

The Lee Smith Foundation Limited
(a company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

For the period ended 30 June 2007



Charity Registration No 1112905
Company No 05668473

The Lee Smith Foundation Limited
(a company limited by guarantee)
DIRECTORS, OFFICERS AND ADVISERS

DIRECTORS

JA Smith
HP Ingram
S Bourne

The directors are also trustees of the charitable company

COMPANY SECRETARY

K Rauch

COMPANY NUMBER

05668473 (England and Wales)

CHARITY REGISTRATION NUMBER

1112905

REGISTERED OFFICE

87 Wembley Hill Road
Wembley
Middlesex HA9 8BU

BANKERS

Allied Irish Bank (GB)
City Office
9/10 Angel Court
London
EC2R 7AB

ACCOUNTANTS

Baker Tilly Tax and Advisory Services LLP
Lancaster House
7 Elmfield Road
Bromley
Kent BR1 1LT

The Lee Smith Foundation Limited

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TRUSTEES' REPORT

OBJECTIVES AND ORGANISATION

The Lee Smith Foundation Limited "the Foundation" is a charitable company limited by guarantee, incorporated on 6 January 2006 and registered as a charity. On 1 July 2006 the company took over the assets and liabilities of The Lee Smith Research Foundation, a charity registered with the Charity Commission under registration number 285028. Since that time it has taken over the activities of that organisation.

The charity's objectives are -

- the supply, support and promotion of care and medical research for the benefit of sick and disabled persons
- to cure, treat and prevent cancer and associated conditions and other debilitating diseases and disabilities
- the procurement and provision of, or assisting in the procurement and provision of, medical equipment, facilities or services for the benefit of sick and disabled persons in particular, but without prejudice to the generality of the foregoing, those suffering from cancer and associated conditions
- to join with, collaborate with, or support other charitable bodies engaged in similar activities, provided that all useful results of such research are published

Trustees are appointed by the existing trustees. The trustees named on page 1 served throughout the period. The directors of the company are also charity trustees for the purposes of charity law.

RESERVES POLICY

The trustees have examined the level of reserves required to enable them to fund future research projects, and to also maintain a minimum level of reserves to enable the charity to continue to meet the working capital requirements of the Foundation. The current level of reserves is not yet at that level, and fundraising activities are planned to achieve this. The unrestricted and restricted funds stood at £106,445 and £1,000 respectively at 30 June 2007.

The Foundation's day to day activities are administered by its trustees and the secretary. Its trustees are responsible for the consideration and authorisation of the charitable donations made.

REVIEW OF ACTIVITIES

The Foundation made donations of £24,983 in the period from 1 July 2006 to 30 June 2007. It is the usual policy of the trustees to make awards from the accumulated unrestricted fund only. Over the next year, the trustees plan to aid and fund ongoing medical research projects and life saving medical treatments.

Following the success of the Foundation's Gene Therapy Project, the trustees have increased their efforts in seeking to raise funds with the aim that it will then provide grants to enable the continuation and further research into saving lives, with specific emphasis on funding research into a breast cancer vaccine and prostate cancer vaccine. The Foundation is also procuring life-saving treatments for Cowdens Syndrome patients and have contributed to a project to help stammerers who could not communicate.

REVIEW OF TRANSACTIONS AND FINANCIAL POSITION

The Statement of Financial Activities on page 5 shows the result for the period. After taking account of expenditure on charitable activities amounting to £50,430 there was an excess of incoming resources over expended resources of £107,445.

The balance sheet on page 6 shows the financial position of the Foundation as at 30 June 2007.

Net assets amounted to £107,445 which are represented by the accumulated balances on both the expendable endowment and unrestricted income funds. The net assets of expendable endowment fund and the unrestricted

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TRUSTEES' REPORT

income fund are held in order to meet the ongoing overheads and administrative expenses, if any, and also to be applied towards the Foundation's charitable objectives

The Foundation has made commitments to fund a Breast Cancer Vaccine and a Gene Therapy Treatment for Cancer, Leukaemia and Immunodeficiency Diseases by funding two Lee Smith Foundation Doctors/Scientists and Medical Equipment

The Foundation has committed £85,000 to fund a doctor/scientist to work on a prostate cancer vaccine over three years, as well as helping to get life-saving treatment for Cowdens Syndrome patients and to help stammerers who could not communicate

