

Charity No. 1058011

**THE MALLINCKRODT FOUNDATION**

**Financial Statements  
5 April 2023**

# **THE MALLINCKRODT FOUNDATION**

## **Financial statements for the year ended 5 April 2023**

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# **THE MALLINCKRODT FOUNDATION**

## **Reference and administrative information**

**Charity number:**  
1058011

**Registered Office and operational address:**  
81 Rivington Street  
London  
EC2A 3AY

**Trustees:**  
Mrs C B Mallinckrodt  
Mrs C L Fitzalan Howard  
Mr E G P Mallinckrodt  
Mr P S A Mallinckrodt

**Bankers:**  
Schroder & Co Limited  
1 London Wall Place  
London  
EC2Y 5AU

**Investment Manager:**  
Cazenove Capital  
1 London Wall Place  
London  
EC2Y 5AU

**Auditor:**  
UHY Kent LLP  
Thames House  
Roman Square  
Sittingbourne  
ME10 4BJ

**Solicitors:**  
Withers  
16 Old Bailey  
London  
EC4M 7EG

# **THE MALLINCKRODT FOUNDATION**

## **Report of the Trustees for the year ended 5 April 2023**

The Trustees present their report and financial statements for the year ended 5 April 2023.

The financial statements comply with the charity's Trust Deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) (Charities SORP (FRS 102)).

### **Structure, governance & management**

The Mallinckrodt Foundation (the 'Foundation') is an unincorporated charity registered as a charity in England and Wales on 12 September 1996.

The Charity is constituted under a Charitable Trust Deed dated 31 July 1996.

### **Trustees**

The power of appointing new Trustees of the charity was vested in the Settlor during his lifetime and thereafter in the Settlor's spouse Mrs Charmaine B Mallinckrodt and thereafter in such person or persons as the survivor of the Settlor and Mrs Mallinckrodt shall by deeds or deeds revocable or irrevocable or by will or codicil appoint. A new Trustee or new Trustees may be appointed at any time (either by way of replacement or addition).

Subject to the above a Trustee may be appointed or discharged by a resolution of a Meeting of the Trustees provided that a memorandum declaring such appointment or discharge shall be signed as a deed either at the Meeting by the person presiding or in some other manner directed by the Meeting and attested by two other persons present at the Meeting.

### **Risk management**

The Trustees have considered the major risks to which the Foundation is exposed and they have established systems and procedures to manage these risks. The major risk to which the Foundation is exposed is that of incurring significant losses in the investment portfolio. General performance targets are set by the Trustees in relation to the investment portfolio, and the investment performance is kept under review by the Trustees.

### **Objects and activities**

The objects of the Foundation are to apply the income and capital for the benefit of any charitable object or purpose, in any part of the world, as the Trustees think fit. The Trustees currently have a policy of supporting a broad range of charitable activities. The Trustees identify projects and organisations they wish to support. The Foundation does not make grants to people or organisations that apply speculatively.

The Foundation does not actively raise funds and seeks to continue its philanthropic work through the careful stewardship of its existing financial resources.

### **Public Benefit**

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives, and in planning future activities and setting the grant making policy for the year.

### **Achievements and performance**

During the year the Foundation has awarded 11 donations totalling £128,710 (2022: 6 donations totalling £62,243) within the Trustees' themes for support.

# THE MALLINCKRODT FOUNDATION

## Report of the Trustees for the year ended 5 April 2023

### Financial review

The capital of the Foundation at the year end, represented by the value of investments and portfolio cash, was £27,086,558 (2022: £5,535,598). On 4 April 2023 the Foundation received a donation from Trusts of which the Settlor was a beneficiary comprising 4,810,210 units in the Schroder QEP Global Core Fund with a market value of £21,809,492 and £932,446.

During the year the Foundation received Investment Income of £232,125 (2022: £199,380).

The Foundation's net assets at 5 April 2023 were £29,111,982 (2022: £6,659,406).

