

**THE BRITISH EYE RESEARCH FOUNDATION
(Operating as Fight for Sight)**

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2007

Registered Charity number (England): 1111438
A Company limited by guarantee. Registered in England: 05525503
Registered office: 1st Floor, 36-38 Botolph Lane, London EC3R 8DE

THE BRITISH EYE RESEARCH FOUNDATION
(Operating as Fight for Sight)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

LEGAL AND ADMINISTRATIVE DETAILS

Constitution

The company is limited by guarantee and was registered in England number 05525503 on 2 August 2005. It is governed by its Memorandum and Articles of Association. The registered charity number (England) is 1111438.

Directors

Mr Christopher Moore MA FCA (Chairman) (4)
Professor Desmond B Archer OBE FRCS FRCOphth (2)
Mr Neil D Cox FCOptom FAAO (3)
Professor Alistair Fielder (4)
Mr Martin Horwood BA MP (1)
Mr James Layton (1)
Mrs Judith Mitchell (4)
Mr Mark Powell (3)
Mrs Faanya Rose (3)
Mr Tom Wiggin (2)
Mr Simon Weil (3)
Professor Alan Wright (2)

All of the Directors served as Trustees during the period. There were four full meetings of the Directors in the year and the number of Directors' Meetings which each Director attended is shown alongside their name. This does not include attendance at any of the other committees of the company.

Chief Executive

Mr Michael Roberts MBE to 30 June 2006
Ms Michele Acton from 27 November 2006

Ms Annu Mayor and Mr Frank Shore were responsible for the day to day running of the charity between 30 June 2006 and 27 November 2006.

Secretary and Registered Office

Frank Shore, 1st Floor, 36-38 Botolph Lane, London EC3R 8DE

Principal Office

1st Floor, 36-38 Botolph Lane, London EC3R 8DE

Auditors

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

Legal Advisers

Bircham Dyson Bell, 50 Broadway, London SW1H 0BL

Bankers

National Westminster Bank plc, Parr's Branch, 214 High Holborn, London W1V 7BX
CAF Bank Ltd, PO Box 289, Kings Hill, West Malling, Kent ME19 4TA

Investment Managers

Smith & Williamson Investment Management Limited, 25 Moorgate, London EC2R 6AY
Rathbone Investment Management Limited, 159 New Bond Street, London W1S 2UD
Rensburg Sheppards Investment Management Limited, 2 Gresham Street, London EC2V 7QN

THE BRITISH EYE RESEARCH FOUNDATION
(Operating as Fight for Sight)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2007

The Directors present their Report together with the Financial Statements for the year ended 31 March 2007.

The financial statements have been prepared on the basis of accounting policies set out in note 1 and comply with the company's memorandum and articles of association, applicable law and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 and the Companies Act 1985.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is a company limited by guarantee, registered in England number 05525503, governed by its Memorandum and Articles of Association and incorporated on 2 August 2005. It is registered in England as a charity, number 1111438. The Charity commenced trading on 1 November 2005 when it took over the business activities, assets and liabilities of The Iris Fund for the Prevention of Blindness (Company No. 1929733, Registered Charity No. 293204 and previously registered as British Eye Research Foundation) and of Eye Research UK (Company No. 4424695, Registered Charity No. 1091829 and previously registered as Fight for Sight).

The Directors are appointed by the Board of Directors and serve for three years after which they may put themselves forward for re-appointment.

At each quarterly Directors' Meeting the Directors agree the strategy and areas of activity for the charity including consideration of grant making, fundraising, investments, reserves, and risk management policies and performance. A Finance Committee comprising five Directors normally meets prior to the main Board Meeting. With regards to research, the Directors are advised by the Research Strategy Advisory Group, which includes certain Directors as well as external expert advisers. The Research Strategy Advisory Group meets at least twice a year. The Grants Allocation Panel is responsible for considering the scientific merit of individual applications for funding in the charity's annual round and making recommendations to the Directors. The day-to-day administration of grants and the processing and handling of applications prior to consideration by the Grants Allocation Panel is delegated to the Chief Executive and Staff. Ad hoc committees to consider specific matters will be formed from time to time as necessary.

