

Charity registration number 309698

**EPA CEPHALOSPORIN FUND**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 5 APRIL 2023**

# EPA CEPHALOSPORIN FUND

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Trustees

Professor Neil Barclay, DPhil  
Professor Jeff Errington, FRS, FMedSci  
Professor Tony Green, PhD  
Professor Penny Handford, DPhil  
Professor Anton van der Merwe, MBChB PhD  
Professor Sir John Walker, FRS, FMedSci

### Charity number

309698

### Auditor

Critchleys Audit LLP  
Beaver House  
23-38 Hythe Bridge St  
Oxford  
OX1 2EP

### Bankers

CAF Bank Ltd  
25 King Hill Ave  
West Malling  
ME19 4JQ

### Solicitors

Knights Solicitors  
Midland House  
West Way  
Oxford  
OX2 0PH

### Investment advisors

Schroder (Cazenove) Personal Investment Management  
1 London Wall Place  
London  
EC2Y 5AU

Oxford University Endowment Management  
27 Park End Street  
Oxford  
OX1 1HU

CTI Global Asset Management  
78 Cannon Street  
Cannon Place  
London  
EC4N 6AG

7 Nov

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# EPA CEPHALOSPORIN FUND

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# **EPA CEPHALOSPORIN FUND**

## **TRUSTEES REPORT**

***FOR THE YEAR ENDED 5 APRIL 2023***

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

The financial statements have been prepared in accordance with the accounting policies, 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 Trustees' objects are the education and / or research in the medical, biological and chemical sciences within the University of Oxford and its Colleges, the Royal Society of London and King Edward VI School, Southampton. Research grants are made for the benefit of both current and future research, with mankind being the eventual beneficiary.

The Trustees' policies are to assess the current trends and needs in the research work being carried out and to make grants where appropriate. Many grant applications are considered each year. Substantial funds are needed to provide adequately for research, and the Trustees are aware of the need to select grants that will realise both the short term and long term objectives of the Trust fund. Planning for possible future developments is essential if successful research is to be achieved. Any capital withdrawal needs the consent of all Trustees.

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

### **Significant activities**

Twice a year the Trustees review grant applications made to them, on the basis of performance and in the context of funding available from other sources. Grants may be conditional or deferred subject to further information; and outcome reports are required before grant payments are made. The Trust's grants for the year are summarised in the accounts. Major grant commitments have been made and the Trustees are aware of the need to control and monitor cash flow so that ongoing and future research can be financed. A record is kept of applications withdrawn, ineligible or judged unsuitable.

The Trust's investments are managed by third parties and the funds available and performance are carefully reviewed on a regular basis.

### **Public benefit**

The Trustees confirm that they have paid due regard to the Charity Commissioner's guidance on public benefit in deciding which activities they should support. The Trust, as stated in its objects, provides research grants in the medical, biological and chemical sciences. In the achievements and performance section the Trustees have further explained their activities. The public are the beneficiaries from the success of the grants in research and education and in the support of the University of Oxford Museum of Natural History.

### **Achievements and Performance**

The Trustees have continued to assess and decide on grant applications at regular meetings, with provision for urgent bids below a set ceiling to be decided on the basis of Trustees' consultation between meetings if necessary. Grantees' outcome reports indicate that, in addition to the larger grants for equipment or specific salary funding, the Trustees' aims of helping valid pump-priming or bridging finance applications have been very useful. Trustees have continued to support the University Science Departments and Colleges and the Oxford University Museum of Natural History, an important set of collections open to the public free of charge; funds have been awarded for the continuation of their internship scheme and for the conservation and re-housing of specific collections. They also support the Museum of the History of Science by funding educational exhibitions on the History of Medicine.

# EPA CEPHALOSPORIN FUND

## TRUSTEES REPORT (CONTINUED)

### FOR THE YEAR ENDED 5 APRIL 2023

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They have continued to support King Edward VI School in Southampton (one of the named beneficiaries of the Trust) and in particular to provide fellowships for students.

In 2014-5 the Fund initiated the endowment of a research professorship at the Royal Society to be named the Royal Society EP Abraham Professor with a payment of £3M with a further £0.5M to follow over the next 2 years. This post is currently filled by Professor Benjamin Simons at the Department of Applied Mathematics and Theoretical Physics at the University of Cambridge.

