

# **THE COLT**

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# **FOUNDATION**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

Charity Number 1190167

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

## REFERENCE AND ADMINISTRATIVE INFORMATION

<b>Charity number</b>	Registered Charity 1190167
<b>Trustees</b>	Professor David Coggon OBE MA PhD DM FRCP FFOM FFPH FMedSci Mrs Christina Fitzsimons (Treasurer from January 2023) Mrs Clare Gilchrist Dr Alex Jones MChem PhD FRSC Mrs Patricia Lebus Professor Ira Madan MBBS(Hons) MD FRCP FFOM Professor Sir Anthony Newman Taylor CBE FRCP FFOM FMedSci (Chairman)
<b>Chief Executive</b>	Mrs Natasha Heydon
<b>Scientific Advisers</b>	Professor Paul Cullinan MD, FRCP, FFOM Dr Rodger Duffin BSc (Hons), PhD, MRCPPath, FRSB Dr Elaine Wainwright, CPsychol, PhD, FHEA, MSc, MA (Oxon)
<b>Investment Adviser</b>	Mr Royston Fox FPFS
<b>Charity address</b>	Unit E, The Old Bakery Golden Square Petworth West Sussex GU28 0AP <a href="http://www.coltfoundation.org.uk">www.coltfoundation.org.uk</a> Email <a href="mailto:tash@coltfoundation.org.uk">tash@coltfoundation.org.uk</a>
<b>Bankers</b>	Cater Allen Private Bank, 2 Triton Square, London, NW1 3AN
<b>Solicitors</b>	Farrer & Co, 66 Lincoln's Inn Fields, London, WC2A 3LH
<b>Accountants</b>	TC Group, 3 Acorn Business Centre, Northarbour Road, Cosham, PO6 3TH
<b>Investment managers</b>	Quilter Cheviot Investment Management, Senator House, 85 Queen Victoria Street, London EC4V 4AB

## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

## Letter from the Chairman

The past year has been one of great promise in which the Colt Foundation, in addition to funding research projects and students of high quality, has forged partnerships to provide new opportunities in occupational and environmental health research.

During the past 20 to 30 years research capacity in work and health has fallen to a now critical level, with few academic departments in UK having this as a major interest. During this time the Colt Foundation has funded projects and particularly people of great promise. But without a flourishing academic base and a clear career path few have remained in the specialty. Without a strong academic base future advance in the discipline will be limited.

The importance of occupational health and the need for research evidence to inform and guide practice was made clear during the Covid pandemic and government has now recognised this need.

To address this problem the Colt Foundation launched funding for a clinical fellowship scheme and has partnered with National Institute of Health and Social Care Research (NIHR) and with NHS Scotland to support clinical academic fellowships in Work and Health. Our trustee Professor Ira Madan played a critical role in achieving this.

I would also wish to take this opportunity to thank the trustees and scientific advisers of the Foundation and the many members of the research community who give freely of their time to provide peer review of our grant applications.



Professor Sir Anthony Newman Taylor CBE FRCP FFOM FMedSci  
Chair of the Colt Foundation

**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022****INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE COLT FOUNDATION**

The Trustees of the Colt Foundation present their report and the financial statements for the year from 1st January 2022 to 31st December 2022.

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 constitution and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

**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 independent 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 Colt Foundation also makes grants through universities and colleges to enable students to take higher degrees in subjects related to occupational and environmental health. PhD Fellowships are awarded annually, 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 after peer review in open competition with other applications. Applicants must submit a formal application which is sent to external reviewers who provide written reviews to assist the decision-making process for the Board at their bi-annual meetings.

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.

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 an external assessors as well.

**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.



## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

## TRUSTEES' ANNUAL REPORT (CONTINUED)

The Trustees have invested in research in many fields of occupational and environmental health, the impact of which is often 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. The Foundation has also invested in musculoskeletal research, including investigating the cultural and psychosocial influences on disability. We have supported research into the effects of occupation on health outcomes of COVID including in NHS staff, we have funded projects looking into unknown causes of kidney disease in agricultural workers in Central America. Since 1978, we have supported many areas of occupational and environmental health research.

**Achievements and Performance****New Grants Awarded 2022****University College London, Dr Danielle Lamb**

*Long Covid in NHS Staff: demographic and psychosocial risk factors and the relationship with sickness absence.* The Board understood this to be an important study given that health care workers had been disproportionately affected by COVID, it is an ambitious project being undertaken by a strong team and the PPIE (patient and public involvement and engagement) is a valuable element of the project. The project started in November 2022; the budget is £99,457 over 18 months.

