

**THE RANK FOUNDATION LIMITED**

(Limited by guarantee)

**Report of the Trustees and Financial Statements  
for the year ended  
31 December 2020**

**Company No. 516434**

**Registered Charity No. 276976**

# THE RANK FOUNDATION LIMITED

## Report of the Trustees for the year ended 31 December 2020

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# THE RANK FOUNDATION LIMITED

## Report of the Trustees for the year ended 31 December 2020

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### Reference and Administration

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The Trustees present their report and the audited financial statements of The Rank Foundation Limited ("Foundation" or "Rank") for the year ended 31 December 2020. The Trustees have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" ("FRS 102 SORP" (second edition)) in preparing the annual report and financial statements of the Foundation.

The Directors of the charitable company are its Trustees for the purposes of charity law and constitute the "Board". The Trustees who have served during the year and since the year end were as follows.

#### Trustees:

#### Committee Membership

##### Chairman:

J.R. Newton	(1,2,5,7)
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##### Deputy Chairman:

J.J. Chaffer	(3,4,7)
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N.F. Buxton	(2,5)	
Ms L.A. Clay	(5,6)	
A.E. Cowen	(5,7)	Resigned 15 March 2021
S.H. Cowen		Appointed 9 December 2020
J. Davis	(1)	Appointed 16 September 2020
Ms. R.M. Fitzpatrick QPM	(1,4,6)	
A.N.R Fleming	(3,5,7)	
C.M. Ralph	(3)	Resigned 24 March 2021
Mrs. J. L. Ropner LL	(1,4,7)	
M.D.B. Simon	(1,5)	
Earl St. Aldwyn	(1,2)	Retired 10 June 2020
W.P Wyatt	(1,3)	

#### Board Consultants:

G.C. King	(2,5)	
C. Cade	(3)	From 28 April 2020

#### Committees:

- 1 Grants
- 2 Audit
- 3 Investment
- 4 Nominations
- 5 Director of CTVC Limited
- 6 Rank Fellowship
- 7 Chairman's

# THE RANK FOUNDATION LIMITED

## Report of the Trustees for the year ended 31 December 2020

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### Reference and Administration (continued)

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#### Foundation Information

##### **Executive Staff**

Chief Executive Officer	D.J. Sanderson MBE DL
Deputy CEO	C.S. Broadhurst
Company Secretary & Finance Director	W.L. Matthews (on maternity leave from 28 October 2020)
Chief Executive Officer (CTVC Limited)	C.C. Matthews
Interim Company Secretary & Finance Director	T. Kelman (from 28 October 2020)

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Registered and principal office:	12 Warwick Square, SW1V 2AA
Website:	<a href="http://www.rankfoundation.com">www.rankfoundation.com</a>
Registration numbers:	Company 516434    Charity 276976

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#### Professional Advisers

Auditor:	BDO LLP, Baker Street London
Bankers:	National Westminster Bank plc
Investment Custodian:	Northern Trust
Investment Advisors:	Asset Risk Consulting

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# THE RANK FOUNDATION LIMITED

## Report of the Trustees for the year ended 31 December 2020

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### Structure, Governance and Management

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#### Objects

The Foundation is a grant-giving charitable company restricted by its objects to causes within the UK approved by the Charity Commission. Our aim is to improve the lives of people and their communities, caring for the disadvantaged and the marginalised across the UK, through:

- Furthering the understanding of the values, traditions and practices of the Christian faith, from a perspective that respects those of all faiths and those of none.
- Encouraging and developing leadership
- Promoting enterprise and innovation

The Foundation has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing its aims and objectives and in planning future activities. The Trustees consider how planned activities will contribute to the aims and objectives they have set.

#### Constitution

The Foundation was established in 1953 by the late Lord and Lady Rank (the founders) as a company limited by guarantee (registration number 516434) governed by a Memorandum and Articles of Association last updated on 1 December 2010 and is a registered charity (registration number 276976).

#### **Subsidiary Undertaking**

CTVC Limited ("CTVC"), is a wholly controlled subsidiary of the Foundation which has the right to appoint a majority of the Directors and to remove any Directors it appoints. It is a company limited by guarantee (registered number 1375941) and it is a registered charity (registered number 276286). Its principal activities are the production of television and radio programmes, and the distribution of films and videos for Christian and educational purposes. CTVC has a wholly-owned trading subsidiary which is incorporated in the United Kingdom, Hillside Productions Limited (registered number 1782130). Its principal activity is the making of media productions.

#### **Trustees**

The names of the Trustees who served during the year are shown on page 2. All the Trustees are also members of the Foundation and their liability is limited to £1 each.

### Structure, Governance and Management (continued)

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#### Corporate Governance

##### **Appointments to the Board**

Recommendations are welcome from any source. Once received, they are given careful consideration by the Nominations Committee which puts forward its recommendations to the Board. The Trustees may at any time appoint any member of the Foundation as a Trustee, subject to a maximum of fifteen, as permitted by the Foundation's constitution. The Trustees have full discretion as to the admission of any person as a member.

##### **Induction and training**

All new Trustees receive on appointment an induction pack. This contains copies of the governing documents, all committee constitutions, the previous year's annual report and financial statements, a book detailing the history of the Foundation and the Group (including CTVC Limited and Hillside Productions Limited), and a profile of all Trustees and staff. The Executive Team also provide an overview of the governance and main operations of the Foundation to new Trustees. The Foundation provides formal Trustee training from time to time as and when required.

##### **Charity Governance Code for larger charities (the Code)**

The Trustees are aware of the principles and recommended practice for good governance set out in the Code which was revised and issued in December 2020. The Trustees will be discussing the Code's principles and recommended practice in 2021 and will make well-considered decisions about how these should be applied in the Foundation.

##### **Trustee and Executive remuneration**

The Foundation does not remunerate its Trustees. The Board is responsible for setting the remuneration of the Foundation's executive staff. Remuneration is set in the context of the Foundation's purposes, aims and values and to reflect the skills, experience and competences required for executive roles. In setting remuneration, the Trustees also consider several additional factors including an individual's contribution, affordability and remuneration offered by grant-making charities of a similar size and complexity. Further details are set out in the Foundation's Pay Policy, available upon request.

Certain Trustees of the Foundation's subsidiary undertaking (CTVC) receive payment for consultative services as allowed for in CTVC's Articles of Association. Their remuneration which is detailed in the notes to the subsidiary's financial statements is set by the Board of the subsidiary and is based on the number of days required to provide consultative services and to reflect the skills, knowledge and competences required for their roles. The remunerated Trustees of CTVC are not Trustees of the Foundation.

#### Decision Making and Committees

##### **The Board and its Committees**

The Board is responsible for leading and controlling the Foundation. The Board achieves this by:

- setting the long-term strategic objectives;
- receiving reports on the committees' activities;
- considering all grant applications put forward by the committees; and
- approving senior appointments.

The Board is assisted in its work by specialist committees to which certain powers and responsibilities are delegated. Each committee includes members of the Board and may include additional members appointed for their specialist knowledge. Executive staff also attend relevant committee meetings. The members of all committees are set out on page 2 of this report.

# THE RANK FOUNDATION LIMITED

## Report of the Trustees for the year ended 31 December 2020

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### Structure, Governance and Management (continued)

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The Board is assisted in its identification of appropriate initiatives for support and the monitoring of their progress by the Grants committee. Full reports are always made to the Board and, in particular, no applications are declined before they have been considered at a meeting of the Board.

The Chairman's Committee which is made up of the Chairman and Deputy Chairman of the Foundation and the Chairmen of the various other committees operates to ensure the business of the Foundation is conducted on a day to day basis within the limits delegated by the Board. The Chairman's Committee is responsible for monitoring management's risk management and the associated internal controls.

The Audit Committee creates a formal conduit between the external auditor and the Board and advises on the content and presentation of the group's annual report and financial statements. The Committee also reviews audit plans and the external auditor's management letter, and monitors implementation of actions required and satisfies itself as to the external auditor's continuing independence. It has the authority to appoint, and to fix the remuneration of, the external auditor. The terms of reference of the Audit Committee were extended in March 2021 and now explicitly include the responsibility of monitoring the Foundation's financial controls and internal control and risk management systems.

The Nomination Committee consider nominations for appointment to the Board.

The Investment Committee and its individual members ensure that there is a regular and timely review of investments and that the results of these reviews are reported to the Board.

The Rank Fellowship is a network of former Rank Foundation School Leadership Award holders together with several honorary fellows from our Time to Shine programme. Regular Rank Fellowship Steering Group meetings are held throughout the year which are overseen by the Trustee members and the Foundation's Executives.

### Grant Making Policy

The Foundation only gives grants to other registered charities and other not for profit entities operating in the fields consistent with its objectives and principal aims. The Trustees have decided that, in general, they will not make grants for agriculture and farming, cathedrals, churches (except where community facilities form an integral part of the appeal), cultural projects, university and school building or medical research.

In addition, general appeals from individuals or from charities on behalf of named individuals will not be considered. Due to an excess of demand, unsolicited appeals are extremely unlikely to attract a grant in connection with salaries, general running costs or major capital projects.

### Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake fundraising from the public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes". Such amounts receivable are presented in our accounts as "Income from donations" and includes grants.

In relation to the above we confirm that there is no involvement of commercial or professional fundraisers, or third parties. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the Trustees. Any solicitations would be managed internally. The Foundation is not bound by any undertaking to any regulatory scheme and the Foundation does not consider it necessary to comply with any voluntary code of practice. We have received no complaints in relation to fundraising activities. Our terms of employment require staff to always behave reasonably. As we do not approach individuals for funds, we do not have a particular reference in our terms of employment to fundraising activities nor do we consider it necessary to design specific procedures to monitor such activities.

# THE RANK FOUNDATION LIMITED

## Report of the Trustees for the year ended 31 December 2020

### Structure, Governance and Management (continued)

#### Risk Management and Internal Control

The Board has overall responsibility for the Foundation's system of risk management and internal control and for monitoring and reviewing the systems in place. The Board are assisted in these endeavours by the Audit Committee. Such systems cannot eliminate all risks, but the Board and the Audit Committee is satisfied that systems are robust and operate effectively.

The principal risks identified for both the Foundation and CTVC and a summary of how they are managed are set out in the following table:

Risk	Management of risk
<b>Financial:</b> Investment underperformance and volatility of investment markets affecting investments valuations.  Pension scheme assets are insufficient to meet the liabilities of the scheme.	<ul style="list-style-type: none"><li>• Management of funds in line with investment policy set by Trustees.</li><li>• Investment Committee monitors the performance of investments.</li><li>• Investment in funds to provide diversification and returns to meet expenditure need.</li><li>• Supporting the Pension Scheme Trustees in reviewing their managers performance.</li><li>• Agree funding plan with Pension Scheme Trustees.</li><li>• Appoint actuarial advisers to help review, manage, and mitigate risks.</li></ul>
<b>Legislative:</b> Non-compliance with legislation and Financial Reporting Standards.	<ul style="list-style-type: none"><li>• Oversight of Chief Executive and executive staff.</li><li>• Staff competences and training.</li><li>• Review of financial reporting by Audit Committee.</li></ul>
<b>Reputation:</b> Damage to the good name or good standing of the Foundation through the default or other misdemeanour by an approved grant recipient.  Failure to complete or meet media production requirements.	<ul style="list-style-type: none"><li>• Appraisal procedures and ongoing monitors of grants awarded by Board Committees.</li><li>• Project management of media productions.</li></ul>
<b>Information Technology:</b> Cloud failure/Cyber attack.	<ul style="list-style-type: none"><li>• Policies, procedures, patching and backup plans in place designed to prevent or limit the impact.</li></ul>
<b>Personnel</b> Loss of key executives.	<ul style="list-style-type: none"><li>• Implement cross training in responsibilities where appropriate.</li></ul>
<b>Business interruption: COVID-19</b> Limitations on media productions and severe disruption to CTVC's business activities.  Limitations or cancellation of events and charitable activities of the Foundation.	<ul style="list-style-type: none"><li>• UK Government advice is followed and activities are adapted where possible.</li><li>• Close monitoring of CTVC's cash flows and business plan revisions implemented as necessary.</li><li>• Infrastructure is in place to allow staff to work remotely and for charitable activities to be delivered digitally where possible. Mental Health first aider in place.</li></ul>

The COVID-19 pandemic has brought significant uncertainty and opportunities to the activities of the Foundation and the Group. The Trustees and the senior management team continue to act in accordance with UK Government and the Devolved Nations advice and acknowledge that the Group faces a prolonged period of uncertainty and opportunity in 2021 and 2022. The Foundation is in a strong financial position with adequate reserves and has fully absorbed the negative impact of the pandemic and supported its subsidiary undertaking, CTVC.



