

CHARITY REGISTRATION NUMBER: 1003592

Francon Trust

Unaudited Financial Statements

31 July 2021

Francon Trust

Financial Statements

Year ended 31 July 2021

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Francon Trust

Trustees' Annual Report

Year ended 31 July 2021

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 July 2021.

Reference and administrative details

Registered charity name	Francon Trust
Charity registration number	1003592
Principal office	42 Eafield Avenue Milnrow Rochdale OL16 3UN

The trustees

T Nemko (Managing Trustee and
Treasurer)
Mr P Allcard
Prof. JL Herzberg
Mrs AM Jefferys
Mrs AE Holden

Company secretary	Mrs Jane Taylor-Holmes
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Independent examiner	Stuart Carrington FCA Thomas Westcott Timberly South Street Axminster Devon England EX13 5AD
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Francon Trust

Trustees' Annual Report *(continued)*

Year ended 31 July 2021

Structure, governance and management

Constitution

The Charity is governed by a trust deed dated 1 July 1991, registered charity number 1003592.

Organisational structure and decision-making process

There shall be a minimum of three and a maximum of seven Trustees. Presently, there are five.

The Trustees are selected through their association with the Court of Assistants of the Guild of Freemen of the City of London. No Trustee shall be appointed who is not a Member of Honorary Member of the Court of Assistants of the Guild of Freemen of the City of London.

The Trustees for the time being are responsible for the induction and training of Trustees.

All decisions are taken by the Trustees jointly. The day to day administration is undertaken by the Company Secretary under the direction of the Managing Trustee; appointed by the Trustees.

The Trustees' policy is to minimise risks. There are no cash transactions.

In November 2017, online banking was introduced. All of the transactions during the period were paid through the online banking facility. Payments are made as decided by Trustees. Four of the Trustees and the Company Secretary are registered for online banking. Any two of the following; Trustees and the Company Secretary is required to authorise transactions on behalf of the Trust.

Should a cheque payment be made, they are made on the following basis; The cheque books are held by the Company Secretary and cheques written as decided by the Trustees, and recorded in the Minutes. Two Trustees sign any cheque after which these are despatched by the Company Secretary. A minimum of two Trustees are required to authorise transactions on behalf of the Trust.

The detailed accounting records are provided for the Trustees.

Risk factors

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.

Francon Trust

Trustees' Annual Report *(continued)*

Year ended 31 July 2021

Objectives and activities

Aims and Objectives

- The advancement of public education and vocational training in particular by the provision of grants to students in need. - The relief of poverty, sickness and distress amongst students in need.

The objectives are achieved based upon guidelines established during the early years of operation in accordance with the wishes of the original benefactors.

Potential students for first degree courses are selected in accordance with the guidelines, based upon applications and recommendations from head teachers or other referees in support of high achieving students who have limited financial means.

Potential students are identified by contact with head teachers or school representatives and then, after due application, are interviewed (where possible) by the trustees to decide those that should receive support.

Public Benefit

The Trustees have had regard to the Charity Commission guidance on Public Benefit.

The Trustees have the view that the principles of the public benefit are clearly met by the Francon Trust in that its principal objective is to provide financial benefits for gifted, but financially challenged, students to achieve good University Degrees. Selection is solely by merit and educational references. Results to date have been impressive.

Achievements and performance

The financial base was provided by donations and bequests from the founding Trustees (Frank and Connie Wells). These funds are now invested and the objective is to support as many students as possible year by year whilst maintaining the financial base to enable the Trust to continue in perpetuity.

Generally, three additional students are selected for support in each academic year. During 2020/21 fourteen students were supported (2019/20: 16).

During the year, the charity awarded grants totalling £41,500 (2019/20: £45,500) to give educational, welfare and social support to selected students in London.

Academic results of the students supported so far have been very good. Trustees review students' progress, academically, extramurally and financially each term.

There are no fundraising activities and none envisaged.

Francon Trust

Trustees' Annual Report *(continued)*

Year ended 31 July 2021

Financial review

Investment Policy

Investment performance is reviewed quarterly; investments have been made progressively, and cautiously, but a part of the bequest is still held in cash at bank and Investments which are managed by a professional investment company.