### Investment policy and performance

The allocation of investments is delegated to an Investment Manager who provides progress reports to Trustees on a regular basis. The Trustees regularly review current strategy thereby ensuring the careful stewardship of The Mallinckrodt Foundation funds.

At 5 April 2023 the Foundation's investments mainly represented investment in the Schroder QEP Global Core Fund which accounted for 80.5% of the value of the settled funds. The Charity Multi-Asset Fund accounted for 10% of the value of the settled funds at the year end.

On 11 April 2023 the units in the Schroder QEP Global Core Fund were sold for £21,886,456 and on 11 and 12 April 2023 reinvested in a total of 37,164,734 units of the Charity Responsible Multi-Asset Fund.

The Investment manager is tasked with maintaining or increasing the value of the portfolio, while ensuring there are sufficient funds to meet all commitments. On 5 April 2023, the market value of the settled funds stood at £27,086,558 (2022: £5,535,598). During the year ended 5 April 2023, net losses on investments were £369,098 (2022: gains of £242,732).

### Grant making policy

At their bi-annual meetings the Trustees consider what grants they will make and receive reports from grant recipients. The Trustees travel widely in the UK and abroad and use the knowledge gained to support the work of the Foundation and to inform their grant-making activities.

### Reserves policy

The Mallinckrodt Foundation recognises the need to hold reserves for the maintenance of core charitable activities in the event of income shortfalls. Reserves are defined as income that becomes available which is to be expended at the discretion of the Trustees of The Mallinckrodt Foundation in furtherance of its objects but which has not yet been spent, committed or designated. The Mallinckrodt Foundation carefully budgets and plans charitable expenditure, liaising closely with the Investment Manager. Total reserves at 5 April 2023 were £29,111,982 (2022: £6,659,406), of which £1,000,000 has been designated for the future pledged donation to Worcester College, which is expected to be made by 5<sup>th</sup> April 2024. Budget and income information is reported to Trustees at their meetings. At the year end, total unrestricted reserves (excluding designated reserves) were £28,111,982 (2022: £5,659,406).

### Future plans

During the coming year the Trustees will review the policy for grant-making and they will continue to develop the strategy for providing grants in an efficient and effective way.

# THE MALLINCKRODT FOUNDATION

## Report of the Trustees for the year ended 5 April 2023

### Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources of the Foundation for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting 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 Foundation will continue in business.

The Trustees are responsible for keeping proper accounting records that that are sufficient to show and explain the Foundation's transactions and disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations and the provisions of the Foundation's trust deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Approval

This report was approved by the Trustees on 28/11/23 and signed on its behalf by:

.....  
Edward Mallinckrodt  
Trustee

# **THE MALLINCKRODT FOUNDATION**

## **Independent auditor's report to the Trustees of The Mallinckrodt Foundation**

### **Opinion**

We have audited the financial statements of The Mallinckrodt Foundation (the 'Foundation') for the year ended 5 April 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Foundation's affairs as at 5 April 2023 and of its incoming resources and application of resources 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 Charities Act 2011.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Foundation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **THE MALLINCKRODT FOUNDATION**

### **Independent auditor's report to the Trustees of The Mallinckrodt Foundation**

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

#### **Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

#### *How the audit was considered capable of detecting irregularities including fraud:*

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the Foundation through discussions with management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the Foundation, including the Charities Act 2011;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.



## THE MALLINCKRODT FOUNDATION

### Independent auditor's report to the Trustees of The Mallinckrodt Foundation

We assessed the susceptibility of the Foundation's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management and representatives of Trustees as to actual and potential litigation and claims.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

#### Other matters

The corresponding figures contained in these financial statements, concerning the year ended 5 April 2022, are unaudited as the Foundation was permitted to have an Independent examination under the Charities Act 2011 in the prior year.

