

The Guy Foundation Family Trust

Report and Accounts

30 April 2022

Charity Registration Number
1178782

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Reference and administrative details of the charity, its trustees and advisors

Trustees	Professor G W Guy (Chairman) R R Brass E J Dixon K M Guy J M Laughton The Rt Hon Lord Waldegrave of North Hill PC
Scientific Advisors	Professor J D Bell Professor S W Botchway Professor W D Frasch Dr P J Kurian
Management	R A Bowyer (Treasurer) N V Copping (Programme Director) Professor A V Nunn (Director of Science)
Registered address	The Estate Office Chedington Court Chedington Beaminster DT8 3HY
Charity registration number	1178782
Auditor	Buzzacott LLP 30 Wood Street London EC2V 6DL
Principal bankers	Berenberg Bank 60 Threadneedle Street London EC2R 8HP
Solicitors	Brabners LLP Horton House Exchange Flags Liverpool L2 3YL

The trustees present their report together with the accounts of The Guy Foundation Family Trust (the 'charity') for the year ended 30 April 2022.

The accounts have been prepared in accordance with the accounting policies set out on pages 19 to 22 of the attached accounts and comply with the charity's constitution, 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 United Kingdom and Republic of Ireland (FRS 102).

Charitable objects

The objects of the charity, as set out in its trust deed, are to fund or otherwise assist in any exclusively charitable purpose according to the law of England and Wales for the public benefit that the trustees may determine from time to time in their absolute discretion. This reflects the trustees' interest in a variety of charitable projects and purposes and their expectation that their philanthropic aims may develop over time.

The principal aims and activities of the charity are:

- ◆ **The study of quantum effects in biology** – the charity aims to promote and support the study of quantum effects in biology and to grow the body of scientific knowledge by awarding grants for rigorous research, offering support and input to collaborating research teams and convening scientific meetings and events for scientists across a range of disciplines but who have a common interest in this field.

Although the focus of study is bold and exploratory, grants are made to established academic or public institutions with a track record for delivering benefit to the public. These institutions attract leading talent and the charity works in close collaboration with them to build synergy and outcomes. Together with a respected scientific programme of events, activities and engagement, the charity's ambition is that, over time, the cumulative efforts will generate knowledge that will be used to profoundly improve our understanding of health and utilised in advances in medical practice.

The trustees also have an interest in supporting elite sportspeople:

- ◆ **Elite sporting competitors** – the charity has an interest in neuroscience and awards grants to a small number of individual sportspeople competing at an elite level in sports where neuropsychology is key. Grants cover training and competition costs.

When setting the aims of the charity, the trustees have complied with their duty under section 17 of the Charities Act 2011 to have regard to the Charity Commission's guidance on public benefit. The trustees believe they have demonstrated in detail throughout this report the ways in which the charity has been faithful to this guidance.

Activities and achievements

In this, the charity's fourth financial period since it was founded in 2018, the trustees furthered the objects by making grants to exclusively charitable projects. Acting in line with their duty to have due regard to guidance on public benefit they awarded grants for scientific research and an elite competitor grant. The charity also made good progress with its scientific and education programme.

Scientific research - the charity continued to build its programme by awarding two new research grants, supporting its existing research grant teams and monitoring progress.

Research Centre for Optimal Health, University of Westminster, London, UK: The charity's first funded research project at the Research Centre for Optimal Health ended in July 2021. The two-year research project investigated how living organisms use light to communicate, detect and adapt to their environment (grant award of £351,332). The research team provided a full final report and a manuscript of the study is in preparation. Since July 2021 the team have continued to undertake experiments and collaborate closely with the charity's funded team at the Central Laser Facility, Harwell.

In addition, while the Foundation ordinarily directs its funding to established researchers, in June 2021 the trustees awarded a grant (£119,675) to Ifigeneia Kalampouka for a PhD studentship investigating how biophoton emission is related to cellular senescence. Ifigeneia Kalampouka is part of the Research Centre for Optimal Health and the trustees recognised the award would assist with further strengthening the expertise within this key team. PhD supervisor Professor Louise Thomas said: "Thank you to The Guy Foundation for their generous funding of this exciting research that will help our understanding of how mitochondria communicate using photons. It may inform the development of diagnostic tools for cellular health and help us to better understand the ageing process". The PhD commenced in September 2021 and will complete in August 2024.

