

Charity registration number 309659

THE EDWARD PENLEY ABRAHAM RESEARCH FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2022

THE EDWARD PENLEY ABRAHAM RESEARCH FUND

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|----------------------------|---|
| Trustees | Professor Peter Cook Professor Matthew Freeman Professor Mark Greene Professor Gillian Griffiths Professor Henry Woudhuysen FBA |
| Charity number | 309659 |
| Auditor | Critchleys Audit LLP Beaver House 23-38 Hythe Bridge Street Oxford OX1 2EP |
| Bankers | CAF Bank Ltd West Malling Kent ME19 4JQ |
| Solicitors | Mark Taylor Knights Midland House West Way Botley Oxford OX2 0PH |
| Investment advisors | Sarasin & Partners LLP 100 St Paul's Churchyard London EC4M 8BU Schroder Investment Management Limited 1 London Wall Place London EC2Y 5AU Baillie Gifford Calton Square 1 Greenside Row Edinburgh EH1 3AN Lansdowne Partners (LLP) 15 Davies Street London W1K 3AG UBS Wealth Management 5 Broadgate EC2M 2AN |

THE EDWARD PENLEY ABRAHAM RESEARCH FUND

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THE EDWARD PENLEY ABRAHAM RESEARCH FUND

TRUSTEES REPORT

FOR THE YEAR ENDED 5 APRIL 2022

The Trustees present their report and financial statements for the year ended 5 April 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Trust Deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Trust's objectives are the furtherance of medical, biological, and chemical research at the Sir William Dunn School of Pathology and Lincoln College Oxford and more broadly within the University of Oxford and its associated Colleges. Trustees award grants in the context of the trust deed and available resources, to support current and future research.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

The Trustees' policies are to assess the current trends and needs in the research being carried out and to make grants where appropriate to current circumstances and their assessment of future needs. A number of grant applications are considered each year. The accumulated income-generating capital of the fund was built up through royalties in its earlier years and latterly income has resulted from investments; substantial funds are needed to provide adequate support for research.

The Trust was founded by the late Sir Edward Abraham on 17 March 1967 to help further education and research in specific fields of science.

The Trust received royalties from his previous research in the early years but now relies on income from its endowment fund to make its grants. The intention being to build a significant enough fund to be able to make regular important contributions to scientific education, and research.

The Charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity. The Trust Fund is an Expendable Endowment Fund and the Trustees have absolute discretion for the use of income for the furtherance of the objects of the Charity but there can be no use of capital without the unanimous consent of the Trustees.

If the Trustees see no reason to the contrary, they may give support to research in the medical, biological and chemical sciences within the University of Oxford and its Colleges, in addition to the Sir William Dunn School of Pathology and Lincoln College.

The Trustees have assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The Trustees make grants where appropriate in response to eligible applications they receive in the context of available resources; some grants may be conditional or deferred subject to the provision of further information. The Trustees grants for the year are summarised in the accounts. Major grant commitments are outstanding, and Trustees are aware of the need to control and monitor cash flow so that ongoing and future research can be financed. The Trust investments are managed by third parties and the funds available and resulting performance are reviewed on a regular basis. The unanimous agreement of all Trustees is needed before any capital may be withdrawn.

Public benefits

The Trustees confirm that they have paid due regard to the Charity Commission's guidance on public benefit in deciding which activities they should undertake; the public will be the ultimate beneficiary of scientific research work carried out in the Sir William Dunn School of Pathology.

THE EDWARD PENLEY ABRAHAM RESEARCH FUND

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

Financial review

The Statement of Financial Activities shows net deficit for the year of £11,471,496 (2021: net surplus of £51,393,992). There were net investment losses of £8,921,711 (2021: net gains of £59,980,527). The reserves stand at £163,858,753 (2021: £175,330,249). Governance costs amounted to £53,922 (2021: £18,172).

The Trust is not dependent on donations or the services of unpaid volunteers. Its investments are held to produce income for grants agreed by the Trustees, who continue to monitor the performance of Investment Managers on a regular basis. Future Grants commitments provided for amounted to £14,141,660 (2021: £12,152,926). Grants awarded in the year were £4,687,427 (2021: £10,099,686). Adjustments to previous grants awarded amounted to a decrease of £295,414 (2021: £49,995).

