

THE COLT

FOUNDATION

REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity number	Registered Charity 1190167
Trustees	Professor David Coggon OBE MA PhD DM FRCP FFOM FFPH FMedSci Mrs Christina Fitzsimons (appointed May 2021) Mrs Clare Gilchrist Dr Alex Jones MChem PhD FRSC (appointed May 2021) Mrs Patricia Lebus Dr Ira Madan MBBS(Hons) MD FRCP FFOM Professor Sir Anthony Newman Taylor CBE FRCP FFOM FMedSci (Chairman) Mr Peter O’Hea (retired May 2021)
Chief Executive	Mrs Natasha Heydon
Scientific Advisers	Professor Paul Cullinan MD, FRCP, FFOM, National Heart and Lung Institute, Imperial College, London Dr Rodger Duffin BSc (Hons), PhD, MRCPPath, FRSB, University of Edinburgh Dr Elaine Wainwright, CPsychol, PhD, FHEA, MSc, MA (Oxon) (appointed November 2021)
Investment Adviser	Mr Royston Fox FPFS
Charity address	Unit E, The Old Bakery Golden Square Petworth West Sussex GU28 0AP www.coltfoundation.org.uk Email tash@coltfoundation.org.uk
Bankers	Lloyds Bank Ltd, 34 Moorgate, London, EC2R 6PL (closed November 2021) Cater Allen Private Bank, 2 Triton Square, London, NW1 3AN (opened November 2021)
Solicitors	Farrer & Co, 66 Lincoln’s Inn Fields, London, WC2A 3LH
Accountants	TC Group, 3 Acorn Business Centre, Northarbour Road, Cosham, PO6 3TH
Investment managers	Quilter Cheviot Investment Management, Senator House, 85 Queen Victoria Street, London EC4V 4AB

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

Letter from the Chairman

In January of this year, The Colt Foundation became a Charitable Incorporated Organisation after more than 40 years as an unincorporated charity. Two of the Foundation's founder Trustees, Alan and Jerome O'Hea have retired from the Charity during this year. Without the foresight of the founding trustees, the Colt Foundation would not be in the position it is today to fund high quality research to enable improvement in the working conditions of the global workforce. I would like to thank Alan and Jerome for their vision and commitment to the Foundation over the years.

As we have seen in the past two years, supporting science to solve the urgent health challenges facing everyone has never been more important. The trustees of the Colt Foundation have recognised that capacity in academic occupational health research has diminished in recent years. With this in mind, we have made a commitment to engage in capacity building by offering competitive Fellowships for clinicians and scientists who are interested in a long term academic research within occupational health research. This is one new initiative in what we hope will be an effective way to strengthen the research community.

I would like to take this opportunity to thank all my colleagues at the Colt Foundation, our trustees and advisers and members of the research community who assist us with external peer reviews; also everyone whose work this year was supported by the Colt Foundation. You make it possible for The Colt Foundation to pursue our mission.

A handwritten signature in black ink, appearing to read 'An Newman Taylor', with a stylized initial 'A' and a large '7' at the end.

Professor Sir Anthony Newman Taylor
Chair of the Colt Foundation

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021**TRUSTEES' ANNUAL REPORT**

The Trustees present their report and the financial statements of the charitable incorporated organisation (CIO) for the period from 1st January 2021 to 31st December 2021.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the charity's trust deed and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

This report represents the 2021 financial year for The Colt Foundation as a Charitable Incorporated Organisation (CIO). The Trustees made the decision in early 2020 to commence the process of closing The Colt Foundation (a registered charity numbered 277189) and forming instead a CIO under the same name, to continue the charitable purposes of The Colt Foundation. This decision was driven primarily by the desire to take advantage of the separate legal personality and limited legal liability for trustees. The new CIO was registered with the Charity Commission as a CIO on 29th June 2020, and on the 1st January 2021 the original The Colt Foundation (registered charity numbered 277189) was closed, with all of its assets transferred into this new CIO, The Colt Foundation (registered charity numbered 1190167).

