

Charity registration number 1155919

Company registration number 08906571 (England and Wales)

DAVID FORBES-NIXON CHARITABLE FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

DAVID FORBES-NIXON CHARITABLE FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr D Forbes-Nixon Mr J Dickson Mr S N Konsta Mr E W Low Mr H Forbes-Nixon	(Appointed 1 September 2023)
Charity number	1155919	
Company number	08906571	
Principal address	10 Norwich Street London EC4A 1BD	
Registered office	10 Norwich Street London EC4A 1BD	
Auditor	Dixon Wilson Audit Services LLP 22 Chancery Lane London WC2A 1LS	
Bankers	Barclays 1 Churchill Place Canary Wharf London E14 5HP	
Accountants	Humphrey & Co 7-9 The Avenue Eastbourne East Sussex BN21 3YA	
Solicitors	Macfarlanes LLP 20 Cursitor Street London EC4A 1LT	

DAVID FORBES-NIXON CHARITABLE FOUNDATION

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DAVID FORBES-NIXON CHARITABLE FOUNDATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees of the David Forbes-Nixon Charitable Foundation (DFN Foundation) are pleased to present their Annual Report and Financial Statements for the year ended 31 December 2022 which has been prepared to meet the requirements for a Directors' Report and Accounts for Companies Act Purposes.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the requirements of the Companies Act 2006, the Charities Act 2011 the Charity's Memorandum and Articles of Association and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

The DFN Foundation is a registered charity (No. 1155919) and a company limited by guarantee (No. 08906571) and was incorporated on 21 February 2014.

Objectives and activities

The DFN Foundation's governing document defines the objectives as all purposes that are exclusively charitable under the law of England and Wales. The Trustees have directed the DFN Foundation to focus on four key purposes of education, employability, healthcare and conservation.

Achievements and performance

David Forbes-Nixon and the Board set four goals for the DFN Foundation to achieve over a ten year period:

1 - To create a world class special needs educational establishment at Undershaw Education Trust.

The DFN Foundation are delighted to report that in February 2022 Undershaw had a successful three day Ofsted inspection where they were judged to be Good in all areas.

Key highlights from the inspection found, 'Pupils speak proudly of their school. During the inspection, they happily told inspectors about their friends, their teachers and their favourite subjects. Pupils have often had an unsettled period of education prior to joining the school.

Adults provide skilful and sensitive support to help them to adjust to school life. Pupils feel secure and valued. They say that adults look after them well. Staff combine high expectations with warmth and good humour. Pupils respond well.

Pupils become increasingly independent and self-assured as they move up through the school. Those in the sixth form are well prepared for the next step in their education or career. Trusting and respectful relationships underpin the school's work. Pupils are friendly, polite and interested in visitors.

Pupils make impressive gains in the development of confidence, self-esteem and independence. Courses in subjects such as food hygiene and employability, combined with carefully chosen work placement opportunities, help to prepare pupils for the future. A strong focus on developing key life and employability skills in the sixth form ensures that pupils are well prepared personally, as well as academically, for the next stages of education or employment. All sixth-form pupils went on to a college or a supported internship placement in 2021. The school's outreach programme enables staff to monitor how pupils settle into their chosen destinations.

The chair of governors has introduced greater rigour to governors' monitoring roles since the previous inspection. A clear schedule of activities to check the school's work has been established. Training has ensured that governors know what to look for when visiting the school. The proprietor is working closely with the acting headteacher to support developments in the school's work and has ensured that the independent school standards continue to be met'.

DAVID FORBES-NIXON CHARITABLE FOUNDATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

2 - To positively influence current practice so that young people with special educational needs and disabilities receive high quality work-related learning and improved access to long term paid employment.

2022 was seen as an inflection point in terms of our ability to support the significant impact on the life outcomes of young adults with a learning disability or autism spectrum condition through DFN Project SEARCH. With the largest data set in the UK and a successful evidence-based model, we continue to support the work to ensure that everyone with an Education, Health and Care Plan can access high quality transition to work support and training in their local area. We have consciously aimed to support the greater influence and strategic engagement DFN Project SEARCH can have with the sector to achieve this, working closely with peers, local authorities and education providers wherever possible.

In September 2022, DFN Project SEARCH were delighted to be awarded a contract from the Department for Education (DfE), as part of a consortium working in partnership with the National Development Team for Inclusion (NDTi) and the British Association of Supported Employment (BASE).

The objective is to double the number of supported internships to 4,500 per year in England by March 2025. We see this as a testament to our collaborative, results driven work. We continue to support DFN Project SEARCH in their role within this partnership, called Internships Work, to lead on employment engagement, providing support and training to local authorities and creating over 800 Employer Champions in that timeframe. It is an honour to work alongside partners with such high levels of excellence and compassion.

3 - To improve survival rates of myeloma patients and advance cures through the strategic funding of high quality research.

The Jacquelin Forbes-Nixon Research Fellowship provides essential support for Dr Kaiser as Chief Investigator of the OPTIMUM (MUKnine) trial and his team's research on the molecular structure of high-risk myeloma. The following milestones were achieved since the last update:

We are delighted to report that the OPTIMUM trial has continued despite ongoing challenges for the NHS by COVID-19.

Individual COVID-19 infection risk remained a concern for OPTIMUM participants, who are deeply immunosuppressed because of the trial treatment. Therefore, the team performed a dedicated analysis on vaccine responses, demonstrating a sufficient immune response after 4-5 doses of vaccine with OPTIMUM trial therapy. This is a highly reassuring finding and supports the treatment of future patients with the OPTIMUM protocol. These findings are being written up and will be submitted for publication.

The OPTIMUM trial has successfully met its primary endpoint of improved progression-free survival over standard-of-care therapy. The team are now conducting further follow-up to investigate a potential overall survival improvement. A first interim analysis is showing promising results. An overall survival improvement over standard care will provide critical evidence for access and policy work being taken forward by Myeloma UK.

Results of the successful primary endpoint analysis were presented at the EHA and ASH meetings in 2021 and led to multiple speaker invites at international conferences such as the 2022 International Myeloma Society Workshop.

Updated overall survival results were selected for oral presentation at the ASH annual meeting in December 2022.

Positive results from the trial are now providing an increasingly solid evidence base for Myeloma UK and other partners to strengthen advocacy and policy efforts regarding better access to diagnostics and treatment for high-risk myeloma patients.

We are delighted to report that the team have continued work on making innovative molecular diagnostics more widely accessible for patients treated in the UK and elsewhere:

- They have extended international collaborations on molecular diagnostics. As an oral abstract, we will present one of the most extensive analyses on high-risk myeloma at the ASH annual meeting in December 2022.
- They continue work making gene expression risk profiling practically accessible in the UK via the diagnostic lab at the RMH.

DAVID FORBES-NIXON CHARITABLE FOUNDATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

- In-depth analysis of molecular features of high-risk myeloma from OPTIMUM using Whole Genome Sequencing and Long-Range Sequencing is ongoing. DNA samples from a larger group of OPTIMUM patients, including some matched presentation-relapse tumour pairs, are undergoing Oxford Nanopore Long Range sequencing. This is anticipated to be one of the first and most extensive datasets of its kind for multiple myeloma and allow an in-depth view of the molecular structure, particularly structural aberrations, the most frequent and still incompletely characterised type of mutation in myeloma and other cancers.
- Investigations of the immune profiles of patients at trial entry and throughout therapy by multi-parametric flow cytometry through leveraged funding for an MD student are ongoing.

4 - To ensure survival of the British butterfly.