### Review of Activities and Achievements

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#### Introduction

2020 will be remembered for the Covid-19 pandemic and the significant and lasting impact on society at large and not least the significant challenges faced by the social sector. This report will focus on the remarkable response of the Rank Foundation.

At the start of 2020, the Foundation had already repositioned itself to support a growing network of social sector leaders and their organisations; convening groups to share thought leadership, delivering learning, and training opportunities, creating opportunities to participate in its own leadership programmes and to attend events, including the annual networking conference. It had also started to cultivate new partnerships and collaborations in funding and in pursuing its agenda around engaged philanthropy. These platforms, such as developing RankNet membership, co-funding with The National Lottery Community Fund (TNLCF) and convening events with the Association of Charitable Foundations (ACF) and the European Venture Philanthropy Association (EVPA), created a resilient backdrop to the Covid-19 pandemic.

Like many Foundations, its immediate response to the pandemic was to support its network. It created two new grants programmes, the Emergency Programme, so that organisations could access immediate funding to provide safe and connected homeworking for staff, and the Resilience Programme, to help retain essential services and to address reduction in income for network members. It was evident that, in addition to new and flexible funding, the network members were keen to continue the dialogue of how to continue to improve services and to respond to increased need, through engaging in online conversation, sharing knowledge, experience and good practice. Rank itself adapted around the needs of the network, emerging as an organisation with a clear mission; convening its RankNet members; collaborating with other foundations, networks and partners who share a spirit of engaged philanthropy; and challenging the growing inequalities experienced by those supported through the network. The pandemic experience reinforced Rank's mission to bring 'those closest to the pain, closer to the power'.

#### RankNet Community Platform

Launched in late 2016, the online membership platform continues to be a unique and exclusive resource to both current and past funded beneficiaries and the sector. By the end of 2020, RankNet had close to 1,000 members signed up to the platform and we forecast circa 1,300 members by the end of 2021. Engagement is higher than ever, with monthly 'roundups' encouraging members to interact with one another and regular events and opportunities acting as a gateway to further engagement.

Rank was ahead of the curve when lockdown happened, with a digital resource already established to convene, communicate, and coalesce. The pandemic has enabled many live events to be delivered through RankNet, creating a closer community and higher levels of engagement and connection. Rank will build on this in 2021, a hybrid model of in-person and digital events.

#### RankNet Engagement

The RankNet Leaders Action Group (RLAG) continued to meet throughout 2020 with renewed vigour. Leaders from across the network were clear in their determination to connect with others, serve and support the sector and create the conditions for greater engagement. The group have been a constant source of support and expertise, their engagement has increased and so has their contribution. An example of this is the newly formed Insights Group; a small number of leaders meeting monthly to 'dig deeper' into specific issues and with a Covid inequalities lens. The group have focused on women, poverty, health, education and community leadership, exploring the issues in detail, sharing expertise, resources and experiences. These conversations will now move to RankNet, giving all members an opportunity to engage in meaningful conversation and to exchange insights and ideas.

### **Review of Activities and Achievements (continued)**

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#### **RankNet Events**

'Wellbeing with Rank' was launched on the platform in response to the pandemic in the Spring of 2020. The events encouraged conversations around self-care as well as wellbeing activities hosted by members of the network via Zoom. Survey results from members resulted in 12 sessions tailored around the wellbeing needs of the network, all hosted via the online platform and including yoga, mindfulness, tips for working at home, laughing yoga, hip hop and surviving & thriving mindsets. In addition, we delivered a number of focused training events on themes such as Trauma Informed Practice, Public Speaking Online and Digital Communications. In total, Rank welcomed 563 attendees to digital events in 2020.

Due to lockdown restrictions, several planned in-person events had to be cancelled, including the annual conference. The 2021 conference should go ahead as planned on 6th and 7th October, at the Queens Hotel in Leeds.

#### **RankNet Bursaries**

As a direct result of the pandemic, we re-purposed Development Bursaries for a time-limited period, enabling organisations as well as individuals to apply for a bursary in support of training and development. The Organisational Bursaries were capped at £2,000 and the Development Bursaries (for individuals) remained capped at £1,000.

Rank awarded 13 Organisational Bursaries totalling £20,416 (average grant £1,570). Funding was typically used for staff training; Covid-safe practices, digital skills, leadership training and strategic support.

Rank awarded 52 Development Bursaries totalling £33,560 (average grant £645). Funding was typically used for training in digital comms, leadership, coaching and mentoring, fundraising and project management.

#### **Rank Fellowship**

This year, the Rank Fellowship made a virtue out of necessity by using remote conferencing to build on its regional and international connections. There were Zoom meetings for Scottish Rank Fellows, Fellows in the USA and Canada, and International Rank Fellows. The Fellowship Steering Committee also used the same means to establish itself as a group with a broader membership than those based in London. The Leadership Day programme was expanded to a series of online sessions, which enabled Award holders to get to know each other while at school and to have a measured introduction to the opportunities of the Fellowship.

The Learning Through Leadership series of talks continued to maintain a high standard, with presentations from the Director of the National Army Museum, the CEO of Women in Football and the Managing Director of the Royal Philharmonic Orchestra, all Fellows. We continue to nurture a long-term relationship with the 600 former beneficiaries with whom we are in contact.

#### **Time to Shine Leadership Programme**

One of Rank's Flagship Programmes, Time to Shine (T2S) offers meaningful work experience which enhances employability and skills for those wishing to work in the social sector.

Participating organisations identify a discrete piece of work that will enhance their service offer and support their sustainability, and they benefit from a new and motivated member of staff, bringing fresh skills and perspectives to the organisation's work. Each leadership programme is unique and designed specifically around the capacity needs of the charity and the professional development needs of the Time to Shine leader.

### Review of Activities and Achievements (continued)

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#### Time to Shine Leadership Programme (continued)

The programme began 2020 with an expanded cohort because of a new partnership with The National Lottery Community Fund (TNLCF). Some 75 applications were received; 70 organisations attended interviews and 54 were successful. The launch conference was hosted in person at the Midland Hotel in Morecambe, prior to lockdown in early 2020.

A new leadership framework was introduced this year, creating a structured way for leaders to evaluate their own development and progress over the 12-month LEADERS programme.

**L**(eadership); **E**(ntrepreneurial); **A**(spiration); **D**(iscipline); **E**(motional intelligence); **R**(esilience); **S**(elf-care)

The arrival of the pandemic meant that the programme shifted online from March 2020 with additional support being offered, including coaching, an employee assistance programme and regular wellbeing webinars. Action learning facilitators undertook training to deliver learning sets virtually and peer support sessions were offered to managers in addition to leaders. Rank continued to offer mentoring, bursaries and other opportunities to learn together and to share good practice.

Towards the end of the year, the TNLCF and Rank agreed to offer a three-month extension to the 2020 cohort, acknowledging the challenges that they had faced during their Time to Shine year. Despite the pandemic, most participants reported a very successful year, albeit quite different to the one they had planned. At the final showcase they clearly demonstrated their leadership skills in how they had adapted, been innovative and resilient in supporting their organisations through this time of crisis.

In the final months of 2020, the Time to Shine Programme was evaluated by the Foundation for Social Improvement. In the last five years, of the 194 Time to Shine leaders, 9 out of 10 have stayed working in the social sector. The evaluation found that 97% of managers in participating organisations experienced an increase in their capacity, 'the leaders have brought to us a skillset that within our organisation didn't exist, it provided us with a capacity that we didn't have, allowed us to address a job that we were either unable or incapable of doing, and brought with them enthusiasm, energy, dynamism, determination'.

The year ended with the positive news that a collaboration with the Department for Digital, Culture, Media & Sport (DCMS), alongside the existing NLCF partners, would enable the programme to host at least 200 organisations and in turn, create at least 200 new leadership roles, across the social sector.

#### Place-Based Learning Network

With Lankelly Chase Foundation, the Rank Foundation co-convenes the ACF place-based learning network. This is a space where Foundations learn from one another about how and where they work in places, across the U.K. The membership includes national foundations alongside local and community foundations. In 2020, the network moved online with interesting debates and discussions on place including a presentation from Renasi on their Place-Based Systemic Change Framework. The Foundation also continues to play an important role in shaping the European Venture Philanthropy Association (EVPA) Collaboration for Impact agenda, focusing on systems change in relation to local, place-based initiatives, forming part of the European-wide working group.

#### DCMS and Upshot

In response to the Covid-19 pandemic, the government's department DCMS awarded grants to partner organisations in the foundation sector, including Rank. The Time to Shine Covid-19 Recovery Fund was created with the purpose to provide immediate and urgent funding to network organisations, to offer the opportunity to apply for a Time to Shine leader post and to participate in Upshot, an on-line monitoring and evaluation tool. This tri-package of support would help more than 200 organisations to retain essential services, build capacity for the future and demonstrate their individual and collective impact through both quantitative and qualitative data. The programme launched in October 2020 and following a series of live webinars for potential applicants. Following the DCMS grant award of £5m, the Rank Foundation was able to support over 230 organisations with grants that averaged around £22,000.

### Review of Activities and Achievements (continued)

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#### DCMS and Upshot (continued)

Typically, these grants replaced lost income, due to a decrease in fundraising opportunities, or they helped organisations to meet the increased demand for services. The focus of the funding was England based organisations where 94% of the funds were awarded. The funding provided the opportunity to award additional, critical support to existing RankNet members and to grow the network, to a total of over 1,200 members by the end of the year.

In addition, with support from colleagues at the NLCF and the Time to Shine alumni, 142 new Time to Shine leaders were recruited to commence in January to April 2021. Rank matched the DCMS grant to create a £10m, two-year pandemic response programme.

#### University of St Andrews

The Rank Foundation's support for a PhD that is evaluating the 'cluster concept' of Engaged Philanthropy (EP) will conclude in 2021. The initial findings suggest significant added value, with a model that seeks to enable community mobilisation, to empower individuals through programmes like T2S and RAP, and celebrates and rewards success. The process of EP is as important as the product and the value that the Foundation places on other measures beyond quantitative metrics, as we look to demonstrate impact and the added value this approach delivers.

The value added through Rank's programmes shows that to understand 'impact', it is critical to go beyond strictly quantitative metrics, and embrace the everyday, anecdotal, and lived experience of grantees. One can find deep expressions of value in how hard grantees are working at steering group meetings to support one another; the fact that Rank Aspire Programme (RAP) leaders find community with their new peers; that Time to Shine interns have more experience to make them employable and frequently interested in the third sector.

A particularly powerful (though small) moment of value can be traced to a RAP event in Windermere, when Natalie Kay, Rank's engagement officer, looked a fearful participant in the eye before scaling a waterfall and said, "You can do this. You are brave. I wouldn't let you do this if it wasn't safe". The participant later told me, "I don't think I've ever been this proud of myself – like, I did it when I thought I couldn't. Thank god for Natalie". Hence, the value of engaged philanthropy is rooted in Rank's interpersonal, on-the-ground approach.