**Loughborough University, Professor Stacey Clemes**

*Implementation of a health promotion training programme for heavy goods vehicle (HGV) drivers within the UK logistics sector.* This research is an extension of a PhD we funded (SHIFT), the team will develop and evaluate an intervention for HGV drivers to encourage healthier lifestyles. The project started in September 2022; the budget is £139,413 over 24 months.

**London Centre for Work and Health, Professor Ira Madan**

*Seed funding to support the establishment of the Centre.* The Board agreed in May 2022 that we would consider seed funding as a springboard to long term self-funding for collaborative research centres. At the Board meeting in November 2022 there was unanimous support to fund the London Centre for Work and Health for three years for the value of £156,404.

**University of Sheffield, Dr Megan Freeth**

*Understanding and tackling the barriers to employment experienced by autistic adults.* The Board acknowledged that people with autism often struggle with getting into and staying in work, and that with the right support they do well in employment. The Board was pleased to see that this project was going to include people with autism in their PPIE. The project is due to commence in May 2023 for 18 months for a total of £80,953.

## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

## TRUSTEES' ANNUAL REPORT (CONTINUED)

## On-Going Projects 2022

**Imperial College London****Dr André Amaral and Dr Johanna Feary**

*Small Airways Disease and Occupation.* 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 2023. The grant awarded for the research is £95,329. The project's Research Assistant has successfully applied to the Colt Foundation to fund her PhD Fellowship starting in May 2023.

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

*Validation of CVS test on normal monitors.* This grant was awarded as an extension to the funding already given to Professor John Barbur for the development of an easy to use colour vision assessment and diagnosis test for use in visually demanding occupations. This grant is to further develop the test to enable use on normal computer monitors and is now due to complete in July 2023. The total grant is for £70,997.

**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 that could inform potential future interventions with particular interest in work environments that would not be traditionally associated with occupational asthma. The grant for £55,674 started in February 2022 and following a no cost extension is due to complete in July 2024.

**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 and is due to complete in July 2023.

**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 (OCMR), the overall study is due to complete in December 2025. The Colt Foundation grant is for £27,830.



## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

## TRUSTEES' ANNUAL REPORT (CONTINUED)

**Imperial College, London****Professor Paul Cullinan**

*The Grenfell Firefighters Study: establishing a cohort.* This cohort study of the Grenfell firefighters has investigated a range of potential adverse effects from high exposure to smoke at the Grenfell Tower fire, after taking into account other fire smoke exposures. The initial award of £183,522 over 18 months was agreed by the Board. In September 2020 the Trustees agreed a six-month £13,000 extension to the project due to delays caused by COVID. In October 2021 the Trustees agreed a further funded extension of £50,759 to December 2022. In January 2023 the Trustees agreed to a no cost extension to May 2023 in order to complete the final phase of data collection.

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

*Are unstable jobs such as in 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 was justified on the basis of delays in receiving data due to COVID. The project will now complete in December 2023.

**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.* This study completed in September 2022, however, some funds were retained for the production of a short video due to be made available in summer 2023. There have been multiple papers published from this research. The total value of the grant was £59,248.

**United Services Section, Royal Society of Medicine**

At their meeting in December 2020, the Board 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.

**Projects completed during 2022****University of Stirling****Dr Sean Semple**

*Protecting those who care for us: domiciliary workers and exposure to second-hand smoke.* This project investigated the exposure of domiciliary workers to second-hand smoke. An award of £125,989 over 18 months was agreed at the Trustees' meeting in April 2019. Due to unforeseen delays caused by COVID, in August 2020 the Trustees approved a costed extension to the project of £21,618, the project completed in April 2022. Papers have been published from this research and presentations given at conferences globally.



## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

## TRUSTEES' ANNUAL REPORT (CONTINUED)

**Student Impact Day** - *A meeting to commemorate the contribution of Jackie Douglas to the Colt Foundation* – total cost £13,266. The meeting was held at the Royal Society of Medicine on 17th May 2022. It was very well attended, and the presentations were of extremely high quality. Professor Lucy Chappell, Chief Scientific Adviser for the UK Department of Health and Social Care, gave a brief talk. At a NIHR Work and Health meeting later in the year she identified our Student Impact Day as the catalyst for her focus on the importance of work and health research and the subsequent investment by NIHR in this area.