#### Use of our report

This report is made solely to the Foundation's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Foundation's trustees those matters we are required to state to them in an Auditors' report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Foundation and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



**UHY Kent LLP**  
Chartered Accountants  
Statutory Auditors  
Thames House  
Roman Square  
Slittingbourne  
Kent  
ME10 4BJ

Date: 13 December 2023

UHY Kent LLP t/a UHY Hacker Young are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

# THE MALLINCKRODT FOUNDATION

## Statement of financial activities for the year ended 5 April 2023

	Notes	Unrestricted £	Unrestricted Designated £	2023 Total funds £	2022 Total funds £
<b>Income and endowments from:</b>					
Donations	3	22,741,938	-	22,741,938	-
Investments	4	232,125	-	232,125	199,380
<b>Total</b>		<b>22,974,063</b>	<b>-</b>	<b>22,974,063</b>	<b>199,380</b>
<b>Expenditure on:</b>					
Raising funds – investment management fees	5	6,181	-	6,181	6,291
Charitable activities	6	146,208	-	146,208	74,376
<b>Total</b>		<b>152,389</b>	<b>-</b>	<b>152,389</b>	<b>80,667</b>
<b>Net income before gains and losses on investments</b>		<b>22,821,674</b>	<b>-</b>	<b>22,821,674</b>	<b>118,713</b>
Net (losses) / gains on investments	8	(369,098)	-	(369,098)	242,732
<b>Net income</b>		<b>22,452,576</b>	<b>-</b>	<b>22,452,576</b>	<b>361,445</b>
<b>Net movement in funds</b>	9	<b>22,452,576</b>	<b>-</b>	<b>22,452,576</b>	<b>361,445</b>
<b>Fund balances brought forward</b>		<b>5,659,406</b>	<b>1,000,000</b>	<b>6,659,406</b>	<b>6,297,961</b>
<b>Fund balances carried forward</b>		<b>28,111,982</b>	<b>1,000,000</b>	<b>29,111,982</b>	<b>6,659,406</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above and therefore those stated above represent total comprehensive income.

The notes on page 11 to 16 form part of these financial statements.

# THE MALLINCKRODT FOUNDATION

## Balance Sheet as at 5 April 2023

	Notes	2023 £	2022 £
<b>Fixed assets</b>			
Investments	10	<u>27,086,558</u>	<u>5,535,598</u>
<b>Current assets</b>			
Debtors	11	25,986	25,119
Cash at bank and in hand		<u>2,019,854</u>	<u>1,116,013</u>
		<u>2,045,840</u>	<u>1,141,132</u>
<b>Liabilities</b>			
Creditors: amounts due within 1 year	12	<u>(20,416)</u>	<u>(17,324)</u>
<b>Net current assets</b>		<u>2,025,424</u>	<u>1,123,808</u>
<b>Net assets</b>		<u>29,111,982</u>	<u>6,659,406</u>
<b>Funds</b>			
Unrestricted funds	13	28,111,982	5,659,406
Unrestricted designated funds	13	<u>1,000,000</u>	<u>1,000,000</u>
<b>Total charity funds</b>		<u>29,111,982</u>	<u>6,659,406</u>

The financial statements were approved by the Trustees and authorised for issue on 28/11/23 and signed on their behalf by:

Edward Mallinckrodt  
Trustee

The notes on page 11 to 16 form part of these financial statements.