Central Laser Facility, Harwell, Oxfordshire, UK: The charity's second research project, which commenced in November 2019, continues at the Central Laser Facility (UK Research & Innovation - Science and Technology Facilities Council). The project is exploring quantum biology using entangled photons, biophotons and electromagnetic fields in living systems (grant award of £452,857). Covid-19 related laboratory closures and restrictions slowed the pace of the research, but in recent months the team has made significant progress and the reports and presentations are encouraging. The team continues to build on the collaboration with the University of Westminster and to engage with related groups at the Harwell campus.

Quantum Biology Laboratory, Howard University, US: The charity's third research project 'Cooperative and coherent quantum phenomena in the life sciences' (grant award of US\$550,000) is a 2-year study that commenced in September 2020. Led by the Quantum Biology Laboratory it is being undertaken in collaboration with the Ecole Polytechnique Federale de Lausanne (EPFL), Switzerland and Benemerita Universidad Autonoma de Puebla, Mexico. The trustees have been pleased with progress and due to the impact of Covid-19 on international travel they approved a no-cost extension, taking the project end date to January 2023. The project is aiming to demonstrate cooperative quantum phenomena in tubulin protein architectures, which form a significant part of cytoskeletal networks in the brain and throughout the cells of higher organisms.

Allen Discovery Center, Tufts University, US: The charity's fourth research project, which commenced in June 2021 led by Professor Michael Levin at the Allen Discovery Center, is a two-year study 'Understanding host reprogramming by tissue fragments: a computational and bioelectric approach' (grant award of US\$199,589). The study is aiming to probe new ways by which biological tissues store information in physiological, not genetic, media. These mechanisms have many implications for regenerative medicine and synthetic bioengineering. The project has not been affected by the Covid-19 pandemic to date and the team's reports and presentations show good progress was made in the first year.

The trustees approved a sixth research grant award for a two-year study 'From V-ATPase to Anatomy: understanding the origins of the bioelectric gradients that determine body form and function' (grant award US\$290,778). The collaboration is being led by Professor Michael Levin (Allen Discovery Center) and Professor Wayne Frasch (Arizona State University). The study was instigated by the Foundation team after the question of bioelectricity and ATPase function arose in a Guy Foundation online symposium. The charity led discussions with Professor Levin and Professor Frasch and helped to shape the project. The trustees awarded the grant in February 2022 and the project commenced on 1 May 2022.

The trustees were also pleased to continue to receive reports from the Barts COVIDsortium project, following the charity's donation of £80,000 towards the study in April 2020. The longitudinal study has enabled teams to answer vital questions about the body's response to coronavirus variants and to vaccination. Published in high impact journals including the Lancet, Science and Nature, the results have informed the UK's Scientific Advisory Group for Emergencies (SAGE) as well as international pandemic strategies.

Scientific and education programme - the charity sustained its progress with developing the scientific and education programme on quantum effects in biology and bioenergetics. The Foundation convened twelve online scientific symposia with guest speakers; through the meetings thirty new scientists were engaged in the Foundation's work, bringing the scientific faculty to 90 members. The charity continued to act as a catalyst for research by funding specialist scientific consultancy dedicated to building theoretical understanding, identifying research needs, providing insight and support to research teams and stakeholders, preparing papers and publications, and drawing together the research community. A scientific resource, including symposia proceedings, recordings of the lectures and academic papers published by the Foundation team, is available on the Foundation's website www.theguyfoundation.org.

Elite sporting competitors – the charity's elite competitor grant holders, H Maunder (Olympic trap shooting) and K Beardmore (foil fencing) continued to train and compete, albeit with competitions curtailed by the Covid-19 pandemic, and to submit regular written reports. The trustees reviewed the elite competitor grants and concluded that the charity should downscale the programme to support one athlete, to enable the charity to fully focus on the scientific goals. In April 2022 the trustees awarded a grant of £30,000 to Katherine Beardmore to continue her full-time training and participation in international competitions, noting her ambition to reach the Olympic Games.

Grant making policy

The trustees apply the funds of the charity at their discretion and in accordance with the charitable purposes and objectives of the charity. The charity awards the majority of funds to scientific research with small amounts to elite competitor grants. Information on the charity's funding is available on The Guy Foundation website.

