

Charity registration No. 277964 (England and Wales)

**THE FRANCES AND AUGUSTUS  
NEWMAN FOUNDATION**

**TRUSTEES' REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2024**

# THE FRANCES AND AUGUSTUS NEWMAN FOUNDATION

## OFFICERS AND PROFESSIONAL ADVISORS FOR THE YEAR ENDED 31 MARCH 2024

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The Trustees of The Frances and Augustus Newman Foundation are pleased to present their report and audited financial statements for the year ended 31 March 2024. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102). The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to give a true and fair view.

### Reference and administrative details:

Charity Number: 277964

Principal Office: The Pinnacle, 170 Midsummer Boulevard, Milton Keynes, MK9 1BP

### Trustees

The following served as the charity's Trustees and professional advisors during 2023/24, and since the end of the period under review:

Trustees: Mr S R Cannon MBE, MCh, FRCS  
Mr D I S Sweetnam FRCS - Chairman  
Mr J L Williams, CBE, FRCS, FDSRCS  
Mr M J W Rushton  
Mr P D R Spraggs (appointed 5/11/2024)

Banker: CAF Bank Ltd  
25 Kings Hill  
West Malling  
Kent  
ME19 4JQ

Auditor: Sumer Auditco Limited  
County Gate  
County Way  
Trowbridge  
Wiltshire  
BA14 7FJ

Investment Manager: Sarasin & Partners LLP  
Juxon House  
100 St Paul's Churchyard  
London  
EC4M 8BU

Custodian Trustee: The Bank of New York Mellon

Accountants and administrator: RSM UK Tax and Accounting Limited  
The Pinnacle  
170 Midsummer Boulevard  
Milton Keynes  
MK9 1BP

# THE FRANCES AND AUGUSTUS NEWMAN FOUNDATION

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

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### **Structure, governance and management**

The Frances and Augustus Newman Foundation ("the Foundation") was set up under a Declaration of Trust dated 8 December 1978 and varied by scheme dated 19 February 1998 and is a registered charity, number 277964. Full administrative details are given on page 1 of these accounts.

### **Objectives and activities**

The objects of the Foundation are to support medical research projects and other medically related charitable endeavours.

The Declaration of Trust permits the Trustees to administer the Foundation for the benefit of such objects and purposes which are exclusively charitable according to the law of England and Wales.

The Trustees continued with their policy of supporting various projects of public benefit in the main related to medical research by the Foundation awarding research grants to institutions, as detailed in note 6.

The Trustees comply with the duty in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit when considering the Foundation's aims and objectives.

The Foundation does not actively solicit donations from the public and has no need to develop formal policies on its fundraising approach.

### **Organisation**

The Foundation is governed by a board of Trustees (referred to as "Trustees") and is a registered charity within the meaning of the Charities Act 2011, which places on the Trustees the responsibility for the effective management of the Foundation and the stewardship and care of the funds.

### **Trustees and governance**

The Trustees are appointed by the Board of Trustees. The Trust Deed provides for a maximum of 5 Trustees and a minimum of 3. At the biannual Trustees' Meetings, the Trustees agree the broad strategy and areas of activity of the Foundation including consideration of grants, investment performance, reserves and risk management. The day to day administration of grants and the processing and handling of grant applications is delegated to the Administrator who consults with the Chairman on a regular basis.

The Board keeps the skill requirements for the Trustee Body under review and in the event that a Trustee permanently retires or additional Trustees are required, the current Board of Trustees considers potential candidates. No new Trustees have been identified in the current period.

### **Trustee induction and training**

The induction process for any newly-appointed Trustee comprises an initial meeting with the Chairman and the Board, followed by a series of short meetings with the Administrator on investments, the grant making process, powers and responsibilities of the Trustee Board. The welcome pack includes a brief history of the Foundation, copy Board minutes, copies of the last three years of Trustees' Report and Financial Statements, a copy of the Governing Trust Deed and a copy of the Charity Commission's guidance 'The Essential Trustee: What You Need to Know, What you Need to Do'.

### **Key management personnel remuneration**

The Trustees consider the board of Trustees to be the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All Trustees give their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses are disclosed in note 7 to the accounts.