Objectives and Activities

The primary purpose of The Colt Foundation is to promote and encourage research into social, medical and environmental problems created by commerce and industry.

The Colt Foundation considers applications for funding high quality research projects in the field of occupational and environmental health, particularly those aimed at discovering the causes of illnesses arising from conditions at the place of work. The work is monitored by our Trustees and Scientific Advisers and by our External Assessors to achieve the maximum impact with available funds. Grants are not made to the general funds of other charities, or directly to individual research workers.

The Foundation also makes grants through selected universities and colleges to enable students to take higher degrees in subjects related to occupational and environmental health. PhD Fellowships are advertised each year, and the Foundation is committed to support the MSc course in Human & Applied Physiology at King's College, London.

Application Process

The Trustees have a well-established system for the use of expert advisers to assist in decisions on which research applications to fund, and to advise on policy issues in various fields. Grants are awarded in competition with other applications and by peer review. Applicants must submit a formal application which is sent to external reviewers who provide written reviews.

In common with all research applications received, those involving Trustees or Scientific Advisers are assessed externally, and if a Trustee or Adviser, or their institution, is involved in any aspect of the application, he or she takes no part in the discussions or subsequent decision-making by the Board of Trustees.

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

TRUSTEES' ANNUAL REPORT (CONTINUED)

Grants awarded for periods in excess of one year are reviewed annually by a committee comprising one or more of the Trustees, the Director and a Scientific Adviser, and occasionally including one of the external assessors as well, before the Trustees agree to continue the grant.

Public Benefit

The Trustees are particularly keen to support work which is likely to make a difference to legislation, public policy or working practices, and thus improve the health of the global workforce. The Trustees, through the original charity The Colt Foundation (registered charity numbered 277189), have invested in research in many fields of occupational and environmental health, the impact of which is often most felt by those most disadvantaged in society. A significant sum has been invested into research into the effects of toxic, fine and ultrafine particles and fibres, including lung and cardiovascular disease, adding to the knowledge base over a long period, and helping identify hazards in the workforce and the wider population with a view to eliminating them or controlling the associated risks to an acceptable level.

Achievements and Performance**New Grants Awarded 2021****Imperial College London****Dr André Amaral and Dr Johanna Feary**

Small Airways Disease. The focus of this project is to investigate the occupational determinants of small airways disease and whether people with this condition develop more serious lung problems later in life or have a shorter life expectancy. This project started in November 2021 and is due to complete in May 2024. The grant awarded for the research is £95,329.

University of Surrey**Professor Jill Maben**

Understanding the full impact of Covid-19 on nursing staff as the pandemic trajectory changes: an extension of the ICON (Impact of Covid on Nurses) study. The aim of this study is to better understand and address the full impact of Covid-19 on UK nurses; their specific psychological, psycho-social and emotional health needs along the trajectory of the pandemic and the impact of these on their practice and patient care. The award is for 15 months starting in June 2021 and due to complete in September 2022. The value of the grant is £59,248.

Applied Vision Research Centre, City University of London**Professor John Barbur**

Validation of CVS test on normal monitors. This new grant was awarded as an extension to the funding already given to Professor John Barbur for the development of an easy to use colour assessment and diagnosis test for use in visually demanding occupations. This grant is to develop the test to enable use on normal computer monitors. The grant is for £70,997 over 20 months. The project started in August 2021.

University of Birmingham**Dr Gareth Walters**

A mixed-methods study to evaluate the influence of bio-psycho-social and cultural factors on the presence of work-exacerbated asthma. This study will investigate the prevalence of work-exacerbated asthma (WEA) and establish if there are any bio-psychosocial, workplace and cultural influences in order to inform potential future interventions with particular interest in work environments that would not be traditionally associated with occupational asthma. The grant is for £55,674 over one year and will start in February 2022.