Funds available

The Trust spends very little on administration expenses.

The Trustees through their grants and longer-term commitments, feel satisfied that the Trust has achieved its objectives in the year, but are mindful of the need to preserve an appropriate planning strategy for both cash flow and timing of future grants.

The available reserves are sufficient to meet all commitments to date.

The Trustees fund grant payments from investment income. They have committed to large grants for future payment, of which £14,141,660 (2021: £12,152,926) remains outstanding. The Trustees' practice is to consider all reasonable requests submitted by eligible applicants within the charity's objects. Trustees review the risks of the Trust at each meeting. Where applicable, in addition to the ongoing reporting process, the Trust's investment managers will be contacted or attend meetings.

The Trustees have agreed the following Reserves Policy:

- The Trustees will meet grant requests from income derived from the Expendable Endowment Funds.
- In exceptional circumstances (for example the desire of the Trustees to fund a major project that meets the objectives of the Fund) the Trustees may agree to utilise part of the capital.
- Should income be greater than the sum that the Trustees wish to award in response to grant requests, then surplus income will be reinvested. The Trustees are conscious of the need to protect the endowment at a time of financial insecurity.
- The Reserves Policy is reviewed at each Trustees' meeting.

The Trustees remain committed to maintaining the Expendable Endowment on which future income will be based. The Trustees are considering designating funds towards providing a new chair in the Sir William Dunn School of Pathology for teaching and research purposes. Alongside this, they may also endow other posts in the biomedical sciences. In addition, the Trustees are considering a substantial investment in building refurbishment at the Sir William Dunn School of Pathology. In 2027 Lincoln College will celebrate the 600th anniversary of its foundation. To help mark the anniversary Trustees have agreed a grant of £6.8 million towards the EPA Biomedical and Science Fellowship Endowment which will endow several Fellowships between 2021 and 2028.

Structure, governance and management

The Trustees who served during the year and up to the date of signature of the financial statements were:

Professor Peter Cook
Professor Matthew Freeman
Professor Mark Greene
Professor Gillian Griffiths
Professor Henry Woudhuysen FBA

THE EDWARD PENLEY ABRAHAM RESEARCH FUND

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

There shall not be appointed more than five Trustees. The Rector of Lincoln College and Professor of Pathology in the University of Oxford should be entitled to be appointed a Trustee by virtue of his or her office and on ceasing that office will cease to be a Trustee.

Additional Trustees are appointed by the existing Trustees. By way of induction new Trustees are mentored by one of the existing Trustees and provided with the latest annual report and financial statements, verbal instruction on the administration, organisation, previous minutes, grants outstanding, financial procedures, risk assessment, charity commission leaflet CC3 (A), and copy of the trust deed.

The day-to-day management and administration are conducted at the Sir William Dunn School of Pathology by the Administrator to the Trust, Rachel Faulkes. The Trustees' major policy decisions are made at Trust meetings. Other decisions made between meetings are confirmed at Trust meetings. The quoted investment portfolios are now managed by five fund managers and their performances are individually reviewed at these meetings with a senior representative of those funds in attendance. The Trustees also use the services of a financial advisor: Mr Anthony Brooke, who has extensive experience in banking and financial management. The Trustees are persons who command high respect and eminence in their respective careers in education and research development. The Trustees are conscious of the need to maintain capital and income as far as possible to achieve their objectives.

The Trustees report was approved by the Board of Trustees.



.....
Professor Peter Cook

Trustee

Dated: 21 November 2022

THE EDWARD PENLEY ABRAHAM RESEARCH FUND

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 5 APRIL 2022

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 and 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 sufficient 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 trust deed. 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.

INDEPENDENT AUDITOR'S REPORT**TO THE TRUSTEES OF THE EDWARD PENLEY ABRAHAM RESEARCH FUND**

Opinion

We have audited the financial statements of The Edward Penley Abraham Research Fund (the 'Charity') for the year ended 5 April 2022 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 5 April 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's 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 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 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
- 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.