Factors outside the Trust's control that are relevant to the Trust's long term objectives are investment income and inflation that determine the amount available for distribution.

Factors within the Trust's control are the selection of students and the financial support levels decided upon, based upon cash flow forecasts that are reviewed by the Trustees regularly.

Reserves policy

Reserve levels are established with a view to paying out the maximum amount in grants from investment income, after allowing for inflation and the volatility of the investment income. The number of students supported fluctuates depending on the length of course being undertaken by the students.

As at 31 July 2021, the charity held reserves of £1,455,322 which exceeds the actual firm forward commitment for 2021/22 of £30,000.

There are no uncertainties about the charity continuing as a going concern.

Although the financial markets are variable and have been impacted by the Covid-19 pandemic, there has been recovery. Investments are being professionally managed, the rate of interest paid on cash deposits is very low. All the income available after making provision to maintain the financial base will be expended in grants, but a cautious approach is being taken.

The only future funding source will be investment income. Fund-raising is not envisaged. Expenditure to date has most successfully supported the Trust's aims and objectives.

All funds are unrestricted.

Plans for future periods

The plans for the future are to maintain the investment income, taking account of the need to make allowance for inflation and market movements in interest rates and capital, with a view to making grants equal to the remaining annual income.

Regular meetings are held, and papers are circulated to allow Trustees to take decisions to achieve the Trust's aims and objectives.

Francon Trust

Trustees' Annual Report *(continued)*

Year ended 31 July 2021

The trustees' annual report was approved on 2 November 2021 and signed on behalf of the board of trustees by:



Mrs Jane Taylor-Holmes
Charity Secretary

Francon Trust

Independent Examiner's Report to the Trustees of Francon Trust

Year ended 31 July 2021

I report to the trustees on my examination of the financial statements of Francon Trust ('the charity') for the year ended 31 July 2021.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Stuart Carrington FCA
Independent Examiner
For and on behalf of Thomas Westcott Chartered Accountants
Thomas Westcott
Timberly
South Street
Axminster
Devon
England
EX13 5AD

23.11.21

Francon Trust

Statement of Financial Activities

Year ended 31 July 2021

		2021		2020
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Investment income	4	28,383	28,383	32,042
Total income		<u>28,383</u>	<u>28,383</u>	<u>32,042</u>
Expenditure				
Expenditure on raising funds:				
Investment management costs	5	13,050	13,050	12,093
Expenditure on charitable activities	6,7	44,984	44,984	53,657
Total expenditure		<u>58,034</u>	<u>58,034</u>	<u>65,750</u>
Net gains/(losses) on investments	10	197,675	197,675	97,532
Net income/(expenditure) and net movement in funds		<u>168,024</u>	<u>168,024</u>	<u>131,240</u>
Reconciliation of funds				
Total funds brought forward		1,287,298	1,287,298	1,418,538
Total funds carried forward		<u>1,455,322</u>	<u>1,455,322</u>	<u>1,287,298</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 9 to 14 form part of these financial statements.

Francon Trust

Statement of Financial Position

31 July 2021

	Note	2021 £	2020 £
Current assets			
Investments	14	1,444,416	1,271,408
Cash at bank and in hand		12,896	17,075
		<u>1,457,312</u>	<u>1,288,483</u>
Creditors: amounts falling due within one year	15	1,990	1,185
Net current assets		<u>1,455,322</u>	<u>1,287,298</u>
Total assets less current liabilities		<u>1,455,322</u>	<u>1,287,298</u>
Net assets		<u>1,455,322</u>	<u>1,287,298</u>
Funds of the charity			
Unrestricted funds		1,455,322	1,287,298
Total charity funds	16	<u>1,455,322</u>	<u>1,287,298</u>

2. 21 November 2021
These financial statements were approved by the board of trustees and authorised for issue on 21 November 2021 and are signed on behalf of the board by:


T Nemko (Managing Trustee and Treasurer)
Trustee

The notes on pages 9 to 14 form part of these financial statements.