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

TRUSTEES' ANNUAL REPORT (CONTINUED)

University of Bournemouth**Dr Regmi Pramod**

A mixed method study into kidney injury of returnee Nepali migrant workers and the potential risk factors. This community based study will investigate the prevalence of kidney disease and explore the potential risk factors amongst returnee Nepali migrant workers. The grant is for £94,212 over 12 months starting in April 2022.

On-Going Projects 2021

Student Impact Day - A meeting to commemorate the contribution of Jackie Douglas to the Colt Foundation – a budget of up to £20,000. It was decided to hold a meeting in the memory of Jackie Douglas at the Royal Society of Medicine. The meeting initially was to be held in September 2020 but due to the coronavirus pandemic it is now scheduled for 17th May 2022.

University College London**Dr Hector Altamirano**

Modelling the impact on ventilation rates and thermal comfort of pragmatic adaptations to the structure of primary healthcare clinics in South Africa, to inform interventions to reduce Mycobacterium tuberculosis infection in healthcare workers. This project started in February 2021 and is due to complete in April 2022, the grant awarded for the research is £19,435

University of Oxford**Lt Col David Holdsworth**

An Occupational Cardiology Conundrum: how to reliably differentiate between cardiac adaptation to exercise and early cardiomyopathy for the benefit of the asymptomatic worker. This project started in the Spring of 2021 and is stage 1 of a larger study which is in part being funded by the Defence Medical Services and the Oxford Centre for Clinical Magnetic Resonance Research (OCCMR), the overall study is due to complete in December 2025. The Colt Foundation grant is for £27,830.

Imperial College London**Professor Paul Cullinan et al**

Occupational risks of Covid-19 in NHS staff; an analysis of sickness absence by ethnicity, professional role, age and sex. It was agreed at the Trustee meeting in June 2020 to award the grant of £46,988, the project started in November 2020 and completed in December 2021.

London School of Hygiene and Tropical Medicine**Professor Neil Pearce and Professor Martie von Tongeren**

Occupational differences in mortality from COVID-19. Following clarification on access to ONS data, it was agreed to fund this project for 12 months starting in August 2020. This project has now completed. The grant awarded is for £50,466.

University of Stirling**Dr Sean Semple**

Protecting those who care for us: domiciliary workers and exposure to second-hand smoke. This project investigates the exposure of domiciliary workers to second-hand smoke. The trustees agreed that it was asking an important question and that the team had established expertise in the assessment of exposures to environmental tobacco smoke. An award of £125,989 over 18 months was agreed at the Trustees' meeting in April 2019. Due to unforeseen delays caused by the COVID-19 pandemic, in August 2020 the trustees approved a costed extension to the project of £21,618, the project will now complete in April 2022.

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

TRUSTEES' ANNUAL REPORT (CONTINUED)

Imperial College, London**Professor Paul Cullinan**

The Grenfell Firefighters Study: establishing a cohort. Following adjustments to an initial proposal submitted at the April 2019 Trustees' meeting this project is now a cohort study of the Grenfell firefighters to investigate a range of potential adverse effects from high exposure to smoke at the Grenfell Tower fire, after taking into account other firesmoke exposures. The Trustees' agreed to award funding of £183,522 over 18 months. In September 2020 the trustees agreed a six month £13,000 extension to the project due to delays caused by Covid-19. In October 2021 the trustees agreed a further funded extension of £50,759 to December 2022.

University College London/London School of Hygiene & Tropical Medicine**Dr Ben Caplin and Professor Neil Pearce**

Uncovering the cause of the kidney disease epidemic affecting agricultural communities in Central America. Following on from a previous Colt Foundation funded grant, this project seeks to understand the causes of an ongoing epidemic of chronic kidney disease among agricultural communities in Nicaragua. An award of £228,426 over three years was agreed at the Trustees' meeting in May 2018, and the work started in February 2019. The project completed in December 2021.