In summation, evidence shows that engaged philanthropy adds value. In the case of most UK foundations, its prompted organizational leaders to rethink the nature of a gift. In the case of Rank, it mobilizes communities in the face of poverty, is empowers individuals with skills tailored to their unique needs, and it celebrates the goodness in people, which is symbolic, but powerfully motivating for individuals and organizations. This is accomplished through an emphasis on process, rather than product." Janis Petzinger, PhD Student, Uni. of St. Andrews, 2019 Report on Engaged Philanthropy.

#### Profit for Good

The Profit for Good programme launched in June 2019 with the aim of increasing enterprise within the social sector. The programme opened to charities and social purpose projects with an established history, to focus on the challenges of those with a greater reliance on grant funding and those who may have lost their innovative flair. Each participating project has access to a three-year grant (a mix of pure grant and matched trading in years 2 and 3 in order to incentivise earned income), a place on a digital accelerator programme and a place on a Rank Action Learning Set. The combination of grant plus learning plus networks will be evaluated over the three-year pilot programme.

### Review of Activities and Achievements (continued)

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#### Profit for Good (continued)

Following an application and interview process, Rank welcomed 20 projects onto the programme in June 2019. All 20 projects are still active as we move into the latter part of the second year. We have met with all projects during 2020, mainly online and have also convened several network sessions. Around a third of the projects have paused their enterprises during lockdown, including community cafes, coffee shacks, and charity retail. Around a third have experienced a cycle of stopping-starting; those offering training and events, those providing room hire, those providing recycling.

Around a third have grown in the last year:

- Age Exchange: Their practical resources that support carers to support those with dementia experienced high demand. Sales increased.
- Family Links: Their campaign to increase awareness of emotional well-being accelerated during the pandemic. Several businesses booked their online well-being sessions to support their staff teams.
- Play it Again: The sports recycling project received a grant from NLCF to purchase an electric car. This enabled them to expand the reach of the project.

In June 2020, Rank awarded all 20 projects their second-year grant of £5,000, removing the matched trading criteria. This was in acknowledgement of lockdown restrictions and to support sustainability into 2021.

#### Plymouth Rise Trade-Up

Rank, in partnership with the School for Social Entrepreneurs (SSE) runs the Plymouth Rise Trade-Up programme, supporting 19 social enterprise start-ups as part of the Plymouth place-based programme. 9 started in January 2019 and 10 in January 2020.

All enterprises have participated in a learning programme with SSE and have received grant funding from Rank. Again, this programme uses matched trading to incentivise earned income and increase sustainability. Due to the pandemic, Rank awarded all 19 enterprises their first or second grants in full and with the matched trading criteria removed.

Around a third of the projects have reported a growth in earned income, around a third a decline and the others staying neutral. Most of the enterprises have reported an increase in grant funding. This reflects the efforts of the foundation sector as a whole and a more flexible approach to social purpose organisations alongside more traditional charities. All 19 enterprises continue to trade and remain networked through the Rank steering group and events.

#### Acumen

This is the first year of a jointly funded social leadership programme, delivered by Acumen, building on their global model of developing exceptional leaders through their well-established Fellowship programme. This is an important strand in the wider repertoire of our leadership offer and we will look to build on the promising start, exploring the potential synergies and benefits for our wider network.

#### Grants Programmes

During 2020, the Rank Foundation continued to support its growing network by providing multi-year funding to 42 existing major grant holders and a further 23 new grant holders. New grant holders, who also become members of RankNet, include Empower, a Lancashire-based charity that will deliver a Poverty and Trust Commission, Khulisa in London that has been awarded a grant to help support their Face It Together project, which is aimed at supporting excluded young people and will work with a cluster of 10 schools, and Helping Hands Community Project in Warwickshire, whose grant will fund a full-time Support Worker post for the next three years. In addition, Rank awarded £48,035 in Emergency Funds (of up to £750 each) to 76 organisations and £982,150 in Resilience Funds to 63 organisations (with an average grant of £15,590).

The open portal grants programme, Pebbles, funded 274 organisations with an average grant of £1,365. Rank uploads information on all grants awarded to the 360 Giving platform ([www.threesixtygiving.org](http://www.threesixtygiving.org)).

### Review of Activities and Achievements (continued)

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#### **Rank Aspire Programme**

The Rank Aspire Programme (RAP) invests in 18–24 year-olds who have had fewer opportunities to prosper. The aim of the programme is to increase young people's social mobility through supporting access to training and employment opportunities in the social sector and beyond, and through this to increase their potential for future employment and success. The programme offers a living wage for 12 months to a young person on a work placement based in a project within the Rank Foundation network. A further training bursary of £1,200 is provided to support the young leader's development. The Rank team meet with the leaders three times a year on residential-based programmes.

In 2020, the RAP was externally evaluated by the Foundation for Social Improvement ([www.fsi.co.uk](http://www.fsi.co.uk)) who concluded that the Rank Aspire Programme has continued a tradition of The Rank Foundation pioneering approaches to social challenges. The programme has benefitted both host organisations and individuals and has supported access to education, training and employment opportunities in the social sector and beyond. The social sector can be seen as ideally placed to provide opportunities for young people experiencing disadvantages, with a twin benefit of more dynamic communities and a vibrant and diverse workforce. Innovative programmes like this can transform the lives of young people; increasing opportunities and allowing them to achieve their full potential. In the words of Dame Martina Milburn, Chair of the Social Mobility Commission: "At every stage of the life-cycle we are losing gifted people who could be participating more in our society. We cannot afford for this to continue."

Young people have been disproportionately affected by the impact of Covid-19. On the back of a tough decade of austerity, those under the age of 25 are two and a half times more likely to have been working in sectors such as hospitality and retail, and therefore more likely to have been furloughed, laid off or had hours reduced (Institute of Fiscal Studies). Young people leaving school or university and those already unemployed will now also be entering the labour market at a time of recession. This is likely to lower their chances of finding a job and will potentially lower their wages if they do.

According to the Resolution Foundation, one third of 18–24-year-old employees have lost jobs or been furloughed since March 2020 and the Office for National Statistics reports an increase of 116% of 16–24-year-olds claiming unemployment related benefits between March and June of 2020. This is set to increase after June 2021 when the government funded furlough scheme comes to an end.

Rank responded by extending the RAP for the 2019-2020 leaders by 7 months, taking them to 31 March 2021. This was an extraordinary investment by Rank, and we know that at least 8 of the 12 young leaders have a firm progression route for 2021.

Following discussions with the network, Rank launched the 2020-2021 programme as planned in September 2020. We had an incredibly positive response, even during lockdown, and all 13 places were filled. The programme has been running digitally and we hope to move to in-person events during 2021.

#### **School Leadership Programme**

The Leadership Award currently supports 42 sixth formers, representing every sort of school (independent, state, and free) from across the UK. This number has remained steady at 40-45 over the past ten years. The residential Community Action Placement programme was not possible this year and so Award holders were encouraged to report back on their local volunteering. Additional guidance on university applications and career possibilities was provided for current Award holders. Tributes were paid to Peter Attenborough, an important figure in the history of the Leadership Award and the Fellowship, and former Executive of the Rank Foundation, who died aged 81.



### Review of Activities and Achievements (continued)

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#### Place-Based Programmes

Over the last decade, the Rank Foundation has developed its place-based programmes to include Hull, Dundee, Plymouth, and Wales. Respecting the uniqueness of each place, Rank sees its strength in bringing together people, who have both influence and knowledge of the community, to address systemic challenges at a local level. Pivotal to the place-based programme is the role of the Associate Director, who adds knowledge, connections and recognises the potential in place.

#### Hull Community Development Programme

Jointly funded with Esmée Fairbairn Foundation, the programme continued to thrive in 2020, in the final stages of a nine-year commitment from both foundations. Throughout this successful programme, partnerships and networks had been created, grown, and become embedded, producing a more joined-up and cohesive sector. The scene was set for continuing the leadership development through 'Confident Futures' and the refreshing of the delivery of the Activity Grants Programme.

The networks previously established allowed new and necessary opportunities to immediately respond to the crisis. Support from Rank's Emergency Programme was used to assist in building capabilities to work in entirely new ways. The dynamic response of those organisations that could continue to help support communities was dramatic. It became clear that at a time of crisis, confident, generous, and talented leadership was an essential element in responding to a moving and uncertain environment. Those organisations that had benefitted from the HEY-100 initiative were amongst the most visible taking a lead in supporting others.

Some organisations have thrived during this period of extreme challenge, in particular Hull and District Angling Association (when restrictions allowed, they have been able to offer safe recreation) and St Michael's Youth Project who used their excellent networks to establish and then become one of the largest food banks and logistical support organisations in Hull.

#### Dundee Community Development Programme

The final evaluation report illustrated the strong progress and achievements the programme made in the City, as the final phase of the five-year programme was concluded in 2020. The second phase, which finished in 2020, focused on collaboration and partnerships and, at the same time, new programmes (not all funded by Rank) have joined the wider group, in order to work alongside a range of progressive and positive partners. The same sense of improved resilience and partnership applies as much in Dundee as it did in Hull, despite the different approach. The Covid-19 lockdown has seen many of the Programme projects delivering outstanding and commendable work, above and beyond what they previously had delivered, most notably Faith in the Community and Dundee Bairns.

David Dorward, as our local Associate Director, is still working closely with both the evaluation team and the projects in the Community Development Programme. David is working hard in Dundee to find new funding and thus retain the spirit of the Community Development Programme. Rank will continue to work with both existing and new projects in Dundee over the year to come.

#### Plymouth RISE Programme

The third year of the Plymouth place-based programme has been hugely important, supporting the growth of a core group of social enterprises and community businesses. They are transforming physical spaces, improving lives, and strategically influencing economic policy. There are numerous examples of leadership, enterprise and innovation that together are providing much needed services and opportunities, particularly in the communities of Stonehouse and Devonport.

Inevitably, the pandemic has created additional challenges, increased need and in some cases led to new opportunities as the sheer scale of the economic and social change required becomes clearer.

### **Review of Activities and Achievements (continued)**

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#### **Plymouth RISE Programme (continued)**

During Covid, the resilience, energy and inventiveness shown by the organisations which Rank supports is testament particularly to the power of the RISE investment, which has now seen twenty organisations going through that enormously successful programme. Over the few past months new initiatives have included: laptops for digitally excluded families from Borrow Don't Buy and Nudge; Memory Matters' online support for people with dementia; and Real Ideas' Let's Create Art packs for vulnerable children with Plymouth Scrapstore and their Start Something initiative supporting people to start and grow social purpose enterprises.

In addition to the twenty RISE participants, the eight core partners in the City have continued to make tremendous strides. Between them they have delivered nearly one million contact hours with over 2,000 sessions delivered to nearly 200,000 participants.

The economic and social consequences of Covid have changed perspectives, bringing increased recognition for the work the Create Change Leadership group has done around inclusive growth. There is now collective agreement between the private, public and third sectors that the key priority for Plymouth is to create a fairer, greener city. To achieve this, what was previously a separate inclusive growth strategy has now been embedded into the heart of Plymouth's post-Covid recovery plan, the Resurgam Charter. The Create Change Leadership group has been asked to lead a key strand of that Charter and play a more central, pivotal role in developing future employment strategies for the City.

Underpinning each of these strands of activity is a strong commitment to the continued development of an effective local network that encourages sharing, learning and collaboration and addresses some of Plymouth's deep-rooted social challenges by continuing to focus on capacity building, enterprise, leadership, and innovation.