THE EDWARD PENLEY ABRAHAM RESEARCH FUND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE EDWARD PENLEY ABRAHAM RESEARCH FUND

Responsibilities of Trustees

As explained more fully in the statement of Trustees responsibilities, 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. 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 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 the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our knowledge and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

THE EDWARD PENLEY ABRAHAM RESEARCH FUND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE EDWARD PENLEY ABRAHAM RESEARCH FUND

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

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

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

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

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

THE EDWARD PENLEY ABRAHAM RESEARCH FUND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE EDWARD PENLEY ABRAHAM RESEARCH FUND

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Kirtland (Senior Statutory Auditor)
for and on behalf of Critchleys Audit LLP

25/11/2022
.....

Chartered Accountants
Statutory Auditor

Beaver House
23-38 Hythe Bridge Street
Oxford
OX1 2EP

Critchleys Audit LLP is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE EDWARD PENLEY ABRAHAM RESEARCH FUND

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2022

Current financial year

| | Notes | Unrestricted funds 2022 £ | Endowment funds 2022 £ | Total 2022 £ | Total 2021 £ |
|---|-------|---------------------------------|------------------------------|--------------------|--------------------|
| <u>Income and endowments from:</u> | | | | | |
| Investments | 3 | 2,458,113 | - | 2,458,113 | 1,986,365 |
| Other income | 4 | 13,095 | - | 13,095 | 11,526 |
| Total income | | 2,471,208 | - | 2,471,208 | 1,997,891 |
| <u>Expenditure on:</u> | | | | | |
| Raising funds | 5 | 540,110 | - | 540,110 | 493,595 |
| Charitable activities | 6 | 4,480,883 | - | 4,480,883 | 10,090,831 |
| Total expenditure | | 5,020,993 | - | 5,020,993 | 10,584,426 |
| Net gains/(losses) on investments | 11 | - | (8,921,711) | (8,921,711) | 59,980,527 |
| Net (outgoing)/incoming resources before transfers | | (2,549,785) | (8,921,711) | (11,471,496) | 51,393,992 |
| Gross transfers between funds | | (227,440) | 227,440 | - | - |
| Net movement in funds | | (2,777,225) | (8,694,271) | (11,471,496) | 51,393,992 |
| Fund balances at 6 April 2021 | | (10,331,903) | 185,662,152 | 175,330,249 | 123,936,257 |
| Fund balances at 5 April 2022 | | (13,109,128) | 176,967,881 | 163,858,753 | 175,330,249 |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE EDWARD PENLEY ABRAHAM RESEARCH FUND

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

Prior financial year

| | | Unrestricted funds 2021 £ | Endowment funds 2021 £ | Total 2021 £ |
|---|-------|------------------------------------|---------------------------------|--------------------|
| | Notes | | | |
| <u>Income and endowments from:</u> | | | | |
| Investments | 3 | 1,986,365 | - | 1,986,365 |
| Other income | 4 | 11,526 | - | 11,526 |
| Total income | | 1,997,891 | - | 1,997,891 |
| <u>Expenditure on:</u> | | | | |
| Raising funds | 5 | 493,595 | - | 493,595 |
| Charitable activities | 6 | 10,090,831 | - | 10,090,831 |
| Total expenditure | | 10,584,426 | - | 10,584,426 |
| Net gains/(losses) on investments | 11 | - | 59,980,527 | 59,980,527 |
| Net (outgoing)/incoming resources before transfers | | (8,586,535) | 59,980,527 | 51,393,992 |
| Gross transfers between funds | | (1,745,368) | 1,745,368 | - |
| Net movement in funds | | (10,331,903) | 61,725,895 | 51,393,992 |
| Fund balances at 6 April 2020 | | - | 123,936,257 | 123,936,257 |
| Fund balances at 5 April 2021 | | (10,331,903) | 185,662,152 | 175,330,249 |