### **Grant making policy**

The Trustees invite applications for research grants from institutes and individuals. Applicants submit a summary of their proposals to the Trustees in a specific format; applications made in the correct format are reviewed against the research criteria established by the Trustees and the research objectives.

Research posts are funded on an annual basis to undertake an agreed programme of research and continuation of the grants is subject to the annual assessment by the Trustees.

# THE FRANCES AND AUGUSTUS NEWMAN FOUNDATION

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

The Trustees give substantial support to peer reviewed submissions from academic institutions. In respect of the limited number of other grants made, they favour projects submitted from major research centres. Grants made can be for one to three years.

### Investment policy

Our investment advisors, Sarasin & Partners LLP, are instructed to invest to maximise total return within the constraints of a lower level risk portfolio.

In the current year there has been a gain before investment costs of £1,281,955 (2023: loss on investment of £1,129,921). The fund generated investment income of £611,940 (2023: £592,697) to support the objectives of the Foundation.

### Reserves policy

In respect of the unrestricted fund, it is intended that the income of 1 year is distributed in the following year subject to appropriate applications being made to the Foundation. The Trustees policy is to retain a minimum of £50,000 against future commitments to grants given for 2 or 3 years. This retention may vary depending on the availability of suitable applications and is held at the discretion of the Trustees. For grant commitments which cover a period of more than 12 months, the total commitment is recognised in the period agreed while ensuring the minimum retention level of reserves is maintained. There was net expenditure on unrestricted funds before investment gains and losses in the year of £250,948 (2023: net losses of £24,849). The unrestricted distribution fund at 31 March 2024 was £1,704,146 (2023: £1,453,198). The Trustees are actively looking for new projects to fund and by doing so to reduce the level of unrestricted reserves towards the target level in future years.

### Charitable commitments

At 31 March 2024 the Trustees have accrued grant commitments of £292,085 payable in future years (2023: £422,537).

### Achievements and performance

The objectives of the Foundation are to support medical research and other medically related charitable endeavours. The Foundation has been successful in this aim during the year. During the year 5 (2023: 6) grants were awarded for projects in the field of medical research or medically related purposes. The total awarded for 2024, including support costs, was £315,839 compared with £573,556 in 2023.

Full details of grants made appear in note 6 to the accounts. Support costs (not including governance costs) of £18,642 (2023: £18,396) have been allocated against these grants, this is made up of one half of the total secretarial and accountancy fees.

### Criteria and measures used to assess success

		2024	2023
Number of awards granted	Note 6	5	6
Total value of awards granted	Note 6	£315,839	£573,556
Total investment value	Note 9	£18,135,863	£16,822,797

### Plans for the future

The Trustees will continue to award grants in support of the Foundation's objects as detailed above. The Foundation will continue to support medical research projects and other medically related charitable endeavours. In the next 12 months the Trustees anticipate:

- Grants awarded to increase in 2025 compared to 2024, dependent on the quality of applications received and income received during the year.
- The continuation of Trustees within their roles and their continuing support of the Foundation contribution to stability in the future.

### Financial review

The Foundation is reliant on the income from its investments, the income from which was £611,940 (2023: £592,697). There was a reduction in unrestricted resources expended in the year to £361,091 (2023: £617,596), with £342,449 payable in furtherance of the Foundation's objects (2023: £591,952).

At the balance sheet date there were grants payable of £292,085 (2023: £422,537).

# THE FRANCES AND AUGUSTUS NEWMAN FOUNDATION

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

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There was net income on unrestricted funds before investment gains and losses in the year of £250,948 (2023: net expenditure of £24,849).

The Expendable Endowment fund increased by £1,199,001 in the year (2023: net reduction of £1,212,019) to £16,266,719 at 31 March 2024 (2023: £15,067,718).

### Principal risks and uncertainties

The Trustees have examined the principal areas of the Foundation's operations and considered the major risks faced in each of those areas. The key risks and uncertainties identified are:

- Reputational damage from award of grants to an inappropriate party.

In the opinion of the Trustees, the Foundation has established review systems for award of grants which, under normal circumstances, should allow those risks to be mitigated to an acceptable level in its day to day operations.

- Value of investment funds being eroded by unpredictable market conditions.

The Trustees consider the volatility of investment returns on the endowment fund to represent the major risk. However, the risk is mitigated by the appointment of third party investment managers.