Francon Trust

Notes to the Financial Statements

Year ended 31 July 2021

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 42 Eafield Avenue, Milnrow, Rochdale, OL16 3UN.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Current asset investments

Current asset investments are valued at market value as at 31 July 2021.

Investment gains and losses include any gain or loss on sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

Investment income is recognised in the year in which it is receivable.

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102: - No cash flow statement has been presented for the company.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome.

Francon Trust

Notes to the Financial Statements *(continued)*

Year ended 31 July 2021

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Francon Trust

Notes to the Financial Statements *(continued)*

Year ended 31 July 2021

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

4. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Income from investments	28,383	28,383	32,004	32,004
Bank interest receivable	—	—	38	38
	<u>28,383</u>	<u>28,383</u>	<u>32,042</u>	<u>32,042</u>

5. Investment management costs

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Investment management fees	13,050	13,050	12,093	12,093

Francon Trust

Notes to the Financial Statements (continued)

Year ended 31 July 2021

6. Expenditure on charitable activities by fund type

	Unrestricted Funds	Total Funds 2021	Unrestricted Funds	Total Funds 2020
	£	£	£	£
Grants to students	41,500	41,500	48,503	48,503
Support costs	3,484	3,484	5,154	5,154
	<u>44,984</u>	<u>44,984</u>	<u>53,657</u>	<u>53,657</u>

7. Expenditure on charitable activities by activity type

	Grant funding of activities	Support costs	Total funds 2021	Total fund 2020
	£	£	£	£
Grants to students	<u>41,500</u>	<u>3,484</u>	<u>44,984</u>	<u>53,657</u>

8. Analysis of grant funding support costs

	Analysis of support costs for grant funding activities	Total 2021	Total 2020
	£	£	£
Governance costs	765	765	1,184
Administrative costs	2,719	2,719	3,970
	<u>3,484</u>	<u>3,484</u>	<u>5,154</u>

9. Analysis of grants

	2021	2020
	£	£
Grants to individuals		
Grants to students	41,500	48,503
Total grants	<u>41,500</u>	<u>48,503</u>

10. Net gains/(losses) on investments

	Unrestricted Funds	Total Funds 2021	Unrestricted Funds	Total Funds 2020
	£	£	£	£
Gains/(losses) on investments	<u>197,675</u>	<u>197,675</u>	<u>(97,532)</u>	<u>(97,532)</u>

Francon Trust

Notes to the Financial Statements *(continued)*

Year ended 31 July 2021

11. Independent examination fees

	2021 £	2020 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>960</u>	<u>1,185</u>

12. Staff costs

No salaries or wages have been paid to trustees during the year.

The Trust had no employees in either 2020/21 or 2019/20.

One self-employed Assistant Secretary was with the Trust part time throughout the year.

13. Trustee remuneration and expenses

None of the Trustees, or persons connected with them, received remuneration during the year.

14. Investments

	2021 £	2020 £
Investec listed investments	<u>1,444,416</u>	<u>1,271,408</u>

15. Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	<u>1,990</u>	<u>1,185</u>

16. Analysis of charitable funds

Unrestricted funds

	At 1 August 2020 £	Income £	Expenditure £	Gains and losses £	At 31 July 2021 £
General funds	<u>1,287,298</u>	<u>28,383</u>	<u>(58,034)</u>	<u>197,675</u>	<u>1,455,322</u>

	At 1 August 2019 £	Income £	Expenditure £	Gains and losses £	At 31 July 2020 £
General funds	<u>1,418,538</u>	<u>32,042</u>	<u>(65,750)</u>	<u>(97,532)</u>	<u>1,287,298</u>

Francon Trust

Notes to the Financial Statements *(continued)*

Year ended 31 July 2021

17. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2021 £
Investments	1,444,416	1,444,416
Current assets	12,896	12,896
Creditors less than 1 year	(1,990)	(1,990)
Net assets	1,455,322	1,455,322

	Unrestricted Funds £	Total Funds 2020 £
Investments	1,271,408	1,271,408
Current assets	17,075	17,075
Creditors less than 1 year	(1,185)	(1,185)
Net assets	1,287,298	1,287,298

18. Related parties

There have been no related party transactions during the period.