United Services Section, Royal Society of Medicine

At their meeting in December 2020, the Trustees agreed to extend support for the annual meeting of the United Services Section at the Royal Society of Medicine through a grant of £9,000 over three years starting in December 2021. In addition to supporting the cost of the meetings, the money would be used to fund prizes for the best presentations.

Imperial College, London**Professor Paolo Vineis et al**

Are unstable jobs such as the growing 'gig economy' associated with biological age acceleration. This project explores whether unstable jobs, such as occur in the growing "gig economy", are associated with accelerated biological ageing. At their meeting in November 2018, the Trustees agreed to support it with a grant for £184,249 over two years, which started in March 2019. It was agreed that a £66,794 and 6-month extension of the original grant, justified on the basis of delays in receiving data due to COVID-19. The project will now complete in December 2022.

Applied Vision Research Centre, City University of London**Professor John Barbur and Dr Marisa Rodriguez-Carmona**

Developing and valuation of a CADS screener test for use in visually demanding occupations and primary health care. This grant is for the development a new CAD screener test which is easy to use, sensitive and accurate, and will identify a minority of those tested who require full assessment. The Trustees agreed to support this project with a grant of £87,497 over two years, and work started in early 2017. At a review meeting the research team requested a no-cost extension to complete the work by July 2020, to which the panel agreed. The final invoice for this project was received in February 2021.

University of Edinburgh**Dr Rodger Duffin and Dr Craig Poland**

Identification of the biologically effective dose in inhalation particle toxicology for the improvement of hazard identification and risk assessment. This project, aims to improve hazard identification and risk assessment in particle toxicology through identification of biologically effective doses. Funding of £262,000 over three years was awarded in January 2017, and work started in March 2017. An additional sum of £22,415, due to delays caused by Covid-19, was approved in January 2020. The project completed in December 2021.

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

TRUSTEES' ANNUAL REPORT (CONTINUED)

Versus Arthritis/MRC Centre for Musculoskeletal Health & Work**University of Southampton****Professor Karen Walker-Bone**

What are the modifiable factors that would enable people to work to older ages in good health and comfort.

Professor Walker-Bone submitted an application for discussion at the May 2017 meeting. The Trustees felt this was an important research topic and awarded a grant of £125,000 over a three-year period, starting July 2017. This final invoice for this project was received in January 2021.

Imperial College London**Dr Johanna Feary**

Dr Feary requested a one-year fellowship to develop a study of chronic hypersensitivity pneumonitis. Dr Feary had proved herself to be a highly effective researcher and the Trustees agreed to provide a fellowship, to start in January 2018. Subsequently, the Trustees agreed to extend the award for an additional six months and £70,000. This grant was completed in 2019, however, the final invoice was paid in January 2021.

Students

The Foundation supports up to four PhD Fellowships a year. Shortlisted candidates for the 2021 PhD Fellowships were invited to attend for interview in October 2021. One award was made. In March 2022 it was agreed to bring the studentship (stipend) in to line with the Wellcome Trust's PhD stipend rather than the MRC minimum stipend which the Foundation previously paid.

The Foundation continues to support the MSc in Human & Applied Physiology course at King's College London. At the Trustees meeting in November 2021, it was agreed to continue the funding of £40,000 per annum for the next 3 years starting in 2023.

Colt Foundation Fellowships

In 2021 the Trustees made a commitment to support academic research career development for clinicians who aim to pursue occupational health research in the long-term by awarding Colt Foundation funded fellowships. The programme offers awards at doctoral or post-doctoral level to support applicants who show an ongoing commitment to occupational health research. The deadline for the first round of application is in March 2022.

Founder's Award projects

In 2017, the Trustees had agreed to establish a new category of "Founder's award", using perhaps up to 10% of the Foundation's income. Such awards would be used to support projects of social or educational benefit.

The British College, Kathmandu (Founder's Award)

This award, for £25,513 over three years, was to support higher education at the British College in Nepal for a disadvantaged student from an area of that country where such education is not available. It would cover the costs and living expenses of the student whilst at the College. An additional year was added to allow the student to do a foundation course at a cost of £6,020.