The Board keeps the skill requirements of the Board of Directors under review and in the event that a Director retires, or additional new Directors are required, the Board will set up a Committee to recruit the new Director(s). The induction process for a newly appointed Director comprises an initial meeting with the Chairman and the Board followed by a meeting with the Chief Executive. The welcome pack includes a brief history of the charity, recent Board and sub-Committee minutes, a copy of the Memorandum and Articles of Association, latest accounts, list of current projects and a copy of the Charity Commission's guidance "CC3 - The Essential Trustee : What you need to know".

The charity is a member of the Association of Medical Research Charities (AMRC). The AMRC provides information on good practice in the field of research and acts as an authoritative lobby on behalf of medical charities with the government and regulators.

Risk Management

The Directors have considered the major risks to which the charity is exposed, have formulated a risk management schedule and established systems and procedures for managing them and review those risks at each Board meeting.

THE BRITISH EYE RESEARCH FOUNDATION
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2007

OBJECTIVES AND ACTIVITIES

Fight for Sight is a UK based charity raising funds for research into the causes, diagnosis, prevention and treatment of blindness and eye disease. It does this by raising funds and making grants to leading medical research institutions and teams.

The majority of grants are to UK based organisations, although overseas projects are considered also. Grants are also made to research related infrastructure projects.

Grant Making Policy

Applications for grant funding in the charity's annual round are considered by the Grants Allocation Panel which consists of fourteen medical experts drawn from leading research institutions throughout the UK. The charity invites applications for research grants through advertising on its web site and in the specialist press. Applicants are invited to submit their proposals in a specific format, together with outline ethical approval, if applicable. Applications are reviewed against the scientific criteria established by the Research Strategy Advisory Group and the charity's research objectives. Grants are only funded where the progress reported satisfies the Directors that the research continues to be in the interest of the charity.

When awarding grants, a key criterion is clarity of milestones contributing to real tangible progress. At the same time a small proportion of grants are made to exceptional research teams with early stage projects with particularly exciting potential.

ACHIEVEMENT AND PERFORMANCE

The Directors decided to award £1.464m to fund 7 research projects, 5 PhD Studentships and 1 Clinical Fellowship at leading medical research institutions in the year ended 31 March 2007. Since these were awarded, the charity has been successful in obtaining specific funding for several of the grants, and these grants are shown under Restricted Funds. Grants awarded in previous years continue to be funded and payments of £1.950m were made in the period. This includes a payment of the final instalment of £500,000 to Moorfields Eye Hospital for the Research Department in the new Children's Eye Centre.

The charity receives regular reports on the work of post graduate students, clinical fellows and work funded through project grants. The charity monitors the completion of research projects and the number of publications in which the findings have been published.

REVIEW OF FUTURE ACTIVITIES

The charity aims to further raise awareness of the charity and its research brief. This will lead to increased fundraising and therefore an increase in the amount of funding available for research grants.

THE BRITISH EYE RESEARCH FOUNDATION
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2007

REVIEW OF FINANCIAL ACTIVITIES

Incoming resources

Total incoming resources for the year ended 31 March 2007 were £2,786,000 and represent the first full year of activity for the charity. In the previous period it had only operated for five months.

The incoming resources include a donation from the British Eye Trust which has ceased operating and made a grant of £498,000 from its closing funds.

Charitable Expenditure

In June 2006, the charity awarded £1.464m to fund various projects, Clinical Fellowships and PhD Studentships and together with expenditure from restricted funds committed £2.010m to fund research projects.

Investment Gains

Gains on investments amounted to £1,139,000 of which £47,000 were realised, and reflect the general increase in stock market valuations over the period.

Investment Policy

The investments are managed by three different managers and are invested in investment and unit trusts as well as directly in listed companies. Each manager has an investment performance target, of capital growth with reasonable yield. The Finance Committee meet with and receive regular reports from the investment managers. The Directors have been satisfied with the overall performance of the funds which have comfortably exceeded the relevant benchmarks which include appropriate equity and other indices for the period. During the year, the Directors undertook a review of investment management arrangements and decided to reduce the number of managers to two. Each will manage half of the investment portfolio in the new financial year.

Movement in Funds

As a result of the above, net outgoing resources for the period (before investment gains) were £145,000. After investment gains, the net movement in total funds amounted to a gain of £994,000.

Funds

The total funds of the charity were £14,573,000 at 31 March 2007, consisting of £2,665,000 Restricted Funds, £9,252,000 Endowment Funds and £2,656,000 General Funds.

Restricted Funds

The total of these funds at 31 March 2007 was £2,665,000.