Research grant proposals are reviewed by the charity's Director of Science and other peer reviewers as needed; grant decisions are made solely by the trustees. Once grants are awarded, terms and conditions are agreed with the grant holder and host institution. The charity has a rigorous monitoring and reporting process in place, including review of full written quarterly progress reports and regular face to face presentations by grant holders to the trustees. From time-to-time other requests for quantum biology funding, such as outreach activities, are also considered and decided upon by the trustees.

Elite competitor grant applications are initially reviewed by the charity's Programme Director and grant decisions are made solely by the trustees. Once grants are awarded grant holders are required to sign a grant acceptance form accepting the elite competitor grant guidelines. Grant holders submit written detailed quarterly reports which are reviewed by the Programme Director and trustees.

Financial review

Results for the year

A summary of the year's results can be found on page 15.

Total income for the year amounted to £5,013 (2021: £5,032) and was derived from donations of £5,000 (2021: £5,000) and investment income of £13 (2021: £32).

Expenditure in the year totalled £441,338 (2021: £659,394) of which all was spent on charitable activities, with no expenditure on raising funds.

A total of £364,326 (2021: £572,252) of grants were made during the year:

- £119,675 to fund a PhD Studentship (Ifigeneia Kalampouka, University of Westminster);
- £214,651 (\$290,778) for a 2-year scientific project led by Professor Michael Levin (Allen Discovery Center) and Professor Wayne Frasch (Arizona State University);
- plus an elite sporting grant of £30,000 to Kate Beardmore (foil fencing).

As at 30 April 2022 there was an unrealised net gain on investments of £4,752, compared to a £409,012 gain in the prior year.

As at 30 April 2022 the investments held had a market value of £79,266 compared to a cost on the date of gift of £75,785.

On 3 February 2021 GW Pharmaceuticals was subject to an offer from Jazz Pharmaceuticals, that was completed on the 4 May 2021. This has resulted in proceeds of £745,145 (\$1.034m) during the year, and a corresponding reduction in the investments held.

The decrease in funds for the year was £444,674, with total charity funds held as at 30 April 2022 being £112,011 (2021: £556,685), all funds were unrestricted.

Reserves policy and financial policy

The charity has a reserves policy to ensure that its activities are delivered in the short-term but are also capable of being sustained and grown over time. As a trust funded by unrestricted donations from a single settlor, governed by a trust deed that states income may be accumulated for 21 years, the charity is not bound to disperse its funds within a short timeframe but instead the priority is to protect our long-term ambitions and activities. In order to achieve the objectives, the trustees have determined that the charity's free reserves, which equate to unrestricted funds, should be a minimum of twelve months' operating costs, with no upper limit.

The charity is not an endowment trust and currently has no restricted funds. Total net assets at year end was £112,011 (2021: £556,685). Although net assets were slightly below the projected operating cost for the next financial period at the year end, post year end the settlors made a donation to ensure the charity has adequate reserves to continue as a going concern.

Future plans

The trustees will continue to formulate and revise their future philanthropic plans, in line with the grant making policy described above. To the extent projects are successfully delivered by grantees, the trustees may consider developing their existing funding relationships with additional grants, but they equally may identify new projects deserving of funding. The amount of future grant funding will be subject to the availability of suitable projects or scientists and funds available.

Governance, structure and management

Governing document

The Guy Foundation Family Trust is a charitable trust governed by a trust deed dated 11 January 2018. It is an unincorporated registered charity, Charity Registration Number in England and Wales: 1178782.

Trustees

The charity has six trustees as listed on page 1 of the accounts. Per the trust deed there must be at least three charity trustees.

Professor G W Guy (Chairman), K M Guy and J M Laughton are First Trustees (appointed on 11 January 2018). R R Brass was appointed on 1 October 2018, E J Dixon was appointed on 27 June 2019 and The Lord Waldegrave of North Hill PC was appointed on 8 June 2021.

In accordance with the trust deed, First Trustees are entitled to hold their office for life (unless removed by the appointers). Professor G W Guy has the right to, jointly with K M Guy, appoint a new trustee for a term they choose, which can be for life or such other period as they shall agree. Usually the term will be for five years, renewable by mutual consent. New trustees are selected with regard to the knowledge, skill and expertise appropriate for the effective governance of the charity and delivery of the charitable objectives.