#### **Wales Llechi, Glo a Chefn Gwlad – Slate, Coal and Countryside**

Led by our colleague Sarah Lloyd-Jones from the People and Work Unit, there are nine partner organisations in the Llechi, Glo a Chefn Gwlad project (Slate, Coal and Countryside) that come together around the ideas of place as the shaping factor of their work. An aspect of a foundational economy is that it is an economy that is rooted to place and cannot be picked up and moved elsewhere if resources dry up or a more attractive offer is made. Wales has experienced the impact when an extractive economy moves out – hence the project's focus on the communities of former coal-fields of the South Wales Valleys, slate valleys of Gwynedd in North Wales and agricultural heartlands in mid Wales.

The project involves partners who focus on a particular village or small town; on a specific target community, such as farmers or carers; or on specific skills to do with the local environment. Approaches include supporting social enterprise and small businesses (and farms); developing the 'market' for local produce and activities; providing access to skills; building capacity within communities to meet local needs and supporting local leadership.

The project works by each partner employing a local person for 12 months to lead some new area of work with the community (through the Rank Foundation Time to Shine programme with some additional funding from the National Lottery), investing skills in that person and building their networks in the community. The pattern is repeated over three years so a total of 27 community leaders emerge. The partnership meets weekly to share thoughts, ideas and learning and to develop insights into what helps in developing place-based work.

Already some significant developments have grown from the partnership, despite the disruption caused by Covid-19. The three slate valley partners have worked together to form a 'sub-partnership' Dolan which has been successful in drawing in significant funding for joint projects on the environment, community-owned tourism work and work experience opportunities for young people. Four of the first-year cohort of Time to Shine leaders have found continuing jobs with a partner organisation. An independent evaluation of the project's first year will be published in Spring 2021.



### Review of Activities and Achievements (continued)

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#### Social Audit

The Rank Foundation embarked on a Social Audit in August 2020 conducted by a team from Moore Kingston Smith. The process was designed to assess 'impact' with an overview of all our key programmes, reviewing our external evaluations and talking to stake-holder groups from those who we collaborate with to those we fund. An intense three-month process proved revealing, confirming that our most impactful work is connected to our proactive, mission-focused programmes, such as Place and Time to Shine, and highlighting areas of impact weakness, provoking discussions as to how this could be improved. We intend to share this 'Impact-led Strategy Report' with others, ensuring that the learning and experience of this process helps others working in this field, to better assess impact going forward. This report has helped to stimulate a different way of thinking, where the Rank Foundation sits within a social impact eco-system, provoking different thoughts as to how we might improve our work going forward.

#### CTVC

CTVC's activities and results for the year are set out in more detail in its own Annual Report and Financial Statements. A summary of results for the year and comparatives are set out in note 22 on page 45. Due to the pandemic and subsequent lockdowns, winning commissions and making programmes was difficult. Despite this, CTVC found new and innovative ways of continuing to produce high quality programming across all departments the highlights were as follows.

**Alone Together** – An online resource created in response to the day-to-day struggles affecting thousands of people in the UK caused by the pandemic.

**TheSundayService.org** An online platform initially set up to help those isolated in their communities as a result of ill health or reduced mobility. Services are streamed live over the internet on a Sunday morning.

BBC2 broadcast **Pilgrimage: The Road to Istanbul**. The third series followed a group of multi faith celebrities on an ancient military route which has been transformed into a modern-day path of peace.

**Inside the Bruderhof** was broadcast on BBC One as well as being heavily downloaded on iPlayer.

Several Radio programmes broadcast on BBC World Service, including **The Right Thing: Standing up to a Superpower** (BBC World Service). The Essay: **Home Sweet Home** (BBC World Service) Writer and journalist Madeleine Bunting presents a five-part series looking at some of the physical, social, and emotional dimensions of what we call 'home'. **Phone Prayers and PPE**. Sarah Niyazi was pleased to get her husband, Arif, home from hospital in February 2020 following treatment for a severe autoimmune condition. Within days they were both ill. Struggling to breathe, Arif went back into hospital, one of the earliest UK cases of COVID19.

BBC Teach commissioned CTVC to produce six animated, classic **Bible Stories** in a unique way to appeal to 7 - 11-year-olds

CTVC also delivered a number of training courses for **The British Film Institute**. Normally, they would be delivered in regular group meetings or in a residential setting, however, due to COVID19 restrictions, the courses were all delivered online and have been very successful.

Despite the various lockdowns and restrictions, all departments secured commissions in 2020 which is an extraordinary achievement. CTVC has continued to produce high quality programmes and work has commenced on several commissions for delivery in 2021.

### Review of Activities and Achievements (continued)

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#### CTVC (continued)

Hopefully, 2021 will see a reduction in COVID restrictions that have made producing programmes extremely challenging over the past year. The TV department have taken advantage of the situation by developing a record number of strong ideas which have been submitted to all major broadcasters. There is hope that conversations had with commissioning editors, will lead to a number of exciting commissions in the near future.

To understand the full potential and impact the platform could have in the future, CTVC undertook an extensive evaluation of the TrueTube website with recommendations made to the CTVC Board for implementation in 2021 and beyond. The team are also building on their successful relationship with BBC Education and other charitable organisations with the aim to secure further commissions.

The radio department continue to develop programme ideas for consideration by BBC World Service, Radio 3 and 4. With the rise in popularity of podcasting, the aim is to increase output with more regular contributions on Thingsunseen.

In 2020 CTVC made a pledge to support marginalised people get into the media industry through a variety of schemes and placements. This will be an ongoing commitment which is hoped can be expanded upon.

#### Summary

2020 has been an extraordinary year. Marked by the Foundation's response to the pandemic: proactive, decisive and collaborative. The securing of a significant matched funding grant from DCMS, creating a £10m fund, demanded that we scale quickly to deliver the two key programmes of Recovery Grants and Time to Shine, mindful of the immediate pressure of ensuring an appropriate spend of 50% of the budget by the end of March 2021. We had achieved much of this before the end of the year, with staff and trustees working over the Christmas period to ensure that we met this demand, at the same time maintaining our support of existing programmes and the many individuals we support, through our adapted online programmes. The extraordinary contribution of the Rank staff team, throughout the year, cannot go unmentioned.

The social audit process was, in many ways, a reflection of the growing confidence and maturity of a relatively small, focused operational and administrative team, as we look to conclude this final phase of our strategy. The challenge ahead is to review the significant impact of the Covid19 pandemic and the immense and complex issues that the social sector faces regarding inequality and need. The Rank Foundation's review of our future strategy is in full swing, with the need to ensure that we emerge from this with a strategy, structure, and budget fit for purpose; driven by operational need, shaped by the values and vision of our Founder, capable of delivering social impact across our chosen areas.

#### Looking Forward

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#### Plans for the Future

We have emerged from the challenges of dealing with the Covid 19 pandemic in good shape, energised and focused on meeting the growing needs of our expanded network.

The initial challenge is to complete our review, creating a strategy that is driven by our charitable objects, and building on our distinctive characteristics and capabilities. We would hope to complete this process by early summer 2021, setting out a vision for the next ten years, with a fully funded three-year plan and a structure, strategy and budget that is fit for purpose. In this, we would hope to bring the work of the media subsidiary much closer to the operational interests of the Foundation, adding value and reach to our work.

### Looking Forward (continued)

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We will build on the lessons learned, not just through our experience in working with DCMS, but also through the recommendations made through the social audit process. Our understanding of 'impact' and 'social value' has been enhanced and enriched, and our review of the internal structure will reflect all of this. Building a capability that is better poised to exploit further opportunities to collaborate, scale and share will become increasingly important given the scarcity of resources, with a sector that will face unprecedented funding issues.

Scaling at pace to deliver the DCMS award of £5m within 5 months has taught us two key lessons; it reinforces the increasing demand for funding from our network, to respond to their constituent service users, their ambition to invest in their organisations through Time to Shine and their interest in demonstrating collective social impact through using Upshot; the scaling also reminded us how Rank has the resources to deliver effective grant-making while retaining a relational style of working with its network. Our work with DCMS continues beyond the close of the Recovery Fund and we are confident that we can respond to opportunities to collaborate with other funders, in the interests of the RankNet community.

Our work as an operating foundation, in supporting individuals, will continue but the most distinctive flavour is around our relational model, with an increased challenge to properly support a network of over 1000 members. 2022 marks the 50<sup>th</sup> anniversary of the death of Lord Rank and it would be entirely fitting to mark this occasion with an event that celebrates all that has been achieved but is firmly focused on the future.

Part of this ambition is to finally complete our move to Garden Walk, creating a space that is less about an office environment and more about a creative area to meet, study, work and share, available to our growing network. This would be a fitting tribute to both our Founder and the model of engaged philanthropy that has been shaped by Lord Rank's strong Christian values and marks the distinctive characteristics of this remarkable Foundation.

2020 has been a challenging year but we have learned much. The needs of the social sector will eclipse anything that we have experienced in the past, hence the need for a more focused approach, building on our experiences, with a much greater emphasis on delivering greater social value and more sustainable social impact across all our chosen fields.

### Financial Review

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#### Review of finances

The Foundation is primarily funded from the return on our investments. Our total funds at the year-end amounted to £275.3m (2019 - £253.2m) of which £273.7m (2019 - £252.4m) is held as publicly traded investments to fund our current and future grant spending. These investment funds show an increase of 8.4% (2019 increase – 8.0%).

During the year grants amounting to £8.6m (2019 - £6.0m) were paid by the Foundation. This included £1.2m of the £5m DCMS Community Match Challenge grant received as part of the UK Governments support to voluntary and community organisations to respond to the needs of the most vulnerable and marginalised beneficiaries affected by the COVID-19 crisis. The Foundation successfully distributed all the £5m (less an agreed £0.25m or 5% to cover administration costs) grant to onward grantees between 20 November 2020 and 19 February 2021. The Foundation have also continued providing for all grants in the year in which a commitment is made to the recipient to meet the requirements of the Charities SORP FRS 102 and accrue all awards made. This may affect the results for any particular year. In years in which major funding programmes are approved, normally for a three-year period, there is a disproportional charge, with future years having lower grant expenditure and reductions in provisions as liabilities are met. In deciding upon the appropriate level of expenditure, the Trustees consider the income receivable and commitments payable in each year.

### Financial Review (continued)

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#### **Reserves**

The policy of the Foundation is to maintain the value of the reserves over the long term at a level to provide an investment return to support a consistent level of grant spending both for current beneficiaries and those we wish to help in the future.

At 31 December 2020 the Unrestricted Reserves of the Group were £269.8m (2019 - £253.5m) which the Trustees have considered to be sufficient in the medium to long term to provide the returns to enable the current level of mission fulfilment to continue. An expenditure rate of 3.5% of the investment portfolio has been determined to preserve the current level of reserves, as explained in the investment policy below. With the current impact of Covid-19, this expenditure rate, together with the investment policy below, will be carefully reviewed over the next year.

The Designated funds £8,791k held by the Foundation represent the current estimate of the liability under the guarantee to CTVC for the closed defined benefit pension scheme. These are due to be paid to CTVC under the Schedule of Contributions to eliminate the deficit over the next 12 years. See p40 for further details.

Restricted funds represent amounts paid to the Foundation by other Charities which are restricted to specific beneficiaries which are being jointly funded. Restricted funds also include the total funds of the subsidiary charity, CTVC.

The Directors of CTVC set their own reserves policy to achieve a balanced budget in the long term and to retain sufficient reserves to meet working capital requirements. At 31 December 2020 the cash at bank balance held by CTVC was £773k (2019 - £1,093k). The business depends on cash liquidity to function adequately and the Trustees consider the cash at bank balance to be an appropriate measure of its reserves. The intention is to maintain prudent cash reserves consistent with trading conditions. It needs to be sufficient to meet the financial obligations which may include any requirement to "Cash Flow" the initial stages of program production or if required "Exit" costs, defined as staff leaving costs and any other costs associated with "winding up" the organisation.