We were proud to sponsor The Big Butterfly Count for the third consecutive year. The Big Butterfly Count is a citizen science survey that takes place annually in the UK. It is organised by Butterfly Conservation, a wildlife charity that focuses on butterflies and moths.

The survey is conducted for three weeks during the summer, and it is the world's largest survey of butterflies. The primary objective of the survey is to raise awareness about the importance of butterflies and day-flying moths and to encourage people to participate in their conservation. The survey also helps scientists understand how climate change is affecting butterflies.

The 2022 Big Butterfly Count took place from 15 July – 7 August (although sightings were submitted from 1 July - 31 August 2022). Overall, the trend for butterflies across the UK remains a declining one, with the results of the Big Butterfly Count 2022 showing an average of just under 9 butterflies seen per count, which is once again an all-time low in the thirteen years since the citizen science project began. Species that saw a worrying decline from last year include some well-known favourites, such as Red Admiral, Small White and Meadow Brown.

Statistics from the 2022 Big Butterfly Count include:

- Total number of BBC participants - 64,760
- Total number of BBC counts undertaken - 96,257
- Total number of BBC participants (unique email addresses) - 33,449
- Both participation and counts submitted were down on 2021
- The greatest daily number of counts – 7,709 - were done on Saturday 16th July

The support of the DFN Foundation enabled extensive reach of Big Butterfly Count 2022:

No. of pieces of coverage - 1657
AVE £2,615,829
Reach 9,726,189,023
Circulation 343,261,495

Demonstrating public benefit

The Trustees are aware of the Charity Commission guidance on Charity and Public Benefit and confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to it. The Trustees consider that the information contained within the Trustees' Report about the Charity's aims, activities and achievements in the four key areas of education, employability, healthcare and conservation demonstrates the benefit to the public.

The Trustees review the purpose, aims and activities of the Charity periodically.

When carrying out the review and planning future activities, the Trustees refer to the guidance contained in the Charity Commission's general guidance on public benefit. In particular the Trustees consider how planned activities will contribute to the aims and objectives they have set.

DAVID FORBES-NIXON CHARITABLE FOUNDATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Grant making policy

The DFN Foundation considers the making of grants to other organisations and institutions as part of, or to complement, its commitment to deliver its charitable objects for the public benefit. The DFN Foundation's approach to grant making is based on research by the Trustees to carefully select partner organisations and institutions which the DFN Foundation can work with to achieve its charitable objectives. It is not the intention of the DFN Foundation to invite unsolicited applications from other organisations for grant funding.

Financial review

The Trustees wish to express their thanks to all staff, partners and colleagues who have worked hard in support of the charitable objectives of the DFN Foundation in a year characterised by the continued presence of COVID-19 and the restrictions imposed to combat the spread of the virus.

Against this backdrop the Statement of Financial Activities reports income of £419,158 (2021 £407,193) and total expenditure of £653,749 (2021 £1,174,674) which, after adjusting for unrealised gains on investments and other costs associated with foreign current exchange differences, resulted in a net outflow of resources of £1,360,526 (2021 net inflow of resources of £1,782,717) with a fund balance at the year end of £20,440,915 (2021 £21,801,441). The main areas of charitable activity are:

Education:

DFN MoveForward

DFN MoveForward is an employability programme built on the tried and tested work of ThinkForward, helping young people with mild to moderate learning disabilities with the aim of supporting them into sustainable paid employment.

The programme is delivered by ThinkForward. This is an innovative education based employability skills strategy that supports students with special needs, providing individualised coaching and, creating ready for work opportunities whilst promoting greater employee awareness and engagement.

Acting as lead commissioner, with match funding from the government's Life Chances Fund, and operating through a Social Impact Bond, the DFN Foundation committed up to £1 million to fund the programme over the period to March 2024. The delivery of the programme was later reviewed following the disruption of the COVID-19 pandemic. Having undertaken appropriate verification tests, the Trustees authorised the release of funds on the basis of the results on the revised (Covid Impact) basis.

As set out in note 8 these accounts include a provision of £170,800 (2021 £209,060) to meet its financial obligation on the basis of the reported results.

Undershaw Education Trust

Undershaw Education Trust; a UK registered charity (No. 1039622). The original investment in the property in 2016 totalled £6,622,912. The DFN Foundation remains committed to creating a school that is inclusive and where the best interests of the child are at the heart of everything.

Under the terms of the ten year lease which commenced in September 2019, rental income of £112,016 (2021 £94,381) was received, of which £12,016 (2021 £14,381) was expended in insuring the property. The level of rent charged is considered below market rate in accordance with the Foundation's continued commitment to the school.

As set out in note 32 the Trustees are clear that the receipt of investment income from the property is of secondary importance to the furtherance of the benefit derived by the DFN Foundation's beneficiaries through the provision of the enhanced school building and facilities.

DAVID FORBES-NIXON CHARITABLE FOUNDATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Employability:

- Influencing the National Debate

The DFN Foundation supported the work of the Centre for Social Justice (CSJ) Disability Commission to secure a step change in the opportunities available to disabled people, especially in employment, to live their lives fully and as they want to. The CSJ Disability Commission published a report "Now is the Time" in March 2021. David Forbes-Nixon was appointed Commission Deputy Chair of the body which was responsible for the production of the report.

Through this work with the CSJ, the DFN Foundation made a further contribution of £20,000 (2021 £46,850) to promote the work of the Disability Commission.

During 2022 the DFN Foundation also contributed £20,500 to Anthropy Limited and sponsored the 2022 Anthropy event. The Anthropy gathering includes emerging and established leaders from a variety of backgrounds, designed to tackle the UK's biggest economic and social challenges. The 2022 event was attended by the Trustees and CEO and posed a great launchpad for driving the Foundation's employability objectives.

- DFN Project SEARCH

DFN Project SEARCH (Charity Reg No. 1183834 England and Wales and Charity Reg SC049891 Scotland) was assigned the Project SEARCH master franchise in September 2019. Prior to that date the operations of Project SEARCH were administered as a restricted fund of the DFN Foundation.

The Trustees are pleased that DFN Project SEARCH has successfully developed and expanded the Project SEARCH programme whilst overcoming the challenges imposed by the COVID-19 pandemic.

The strategic plan developed in 2020 for DFN Project SEARCH, which is ambitious in terms of the number of young people obtaining sustained employment (target to exceed 10,000 by 2030) and progressive in the development and focused delivery of future sites. It has grown its reach considerably despite the challenges a global pandemic presented. It is expected that 155 sites will be open by September 2023. Having recently expanded the operations team, DFN Project SEARCH hopes to open around 65 sites per year to achieve the target of 10,000 full time jobs by 2030.

DFN Project SEARCH is currently undertaking a contract with the Department for Education to double the number of supported interns across England, from 2,250 to 4,500 a year by March 2025.

DFN Project SEARCH are in the process of drafting the next multi-year strategic plan. In reviewing this, and considering other current and future projects, the Trustees are considering supporting the recommendation to earmark funds approaching approximately £1,000,000 in future support for DFN Project SEARCH over the remainder of this plan. Financial support would remain dependent on a satisfactory periodic review of progress as measured against exacting key performance indicators. Further discussions are to be held following the finalisation of the DFN Project SEARCH strategic plan in late 2023.

Grants payable (note 9) reports no donations to DFN Project SEARCH in 2022 (2021 £500,000).

Healthcare:

- Myeloma UK

The DFN Foundation supports Myeloma UK (Charity Reg No. SC026116) through the establishment of the Jacqueline Forbes Nixon research fellowship. This entailed a commitment of £1,000,000 with an agreed timetable for payments. Following changes to the original payment schedule arising partly from the COVID-19 pandemic, the calculation of the funding commitment was revised.

