of Christmas cards and merchandise	147,552	153,431
Pharmacovigilance services	391,280	-
	<u>538,832</u>	<u>153,431</u>

Turnover comprises the sale of Christmas cards and similar items within the United Kingdom.

3. OPERATING PROFIT

	2013 £	2012 £
This is stated after charging:		
Auditors' remuneration	3,800	4,800
Directors' remuneration	-	-
	<u>-</u>	<u>-</u>

4. TAXATION

The company has not incurred a corporation tax charge in the year due to its policy of paying all taxable profits to its parent undertaking.

5. DEBTORS

	2012 £	2012 £
Trade debtors	47,394	34,984
	<u>47,394</u>	<u>34,984</u>

CYSTIC FIBROSIS SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	<i>2012</i>
	£	£
Trade creditors	22,122	<i>55,535</i>
Amount owed to parent undertaking	469,145	<i>115,071</i>
Other creditors	21,653	<i>9,312</i>
	<u>512,920</u>	<i><u>179,918</u></i>

7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

As there is no profit or loss for each year and no change in share capital, shareholders funds for the two years ended 31 March 2012 are unchanged.

The authorised share capital at the beginning and end of the year consisted of 100 ordinary shares of £1 each. 2 shares have been allotted, which are called up and fully paid.

8. RELATED PARTY TRANSACTIONS

The group has taken advantage of the exception which is conferred by Financial Reporting Standard No. 8 'Related Party Disclosures' that allows it not to disclose transactions with group undertakings that are eliminated on consolidation.

9. ULTIMATE PARENT UNDERTAKING

At 31 March 2013 the ultimate parent undertaking was the charity incorporated as Cystic Fibrosis Trust, Registered Charity number 1079049 in England & Wales and SCO40196 in Scotland. Cystic Fibrosis Trust is registered as a company in England and Wales, Number 3880213. Consolidated financial statements are prepared and can be downloaded from the charity's website, www.cftrust.org.uk, or on request from the Company Secretary, Cystic Fibrosis Trust, 11 London Road, Bromley, Kent, BR1 1BY.