The subsidiary's activities and results for the year are set out in its own Report and Financial Statements and the summary results for the year with comparatives are also set out in note 22 on page 45.

#### **Investment Policy**

Since 2010 the Trustees have adopted a total return basis for managing the Foundation's investments. An absolute return benchmark has been adopted that aims to: first to protect the real value of the Foundation's assets from inflation; then to produce an additional amount for the Foundation's costs and grant-giving; and finally, to produce a surplus, which could either be added to reserves or used to increase the amount available for charitable purposes.

To fulfil this policy, we have adopted a long-term target of an inflation adjusted return of 3.5% which the Trustees believe will enable a consistent level expenditure whilst conserving the investment base. This policy was last reviewed by the Trustees in 2019 and will continue to be monitored against actual returns and levels of expenditure. The Investment Committee continues to monitor the individual performance of the funds held and to manage the holdings.

During 2020 the capital value of the Foundation's portfolio, including the cash from sales awaiting reinvestment, increased by £21.3m to £273.7m (2019 increase of £18.7m) compared to an inflation adjusted return of 3.5% of £8.8m (2019 - £8.2m). Since the year end, the investments have again increased significantly demonstrating the resilience of the portfolio arising from the investment policy implemented and continuously monitored by the Investment Committee.

#### **Small Company Rules**

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.



## Report of the Trustees for the year ended 31 December 2020

## Financial Review (continued)

**Going concern**

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these Financial Statements. The Trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Foundation to continue as a going concern for at least the next twelve months.

The Trustees have made this assessment after reviewing the Foundation's forecasts and projections, which are regularly reviewed with respect to the ongoing COVID-19 outbreak. The Foundation has sufficient liquid funds, held in readily marketable investments, to cover both its existing grant creditors, the guarantee in place for the CTVC defined benefit pension fund deficit and the annual operating costs of the Foundation. The Trustees consider the investments to be liquid with daily dealing available on all of the investments held at year end.

The Foundation Trustees and the Board of its wholly owned subsidiary CTVC are satisfied that the Foundation and CTVC are going concerns.

**Statement of Trustees Responsibilities**

The Trustees (who are also directors of the Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

In preparing these financial statements the Trustees are required to:

- select suitable accounting principles and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and charity will continue in business.

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

**Provision of information to our auditors**

In determining how amounts are presented within items in the statement of financial activities and balance sheet, the Trustees have had regard to the substance of the reported transactions or arrangement, in accordance with generally accepted accounting principles or practice.

So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Date: 9<sup>th</sup> June 2021

By Order of the Trustees  
JR Newton, Chairman



### Independent Auditor's Report

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#### Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 December 2020 and of the Group's 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 Companies Act 2006.

We have audited the financial statements of The Rank Foundation Limited ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 December 2020 which comprise the consolidated statement of financial activities including a consolidated income and expenditure, the consolidated balance sheet, company balance sheet, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

#### 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 Group and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements 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 related 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 Group and the Parent 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 Trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees and Financial Statements, other than the financial statements and our auditor's report thereon. The other information comprises: the Report of the Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

### Independent Auditor's Report (continued)

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#### Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which are included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Trustee's report.

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

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

#### Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines 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 Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable 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 the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

### Independent Auditor's Report (continued)

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#### *Extent to which the audit was capable of detecting irregularities, including fraud*

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:

Based on our understanding of the Charity and the industry in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be relevant charities acts in the UK. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

In addition the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law, data protection and health and safety legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence if any.

Audit procedures performed by the engagement team included:

- Discussions with management and group audit committee, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading minutes of meeting of those charged with governance, and reviewing correspondence with HMRC and the various charity regulators;
- Challenging assumptions made by management in their significant accounting estimates in particular in relation to the estimation of costs to complete of revenue contracts and assumptions used in the calculation of the defined benefit pension liability; and
- In addressing the risk of fraud through management override of controls; testing the appropriateness of journal entries and other adjustments, in particular any journals posted by senior management or with unusual accounts combinations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed 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 are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:  
<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



# THE RANK FOUNDATION LIMITED

## Independent Auditor's Report to the Trustees and Members of The Rank Foundation Limited

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### Independent Auditor's Report (continued)

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*Fiona Condron*  
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Fiona Condron (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
Gatwick, UK  
Date 14 June 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# THE RANK FOUNDATION LIMITED

## Consolidated Statement of Financial Activities including Consolidated Income and Expenditure Account for the year ended 31 December 2020

	Notes	2020			2019		
		Restricted Fund	Unrestricted Fund	Total Funds	Restricted Fund	Unrestricted Fund	Total Funds
		£' 000	£' 000	£' 000	£' 000	£' 000	£' 000
<b>Income from:</b>							
Grants	1	6,093	45	6,138	1,103	-	1,103
Charitable activities		823	-	823	2,785	-	2,785
Other trading activities		-	-	-	2	-	2
Investments		-	468	468	-	682	682
Other income		8	70	78	2	72	74
<b>TOTAL INCOME</b>		<b>6,924</b>	<b>583</b>	<b>7,507</b>	<b>3,892</b>	<b>754</b>	<b>4,646</b>
<b>Expenditure on:</b>	2						
Raising funds		5	150	155	7	50	57
Charitable activities		5,322	5,074	10,396	5,272	4,783	10,055
<b>TOTAL EXPENDITURE</b>		<b>5,327</b>	<b>5,224</b>	<b>10,551</b>	<b>5,279</b>	<b>4,833</b>	<b>10,112</b>
<b>Net gains on investments</b>	10	-	26,841	26,841	-	34,761	34,761
<b>Net income/ (expenditure)</b>		<b>1,597</b>	<b>22,200</b>	<b>23,797</b>	<b>( 1,387)</b>	<b>30,682</b>	<b>29,295</b>
<b>Transfers between funds</b>	16	5,904	(5,904)	-	576	(576)	-
<b>Other losses</b>							
Actuarial losses on defined benefit pension scheme	21	(1,788)	-	(1,788)	(1,346)	-	(1,346)
<b>Net movement in funds</b>		<b>5,713</b>	<b>16,296</b>	<b>22,009</b>	<b>(2,157)</b>	<b>30,106</b>	<b>27,949</b>
<b>Reconciliation of funds</b>							
Total funds brought forward	16	( 279)	253,528	253,249	1,878	223,422	225,300
Total funds carried forward	16	5,434	269,824	275,258	( 279)	253,528	253,249

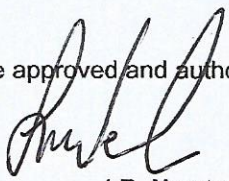
All income and expenditure derives from continuing activities. The Consolidated Statement of Financial Activities includes all gains and losses recognised during the year.

# THE RANK FOUNDATION LIMITED

Consolidated Balance Sheet  
at 31 December 2020

	Notes	Year ended 2020		Year ended 2019	
		£' 000	£' 000	£' 000	£' 000
<b>Fixed assets</b>					
Tangible assets	9		6,426		6,486
Investments	10		274,232		252,642
<b>Total fixed assets</b>			<u>280,658</u>		<u>259,128</u>
<b>Current assets</b>					
Debtors	12	3,822		1,975	
Cash at bank and in hand		3,972		4,364	
<b>Total current assets</b>		<u>7,794</u>		<u>6,339</u>	
<b>Current liabilities</b>					
Creditors: Amounts falling due within one year	13	<u>(3,633)</u>		<u>(4,046)</u>	
<b>Net current assets</b>			<u>4,161</u>		<u>2,293</u>
<b>Total assets less current liabilities</b>			284,819		261,421
Creditors: Amounts payable after more than one year	14		(770)		(854)
<b>Net assets excluding pension liability</b>			<u>284,049</u>		<u>260,567</u>
Defined benefit pension scheme liability	21		(8,791)		(7,318)
<b>Net assets including pension liability</b>			<u>275,258</u>		<u>253,249</u>
<b>The funds of the Group</b>	16				
<b>Unrestricted funds</b>					
Unrestricted funds			268,531		250,967
Designated funds - CTVC Grants			1,293		2,561
			<u>269,824</u>		<u>253,528</u>
Restricted			14,225		7,039
<b>Funds excluding pension reserve</b>			<u>284,049</u>		<u>260,567</u>
Defined benefit pension scheme reserve	21		(8,791)		(7,318)
<b>Total funds</b>			<u>275,258</u>		<u>253,249</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 9 June 2021 and signed on its behalf by:

  
J.R. Newton



# THE RANK FOUNDATION LIMITED

Company Balance Sheet  
at 31 December 2020

Company number : 516434

	Notes	Year ended 2020		Year ended 2019	
		£' 000	£' 000	£' 000	£' 000
<b>Fixed assets</b>					
Tangible assets	9		6,412		6,465
Investments	10		274,232		252,642
<b>Total fixed assets</b>			<u>280,644</u>		<u>259,107</u>
<b>Current assets</b>					
Debtors	12		3,702		1,756
Cash at bank and in hand			<u>3,194</u>		<u>3,270</u>
<b>Total current assets</b>			6,896		5,026
<b>Current liabilities</b>					
Creditors: Amounts falling due within one year	13		<u>(5,058)</u>		<u>(5,222)</u>
<b>Net current liabilities</b>			<u>1,838</u>		<u>(196)</u>
<b>Total assets less current liabilities</b>			282,482		258,911
Creditors: Amounts payable after more than one year	14		(5,759)		(7,593)
<b>Net assets</b>			<u>276,723</u>		<u>251,318</u>
<b>The funds of the charity</b>					
Restricted funds			4,852		356
			<u>4,852</u>		<u>356</u>
<b>Unrestricted funds</b>					
Unrestricted funds			280,662		256,865
Designated funds	16, 21		(8,791)		(5,903)
<b>Total unrestricted funds</b>			<u>271,871</u>		<u>250,962</u>
<b>Total funds</b>			<u>276,723</u>		<u>251,318</u>

The Foundation has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Foundation Statement of Financial Activities (including the income and expenditure account). The net income for the Foundation for the year was £25,405k (2019 - net income of £31,448k).

The financial statements were approved and authorised for issue by the Board of Trustees on 9 June and signed on its behalf by:



J.R. Newton

# THE RANK FOUNDATION LIMITED

## Consolidated Statement of Cash Flows at 31 December 2020

	Notes	2020 £' 000	2019 £' 000
<b>Cash flow from operating activities</b>	<b>A</b>	(6,138)	(7,845)
<b>Net cash flow used in operating activities</b>		<u>(6,138)</u>	<u>(7,845)</u>
<b>Cash flow from investing activities</b>			
Payments to acquire tangible fixed assets		(2)	(6,415)
Receipts from sales of tangible fixed assets		29	-
Payments to acquire investments		(90,978)	(17,209)
Receipts from sales of investments		81,209	37,599
(Payments) / Receipts for social investments		(285)	270
Dividends and interest received from investments		468	682
<b>Net cash flow (used in) / provided by investing activities</b>		<u>(9,559)</u>	<u>14,927</u>
<b>Cash flow from financing activities</b>		<u>-</u>	<u>-</u>
<b>Change in cash and cash equivalents in the year</b>		(15,697)	7,082
<b>Cash and cash equivalents at 1 January</b>		24,067	16,985
<b>Cash and cash equivalents at 31 December</b>		<u>8,370</u>	<u>24,067</u>
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		3,972	4,364
Cash balances held by custodian for reinvestment		4,398	19,703
<b>Cash at cash equivalents at 31 December</b>		<u>8,370</u>	<u>24,067</u>
<b>A) Reconciliation of net income to net cash flow from operating activities</b>			
Net income for year		23,797	29,295
Dividends and interest from investments		(468)	(682)
Depreciation of tangible fixed assets		36	73
Gain on sale of motor vehicle		(4)	-
Net gains on investments		(26,841)	(34,761)
Capitalised social investment interest		-	(11)
(Profit) / loss on disposal of tangible fixed assets		1	1
(Increase) / decrease in debtors		(1,847)	(1,533)
Increase / (decrease) in creditors		(497)	58
Defined benefit pension scheme contributions		(457)	(457)
Defined benefit pension scheme finance cost		142	172
<b>Net cash flow from operating activities</b>		<u>(6,138)</u>	<u>(7,845)</u>

No reconciliation of net funds has been prepared as the Foundation holds only cash and cash equivalents.