The GlaxoSmithKline Fund amounted to £2,203,000 at 31 March 2007 and funds a Chair in Ocular Immunology, which was held by Professor Santa Ono until he resigned in the year.

A balance of £462,000 was held at 31 March 2007 in over twenty other restricted funds.

THE BRITISH EYE RESEARCH FOUNDATION
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2007

Endowment Funds

These are held for long-term investment in order to provide income to fund research projects and studentships. The total of these funds was £9,252,000 at 31 March 2007. However, the policy is that these funds may be used in the event of any shortfall of unrestricted funds in any year.

The Directors have decided that gains of £963,000 on investments held in the Unrestricted Funds are capital gains, which have been added to the endowment funds.

RESERVES POLICY

The Directors are committed to providing significant funding for research and have committed funds to ensure that they will be able to provide the support they have agreed. The Directors' policy is to maintain sufficient general reserves to ensure that the current level of annual grants awarded can be maintained for the next two years so that research can be maintained at a consistent level over a period of years.

Some important elements of the charity's income stream fluctuate significantly from year to year and reserves are required to ensure that the charity's operations and charitable objectives can be maintained despite these fluctuations. The Directors consider that in normal circumstances the charity needs its current level of reserves to take into account expenditure requirements and income fluctuations that may arise from some or all of the above factors. At 31 March 2007 reserves amounted to £2,656,000. As stated above, the charity's endowment funds may also be available to cover any shortfall of unrestricted funds in any year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing those 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
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with relevant legislation. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors confirm that they have taken appropriate steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of such information. As far as the Directors are aware, there is no relevant audit information which has not been disclosed to the auditors.

By order of the Directors

C M Moore

Chairman
28 June 2007

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BRITISH EYE RESEARCH FOUNDATION
(Operating as FIGHT FOR SIGHT)

We have audited the financial statements of the British Eye Research Foundation for the year ended 31 March 2007 on pages 7 to 16 which comprise the Statement of Financial Activities, Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention subject to the inclusion of investments at market value and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 5.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether the directors' report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the company is not disclosed. Our responsibilities do not extend to any other information. We read other information contained in the Directors' Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

BASIS OF AUDIT OPINION

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

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

OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2007 and of its incoming resources and resources expended, including its income and expenditure, for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.
- the information given in the Directors' Report is consistent with the financial statements.

KNOX CROPPER
Chartered Accountants
Registered Auditors

8/9 Well Court
London
EC4M 9DN

28 June 2007

THE BRITISH EYE RESEARCH FOUNDATION
(Operating as FIGHT FOR SIGHT)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2007
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

		Un- restricted Funds £000	Restricted Funds £000	Endow- ment Funds £000	Total Funds 31 March 2007 £000	Total Funds 5 Month Period ended 31 March 2006 £000
Incoming resources						
Incoming resources from generated funds						
Voluntary income - donations	2a	1,179	549	-	1,728	386
- legacies	2b	-	-	654	654	215
Activities for generating funds – events		108	41	-	149	43
Investment income	2c	234	21	-	255	71
Total incoming resources		1,521	611	654	2,786	715
Resources expended						
Costs of generating funds						
Costs of generating voluntary income	5	631	-	-	631	103
Investment management costs	5	41	6	-	47	12
Charitable activities	3	1,395	803	-	2,198	243
Governance costs	5	55	-	-	55	54
Total resources expended		2,122	809	-	2,931	412
Net (outgoing)/ incoming/ resources before other recognised gains and losses		(601)	(198)	654	(145)	303
Other recognised gains and losses						
Gains on investment assets – realised		35	12	-	47	265
Excess of income over expenditure		(566)	(186)	654	(98)	568
Gains on investment assets - unrealised	7	-	129	963	1,092	2,378
Net movement in funds		(566)	(57)	1,617	994	2,946
Reconciliation of funds						
Balances brought forward		3,222	2,722	7,635	13,579	10,633
Total funds carried forward		2,656	2,665	9,252	14,573	13,579

The charity has no recognised gains and losses other than those included in the figures above.

The notes on pages 9 to 16 form part of these financial statements.