As set out in note 24, the remaining funding commitment to Myeloma UK is £200,247 (2021 £395,445) which is expected to be utilised by the end of 2023.

DAVID FORBES-NIXON CHARITABLE FOUNDATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Conservation:

- Big Butterfly Count

The DFN Foundation was the co-sponsor of the Big Butterfly Count in July 2021, the world's biggest survey of butterflies, with over 107,000 participants taking part and over 150,000 counts. 2022 represented the final year of a three year commitment of £50,000.

Other Income and Raising Funds

Against the backdrop of the impact of COVID-19 on financial markets, and as set out in note 5 the Board noted income from investments of £158,404 (2021 £185,348), which has been utilised in the funding of the charitable activities.

Following the appointment of Claire Cookson as CEO of DFN Project SEARCH, the DFN Foundation recharged employment costs reflecting the time that the CEO devoted to DFN Project SEARCH of £128,738 (2021 £116,254) as set out in note 6.

Of the costs relating to raising funds £47,471 (2021 £44,559) represents fees paid to Royal Bank of Canada for their management of part of the investment portfolio as set out in note 7.

Use of Resources

It remains the intention of the Trustees to maintain unrestricted reserves, held primarily within a portfolio of investments, not only as a core fund as detailed in the investment policy but to provide resources which can be called upon as the Trustees explore how best to move the DFN Foundation forward, working with other organisations as necessary towards fulfilling its long term charitable goals.

At the balance sheet date the DFN Foundation held funds of £20,440,915 (2021 £21,802,441). Of this £227,663 (2021 £398,463) represents the balance of the restricted funds held. In addition £200,247 (2021 £534,060) of funds are set aside by in respect of commitments made for Myeloma UK; details of both restricted and designated funds are set out in notes 29 and 30.

The investment in Undershaw School after the application of depreciation stands at £6,744,854 (2021 £6,761,309) at the balance sheet date.

To satisfy themselves that sufficient free reserves are in hand to meet all expenditure and commitments as they fall due, the Trustees regularly review the resources that have been committed or earmarked over the medium term. In addition, in assessing future projects and the resources which may be absorbed the Trustees also maintain a review of income that may be expected to arise (with a reasonable degree of certainty) over the same period. In this respect the Trustees again acknowledge with gratitude the potential for a future income stream made available to the DFN Foundation by the Executive Chair as set out in note 26.

As noted above the Board has earmarked funds to support DFN Project SEARCH over the medium term of a sum approaching £1,000,000.

The Trustees note that free reserves (after having regarded all sums already committed or earmarked for future projects) total a sum of £4,500,000 inclusive of readily realisable investments and cash reserves. The Board is satisfied that the level of free cash reserves (in cash or readily realisable investments) remains prudent for the DFN Foundation given the continuing economic uncertainties.

The Board also wish to again express their appreciation to those who have provided administration support to the Foundation on a voluntary basis. Due to the flexible nature of the hours worked and the tasks performed the Board consider that the value of the support provided by the volunteer cannot be measured reliably. The Foundation's accounts do not therefore reflect a value for donated administration services.

DAVID FORBES-NIXON CHARITABLE FOUNDATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Investment Policy

It remains the policy of the Board to invest funds not immediately required for ongoing projects (and to fund the commitments detailed in notes 29 and 30 through income generation and capital growth) within a portfolio of investments. Investments are made to maintain sufficient liquidity to meet the aforementioned commitments as they fall due.

In the selection of investments the Board draw on their collective experience and knowledge of the financial markets to provide the balance of good quality income generation and capital growth without geographical, currency or sector restriction. It remains the Board's objective, over the medium to long term, to build on the existing portfolio to create a core fund capable of delivering good quality investment returns and growth to fund existing and future charitable projects.

At the year-end, after the generation of investment income (other than rental income) of £158,404 (2021 £185,348) and having incurred net realised and unrealised losses of £1,123,180 (2021 gains of £2,562,045) the Foundation held investment funds valued in total at £13,433,688 (2021 £14,469,259). Further breakdown is included within note 18.

The Board considers the performance of the funds to be satisfactory given the market conditions at the end of the financial year. It is expected that the unlisted investments will perform well in 2023 amongst market uncertainty. Several funds have already made promising gains in early 2023 and the Board have confidence in the balance of the investment portfolio.

Risk Management

The DFN Foundation's risk management policy is based around an overarching risk management register. The register identifies the key risks that the organisation is, or potentially could be, exposed to, and establishes a practical risk assessment process and the operational mitigation tasks that emanate from it. Responsibility for each class of risk is reflected within the register.

The Trustees and CEO regularly review the register to address any changes in the likelihood and impact of each risk and risk mitigation measures are considered. The register is updated periodically to reflect new and changing risks.

The key risks that currently face the DFN Foundation and principal mitigating strategies are:

- Safeguarding failure or adverse regulator opinion. The Trustees keep quality at the forefront of its strategy.
- Maintaining investment performance to deliver on the investment objective. The Board collectively has significant experience of the financial markets (as detailed below) to ensure informed judgements are made in the selection and management of the portfolio.
- David Forbes-Nixon has over 30 years' experience in financial markets and has recently retired as Chairman and Chief Executive at Alcentra, a large Asset Manager (circa US\$34 billion) in the sub-investment grade credit space.
- James Dickson has over 23 years' experience as an investment manager.
- The day to day management of the ongoing projects is undertaken by the CEO (and advisors as necessary) whilst overseen by the Executive Chair. The Board remains of the view that this hands on approach serves to identify and respond to any issues that may arise as projects progress. In addition the close involvement of the CEO and oversight by the Executive Chair enables them to be fully apprised of any events which might give rise to unwelcome attention and hence reputational risks.

DAVID FORBES-NIXON CHARITABLE FOUNDATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

- Selection of projects to deliver the charitable objectives. The agreed criteria by which the Board judge future projects is set out below, aided by the setting of clear objectives with all partner organisations and monitoring and reporting progress against such agreed criteria. This underlines the Board's established approach in the careful selection of advisors and partners with appropriate experience and a proven track record within their specialist sectors.

The approach of the Board in the selection of projects to provide the most positive impact for the beneficiaries is to address the following key questions:

- How many people will benefit and by how much?
- Is this the most effective thing that we can do?
- Is this area neglected?
- What would happen if we were to do nothing?
- What are our chances of success and how good will our success be?

Diversity

Respecting diversity is one of the DFN Foundation's key values and we are committed to being an inclusive organisation where diversity is welcomed and valued. The DFN Foundation, through its support for relevant organisations, strives to promote a culture where people treat each other with mutual respect regardless of age, disability, gender, marital or civil partnership status, pregnancy and maternity, gender reassignment, race, religion and belief or sexual orientation.

Structure, governance and management

The Charity is a company limited by guarantee, incorporated on 21 February 2014 and registered as a charity on 24 February 2014. The company was established under a Memorandum of Association which established the objects and powers of the Charitable Company and is governed under its Articles of Association.

The Board of Trustees is responsible for the overall governance of the Charity and meets as a Board at least three times a year. The Trustees, who are also directors for the purposes of company law, and who have served since the end of the previous year are:

Mr D Forbes-Nixon	
Mr J Dickson	
Mr S N Konsta	
Mr E W Low	
Mr N O Stromsoy	(Resigned 1 November 2022)
Mrs T L Scott	(Resigned 20 October 2022)
Mr H Forbes-Nixon	(Appointed 1 September 2023)

The number of Trustees shall not be less than two.