# THE RANK FOUNDATION LIMITED

## Notes to the Financial Statements for the year ended 31 December 2020

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### 1. Accounting policies

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The Foundation constitutes a public benefit entity as defined by FRS102. The Financial Statements have been prepared in accordance with 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 (SORP FRS 102 (2nd edition)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies.

The Financial Statements have been prepared under the historical cost convention, modified to include certain items at fair value. The Financial Statements are prepared in sterling which is the functional currency of the Foundation and rounded to the nearest thousand pounds. The Financial Statements are prepared on a going concern basis because in the opinion of the Trustees there are no material uncertainties over the Foundation continuing for at least the next twelve months.

The significant accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of

- No cash flow statement has been presented for the parent company;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.
- No disclosure has been given for the related party transactions entered into between two or more members of the group.

#### (a) Consolidation

The consolidated financial statements of "The Group" comprise The Rank Foundation Limited ("The Foundation"), CTVC Limited ("CTVC") and its trading subsidiary, Hillside Productions Limited. Details of CTVC and Hillside Productions Limited are given in the notes to the financial statements.

Advantage has been taken of the exemption available under section 408 of the Companies Act 2006 not to present an individual Statement of Financial Activities and Income and Expenditure account for the Foundation.

#### (b) Investments

Publicly traded investments, or those where fair value can otherwise be measured reliably, are measured at fair value at each balance sheet date, with changes in fair value recognised in 'net gains / (losses) on investments' in the Statement of Financial Activities. Investments denominated in foreign currencies are translated at closing rates with any profit or loss arising on exchange rate fluctuation being posted to changes in the market value of investments.

Investments also include repayable grants which are recognised at the point of disbursement under the conditions set out in the agreement with the beneficiary. Repayable grants are unsecured and are awarded at lower interest rates than those offered by commercial lenders. It is intended that the repayable grant will be repaid by the beneficiary and regardless of the rate of interest associated with the grant, the primary consideration by the Foundation when awarding the grant is the level of social impact rather than the financial return. Repayable grants offered and communicated but not disbursed to the beneficiary at the balance sheet date are disclosed as outstanding commitments.

# THE RANK FOUNDATION LIMITED

## Notes to the Financial Statements for the year ended (continued) 31 December 2020

### 1. Accounting policies (continued)

#### (c) Income

All income is included in the Statement of Financial Activities when the Foundation is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

Government grants are recognised in the year in which they become receivable and when any conditions for receipt have been met. Income from non-government grants are recognised on receipt, unless there are conditions attached to the donation that require a level of performance before entitlement can be obtained. In this case income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Foundation and it is probable that they will be fulfilled.

An analysis of the sources of grants is as follows

	2020 £'000	2019 £'000
DCMS Community Match Challenge Match Funding Grant	5,000	-
The National Lottery Community Fund	1,093	1,103
Coronavirus Job Retention Scheme Grant	45	-
	<u>6,138</u>	<u>1,103</u>

Investment income represents gross interest and dividends, and is credited to the statement of financial activities on the date on which the income is due.

#### (d) Grant expenditure

Grants payable to third parties are included in expenditure on charitable activities. Where unconditional grants are made, these amounts are recognised when a legal or constructive obligation is created, typically when the recipient is notified that a grant will be made to them. Where grants are conditional on performance, then the grant is only recognised once any unfulfilled conditions are outside of the control of the charity.

#### (e) Expenditure

Expenditure is accounted for on an accruals basis. Irrecoverable VAT is charged as an expense against the activity for which the expenditure arose.

##### Costs of raising funds

The costs of raising funds includes the direct costs incurred in respect of investment management and also those relating to trading activities. The relevant proportion of the costs of running the CTVC studio are allocated on the basis of standard rates, including relevant overheads.

##### Charitable activities

Grants are allocated to the appropriate category along with direct costs. Costs of charitable activities also includes all costs relating to the production, sale and distribution of religious programmes plus attributable overheads. All running costs from the various offices have been associated with the appropriate category.

##### Governance costs

Governance costs are included with support costs and includes those costs associated with meeting the constitutional and statutory requirements of the charity, including the audit fees and costs linked to the strategic management of the charity.

##### Support costs

Support costs comprise management, administration and governance costs. Support costs have been apportioned based on estimates of staff time and in proportion to the relevant actual costs in respect of charitable activities.



**1. Accounting policies (continued)**

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**(f) Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation. The threshold for additions to fixed assets is £1,000.

Depreciation is calculated so as to write off the cost, taking into account normal commercial and technical obsolescence, less the estimated residual value, of the tangible fixed assets on a straight line basis, as follows:

Freehold and leasehold property	2% on cost
Fixtures and fittings	10% to 50% on cost
Computer equipment and software	10% to 100% on cost
Motor vehicles	20% to 40% on cost

**(g) Pensions**

**CTVC defined benefit scheme**

The scheme was closed during 2002. CTVC is paying £457,000 per annum into this scheme in line with the current schedule of contributions. The amount charged to the statement of financial activities, in respect of this scheme, is the estimated increased cost of providing the historical benefits accrued. The interest cost and expected return on assets are included within other finance costs in support costs.

The assets of the scheme are held separately from the Group in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at the balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension liability is recognised on the balance sheet as The Group has accepted the obligation to settle the estimated liability.

**Defined contribution schemes**

Employer pension contributions are charged to the statement of financial activities as they become payable.

**(h) Funds**

The unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Foundation.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The pension reserve fund is designated to match the defined benefit pension scheme liability.

Restricted funds are those funds relating to the subsidiary charity, CTVC Limited, and those which are to be used in accordance with specific restrictions imposed by donors.

**(i) Operating leases**

Operating lease rentals are charged to the statement of financial activities on a straight line basis over the lease term.



# THE RANK FOUNDATION LIMITED

Notes to the Financial Statements for the year ended (continued)  
31 December 2020

## 2 Total group expenditure

2020	Direct Costs / Grants £'000	Staff £'000	Other £'000	Support Costs £'000	Total £'000
<b>Raising funds</b>					
Investment management costs	-	-	150	-	150
Expenditure on other trading activities - Hillside	-	-	5	-	5
<b>Total raising funds</b>	-	-	155	-	155
<b>Charitable activities</b>					
Community programmes	6,773	592	-	552	7,917
CTVC	553	741	206	979	2,479
<b>Total charitable activities</b>	7,326	1,333	206	1,531	10,396
<b>Total Expenditure</b>	7,326	1,333	361	1,531	10,551

<b>2019</b>					
<b>Raising funds</b>					
Investment management costs	-	-	50	-	50
Expenditure on other trading activities - Hillside	2	-	5	-	7
<b>Total raising funds</b>	2	-	55	-	57
<b>Charitable activities</b>					
Community programmes	4,865	423	-	496	5,784
CTVC	2,313	627	256	1,075	4,271
<b>Total charitable activities</b>	7,178	1,050	256	1,571	10,055
<b>Total Expenditure</b>	7,180	1,050	311	1,571	10,112

Included above in Charitable activities - CTVC, is £142,000 (2019 : £172,000), which relates to pension finance costs and an adjustment for past service costs in the restricted funds - note 21.

## 3 Allocation of support costs

	Community £' 000	CTVC £' 000	2020 £' 000	Community £' 000	CTVC £' 000	2019 £' 000
Governance (see note 4)	81	39	120	96	36	132
Staff	188	558	746	171	572	743
Occupancy	69	217	286	52	207	259
Depreciation	28	8	36	28	45	73
Other	186	157	343	149	215	364
<b>Total</b>	552	979	1,531	496	1,075	1,571

# THE RANK FOUNDATION LIMITED

## Notes to the Financial Statements for the year ended (continued) 31 December 2020

### 4 Analysis of Governance Costs

	Group	
	2020 £' 000	2019 £' 000
Auditors Remuneration	40	36
Legal and Professional fees	8	15
Trustee and consultants expenses	10	22
Allocated staff costs	62	59
	<u>120</u>	<u>132</u>

### 5 Grants

	Group		Foundation	
	2020 £' 000	2019 £' 000	2020 £' 000	2019 £' 000
Commitments made in the year	6,537	4,625	6,537	4,682
Grants cancelled or recovered	(95)	(186)	(95)	(910)
Grants payable for the year	6,442	4,439	6,442	3,772
Grants paid in the year	(6,832)	(4,291)	(8,557)	(6,048)
Net (decrease) / increase in commitments	(390)	148	(2,115)	(2,276)
Commitments at 1 January	4,169	4,021	12,633	14,909
<b>Commitments at 31 December</b>	<b><u>3,779</u></b>	<b><u>4,169</u></b>	<b><u>10,518</u></b>	<b><u>12,633</u></b>
<b>Payable as follows:</b>				
Payable within one year	3,009	3,315	4,759	5,040
Payable after more than one year	770	854	5,759	7,593
	<b><u>3,779</u></b>	<b><u>4,169</u></b>	<b><u>10,518</u></b>	<b><u>12,633</u></b>

The Foundation as a general rule pays grants only to institutions that are registered charities or Charitable Incorporated Companies (CICs). There are two exceptions to this, firstly where individuals incur expenses for travelling to training/conferences etc the Foundation will reimburse these amounts. Secondly there is the Rank Memorial Award which is paid to individuals to undertake community based research. In 2020 two recipients received a total of £19,500 (in 2019 £10,000 was awarded to two individuals).

#### DCMS Match Funding Grants Commitment

The Foundation has agreed to match fund the £5m grant it was awarded by DCMS in September 2020. This commitment will be partially funded from the balance of the grant received or receivable from TNLCF totalling £2.26m, which will be invested in the Time to Shine programme in 2021 and 2022. The remaining £2.74m of the £5m will be funded by the Foundation in 2021 and 2022. This commitment is not included in the table above as the onward grantees had not been identified and so no commitments had been made by the Foundation as at 31 December 2020. The Foundation's future commitment of £2.74m is noted as an outstanding commitment in note 23 Outstanding commitments and contingent liabilities. The commitment will be fulfilled by the end of January 2022.

## THE RANK FOUNDATION LIMITED

### Notes to the Financial Statements for the year ended (continued) 31 December 2020

#### 6 Net income for the year

Net income is stated after charging / (crediting):	2020 £' 000	2019 £' 000
Depreciation of tangible fixed assets	36	73
(Gain) / loss on disposal of tangible fixed assets	(3)	1
Operating lease rentals	122	119
Net losses / (gains) on investments	(26,841)	(34,761)
Auditor remuneration:		
Audit of the Foundation's annual accounts	24	21
Audit of the subsidiaries	16	15
Non-audit services	19	16
	<u>          </u>	<u>          </u>

#### 7 Trustee Expenses

	2020 £' 000	2019 £' 000
Travelling and subsistence expenses reimbursed to four Trustees (2019: 4)	<u>2</u>	<u>9</u>

The Trustees of the Foundation neither received nor waived any remuneration during the year (2019: £Nil).