THE BRITISH EYE RESEARCH FOUNDATION
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BALANCE SHEET AT 31 MARCH 2007

	Note	31 March 2007 £000	31 March 2006 £000
FIXED ASSETS			
Tangible Assets	6	18	5
Investments	7	16,543	15,219
		16,561	15,224
CURRENT ASSETS			
Stock of Christmas cards for resale		6	6
Debtors	8	580	47
Cash at bank and in hand		619	1,449
		1,205	1,502
Creditors:			
Amounts falling due within one year	9	(1,829)	(2,576)
		(624)	(1,074)
Net Current Assets/liabilities		15,937	14,150
Total assets less current liabilities			
Creditors:			
Amounts falling due after more than one year	10	(1,364)	(571)
		14,573	13,579
NET ASSETS			
FUNDS			
Unrestricted		2,656	3,222
Restricted	11	2,665	2,722
Endowment	12	9,252	7,635
TOTAL FUNDS	13	14,573	13,579

The notes on pages 9 to 16 form part of these financial statements.

Approved by the Board of Directors on 28 June 2007 and signed on its behalf by:

C M Moore

Chairman

THE BRITISH EYE RESEARCH FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

1. **ACCOUNTING POLICIES**

(a) **Basis of Preparation**

These Financial Statements have been prepared under the historical cost convention, subject to the inclusion of investments at market value, in accordance with applicable Accounting Standards and in accordance with Statement of Recommended Practice (Accounting and Reporting by Charities) issued by the Charity Commissioners in March 2005 and the Companies Act 1985.

(b) **Research Grants**

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

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

(c) **Tangible Fixed Assets and Depreciation**

All assets costing more than £500 are capitalised and all assets are valued at historic cost. Depreciation of fixed assets is calculated on cost at rates estimated to write off the assets, by equal instalments, over their expected working lives which is normally four years.

(d) **Income**

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability. All legacies received, unless there is a direction to the contrary, are regarded as capital and added to Endowment Funds.

(e) **Value Added Tax (VAT)**

The Charity is not able to recover any VAT which it suffers on the goods and services it acquires. Accordingly, where applicable, all costs and expenditure incurred are inclusive of VAT.

(f) **Cashflow Statement**

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

(g) **Allocation of Overhead and Support Costs**

Overhead and support costs have been apportioned between charitable activities and governance. Overhead and support costs relating to charitable activities have been apportioned based on a salary percentage basis. The apportionment of overhead and support costs is analysed in note 5.

THE BRITISH EYE RESEARCH FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

1. **ACCOUNTING POLICIES (Continued)**

(h) **Costs of Generating Voluntary Income**

The costs of generating voluntary income include fundraising costs and a proportion of staff costs.

(i) **Charitable Activities**

Costs of charitable activities include grants made and an apportionment of support costs as shown in note 3.

(j) **Governance Costs**

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit together with an apportionment of overhead and support costs.

(k) **Fixed Asset Investments**

Investments are stated at market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

(l) **Gains and Losses on Investments**

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later).

Gains on investments held in the Unrestricted Funds are regarded as capital and are transferred to Endowment Funds.

(m) **Funds**

Unrestricted funds are those funds which can be used at the Directors' discretion. Restricted Funds are funds whose purposes have been restricted by the donor.

THE BRITISH EYE RESEARCH FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

2. INCOMING RESOURCES

	Un- restricted Funds £000	Restricted Funds £000	Year ended 31 March 2007 £000	Five months ended 31 March 2006 £000
(a) Voluntary Income - Donations				
Individuals	308	32	340	115
Companies and Trusts	325	517	842	257
Regions and Community Groups	48	-	48	14
Donation from British Eye Trust (See below)	498	-	498	-
	1,179	549	1,728	386

The British Eye Trust, a registered charity which has ceased operating, made a donation of £498,000 to the Charity.

(b) Voluntary Income- Legacies

Since the end of the year the charity received the sum of £204,000 as a distribution from an estate. This has not been included as income since the amount was uncertain at the end of the year.

(c) Investment income

Income from listed investments	195	18	213	45
Interest on cash deposits	39	3	42	26
Total	234	21	255	71

3. CHARITABLE ACTIVITIES

Analysis of resources expended					
Grants committed	note 4(b)	1,219	791	2,010	158
Support costs	note 5(a)	176	12	188	85
Total		1,395	803	2,198	243

4. GRANTS PAYABLE

(a) Amount for Period

The Directors awarded 13 new grants in June 2006 from unrestricted funds of £1.464m. Since the award was made, specific funding, amounting to £0.245m, has been obtained for several of the grants and these are shown as commitments from restricted funds leaving a balance of £1.219m committed from unrestricted funds.