**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 completed in April 2022, the grant awarded was £19,435. The final report is due Spring 2023.

**PhD and MSc Students**

The Foundation supports up to four PhD Fellowships a year. Shortlisted candidates for the 2022 PhD Fellowships were invited to attend for interview in October 2022. Two awards were made. In March 2022 it was agreed to bring the studentship (stipend) in 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 Board 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 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 was in March 2022. No suitable applications were received in the first round. The second round is likely to be launched towards the end of 2023.

**NIHR Colt Foundation Advanced Fellowship**

In addition to our own fellowship programme, we agreed to partner the NIHR to co-fund Advanced Fellowships in Work and Health. The Colt Foundation's charitable purpose is closely aligned with the NIHR's mission is to improve the health and wealth of the nation through research. By investing in academic career pathways for health and care researchers from all professional backgrounds, we will help build capacity and capabilities needed to tackle the complex health and care challenges of the future. Through our partnership with NIHR we can maximise the value of research to the UK workforce. The first NIHR Colt Foundation Advanced Fellowship call launched in October 2022, the deadline for applications was in January 2023.

## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

## TRUSTEES' ANNUAL REPORT (CONTINUED)

NIHR Advanced Fellowships are not available to clinicians in Scotland. The Colt Foundation is in conversation with NHS Scotland to partner with them to offer a similar fellowship to those based in Scotland.

**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.

**Financial review**

The Colt Foundation's income is received solely from listed investments managed by Quilter Cheviot Investment Management. The annual target income from the fund for 2022 was set at £1 million. Despite the drop in the value of the Colt Foundation's investments caused by the effects of global events outside the control of the Trustees or investment manager the portfolio produced an income close to target of £976,463. The income for 2022 exceeded our expenditure by £75,230.

**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 £30,858,115, at 31 December 2022, in quoted investments and cash deposits held as an investment.

**Investment Policy**

Quilter Cheviot Investment Management manage the Foundation's listed 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.



## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

## TRUSTEES' ANNUAL REPORT (CONTINUED)

**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 Director 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.

**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 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 year.

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;



## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

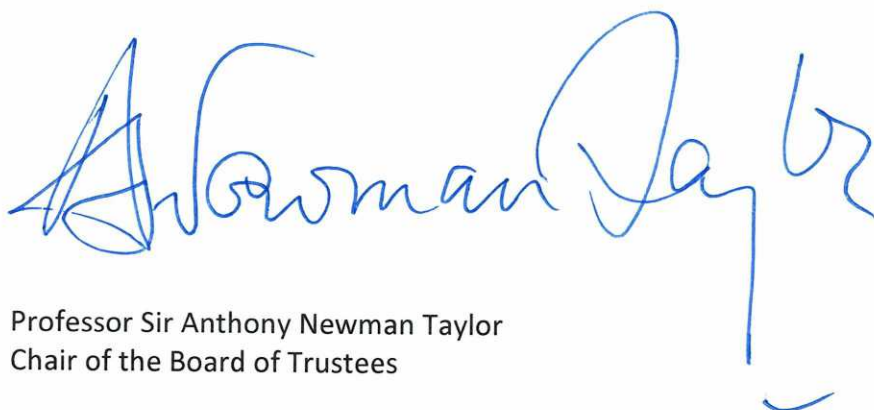
## TRUSTEES' ANNUAL REPORT (CONTINUED)

- 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.

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



Professor Sir Anthony Newman Taylor  
Chair of the Board of Trustees

## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

## 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 2022 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 2022, 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.

## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

**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.

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



## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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.

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.

## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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.

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](http://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: 10th May 2023



## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

## STATEMENT OF FINANCIAL ACTIVITIES

	Note	<i>Unrestricted Funds</i> <b>Year ended 31 Dec 2022</b> £	<i>Unrestricted Funds</i> <b>Year ended 31 Dec 2021</b> £
<b>Incoming resources</b>			
Donations:			
Transfer of funds to CIO	9	-	31,702,441
Investment income	3	976,463	932,601
Total incoming resources		<u>976,463</u>	<u>32,635,042</u>
<b>Expenditure</b>			
Expenditure on raising funds:			
Investment management costs	4	(122,344)	(121,307)
Expenditure on charitable activities:			
Charitable activities	4	(778,889)	(574,622)
Total resources expended		<u>(901,233)</u>	<u>(695,929)</u>
(Loss)/gain in market value of listed investments		(5,501,997)	4,345,769
<b>Net movement in funds</b>		<u>(5,426,767)</u>	<u>36,284,882</u>
<b>Reconciliation of funds</b>			
Total funds at start of the year		36,284,882	-
Total funds at end of the year		<u>30,858,115</u>	<u>36,284,882</u>

These financial statements of The Colt Foundation (registered charity numbered 1190167), report the year from 1<sup>st</sup> January 2022 to 31st December 2022.

