

Registered number: 08785000
Charity number: 1155149

**THE HARRISON-FRANK FAMILY
FOUNDATION (UK) LIMITED**

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

LUBBOCK FINE LLP
Chartered Accountants
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB

THE HARRISON-FRANK FAMILY FOUNDATION (UK) LIMITED

CONTENTS

	Page
Reference and Administrative Details of the Charity, its Trustees and Advisers	1
Trustees' Report	2 - 5
Independent Auditors' Report on the Financial Statements	6 - 9
Statement of Financial Activities Incorporating Income and Expenditure Account	10
Balance Sheet	11
Statement of Cash Flows	12
Notes to the Financial Statements	13 - 27

THE HARRISON-FRANK FAMILY FOUNDATION (UK) LIMITED

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Trustees	Richard Harrison David Harrison Michele Harrison Jeanne Harrison Steven Marcovitch Louise Williams Fredrik Ulfster Dominic Duffy Simon Morris Maurice Collins
-----------------	--

Company registered number	08785000
----------------------------------	----------

Charity registered number	1155149
----------------------------------	---------

Registered office	Flat 17 34 Seymour Place London W1H 7NS
--------------------------	--

THE HARRISON-FRANK FAMILY FOUNDATION (UK) LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their annual report together with the audited financial statements of the The Harrison-Frank Family Foundation (UK) Limited (the charity) for the year from 1 January 2020 to 31 December 2020. 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 charity 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.

Trustees

The trustees who served during the year and since the year end were:

Barbara Harrison (deceased 16 March 2021)
Richard Harrison
David Harrison
Michele Harrison
Jeanne Harrison
Steven Marcovitch
Louise Williams
Fredrik Ulfsater
Dominic Duffy (appointed 17 December 2020)
Simon Morris (appointed 1 June 2021)
Maurice Collins (appointed 1 June 2021)

Structure, governance and management

The Harrison-Frank Family Foundation is a charitable company limited by shares with £1 of share capital issued to the Harrison-Frank Family Foundation US.

The Company was incorporated on 21 November 2013 and is governed by its Memorandum and Articles of Association.

The Board of Trustees is responsible for the overall governance of the Charitable Company. Trustees may be appointed at the discretion, and with the approval, of the existing Trustees. New Trustees are briefed of their duties from existing Trustees.

Objectives and activities

The Harrison-Frank Family Foundation was set up in 2013 as a charitable company with two key charitable objectives:

- 1) To provide grants to charities; and to provide financial assistances in Israel via the New Israel Fund.
- 2) To provide support to aspiring violinists through the violin loan scheme.

The Trustees confirm that they have complied with the duty in section 17 of the Charities act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

THE HARRISON-FRANK FAMILY FOUNDATION (UK) LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1. Providing grants

The charity's primary objective is to provide grants to prominent English and international charities; such as those listed in Note 7.

The charity also aims to provide financial assistance in Israel to those who are in need; who are socially disadvantaged or underprivileged; or who are suffering hardship, including but not limited to minority groups or breaches of human rights or the principles of democracy.

2. Violin loan scheme

The charity owns a collection of high quality fine old Italian, French, Dutch and English violins which it lends to young professional musicians without charge.

There are currently 54 violins, 2 violas, 1 cello and 10 bows in the Foundation's collection. All the instruments have been acquired for the foundation by Richard and his late wife Barbara Frank Harrison, in collaboration with J & A Beare who have helped to set up, maintain and run the scheme.

The requirements which individuals must meet to loan a violin are as follows:

- You should be a UK Citizen or at least planning to stay in England for the next 5 years;
- Recently graduated or in your last year of college;
- Aged 30 years and under.

Loans are arranged on a renewable annual basis, with the option of extending up to 5 years, until the musician is established and earning enough to think of buying their own violin. The instrument can then be released to lend again to another qualifying applicant.

Achievements and performance

During the year £33,000 (2019 - £170,000) was awarded to 8 (2019 - 24) different charities as detailed in note 7 in the accounts.

At the 31 December 2020 46 violins, 2 violas, 1 cello and 5 bows were lent to young professional musicians providing access to high quality musical instruments to those who may not have otherwise had access.

Plans for future periods

The charity has recently strengthened its board of trustees. This is both to help with oversight and to add specific expertise in relation to future donations. There are advanced discussions on new projects, including a music bursary scheme and a major Israel based project in support of minorities. The charity will also continue to support prominent charities.