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

TRUSTEES' ANNUAL REPORT (CONTINUED)

Financial review

On the 1st January 2021, the new CIO was donated all of the assets of the original charity, The Colt Foundation (registered charity numbered 277189), to continue its charitable purpose of promoting and encouraging research into social, medical and environmental problems created by commerce and industry.

The donation received into the charity on the 1st January 2021 comprised:	£
Listed investments comprising a portfolio of diverse equity investments	31,723,130
Fixed term bank deposits	1,004,546
Liquid cash balances	300,220
Grant commitments as at 31/12/2020	(1,325,455)
	<u>31,702,441</u>

Reserves policy

Grants made by The Colt Foundation take the form of a commitment which may extend for as long as ten years, reviewed on an annual basis. To ensure that these commitments can be honoured, it is necessary to hold appropriate reserves. Such reserves have been created over a period of years by retaining a part of the investment income. The Colt Foundation does not seek contributions from the public. The fund is represented by £36,284,882 in quoted investments and cash deposits held as an investment.

Investment Policy

The Investment Committee decided to appoint Quilter Cheviot Investment Management to handle the investments, with the primary investment objective being to maintain wealth and protect against inflation with emphasis on capital growth and income over the medium to the long-term.

In the spirit of the socially responsible nature of The Colt Foundation, an investment constraint of not directly investing in tobacco manufacturers has been laid down by the Investment Committee on behalf of the Trustees. The Investment Committee meets with Quilter Cheviot twice a year, at each meeting the committee challenges Quilter Cheviot on their Environmental Social and Governance policy to ensure that the Foundation's portfolio is suitably aligned as a responsible investor. The Colt Foundation does everything possible to minimise expenses.

Recruitment and Appointment of Trustees

The power relating to the appointment of Trustees is vested in the Trustees for the time being of The Colt Foundation. Potential new Trustees are considered by the entire Board of Trustees and a unanimous decision is required to ratify any new appointment.

Trustee Induction and Training

Potential new Trustees are provided with copies of the charity's governing documents. These documents explain the purpose, objectives and activities of The Colt Foundation and an indication of the guiding principles and values of the charity. Potential new Trustees are also provided with copies of the minutes of recent Trustee meetings and have a discussion with the Chairman of the Trustees and Chief Executive at which time any queries can be raised. Charity Commission guidelines covering the duties and responsibilities of Trustees are also made available to new Trustees.

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

TRUSTEES' ANNUAL REPORT (CONTINUED)

Risk Assessment

There are three major risks to The Colt Foundation: the lack of sufficient funding to meet grant commitments; the risk of claims from third parties; and the risk to the reputation of The Colt Foundation. These risks have been reviewed by the Trustees:

It is the Trustees' policy when approving grants to ensure that reserves are sufficient to cover forward commitments for grants without taking account of future income.

The Trustees hold indemnities from all Grantees in respect of any possible third party claims arising out of the research.

Everything possible is done to mitigate the risk to The Colt Foundation's reputation: before agreeing to funding, the work is assessed by a number of experts in the particular field. A panel of Trustees, Scientific Advisers and the Charity Director then visit the research group to assess the capability of the group, the individuals, and the institution to carry out the work. Annual visits are made after the start of the research to monitor progress, and reports are requested on a regular basis.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report 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 charity and of the incoming resources and application of resources of the charity 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 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and statements of recommended practice 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 operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Declaration of Trust. 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.

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

TRUSTEES' ANNUAL REPORT (CONTINUED)

The Trustees have complied with the duty in the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

On behalf of the Trustees

A handwritten signature in black ink, appearing to read 'An Newman Taylor', with a stylized flourish at the end.

