

FRANKS FAMILY FOUNDATION
(A Company Limited by Guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

FRANKS FAMILY FOUNDATION
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Trustees	G Avshalom S E Franks D V Dorrell Lord Mendelsohn C F Hodler HRH Princess Beatrice of York
Company registered number	05834838
Registered office	Orwell House 5th Floor 16-18 Berners Street London W1T 3LN
Company secretary	S L Haynes
Independent Auditors	Blick Rothenberg Audit LLP Chartered Accountants 16 Great Queen Street Covent Garden London WC2B 5AH
Bankers	Coutts & Co 440 Strand London WC2R 0QS

FRANKS FAMILY FOUNDATION
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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

I started my report last year by saying that 2020 was a year many of us would like to forget. 2021 didn't get much better.

My 2020 report also said the following: "The impact of the Covid pandemic was felt far and wide and our projects in South East Asia did not escape. The fear of the Pandemic running rife through lesser developed countries with very much less developed public health systems, was high. The corresponding severity of lock downs reflected this level of fear. The three main countries we operate in, Cambodia, Laos and Nepal have all witnessed protracted lock downs which have significantly hampered our programs."

Sadly, the lockdowns and border closures continued all though 2021 and into 2022 and our programs continued to be hampered.

That said, in Cambodia our partners at KAPE managed brilliantly to navigate the hurdles placed in front of them by the pandemic and kept the NGS (New Generation Schools) operating as best possible.

In Laos sadly the situation was more difficult and frustrating. After years of planning, persuading and lobbying, 2020 was to be the year we became the first foreign organisation to manage a government school in Laos, having been given the governments support for NGS (New Generation Schools) to operate in Laos. That start date was pushed back again with Laos remaining effectively closed into Spring 2022. The good news is that Laos is now fully open and we have a new schedule for the rollout of NGS. Our first school on the outskirts of the Laos capital, Vientiane, will come under our supervision in September 2022 and open as the first Laos NGS school in late 2023. We are hugely excited, though also acutely aware of the huge task ahead of us. The FFF team in Laos are already working out of our school and will bolstered over the coming months as we recruit teacher trainers, curriculum experts and most importantly, teachers. None of whom are easy to come by in Laos.

There was also good news again on the finance front. Our investment team continues to have success in its investments especially in backing entrepreneurs through its partnership with Redbus Ventures. Despite the volatility caused by the Pandemic, our finances are in good health and this will ensure we can continue to fund all our programs and initiatives for the foreseeable future.

As always, I would like to thank my fellow trustees who do so much work on the foundation's behalf. And on behalf of all the trustees, I would like to thank all of the direct and indirect employees of the foundation, whose commitment and efforts we value so much and without whom we would not be able to do the work we do.



Simon Franks

Date: 28 SEPTEMBER 2022

FRANKS FAMILY FOUNDATION
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their annual report together with the audited financial statements of the Company for the year 1 January 2021 to 31 December 2021. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

Franks Family Foundation (hereafter "FFF" or "the Company / Foundation") is a company limited by guarantee, with charitable status and governed by its Memorandum and Articles of Association.

FFF was established on 1 June 2006 to serve as the primary charitable vehicle of the Franks family.

The Franks Family Foundation's mission is to contribute to making the world a more educated, healthier, kinder, fairer place. Through its programmes, the charity hopes to create a generation of educated and healthy young leaders, committed to their respective countries and to help build a brighter future both for themselves, their communities and for the next generations.

The FFF also has a remit to support the arts and especially the promotion of the arts as a tool of enhancing social cohesion, creativity and self-expression.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

The main strategy of FFF is to form partnerships with local institutions to address the root cause of poverty, of all kinds, in developing south east Asia. In some cases, where no local partner with the required technical ability exists, the Foundation will itself directly implement a programme alone.

We believe that fostering a dynamic civil society is one of the most important ways philanthropic organizations can engender real, systemic and progressive change in the world's poorest countries.

We work to achieve this by developing and supporting partnership projects in south east Asia, which provide some of the region's poorest children with the educational, healthcare and pastoral support required to maximise their full potential.