The Trust made significant grants in the year, including £1,506,162 to fund two academic futures DPhil Scholarships at Linacre College, and £1,500,000 for the establishment of a Professorship for the Department of Biochemistry.

#### **Financial review**

The Statement of Financial Activities shows net deficit, after investment gains, for the year of £7,658,268 (2022: surplus of £5,374,419). There were net investment losses of £6,120,565 (2022: gains of £3,438,038). Total funds stand at £97,803,151 (2022: £105,461,419). Governance costs amounted to £24,082 (2022: £22,401).

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 grant commitments provided for amounted to £4,779,957 (2022: £3,048,388). Grants paid were £3,788,598 (2022: £1,525,671) and those awarded in the year were £5,520,871 (2022: £2,880,504). Adjustments to previous grants awarded amounted to £705 (2022: £188,378).

#### **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.

#### **Reserves policy**

The Trustees aim to retain sufficient unrestricted reserves to ensure the long term sustainability of the Charity, without expending the expendable endowment fund unless necessary, and to allow it the flexibility to practically consider all grant applications of any reasonable value.

The Trustees review the risks of the Trust at each meeting. Major risks would involve the Trust's investments and the grants to be approved.

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.

#### **Future developments**

The Trustees believe that the careful handling of the funds to date should continue in the foreseeable future but they will always look at any major scientific development in the Trust's fields and assist if they believe appropriate for both the current and future beneficiaries.

# EPA CEPHALOSPORIN FUND

## TRUSTEES REPORT (CONTINUED)

**FOR THE YEAR ENDED 5 APRIL 2023**

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

The Trust was founded by the late Sir Edward Abraham on 18 May 1970 to help further education and research in specific fields of science. The Trust received royalties from his research in the early years but now relies on income from expendable endowment to make its grants, the intention being to maintain a significant enough fund to enable regular important contributions to be made to scientific education and research.

The governing document is the Trust Deed and constitutes an unincorporated charity. The Trust Fund is an expendable endowment fund. Trustees have absolute discretion for the use of income for the furtherance of the objects of the charity, provided the Trustees restrict the application of the income and capital to such research and education in the University of Oxford (including its Colleges, Halls, and Societies), The Royal Society of London, King Edward VI School, Southampton, unless they consider there is a good reason to the contrary. There can be no use of capital without the unanimous consent of the Trustees.

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

Professor Neil Barclay, DPhil

Professor Jeff Errington, FRS, FMedSci

Professor Tony Green, PhD

Professor Penny Handford, DPhil

Professor Anton van der Merwe, MBBCh PhD

Professor Sir John Walker, FRS, FMedSci

### **Recruitment and appointment of new trustees**

Trustees are appointed by existing Trustees up to a maximum of six. Trustees are selected with expertise to cover the types of applications to the Trust. The Trustees are persons who command high respect and eminence in their respective careers in education and research development.

New Trustees are provided with the latest annual report and financial statements, verbal instructions on administration and organisation and details of previous minutes, grants outstanding, financial procedures, risk assessment, Charity Commission leaflet CC3 (A) and a copy of the Trust Deed.

### **Organisational structure**

The day to day management and administration are conducted in the Trust Office at the Sir William Dunn School of Pathology by the Administrator to the Trust Ms Rachel Faulkes. The Trustees' major policy decisions are made at Trust meetings by the Trustees. Other decisions taken between meetings are confirmed at Trust meetings. The Trustees ask for additional expert opinions where necessary.

The quoted portfolio is managed mainly by Oxford University Endowment Management with a portion managed by Schroder (Cazenove) Personal Investment Management Limited. A small percentage is kept in more liquid funds managed by CTI Global Asset Management.

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



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**Professor Neil Barclay, DPhil**

Trustee

Dated: 7 November 2023

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# **EPA CEPHALOSPORIN FUND**

## **STATEMENT OF TRUSTEES RESPONSIBILITIES**

***FOR THE YEAR ENDED 5 APRIL 2023***

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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 EPA CEPHALOSPORIN FUND

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### Opinion

We have audited the financial statements of EPA Cephalosporin Fund (the 'Charity') for the year ended 5 April 2023 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 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *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

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 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.

# EPA CEPHALOSPORIN FUND

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF EPA CEPHALOSPORIN FUND

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### **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 charity'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.

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.

# EPA CEPHALOSPORIN FUND

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF EPA CEPHALOSPORIN FUND

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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.

### **Other matters**

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.