THE EDWARD PENLEY ABRAHAM RESEARCH FUND

BALANCE SHEET

AS AT 5 APRIL 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|--|-------|--------------|--------------|-------------|--------------|
| Fixed assets | | | | | |
| Investments | 13 | | 176,967,881 | | 185,662,152 |
| Current assets | | | | | |
| Debtors | 14 | - | | 2,502 | |
| Cash at bank and in hand | | 1,144,536 | | 1,935,141 | |
| | | 1,144,536 | | 1,937,643 | |
| Creditors: amounts falling due within one year | 15 | (10,853,664) | | (7,889,546) | |
| Net current liabilities | | | (9,709,128) | | (5,951,903) |
| Total assets less current liabilities | | | 167,258,753 | | 179,710,249 |
| Creditors: amounts falling due after more than one year | 16 | | (3,400,000) | | (4,380,000) |
| Net assets | | | 163,858,753 | | 175,330,249 |
| Capital funds | | | | | |
| General endowment funds | 17 | | 176,967,881 | | 185,662,152 |
| Income funds | | | | | |
| Unrestricted funds | | | (13,109,128) | | (10,331,903) |
| | | | 163,858,753 | | 175,330,249 |

The financial statements were approved by the Trustees on 21 November 2022



 Professor Peter Cook
 Trustee

THE EDWARD PENLEY ABRAHAM RESEARCH FUND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 5 APRIL 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|---|-------|--------------|---|-------------|---|
| Cash flows from operating activities | | | | | |
| Cash absorbed by operations | 20 | (3,021,278) | | (3,515,300) | |
| Investing activities | | | | | |
| Purchase of investments | | (33,631,125) | | - | |
| Proceeds on disposal of investments | | 33,403,685 | | 2,089,920 | |
| Investment income received | | 2,458,113 | | 1,986,365 | |
| Net cash generated from investing activities | | 2,230,673 | | 4,076,285 | |
| Net cash used in financing activities | | - | | - | |
| Net (decrease)/increase in cash and cash equivalents | | (790,605) | | 560,985 | |
| Cash and cash equivalents at beginning of year | | 1,935,141 | | 1,374,156 | |
| Cash and cash equivalents at end of year | | 1,144,536 | | 1,935,141 | |

THE EDWARD PENLEY ABRAHAM RESEARCH FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2022

1 Accounting policies

Charity information

The Edward Penley Abraham Research Fund is an unincorporated Trust domiciled in England. Its principal address is: University of Oxford, Sir William Dunn School of Pathology, South Parks Road, Oxford, OX1 3RE.

1.1 Basis of accounting

The financial statements have been prepared in accordance with the Charity's Trust Deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The Charity is a Public Benefit Entity as defined by FRS 102.

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

The Edward Penley Abraham Research Fund meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

1.2 Going concern

The financial statements have been prepared on a going concern basis. The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

The expendable Endowment Fund is also unrestricted and the reserve policy is that there can be no use of the current value of this fund where this exceeds 10% of the value.

1.4 Income

All income is included on the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Investment Income

Income from investments is recognised in the year in which it is receivable.

1.5 Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis inclusive of any VAT which cannot be recovered. They are classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

All cost categories are individually apportioned and hence support costs are not shown separately.

The costs comprise of those attributable to managing the investment portfolios and arising investment income.

THE EDWARD PENLEY ABRAHAM RESEARCH FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

1 Accounting policies

(Continued)

Grants payable

Grants payable have to fall within the terms of the Charity's objects and need approval of the Trustees and the recipient abiding within the terms of reference of the Grant. The Charity had, at the Balance Sheet date, approved grants to be paid in subsequent years. Provision has been made in these financial statements for the Grants as explained in note 14.

Governance costs

Governance costs include those costs, such as Auditors' fees, associated with constitutional and statutory requirements of the charity.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Volunteer services

The Charity does not rely on the support of volunteer services.

1.6 Tangible fixed assets

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|-------------------|----|
| Freehold property | 2% |
|-------------------|----|

1.7 Fixed asset investments

Assets held for investment purposes are valued at market value at the balance sheet date. Traded securities are valued at their market quotation as the year end date.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less. Cash held as part of a fixed asset investment portfolio are presented as part of fixed asset investments.

1.9 Taxation

The Charity is exempt from tax on its charitable activities.