# THE RANK FOUNDATION LIMITED

Notes to the Financial Statements for the year ended (continued)  
31 December 2020

## 8 Staff numbers and costs

	Group		Foundation	
	2020 £' 000	2019 £' 000	2020 £' 000	2019 £' 000
Salaries	1,667	1,453	611	513
Social security costs	180	147	76	56
Redundancy payments	2	-	-	-
Pension costs	213	193	97	83
Personal insurance	73	59	37	33
	<u>2,135</u>	<u>1,852</u>	<u>821</u>	<u>685</u>

### Average number employed

#### Employed in direct charitable activities

	2020 Number	2019 Number	2020 Number	2019 Number
CTVC Programmes	16	18	-	-
Community programmes	4	4	4	4
Support	14	12	9	7
	<u>34</u>	<u>34</u>	<u>13</u>	<u>11</u>

### Remuneration and benefits-in-kind

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	Group		Foundation	
	2020 Number	2019 Number	2020 Number	2019 Number
Number of Staff earning £60,001 to £70,000	-	1	-	1
Number of Staff earning £70,001 to £80,000	2	1	1	-
Number of Staff earning £90,001 to £100,000	2	2	1	1
Number of Staff earning £100,001 to £110,000	1	-	-	-
Number of Staff earning £110,001 to £120,000	-	1	1	1
Number of Staff earning £120,001 to £130,000	1	-	-	-
Number of Staff earning £130,001 to £140,000	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>

Employers pension contributions for those employees earning more than £60,000 were - Group £75,676 (2019 - £69,050) Foundation £46,568 (2019 - £45,048)

The Senior Management Team of the Group comprises, the CEO David Sanderson, Deputy CEO Caroline Broadhurst and Finance Director Wendy Matthews (on maternity leave from 28 October 2020). Their employee benefits total £252k (2019 - £290k)

# THE RANK FOUNDATION LIMITED

Notes to the Financial Statements for the year ended (continued)  
31 December 2020

## 9 Fixed Assets

Group	Long Leasehold Property £' 000	Fixtures Fittings etc, £' 000	Motor Vehicles £' 000	Total £' 000
Cost at 1 January	6,463	245	96	6,804
Additions at cost	1	1	-	2
Disposals	-	(105)	(37)	(142)
Cost at 31 December	<u>6,464</u>	<u>141</u>	<u>59</u>	<u>6,664</u>
Depreciation at 1 January	94	206	18	318
Disposals	-	(105)	(11)	(116)
Charge for the year	2	10	24	36
Depreciation at 31 December	<u>96</u>	<u>111</u>	<u>31</u>	<u>238</u>
<b>Net Book Value</b>				
31 December 2020	<u>6,368</u>	<u>30</u>	<u>28</u>	<u>6,426</u>
31 December 2019	<u>6,369</u>	<u>39</u>	<u>78</u>	<u>6,486</u>

## Foundation

Cost at 1 January	6,463	75	96	6,634
Additions at cost	1	-	-	1
Disposals	-	-	(37)	(37)
Cost at 31 December	<u>6,464</u>	<u>75</u>	<u>59</u>	<u>6,598</u>
Depreciation at 1 January	94	57	18	169
Disposals	-	-	(11)	(11)
Charge for the year	2	2	24	28
Depreciation at 31 December	<u>96</u>	<u>59</u>	<u>31</u>	<u>186</u>
<b>Net Book Value</b>				
31 December 2020	<u>6,368</u>	<u>16</u>	<u>28</u>	<u>6,412</u>
31 December 2019	<u>6,369</u>	<u>18</u>	<u>78</u>	<u>6,465</u>

# THE RANK FOUNDATION LIMITED

Notes to the Financial Statements for the year ended (continued)  
31 December 2020

## 10 Fixed asset investments

Fixed asset investments consist of publicly traded investments and repayable grants.

The Trustees believe that the carrying value of the investments is supported by their underlying assets.

	Group and Foundation	
	2020 £' 000	2019 £' 000
Publicly traded investments	273,737	252,432
Repayable grants (see note 11)	495	210
	<u>274,232</u>	<u>252,642</u>
<b>Publicly traded investments</b>		
Market value at 1 January	252,432	233,707
Additions at cost	90,978	17,209
Disposal proceeds	(81,209)	(37,599)
Net gains on investments	26,841	34,761
Movement in cash awaiting reinvestment	(15,305)	4,354
Market value at 31 December	<u>273,737</u>	<u>252,432</u>
<b>The investments comprise (in acquisition date order)</b>		
CF Ruffer Total Return Fund I	43,254	38,589
Fundsmith Equity Class I	29,866	25,223
Heronbridge UK equity fund Acc	18,057	20,284
I Shares MSCI ACWI ETF	-	47,489
I Shares Core MSCI World	36,236	-
I Shares MSCI EM	4,306	-
Veritas Global Equities Focus Fund	28,193	25,781
Monks Investment Trust	30,493	21,502
GMO Global Real Return Fund	40,866	42,073
MDO Management Co RWC Global Emerging	15,514	11,788
Pantheon International Private Equity Funds	8,234	-
Harbourvest Global Private Equity Funds	4,873	-
Standard Life Private Equity Trust	2,776	-
Royal London Money Market Fund	6,671	-
Cash awaiting reinvestment	4,398	19,703
Market value at 31 December	<u>273,737</u>	<u>252,432</u>
Historical cost at 31 December	<u>197,844</u>	<u>191,690</u>

# THE RANK FOUNDATION LIMITED

Notes to the Financial Statements for the year ended (continued)  
31 December 2020

## 11 Repayable grants

	Group and Foundation	
	2020 £' 000	2019 £' 000
Balance at 1 January	210	469
New repayable grants disbursed	285	-
Capitalised interest	-	11
Repayments received	-	(270)
Balance at 31 December	495	210
Maturity of the repayable grants:		
Due within one year	390	-
Due between one year and five years	105	210
	495	210

Repayable grants are made available to beneficiary organisations in order to further the charitable objectives of the Foundation.

All repayable grants are UK based with agreements ranging in length from three to five years with interest rates up to 3% above Bank of England base rate.

Subsequent to the year end, the Grants Committee reviewed the repayable grants due from one grantee totalling £210,000. Half of this amount was due within one year, and the other half was due between one year and five years. Due to the impact of Covid-19 on the grantees activities the Grants Committee has agreed that the repayment terms for these grants could be extended to be repayable by 31 December 2026. The Trustees have reviewed this matter and also the anticipated repayment of the other grant of £285,000, which makes up the total of £495,000, and concluded there is no need for an impairment of the repayable grants.

## 12 Debtors

	Group		Foundation	
	2020 £' 000	2019 £' 000	2020 £' 000	2019 £' 000
Other debtors	6	96	6	41
Prepayments and accrued income	3,814	852	3,694	688
VAT recoverable	2	1,027	2	1,027
	3,822	1,975	3,702	1,756

Included within Prepayments and accrued income in 2020 is an amount of £3,000,000 due from the Department for Digital, Culture, Media & Sport relating to their Community Match Challenge. This grant was received and distributed by the Foundation to onward grantees by 19 February 2021.

# THE RANK FOUNDATION LIMITED

Notes to the Financial Statements for the year ended (continued)  
31 December 2020

## 13 Creditors: amounts falling due within one year

	Group		Foundation	
	2020 £' 000	2019 £' 000	2020 £' 000	2019 £' 000
Trade creditors	192	204	119	61
Accruals and deferred income	210	293	116	84
Amounts due to subsidiary undertaking	-	-	26	15
Other taxation and social security	55	38	23	19
Pension contributions	15	3	15	3
Other creditors	152	193	-	-
Grants payable to third parties	3,009	3,315	3,009	3,315
Grants payable to subsidiary undertaking				
- running costs	-	-	1,293	1,268
	3,633	4,046	4,601	4,765
Grants payable to subsidiary undertaking				
- pension reserve	-	-	457	457
	3,633	4,046	5,058	5,222

## 14 Creditors: amounts falling due after more than one year

	Group		Foundation	
	2020 £' 000	2019 £' 000	2020 £' 000	2019 £' 000
Grants to third parties payable 1-2 years	596	757	596	757
Grants to third parties payable 2-5 years	174	97	174	97
Grants to subsidiary undertaking payable 1-2 years	-	-	-	1,293
	770	854	770	2,147
Grants payable to subsidiary undertaking				
- pension contributions payable 1-2 years	-	-	457	457
- pension contributions payable 2-5 years	-	-	1,371	1,371
- pension contributions payable 5+ years	-	-	3,161	3,618
	-	-	4,989	5,446
	770	854	5,759	7,593

	Group	
	2020 £' 000	2019 £' 000
Total future minimum lease payments under non-cancellable operating leases are as follows:		
Not later than one year	12	109
Later than one and not later than five years	11	-
	23	109



# THE RANK FOUNDATION LIMITED

## Notes to the Financial Statements for the year ended (continued) 31 December 2020

### 16 Funds

	As at 1 January	Inc.	Exp.	Actuarial loss on pension scheme	Investment Gains / (losses)	Transfers	As at 31 December
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>2020</b>							
<b>Unrestricted funds</b>	253,528	583	(5,224)	-	26,841	(5,904)	269,824
<b>Restricted funds</b>							
Pension scheme deficit	(7,318)	-	(142)	( 1,788)	-	457	(8,791)
Pension reserve	5,903	-	-	-	-	2,888	8,791
CTVC restricted funds	-	97	(97)	-	-	-	-
CTVC general funds	780	734	(2,240)	-	-	1,308	582
Rank restricted funds	51	-	(1,302)	-	-	1,251	-
TNLCF - Time to Shine	305	1,093	(305)	-	-	-	1,093
DCMS	-	5,000	(1,241)	-	-	-	3,759
Total restricted funds	(279)	6,924	(5,327)	(1,788)	-	5,904	5,434
	<u>253,249</u>	<u>7,507</u>	<u>(10,551)</u>	<u>(1,788)</u>	<u>26,841</u>	<u>-</u>	<u>275,258</u>
<b>2019</b>							
<b>Unrestricted funds</b>	223,422	754	( 4,833)	-	34,761	(576)	253,528
<b>Restricted funds</b>							
Pension scheme deficit	( 6,257)	-	( 172)	( 1,346)	-	457	(7,318)
Pension reserve	7,084	-	-	-	-	(1,181)	5,903
CTVC restricted funds	54	84	( 117)	-	-	(21 )	-
CTVC general funds	741	2,706	( 3,988)	-	-	1,321	780
Rank restricted funds	256	37	( 242)	-	-	-	51
TNCLF - Time to Shine	-	1,065	( 760)	-	-	-	305
Total restricted funds	1,878	3,892	( 5,279)	( 1,346)	-	576	( 279)
<b>Total funds</b>	<u>225,300</u>	<u>4,646</u>	<u>( 10,112)</u>	<u>( 1,346)</u>	<u>34,761</u>	<u>-</u>	<u>253,249</u>

### Restricted funds

The pension reserve total of £8,791k represents the amount set aside by the Trustees to cover the deficit repayments made to the defined benefit pension scheme of £5,446k, and in addition the current difference of £3,345k between that balance and the FRS 102 estimated deficit as at 31 December 2020. The Foundation has guaranteed to CTVC to cover the full cost of the current repayment plan (see note 21).

CTVC restricted funds represent unspent funds received for specific projects undertaken by CTVC.

CTVC general funds represents the unrestricted funds within CTVC which are restricted within the Group financial statements to the objectives of CTVC.

Rank restricted funds includes external funding received from the Department for Digital, Culture, Media & Sport (DCMS), The National Lottery Community Fund (TNLCF), Esmee Fairbairn Foundation, Garfield Weston and Jack Petchey Foundation.

## THE RANK FOUNDATION LIMITED

### Notes to the Financial Statements for the year ended (continued) 31 December 2020

#### 16 Funds (continued)

##### Designated funds

Designated funds in the Balance Sheet of the Foundation represents the current estimate of the liability under the guarantee to CTVC for the closed defined benefit pension scheme. See note 21 for details.