# THE MALLINCKRODT FOUNDATION

## Statement of Cash Flows for the year ended 5 April 2023

	Notes	2023 £	2022 £	
<b>Cash flows from operating activities:</b>				
<b>Net cash provided by / (used in) operating activities</b>	(a)	<b>22,591,774</b>	<b>(82,878)</b>	
<b>Cash flows from investing activities:</b>				
Dividends and interest from investments		232,125	199,380	
Proceeds from sale of investments		60,785	85,380	
Purchase of investments		(21,976,759)	(207,282)	
Change in investment cash		(4,084)	20,162	
<b>Net cash (used in) / provided by investing activities</b>		<b>(21,687,933)</b>	<b>97,640</b>	
<b>Change in cash and cash equivalents in the reporting period</b>		<b>903,841</b>	<b>14,762</b>	
Cash and cash equivalents at the beginning of the reporting period	(b)	1,116,013	1,101,251	
<b>Cash and cash equivalents at the end of the reporting period</b>	(b)	<b>2,019,854</b>	<b>1,116,013</b>	
<b>(a) Reconciliation of net income to net cash flows from operating activities</b>				
<b>Net income for the reporting period</b>		<b>22,452,576</b>	<b>361,445</b>	
<b>Adjustments for:</b>				
Losses / (gains) on investments		369,098	(242,732)	
Dividends and interest from investments		(232,125)	(199,380)	
Increase in debtors		(867)	(1,374)	
Increase / (decrease) in creditors		3,092	(837)	
<b>Net cash provided by / (used in) operating activities</b>		<b>22,591,774</b>	<b>(82,878)</b>	
<b>(b) Analysis of cash and cash equivalents</b>				
Cash in hand		2,019,854	1,116,013	
<b>Total cash and cash equivalents</b>		<b>2,019,854</b>	<b>1,116,013</b>	
<b>(c) Analysis of changes in net debt:</b>				
	5 April 2022 £	Cash flows £	Non-cash movement £	5 April 2023 £
Cash and cash equivalents	1,116,013	903,841	-	2,019,854

The notes on page 11 to 16 form part of these financial statements.

# THE MALLINCKRODT FOUNDATION

## Notes to the financial statements for the year ended 5 April 2023

### 1. General Information

The Mallinckrodt Foundation is an unincorporated charity registered with the Charity Commission for England and Wales. The Foundation's principal place of business is 81 Rivington Street, London, EC2A 3AY2.

### 2. Accounting policies

#### a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fixed asset investments, and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. These financial statements have been prepared in pounds sterling and are rounded to the nearest pound.

The Foundation constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 18 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2006, which has since been withdrawn.

The preparation of the financial statements requires the Trustees to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on the Trustees' best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change. The Trustees consider that there are no key sources of estimation uncertainty.

#### b) Going concern

The Trustees have reviewed the Foundation's investments and operations. The charity holds sufficient cash to meet administration, governance and grant-making costs. The Foundation also holds reserves which are available to supplement income requirements to meet charitable objectives as required. The Trustees consider that there are no material uncertainties over the Foundation's ability to continue as a going concern for the foreseeable future, being a period of at least 12 months from the date of signing the financial statements.

#### c) Income

Income is stated on a receivable basis.

Income received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable. Income receivable from Gift Aid claims is recognised when the claim had been approved by HMRC.

Investment income is credited gross to the Statement of Financial Activities on the date it becomes payable.

#### d) Expenditure

Expenditure is recognised in the period to which they relate. Expenditure includes attributable VAT which cannot be recovered. Donations payable are recognised in the statement of financial activities once they have been approved by the Trustees, the recipient has been informed, and any conditions placed on the recipient have been met.

Expenditure on raising funds includes investment manager fees which are calculated quarterly by Cazenove Capital (the investment manager) and included in investment manager fees on a payable basis.

Administration costs consist of the day-to-day administration of the Foundation's affairs as carried out by staff employed by The Schroder Foundation. The costs are recharged to the Foundation on a percentage basis, based on the level of activities of the charity.

Governance costs are the costs associated with the governance arrangements of the Foundation. These costs are associated with the constitutional and statutory requirements and include any costs associated with the strategic management of the Foundation's activities.

# THE MALLINCKRODT FOUNDATION

## Notes to the financial statements for the year ended 5 April 2023

**e) Gains/losses on Investment assets**

All gains and losses are taken to the Statement of Financial Activities as they arise. Unrealised gains and losses on investment assets represent the difference between their fair value at the end of the year and their fair value at the beginning of the year, or transaction value if acquired during the year. Realised gains and losses on disposal of investment assets represent the difference between the sale proceeds and the fair value at the beginning of the year, or transaction value if acquired during the year.