None of the Trustees receive remuneration or other benefit from their work for the Charity. Expenses incurred by the Trustees in the performance of their duties are reimbursed. None of the Trustees has any beneficial interest in the company. All the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

DAVID FORBES-NIXON CHARITABLE FOUNDATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

The Board of Trustees administers the Charity. In doing so the Trustees have delegated the day-to-day administration of the Charity to the Executive Chair, Mr David Forbes-Nixon. Trustees receive regular reports on the progress of the projects in hand and meet (formally as noted above and via telephone/ virtual meetings) to discuss progress, future projects and to approve current and future expenditure and the funding thereof.

As described above the Charity is working in partnership with an existing school, Undershaw Education Trust in Hindhead (Registered Charity number 1039622), in pursuance of the educational objective. David Forbes-Nixon is a Trustee of Undershaw Education Trust until 13th December 2022. The CEO of the DFN Foundation, Claire Cookson, is a Trustee of Undershaw Education Trust.

Trustee Selection and Induction

The Trustees regularly review the composition of the Board and its various sub-committees. When a vacancy arises the Trustees look at the blend of experience and skills of Trustees to ensure that these meet the needs of the Charity; and instigate a recruitment process if required. This will involve advertising both locally and nationally as well as more informal approaches to individuals who have the relevant skills and experience.

All new Trustees are invited to attend induction training with the Chair and CEO. New Trustees are briefed on their legal obligations under charity and company law, on their role and responsibilities as Trustees, the Charity Commission guidance on public benefit, the content of the governing document, the decision making process, the business plans and recent financial performance of the Charity.

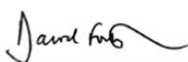
Auditor

Dixon Wilson Audit Services LLP were appointed as auditor to the charitable company and a resolution proposing that they be re-appointed will be put at a General Meeting.

Disclosure of Information to Auditor

The Trustees who were in office on the date of the approval of these financial statements, having made reasonable enquiry, have collectively confirmed that, as far as they are aware, there is no relevant audit information undisclosed to the company's auditor and that they have taken the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

This Report was approved by the Board of Trustees and signed on its behalf by:



Mr D Forbes-Nixon
Chairman

Date: 22nd September 2023

DAVID FORBES-NIXON CHARITABLE FOUNDATION

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees, who are also the directors of David Forbes-Nixon Charitable Foundation for the purpose 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a 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 disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DAVID FORBES-NIXON CHARITABLE FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF DAVID FORBES-NIXON CHARITABLE FOUNDATION

Opinion

We have audited the financial statements of David Forbes-Nixon Charitable Foundation (the 'charitable company') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the 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 charitable company in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the 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 auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

DAVID FORBES-NIXON CHARITABLE FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF DAVID FORBES-NIXON CHARITABLE FOUNDATION

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charitable company by considering, amongst other things, the sector in which it operates, and considered the risk of acts by the charitable company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, but recognised that 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.

We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Charities Act 2011 and the Companies Act 2006.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of third parties.

As in all our audits, we also addressed the risk management override internal controls, including testing journals and evaluating whether there was any evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

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. We did not identify any key audit matters relating to irregularities, including fraud.

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 auditor's report.

DAVID FORBES-NIXON CHARITABLE FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF DAVID FORBES-NIXON CHARITABLE FOUNDATION

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Dixon Wilson Audit Services LLP

22 September 2023

Dixon Wilson Audit Services LLP

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**Chartered Accountants
Statutory Auditor**

22 Chancery Lane
London
WC2A 1LS

Dixon Wilson Audit Services LLP is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

DAVID FORBES-NIXON CHARITABLE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

Current financial year

		Unrestricted funds	Restricted funds	Total	Total
		2022	2022	2022	(As restated) 2021
	Notes	£	£	£	£
<u>Income from:</u>					
Donations	3	20,000	-	20,000	2,500
Charitable activities	4	-	-	-	3,000
Income from investments	5	270,420	-	270,420	279,729
Other incoming resources	6	128,738	-	128,738	121,964
Total income		419,158	-	419,158	407,193
<u>Expenditure on:</u>					
Raising funds	7	47,471	-	47,471	44,706
Charitable activities	8	435,478	170,800	606,278	1,129,968
Total resources expended		482,949	170,800	653,749	1,174,674
Net gains/(losses) on investments	15	(1,123,280)	-	(1,123,280)	2,562,045
Net (outgoing)/incoming resources		(1,187,071)	(170,800)	(1,357,871)	1,794,564
<u>Other recognised gains and losses</u>					
Other gains or (losses)	16	(2,655)	-	(2,655)	(11,847)
Net movement in funds		(1,189,726)	(170,800)	(1,360,526)	1,782,717
Fund balances at 1 January 2022		21,402,978	398,463	21,801,441	20,018,724
Fund balances at 31 December 2022		20,213,252	227,663	20,440,915	21,801,441

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

DAVID FORBES-NIXON CHARITABLE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

Prior financial year

		Unrestricted funds (As restated) 2021 £	Restricted funds (As restated) 2021 £	Total 2021 £
	Notes			
<u>Income and endowments from:</u>				
Donations	3	2,500	-	2,500
Charitable activities	4	3,000	-	3,000
Income from investments	5	279,729	-	279,729
Other incoming resources	6	121,964	-	121,964
Total income		407,193	-	407,193
<u>Expenditure on:</u>				
Raising funds	7	44,706	-	44,706
Charitable activities	8	920,908	209,060	1,129,968
Total resources expended		965,614	209,060	1,174,674
Net gains/(losses) on investments	15	2,562,045	-	2,562,045
Net (outgoing)/incoming resources		2,003,624	(209,060)	1,794,564
<u>Other recognised gains and losses</u>				
Other gains or losses	16	(11,847)	-	(11,847)
Net movement in funds		1,991,777	(209,060)	1,782,717
Fund balances at 1 January 2021		19,411,201	607,523	20,018,724
Fund balances at 31 December 2021		21,402,978	398,463	21,801,441

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

DAVID FORBES-NIXON CHARITABLE FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	17	6,744,855		6,761,309	
Investments	18	13,433,688		14,469,259	
			20,178,543		21,230,568
Current assets					
Debtors	19	5,953		20,382	
Cash at bank and in hand		1,156,777		1,901,792	
			1,162,730		1,922,174
Creditors: amounts falling due within one year	22	(872,927)		(1,212,686)	
Net current assets			289,803		709,488
Total assets less current liabilities			20,468,346		21,940,056
Creditors: amounts falling due after more than one year	23		(27,431)		(138,615)
Net assets			20,440,915		21,801,441
Income funds					
Restricted funds	29	227,663		398,463	
<u>Unrestricted funds</u>					
Designated funds	30	200,247		534,060	
General unrestricted funds		20,013,005		20,868,918	
			20,213,252		21,402,978
			20,440,915		21,801,441

DAVID FORBES-NIXON CHARITABLE FOUNDATION

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

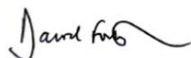
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 22nd September 2023.



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Mr D Forbes-Nixon
Executive Chair

Company Registration No. 08906571

DAVID FORBES-NIXON CHARITABLE FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash absorbed by operations	36		(922,548)		(659,425)
Investing activities					
Purchase of investments		(1,669,991)		(1,218,906)	
Proceeds from disposal of investments		1,579,759		1,771,412	
Investment income received		270,420		279,729	
Net cash generated from investing activities			180,188		832,235
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(742,360)		172,810
Cash and cash equivalents at beginning of year			1,901,792		1,739,076
Effect of foreign exchange rates			(2,655)		(10,094)
Cash and cash equivalents at end of year			1,156,777		1,901,792

DAVID FORBES-NIXON CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

David Forbes-Nixon Charitable Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 10 Norwich Street, London, EC4A 1BD.