Financial Review

During the financial year, the charitable company recognised incoming resources totalling £1,383,970. This represented donations received from Trustees and dividends received on the investment portfolio held by the Charity. The total charitable expenditure of the charity was £202,678 after taking into account a foreign exchange loss of £126,722, with taxation of £6,066 and unrealised and realised losses on investments of £678,754 generating a surplus for the year of £496,472.

Unrestricted funds carried forward totalled £10,033,896 at the balance sheet date of which free reserves totalled £7,447,388 after deducting funds tied up in tangible fixed assets. The reserves are held to continue to promote the charitable activities of the Charity. Due to the strength of the balance sheet, there is no formal reserves policy however the Trustees regularly review the liquidity of reserves to enable the continued funding of charitable activities.

THE HARRISON-FRANK FAMILY FOUNDATION (UK) LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

The ongoing COVID-19 outbreak has adversely impacted global markets, and it is expected that this will also adversely affect the value of the investments held by the Charity. The extent of the impact on the value of investments held by the charity will depend on future developments, including the duration and spread of the outbreak and related advice and restrictions and the impact of COVID-19 on the financial markets and the overall economy, all of which are highly uncertain and cannot be predicted. If the financial markets and/or the overall economy are impacted for an extended period, the Charity's results may be materially adversely affected and this could have an impact on the valuation of the Charity's investments. However the Trustees intend to hold the existing investment portfolios for the long term and therefore are not expecting these losses to be realised. The Trustees will continue to monitor the situation and take necessary steps to mitigate any adverse impact on the Charity.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charity 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 charity 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 charity will continue in business.

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

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.

THE HARRISON-FRANK FAMILY FOUNDATION (UK) LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Auditors

The auditors, Lubbock Fine LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

Richard Harrison

Richard Harrison

(Trustee)

Date: 23 October 2021

THE HARRISON-FRANK FAMILY FOUNDATION (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HARRISON-FRANK FAMILY FOUNDATION (UK) LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2020

Opinion

We have audited the financial statements of The Harrison-Frank Family Foundation (UK) Limited (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 2020 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 the Provisions Available for Audit of Small Entities, in circumstances set out in note 1.1, 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.

THE HARRISON-FRANK FAMILY FOUNDATION (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HARRISON-FRANK FAMILY FOUNDATION (UK) LIMITED (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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 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.

THE HARRISON-FRANK FAMILY FOUNDATION (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HARRISON-FRANK FAMILY FOUNDATION (UK) LIMITED (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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 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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the sector and the impact of Covid 19 on financial and operating performance and policies;
- Enquiries of management, including obtaining and reviewing supporting documentation, concerning the company's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance of laws and regulations; and
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. The engagement team includes audit partners and staff who have extensive experience of working with entities in similar sectors and this experience was relevant to the discussion about where fraud risks might arise.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK Charities Act and Charities SORP 2019

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included health and safety regulations and environmental regulations.

As a result of these procedures, we considered the particular areas that were susceptible to misstatement due to irregularities, including fraud were in respect of existence of assets held and the lack of a formal dedicated finance function. Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reading minutes of meetings of those charged with governance;

THE HARRISON-FRANK FAMILY FOUNDATION (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HARRISON-FRANK FAMILY FOUNDATION (UK) LIMITED (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

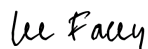
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of the company's operations;
- Reviewing violin loan documentation to confirm existence of assets at the year end;
- Substantive testing on a sample of transactions in the year.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through 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.

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.



Lee Facey (Senior Statutory Auditor)

for and on behalf of

Lubbock Fine LLP

Chartered Accountants & Statutory Auditors

Paternoster House

65 St Paul's Churchyard

London

EC4M 8AB

Date: 28 October 2021

THE HARRISON-FRANK FAMILY FOUNDATION (UK) LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:				
Donations and legacies	2	1,179,254	1,179,254	241,549
Investments	3	204,564	204,564	277,012
Other income	4	152	152	4,100
		<u>1,383,970</u>	<u>1,383,970</u>	<u>522,661</u>
Total income				
Expenditure on:				
Raising funds	5	1,535	1,535	687
Charitable activities	6	201,143	201,143	437,125
		<u>202,678</u>	<u>202,678</u>	<u>437,812</u>
Total expenditure				
Net income before net (losses)/gains on investments		1,181,292	1,181,292	84,849
Net (losses)/gains on investments	8	(678,754)	(678,754)	585,520
Taxation	9	(6,066)	(6,066)	(13,564)
		<u>496,472</u>	<u>496,472</u>	<u>656,805</u>
Net movement in funds				
Reconciliation of funds:				
Total funds brought forward		9,537,424	9,537,424	8,880,619
Net movement in funds		496,472	496,472	656,805
		<u>10,033,896</u>	<u>10,033,896</u>	<u>9,537,424</u>
Total funds carried forward				

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 13 to 27 form part of these financial statements.

