

Charity registration number: 1003592

Francon Trust

Annual Report and Financial Statements

for the Year Ended 31 July 2024



WESTCOTT'S

CHARTERED ACCOUNTANTS
& BUSINESS ADVISERS

Francon Trust

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Francon Trust

Trustees' Report

The Trustees present their report and the unaudited financial statements of the charity for the year ended 31 July 2024.

Registered charity name **Francon Trust**

Registered charity number 1003592

Principal Office 42 Eafield Avenue
Milnrow
Rochdale
OL16 3UN

The Trustees Mr T Nemko Managing Trustee & Treasurer
Mr P Allcard
Prof. J L Herzberg
Mrs AE Holden
Mrs AM Jefferys

Company Secretary Mrs J Taylor-Holmes

Accountants Westcotts
Chartered Accountants
Timberly
South Street
Axminster
Devon
EX13 5AD

Francon Trust

Trustees' Report (continued)

Structure, Governance and Management

Constitution

The Charity is governed by a trust deed dated 1 July 1991 and is an unincorporated registered charity.

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 or 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 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 registered 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' Report (continued)

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 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. Student 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.

The Trustees aim to support three or more additional students each year. During 2023/24 eleven students were supported, (2022/23:9).

During the year, the charity awarded grants totalling £34,500 (2022/23: £24,000) 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 are envisaged.

Francon Trust

Trustees' Report (continued)

Financial Review

Investment Policy

Investment performance is reviewed quarterly; investments have been made progressively, and cautiously, part of the bequest is held in cash at bank and Investments which are managed by a professional investment company. Twice yearly, in person meetings are held with the investment company to receive updates.

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 2024, the charity held reserves of £1,413,721 which exceeds the actual firm forward commitment for 2024/25 of £39,000.

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

Investments continue to be 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. Expenditure to date has most successfully supported the Trust's aims and objectives.

All funds are unrestricted.

Francon Trust

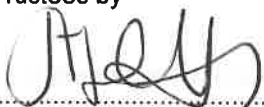
Trustees' Report (continued)

Plans for the future

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 the Trustees to take decisions to achieve the Trust's aims and objectives.

The trustees' annual report was approved on...4/11/24... and signed on behalf of the Board of Trustees by



Mrs Jane Taylor-Holmes

Company Secretary

Francon Trust

Independent Examiner's Report to the trustees of Francon Trust

I report to the trustees on my examination of the accounts of Francon Trust for the year ended 31 July 2024.

Responsibilities and basis of report

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

I report in respect of my examination of the Francon Trust's accounts 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 Francon Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting 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
Westcotts (SW) LLP
Timberly
South Street
Axminster
Devon
EX13 5AD

Date: 4.12.24

Francon Trust

Statement of Financial Activities for the Year Ended 31 July 2024

	Note	Unrestricted funds £	Total 2024 £	Total 2023 £
Income and Endowments from:				
Investment income	2	33,630	33,630	31,453
Total income		<u>33,630</u>	<u>33,630</u>	<u>31,453</u>
Expenditure on:				
Raising funds	3	(12,980)	(12,980)	(12,386)
Charitable activities	4	(39,842)	(39,842)	(29,277)
Total expenditure		<u>(52,822)</u>	<u>(52,822)</u>	<u>(41,663)</u>
Gains/(losses) on investment assets		<u>86,518</u>	<u>86,518</u>	<u>(18,462)</u>
Net income/(expenditure)		<u>67,326</u>	<u>67,326</u>	<u>(28,672)</u>
Net movement in funds		67,326	67,326	(28,672)
Reconciliation of funds				
Total funds brought forward		<u>1,346,395</u>	<u>1,346,395</u>	<u>1,375,068</u>
Total funds carried forward	10	<u><u>1,413,721</u></u>	<u><u>1,413,721</u></u>	<u><u>1,346,396</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2023 is shown in note 10.

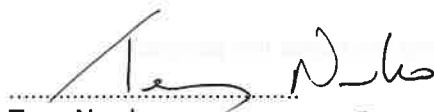
The notes on pages 9 to 15 form an integral part of these financial statements.