In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in pounds sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Prior period error

Foreign exchange gains/losses relating to investments have been reclassified from "Other gains or losses" to "Net gains/(losses) on investments". Please see note 35 for full details.

1.3 Going concern

At the time of approving the financial statements, the Trustees had a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the Financial Statements.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used or by the terms or nature of the appeal under which the funds were raised. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.5 Incoming resources

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

DAVID FORBES-NIXON CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Where the DFN Foundation has entered into a contract for the supply of services over a period exceeding one year, income received at the commencement of the contract is recognised within the accounts on a time apportioned basis associated with the expected delivery of that service over the life of the contract.

Income arising from investments is generally recognised on receipt. As set out in note 26, a potential income stream (termed carried interest income) has been made available to the DFN Foundation by the Executive Chair arising from the inclusion of the DFN Foundation within the profit share arrangement for a number of investments to which the Executive Chair is a party.

Carried interest income is recognised once the receipt of funds is probable and a reasonable estimate of the amount can be made. This will not be before the time the underlying fund has realised sufficient returns to exceed its hurdle rate. Before income is recognised, that is before receipt of funds is probable and a reasonable estimate of the amount can be made, the Trustees' best estimate of the amount and timing of future carried interest income is disclosed as a contingent asset.

1.6 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

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

Governance costs are associated with meeting the constitutional and statutory arrangements of the Charity, including external audit and the cost of preparing statutory accounts, the cost of Trustees' meetings and other costs involved with the Charity's strategic management.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Wherever possible, costs relating to a particular activity are allocated directly; others are apportioned on the basis of the ratio of resources expended in respect of each charitable activity.

Irrecoverable VAT is included with the item of expenditure to which it relates.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Not depreciated
Hydro therapy pool	5% straight line
Furniture and equipment	25% reducing balance method
IT equipment	3 year straight line method
Charity website	3 year straight line method

No depreciation is provided in respect of freehold land and buildings. Please see note 2 for the Trustees' comments.

DAVID FORBES-NIXON CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

DAVID FORBES-NIXON CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.12 Employee benefits

Where material the cost of any unused holiday entitlement is recognised in the period in which the employees' services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The DFN Foundation offers a defined contribution pension scheme for employees whereby the assets of the scheme are held separately within an independently administered fund.

Payments to an employee's personal pension plan can also be made at the Trustees' discretion.

Payments to the defined contribution pension scheme and an employee's personal pension are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/(expenditure) for the period.

1.16 Activity basis allocation

Support costs are those costs incurred in support of the charitable activities. Where appropriate these costs are allocated directly to the activity concerned. Other costs are allocated between each activity in proportion to the direct expenditure incurred under each activity heading.

1.17 Mixed motive investments

The DFN Foundation has invested in the purchase and development of Undershaw to support the expansion of Undershaw Education Trust in Hindhead by the provision of accommodation to meet the growing demand for places at this special needs school. At the completion of the development work the DFN Foundation entered into a lease with Undershaw Education Trust for which a concessionary level of rent was agreed.

The DFN Foundation recognised the mixed motive nature of its investment (as defined within SORP FRS 102) which is carried at historical cost subject to the application of depreciation and periodic impairment reviews.

DAVID FORBES-NIXON CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

2 Critical accounting estimates and judgements

Critical judgements

Undershaw

The Board considers that the evaluation of useful economic life for the Undershaw property and the application of depreciation to be the area of judgement with a significant effect on the financial statements.

The Board consider that the comprehensive maintenance programme in place for Undershaw property will maintain the property in very good order, and on this basis judge that the residual value at the end of the expected useful life of the property will be no less than the carrying value. On this basis no depreciation is applied for the freehold property.

Judgement is applied in evaluating the useful life of each asset. This is based on either the maintenance and servicing programme or the period of obsolescence, and on the expectation that each asset will warrant replacement or substantial refurbishment at the end of its useful life.

Impairment of Fixed Assets

In addressing the impairment of the Undershaw property the Board considered the value in use of the property. The Board judge that the property meets its intended service potential at the balance sheet date and are not aware of any matters that will diminish this in the foreseeable future. On this basis the value in use is judged to be not less than the construction cost.

Critical Estimates

Funding Commitments

The Board have projected the future value of the funding commitments based on the average return of investment rate and projected cash payments. These estimates are based on market conditions and the resources committed which are subject to change annually. Due to the volatility of the market and uncertainty over the timing of future payments, the future movement is uncertain. The Board therefore provide their best estimate at the year end. Further details on the calculation of funding commitments are provided in note 24.

Contingent Assets

The contingent asset disclosed within note 26 is based on a number of critical estimates. However the estimated value of the contingent asset is not included within the carrying amount of assets and liabilities due to its uncertain amount and probability. Future cash inflows will be recognised in the Financial Statements when they are considered probable and can be reliably measured. Further information on the contingent asset is contained within note 26 of the Financial Statements.

Unlisted Investments

There are critical estimates within the reporting of unlisted investments in note 18. The value of unlisted investments is based on the net asset value as provided by the fund manager. The net asset value determines the unrealised gain or loss on the investment at the year end in addition to the asset carrying amount on the Balance Sheet. The unlisted investments are not traded on a public market and therefore there is a degree of judgement in the net asset value by the fund manager.

3 Donations

	2022 £	2021 £
Donations	20,000	2,500

DAVID FORBES-NIXON CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

4 Charitable activities

	2022 £	2021 £
Other education services provided	-	3,000

5 Income from investments

	2022 £	2021 £
Rental income	112,016	94,381
Income from listed investments	56,571	40,751
Income from unlisted investments	87,411	138,118
Other income from unlisted investments	12,701	6,314
Interest receivable	1,721	165
	<u>270,420</u>	<u>279,729</u>

6 Other incoming resources

	2022 £	2021 £
Expenditure recharged to DFN Project SEARCH for office facilities	-	5,710
Expenditure recharged to DFN Project SEARCH for the services of the CEO	128,738	116,254
	<u>128,738</u>	<u>121,964</u>

The DFN Foundation raise a quarterly invoice at cost for the time that the CEO devotes to DFN Project SEARCH, as set out above.

7 Raising funds

	2022 £	2021 £
Fundraising and publicity		
Fundraising costs	-	147
Investment management fees	47,471	44,559
	<u>47,471</u>	<u>44,706</u>

DAVID FORBES-NIXON CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8	Charitable activities	Education and Employability	Healthcare	Total	Education and Employability	Healthcare	Total
		2022	2022	2022	2021	2021	2021
		£	£	£	£	£	£
	Employability Project						
	Employability Project funding	15,486	-	15,486	17,500	-	17,500
	PR Campaign for 'Now Is The Time'	-	-	-	29,350	-	29,350
	DFN MoveForward						
	MoveForward funding	170,800	-	170,800	209,060	-	209,060
		186,286	-	186,286	255,910	-	255,910
	Grant funding of activities (note 9)	110,833	26,703	137,536	493,000	41,592	534,592
	Share of support costs (note 11)	208,180	14,888	223,068	242,614	10,923	253,537
	Share of governance costs (note 11)	54,556	4,832	59,388	81,408	4,521	85,929
		559,855	46,423	606,278	1,072,932	57,036	1,129,968
	Analysis by fund						
	Unrestricted funds	389,055	46,423	435,478	863,872	57,036	920,908
	Restricted funds	170,800	-	170,800	209,060	-	209,060
		559,855	46,423	606,278	1,072,932	57,036	1,129,968