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	2,586,508	2,462,508
Investments	13	6,283,300	7,014,735
		<u>8,869,808</u>	<u>9,477,243</u>
Current assets			
Debtors	14	6,578	-
Cash at bank and in hand		1,180,134	92,363
		<u>1,186,712</u>	<u>92,363</u>
Creditors: amounts falling due within one year	15	(22,624)	(32,182)
Net current assets		<u>1,164,088</u>	<u>60,181</u>
Total net assets		<u><u>10,033,896</u></u>	<u><u>9,537,424</u></u>
Charity funds			
Restricted funds	16	-	-
Unrestricted funds	16	10,033,896	9,537,424
Total funds		<u><u>10,033,896</u></u>	<u><u>9,537,424</u></u>

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 and signed on their behalf by:

Richard Harrison

Richard Harrison

Trustee

Date: 23 October 2021

The notes on pages 13 to 27 form part of these financial statements.

THE HARRISON-FRANK FAMILY FOUNDATION (UK) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	18	956,963	43,776
Cash flows from investing activities			
Dividends, interests and rents from investments		204,564	277,012
Purchase of tangible fixed assets		-	(150,000)
Proceeds from sale of investments		-	98,281
Purchase of investments		(73,756)	(208,201)
Net cash provided by investing activities		130,808	17,092
Change in cash and cash equivalents in the year		1,087,771	60,868
Cash and cash equivalents at the beginning of the year		92,363	31,495
Cash and cash equivalents at the end of the year	19	1,180,134	92,363

The notes on pages 13 to 27 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies

1.1 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.

The Harrison-Frank Family Foundation (UK) Limited 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.

The audit has been undertaken in accordance with the requirements of the FRC's Ethical Standard, including the provisions available for the audit of small entities. The charitable company uses the auditor, Lubbock Fine Chartered Accountants, to assist with the preparation of the financial statements.

1.2 Company Status

The charity is a company limited by share capital.

The registered office address and principal place of business is Flat 17, 34 Seymour Place, London, W1H 7NS.

1.3 Going concern

The extent of the impact of the coronavirus ("COVID-19") outbreak on the financial performance of the Charity will depend on future developments, including the duration and spread of the outbreak and related advice and restrictions and the impact of COVID-19 on the financial markets and the overall economy, all of which are highly uncertain and cannot be predicted. If the financial markets and/or the overall economy are impacted for an extended period, the Charity's results may be materially adversely affected and this could have an impact on the financial performance of the Charity.

However, the Trustees consider it appropriate to prepare the accounts on a going concern basis due to the significant level of reserves held by the charity and the charity's ability to scale down activities as necessary. The financial statements do not include adjustments which would be required should the charity not be considered to be a going concern.

1.4 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 charity and which have not been designated for other purposes.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies (continued)

1.5 Income

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

Dividend income is accounted for an accruals basis.

Donations are recognised in the period in which they are pledged.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the charity's accounting policies.

On receipt, donated professional services and facilities, where they can be measured reliably are recognised on the basis of the value of the gift to the charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1.6 Interest receivable

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

1.7 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.

Expenditure on raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes.

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

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

THE HARRISON-FRANK FAMILY FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies (continued)

1.8 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.

1.9 Taxation

The charity's income is exempt for UK corporation tax purposes. The Charity pays United States taxes on behalf of its parent entity The Harrison-Frank Family Foundation US. The parent entity acts as a holding entity and all activities take place in the UK charity. The taxes paid in the United States are on the dividends received from the investment portfolio held by the UK charity.

1.10 Tangible fixed assets and depreciation

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.

No depreciation is charged on the violins as the instruments are kept in good working order with regular maintenance.

1.11 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 'net gains/(losses) on investments' in the Statement of Financial Activities.

1.12 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.