### Going Concern

The Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern, and therefore have concluded that it is appropriate to use the going concern basis in the preparation of these accounts. In making this assessment the Trustees have taken account of the ongoing uncertainties in financial markets. Any resultant decrease in investments, or investment revenue, can be mitigated by reducing future grant awards in order to protect the going concern status of the charity.

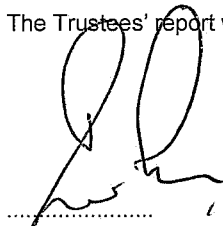
### Auditor

Sumer Auditco Limited have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors.

### Statement of disclosure to the auditor

So far as the Trustees are aware, there is no relevant audit information of which the charity's auditor is unaware and the Trustees have taken all the steps they ought to have taken in order to make them aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The Trustees' report was approved by the Board of Trustees.



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Mr D I S Sweetnam FRCS  
On behalf of the Trustees

Date: 12 December 2024

# THE FRANCES AND AUGUSTUS NEWMAN FOUNDATION

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

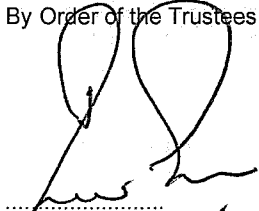
The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Under charity law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources, including the income and expenditure, of the Foundation 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;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Foundation's transactions and disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008 and regulations made there under and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Trustees



Mr D I S Sweetnam FRCS  
On behalf of the Trustees

Date: 12 December 2024

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE FRANCES AND AUGUSTUS NEWMAN FOUNDATION

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## Opinion

We have audited the financial statements of The Frances & Augustus Newman Foundation (the 'charity') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including 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 31 March 2024, and of its incoming resources and application of resources, including its income and expenditure, 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 other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## 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
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 5 the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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.

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE FRANCES AND AUGUSTUS NEWMAN FOUNDATION

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 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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud
- Understanding of management's internal controls designed to prevent and detect irregularities, and fraud;
- Reviewing the minutes of Board of Trustees meetings;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing of expenses;
- Performing analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud;
- Reviewing of the financial statements disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above
- Testing transactions entered into outside of the normal course of the charitable company's business; and
- Identifying and testing journal entries, in particular any journal entries with fraud characteristics such as journals with round numbers

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. 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.

  
**Sumner Auditco Limited**

**Statutory Auditor**

**Chartered Accountants**

**Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006**

**County Gate**

**County Way**

**Towbridge**

**Wiltshire**

**BA14 7FJ**

**14 January 2025**



# THE FRANCES AND AUGUSTUS NEWMAN FOUNDATION

## STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2024

		Unrestricted Distribution Fund 2024 £	Expendable Endowment Fund 2024 £	Total 2024 £	Unrestricted Distribution Fund 2023 £	Expendable Endowment Fund 2023 £	Total 2023 £
<b>Income from:</b>							
Investments	2	611,940	-	611,940	592,697	-	592,697
Other	2	99	-	99	50	-	50
<b>Total</b>		<u>612,039</u>	<u>-</u>	<u>612,039</u>	<u>592,747</u>	<u>-</u>	<u>592,747</u>
<b>Expenditure on:</b>							
Raising funds	3	-	82,994	82,994	-	82,098	82,098
Charitable activities	4	361,091	-	361,091	617,596	-	617,596
<b>Total</b>		<u>361,091</u>	<u>82,994</u>	<u>444,085</u>	<u>617,596</u>	<u>82,098</u>	<u>699,694</u>
<b>Net income / (expenditure) before gains / (losses)</b>		250,948	(82,994)	167,954	(24,849)	(82,098)	(106,947)
Net gains / (losses) on investments		-	1,281,995	1,281,995	-	(1,129,921)	(1,129,921)
<b>Net income/ (expenditure) and net movement in funds</b>	13	<u>250,948</u>	<u>1,199,001</u>	<u>1,449,949</u>	<u>(24,849)</u>	<u>(1,212,019)</u>	<u>(1,236,868)</u>
<b>Reconciliation of funds:</b>							
Total funds brought forward	13	1,453,198	15,067,718	16,520,916	1,478,047	16,279,737	17,757,784
<b>Total funds carried forward</b>	13	<u>1,704,146</u>	<u>16,266,719</u>	<u>17,970,865</u>	<u>1,453,198</u>	<u>15,067,718</u>	<u>16,520,916</u>

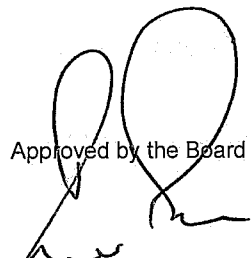
The notes on pages 11 to 22 form part of these accounts.