RESPONSIBILITIES OF THE TRUSTEES

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

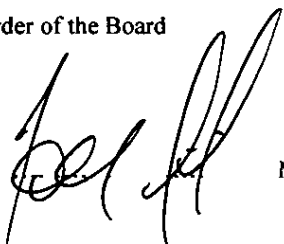
Company law requires the trustees to prepare financial statements for each financial period. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).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

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the Board



Mr J A Smith

Approved and authorised for issue by the trustees on 9 October 2007

The Lee Smith Foundation Limited

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CHAIRMAN'S REPORT

This has been another great year for our Charity

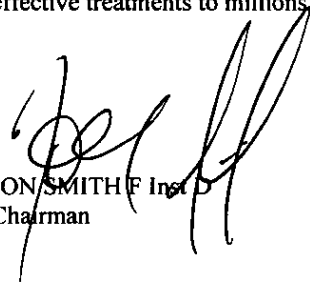
Following the successful Leukaemia Gene Therapy work by Lee Smith Foundation Scientist – Dr Taylor Mackay at Great Ormond Street Hospital, we are now working on a series of Cancer Vaccines. Our Scientist – Dr Xu Song Wen has produced a natural, flavinoid compound **Breast Cancer Vaccine** that does not produce the toxic side effects associated with chemotherapy. Song will teach that technique to PhD students at Middlesex University.

Our new **Prostate Cancer Vaccine** (Control of Prostate Cancer by inhibiting hormonal responses) is costing £85,000 over 3 years for our Scientist and medical equipment. We are helping to get life-saving treatment for a Cowdens Syndrome patient and also contributed towards a project to help stammerers who could not previously communicate.

We need more funds to work on our new **Colon Cancer Vaccine**. Colon Cancer is the second biggest cancer killer. Our groundbreaking treatment uses nanotechnology to accurately kill cancer, leaving healthy cells intact. This eliminates the need for invasive surgery. We need £218,000 for this life-changing 3-year project, starting in 2008 at **The Lee Smith Foundation Molecular Biology Laboratory** at the new Diagnostic/Cancer Centre at Middlesex University. Our new Scientist will work with the 'Father of Immunology', Emeritus Prof Ivan Roitt, Prof Iles and University College London.

Throughout the year we hold a variety of sponsored events and we rely on the generous support of trusts, companies and individuals who make our life-saving work a reality.

I would like to take this opportunity to thank everybody who supports us so generously in assisting us to provide effective treatments to millions of people suffering from these traumatic diseases.



JON SMITH F Inst D
Chairman

The Lee Smith Foundation Limited

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STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account) for the period ended 30 June 2007

	Notes	Unrestricted Fund £	Expendable Endowment Fund £	Total Funds 2007 £
INCOMING RESOURCES				
Incoming resources from generated funds				
Voluntary income				
Donations		99,498	-	99,498
Activities for generating funds				
Investment income – bank interest receivable		4,014	-	4,014
Fundraising		4,084	-	4,084
Other income				
Other		250	-	250
Transfer of funds from The Lee Smith Research Foundation		55,897	1,000	56,897
TOTAL INCOMING RESOURCES		163,743	1,000	164,743
RESOURCES EXPENDED				
Charitable activities	1	50,430	-	50,430
Costs of generating funds.				
Fundraising and publicity	1	4,328	-	4,328
Governance	1	2,540	-	2,540
TOTAL RESOURCES EXPENDED		57,298	-	57,298
NET MOVEMENT IN FUNDS		106,445	1,000	107,445
Total funds at 30 June 2007		106,445	1,000	£107,445

The Statement of Financial Activities includes all gains and losses in the period. All incoming resources and resources expended derive from continuing activities.

The Lee Smith Foundation Limited

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BALANCE SHEET

30 June 2007

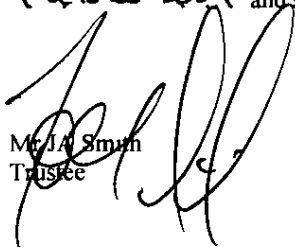
		2007 £
CURRENT ASSETS		
Cash at bank		109,642
CREDITORS Amounts falling due within one year		
Taxation and social security	5	(2,197)
		<u>£107,445</u>
Represented by		
Capital Fund – Expendable Endowment Fund	7	1,000
Income Fund – Unrestricted	7	106,445
TOTAL FUNDS		<u>£107,445</u>

For the period ended 30 June 2007 the company was entitled to the exemption from the requirement to have an audit under the provisions of S249A(1), Companies Act 1985. No notice has been deposited with the company under S249B(2) of that Act requiring an audit to be carried out. The trustees acknowledge their responsibility for