9 Grants payable

	Education and Employability	Healthcare	Total	Education and Employability	Healthcare	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Grants to institutions:						
Himalayan Youth Foundation	3,000	-	3,000	(7,000)	-	(7,000)
Myeloma UK	-	26,703	26,703	-	41,592	41,592
Centre for Social Justice	20,000	-	20,000	-	-	-
DFN Project SEARCH	-	-	-	500,000	-	500,000
Undershaw Education Trust	58,741	-	58,741	-	-	-
Phoenix Youth Club	20,000	-	20,000	-	-	-
Clifton College Development Trust	9,092	-	9,092	-	-	-
	110,833	26,703	137,536	493,000	41,592	534,592

DAVID FORBES-NIXON CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year. Trustees were reimbursed a total of £606 (2021 - £267) for expenses incurred throughout the year for various meetings with trustees, management and future business partnerships. No payments were made for LinkedIn licences for Trustees in support of their charitable work (2021 - £505 for one trustee). The DFN Foundation did not provide any trivial gifts to the Trustees (2021 - £338).

11 Support costs

	Support costs	Governance costs	2022	2021	Basis of allocation
	£	£	£	£	
Staff costs	155,923	-	155,923	145,318	Resources expended
Depreciation	16,454	-	16,454	20,757	Direct allocation
Property costs	12,571	-	12,571	14,530	Direct allocation
Website hosting	76	-	76	1,353	Resources expended
Administration costs	11,588	-	11,588	21,993	Resources expended
Education consultancy	11,059	-	11,059	2,543	Direct allocation
Public Relations	15,397	-	15,397	39,923	Resources expended
Office rent	-	-	-	7,120	Direct allocation
Audit fees	-	17,396	17,396	17,677	Resources expended
Legal and professional fees	-	22,321	22,321	45,344	Resources expended
Trustees' expenses	-	606	606	267	Resources expended
Management expenses	-	18,206	18,206	21,330	Resources expended
Bank charges	-	59	59	186	Resources expended
Board expenses	-	800	800	1,125	Resources expended
	<u>223,068</u>	<u>59,388</u>	<u>282,456</u>	<u>339,466</u>	
Analysed between					
Charitable activities	<u>223,068</u>	<u>59,388</u>	<u>282,456</u>	<u>339,466</u>	

The DFN Foundation initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the charitable activities undertaken in the year.

Where possible support and governance costs are allocated directly to the relevant charitable activity. Remaining costs are allocated on the basis of the ratio of resources expended between the charitable activities.

As set out in note 6 above the DFN Foundation raised quarterly invoices (at cost) for support costs utilised by DFN Project SEARCH.

DAVID FORBES-NIXON CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

12 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2022 £	2021 £
Audit of the annual accounts	17,396	17,677

13 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

14 Employees

Number of employees

The average monthly number of employees over the course of the year were:-

	2022 Number	2021 Number
Management	1	1

Employment costs

	2022 £	2021 £
Wages and salaries	123,756	105,546
Social security costs	11,540	9,272
Other pension costs	20,627	30,500
	155,923	145,318

The number of employees whose annual remuneration was £60,000 or more were:

	2022 Number	2021 Number
£100,000 - £109,999	-	1
£120,000 - £129,999	1	-

Contributions totalling £20,627 (2021 - £30,500) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

The CEO received total remuneration of £155,923 (2021 - £145,318) for the year to 31 December 2022.

The DFN Foundation shares a joint CEO with DFN Project SEARCH. During the year the DFN Foundation raised quarterly invoices for the time that the CEO had devoted to DFN Project SEARCH. The CEO's employment costs recharged to DFN Project SEARCH amounted to £124,738 (2021 - £116,254) for the year.

DAVID FORBES-NIXON CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

15 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Revaluation of investments	(1,343,090)	2,272,464
Gain/(loss) on sale of investments	288,288	253,298
Foreign exchange gains / (losses) on investments	(68,478)	36,283
	<u>(1,123,280)</u>	<u>2,562,045</u>

16 Other gains or losses

	2022	2021
	£	£
Foreign exchange gains / (losses)	<u>(2,655)</u>	<u>(11,847)</u>

Foreign exchange losses comprises of £2,655 (2021 - loss of £11,847) relating to foreign exchange gains on realised currency losses and exchange rate differences.

DAVID FORBES-NIXON CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

17 Tangible fixed assets

	Land and buildings £	Hydro therapy pool £	Furniture and equipment £	IT equipment £	Charity website £	Total £
Cost						
At 1 January 2022	6,622,912	148,161	190,657	112,192	1,500	7,075,422
At 31 December 2022	6,622,912	148,161	190,657	112,192	1,500	7,075,422
Depreciation and impairment						
At 1 January 2022	-	44,448	156,473	112,192	1,000	314,113
Depreciation charged in the year	-	7,408	8,546	-	500	16,454
At 31 December 2022	-	51,856	165,019	112,192	1,500	330,567
Carrying amount						
At 31 December 2022	6,622,912	96,305	25,638	-	-	6,744,855
At 31 December 2021	6,622,912	103,713	34,184	-	500	6,761,309

DAVID FORBES-NIXON CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

17 Tangible fixed assets

(Continued)

The carrying value of land included in land and buildings comprises:

	2022 £	2021 £
Freehold	300,000	300,000

The purchase and renovation of the main Undershaw property, through which the DFN Foundation is delivering on part of its educational charitable objective is termed a mixed motive investment within the SORP FRS 102 as set out in note 20.

18 Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2022	5,286,731	9,182,528	14,469,259
Additions	1,588,917	81,074	1,669,991
Valuation changes	(1,141,058)	(273,033)	(1,414,091)
Realised gains/ (losses) on disposal	288,288	-	288,288
Disposals	(1,579,759)	-	(1,579,759)
At 31 December 2022	4,443,119	8,990,569	13,433,688
Carrying amount			
At 31 December 2022	4,443,119	8,990,569	13,433,688
At 31 December 2021	5,286,731	9,182,528	14,469,259

Held within listed investments is a cash balance of £68,832 (2021 - £15,677) for investment purposes within an investment portfolio.

	2022 £	2021 £
Other investments comprise:		
Investments in subsidiaries	34	1
	1	1
Investments at fair value comprise:		
Unlisted Investments	8,990,569	9,182,528
Listed Investments	4,443,119	5,286,731
	13,433,688	14,469,259

DAVID FORBES-NIXON CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

18 Fixed asset investments

(Continued)

Fixed asset investments revalued

The investments held for long term capital growth and income growth potential are valued at the balance sheet date at fair value on the basis of:

Listed investments: - year end market valuation

Unlisted investments: - underlying net assets as valued by the fund manager

19 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	-	2,500
Other debtors	-	302
Prepayments and accrued income	5,953	17,580
	<u>5,953</u>	<u>20,382</u>

20 Mixed motive investments

	Freehold Property	
	2022	2021
	£	£
At 1 January 2022	6,322,912	6,322,912
At 31 December 2022	<u>6,322,912</u>	<u>6,322,912</u>

As noted in previous reports, in the summer of 2016 the Charity completed the development of Undershaw into a special purpose school to provide facilities to disabled children.

The property is held within fixed assets in accordance with Section 21.15 of the SORP. The carrying value of the social investment as at 31 December 2022 was £6,322,912.

The primary objective of this investment remains the furtherance of the Charity's objective to provide disabled students with access to educational provision improving access to employment, improved life skills and social communication.