# THE FRANCES AND AUGUSTUS NEWMAN FOUNDATION

## BALANCE SHEET AS AT 31 MARCH 2024

	Notes	2024 £	2023 £
<b>Fixed assets</b>			
Investments	9	18,135,863	16,822,797
<b>Current assets</b>			
Debtors	10	32,792	30,916
Cash at bank and in hand		7,338	5,515
Cash held by investment managers		132,206	120,211
		172,336	156,642
<b>Creditors:</b> amounts falling due within one year	11	(262,993)	(249,691)
<b>Net current liabilities</b>		(90,657)	(93,049)
<b>Total assets less current liabilities</b>		18,045,206	16,729,748
<b>Creditors:</b> amounts falling due after one year	11	(74,341)	(208,832)
<b>Total net assets</b>		17,970,865	16,520,916
<b>Funds of the charity</b>			
Unrestricted funds	13	1,704,146	1,453,198
Expendable endowment funds	13	16,266,719	15,067,718
		17,970,865	16,520,916

Approved by the Board of Trustees and authorised for issue on 12 December 2024 and signed on their behalf by:

  
Mr D I S Sweetnam FRCS  
Trustee

The notes on pages 11 to 22 form part of these accounts.

# THE FRANCES AND AUGUSTUS NEWMAN FOUNDATION

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	2023 £
<b>Cash flow from operating activities:</b>			
Net cash used in operating activities	16	(567,150)	(409,668)
<b>Net cash used in operating activities</b>		<u>(567,150)</u>	<u>(409,668)</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		569,011	549,724
Disposal of investments		485,000	320,000
Purchase of investments		(473,043)	(460,519)
<b>Net cash provided by investing activities</b>		<u>580,968</u>	<u>409,205</u>
<b>Change in cash and cash equivalents in the year</b>		<u>13,818</u>	<u>(463)</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	17	125,726	126,189
<b>Cash and cash equivalents at the end of the reporting period</b>	17	<u>139,544</u>	<u>125,726</u>

The notes on pages 11 to 22 form part of these accounts.

# THE FRANCES AND AUGUSTUS NEWMAN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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### 1 Principal accounting policies

#### Foundation information

The Frances and Augustus Newman Foundation is a registered charity which operates throughout the UK. The principal office is The Pinnacle, 170 Midsummer Boulevard, Milton Keynes, MK9 1BP.

The Foundation meets the definition of a public benefit entity under section 34 of FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value, unless otherwise stated in the relevant accounting policy.

The principal objectives of the Foundation are detailed in the Trustees' report found on page 2 of these accounts.

#### Basis of accounting

The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – Charities SORP (FRS 102) and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. The accounting policies as disclosed have been applied consistently throughout the current and preceding year.

The charity has adopted the Charities SORP (FRS 102) issued in October 2019 rather than applying the Charities 2005 SORP which has been withdrawn but is still referred to in the extant Charities (Accounts and Reports) Regulations 2008. This departure has been necessary for the financial statements to show a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice effective for accounting periods beginning on or after 1 January 2019.

The financial statements presented in sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

#### Going concern

The Trustees have reviewed the expected cash outflows for the Foundation against expected cash inflows and assets held for 12 months from the approval of these financial statements. The Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern, and therefore have concluded that it is appropriate to use the going concern basis in the preparation of these accounts. In making this assessment the Trustees have taken account of the ongoing uncertainties in financial markets. Any resultant decrease in investments, or investment revenue, can be mitigated by reducing future grant awards in order to protect the going concern status of the charity.

#### Funds

Funds consist of an unrestricted distribution fund and an expendable endowment fund. Grants and governance costs are paid out of the unrestricted funds. Investment management fees are charged to the expendable endowment fund.

Unrestricted funds are available to spend on activities that further any of the purposes of the Foundation.

Further details of each fund are disclosed in note 13.

#### Gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

# THE FRANCES AND AUGUSTUS NEWMAN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* FOR THE YEAR ENDED 31 MARCH 2024

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### 1 Principal accounting policies (continued)

#### **Income recognition**

Income is recognised when the Foundation has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Interest on fixed interest securities is accrued on a day to day basis and dividends on equity investments are included when receivable.

#### **Expenditure**

Costs are recognised in the period in which there is a legal or constructive obligation to make a payment to a third party. They have been classified under headings that aggregate all costs relating to that activity. In accounts prepared on the accruals basis, liabilities are recognised as resources expended as soon as it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Cost of raising funds comprises costs incurred in relation to investment management costs.

Charitable activities are costs incurred in furthering the objectives of the charity and include support costs.

Governance costs include those costs incurred in the governance of the Foundation and its assets and are primarily associated with constitutional and statutory requirements.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

#### **Grants payable**

Grants payable are agreed by the Trustees, as detailed in the Trustees' Report. The liability is included in the accounts once a commitment has been made and communicated to the beneficiary.

#### **Allocation of support costs**

Support costs are those functions that assist the work of the Foundation but do not directly undertake charitable activities. Support costs consist of secretarial and accountancy fees, which are allocated equally to grants payable and governance costs.

#### **Investments**

Investments are a form of basic financial instrument and are initially measured at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The market value of investments held in the endowment portfolios are represented within the expendable endowment fund and the income portfolio is included within the unrestricted distribution fund. The realised and unrealised gains/losses are allocated in accordance with the classification of the underlying portfolio. Investment fees are deducted from the endowment fund.

#### **Financial Instruments**

As the Foundation only has basic financial instruments it has applied the provisions of Section 11 'Basic Financial Instruments' of FRS 102, to all of its financial instruments.

Financial instruments are recognised when the Foundation becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# THE FRANCES AND AUGUSTUS NEWMAN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (*continued*) FOR THE YEAR ENDED 31 MARCH 2024

### 1 Principal accounting policies (*continued*)

#### Cash and cash equivalents

Cash and cash equivalents includes cash and short term highly liquid investments with a short maturity period.

#### Taxation

The Foundation is a registered charity and is exempt from tax on income and gains falling within section 466 to 493 of the Corporation Tax Act 2010, to the extent that these are applied to the charitable objects.

#### Risk management

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

#### Exchange translations

Investments and income in non-sterling securities are translated into sterling at rates ruling on the date of settlement in the case of investments and the date of receipt or payment in the case of income or payments. Investments held at the year-end denominated in foreign currency are translated into sterling at rates ruling at the year end.

#### Judgements and key sources of estimation uncertainty

The Foundation makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

The Trustees do not consider there to be any estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### 2 Investment income

	Unrestricted Distribution Fund £	Total 2024 £	Unrestricted Distribution Fund £	Total 2023 £
Dividends received	611,940	611,940	592,697	592,697
Interest received	99	99	50	50
	<u>612,039</u>	<u>612,039</u>	<u>592,747</u>	<u>592,747</u>

# THE FRANCES AND AUGUSTUS NEWMAN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* FOR THE YEAR ENDED 31 MARCH 2024

### 3 Expenditure – cost of raising funds

	Expendable Endowment Fund £	Total 2024 £	Expendable Endowment Fund £	Total 2023 £
Investment management fees	82,902	82,902	81,988	81,988
Bank charges	92	92	110	110
	<u>82,994</u>	<u>82,994</u>	<u>82,098</u>	<u>82,098</u>

### 4 Expenditure – cost of charitable activities

	Grants to institutions £	Support costs £	Total 2024 £	Grants to institutions £	Support costs £	Total 2023 £
Funded from unrestricted distribution fund	315,839	45,252	361,091	573,556	44,040	617,596
	<u>315,839</u>	<u>45,252</u>	<u>361,091</u>	<u>573,556</u>	<u>44,040</u>	<u>617,596</u>

### 5 Allocation of support costs

The breakdown of support costs allocated to expenditure on charitable activities is shown in the table below:

	Other support costs £	Governance costs £	Total allocated 2024 £	Other support costs £	Governance costs £	Total allocated 2023 £
Accountancy	18,642	18,642	37,284	18,396	18,396	36,792
Audit fees	-	7,968	7,968	-	7,248	7,248
	<u>18,642</u>	<u>26,610</u>	<u>45,252</u>	<u>18,396</u>	<u>25,644</u>	<u>44,040</u>

Accountancy costs relate to administrative and accountancy services provided to assist the Trustees in the performance of their responsibilities.