**f) Taxation**

The Foundation benefits from the tax exemptions available to UK registered charities and accordingly is not liable for income tax or capital gains tax on income and gains derived from its investments.

**g) Financial Instruments**

The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**h) Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using their closing quoted market price. Realised and unrealised gains and losses are shown in the statement of financial activities together as net gains on revaluation and disposals of investment assets. Investments held in the cash liquidity funds are classified within current assets.

The Foundation does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the Foundation is that of volatility in the investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors or sub-sectors.

**i) Debtors**

Debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

**j) Cash at bank and in hand**

Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money market instruments which are readily convertible, being those with original maturities of three months or less.

**k) Creditors**

Creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

**l) Unrestricted funds**

Unrestricted funds are donations, investment income and other incoming resources receivable or generated for the objects of the Foundation. The general fund therefore comprises those monies which may be used towards meeting the charitable objectives of the Foundation at the discretion of the Trustees.

Designated funds are unrestricted funds that have been put aside by the Trustees for a specific purpose and are thus treated as not available for the general activities of the charity.

### 3. Income from Donations

	Restricted	Unrestricted	2023 Total	2022 Total
	£	£	£	£
Donations	-	22,741,938	22,741,938	-
	-	22,741,938	22,741,938	-

# THE MALLINCKRODT FOUNDATION

## Notes to the financial statements for the year ended 5 April 2023

4.	<b>Investment income</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Dividends	212,266	199,264
	Bank interest	19,859	116
		<u>232,125</u>	<u>199,380</u>

All investment income received in the year was derived from unrestricted funds (2022: unrestricted funds).

5.	<b>Raising funds – costs</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Investment management fees	6,181	6,291
		<u>6,181</u>	<u>6,291</u>

All costs incurred in both 2023 and 2022 were in respect of unrestricted funds.

6.	<b>Charitable activities</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Charitable donations (note 7)	128,710	62,243
	Administration fees payable	11,106	8,896
	Governance	6,392	3,237
		<u>146,208</u>	<u>74,376</u>

All costs incurred in both 2023 and 2022 were in respect of unrestricted funds.

7.	<b>Charitable donations</b>	<b>2023</b>	<b>2022</b>
		<b>Total</b>	<b>Total</b>
		<b>£</b>	<b>£</b>
	Caritas Ukraine	10,000	-
	Christian Responsibility in Public Affairs (CRPA)	5,000	5,000
	Faith In Leadership	10,000	-
	FareShare	10,000	-
	Foundation of the College of St George (Companions of Windsor)	30,000	5,000
	Friends of the Holy Land	7,500	-
	Harvard Kennedy School of Government	21,210	18,243
	Hospice UK	5,000	-
	Music For All	5,000	-
	Royal Botanical Gardens Kew – Friends & Supporters	15,000	15,000
	Royal Chapel of All Saints, The	-	5,000
	St Patrick's Soho Outreach	10,000	-
	Wolf Institute, The	-	14,000
		<u>128,710</u>	<u>62,243</u>

# THE MALLINCKRODT FOUNDATION

## Notes to the financial statements for the year ended 5 April 2023

8.	<b>Net Investment (losses) / gains</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Realised gains	7,065	15,281
	Unrealised (losses) / gains	(376,163)	227,451
		<u>(369,098)</u>	<u>242,732</u>

9.	<b>Net movement in funds</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Net movement in funds is stated after charging:		
	Auditor's remuneration		
	- Independent Examination	-	3,840
	- Audit	5,880	-
		<u>5,880</u>	<u>-</u>

10.	<b>Investments</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Market value at the beginning of the year	5,520,875	5,156,241
	Additions at cost	21,976,759	207,282
	Disposal proceeds	(80,785)	(85,380)
	Net (losses)/gains on disposals and revaluations	(369,098)	242,732
	Market value at the year end	<u>27,067,751</u>	<u>5,520,875</u>
	Cash held as part of portfolio	18,807	14,723
	Total investment value	<u>27,086,558</u>	<u>5,535,598</u>
	Historical cost at the year end	<u>4,822,239</u>	<u>4,666,512</u>

All equity investments are listed on recognised stock exchanges or are authorised unit trusts or OEIC's.