### **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.



**Critchleys Audit LLP**

8/11/2023  
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**Chartered Accountants  
Statutory Auditor**

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

Critchleys Audit LLP is eligible to act as an auditor of the Charity in terms of section 1212 of the Companies Act 2006.

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# EPA CEPHALOSPORIN FUND

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2023

### Current financial year

	Notes	Unrestricted funds 2023 £	Endowment funds 2023 £	Total 2023 £	Total 2022 £
<b>Income from:</b>					
Investment Income	3	4,008,541	-	4,008,541	3,841,435
<b>Expenditure on:</b>					
Investment Management Costs	4	1,996	-	1,996	2,149
<b>Charitable activities</b>					
Administrative costs	5	24,082	-	24,082	22,401
Grants Awarded	5	5,520,166	-	5,520,166	1,880,504
<b>Total charitable expenditure</b>		5,544,248	-	5,544,248	1,902,905
<b>Total resources expended</b>		5,546,244	-	5,546,244	1,905,054
Net gains/(losses) on investments	9	-	(6,120,565)	(6,120,565)	3,438,038
<b>Net (outgoing)/incoming resources before transfers</b>		(1,537,703)	(6,120,565)	(7,658,268)	5,374,419
Gross transfers between funds		150,284	(150,284)	-	-
Fund balances at 6 April 2022		1,939,169	103,522,250	105,461,419	100,087,000
<b>Fund balances at 5 April 2023</b>		551,750	97,251,401	97,803,151	105,461,419

# EPA CEPHALOSPORIN FUND

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

### Prior financial year

	Notes	Unrestricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
<b>Income from:</b>				
Investment Income	3	3,841,435	-	3,841,435
<b>Expenditure on:</b>				
Investment Management Costs	4	2,149	-	2,149
<u>Charitable activities</u>				
Administrative costs	5	22,401	-	22,401
Grants Awarded	5	1,880,504	-	1,880,504
<b>Total charitable expenditure</b>		1,902,905	-	1,902,905
<b>Total resources expended</b>		1,905,054	-	1,905,054
Net gains/(losses) on investments	9	-	3,438,038	3,438,038
<b>Net (outgoing)/incoming resources before transfers</b>		1,936,381	3,438,038	5,374,419
Gross transfers between funds		(1,325,161)	1,325,161	-
<b>Net movement in funds</b>		611,220	4,763,199	5,374,419
Fund balances at 6 April 2021		1,327,949	98,759,051	100,087,000
<b>Fund balances at 5 April 2022</b>		1,939,169	103,522,250	105,461,419


# EPA CEPHALOSPORIN FUND

## BALANCE SHEET

AS AT 5 APRIL 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Investments	11		97,251,401		103,522,250
<b>Current assets</b>					
Debtors	12	396,634		387,856	
Cash at bank and in hand		4,941,733		4,605,701	
		<u>5,338,367</u>		<u>4,993,557</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(4,429,287)</u>		<u>(2,723,021)</u>	
Net current assets			909,080		2,270,536
<b>Total assets less current liabilities</b>			98,160,481		105,792,786
<b>Creditors: amounts falling due after more than one year</b>	14		(357,330)		(331,367)
<b>Net assets</b>			<u>97,803,151</u>		<u>105,461,419</u>
<b>Capital funds</b>					
General endowment funds	16		97,251,401		103,522,250
<b>Income funds</b>					
Unrestricted funds			551,750		1,939,169
			<u>97,803,151</u>		<u>105,461,419</u>

The financial statements were approved by the Trustees on 7 November 2023

  
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Professor Neil Barclay, DPhil  
Trustee

# EPA CEPHALOSPORIN FUND

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 5 APRIL 2023

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	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	19		(3,822,793)		(1,563,927)
<b>Investing activities</b>					
Purchase of investments		-		(2,000,000)	
Proceeds from disposal of investments		150,284		674,839	
Investment income received		4,008,541		3,841,435	
<b>Net cash generated from investing activities</b>			4,158,825		2,516,274
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			336,032		952,347
Cash and cash equivalents at beginning of year			4,605,701		3,653,354
<b>Cash and cash equivalents at end of year</b>			4,941,733		4,605,701

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# EPA CEPHALOSPORIN FUND

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 5 APRIL 2023**

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### **1 Accounting policies**

#### **Charity information**

The E P A Cephalosporin Fund is a charity 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The E P A Cephalosporin 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 note.