# THE FRANCES AND AUGUSTUS NEWMAN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (*continued*) FOR THE YEAR ENDED 31 MARCH 2024

### 6 Analysis of grants payable

	Research costs £	Total 2024 £	Total 2023 £
<b>Reconciliation of grants payable:</b>			
Commitments at 1 April	422,537	422,537	125,030
Commitments made during the year:			
Anthony Nolan Research Institute	-	-	95,553
Blood Cancer UK	55,000	55,000	-
Crohn's and Colitis	-	-	15,000
Guys Cancer Centre	-	-	212,914
Muscular Dystrophy UK	97,002	97,002	-
Northamptonshire Rape Crisis	-	-	10,000
The Brain Tumour Charity	-	-	224,754
The Institute for Cancer Research	20,000	20,000	-
The Royal College of Surgeons	55,000	55,000	46,365
The Royal Hospital for Neuro Disability	88,837	88,837	-
Grant for Royal College of Surgeons no longer required	-	-	(31,030)
Total commitments made in year	315,839	315,839	573,556
Total commitments made	738,376	738,376	698,586
Grants paid during the year	(446,291)	(446,291)	(276,049)
<b>Commitments at 31 March</b>	<b>292,085</b>	<b>292,085</b>	<b>422,537</b>

Research costs relate to costs granted to institutions to fund the research of individual medical professionals.

During the year the Foundation has agreed to provide one grant (2023: three grants) for research projects which cover more than one year.

Commitments at 31 March are to be funded by investment revenue and are payable as follows:

	2024 £	2023 £
Within one year	217,744	213,705
Between two and five years	74,341	208,832
	<u>292,085</u>	<u>422,537</u>

The above commitments are subject to the provision of satisfactory annual progress reports.



# THE FRANCES AND AUGUSTUS NEWMAN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* FOR THE YEAR ENDED 31 MARCH 2024

### 7 Analysis of staff costs and remuneration of key management personnel

The Foundation considers the Board of Trustees as comprising the key management personnel of the charity. The Foundation did not have any employees, nor made pensions or retirement benefit contributions in the current or preceding year. No remuneration was paid to the Trustees during the year (2023: £nil).

No expenses were reimbursed to Trustees during the year (2023: £nil).

### 8 Net income / (expenditure)

This is stated after charging:

	2024 £	2023 £
Auditors' remuneration	7,968	7,248

### 9 Investments

	2024 £	2023 £
Market value at 1 April	16,716,560	17,646,481
Acquisitions at cost	250,000	200,000
Disposal proceeds	(150,000)	-
Net realised and unrealised gains / (losses) in the year	1,281,995	(1,129,921)
	<u>18,098,555</u>	<u>16,716,560</u>
Cash held on investment	37,308	106,237
At 31 March	<u>18,135,863</u>	<u>16,822,797</u>
Historic cost value at end of year	<u>13,579,495</u>	<u>13,450,397</u>

# THE FRANCES AND AUGUSTUS NEWMAN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2024

### 9 Investments (continued)

#### Investments at fair value

The fair value of investments has been determined using the following hierarchy:

- Level 1 – The adjusted quoted price for an identical asset in an active market at the reporting date.
- Level 2 – When adjusted quoted prices are unavailable, observable market data such as the price of a recent transaction for an identical asset will be used and adjusted if necessary.
- Level 3 – Where a quoted price is not available and observable market data is not a good estimate of fair value, the fair value is determined by using a valuation technique that uses non-observable data for the asset.