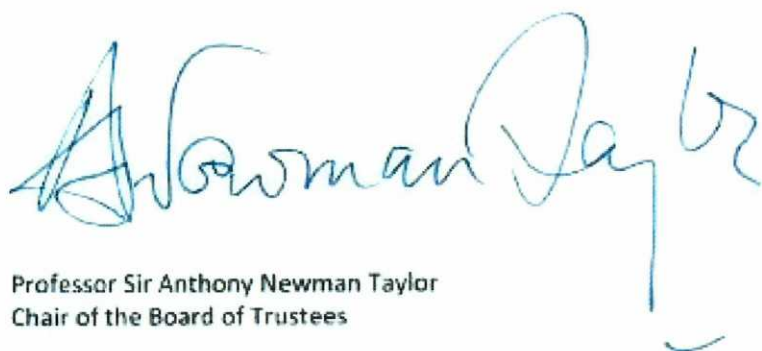


## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

BALANCE SHEET  
AS AT 31 DECEMBER 2022

	<u>31 Dec 2022</u>	<u>31 Dec 2021</u>
	£	£
<b>Fixed assets</b>		
Investments	30,996,182	36,741,990
Cash deposits	331,593	210,151
	<u>31,327,775</u>	<u>36,952,141</u>
<b>Current assets</b>		
Debtors	1,200	1,200
Cash at bank	826,794	573,174
	<u>827,994</u>	<u>574,374</u>
<b>Current liabilities</b>		
Creditors: amounts falling due within one year- grants payable	(892,892)	(925,762)
<b>Net current liabilities</b>	<u>(64,898)</u>	<u>(351,388)</u>
Creditors: amounts falling due after one year- grants payable	(404,762)	(315,871)
<b>Total net assets</b>	<u><u>30,858,115</u></u>	<u><u>36,284,882</u></u>
<b>The funds of the charity</b>		
Unrestricted funds	30,858,115	36,284,882
<b>Total charity funds</b>	<u><u>30,858,115</u></u>	<u><u>36,284,882</u></u>

Approved by the trustees on 9<sup>th</sup> May 2023 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 YEAR ENDED 31 DECEMBER 2022

## CASH FLOW STATEMENT

	<u>31 Dec 2022</u>	<u>31 Dec 2021</u>
	£	£
<b>Cash flow from operating activities</b>	(845,212)	523,815
<b>Cash flow from investing activities</b>		
Purchases of investments	(4,922,106)	(3,176,407)
Receipts from sale of investments	5,165,917	2,503,316
Interest received	-	-
Dividends received	976,463	932,601
Net cash flow from investing activities	<u>1,220,274</u>	<u>259,510</u>
<b>Net increase in cash during the year</b>	375,062	783,325
Cash and cash equivalents brought forward	783,325	-
Cash and cash equivalents carried forward	<u>1,158,387</u>	<u>783,325</u>
<b>Cash and cash equivalents consists of:</b>		
Cash deposits	331,593	210,151
Cash at bank	826,793	573,174
	<u>1,158,387</u>	<u>783,325</u>
<b>Reconciliation of net income/expenditure to net cash flow from operating activities</b>		
Net income/expenditure for the year	(5,426,767)	36,284,882
Dividends received	(976,463)	(932,601)
Gains on investments	5,501,997	(4,345,769)
Non-cash gift from former charity	-	(30,397,675)
Interest received	-	-
Increase in debtors	-	(1,200)
Increase/(decrease) in grant commitments	56,021	(83,822)
Net cash flow from operating activity	<u>(845,212)</u>	<u>523,815</u>

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

## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

## 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 year 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 YEAR ENDED 31 DECEMBER 2022

## 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 <u>31 Dec 2022</u> £	Year ended <u>31 Dec 2021</u> £
Wages and salaries	75,090	65,606
Social security costs	8,580	6,905
Employers contribution to defined contribution pension schemes	5,986	2,898
	<u>89,656</u>	<u>75,409</u>

The Colt Foundation (registered charity numbered 1190167) had one employee during the year 1<sup>st</sup> January 2022 to 31st December 2022.