#### **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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

#### **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.

# EPA CEPHALOSPORIN FUND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

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### 1 Accounting policies

(Continued)

#### 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.

#### Costs of generating funds

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

#### Charitable activities:

#### 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.

#### Governance costs

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

#### Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are converted at the year-end exchange rate. All exchange differences are reflected in the income and expenditure account.

#### Volunteer services

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

#### Taxation

The Charity is exempt from tax on its charitable activities.

#### Value Added Tax

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

#### 1.6 Investments

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

#### 1.7 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.

# EPA CEPHALOSPORIN FUND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

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### 1 Accounting policies

(Continued)

#### 1.8 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 Charity 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.

#### 1.9 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) Endowment funds: These are funds must be maintained by the Charity as they are subject to specific conditions by the donors.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

#### 1.10 Funds

There are two types of Funds. The Expendable Endowment was set up under an order issued by the Charities Commissioners for England and Wales under the power given in Section 26 of the Charities Act dated 7 April 2003. The Unrestricted Fund is available for general use.

# EPA CEPHALOSPORIN FUND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

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### 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 grant creditors at 5 April 2023 was £4,779,957.

### 3 Investment Income

	<b>Unrestricted funds</b>	Unrestricted funds
	<b>2023</b>	2022
	£	£
Interest received	469	5
Dividends and interest	4,008,072	3,841,430
	<u>4,008,541</u>	<u>3,841,435</u>

### 4 Investment Management Costs

	<b>Unrestricted funds</b>	Unrestricted funds
	<b>2023</b>	2022
	£	£
Portfolio management	1,996	2,149
	<u>1,996</u>	<u>2,149</u>

# EPA CEPHALOSPORIN FUND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

### 5 Charitable Activities

	Administrative costs 2023 £	Grants Awarded 2023 £	Total 2023 £	Administrative costs 2022 £	Grants Awarded 2022 £	Total 2022 £
Governance costs	24,082	-	24,082	22,401	-	22,401
Grant funding of activities (see note 6)	-	5,520,166	5,520,166	-	1,880,504	1,880,504
	<u>24,082</u>	<u>5,520,166</u>	<u>5,544,248</u>	<u>22,401</u>	<u>1,880,504</u>	<u>1,902,905</u>

### 6 Grants payable

	Grants Awarded 2023 £	Grants Awarded 2022 £
Grants to institutions	<u>5,520,166</u>	<u>1,880,504</u>
	<b>2023</b> £	<b>2022</b> £
KIR - Establishing Advanced Image Analysis	-	79,768
OBGA*** - Plant records management	-	61,561
Department of Biochemistry – Support for outreach events	-	7,360
Department of Biochemistry – An ultracentrifuge for Biochemistry	-	40,000
Royal Society - Human Genome Editing	-	140,000
Department of Biochemistry – Support screening microscope	-	80,000
DPAG β - Advanced 3D Parkinson's stem cell disease models	-	143,697
Department of Biochemistry – Phosphorylation sites	-	30,672
Department of Biochemistry – Regulation of non-coding RNAs	-	47,644
MSDO* - Bridging salary scheme	-	250,000
History of Science Museum - Collecting COVID	-	251,989
EM Facility - Research assistant to support projects	-	152,260
Department of Biochemistry – Target search mechanisms	-	5,890
Department of Biochemistry – Modelling toolkit for glycans	-	45,076
Department of Biochemistry – Genotoxic stress on epimutations	-	93,474
Department of Biochemistry - Site-specific ADP-ribosylation	-	26,522
OUMNH α - Next generation of EPA Internships	-	112,969
Department of Biochemistry – New suite of electron microscopes	-	500,000
Department of Biochemistry – Lipid trafficking in cells	8,016	-
Department of Biochemistry – Study of neutrophil PR3	45,393	-
Department of Biochemistry – mechanisms in regulation of non-coding RNAs	74,398	-
Department of Biochemistry – Enabling eukaryotic cellular tomography	37,621	-
Plant Sciences - Improving PCR capacity	81,705	-