1.13 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies (continued)

1.14 Liabilities and provisions

Liabilities 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 charity 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.

1.15 Financial instruments

The charity 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.

THE HARRISON-FRANK FAMILY FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

2. Income from donations and legacies

	Unrestricted funds 2020 £	Total funds 2020 £
Donations	1,179,254	1,179,254

	Unrestricted funds 2019 £	Total funds 2019 £
Donations	241,549	241,549

3. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Investment income	204,564	204,564

	Unrestricted funds 2019 £	Total funds 2019 £
Investment income	277,012	277,012

THE HARRISON-FRANK FAMILY FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

4. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £
Insurance income	152	152

	Unrestricted funds 2019 £	Total funds 2019 £
Insurance income	4,100	4,100

5. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2020 £	Total funds 2020 £
Broker fees	1,535	1,535

	Unrestricted funds 2019 £	Total funds 2019 £
Broker fees	687	687

THE HARRISON-FRANK FAMILY FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

6. Analysis of expenditure by activities

	Grant funding of activities 2020 £	Support costs 2020 £	Total funds 2020 £
Grant making	33,000	139,111	172,111
Violin loan scheme	-	29,032	29,032
	<u>33,000</u>	<u>168,143</u>	<u>201,143</u>

	Grant funding of activities 2019 £	Support costs 2019 £	Total funds 2019 £
Grant making	170,000	253,099	423,099
Violin loan scheme	-	14,026	14,026
	<u>170,000</u>	<u>267,125</u>	<u>437,125</u>

Analysis of support costs

	Grant making 2020 £	Violin loan scheme 2020 £	Total funds 2020 £
Loss on foreign exchange	126,722	-	126,722
Bank charges	37	37	74
Secretarial	-	11,220	11,220
Audit fees	7,650	7,650	15,300
Professional fees	4,702	4,703	9,405
Repairs and maintenance	-	5,422	5,422
Total 2020	<u>139,111</u>	<u>29,032</u>	<u>168,143</u>

THE HARRISON-FRANK FAMILY FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

6. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Grant making 2019 £	Violin loan scheme 2019 £	Total funds 2019 £
Loss on foreign exchange	248,419	-	248,419
Bank charges	30	30	60
Secretarial	-	9,345	9,345
Audit fees	3,900	3,900	7,800
Catering	630	631	1,261
Professional fees	120	120	240
	<u>253,099</u>	<u>14,026</u>	<u>267,125</u>

THE HARRISON-FRANK FAMILY FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

7. Analysis of Grants

	2020 £	2019 £
Name of Organisation		
Action for Stammering Children	5,000	5,000
Amnesty International	-	5,000
Beanstalk	-	-
Bentley Beginnings	-	5,000
Cancer Research	-	10,000
Changing Tunes	-	3,000
Coran Beanstalk	-	5,000
Countess of Munster Musical Trust	-	5,000
Crisis UK	-	5,000
Durrel Wildlife Conservation Trust - UK	-	5,000
Fare Share	4,000	-
Guide Dogs for the Blind	-	5,000
Help Force Community Trust	-	5,000
Institute of Cancer Research	-	10,000
Fostering network	-	5,000
Jewish Blind and Disabled	5,000	10,000
Leukemia and Myeloma Research UK Limited	-	-
Marie Curie	-	5,000
Macmillan Cancer Support	-	-
Medecins Sans Frontieres (UK)	-	10,000
Myeloma UK	-	5,000
Motivation and Learning Trust	-	-
North Paddington Food Bank	4,000	-
Prisoners Advice Trust	-	2,000
Refuge	-	5,000
Royal Marsden Hospital Charity	-	10,000
Rugby League Cares	-	-
Teach First	-	5,000
Tempus Novo	5,000	5,000
The Food Chain	4,000	-
The Food Cycle	4,000	-
The New Israel Fund	-	35,000
The Trussell Trust	2,000	-
Walkabout Foundation UK	-	5,000
	<u>33,000</u>	<u>170,000</u>

8. Net gains/(losses) on investments

	2020 £	2019 £
Realised gains/(losses) on investments	-	13,557
Unrealised gains/(losses) on investments	678,754	571,963
	<u>678,754</u>	<u>585,520</u>

THE HARRISON-FRANK FAMILY FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

9. Taxation

	2020 £	2019 £
US Taxes	6,066	13,564
	<u>6,066</u>	<u>13,564</u>

10. Auditors' remuneration

	2020 £	2019 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	15,300	7,800
Fees payable to the charity's auditor in respect of: All non-audit services not included above	<u>780</u>	<u>240</u>

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 December 2020, no Trustee expenses have been incurred (2019 - £NIL).