All of the grants awarded were to fund medical research related to the treatment or prevention of eye disease and blindness. Grants exceeding £100,000 were made to the following research institutions:

Name of Institution	Location	Amount £000
Moorfields	London	125
University College London	London	749
University of Bristol	Bristol	140
University of Durham	Durham	140

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NOTES TO THE FINANCIAL STATEMENTS
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(b) Reconciliation of grants payable

	Un- restricted Funds £000	Restricted Funds £000	Year ended 31 March 2007 £000	Five months ended 31 March 2006 £000
Commitments at 1 April 2006	2,301	803	3,104	4,223
Commitments made in year	1,219	791	2,010	158
Grants paid during the year	(1,497)	(453)	(1,950)	(1,277)
Commitments at 31 March 2007	2,023	1,141	3,164	3,104
Within one year (note 9)	1,192	608	1,800	2,533
After more than one year (note 10)	831	533	1,364	571
	2,023	1,141	3,164	3,104

5. OVERHEADS

(a) Analysis and Allocation of Costs

	Costs of generating voluntary income £000	Investment management costs £000	Support costs £000	Governance costs £000	Year ended 31 March 2007 £000	Five months ended 31 March 2006 £000
Staff costs (note 5(b))	260	-	118	23	401	108
Staff related costs	103	-	40	4	147	35
Fundraising costs	268	-	-	-	268	24
Investment management	-	47	6	6	59	11
Accountancy fees	-	-	-	-	-	4
Legal fees	-	-	15	12	27	65
Audit fee	-	-	3	4	7	7
Other	-	-	6	6	12	-
Total	631	47	188	55	921	254

(b) Staff Costs

Permanent Staff

Wages and Salaries	183	58
Social Security Costs	20	8
Pension Costs	22	4
Recruitment costs	31	-
Total	256	70
Temporary and contract staff	145	38
Total staff costs (note 5(a))	401	108

The average number of employees during the year to 31 March 2007 was 6 (6). No employee's emoluments exceeded £60,000 in the year.

(c) Pension costs

During the year the charity established a defined contribution Group Personal Pension Scheme which is open to all employees. The charity also contributes to individual employees' defined contribution personal pension plans. The assets of all schemes are managed separately by the major financial services companies concerned and are completely independent of the charity's funds. Contributions have been made on a regular and timely basis and there were no contributions outstanding at 31 March 2007.

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NOTES TO THE FINANCIAL STATEMENTS
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6. TANGIBLE ASSETS

	Furniture, fittings and Equipment 31 March 2007 £000	Furniture, fittings and Equipment 31 March 2006 £000
Cost		
At 1 April 2006	20	20
Additions/disposals	20	-
At 31 March 2007	40	20
Depreciation		
At 1 April 2006	15	12
Charge for the period	7	3
At 31 March 2007	22	15
Net book value		
At 31 March 2007	18	5

7. INVESTMENTS

	Un- restricted and Endowment Funds £000	Restricted Funds £000	Total Year ended 31 March 2007 £000	Five months ended 31 March 2006 £000
At 1 April 2006	13,241	1,978	15,219	13,206
Additions in the period at cost	2,975	329	3,304	1,489
Donations at cost	11	-	11	10
Disposals	(2,797)	(286)	(3,083)	(1,864)
Gain in period	963	129	1,092	2,378
Market Value at 31 March 2007	14,393	2,150	16,543	15,219
Represented by				
UK Fixed Interest	766	111	877	
UK Equities	2,695	-	2,695	
Overseas Equities	742	-	742	
Investment Trusts - UK	5,939	1,225	7,164	
Investment Trusts - Overseas	4,251	814	5,065	
Total	14,393	2,150	16,543	

No one individual investment is material in the context of the investment portfolio.

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NOTES TO THE FINANCIAL STATEMENTS
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8. DEBTORS

	31 March 2007	31 March 2006
	£000	£000
Income tax recoverable	32	9
Donations and legacies receivable	503	-
Sundry debtors and prepayments	45	38
	<u>580</u>	<u>47</u>

9. CREDITORS: amounts falling due within one year

Grants payable (note 4)	1,800	2,533
Other Creditors and Accruals	23	36
Audit Fee	6	7
	<u>1,829</u>	<u>2,576</u>