New trustees are appointed in writing and briefed on their legal obligations under charity law and their role and responsibilities as trustees. The charity provides new trustees with a trustee checklist, including the Charity Commission's guidance on public benefit, trust deed, policy on fit and proper status, related party transactions and conflicts of interest. Trustees are briefed on the decision-making process and the financial status of the charity and invited to attend external training workshops or events.

The charity has a fit and proper status, related party transactions and conflicts of interest policy and declaration process in place. Declarations of interest is included as a standard item on meeting agendas. Trustees are required to disclose all relevant interests and to withdraw from the decision-making process where a conflict of interest arises.

The charity has a number of policies in place to guide and support strong governance, including but not limited to the following areas: risk management, reserves, data protection, equality and diversity, complaints, crisis management, anti-bribery and corruption, donation and investments, financial authorisation and expenses.

Trustees make the charity's decisions collectively at Board of Trustees meetings or electronically in the interim as needed. The charity has two sub-committees: Nominations Committee (chaired by R R Brass) and the Finance & Audit Committee (chaired by J M Laughton). Each committee reports to the Board of Trustees.

The charity's officers, who work on an employee or consultancy basis, undertake the day to day activities of the charity and are closely overseen by the trustees.

Governance, structure and management (continued)

The remuneration policy of the charity, for employees and consultants, is to pay a fair wage that is sufficient to attract and retain skilled, expert and appropriately qualified staff to lead, manage and deliver the charitable activities. Wages are competitive and proportionate to the complexity of each role and the associated range of responsibilities. The charity offers paid holiday and employer's pension contributions for its employee and does not pay bonuses or performance-related pay.

All trustees give of their time freely and no trustee was paid remuneration or expenses in the year.

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and accounts 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 accounts for each financial period which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing the accounts the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles of 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 United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's constitution. 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.

Governance, structure and management (continued)

Risk management

In line with the charity's risk management policy the trustees regularly review and assess the risks facing the charity and update the risk register accordingly. The trustees believe the significant risks to be:

Covid-19 pandemic – the trustees note that the pandemic, and any such pandemic in the future, brings a level of disruption and uncertainty both internally and in the world in which we operate. The charity has not experienced disruption to its operations, indeed we have engaged with more scientists across more countries through our online symposia and meetings. The most significant impact was at the height of the pandemic when laboratories at the research centres we fund were closed, which slowed the experimental work. The trustees are pleased to report that the Foundation's financial resources have not been significantly adversely affected during this period.

Damage to our reputation - the charity acknowledges that damage to its reputation is a risk, possibly through misunderstanding of the scientific focus or through the conduct of people connected with us. The charity ensures it is well run by maintaining good governance and management practices including: trustee and advisor appointments, induction and engagement, and grant agreements with grant holders. If things were to go wrong, we have a complaints policy and crisis management policy in place and also insurance to mitigate the financial risk to the charity.

Conflicts of interest - the trustees recognise the importance of declaring interests and managing any potential conflicts. The charity has a related party transactions and conflicts of interest policy and declaration process in place. Trustees are required to disclose all relevant interests and to withdraw from decision-making where a conflict of interest arises. The trustees have actively managed potential conflicts in two main areas. Firstly, with the quantum biology community being small, as is common among research charities the most qualified scientists are the natural choices for both advisory roles and for research grant projects. The trustees therefore ensure that the grant-making policy is adhered to at all times; the trustees note when applications are made from the charity's advisors and are clear that it is solely the trustees who make decisions on grant awards. The second area is banking. Trustee Richard Brass (Head of UK Wealth and Asset Management at Berenberg) withdrew from the decision-making process when the trustees agreed to transfer the charity's bank account from J. P. Morgan to Berenberg to achieve dual authorisation controls. The trustees will continue to manage any potential conflicts.

Foreign exchange – during the year the charity's funds primarily comprised US dollars, resulting from the acquisition of GW Pharmaceuticals by Jazz Pharmaceuticals with purchase terms that meant over 90% of each share was settled in cash (US dollars) with the remainder in Jazz Pharmaceuticals shares. To help manage foreign exchange risk the cash settlement in US dollars was retained to be used to fund the charity's research projects in the US, with tranches periodically converted to sterling. This approach has held up well to date, as the US dollar has strengthened against sterling during the year. The trustees continue to review the overall approach to finances and the budget, cashflow and foreign exchange rates, on a regular basis.