12. Tangible fixed assets

	Violins £
Cost or valuation	
At 1 January 2020	2,462,508
Additions	136,000
Disposals	(12,000)
At 31 December 2020	<u>2,586,508</u>
Net book value	
At 31 December 2020	<u>2,586,508</u>
At 31 December 2019	<u>2,462,508</u>

THE HARRISON-FRANK FAMILY FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

13. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2020	7,014,735
Additions	73,756
Revaluations	(678,754)
Foreign exchange movement	(126,437)
At 31 December 2020	6,283,300
Net book value	
At 31 December 2020	6,283,300
At 31 December 2019	7,014,735

14. Debtors

	2020 £	2019 £
Other debtors	6,578	-

15. Creditors: Amounts falling due within one year

	2020 £	2019 £
Accruals and deferred income	22,624	32,182

THE HARRISON-FRANK FAMILY FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

16. Statement of funds

Statement of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Taxation £	Gains/ (Losses) £	Balance at 31 December 2020 £
Unrestricted funds						
General Funds	9,537,423	1,383,970	(202,678)	(6,066)	(678,754)	10,033,895
Share capital	1	-	-	-	-	1
	<u>9,537,424</u>	<u>1,383,970</u>	<u>(202,678)</u>	<u>(6,066)</u>	<u>(678,754)</u>	<u>10,033,896</u>

Statement of funds - prior year

	Balance at 1 January 2019 £	Income £	Expenditure £	Taxation £	Gains/ (Losses) £	Balance at 31 December 2019 £
Unrestricted funds						
General Funds	8,880,618	522,661	(437,812)	(13,564)	585,520	9,537,423
Share capital	1	-	-	-	-	1
	<u>8,880,619</u>	<u>522,661</u>	<u>(437,812)</u>	<u>(13,564)</u>	<u>585,520</u>	<u>9,537,424</u>

Share Capital consists of 1 (2019 - 1) Ordinary share of £1 (2019 - £1).

THE HARRISON-FRANK FAMILY FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

17. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	2,586,508	2,586,508
Fixed asset investments	6,283,300	6,283,300
Current assets	1,186,712	1,186,712
Creditors due within one year	(22,624)	(22,624)
Total	10,033,896	10,033,896

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	2,462,508	2,462,508
Fixed asset investments	7,014,735	7,014,735
Current assets	92,363	92,363
Creditors due within one year	(32,182)	(32,182)
Total	9,537,424	9,537,424

THE HARRISON-FRANK FAMILY FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	496,472	656,805
Adjustments for:		
Losses/(Gains) on investments	678,754	(585,520)
Dividends, interests and rents from investments	(204,564)	(277,012)
(Decrease)/Increase in creditors	(9,843)	11,344
Non cash donations	(136,000)	(10,260)
Foreign Exchange losses	126,722	248,419
Non cash expenses	5,422	-
Net cash provided by operating activities	956,963	43,776

19. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	1,180,134	92,363
Total cash and cash equivalents	1,180,134	92,363

20. Analysis of changes in net debt

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	92,363	1,087,771	1,180,134
	92,363	1,087,771	1,180,134

21. Related party transactions

During the year Trustees made unrestricted donations to the charity totalling £1,179,254 (2019: £240,469).

THE HARRISON-FRANK FAMILY FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

22. Parent undertaking

The Harrison Frank Family Foundation US, a charity registered in the United States of America is the sole shareholder of the charity.

The US entity acts as a holding entity and all charitable activities take place in the UK charity.

23. Post balance sheet events

The ongoing COVID-19 outbreak has adversely impacted global markets, and it is expected that this will also adversely affect the value of the investments held by the Charity. The extent of the impact on the value of investments held by the charity will depend on future developments, including the duration and spread of the outbreak and related advice and restrictions and the impact of COVID-19 on the financial markets and the overall economy, all of which are highly uncertain and cannot be predicted. If the financial markets and/or the overall economy are impacted for an extended period, the Charity's results may be materially adversely affected and this could have an impact on the valuation of the Charity's investments. However the Trustees intend to hold the existing investment portfolios for the long term and therefore are not expecting these losses to be realised.