10. CREDITORS: amounts falling due after more than one year

Grants payable (note 4)	<u>1,364</u>	<u>571</u>
	1,364	571

11. RESTRICTED FUNDS

	GlaxoSmith- Kline Fund £000	Other Restricted Funds £000	Restricted Funds Total £000
At 1 April 2006	2,103	619	2,722
Movement in year:			
Donations	0	590	590
Investment income	21	-	21
Charitable expenditure:			
Grants payable	(50)	(741)	(791)
Support costs	(12)	(6)	(18)
Gains on investments	141	-	141
Balances carried forward at 31 March 2007	<u>2,203</u>	<u>462</u>	<u>2,665</u>

The GlaxoSmithKline Fund has financed a Chair in Ocular Immunology since March 2001 and, subject to satisfactory future investment returns, this will continue on a long term basis. The cost is charged against the fund as incurred.

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NOTES TO THE FINANCIAL STATEMENTS
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11. RESTRICTED FUNDS (Continued)

An analysis of 'Other Restricted Funds' follows.

Analysis of Other Restricted Funds

	Prof Marshall Fund	Mercer Fund Age Related Macular Degeneration	Other Restricted Funds	Total Restricted Funds
	£000	£000	£000	£000
Balances brought forward at 1 April 2006	109	202	308	619
Movements in period:				
Transfers between funds	(35)	(83)	118	-
Donations	34	50	506	590
Charitable expenditure:				
Grants payable	(10)	(131)	(600)	(741)
Support costs	-	-	(6)	(6)
Balances carried forward at 31 March 2007	98	38	326	462

All of the restricted funds have been provided for and are used to support medical research consistent with the charity's objectives. The Other Restricted funds comprise over twenty separate accounts each of which has a balance of under £100,000.

Following a review transfers have been made between some of the individual funds.

12. ENDOWMENT FUNDS

The Directors have received legal advice that they have the power to determine (in the absence of any specific direction by the donor) whether incoming resources should be treated as income or capital and that capital amounts should be included in endowment funds. In accordance with this power the Directors determined that all legacies received in the year ended 31 March 2007, in the absence of a direction to the contrary, are to be treated as capital, and that investment gains are also to be treated as capital. This results in an addition to Endowment Funds of £1,617,000 in the year.

The balance of £9,252,000 represents expendable endowment funds which the Directors have the power to spend by transfer to Unrestricted Funds. These Funds have no other restriction on their use within the charity and they have therefore been included for investment purposes within the Unrestricted Funds.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed Asset Investments	Current Assets	Creditors (incl. due over one year)	31 March 2007 Total	31 March 2006 Total
	£000	£000	£000	£000	£000
Restricted	2,150	1,656	(1,141)	2,665	2,722
Unrestricted and Endowment funds	14,411	(451)	(2,052)	11,908	10,857
	£16,561	£1,205	£(3,193)	£14,573	£13,579

14. TAXATION

The charity is not liable for Income Tax or Corporation Tax on income derived from its activities, as these fall within the various exemptions available to charities.

THE BRITISH EYE RESEARCH FOUNDATION
(Operating as FIGHT FOR SIGHT)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

15. DIRECTOR'S REMUNERATION AND EXPENSES

No Director received any remuneration in the period.

One Director was reimbursed a total of £999 (£945) in the year for travel and subsistence properly incurred on the Charity's affairs.

16. TRANSACTIONS WITH DIRECTORS AND CONNECTED PERSONS

Mr Simon Weil, a Director, is a partner in Bircham Dyson Bell who act as legal advisers to the charity. While Mr Weil receives no remuneration for the advice he gives personally, Bircham Dyson Bell are remunerated for services provided, as authorised by the Charging Clause in the Memorandum of Association. The charges by the firm incurred in the year ended 31 March 2007, inclusive of VAT, amounted to £22,611 (£50,269).

Mr Mark Powell, a Director, is Chairman of Rathbone Investment Management Limited who manage part of the investment funds of the charity. Mr Powell has no direct involvement in the management of the funds. Rathbone Investment Management Limited is remunerated for services provided, as authorised by the Charging Clause in the Memorandum of Association. The charges by the firm incurred in the year ended 31 March 2007, inclusive of VAT, amounted to £11,271 (£2,527).

17. SUBSIDIARY COMPANY

The charity holds two Ordinary Shares of £1 each, a 100% holding, in Fight for Sight Trading Limited. This subsidiary company, not having traded on its own account since 1998, is dormant. Consolidated Financial Statements have not been prepared because the figures for the subsidiary company are immaterial.