The designated funds within the Group accounts represents the commitment made by the Foundation to the subsidiary, CTVC, for the annual running costs grant.

##### Transfers

A transfer of £1,308k, (2019 - £1,321) from unrestricted funds to restricted funds reflects the commitment made by the Foundation to CTVC to support its general reserves as at 31 December 2020. These funds are restricted because the objectives of CTVC are narrower than those of the Foundation.

A transfer of £3,345k (2019 - £724k) from unrestricted funds to the pension reserve reflects the guarantee made by the Foundation to fully fund the CTVC defined benefit pension scheme and is based on the estimated FRS 102 valuation as at 31 December 2020.

A transfer of £1,251k (2019- £Nil) from unrestricted funds to restricted funds relates primarily to the Foundation funding the element of the Time to Shine programme in 2020 that was not met from the funds received from TNLCF. Of the TNLCF monies received in 2020, £593k together with the £500k receivable in April 2021 and accounted for in 2020 have been carried forward into 2021 to partially meet the matching commitment to the DCMS.

#### 17 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Pension reserve £'000	TOTAL £'000
<b>2020</b>				
Fixed assets	280,644	14	-	280,658
Current assets	( 10,050)	14,211	-	4,161
Creditors more than one year	( 770)	-	-	( 770)
Pension liability	-	-	( 8,791)	( 8,791)
<b>TOTAL</b>	<b>269,824</b>	<b>14,225</b>	<b>( 8,791)</b>	<b>275,258</b>
<b>2019</b>				
Fixed assets	259,107	21	-	259,128
Current assets	( 4,725)	7,018	-	2,293
Creditors more than one year	( 854)	-	-	( 854)
Pension liability	-	-	( 7,318)	( 7,318)
<b>TOTAL</b>	<b>253,528</b>	<b>7,039</b>	<b>( 7,318)</b>	<b>253,249</b>

#### 18 Related party transactions

The Trustees of the Foundation have interests in a range of other organisations. During the year, a number of grants have been awarded to certain of these organisations. In such cases, the relevant Trustees have declared their interests and have not participated in the decision to award funding to that organisation.

#### 19 Members

The Foundation is a charitable company limited by guarantee, having no share capital, and, in accordance with clause 6 of the Memorandum of Association, every member, of whom there may be a maximum of 15, is liable to contribute a sum of £1 in the event of the Foundation being wound up. At 31 December 2020 there were 12 members (2019 : 12).

#### 20 Taxation

As a registered charity, the Foundation is, in general, exempt from tax on its investment income and chargeable gains.

# THE RANK FOUNDATION LIMITED

## Notes to the Financial Statements for the year ended (continued) 31 December 2020

### 21 Pensions

#### A) Defined benefit scheme - closed April 2002

The defined benefit scheme covered the majority of CTVC's employees up to the date of closure. The pension cost relating to the principal scheme is assessed in accordance with the advice of an independent qualified actuary using the projected unit method. It is to be noted that under this valuation method the costs will increase as the members of the scheme approach retirement. The latest actuarial valuation of this scheme was at the 30 September 2018. The next full valuation will be as at 30 September 2021.

The Foundation have formalised their commitment to the funding of this scheme by putting in place a legal guarantee that has been accepted by the Pensions Regulator. The Group expect to pay £457,000 in the year to 31 December 2021, and has recently appointed professional advisers to support it with managing the risks arising under the scheme.

The pension scheme Trustees have appointed the scheme actuary to prepare the following detailed disclosures and they have relied on the Actuary's expertise in this regard.

#### Explanation of amounts in the financial statements

##### Amounts recognised in the Balance Sheet at 31 December 2020

	Value at 31 December 2020 £'000	Value at 31 December 2019 £'000
Fair value of assets	10,204	9,947
Present value of funded obligations	(18,995)	(17,265)
<b>Deficit</b>	<b>(8,791)</b>	<b>(7,318)</b>
<b>Net defined benefit liability at 31 December</b>	<b>(8,791)</b>	<b>(7,318)</b>

##### Amounts recognised in the Income and Expenditure account over the year

	31 December 2020 £'000	31 December 2019 £'000
Interest on liabilities	339	419
Interest on assets	(197)	(247)
	<b>142</b>	<b>172</b>

	31 December 2020 £'000	31 December 2019 £'000
Gain on scheme assets in excess of interest	(242)	(1,024)
Losses / (gains) from changes to demographic assumptions	-	260
Losses / (gains) from changes to financial assumptions	2,030	2,110
<b>Total remeasurements</b>	<b>1,788</b>	<b>1,346</b>

# THE RANK FOUNDATION LIMITED

## Notes to the Financial Statements for the year ended (continued) 31 December 2020

### 21 Pensions (continued)

Explanation of amounts in the financial statements (continued)

#### Reconciliation of assets and defined Benefit Obligation

The change in the assets over the year was:

	Value at 31 December 2020 £'000	Value at 31 December 2019 £'000
<b>Fair value of assets at the beginning of the year</b>	<b>9,947</b>	<b>8,689</b>
Interest on assets	197	247
Company contributions	457	457
Benefits paid	(639)	(470)
Return on scheme assets less liabilities	242	1,024
<b>Fair value of assets at the end of the year</b>	<b>10,204</b>	<b>9,947</b>

The change in the Defined Benefit Obligation over the year was:

	31 December 2020 £'000	31 December 2019 £'000
<b>Defined Benefit Obligation at the beginning of the year</b>	<b>17,265</b>	<b>14,946</b>
Interest on liabilities	339	419
Benefits paid	(639)	(470)
Changes to demographic assumptions	-	260
Changes to financial assumptions	2,030	2,110
<b>Fair value of assets at the end of the year</b>	<b>18,995</b>	<b>17,265</b>

#### Assets

	£'000	£'000
Equities	7,765	7,356
Fixed interest	829	744
Alternatives	1,367	1,332
Cash	243	515
<b>Total</b>	<b>10,204</b>	<b>9,947</b>
<b>Actual return on assets</b>	<b>439</b>	<b>1,217</b>

# THE RANK FOUNDATION LIMITED

Notes to the Financial Statements for the year ended (continued)  
31 December 2020

## 21 Pensions (continued)

The principal actuarial assumptions used to calculate the Scheme's liabilities include:

	2020	2019
Discount rate	1.30%	2.00%
Retail Prices Index (RPI) inflation	3.20%	3.40%
Revaluation in deferment:		
Pre May 2001 benefits	5.00%	5.00%
Post May 2001 benefits	3.20%	3.40%
Pension increases		
GMP earned before 06/04/88	Nil	Nil
GMP earned after 06/04/88	3.00%	3.00%
Pension earned before 01/10/92 in excess of GMP	3.00%	3.00%
Pension earned between 01/10/92 and 31/05/01 in excess of GMP	5.00%	5.00%
Pension earned after 01/06/01	3.10%	3.30%
Life expectancy at age 65 of male aged 45	23.2	23.0
Life expectancy at age 65 of male aged 65	21.8	21.6
Life expectancy at age 65 of female aged 45	26.0	25.8
Life expectancy at age 65 of female aged 65	24.4	24.3

### Movement of triennial valuation, Restricted fund.

	£'000	£'000
Deficit as per triennial valuation at 30 September 2015 including estimate for loss of income.		7,998
Payments made into the fund during 2017 and 2019 (pre valuation)	(800)	
Payments made into the fund during 2018 (post valuation)	(114)	(914)
		7,084
Payments made into the fund during 2019	(457)	
Refund of grant required as per triennial valuation at 30 September 2018.	(724)	(1,181)
		<b>5,903</b>
Deficit as per triennial valuation at 30 September 2018 including estimate for loss of income.		6,474
Payments made into the fund post valuation during 2018 and 2019 (as above)	(571)	
Payments made into the fund during 2020	(457)	(1,028)
<b>Balance carried forward, Restricted fund per CTVC financial statements</b>		<b>5,446</b>
<b>Transfer from unrestricted fund at consolidation level to cover the estimated deficit per the annual FRS 102 actuarial valuation of the deficit as at 31 December 2020 to reflect the commitment made by the Foundation</b>		<b>3,345</b>
<b>Balance carried forward</b>		<b>8,791</b>

### B) Defined Contribution Schemes

	2020 £'000	2019 £'000
Rank Foundation scheme		
Pension charge for the period	97	83
CTVC stakeholder scheme		
Pension charge for the period	93	67
Balance due to the scheme at the year end	11	10
	<b>201</b>	<b>160</b>

# THE RANK FOUNDATION LIMITED

Notes to the Financial Statements for the year ended (continued)  
31 December 2020

## 22 Subsidiary undertaking

CTVC Limited ("CTVC") is a registered charity and its principal activities are the production and distribution of television programmes, films and videos for Christian and other faiths and for educational purposes. CTVC is incorporated in England and Wales and is a wholly-owned subsidiary as the Foundation has the right to appoint a majority of the directors and to remove any directors it appoints.

Hillside Productions Limited is a wholly-owned trading subsidiary of CTVC. It is incorporated in England and Wales, and its principal activity is the making of video productions. It is intended that the profits of the company will be donated to CTVC by way of gift aid. Hillside had turnover of £Nil for the year (2019 - £2k) and net assets of £20k at the year end (2019 - £25K)

A summary of the consolidated results of CTVC for the year is shown below. Audited accounts will be filed with the Registrar of Companies.

<b>Summarised Consolidated Statement of Financial Activities</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
<b>Income</b>		
Donations - Grants	1,313	576
Income from charitable activities	823	2,785
Income from trading activities	-	2
Investment income	1	1
Other Income	7	1
<b>Total income</b>	<b>2,144</b>	<b>3,365</b>
<b>Expenditure</b>		
Costs of raising funds	5	7
Charitable activities	2,479	4,271
<b>Total Expenditure</b>	<b>2,484</b>	<b>4,278</b>
<b>Net Expenditure</b>	<b>(340)</b>	<b>(913)</b>
<b>Other recognised losses</b>		
Actuarial losses on defined benefit pension scheme	(1,788)	(1,346)
<b>Net movement on funds</b>	<b>(2,128)</b>	<b>(2,259)</b>
<b>Reconciliation of funds</b>		
Total funds brought forward	(635)	1,624
<b>Total funds carried forward</b>	<b>( 2,763)</b>	<b>( 635)</b>
<b>Summarised Consolidated Balance Sheet</b>		
<b>Net assets less liabilities excluding pension liability</b>	<b>6,028</b>	<b>6,683</b>
Defined benefit pension scheme liability	(8,791)	(7,318)
<b>Net liabilities including pension liability</b>	<b>( 2,763)</b>	<b>( 635)</b>



## THE RANK FOUNDATION LIMITED

Notes to the Financial Statements for the year ended (continued)  
31 December 2020

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### 23 Outstanding commitments and contingent liabilities

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At 31 December 2020 there were outstanding commitments relating to concessionary loans and repayable grants of £Nil (2019 - £285k) which had not been drawn down to beneficiaries.

At 31 December 2020 there were outstanding commitments of up to £472k (2019 - £329k) relating to grants that have been awarded to match the trading results of beneficiaries. These amounts have not been included in creditors at the year end because the amounts to be awarded are subject to beneficiaries meeting certain criteria.

As confirmed in note 5 above the Foundation has agreed to match fund the £5m grant it was awarded by DCMS in September 2020. This commitment will be partially funded from the balance of the grant received or receivable from TNLCF totalling £2.26m and the remaining £2.74m of the £5m will be funded by the Foundation in 2021 and 2022. This commitment has not been included in creditors as the onward grantees had not been identified and so no commitments had been made by the Foundation as at 31 December 2020. The commitment will be fulfilled by the end of January 2022.