# EPA CEPHALOSPORIN FUND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

6 Grants payable	(Continued)	
Advanced live-cell imaging for the new Department of Biology	150,000	-
Linacre College - Two academic futures DPhil scholarships	1,506,162	-
History of Science Museum - Vision 2024	816,000	-
Department of Biochemistry – Establishment of a Professorship	1,500,000	-
Linacre College - Academic futures students	53,000	-
OUMNH α - support for public engagement with research	118,576	-
Royal Society - Creating a long-term vision for UK science	1,130,000	-
	<u>5,520,871</u>	<u>2,068,882</u>
KIR Kennedy Institute of Rheumatology		
* Medical Sciences Division Oxford		
*** Oxford Botanic Garden & Arboretum		
α Oxford University Museum of Natural History		
β Department of Physiology, Anatomy and Genetics		
<b>Adjustments to grants during the year were as follows:</b>		
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Department of Biochemistry – Nanobodies etc. facility (10) -	-	(10)
OUMNH α – Summer internship programme (26,556) -	-	(26,556)
Linacre College – Widening participation scholarships (1,052) -	-	(1,052)
Chemistry – Inorganic – Energized Nanoconfinement of Enzymes (2,808) -	-	(2,808)
Department of Biochemistry – Histone ADP-ribosylation (1) -	-	(1)
Department of Biochemistry – Cryo-EM structure determination (13,926) -	-	(13,926)
Department of Biochemistry – Defining the role PARPs in DNA Repair (327) -	-	(327)
DPAG β - Advanced 3D Parkinson's stem cell disease models (143,697) -	-	(143,697)
Department of Biochemistry – Target search mechanisms for bZIP (1) . - .	-	(1)
Department of Biochemistry – Specific RNAs	(663)	-
Department of Biochemistry - Phosphorylation sites	(15)	-
Department of Biochemistry - Regulation of non-coding RNAs	(24)	-
Department of Biochemistry - Site-specific ADP-ribosylation	(3)	-
	<u>(705)</u>	<u>(188,378)</u>
	<u>5,520,166</u>	<u>1,880,504</u>

The above adjustments relate to underspends on completed grants and withdrawn grants.

## 7 Trustees

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

Five trustees (2022: two) had expenses reimbursed totalling £3,492 (2022: £751) during the year.

# EPA CEPHALOSPORIN FUND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

### 8 Employees

The average monthly number of employees during the year was:

	<b>2023</b> <b>Number</b>	<b>2022</b> <b>Number</b>
Administrative	1	1

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

### 9 Net gains/(losses) on investments

	<b>Endowment funds general 2023 £</b>	<b>Endowment funds general 2022 £</b>
Gain/(loss) on investments	(6,120,565)	3,438,038

### 10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

### 11 Fixed asset investments

	<b>Investments £</b>
<b>Cost or valuation</b>	
At 6 April 2022	103,522,250
Valuation changes	(6,270,849)
At 5 April 2023	97,251,401
<b>Carrying amount</b>	
At 05 April 2023	97,251,401
At 05 April 2022	103,522,250

### 12 Debtors

	<b>2023</b> <b>£</b>	<b>2022</b> <b>£</b>
<b>Amounts falling due within one year:</b>		
Other debtors	396,634	387,856

# EPA CEPHALOSPORIN FUND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

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**13 Creditors: amounts falling due within one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Grants payable	4,422,627	2,717,021
Accruals	6,660	6,000
	<u>4,429,287</u>	<u>2,723,021</u>

**14 Creditors: amounts falling due after more than one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Grants payable	<u>357,330</u>	<u>331,367</u>