Value Added Tax is not recoverable by the Charity and as such is included in the relevant costs in the Statement of Financial Activities.

THE EDWARD PENLEY ABRAHAM RESEARCH FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

1 Accounting policies

(Continued)

1.10 Other financial instruments

a) Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

b) Other debtors

Other debtors are measured at transaction price less any impairment unless the arrangement constitutes a financing transaction in which case the transaction is measured at the present value of the future receipts discounted at the prevailing rate of interest.

1.11 Fund Accounting

Funds held by the Charity are either:

a) Unrestricted funds: These are funds which can be used in accordance with the charitable objects at the discretion of the Trustees; or

b) The expendable endowment fund is also unrestricted and the reserve policy is that there can be no use of the current value of this fund where this exceeds 10% of the value.

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Grant creditor

Grant creditors are judged to have been committed to but not paid by the Trustees. The total of grants creditors at 5 April 2022 was £14,141,660 (2021: £12,152,926).

THE EDWARD PENLEY ABRAHAM RESEARCH FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

3 Investments

| | Unrestricted funds | Unrestricted funds |
|--------------------|-----------------------|-----------------------|
| | 2022 | 2021 |
| | £ | £ |
| Dividends | 2,456,865 | 1,962,583 |
| Income tax reclaim | 1,290 | 23,466 |
| Interest | (42) | 316 |
| | <u>2,458,113</u> | <u>1,986,365</u> |

4 Other income

| | Unrestricted funds | Unrestricted funds |
|--------------|-----------------------|-----------------------|
| | 2022 | 2021 |
| | £ | £ |
| Other income | <u>13,095</u> | <u>11,526</u> |

5 Raising funds

| | Unrestricted funds | Unrestricted funds |
|------------------------------------|-----------------------|-----------------------|
| | 2022 | 2021 |
| | £ | £ |
| Property maintenance and insurance | 1,031 | 1,820 |
| Investment management | 539,079 | 491,775 |
| | <u>540,110</u> | <u>493,595</u> |

THE EDWARD PENLEY ABRAHAM RESEARCH FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

6 Charitable activities

| | Total 2022 | Total 2021 |
|--|---------------|---------------|
| | £ | £ |
| Staff costs | 34,227 | 22,968 |
| Governance costs | 20,605 | 18,172 |
| Garden maintenance - Lincoln College | 34,038 | - |
| | 88,870 | 41,140 |
| Grant funding of activities (see note 7) | 4,392,013 | 10,049,691 |
| | 4,480,883 | 10,090,831 |

7 Grants payable

| | Grants Awarded 2022 £ | Grants Awarded 2021 £ |
|---|--------------------------------|--------------------------------|
| Grants | 4,392,013 | 10,049,691 |
| | 2022 £ | 2021 £ |
| 213 Contribution to nanobodies | 50,000 | - |
| 269 Purchase of equipment - Dunn School | - | 133,505 |
| 278 OxVax: Establishment - Dunn School | - | 28,216 |
| 279 Support Grant - Dunn School | - | 134,433 |
| 280 Salary support - Dunn School | - | 99,455 |
| 281 2027 EPA Biomedical and Science Fellowship Endowment | - | 6,800,000 |
| 282 Salary support - Dunn School | - | 154,635 |
| 283 Salary support - Dunn School | - | 142,807 |
| 284 Salary support - Dunn School | - | 243,976 |
| 286 Coronavirus mitigation award | - | 800,000 |
| 285 Salary support - Dunn School | - | 1,200,000 |
| 287 Post-doctoral extension awards | - | 132,274 |
| 288 Support grant - Dunn School | - | 50,000 |
| 290 Molecular Analysis of Non-apoptotic Caspase functions | 139,472 | 180,385 |
| 291 Genome stability and human disease | 197,900 | - |
| 292 Salary support - Dunn School | 165,630 | - |
| 293 Salary support - Dunn School | 660,039 | - |
| 294 Oxford EPA studentships (2022-26) | 469,733 | - |
| 295 Flow cytometry core facility | 457,337 | - |
| 296 Salary support - Dunn School | 93,665 | - |
| 297 Suite of electron microscopes | 500,000 | - |
| 298 Salary support - Dunn School | 91,151 | - |
| 299 Start up funding for three professorships - Dunn School | 1,500,000 | - |
| 300 Start up funding for one professorship - Dunn School | 200,000 | - |
| 301 Start up funding for one professorship - Dunn School | 150,000 | - |
| 302 Support for summer research placements | 12,500 | - |