The property continues to be leased to Undershaw Education Trust at a below market rate of rental, details of which are provided in note 33, and investment income from this property is considered of secondary importance to the furtherance of the Charity's objectives.

DAVID FORBES-NIXON CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

21	Financial instruments		2022	2021
			£	£
	Carrying amount of financial assets			
	Debt instruments measured at amortised cost		-	2,802
	Instruments measured at fair value through profit or loss		13,433,688	14,469,259
	Carrying amount of financial liabilities			
	Measured at amortised cost		900,358	1,351,301
22	Creditors: amounts falling due within one year		2022	2021
		Notes	£	£
	Other taxation and social security		16,375	26,032
	Deferred income	25	-	33,333
	Trade creditors		6,083	-
	Other creditors	24	216,437	453,778
	Accruals		634,032	699,543
			872,927	1,212,686
23	Creditors: amounts falling due after more than one year		2022	2021
			£	£
	Other creditors		27,431	138,615

DAVID FORBES-NIXON CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

24 Funding commitments

Myeloma UK

In 2015 the DFN Foundation entered into a commitment to provide a grant to Myeloma UK (charity registered in Scotland - 026116) of £1,000,000 to fund a development programme focusing on research. An agreement was put in place including a timeline for the payment of the commitment. Myeloma UK raise invoices to the DFN Foundation periodically for the work completed on the research programme.

The ongoing commitment extending beyond the 12 months following the balance sheet date is calculated by the amortised cost method using an average return of investment rate calculated at 5% per annum.

Remaining cash payments of £207,177 (discounted value £178,967) are due to Myeloma UK and projected to be made in the year ending 31 December 2023.

At the year end the funding commitment to Myeloma UK due within one year is calculated as £200,247 (2021- £395,445) and shown within other creditors in note 22. The commitment due after one-year amounts to £nil (2021 - £138,615).

The DFN Foundation will continue to fund the commitment from current unrestricted cash reserves.

Undershaw Educational Consultant

In December 2022 the charity entered into a commitment to jointly fund the position of an educational consultant for Undershaw Education Trust. The commitment was to provide £15,000 per year for three years.

The ongoing commitment extending beyond the 12 months following the balance sheet date is calculated by the amortised cost method using an average return of investment rate calculated at 5% per annum. A charge of £41,530 has been recognised within the SOFA.

During the year the first instalment of £5,000 was paid in respect of the commitment. At the year end the funding commitment for the educational consultant due within one year is £14,286 and shown within other creditors in note 22. The commitment due after one-year amounts to £22,244.

Clifton College Development Trust

In February 2022 the charity entered into a commitment with Clifton College Development Trust to provide £2,000 annually for five years.

The ongoing commitment extending beyond the 12 months following the balance sheet date is calculated by the amortised cost method using an average return of investment rate calculated at 5% per annum. A charge of £9,092 has been recognised within the SOFA.

During the year the first instalment of £2,000 was paid. At the year end the funding commitment due within one year is £1,905 and shown within other creditors note 22. The commitment due after one-year amounts to £5,187.

25 Deferred income

	2022	2021
	£	£
Arising from services provided	-	33,333
	=====	=====

DAVID FORBES-NIXON CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

25 Deferred income

(Continued)

No rental income (2021 - £33,333) was received from Undershaw Education Trust in advance of the Winter term from 1 January 2023 - 30 April 2023.

26 Contingent asset

As noted in the Trustees' Report, in assessing current and future projects and the resources that may be absorbed, the Board maintain a review over income that may be expected to arise (with a reasonable degree of certainty) over the same period.

The Trustees' Report refers to a potential income stream that has been made available to the DFN Foundation by the Executive Chair arising from the inclusion of the DFN Foundation within the profit share arrangements for a number of investments to which the Executive Chair is a party.

It should be noted that the potential for future income is only available if each investment achieves a given level of performance over a minimum hurdle rate of return throughout the investment cycle; failure to achieve the given level will result in no income. It should also be noted that the DFN Foundation is participating in a profit share arrangement and the success (or otherwise) of each investment will not result in any future liability or additional commitment for the DFN Foundation.

At the year end the success (or otherwise) of achieving the given level of performance is unknown.

The table below sets out the estimated sums and the anticipated time scale. Both the sums and time scale are based on a number of estimates and assumes that the set performance criteria are achieved over the remaining life of each investment. On this basis the Board are of the view that the application of present value calculations to the figures below would not be appropriate.

- | | |
|--|------------|
| • Potential receipt in year ended 31 December 2026 | £1,729,835 |
| • Potential receipt between 2023 and 2025 | £175,597 |

The Board have determined that the estimation of future income for the purposes of the contingent asset note be reviewed annually. At each year end, where it is probable that future cash inflows arising from an investment can be measured reliably the income will be recognised in the Financial Statements.

A cash receipt of £12,701 was received from the above investments during 2022 (2021 - £6,314). At the year end no income has been recognised in respect of future years (2021 - nil).

27 Retirement benefit schemes

Defined contribution schemes

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The Charity contributes a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Charity with respect to the scheme is to make the specified contributions.

At the current time the sole employee of the DFN Foundation has chosen to have contributions paid to a separate personal pension, rather than the DFN Foundation's pension scheme. The offered defined contribution pension scheme is therefore not used by any current employees.

The charge to the statement of financial activities in respect of pension contributions is £20,627 (2021 - £30,500).

DAVID FORBES-NIXON CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

28 Financial commitments, guarantees and contingent liabilities

Investments

The DFN Foundation holds a portfolio which includes a range of investments. Within this portfolio are specialist investment vehicles which are held as unquoted fixed asset investments. The nature of this investment fund requires the DFN Foundation to make capital payments over a multi year period of up to an amount which the DFN Foundation had committed to on application. Within this period, and as other investors join the fund, the DFN Foundation can be entitled to capital repayments as equalisation. Within the overall commitment of funds the timing and magnitude of each capital payment, or any equalisation repayments, are not subject to a set timetable.

At the year end the DFN Foundation had outstanding commitments under two investments of £2,007,653 (2021 – one investment of £1,197,853).

29 Restricted funds

Details of restricted income and expenditure for the current and previous year are detailed below:-

Movement in funds

	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Transfers £	Revaluations, gains and losses £	Balance at 31 December 2022 £
DFN MoveForward	398,463	-	(170,800)	-	-	227,663
	<u>398,463</u>	<u>-</u>	<u>(170,800)</u>	<u>-</u>	<u>-</u>	<u>227,663</u>

	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Transfers £	Revaluations, gains and losses £	Balance at 31 December 2021 £
DFN MoveForward	607,523	-	(209,060)	-	-	398,463
	<u>607,523</u>	<u>-</u>	<u>(209,060)</u>	<u>-</u>	<u>-</u>	<u>398,463</u>

DAVID FORBES-NIXON CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

29 Restricted funds

(Continued)

DFN MoveForward

DFN MoveForward is an employability programme built on the tried and tested work of ThinkForward with the purpose to support and help young people with mild to moderate learning disabilities into sustainable paid employment.

As the lead commissioner through a Social Impact Bond, and with the aid of generous donations from supportive partner organisations, the DFN Foundation has set aside in total £1,000,000 to assist in the funding of the DFN MoveForward Project over 5 years commencing in 2018.

The Government's Life Chances Fund is working with the DFN Foundation within the Social Impact Bond to provide match funding in addition to the DFN Foundation's commitment.

Funds are advanced to ThinkForward on the basis of set sums as verified key goals are achieved by each young person as they move through the programme to sustained paid employment. Should any of the key goals not be met the DFN Foundation and its partners are not obligated to provide funds.