- a ensuring the company keeps accounting records in accordance with S221, Companies Act 1985, and
- b preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of its financial period and of its result for the period then ended in accordance with the requirements of s226, Companies Act 1985, and which otherwise comply with the requirements of the Act so far as they are applicable to the company

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The financial statements on pages 6 to 9 were approved by the Trustees and authorised for issue on 9 October 2007 and signed on their behalf by


Mr J. A. Smith
Trustee

The Lee Smith Foundation Limited

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ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and Statement of Recommended Practice Accounting and Reporting by Charities issued in March 2005

INCOMING RESOURCES

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

Donations are accounted for when received

Investment income is included when receivable

RESOURCES EXPENDED

Resources expended are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. Resources expended include attributable VAT which cannot be recovered

Charitable activities comprise those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Costs of generating funds comprise the costs associated with attracting fundraising income including an allocation of support costs based on the percentage of income generated

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and costs linked to the strategic management of the charity

The Lee Smith Foundation Limited
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NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 June 2007

1 RESOURCES EXPENDED

	Direct charitable expenditure £	Fundraising and publicity £	Governance £	Total £
Donations	24,983	-	-	24,983
Publications	-	1,150	-	1,150
Event costs	-	2,119	-	2,119
Wages and salaries	24,795	1,033	-	25,828
Telephone	201	8	-	209
Bank charges	27	1	-	28
Legal fees	406	17	-	423
Accountancy	-	-	2,500	2,500
Sundry	18	-	40	58
	<u>50,430</u>	<u>4,328</u>	<u>2,540</u>	<u>£57,298</u>

2 TRUSTEES' EXPENSES

The trustees received no remuneration and were not reimbursed for any of their expenses in the period

3 STAFF COSTS

2007
£

The average number of full time equivalent employees during the period was 1

Wages and salaries	22,500
Social security costs	3,328
	<u>£25,828</u>

4 TAXATION

The Lee Smith Foundation Limited (a company limited by guarantee) is a registered charity and, as such, its income and gains falling within Section 505 of Income and Corporation Taxes Act 1988 or Section 256 of Taxation of Chargeable Gains Act 1992 are exempt from tax to the extent that they are applied to its charitable activities

5 CREDITORS Amounts falling due within one year

2007
£

Taxation and social security	<u>£2,197</u>
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The Lee Smith Foundation Limited
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NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 June 2007

6 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted £	Expendable Endowment Fund £	Total £
Cash at bank	108,642	1,000	109,642
Creditors	(2,197)	-	(2,197)
	<u>106,445</u>	<u>1,000</u>	<u>£107,445</u>

7 MOVEMENT IN FUNDS

	Incoming resources £	Outgoing resources £	At 30 June 2007 £
Unrestricted	163,743	57,298	106,445
Expendable Endowment Fund	1,000	-	1,000
	<u>164,743</u>	<u>57,298</u>	<u>£107,445</u>

8 ENDOWMENT FUND

The charity's endowment fund is attributable to the original amount settled on the charity. Under the terms of the Deed of Trust, the endowment is expendable at the discretion of the Trustees on expenditure which meets the charitable objectives of the Foundation.

ACCOUNTANTS' REPORT TO THE TRUSTEES OF THE LEE SMITH FOUNDATION LIMITED
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We report on the accounts for the period ended 30 June 2007 set out on pages 5 to 9

Respective responsibilities of trustees and reporting accountants

As described on page 2, the directors, who are also the trustees of The Lee Smith Foundation Limited for the purposes of company law, are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion

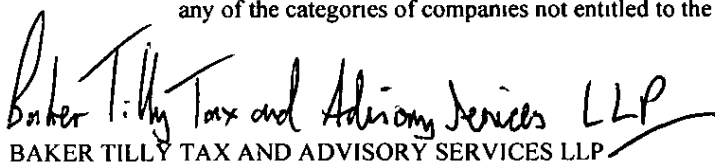
Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion

Opinion

In our opinion

- (a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985,
- (b) having regard only to, and on the basis of, the information contained in those accounting records
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act, and
 - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the period specified in section 249A(4) of the Act and did not, at any time within that period, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1)


BAKER TILLY TAX AND ADVISORY SERVICES LLP

Reporting Accountants
Chartered Accountants
Lancaster House
7 Elmfield Road
Bromley
Kent BR1 1LT

17 October 2007