To finance the activities of the Foundation, the Foundation makes investments in listed and unlisted securities, and allocates funds to Venture Capital and private equity opportunities. This is done in partnership with Redbus Ventures Ltd.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Objectives and activities (continued)

c. Activities undertaken to achieve objectives

Our primary area of focus is south east Asia. Whether it is through our New Generation Schools or our public health, teacher training or scholarships programs, we aim to equip young people to become change makers. We implement programmes ourselves, but also provide programme partners with grants, strategic advice, business management support, collaborative networks and advocacy to foster systemic change.

d. Main activities undertaken to further the Company's purposes for the public benefit

In Laos, we are working with the Lao Ministry of Education & Sports to expand the New Generation Schools (NGS) programme into Laos. The aim is to replicate the substantial achievements of NGS in Cambodia, transforming educational outcomes through improved teaching, school governance and key subjects for the 21st century. NGSL aspires to drive key changes in governance, recruitment, management and teacher training, optimization of existing resources and improvement of schools' facilities. One of its goal is to enable children from poor backgrounds, girls and the disabled to access a quality education, free of corruption or abuse through a fair admission process. The FFF is both the funder and implementer of the New Generation programme in Laos.

In Cambodia, we are partnered with Kampuchean Action for Primary Education (KAPE) to build, develop and scale a New Generation School. This is the leading educational project in Cambodia and is now uniquely supported financially by the Cambodian government. The basic premise of NGS schools is to work with the government, within the existing education system, to develop academically excellent schools that are available to children from any socio-economic background.

Achievements and performance

a. Main achievements of the Company

A review of the Company's activities is included in the Chairman's Statement on page 2. During the period ended 31 December 2021 a total of £182,975 (2020: £147,037) was granted to charitable organisations. Further details of the donations made are included in note 3 to the accounts.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing objectives and activities.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

FRANKS FAMILY FOUNDATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

b. Reserves policy

FFF's funding is dependent on donations. The organisation does not have substantial reserves tied to fixed assets. Revaluation reserves are not considered to be realised.

At 31 December 2021 general reserves, excluding revaluation reserves, were £6,070,677 (2020: £5,165,391) due to the accumulation of funds during the period.

The Foundation's reserves policy continues to reflect the extremely low interest rate environment and the perceived low returns available in the public financial markets. In such an environment the Foundation anticipates it will continue to spend at least 100% of its investment income each year. In years when the investment income is low or negative, the Foundation will spend more than its investment income using reserves to cover the deficit.

In efforts to increase its investment income the Foundation has continued to expand its investments in early stage non-listed companies and continues to actively manage its foreign exchange positions.

Structure, governance and management

a. Constitution

Franks Family Foundation is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

The Company / Foundation is constituted under a Memorandum of Association and is a registered charity number 1114574.

There have been no changes in the objectives since the last annual report.

The following were Trustees of the Company / Foundation during the year and subsequently:

G Avshalom
S E Franks
D V Dorrell
Lord Mendelsohn
C F Hodler
HRH Princess Beatrice of York

b. Methods of appointment or election of Trustees

The management of the Company / Foundation is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

c. Financial risk management

The Trustees have assessed the major risks to which the Company / Foundation is exposed, in particular those related to the operations and finances of the Company / Foundation, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The trustees note that FFF funding is dependent on donations, and thus far donations have only been from Simon Franks or companies controlled by Simon Franks.

FRANKS FAMILY FOUNDATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Blick Rothenberg Audit LLP, have indicated their willingness to continue in office. The Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 28 September 2022 and signed on their behalf by:



S E Franks
Trustee

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FRANKS FAMILY FOUNDATION

Opinion

We have audited the financial statements of Franks Family Foundation (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of financial activities, the Balance Sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including 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 Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FRANKS FAMILY FOUNDATION
(CONTINUED)

financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FRANKS FAMILY FOUNDATION
(CONTINUED)

expected to influence the economic decisions of users taken on the basis of these financial statements.

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 identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatements in respect of irregularities, including fraud, and noncompliance with laws and regulations, our procedures included the following: enquiring of management concerning the charitable company's policies with regards identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; enquiring of management concerning the charitable company's policies detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; enquiring of management concerning the charitable company's policies in relation to the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations; discussing among the engagement team where fraud might occur in the financial statements and any potential indicators of fraud; and obtaining an understanding of the legal and regulatory framework that the charitable company operates in and focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the charitable company. The key laws and regulations we considered in this context included the UK Companies Act 2006, the Charities Act 2011 and applicable tax legislation.