Professor Sir Anthony Newman Taylor
Chair of the Board of Trustees

25th May 2022

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE COLT FOUNDATION

Opinion

We have audited the financial statements of The Colt Foundation (the 'charity') for the year ended 31st December 2021 which comprise of the Statement of Financial Activity, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st December 2021, 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 auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 charity'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 trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon.

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE COLT FOUNDATION (CONTINUED)**

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees are responsible for the preparation of 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 regulations made under section 154 of that Act.

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 auditor's report that includes our opinion.

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE COLT FOUNDATION (CONTINUED)

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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the trustees and other management (as required by auditing standards), and discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102 and the Charities Act 2011) and the relevant charity regulations in the UK;
- We considered the nature of the charity, the control environment and charity performance;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE COLT FOUNDATION (CONTINUED)

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity'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 charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



TC Group (Statutory Auditor)
Office: Portsmouth

Date: 25 May 2022

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

STATEMENT OF FINANCIAL ACTIVITIES

	Note	<i>Unrestricted Funds Year ended 31 Dec 2021</i> £	<i>Unrestricted Funds Period ended 31 Dec 2020</i> £
Incoming resources			
Donations:			
Transfer of funds to CIO	9	31,702,441	-
Investment income	3	932,601	-
Total incoming resources		<u>32,635,042</u>	<u>-</u>
Expenditure			
Expenditure on raising funds:			
Investment management costs	4	(121,307)	-
Expenditure on charitable activities:			
Charitable activities	4	(574,622)	-
Total resources expended		<u>(695,929)</u>	<u>-</u>
Gains in market value of listed investments		4,345,769	-
Net movement in funds		<u><u>36,284,882</u></u>	<u><u>-</u></u>
Reconciliation of funds			
Total funds at start of the period		-	-
Total funds at end of the period		<u>36,284,882</u>	<u>-</u>

These financial statements of The Colt Foundation (registered charity numbered 1190167), report the period from 1st January 2021 to 31st December 2021, being the period immediately following it replacing the original charity, The Colt Foundation (registered charity numbered 277189). The comparatives show the period of the CIO from its registration on the 29th June 2020 to 31st December 2020.

For information on the financial performance of the original charity during 2020, please refer to the financial statements of The Colt Foundation (registered charity numbered 277189).

The notes on pages 17 to 22 form part of these financial statements

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

BALANCE SHEET
AS AT 31 DECEMBER 2021

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	£	£
Fixed assets		
Investments	36,741,990	-
Cash deposits	210,151	-
	<u>36,952,141</u>	<u>-</u>
Current assets		
Debtors	1,200	-
Cash at bank	573,174	-
	<u>574,374</u>	<u>-</u>
Current liabilities		
Creditors: amounts falling due within one year- grants payable	(925,762)	-
Net current liabilities	<u>(351,388)</u>	<u>-</u>
Creditors: amounts falling due after one year- grants payable	(315,871)	-
Total net assets	<u><u>36,284,882</u></u>	<u><u>-</u></u>
The funds of the charity		
Unrestricted funds	36,284,882	-
Total charity funds	<u><u>36,284,882</u></u>	<u><u>-</u></u>

Approved by the trustees on 24th May 2022 and signed on their behalf by



Professor Sir Anthony Newman Taylor
Chair of the Board of Trustees

The notes on pages 17 to 22 form part of these financial statements

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2021

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	£	£
Cash flow from operating activities	523,815	-
Cash flow from investing activities		
Purchases of investments	(3,176,407)	-
Receipts from sale of investments	2,503,316	-
Interest received	-	-
Dividends received	932,601	-
	<hr/>	
Net cash flow from investing activities	259,510	-
	<hr/>	
Net increase in cash during the year	783,325	-
Cash and cash equivalents brought forward	-	-
Cash and cash equivalents carried forward	783,325	-
	<hr/>	
Cash and cash equivalents consists of:		
Cash deposits	210,151	-
Cash at bank	573,174	-
	783,325	-
	<hr/>	
Reconciliation of net income/expenditure to net cash flow from operating activities		
Net income/expenditure for the year	36,284,882	-
Dividends received	(932,601)	-
Gains on investments	(4,345,769)	-
Non-cash gift from former charity	(30,397,675)	-
Interest received	-	-
Increase in debtors	(1,200)	-
Decrease in grant commitments	(83,822)	-
Net cash flow from operating activity	523,815	-
	<hr/>	