THE EDWARD PENLEY ABRAHAM RESEARCH FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

7 Grants payable

(Continued)

| | |
|-----------|------------|
| 4,687,427 | 10,099,686 |
|-----------|------------|

Adjustments to the grants during the year were as follows:

| | 2022 | 2021 |
|--------------------------------------|-----------|----------|
| | £ | £ |
| 213 Support Grant - Dunn School | (22) | (50,000) |
| 250 Equipment upgrade - Dunn School | - | 5 |
| 221 Purchase of confocal microscope | (50,000) | - |
| 223 Dunn School Histology Department | (512) | - |
| 250 Upgrade AV provision | (13,277) | - |
| 260 Funding for Fournier | (235) | - |
| 261 Postdoc extension awards | (13,785) | - |
| 264 Symposium Shanghai | (8,754) | - |
| 288 Support grant - Dunn School | (28,444) | - |
| 289 Salary support - Dunn School | (180,385) | - |
| | (295,414) | (49,995) |

-

8 Governance costs

| | 2022 | 2021 |
|-----------------------------|--------|--------|
| | £ | £ |
| Other expenses | 9,766 | 718 |
| Trustees' insurance | 1,031 | 833 |
| Office insurance | 482 | 482 |
| Legal and professional fees | 1,064 | 8,325 |
| Bank charges | 122 | 69 |
| Auditors' Remuneration | 8,048 | 6,374 |
| Trustees' expenses | 92 | 393 |
| | 20,605 | 17,194 |

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

Trustee indemnity insurance was paid at a cost of £1,031 (2021: £833).

| | 2022 | 2021 |
|--------------------|------|------|
| | £ | £ |
| Trustees' Expenses | 92 | 393 |

THE EDWARD PENLEY ABRAHAM RESEARCH FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

10 Employees

The average monthly number of employees during the year was:

| | 2022 Number | 2021 Number |
|---------------------|----------------|----------------|
| Trust administrator | 1 | 1 |

Employment costs

| | 2022 £ | 2021 £ |
|-----------------------|-----------|-----------|
| Wages and salaries | 21,584 | 15,624 |
| Social security costs | 8,593 | 5,383 |
| Other pension costs | 4,050 | 1,961 |
| | 34,227 | 22,968 |

There were no employees whose annual remuneration was more than £60,000.

11 Net gains/(losses) on investments

| | Endowment funds general 2022 £ | Endowment funds general 2021 £ |
|----------------------------|--|--|
| Revaluation of investments | (8,921,711) | 59,980,527 |

12 Tangible fixed assets

| | Freehold property £ |
|------------------------------------|------------------------|
| Cost | |
| At 6 April 2021 | 151,267 |
| At 5 April 2022 | 151,267 |
| Depreciation and impairment | |
| At 6 April 2021 | 151,267 |
| At 5 April 2022 | 151,267 |
| Carrying amount | |
| At 5 April 2022 | - |
| At 5 April 2021 | - |

THE EDWARD PENLEY ABRAHAM RESEARCH FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

13 Fixed asset investments

| | Listed investments £ |
|--------------------------|----------------------------|
| Cost or valuation | |
| At 6 April 2021 | 185,662,152 |
| Additions | 33,631,125 |
| Valuation changes | (8,921,711) |
| Disposals | (33,403,685) |
| | <hr/> |
| At 5 April 2022 | 176,967,881 |
| | <hr/> |
| Carrying amount | |
| At 05 April 2022 | 176,967,881 |
| | <hr/> <hr/> |
| At 05 April 2021 | 185,662,152 |
| | <hr/> <hr/> |