Operational risk from ineffective grant making - operationally a notable risk is that grants are ineffective. The trustees mitigate this risk by making grants according to their grant making policy and seeking the views of the charity's scientific advisors as appropriate before satisfying themselves that each grant is made in furtherance of a charitable purpose that offers a public benefit. Although the charity makes some grants to individual recipients, the trustees consider that their practice of making grants to public institutions such as universities, with a track record of delivering charitable projects for the public benefit, is an effective means of further mitigating this risk.

Damage to our IT systems - the charity acknowledges that cybersecurity risks continue to grow and the associated loss of data or systems could cause significant operational difficulties and risks to the reputation of the charity. The charity has reviewed its IT security measures in this period and taken opportunities to tighten them, for example through multi-factor authentication, and will continue to review and implement new measures as needed.

Signed on behalf of the trustees:

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke at the bottom.

Chairman and Founder Trustee

Approved by the trustees on: 7 November 2022

Independent auditor's report to the trustees of The Guy Foundation Family Trust

Opinion

We have audited the accounts of The Guy Foundation Family Trust (the 'charity') for the year ended 30 April 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. 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 accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 30 April 2022 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts 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 accounts are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report and accounts other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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

Auditor's responsibilities for the audit of the accounts (continued)

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 accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following laws and regulations were most significant: The Statement of Recommended Practice (SORP (FRS102)).
- We understood how the charity is complying with these legal and regulatory Frameworks by making enquiries to trustees and those responsible for legal and compliance procedures. Through our enquiries we corroborated these views by our review of Board minutes.
- We assessed the susceptibility of the charity's accounts to material misstatement, including how fraud might occur. Audit procedures performed by the audit team included:
 - Enquiries with the trustees, whether they have any knowledge of any actual, suspected or alleged fraud;
 - Identifying and testing journal entries.
 - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures.

As a result of our procedures, we did not identify any key audit matters relating to irregularities.

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 trustees 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 for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report Year ended 30 April 2022

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 8 November 2022

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities Year to 30 April 2022

	Notes	Total funds 2022 £	Total funds 2021 £
Income from:			
Donations	1	5,000	5,000
Investment income		13	32
Total income		5,013	5,032
Expenditure on:			
Charitable activities	2	441,338	659,394
Total expenditure		441,338	659,394
Net expenditure for the year before investment gains	5	(436,325)	(654,362)
Net gains / (losses) on revaluation of investments:			
Unrealised gains	9	4,752	409,012
Realised (losses) / gains		(13,101)	78,247
Net movement in funds		(444,674)	(167,103)
Total funds brought forward at 1 May		556,685	723,788
Total funds carried forward at 30 April		112,011	556,685

All recognised gains and losses for the year are included in the statement of financial activities.

Balance sheet 30 April 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible fixed assets	8		1,243		-
Investments	9		79,266		819,659
			80,509		819,659
Current assets					
Cash at bank and in hand		807,531		601,171	
Prepayments		101		93	
		807,632		601,264	
Current liabilities					
Creditors: amounts falling due within one year	10	(437,762)		(512,846)	
Net current assets			369,870		88,418
Total assets less current liabilities			450,379		908,077
Creditors: amounts falling due after more than one year	11		(338,368)		(351,392)
Total net assets			112,011		556,685
Represented by:					
The funds of the charity					
Unrestricted funds	12		112,011		556,685
Total charity funds			112,011		556,685

Approved by the trustees and signed on their behalf by:



Professor GW Guy
Chairman and Founder Trustee

Approved by the trustees on: 7 November 2022

Statement of cash flows Year to 30 April 2022

	Notes	2022 £	2021 £
Cash flows used in operating activities			
Net cash used in operating activities	A	(537,151)	(202,650)
Change in cash and cash equivalents in the year			
Investment income and interest received		13	32
Sale of donated shares		745,145	323,249
Purchase of fixed assets		(1,647)	-
Net cash provided by investing activities		743,511	323,281
Increase in cash and cash equivalents		206,360	120,631
Cash and cash equivalents brought forward			
Cash at bank and in hand		601,171	480,540
Cash and cash equivalents carried forward	B	807,531	601,171

Notes to the statement of cash flows

A Reconciliation of net movement in funds to net cash used in operating activities