The notes on pages 17 to 22 form part of these financial statements

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies**1.1 Statutory information**

The Colt Foundation is a charitable incorporated organisation registered with the Charity Commission in England and Wales. The office address is Unit E, The Old Bakery, Golden Square, Petworth, West Sussex, GU28 0AP.

The purpose of the charity is to promote and encourage research into social, medical and environmental problems by commerce and industry.

1.2 Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. Accounting policies are consistently applied to all years presented unless otherwise stated.

1.3 Investments

Listed Investments are included in the balance sheet at their market value, which is determined with reference to the quoted price of the listed investment at the financial period end.

The Trustees have unlimited investment powers and are advised by Quilter Cheviot Investment Management.

1.4 Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity, which is normally upon notification of the interest paid or payable by the bank. Investment income on all listed investments is recognised on a receipts basis. Related investment management costs are recorded separately within expenses.

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1.5 Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant the any condition attaching to the grant is outside of the control of the charity.

Grant awards are decided by a committee comprising four or more of the Trustees, the Charity Director, a Scientific Adviser and if necessary an external assessor, before the Trustees agree to fund the grant. Provision for grants are made once the charity's committee has made a commitment and this has been communicated to the grantee. The charity's committee reviews annually whether funding is to be provided in the subsequent years of a recurring obligation and retains the discretion to terminate a grant. For this reason, an immediate liability arises only for the first year of the funding commitment.

2 Analysis of staff costs and remuneration of key personnel

	Year ended 31 Dec 2021 £	Period ended 31 Dec 2020 £
Wages and salaries	65,606	-
Social security costs	6,905	-
Employers contribution to defined contribution pension schemes	2,898	-
	<u>75,409</u>	<u>-</u>

The Colt Foundation (registered charity numbered 1190167) had one employee during the period 1st January 2021 to 31st December 2021.

There is one employee whose total employee benefits (excluding employer pension costs) for the reporting period fell were above £60,000 to £70,000 for the year ended 31st December 2021.

3 Investment income

	Year ended 31 Dec 2021 £	Period ended 31 Dec 2020 £
Dividends received	932,601	-
	<u>932,601</u>	<u>-</u>

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenditure

	Year ended <u>31 Dec 2021</u>	Period ended <u>31 Dec 2020</u>
	£	£
<u>Expenditure on raising funds:</u>		
Investment management fees	121,307	-
<u>Expenditure on charitable activities:</u>		
New grant commitments awarded net of reversal of expired grant commitments:		
02/92 King's MSc's	120,000	-
06/16 City, Barbur	(1,450)	-
02/17 Southampton, Walker Bone	(190)	-
04/18 Imperial College, Feary	(5,488)	-
01/19 Imperial College, Cullinan & Feary	50,759	-
01/21 Imperial, Amaral, Feary	95,329	-
02/21 Surrey, Maben	59,248	-
03/21 City, Barber	70,997	-
04/21 Walters, Birmingham	55,674	-
Student Fellowships	21,530	-
Grants of equipment and support to students	8,355	-
	<u>474,764</u>	<u>-</u>
Management and administration:		
Wages and salaries	75,409	-
Office expenses	10,361	-
Insurance and sundry	1,238	-
Travel and subsistence	1,843	-
	<u>88,851</u>	<u>-</u>
Gains on exchange	(3)	-
Governance costs	11,010	-
	<u>695,929</u>	<u>-</u>

Management and administration costs primarily relate to the administrative costs of awarding, monitoring and assessing research grants, salary support grants and scholarships, and hence are allocated to charitable activities entirely.