14 Debtors

| | 2022 £ | 2021 £ |
|---|-------------|-------------|
| Amounts falling due within one year: | | |
| Other debtors | - | 2,502 |
| | <hr/> <hr/> | <hr/> <hr/> |

15 Creditors: amounts falling due within one year

| | 2022 £ | 2021 £ |
|-----------------|-------------|-------------|
| Grants payable | 10,741,660 | 7,772,926 |
| Other creditors | 112,004 | 116,620 |
| | <hr/> | <hr/> |
| | 10,853,664 | 7,889,546 |
| | <hr/> <hr/> | <hr/> <hr/> |

16 Creditors: amounts falling due after more than one year

| | 2022 £ | 2021 £ |
|----------------|-------------|-------------|
| Grants payable | 3,400,000 | 4,380,000 |
| | <hr/> <hr/> | <hr/> <hr/> |

THE EDWARD PENLEY ABRAHAM RESEARCH FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

17 Endowment funds

Endowment funds represent assets which must be held permanently by the Charity. Income arising on the endowment funds can be used in accordance with the objects of the Charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

| | Movement in funds | | | | | Movement in funds | | | | | Balance at 5 April 2022 |
|-------------------------|----------------------------|-----------------------|-----------------------|-----------|-------------------------------------|----------------------------|-----------------------|-----------------------|-----------|-------------------------------------|----------------------------|
| | Balance at 6 April 2020 | Incoming resources | Resources expended | Transfers | Revaluations gains and losses | Balance at 6 April 2021 | Incoming resources | Resources expended | Transfers | Revaluations gains and losses | |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Expendable endowment | 123,936,257 | - | - | 1,745,368 | 59,980,527 | 185,662,152 | - | - | 227,440 | (8,921,711) | 176,967,881 |
| | 123,936,257 | - | - | 1,745,368 | 59,980,527 | 185,662,152 | - | - | 227,440 | (8,921,711) | 176,967,881 |

THE EDWARD PENLEY ABRAHAM RESEARCH FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

18 Analysis of net assets between funds

| | Unrestricted funds | Endowment funds | Total | Unrestricted funds | Endowment funds | Total |
|---|---------------------|--------------------|--------------------|---------------------|--------------------|--------------------|
| | 2022 | 2022 | 2022 | 2021 | 2021 | 2021 |
| | £ | £ | £ | £ | £ | £ |
| Fund balances at 5 April 2022 are represented by: | | | | | | |
| Investments | - | 176,967,881 | 176,967,881 | - | 185,662,152 | 185,662,152 |
| Current assets/(liabilities) | (9,709,128) | - | (9,709,128) | (5,951,903) | - | (5,951,903) |
| Long term liabilities | (3,400,000) | - | (3,400,000) | (4,380,000) | - | (4,380,000) |
| | <u>(13,109,128)</u> | <u>176,967,881</u> | <u>163,858,753</u> | <u>(10,331,903)</u> | <u>185,662,152</u> | <u>175,330,249</u> |

19 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

Professor GM Griffiths, Professor HR Woudhuysen and Professor MJA Freeman are also trustees of the Guy Newton Research Fund, a related charity.

The Guy Newton Research Fund and the Edward Penley Abraham Research Fund hold joint investments with Sandaire Limited and UBS. As at 5 April 2022 the Edward Penley Abraham Research Fund was entitled to 91.91% of the Sandaire & UBS funds. All investment income and associated costs have been apportioned on the above basis.

20 Cash generated from operations

| | 2022 | 2021 |
|---|--------------------|--------------------|
| | £ | £ |
| (Deficit)/surplus for the year | (11,471,496) | 51,393,992 |
| Adjustments for: | | |
| Investment income recognised in statement of financial activities | (2,458,113) | (1,986,365) |
| Fair value gains and losses on investments | 8,921,711 | (59,980,527) |
| Movements in working capital: | | |
| Decrease in debtors | 2,502 | 136 |
| Increase in creditors | 1,984,118 | 7,057,464 |
| Cash absorbed by operations | <u>(3,021,278)</u> | <u>(3,515,300)</u> |

21 Analysis of changes in net funds

The Charity had no debt during the year.