The Foundation's investment assets have been included at fair value at 31 March 2024 as follows:

	Level 1 £	Total £
Investments listed on stock exchange	18,098,555	18,098,555
Cash held in the portfolio	37,308	37,308
	<u>18,135,863</u>	<u>18,135,863</u>

The analysis at 31 March 2023 was as follows:

	Level 1 £	Total £
Investments listed on stock exchange	16,716,560	16,716,560
Cash held in the portfolio	106,237	106,237
	<u>16,822,797</u>	<u>16,822,797</u>

#### Investment risks

FRS 102 requires the disclosure of information in relation to certain investment risks:

Credit risk – the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk – this comprises currency risk, interest rate risk and other price risk:

- Currency risk – the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- Interest rate risk – the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- Other price risk – the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Trustees determine their investment strategy after taking advice from their professional advisers. The Foundation has exposure to these risks because of the investments it makes in following the investment strategy set out below. The Trustees manage investment risks, including credit risk and market risk, within what they believe are appropriate risk limits which are set taking into account the Foundation's strategic investment objectives. These investment objectives and risk limits are implemented through the agreements in place with Sarasin & Partners LLP and monitored by the Trustees through reviews of the investment manager's reports.

Further information on the Trustees' approach to risk management, credit and market risk is set out on the next page.

# THE FRANCES AND AUGUSTUS NEWMAN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* FOR THE YEAR ENDED 31 MARCH 2024

### 9 Investments (continued)

#### Investment strategy

The investment objective of the Foundation is to maintain a portfolio of suitable assets of appropriate liquidity which will generate investment returns to fund, together with future contributions, grants awarded to support medical research projects and other medically related charitable endeavours.

The range of investments and their high level exposure to each type of risk can be summarised as follows:

INVESTMENTS	2024 £	2023 £	Direct	Indirect
Fixed Income	2,947,899	3,177,134	Credit	Other, Interest
UK Equities	831,559	3,013,872	Credit	Other
Global Equities	11,767,817	7,375,537	Credit	Other, Currency
Property	597,363	678,382	Credit	Other
Alternative Investments	1,250,114	2,077,272	Credit	Other
Liquid Assets	873,317	620,811	Credit	Interest

#### Credit risk

The Foundation is exposed to direct credit risk as its holdings under Sarasin & Partners LLP are held in a nominee account. Therefore there is a direct counterparty risk with Sarasin.

This direct credit risk is mitigated by Sarasin being subject to FCA regulatory oversight.

The value of the assets subject to direct credit risk is £18,135,863 (2023: £16,822,797).

Indirect credit risk arises in relation to underlying investments held in the government and non-government bonds noted in the table above. This risk is mitigated by the fund being invested in a broad range of asset classes, and the fact that credit risk for individual underlying counterparties is spread across all investors who invest in the fund.

#### Currency risk

The Foundation is subject to currency risk because some of the Foundation's underlying investments in the funds summarised in the table above are invested in international markets and denominated in overseas currencies.

Currency risk is mitigated by diversification with a significant proportion of the underlying assets being in sterling denominated investments, and managed to some extent by the expertise of the professionals who run the funds, and advise on the total portfolio composition for the Foundation.

#### Interest rate risk

The Foundation is subject to interest rate risk because some of the Foundation's underlying investments in the funds summarised in the table above are invested in bonds.

Interest rate risk is mitigated by diversification with a significant proportion of the underlying assets being in investments which are not directly affected by interest rate risk, and managed to some extent by the expertise of the professionals who run the funds, and advise on the total portfolio composition for the Foundation.

# THE FRANCES AND AUGUSTUS NEWMAN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (*continued*) FOR THE YEAR ENDED 31 MARCH 2024

### 9 Investments (continued)

#### Other price risk

Other price risk arises principally in relation to the underlying equity investments held within the equity funds summarised in the table above.

Other price risk is mitigated because the funds are very large and hold a diversified portfolio of equities, which can lessen the impact of changes which are specific to individual companies or industries. It is also managed to some extent by the expertise of the professionals who run the funds, and advise on the total portfolio composition for the Foundation.

### 10 Debtors

	2024 £	2023 £
Accrued income	32,792	30,916
	<u>32,792</u>	<u>30,916</u>

### 11 Creditors

	2024 £	2023 £
Amounts falling due within one year:		
Trade creditors	7,200	-
Accruals	38,049	35,986
Grants payable (note 6)	217,744	213,705
	<u>262,993</u>	<u>249,691</u>
Amounts falling due after one year:		
Grants payable (note 6)	74,341	208,832
Total creditors	<u>337,334</u>	<u>458,523</u>

### 12 Financial instruments

	2024 £	2023 £
Financial assets measured at fair value through statement of financial activities (note 9)	<u>18,098,555</u>	<u>16,716,560</u>

Investments that are listed on a regulated stock exchange are measured at fair value using observable market inputs. The inputs used in valuing the investments include indexes provided by these regulated markets.