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Investments at market value comprised:</b>		
Private Equity	200,317	221,125
Charity Multi Asset Funds	5,057,942	6,299,750
Schroder QEP Global Core Fund	21,809,492	-
	<u>27,067,751</u>	<u>5,520,875</u>

11.	<b>Debtors</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Dividends receivable	25,986	25,119
		<u>25,986</u>	<u>25,119</u>



# THE MALLINCKRODT FOUNDATION

## Notes to the financial statements for the year ended 5 April 2023

12. Creditors: amounts falling due within one year	2023 £	2022 £
Accruals	13,892	8,773
Other creditors – investment management fee	1,524	1,551
Grants payable	5,000	7,000
	<u>20,416</u>	<u>17,324</u>

13. Movement in funds – 2023	6 April 2022 £	Income £	Expenditure £	Losses £	5 April 2023 £
Unrestricted funds	5,659,406	22,974,063	(152,389)	(369,098)	28,111,982
Designated funds	1,000,000	-	-	-	1,000,000
<b>Total</b>	<u>6,659,406</u>	<u>22,974,063</u>	<u>(152,389)</u>	<u>(369,098)</u>	<u>29,111,982</u>

Movement in funds – 2022	6 April 2021 £	Income £	Expenditure/ Transfers £	Gains £	5 April 2022 £
Unrestricted funds	5,297,961	199,380	(80,667)	242,732	5,659,406
Designated funds	1,000,000	-	-	-	1,000,000
<b>Total</b>	<u>6,297,961</u>	<u>199,380</u>	<u>(80,667)</u>	<u>242,732</u>	<u>6,659,406</u>

Designated funds have been set aside by the Trustees towards future donations in furtherance of the Foundation's charitable objectives and is expected to be paid by 5<sup>th</sup> April 2024.

14. Analysis of net assets between funds – 2023	Unrestricted funds £	Designated funds £	Total funds £
Investments	27,086,558	-	27,086,558
Net current assets	1,025,424	1,000,000	2,025,424
	<u>28,111,982</u>	<u>1,000,000</u>	<u>29,111,982</u>

Analysis of net assets between funds – 2022	Unrestricted funds £	Designated funds £	Total funds £
Investments	5,535,598	-	5,535,598
Net current assets	106,835	1,000,000	1,123,808
	<u>5,659,406</u>	<u>1,000,000</u>	<u>6,659,406</u>

## **THE MALLINCKRODT FOUNDATION**

### **Notes to the financial statements for the year ended 5 April 2023**

#### **15. Trustee remuneration**

The Trustees consider themselves as comprising the key management personnel of the Foundation, in charge of directing and controlling the Foundation. During the year, the Trustees received no remuneration or benefits in kind. One Trustee, Mrs Claire L Fitzalan Howard, received reimbursement of meeting expenses of £342 during the year (2022: no Trustee received reimbursement of expenses).

#### **16. Related parties**

Mrs Claire L Fitzalan Howard is a non-executive director of Schroders plc, the ultimate parent company of Cazenove Capital, which acts as investment manager for the Charity, and Schroder & Co Ltd, which act as bankers for the charity.

Mrs Charmaine B Mallinckrodt, Mrs Claire L Fitzalan Howard and Mr Philip S A Mallinckrodt are also trustees of The Schroder Foundation which has made a charge to the charity of £11,276 (2022: £9,133) in respect of administration and accountancy services provided and £342 (2022: £nil) for meeting expenses during the year. A balance of £7,670 (2022: £5,773) was due to The Schroder Foundation at the year end for administration and accountancy services and £342 (2022: £nil) for meeting expenses.