One particular focus area was the risk of fraud through management override of controls. Our procedures to respond to risks identified included the following: performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud; reviewing the bank statements of the charitable company for evidence of any large or unusual activity which may be indicative of fraud, enquiring of management in relation to any potential litigation and claims, and testing the appropriateness of journal entries and other adjustments.

Another focus area was non-compliance with the rules of the Charity Commission. The charitable company was authorised and regulated by the Charity Commission throughout the period. Our procedures to respond to risks identified included the following: reviewing correspondence between the charitable company and the Charity Commission, reviewing in detail the grants made by the charitable company during the period, and discussion of regulatory matters with the appointed officers of the charitable company.

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 noncompliance 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.

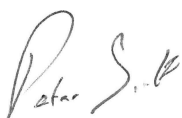
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

FRANKS FAMILY FOUNDATION
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FRANKS FAMILY FOUNDATION
(CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Scott (senior statutory auditor)

for and on behalf of

Blick Rothenberg Audit LLP

Chartered Accountants
Statutory Auditor

16 Great Queen Street

Covent Garden

London

WC2B 5AH

30 September 2022

FRANKS FAMILY FOUNDATION
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:				
Donations and legacies	3	25,000	25,000	25,000
Investments	4	70,031	70,031	87,670
Total income		95,031	95,031	112,670
Expenditure on:				
Charitable activities:	5			
Grants Paid		182,975	182,975	182,179
Exchange rate (gains)/losses		121,350	121,350	186,825
Governance		165,846	165,846	64,831
Total expenditure		470,171	470,171	433,835
Net expenditure before net gains on investments		(375,140)	(375,140)	(321,165)
Net gains on investments	12	1,323,764	1,323,764	1,869,172
Net movement in funds before other recognised gains/(losses)		948,624	948,624	1,548,007
Other recognised gains/(losses):				
Provision against investment gains	17	(43,338)	(43,338)	(450,000)
Net movement in funds		905,286	905,286	1,098,007
Reconciliation of funds:				
Total funds brought forward		7,006,365	7,006,365	5,908,358
Net movement in funds		905,286	905,286	1,098,007
Total funds carried forward		7,911,651	7,911,651	7,006,365

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

The notes on pages 14 to 26 form part of these financial statements.

FRANKS FAMILY FOUNDATION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05834838

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Tangible assets	11	979	-
Investments	12	3,491,326	2,142,836
		<u>3,492,305</u>	<u>2,142,836</u>
Current assets			
Debtors	13	212,959	169,218
Investments	14	2,879,842	2,484,650
Cash at bank and in hand		1,837,233	2,876,941
		<u>4,930,034</u>	<u>5,530,809</u>
Creditors: amounts falling due within one year	15	(17,350)	(217,280)
Net current assets		<u>4,912,684</u>	<u>5,313,529</u>
Total assets less current liabilities		<u>8,404,989</u>	<u>7,456,365</u>
Provisions for liabilities	17	(493,338)	(450,000)
Total net assets		<u><u>7,911,651</u></u>	<u><u>7,006,365</u></u>
Charity funds			
Restricted funds	18	-	-
Unrestricted funds			
General funds	18	5,019,949	5,165,391
Revaluation reserve		2,891,702	1,840,974
Total unrestricted funds	18	<u>7,911,651</u>	<u>7,006,365</u>
Total funds		<u><u>7,911,651</u></u>	<u><u>7,006,365</u></u>

FRANKS FAMILY FOUNDATION
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REGISTERED NUMBER: 05834838

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 28 September 2022 and signed on their behalf by:



S E Franks
Trustee

The notes on pages 14 to 26 form part of these financial statements.