# THE FRANCES AND AUGUSTUS NEWMAN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* FOR THE YEAR ENDED 31 MARCH 2024

### 13 Funds

	Balance b/fwd 2024 £	Income 2024 £	Expenditure 2024 £	Gains/ (losses) and transfers 2024 £	Balance c/fwd 2024 £
<b>Expendable endowment funds</b>					
Expendable endowment funds	15,067,718	-	(82,994)	1,281,995	16,266,719
Total expendable endowment funds	15,067,718	-	(82,994)	1,281,995	16,266,719
<b>Unrestricted distribution funds</b>					
Unrestricted distribution funds	1,453,198	612,039	(361,091)	-	1,704,146
Total unrestricted distribution funds	1,453,198	612,039	(361,091)	-	1,704,146
Total funds	16,520,916	612,039	(444,085)	1,281,995	17,970,865

	Balance b/fwd 2023 £	Income 2023 £	Expenditure 2023 £	Gains/ (losses) and transfers 2023 £	Balance c/fwd 2023 £
<b>Expendable endowment funds</b>					
Expendable endowment funds	16,279,737	-	(82,098)	(1,129,921)	15,067,718
Total expendable endowment funds	16,279,737	-	(82,098)	(1,129,921)	15,067,718
<b>Unrestricted distribution funds</b>					
Unrestricted distribution funds	1,478,047	592,747	(617,596)	-	1,453,198
Total unrestricted distribution funds	1,478,047	592,747	(617,596)	-	1,453,198
Total funds	17,757,784	592,747	(699,694)	(1,129,921)	16,520,916

The expendable endowment funds represent the original capital of the Foundation, realised and unrealised gains/(losses) on investments, the related investment management fees incurred and any charitable expenditure since the fund was set up. There is no restriction on the application of the income from the endowment and that is included in the unrestricted distribution fund.

The unrestricted funds are available to be spent for any of the purposes of the Foundation.

# THE FRANCES AND AUGUSTUS NEWMAN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2024

### 14 Analysis of net assets between funds

	Fixed assets 2024 £	Net current (liabilities) / assets 2024 £	Non-current liabilities 2024 £	Total 2024 £
Expendable endowment funds	16,811,458	(544,739)	-	16,266,719
Unrestricted distribution funds	1,324,405	454,082	(74,341)	1,704,146
	<u>18,135,863</u>	<u>(90,657)</u>	<u>(74,341)</u>	<u>17,970,865</u>

The analysis at 31 March 2023 was as follows:

	Fixed assets 2023 £	Net current (liabilities) / assets 2023 £	Non-current liabilities 2023 £	Total 2023 £
Expendable endowment funds	15,511,443	(443,725)	-	15,067,718
Unrestricted distribution funds	1,311,354	350,676	(208,832)	1,453,198
	<u>16,822,797</u>	<u>(93,049)</u>	<u>(208,832)</u>	<u>16,520,916</u>

### 15 Related party transactions

There were no transactions with related parties in the year to 31 March 2024 (2023: £nil).

### 16 Reconciliation of net income to net cash flow used in operating activities

	2024 £	2023 £
Net income/(expenditure) for the year (as per the statement of financial activities)	1,449,949	(1,236,868)
<b>Adjustments for:</b>		
Dividends, interest and rents from investments	(612,039)	(592,747)
Net realised and unrealised (gains)/losses in the year	(1,281,995)	1,129,921
	<u>(444,085)</u>	<u>(699,694)</u>
(Increase)/decrease in debtors	(1,876)	1,021
(Decrease)/increase in creditors	(121,189)	289,005
Net cash used in operating activities	<u>(567,150)</u>	<u>(409,668)</u>

# THE FRANCES AND AUGUSTUS NEWMAN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* FOR THE YEAR ENDED 31 MARCH 2024

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### 17 Analysis of changes in net funds

	1 April 2023 £	Cash flows £	31 March 2024 £
Cash at bank and in hand	5,515	1,823	7,338
Cash held by investment managers	120,211	11,995	132,206
	<u>125,726</u>	<u>13,818</u>	<u>139,544</u>