# EPA CEPHALOSPORIN FUND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2023

15	Reconciliation of movement in grants during the year						
No	Grant	B/fwd 2022	New 2022/23	Adjustments	Paid 2022/23	C/fwd 2023	
294	OUMNH – Summer internship programme	(22,219)			22,219	-	
CF 320	King Edward School – Bursaries and refurbishment	(300,000)			100,000	(200,000)	
CF 334	Department of Plant Sciences – Shaking incubator system	(16,919)				(16,919)	
CF 338	Linacre College – Widening participation scholarships	(370,123)			15,000	(355,123)	
CF 341	Department of Biochemistry – Specific RNAs	(69,763)		663	69,100	-	
CF 343	OUMNH α – Project IMAGOS	(82,774)			43,639	(39,135)	
CF 344	Department of Biochemistry – Expanding access	(28,160)				(28,160)	
CF 351	DCHl** – Focused ion beam and scanning electron microscope	(366,495)			366,495	-	
CF 356	KIR - Establishing Advanced Image Analysis	(79,768)				(79,768)	
CF 357	OBGA*** - Plant records management	(61,561)			23,566	(37,995)	
CF 360	Royal Society - Human genome editing	(140,000)				(140,000)	
CF 363	Department of Biochemistry – Phosphorylation sites	(30,672)		15	30,657	-	
CF 364	Department of Biochemistry – Regulation of non-coding RNAs	(47,644)		24	47,620	-	
CF 365	MSDO - Bridging salary scheme	(250,000)				(250,000)	
CF 366	History of Science Museum - Collecting COVID	(251,989)				(251,989)	
CF 367	EM Facility - Research assistant to support projects	(152,260)				(152,260)	
CF 369	Department of Biochemistry – Modelling toolkit for glycans	(45,076)				(45,076)	
CF 370	Department of Biochemistry – Genotoxic stress on epimutations	(93,474)				(93,474)	
CF 371	Department of Biochemistry - Site-specific ADP-ribosylation	(26,522)		3	26,519	-	
CF 372	OUMNH α - Next generation of EPA Internships	(112,969)				(112,969)	
CF 374	EM Facility - New suite of electron microscopes	(500,000)				(500,000)	
CF 375	Department of Biochemistry – Lipid trafficking in cells		(8,017)			(8,017)	
CF 376	Department of Biochemistry – Study of neutrophil PR3		(45,393)			(45,393)	
CF 377	Department of Biochemistry – mechanisms in regulation of non-coding RNAs		(74,398)			(74,398)	
CF 378	Department of Biochemistry – Enabling eukaryotic cellular tomography		(37,621)		37,621	-	
CF 379	Plant Sciences - Improving PCR capacity		(81,705)			(81,705)	

**EPA CEPHALOSPORIN FUND**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 5 APRIL 2023**

15	Reconciliation of movement in grants during the year			(Continued)
CF 380	Plant Sciences - Improving PCR capacity	(150,000)		(150,000)
CF 381	Linacre College - Two academic futures DPhil scholarships	(1,506,162)	1,506,162	-
CF 382	HSM - Vision 2024	(816,000)		(816,000)
CF 383	Department of Biochemistry – Establishment of a Professorship	(1,500,000)	1,500,000	-
CF 384	Linacre College - Academic futures students	(53,000)		(53,000)
CF 386	OUMNH α - support for public engagement with research	(118,576)		(118,576)
CF 387	Royal Society - Creating a long-term vision for UK science	(1,130,000)		(1,130,000)
		(3,048,388)	705	(4,779,957)
		(3,048,388)	705	(4,779,957)

## EPA CEPHALOSPORIN FUND

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

#### 16 Endowment funds

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.

Balance at 6 April 2021	Transfers	Revaluations gains and losses	Balance at 6 April 2022	Transfers	Revaluations gains and losses	Balance at 5 April 2023
£	£	£	£	£	£	£
98,759,051	1,325,161	3,438,038	103,522,250	(150,284)	(6,120,565)	97,251,401
98,759,051	1,325,161	3,438,038	103,522,250	(150,284)	(6,120,565)	97,251,401

The Charity's Fund was converted on 7 April 2003 into an Expendable Endowment Fund as ordered by the Charity Commissioners for England and Wales.

#### 17 Analysis of net assets between funds

	Unrestricted funds 2023 £	Endowment funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Fund balances at 5 April 2023 are represented by:						
Investments	-	97,251,401	97,251,401	-	103,522,250	103,522,250
Current assets/(liabilities)	909,080	-	909,080	2,270,536	-	2,270,536
Long term liabilities	(357,330)	-	(357,330)	(331,367)	-	(331,367)
	551,750	97,251,401	97,803,151	1,939,169	103,522,250	105,461,419

#### 18 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

#### 19 Cash generated from operations

	2023 £	2022 £
(Deficit)/surplus for the year	(7,658,268)	5,374,419
Adjustments for:		
Investment income recognised in statement of financial activities	(4,008,541)	(3,841,435)
Loss/(gain) on disposal of investments	6,120,565	(3,438,038)
Movements in working capital:		
(Increase) in debtors	(8,778)	(14,266)
Increase in creditors	1,732,229	355,393
<b>Cash absorbed by operations</b>	<b>(3,822,793)</b>	<b>(1,563,927)</b>

# EPA CEPHALOSPORIN FUND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 5 APRIL 2023*

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**20 Analysis of changes in net funds**

The Charity had no debt during the year.

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