FRANKS FAMILY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Franks Family Foundation is a company limited by guarantee, incorporated in England & Wales, with its registered office at 5th Floor, Orwell House, 16-18 Berners Street, London W1T 3LN.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Franks Family Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit 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. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.5 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

2.6 Taxation

The Company 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 Company 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.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

Computer equipment	-	50% per annum
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities. Unrealised gains and losses on market value movements, including foreign exchange movements, are recorded as other gains or losses in a separate revaluation reserve, except to the extent that cumulative unrealised losses exceed cumulative realised gains which are recorded in income and expenditure.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.12 Liabilities

Liabilities 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.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.13 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

FRANKS FAMILY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

2.15 Cash Flow

The Company is exempt from the requirement to provide a Cash Flow reconciliation under the small charities regime.

3. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Grants	25,000	25,000	25,000

4. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Dividend receivable	58,292	58,292	29,163
Interest receivable/(payable) on cash holdings	(6,631)	(6,631)	(2,510)
Other investment income	18,370	18,370	61,017
Total 2021	70,031	70,031	87,670

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Governance & Foreign Exchange costs	287,196	287,196	251,656
Donations to Institutions	182,975	182,975	172,037
Travel costs - capital project research	-	-	10,142
	<u>470,171</u>	<u>470,171</u>	<u>433,835</u>

6. Analysis of expenditure by activities

	Direct Costs 2021 £	Support Costs 2021 £	Total funds 2021 £	Total funds 2020 £
Governance & Foreign Exchange costs	164,866	122,330	287,196	251,656
Donations to Institutions	182,975	-	182,975	172,037
Travel costs - capital project research	-	-	-	10,142
	<u>347,841</u>	<u>122,330</u>	<u>470,171</u>	<u>433,835</u>

All of the Company / Foundation's donations are made for charitable purposes.

Further details of the Company / Foundation's donation-giving activities are disclosed in the Trustees' report

Advertising space provided relates to the costs of purchasing advertising space from related companies (see note 15) which is then provided free of charge to other charitable institutions. Costs incurred were £44,000 (2020: £92,000)

All travel costs arose from reimbursing trustee's expenses

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7. Governance Costs

	2021 £	2020 £
Staff costs	98,393	53,029
Consultancy, Legal and Professional fees	24,620	1,050
Auditors Remuneration	16,000	-
Bank Charges	5,908	5,601
Other Operating Costs	20,925	5,151
	<u>165,846</u>	<u>64,831</u>

8. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<u>8,000</u>	<u>8,000</u>

9. Staff costs

	2021 £	2020 £
Salaries Costs included within Governance costs		
Wages and salaries	89,512	46,189
Social security costs	5,892	5,948
Contribution to defined contribution pension schemes	1,689	892
Temp Staff Costs	1,300	-
	<u>98,393</u>	<u>53,029</u>

The average number of persons employed by the Company during the year was as follows:

	2021 No.	2020 No.
Employees	<u>3</u>	<u>5</u>

No employee received remuneration amounting to more than £60,000 in either year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 December 2021, expenses totalling £2,061 were reimbursed to Trustees (2020 - £10,142) in relation to travel, accommodation and other general matters.

11. Tangible fixed assets

	Computer equipment £
Cost or valuation	
Additions	1,958
	<hr/>
At 31 December 2021	1,958
	<hr/>
Depreciation	
Charge for the year	979
	<hr/>
At 31 December 2021	979
	<hr/>
Net book value	
At 31 December 2021	979
	<hr/> <hr/>
At 31 December 2020	-
	<hr/> <hr/>

FRANKS FAMILY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12. Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 January 2021	2,142,836
Additions	498,139
Disposals	(22,500)
Revaluations	872,851
	<u>3,491,326</u>
At 31 December 2021	<u>3,491,326</u>
Net book value	
At 31 December 2021	3,491,326
At 31 December 2020	<u>2,142,836</u>

Commitments

The Company/Foundation has committed £814,266 (2020: £639,137) in respect of investments in unlisted funds that are not yet drawn down.

13. Debtors

	2021 £	2020 £
Due within one year		
Other debtors	212,959	169,218
	<u>212,959</u>	<u>169,218</u>

14. Current asset investments

	2021 £	2020 £
Listed investments	<u>2,879,842</u>	<u>2,484,650</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

14. Current asset investments (continued)

The historic cost of investments was £2,437,615 (2020: £1,909,791).