Francon Trust

(Registration number: 1003592)
Balance Sheet as at 31 July 2024

	Note	2024 £	2023 £
Current assets			
Investments		1,399,745	1,327,657
Cash at bank and in hand		<u>15,242</u>	<u>19,912</u>
		1,414,987	1,347,569
Creditors: Amounts falling due within one year	9	<u>(1,266)</u>	<u>(1,173)</u>
Net assets		<u>1,413,721</u>	<u>1,346,396</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>1,413,721</u>	<u>1,346,396</u>
Total funds	10	<u>1,413,721</u>	<u>1,346,396</u>

The financial statements on pages 7 to 15 were approved by the trustees, and authorised for issue on and signed on their behalf by:


Terry Nemko
Managing Trustee and Treasurer

Francon Trust

Notes to the Financial Statements for the Year Ended 31 July 2024

1 Accounting policies

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, Minrow, Rochdale, OL16 3UN.

Statement of compliance

The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Francon Trust meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

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.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Francon Trust

Notes to the Financial Statements for the Year Ended 31 July 2024 (continued)

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Current asset investments

Current asset investments are included at the lower of cost and net realisable value / market value.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Francon Trust

Notes to the Financial Statements for the Year Ended 31 July 2024 (continued)

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Debt instruments

Debt instruments are subsequently measured at amortised cost.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Francon Trust

Notes to the Financial Statements for the Year Ended 31 July 2024 (continued)

Derivative financial instruments

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

2 Investment income

	Unrestricted Funds £	Total 2024 £	Unrestricted Funds £	Total 2023 £
Income from investments	33,549	33,549	31,424	31,424
Bank interest receivable	81	81	29	29
	<u>33,630</u>	<u>33,630</u>	<u>31,453</u>	<u>31,453</u>

3 Expenditure on raising funds

a) Investment management costs

	Unrestricted Funds £	Total 2024 £	Unrestricted Funds £	Total 2023 £
Investment management fees	12,980	12,980	12,386	12,386
	<u>12,980</u>	<u>12,980</u>	<u>12,386</u>	<u>12,386</u>

Francon Trust

Notes to the Financial Statements for the Year Ended 31 July 2024 (continued)

4 Expenditure on charitable activities

	Unrestricted Funds £	Total 2024 £	Unrestricted Funds £	Total 2023 £
Grants to students	34,500	34,500	24,000	24,000
Support costs	5,342	5,342	5,277	5,277
	<u>39,842</u>	<u>39,842</u>	<u>29,277</u>	<u>29,277</u>

5 Analysis of governance and support costs

Support costs

	Unrestricted Funds £	Total 2024 £	Total 2023 £
Governance costs	1,326	1,326	1,266
Administrative costs	4,016	4,016	4,011
	<u>5,342</u>	<u>5,342</u>	<u>5,277</u>

6 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year (2023 - £Nil).

7 Staff costs

No salaries or wages have been paid to trustees during the year (2023 - £Nil).

The Trust had no employees in either 2023/24 or 2022/23.

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

8 Independent examiner's remuneration

	2024 £	2023 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	<u>1,326</u>	<u>1,266</u>

Francon Trust

Notes to the Financial Statements for the Year Ended 31 July 2024 (continued)

9 Creditors: amounts falling due within one year

	2024 £	2023 £
Accruals	<u>1,266</u>	<u>1,173</u>

10 Funds

	Balance at 1 August 2023 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 July 2024 £
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Unrestricted funds

General

General Funds	<u>1,346,395</u>	<u>33,630</u>	<u>(52,822)</u>	<u>86,518</u>	<u>1,413,721</u>
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	Balance at 1 August 2022 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 July 2023 £
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Unrestricted funds

General

General Funds	<u>1,375,068</u>	<u>31,453</u>	<u>(41,663)</u>	<u>(18,462)</u>	<u>1,346,396</u>
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Francon Trust

Notes to the Financial Statements for the Year Ended 31 July 2024 (continued)

11 Analysis of net assets between funds

	Unrestricted funds General £	Total funds at 31 July 2024 £
Current asset investments	1,399,745	1,399,745
Cash and short-term deposits	15,242	15,242
Current liabilities	(1,266)	(1,266)
Total net assets	<u>1,413,721</u>	<u>1,413,721</u>
	Unrestricted funds General £	Total funds at 31 July 2023 £
Current asset investments	1,327,657	1,327,657
Cash and short-term deposits	19,912	19,912
Current liabilities	(1,173)	(1,173)
Total net assets	<u>1,346,396</u>	<u>1,346,396</u>

12 Related party transactions

There were no related party transactions in the year (2023 - £Nil).