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	(444,674)	(167,103)
Adjustments:		
Depreciation charge	404	-
Non-cash gifts	(5,000)	(5,000)
Non-cash expenditure	5,000	5,000
Unrealised gains on investments	(4,752)	(409,012)
Investment income and interest received	(13)	(32)
Increase in debtors	(8)	(5)
(Decrease) / increase in creditors	(88,108)	373,502
Net cash used in operating activities	(537,151)	(202,650)

B Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	807,531	601,171
Total cash and cash equivalents	807,531	601,171

Statement of cash flows Year to 30 April 2022

C Analysis of changes in net debt

	At 1 May 2021 £	Cash flows £	At 30 April 2022 £
Cash at bank and in hand	601,171	206,360	807,531
Total cash and cash equivalents	601,171	206,360	807,351

	At 1 May 2020 £	Cash flows £	At 30 April 2021 £
Cash at bank and in hand	480,540	120,631	601,171
Total cash and cash equivalents	480,540	120,631	601,171

Principal accounting policies Year ended 30 April 2022

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below:

Basis of preparation

The accounts 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 United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

These accounts have been prepared for the year to 30 April 2022 and are the fourth set of accounts for the charity.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees to make significant judgements and estimates.

Other than the allocation of governance and support costs between the various categories of expenditure, there are no items in the accounts where key judgements and estimates have been made.

As set out in these accounting policies under “going concern”, the trustees have considered the impact of the pandemic on the charity and have concluded that it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

The Trust has sufficient cash and investments to cover the grants committed to at the year end and trustees are able to control the costs and level of grants made and as such conclude that the Trust remains a going concern for at least 12 months from the date of approval of these financial statements. Post year end, on 18 October 2022, the settlors made a generous donation to the Foundation of £500,000.

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

The principal source of income is donations, investment income and interest receivable.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Donated services and facilities provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided/the facilities are used by the charity. An equivalent amount is included as expenditure. Donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain facilities or services of equivalent economic benefit on the open market.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

Expenditure on charitable activities includes all other costs associated with furthering the charitable purposes of the charity. Such costs include grants made in accordance with the charity's objects and administration costs.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial period are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued but are disclosed as financial commitments in the notes to the accounts.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support including in the form of financial procedures.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support and governance costs are apportioned using percentages based on the time spent on each of the activities of the charity.

Tangible Fixed assets

All assets costing more than £1,000 are capitalised at historical cost.

Tangible fixed assets are stated at cost less depreciation. Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives:

Computer equipment 33.3% p.a. straight line.

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

Principal accounting policies Year ended 30 April 2022

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund structure

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Unrestricted funds comprise those monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the trustees.

Foreign currencies

Assets and liabilities in foreign currencies are translated into Sterling at the rate 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 net movement in funds.

Notes to the accounts Year ended 30 April 2022

1 Income from: Donations

	2022 £	2021 £
Donations from		
- Trustees (see note 13)	5,000	5,000
2022 total funds	5,000	5,000

2 Expenditure on: Charitable activities

	2022 £	2021 £
Grants and charitable donations		
- Grants for scientific research	334,326	567,252
- Grants for individual sportspeople	30,000	5,000
Scientific and education costs (see note 3)	60,873	51,407
Support and governance costs (see note 4)	16,139	35,735
2022 total funds	441,338	659,394

3 Scientific and education costs

	2022 £	2021 £
Conferences and meetings	829	1,172
Scientific consultancy	53,836	41,743
Website and publications	6,208	8,492
2022 total funds	60,873	51,407

4 Support and governance costs

	Basis of allocation	Grant making £	Scientific and Education £	2022 £
Support costs allocated to activities				
Administration costs	Time spent	34,861	8,715	43,576
Investment management fees	Time spent	4,406	1,101	5,507
Foreign exchange gains	Time spent	(33,071)	(8,267)	(41,338)
Bank charges	Time spent	822	205	1,027
Office costs	Time spent	2,034	509	2,543
Travel and training	Time spent	470	118	588
Governance costs:				
- Auditor's remuneration	Time spent	3,389	847	4,236
2022 total funds		12,911	3,228	16,139