During the year the Company/Foundation recognised gains on current asset investments in relation to market value movements, including exchange rate movements, of £177,877 (2020: £340,077)

	2021 £	2020 £
Book Value of Investments		
Equity Securities - UK	1,671,006	1,198,327
Equity Securities - Non UK	1,051,069	1,123,204
Commodities - Non UK	157,767	163,119
	<u>2,879,842</u>	<u>2,484,650</u>

15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other creditors	1,350	7,280
Accruals and deferred income	16,000	210,000
	<u>17,350</u>	<u>217,280</u>

16. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>8,208,401</u>	<u>7,504,427</u>

Financial assets measured at fair value through income and expenditure comprise all Investments and Cash equivalents held as at the financial year end.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

17. Provisions

	Provision £
At 1 January 2021	450,000
Movement on provision	43,338
	<u>493,338</u>

Further details of the above provision are given in note 21

FRANKS FAMILY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

18. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
Unrestricted funds						
Reserves	5,165,391	95,031	(470,171)	(1,050,728)	1,280,426	5,019,949
Revaluation reserve	1,840,974	-	-	1,050,728	-	2,891,702
	<u>7,006,365</u>	<u>95,031</u>	<u>(470,171)</u>	<u>-</u>	<u>1,280,426</u>	<u>7,911,651</u>

Statement of funds - prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Unrestricted funds						
Revaluation reserve	241,076	-	-	1,599,898	-	1,840,974
Income and expenditure reserve	5,667,282	87,670	(408,835)	(1,599,898)	1,419,172	5,165,391
	<u>5,908,358</u>	<u>87,670</u>	<u>(408,835)</u>	<u>-</u>	<u>1,419,172</u>	<u>7,006,365</u>

FRANKS FAMILY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

19. Summary of funds

Summary of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
General funds	7,006,365	95,031	(470,171)	-	1,280,426	7,911,651

Summary of funds - prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
General funds	5,908,358	87,670	(408,835)	-	1,419,172	7,006,365

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	979	979
Fixed asset investments	3,491,326	3,491,326
Current assets	4,930,034	4,930,034
Creditors due within one year	(17,350)	(17,350)
Provisions for liabilities and charges	(493,338)	(493,338)
Total	7,911,651	7,911,651

FRANKS FAMILY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Total funds 2020 £
Fixed asset investments	2,142,836	2,142,836
Current assets	5,530,809	5,530,809
Creditors due within one year	(217,280)	(217,280)
Provisions for liabilities and charges	(450,000)	(450,000)
Total	7,006,365	7,006,365

21. Related party transactions

The Company / Foundation has accrued an amount of £44,000 (2020: £92,000) in respect of advertising costs charged to it during the year by Eighteen-24 Limited, a company under the control of a trustee. At 31 December 2021 the outstanding amount related to the charge included in accruals (see note 9) was £nil (2020: £210,000).

Also during the year, an amount of £2,000 (2020: £nil) was charged to the Company / Foundation for services provided by Pocketon Limited, a company under the control of a trustee, for legal advice provided.

During the year ended 31 December 2020 an amount of £10,000 charged to the Company / Foundation for services provided by a trustee was borne by Redbus Ventures Limited ("RVL"), a company under the control of a trustee. Accordingly, this amount has not been recognised as an expense in the Company / Foundation's records. No equivalent amount was charged in the year ended 31 December 2021.

During the year ended 31 December 2021, salary and pension costs of £Nil (2020: £41,189) relating to employees engaged on the Company / Foundation's activities have been borne by RVL where required under the rules of the Charity Commission. Any future repayment of this amount to RVL is subject to permission from the Charity Commission; accordingly, this amount has not been recognised as an expense in the Company / Foundation's records.

In order to save costs RVL and the Company / Foundation share a payroll. Outstanding amounts under this arrangement are regularly reimbursed. An amount of £4,000 was owed by RVL at the balance sheet date (2020: £147,293 due to RVL).

Under an arrangement entered into when certain fixed asset investments were donated to the Foundation a proportion of the proceeds related to the future of realisation of those investments is due to be paid to RVL and Eighteen-24 Limited. Based on the fair value of the investments at 31 December 2021 a provision of £493,338 (2020: £450,000) has been recognised in these accounts to reflect this obligation. An amount of £43,338 (2020: £450,000) was charged as an expense to the Statement of Financial Activities during the year.