There is one employee whose total employee benefits (excluding employer pension costs) for the reporting year fell were above £60,000 to £70,000 for the year ended 31st December 2022.

**3 Investment income**

	Year ended <u>31 Dec 2022</u> £	Year ended <u>31 Dec 2021</u> £
Dividends received	976,463	932,601
	<u>976,463</u>	<u>932,601</u>

## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 4 Expenditure

	Year ended 31 Dec 2022 £	Year ended 31 Dec 2021 £
<u>Expenditure on raising funds:</u>		
Investment management fees	122,344	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)
01/17 Edinburgh, Duffin & Poland	(21,203)	-
02/17 Southampton, Walker Bone	-	(190)
02/18 UCL/LSHTM Caplin and Pearce	(4,339)	-
04/18 Imperial College, Feary	-	(5,488)
02/19 Stirling, Semple	(10,639)	-
01/19 Imperial College, Cullinan & Feary	-	50,759
01/20 Student impact meeting	(6,734)	-
04/20 Imperial, Cullinan	(10,298)	-
05/20 LSHTM Pearce and von Tongeren	(688)	-
01/21 Imperial, Amaral, Feary	-	95,329
02/21 Surrey, Maben	-	59,248
03/21 City, Barber	-	70,997
04/21 Birmingham, Walters	-	55,674
05/21 Bournemouth, Regmi	94,212	-
01/22 UCL, Lamb	99,457	-
02/22 Loughborough	139,413	-
Student Fellowships	376,851	21,530
Grants of equipment and support to students	-	8,355
	656,032	474,764
Management and administration:		
Wages and salaries	89,656	75,409
Office expenses	5,598	10,361
Insurance and sundry	3,238	1,238
Travel and subsistence	11,005	1,843
	109,497	88,851
Gains on exchange	24	(3)
Governance costs	13,336	11,010
	901,233	695,929

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 £4,740 in respect of non-audit services.



## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 5 Fixed asset investments

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
	<u>Listed</u>	<u>Listed</u>
	£	£
Market value at 31 December 2021	36,741,990	31,723,130
Additions	4,922,106	3,176,407
Disposals	(5,165,917)	(2,503,316)
Gains/(loss) in market value of listed investments	(5,501,997)	4,345,769
Market value at 31 December 2022	<u>30,996,182</u>	<u>36,741,990</u>
Value of investments at 31 December 2022		
Total fixed interest investments	4,472,534	3,437,373
Total United Kingdom investments	8,047,416	10,431,870
Total North American investments	7,883,677	10,719,401
Total European investments (ex UK)	3,223,300	3,011,916
Total Japanese investments	616,250	675,180
Total Asian Pacific investments (ex Japan)	835,942	984,693
Total Emerging Markets investments	696,534	887,826
Total Global investments	321,742	429,816
Total Alternative investments	<u>4,898,787</u>	<u>6,163,915</u>
	<u>30,996,182</u>	<u>36,751,990</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 YEAR ENDED 31 DECEMBER 2022

## 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 <u>31 Dec 2022</u>	Year ended <u>31 Dec 2021</u>
	£	£
Prepayments	1,200	1,200
Other Debtors	-	-
	<u>1,200</u>	<u>1,200</u>

**7 Creditors- grants payable**

	Year ended <u>31 Dec 2022</u>	Year ended <u>31 Dec 2021</u>
	£	£
Grants payable as at 31/12/2021	1,241,633	-
Grant commitments following the transfer from The Colt Foundation on 01/01/2022		1,325,455
Grants awarded during the year	802,321	585,778
Grant obligations released during the year	(146,288)	(111,014)
Grants paid during the year	(600,012)	(558,586)
Grants payable as at 31/12/2022	<u>1,297,654</u>	<u>1,241,633</u>

Grants payable are split as due within one year £892,892 and over one year £404,762.

**8 Transactions with connected persons**

No Trustee received remuneration during the year.

Expenses reimbursed to seven Trustees in respect of travel and subsistence during the year totalled £3,229 (2021 - £363.60).

## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**9 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 2022 amounted to £4,800. The annual lease payments on these non-cancellable operating leases at 31st December 2022 amounted to £4,800 per annum, expiring in September 2025.

**10 Control**

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