Included within governance costs is the auditor's remuneration which amounted to £4,020 in respect of audit services, and £1,800 in respect of non-audit services.

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Fixed asset investments

	<u>Listed</u>
	<u>£</u>
Market value at 31 December 2020	-
Transfer from former charity, Colt Foundation	31,723,130
Additions	3,176,407
Disposals	(2,503,316)
Gains in market value of listed investments	4,345,769
Market value at 31 December 2021	<u>36,741,990</u>
Value of investments at 31 December 2021	<u>Listed</u>
	<u>£</u>
Total fixed interest investments	3,437,373
Total United Kingdom investments	10,431,870
Total North American investments	10,719,401
Total European investments (ex UK)	3,011,916
Total Japanese investments	675,180
Total Asian Pacific investments (ex Japan)	984,693
Total Emerging Markets investments	887,826
Total Global investments	429,816
Total Alternative investments	6,163,915
	<u>36,741,990</u>

All investments are carried at fair value. Investments in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Assets sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the CIO is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the CIO from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Although rising interest rates resulting from stronger economy and improved economic activity should be indicative of improving dividend yields and equity values, there is concern that the abnormal availability of 'cheap money' to the banking sector has led to wider over-valuation of traded assets (an 'asset bubble') and that may depress equity values once economic conditions ease. The CIO is reliant on dividend yield in part to finance its work and this leads to a greater exposure to internal companies, the values of which, together with their yield are exposed to exchange rate risk when converting the holdings into sterling.

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Liquidity risk is anticipated to be as low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so their ability to buy and sell quoted equities and stock is anticipated to continue. The CIO's investments are mainly traded in markets with good liquidity and high trading volumes. The CIO has no material investment holdings in markets subject to exchange controls or trading restrictions.

The CIO manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investments asset classes that are quoted on recognised stock exchanges. The CIO does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corrected.

6 Debtors

	Year ended 31 Dec 2021	Period ended 31 Dec 2020
	£	£
Prepayments	1,200	-
Other Debtors	-	-
	<u>1,200</u>	<u>-</u>

7 Creditors- grants payable

	Year ended 31 Dec 2021	Period ended 31 Dec 2020
	£	£
Grants payable as at 31/12/2020	-	-
Grant commitments following the transfer from The Colt Foundation on 01/01/2021	1,325,455	-
Grants awarded during the year	585,778	-
Grant obligations released during the year	(111,014)	-
Grants paid during the year	(558,586)	-
	<u>1,241,633</u>	<u>-</u>
Grants payable as at 31/12/2021	<u>1,241,633</u>	<u>-</u>

Grants payable are split as due within one year £925,762 and over one year £315,871.

8 Transactions with connected persons

No Trustee received remuneration during the year.

Expenses reimbursed to five Trustees in respect of travel and subsistence during the year totalled £363.60 (2020 - £nil).

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Transfer of funds

On the 1st January 2021, the new CIO was donated all of the assets of the original charity, The Colt Foundation (registered charity numbered 277189), to continue its charitable purpose of promoting and encouraging research into social, medical and environmental problems created by commerce and industry.

The donation received into the charity on the 1st January 2021 comprised:

	£
Listed investments comprising a portfolio of diverse equity investments	31,723,130
Fixed term bank deposits	1,004,546
Liquid cash balances	300,220
Grant commitments	
as at 31/12/2020	<u>(1,325,455)</u>
	<u>31,702,441</u>

10 Commitments, liabilities and contingencies

On the 1st January 2021, the charity, took over the operating lease commitments of the original charity, The Colt Foundation. The expense included in the Statement of Financial Activities for the year ended 31st December 2021 amounted to £4,800. The annual lease payments on these non-cancellable operating leases at 31st December 2021 amounted to £4,800 per annum, with a break date of 1st October 2022.

11 Control

The charity is under the control of its board of Trustees. There is no ultimate controlling party.