The impact of COVID-19 necessitated a review of the delivery of the programme.

In response to the limitations of the lockdown and social distancing rules the DFN Foundation has worked with ThinkForward to focus the work towards an activities based approach.

These accounts reflect a provision for payments due to ThinkForward of £170,800 (2021 - £209,060) which were invoiced and paid shortly after the year end. The Board expect the remaining balance of £227,663 to be settled within twelve months of the year end.

DAVID FORBES-NIXON CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

30 Designated funds

The funds of the Charity include the following designated funds which have been set aside out of unrestricted funds by the Trustees for specific purposes:

	Balance at 1 January 2022	Resources expended	Charge to SOFA	Balance at 31 December 2022
	£	£	£	£
Myeloma UK	534,060	(360,516)	26,703	200,247
	<u>534,060</u>	<u>(360,516)</u>	<u>26,703</u>	<u>200,247</u>
	<u><u>534,060</u></u>	<u><u>(360,516)</u></u>	<u><u>26,703</u></u>	<u><u>200,247</u></u>
	Balance at 1 January 2021	Resources expended	Charge to SOFA	Balance at 31 December 2021
Myeloma UK	621,329	(128,861)	41,592	534,060
	<u>621,329</u>	<u>128,861</u>	<u>41,592</u>	<u>534,060</u>
	<u><u>621,329</u></u>	<u><u>128,861</u></u>	<u><u>41,592</u></u>	<u><u>534,060</u></u>

The above funds have been designated by the Trustees to settle funding commitments to the charities stated. The terms of the funding commitment to Myeloma UK are as specified within note 24.

DAVID FORBES-NIXON CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

31 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Designated funds £	Total £
Fund balances at 31 December 2022 are represented by:				
Tangible assets	6,744,855	-	-	6,744,855
Investments	13,433,688	-	-	13,433,688
Current assets/(liabilities)	(138,107)	227,663	200,247	289,803
Long term liabilities	(27,431)	-	-	(27,431)
	<u>20,013,005</u>	<u>227,663</u>	<u>200,247</u>	<u>20,440,915</u>
Fund balances at 31 December 2021 are represented by:				
Tangible assets	6,761,309	-	-	6,761,309
Investments	14,469,259	-	-	14,469,259
Current assets/(liabilities)	(223,035)	398,463	534,060	709,488
Long term liabilities	(138,615)	-	-	(138,615)
	<u>20,868,918</u>	<u>398,463</u>	<u>534,060</u>	<u>21,801,441</u>

32 Operating lease receipts lessor

The DFN Foundation continued to lease the freehold building and grounds to Undershaw Education Trust.

In accordance with the terms of the lease Undershaw Education Trust shall use the Undershaw property for the provision of education.

The current tenant repairing and insuring lease is for a period of 10 years which commenced on 1st September 2019, with future rent payments continuing on 1st January, 1st May and 1st September. The sums charged in the year remain below the full market rate.

An additional rental charge is made for reimbursement of the premium to insure the building.

Either party to the lease may terminate the agreement on 31st August in each year of the term by giving the other party not less than 12 months' notice.

The DFN Foundation has expressed its long term support of Undershaw Education Trust.

DAVID FORBES-NIXON CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

32 Operating lease receipts lessor

(Continued)

At the Balance Sheet date the School had contracted with the DFN Foundation for the following minimum lease payments:

	2022 £	2021 £
Within one year	100,000	100,000
Between two and five years	400,000	400,000
In over five years	166,667	266,667
	<u>666,667</u>	<u>766,667</u>

33 Transactions with related parties

During the year the DFN Foundation entered into the following transactions with related parties:

	Leases 2022 £	2021 £
Undershaw Education Trust		
Rental income	100,000	80,000
Reimbursement of insurance	12,016	14,381
	<u>112,016</u>	<u>94,381</u>

DAVID FORBES-NIXON CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

33 Transactions with related parties

(Continued)

Undershaw Education Trust

Undershaw Education Trust (Registered Charity - 1039622) is a related party due to the significant influence the Board of Trustees of the DFN Foundation has over the Board of Undershaw Education Trust. Undershaw Education Trust was granted the right to use the property of Undershaw as a school site, under the terms of a lease agreement, for a fee below that of market rental.

£62,212 of grants were made to Undershaw Education Trust in the year ending 31 December 2022 (2021 - nil).

At the year end the DFN Foundation owed £40,000 to Undershaw Education Trust.

Forbes Capital Investments Limited

In 2021 Forbes Capital Investments Limited provided the use of an employee to undertake administrative services for the DFN Foundation and on behalf of David Forbes-Nixon in his role as Trustee.

At the year end the DFN Foundation owed £11,785 (2021 - £11,785) to Forbes Capital Investments Limited.

DFN Project SEARCH

DFN Project SEARCH is considered a related party of the DFN Foundation following the appointment of a joint CEO in 2020.

The transactions between the two organisations are:-

No grants paid to DFN Project SEARCH by the Foundation during the year (2021 - £500,000) as reported in note 9.

Charges made at cost for the services of the CEO of £124,738 (2021 - £116,254) as reported in note 6.

No shared office facilities were recharged to DFN Project SEARCH during the year (2021 - £5,710).

The DFN Foundation received the services of the Financial Controller employed by DFN Project SEARCH for which invoices were raised at cost totalling £17,450 (2021 - £8,934). These costs are reported within management expenses of £18,206 within note 11.

At the year end the DFN Foundation owed DFN Project SEARCH £128,880 (2021 - £543,477). This balance is reported within creditors falling due within one year in note 22.

34 Subsidiaries

In keeping with its statutory obligations, the Board has arranged for separate Financial Statements for the period to 31 December 2022 to be prepared for the subsidiary. The Board have not prepared consolidated Financial Statements as the relevant thresholds which require such treatment were not exceeded in the year under review.

Details of the charitable company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
DFN Events Limited	UK	Dormant company	Ordinary	100.00

DAVID FORBES-NIXON CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

35 Prior period adjustment

Changes to the balance sheet

	At 31 December 2021		
	As previously reported	Adjustment	As restated
	£	£	£
Capital funds			
Income funds			
Restricted funds	398,463	-	398,463
Unrestricted funds	21,402,978	-	21,402,978
Total equity	21,801,441	-	21,801,441

Changes to the profit and loss account

	Period ended 31 December 2021		
	As previously reported	Adjustment	As restated
	£	£	£
Net gains on investments	2,525,762	36,283	2,562,045
Other gains and losses	24,436	(36,283)	(11,847)
Net movement in funds	1,782,717	-	1,782,717

A balance of £36,283 was reclassified from "Other gains and losses" to "Net gains on investments" to recognise the foreign exchange impact on investments. The reclassification did not alter the net movement in funds during the prior year nor impact the opening fund balances of 31 December 2022.

36 Cash generated from operations

	2022	2021
	£	£
(Deficit)/surplus for the year	(1,357,871)	1,794,564
Adjustments for:		
Investment income recognised in statement of financial activities	(270,420)	(279,729)
Foreign exchange differences	2,655	-
Foreign exchange loss/(gain) on investments	68,478	(36,283)
Gain on disposal of investments	(288,288)	(253,298)
Fair value gains and losses on investments	1,343,090	(2,272,464)
Depreciation and impairment of tangible fixed assets	16,454	20,757
Movements in working capital:		
Decrease in debtors	14,297	63,128
(Decrease)/increase in creditors	(417,610)	270,567
(Decrease)/increase in deferred income	(33,333)	33,333
Cash absorbed by operations	(922,548)	(659,425)