	<i>Basis of allocation</i>	<i>Grant making £</i>	<i>Scientific and Education £</i>	<i>2021 £</i>
<i>Support costs allocated to activities</i>				
<i>Administration costs</i>	<i>Time spent</i>	<i>29,139</i>	<i>7,286</i>	<i>36,425</i>
<i>Investment management fees</i>	<i>Time spent</i>	<i>4,791</i>	<i>1,198</i>	<i>5,989</i>
<i>Foreign exchange losses</i>	<i>Time spent</i>	<i>(11,320)</i>	<i>(2,830)</i>	<i>(14,150)</i>
<i>Bank charges</i>	<i>Time spent</i>	<i>1,577</i>	<i>394</i>	<i>1,971</i>
<i>Office costs</i>	<i>Time spent</i>	<i>541</i>	<i>135</i>	<i>676</i>
<i>Travel and training</i>	<i>Time spent</i>	<i>—</i>	<i>—</i>	<i>—</i>
<i>Governance costs:</i>				
<i>- Auditor's remuneration</i>	<i>Time spent</i>	<i>3,860</i>	<i>964</i>	<i>4,824</i>
2021 total funds		28,588	7,147	35,735

5 Net expenditure for the year

This is stated after charging:

	2022	2021
	£	£
Depreciation – owned assets	404	-
Auditor’s remuneration (including VAT)		
- Statutory audit fees	4,236	4,014
- Accountancy fees	-	690

6 Staff costs

The charity appointed its first employee on 6 April 2021 (0.6FTE). The administration of the charity was previously undertaken by a consultant. The total staff costs for 2022 were £40,617 (2021: £3,000). In addition, two scientists provide regular consultancy which amounted to £53,836 in 2022 (2021: £41,743).

Number of employees

The average monthly number of employees (headcount) during the year was:

	2022	2021
	Number	Number
Staff	1	-
Employment	All	All
	unrestricted	unrestricted
	funds	funds
	2022	2021
	£	£
Wages and salaries	36,833	3,000
Social security costs	3,784	-
Total Employment costs	40,617	3,000

7 Taxation

The Guy Foundation Family Trust is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

8 Tangible fixed assets

	Computer equipment £
COST	
At 1 May 2021	-
Additions	1,647
Disposals	-
	<hr/>
At 30 April 2022	<u>1,647</u>
	 Computer equipment £
DEPRECIATION	
At 1 May 2021	-
Charge for the year	404
Disposals	-
	<hr/>
At 30 April 2022	<u>404</u>
	 Computer equipment £
NET BOOK VALUE	
At 30 April 2021	<hr/> -
At 30 April 2022	<u>1,243</u>

9 Investments

	2022 £	2021 £
Listed investments		
Market value at 1 May	819,659	733,897
Additions	—	—
Disposals at book value	(745,145)	(323,250)
Net unrealised gains	4,752	409,012
Market value at 30 April	<u>79,266</u>	<u>819,659</u>
Cost of listed investments at 30 April	<u>75,785</u>	<u>417,943</u>

Listed investments held at 30 April comprised the following and are dealt in on a recognised stock exchange:

	2022 £	2021 £
US equities	79,226	819,659
Total	<u>79,226</u>	<u>819,659</u>

At 30 April 2022 listed investments included the following individual holdings deemed to have a material value:

	Value of holding £	Percentage of the market value %
Jazz Pharmaceuticals Plc	79,226	100

10 Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals	4,236	7,513
Grant creditors	433,526	505,333
	<u>437,762</u>	<u>512,846</u>

11 Creditors: amounts falling due in more than one year

	2022 £	2021 £
Grant creditors	338,368	351,392
	<u>338,368</u>	<u>351,392</u>

12 Unrestricted funds

	At 1 May 2021 £	Income £	Expenditure £	Losses £	At 30 April 2022 £
Unrestricted funds	556,685	5,013	(441,338)	(8,349)	112,011
	556,685	5,013	(401,338)	(8,349)	112,011

	At 1 May 2020 £	Income £	Expenditure £	Losses £	At 30 April 2021 £
Unrestricted funds	723,788	5,032	(659,394)	487,259	556,685
	723,788	5,032	(659,394)	487,259	556,685

13 Related party transactions

During the year to 30 April 2022, The Chedington Court Estate Limited, which is jointly owned by Professor G W Guy and K M Guy, provided support to the charity to the value of £5,000 (2021: £5,000), which has been reflected in the accounts as a gift in kind.

During the year the charity transferred to Berenberg as its principal bank. A formal process was undertaken that excluded Trustee and Berenberg Director Richard Brass from decision-making on selecting the new bank and Richard Brass is arms-length from the charity's Berenberg transactions. The banking service is supplied at usual market rates.