

THE RANK FOUNDATION LIMITED
(Limited by guarantee)

Report of the Trustees and Financial Statements
for the year ended
31 December 2021

Company No. 516434

Registered Charity No. 276976

THE RANK FOUNDATION LIMITED

Report of the Trustees for the year ended 31 December 2021

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THE RANK FOUNDATION LIMITED

Report of the Trustees for the year ended 31 December 2021

Reference and Administration

The Trustees present their report and the audited financial statements of The Rank Foundation Limited ("Foundation" or "Rank") for the year ended 31 December 2021. 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". All the Trustees are also members of the Foundation, and their liability is limited to £1 each. The names of the Trustees who have served during the year and since the year end are shown below.

Trustees:

Committee Membership

Chairman:

J.R. Newton (1,2,3,5,7)

Deputy Chairman:

J.J. Chaffer (3,4,7)

N.F. Buxton (2,5)

Ms L.A. Clay (5,6)

A.E. Cowen (5,7) Resigned 15 March 2021

S.H. Cowen (2)

J. Davis (1)

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)

W.P. Wyatt (1,3)

Board Consultants:

G.C. King (2,5)

C. Cade (3)

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 2021

Reference and Administration (continued)

Foundation Information

Executive Staff

Rank Foundation Limited

Chief Executive Officer	D.J. Sanderson MBE DL
Deputy CEO	C.S. Broadhurst
Director of Programmes	K. Wooder
Director of Education and Leadership	T. Young (retired 31 August 2021)
Director of Education and Leadership	J.R. Hind (appointed 1 June 2021)
Company Secretary & Finance Director	W.L. Matthews (on maternity leave from 28 October 2020 – left 28 November 2021)
Interim Company Secretary & Finance Director	T. Kelman

CTVC Limited

Chief Executive Officer (CTVC Limited)	C.C. Matthews
Chief Operating Officer & Company Secretary	P. Connolly (retired 1 August 2021)
Finance Director & Company Secretary	J. Rees (appointed 2 May 2022)

Registered and principal office:	12 Warwick Square, SW1V 2AA
Website:	www.rankfoundation.com
Registration numbers:	Company 516434 Charity 276976

Professional Advisers

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

THE RANK FOUNDATION LIMITED

Report of the Trustees for the year ended 31 December 2021

Structure, Governance and Management

Objects

The Foundation is a grant-giving charitable company restricted by its objects to causes within the UK approved by the Charity Commission for England and Wales. 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

Public benefit

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.

Strategy

The Board and the Executive Staff have reviewed the Foundation's Strategy over the past twelve months and have agreed the following Strategic Vision, Faith, and Mission.

Vision

To help create a more equitable and inclusive society by encouraging leadership, developing an entrepreneurial mindset and forming strong community networks, building on our pioneering and distinctive model of relational philanthropy, underpinned by our Christian faith.

Faith

Ever mindful of the strong Christian beliefs of our founder, our work remains firmly rooted in faith. We have sought to better understand 'lived faith': connecting faith to society, acting as a driver for social good, and challenging inequality and injustice.

Mission

- **Challenge the consequences of inequality.** Addressing the consequences of poverty and inequality, introducing an effective Diversity, Equity & Inclusion strategy, and a new programme category to focus on educational opportunity.
- **Champion leaders to become more impactful.** Strengthen our leadership offer, building capacity and skills especially around 'leadership' and 'enterprise' in particular with our place-based projects, Time to Shine, leadership bursary & Rank Aspire programmes.
- **Connect through networks, partnerships and collaboration.** To see RankNet as the most significant challenge and opportunity ahead, to harness the knowledge, skills, passion & capabilities of the network to much greater effect, embracing transformational technology, including media & CTVC, to improve reach & effectiveness.
- **Christian Faith.** Convening conversations around the values, traditions, and practices of the Christian faith, from a perspective that respects those of all faiths and none.

THE RANK FOUNDATION LIMITED

Report of the Trustees for the year ended 31 December 2021

Structure, Governance and Management (continued)

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 was registered as a charity on 11 December 1978 (registration number 276976).

Subsidiary Undertaking

CTVC Limited ("CTVC"), is a wholly controlled subsidiary of the Foundation which has the right to appoint most 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 commercial and non-primary purpose media productions.

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 seeking to adopt the principles and recommended practice for good governance set out in the Code which was revised and issued in December 2020. The Trustees having completed their review of strategy at the beginning of 2022 are now focussing on the Code and intend to make well-considered decisions about how these should be applied in the Foundation. Theme specific training on key matters e.g. pension scheme risk, safeguarding, collating and updating key policies are areas that are being actively worked on at the current time.

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.

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Report of the Trustees for the year ended 31 December 2021

Structure, Governance and Management (continued)

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 **five** 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 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 Chairs 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. And responsibility for 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.

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Structure, Governance and Management (continued)

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 is presented in our accounts as "Income from donations" and includes grants.

In relation to the above, the Charity does not involve 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 Foundation continues to work in partnership with Government bodies, from DCMS to the Department for Communities in Northern Ireland, regarding unsolicited, community focused programmes that are consistent with Rank's mission and are not part of any structured or intended fund-raising efforts.

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 Chairman's Committee, 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 below.

Risk	Management of risk
Financial: 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">• Management of funds in line with investment policy set by Trustees.• Investment Committee monitors the performance of investments.• Investment in funds to provide diversification and returns to meet expenditure need.• Supporting the Pension Scheme Trustees in reviewing their managers performance.• Agree funding plan with Pension Scheme Trustees.• Appoint actuarial advisers to help review, manage and mitigate risks.
Legislative: Non-compliance with legislation and Financial Reporting Standards.	<ul style="list-style-type: none">• Oversight of Chief Executive and executive staff.• Staff competences and training.• Review of financial reporting by Audit Committee.
Reputation: 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">• Appraisal procedures and ongoing monitors of grants awarded by Board Committees.• Project management of media productions.
Information Technology: Cloud failure/Cyber-attack.	<ul style="list-style-type: none">• Policies, procedures, patching and backup plans in place designed to prevent or limit the impact.
Personnel Loss of key executives.	<ul style="list-style-type: none">• Implement cross training in responsibilities where appropriate.
Business interruption: e.g. pandemics 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">• UK Government advice is followed, and activities are adapted where possible.• Close monitoring of CTVC's cash flows and business plan revisions implemented as necessary.• 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.

The COVID-19 pandemic continued to impact the activities of the Foundation and the Group during 2021. The Trustees and the Executive Management Team acted in accordance with UK Government and the Devolved Nations advice during the period of restrictions.

Review of Activities and Achievements

Introduction

2021 marked a significant year for the Foundation, distributing over £12m, considerably more than we have ever done, and concluding our partnership with the Department for Digital, Culture, Media & Sport (DCMS) as part of a nationwide response to the COVID-19 pandemic. As a Foundation we have grown in terms of our size, capacity and reach, over a relatively short period, and part of this included a significant expansion of our nationwide network, RankNet. Building on our work around impact assessment, we have looked to build the foundations for a comprehensive strategic review, with a revised vision and mission, matched with an ambition that will ensure that RFL is well-set for the next 5 years. Part of this recognises the value that we and others place in our distinctive and highly regarded model of engaged philanthropy, especially around our pioneering approach to place-based programmes, firmly aligned to our core purpose, is a direct reflection of our growing reputation for operational delivery within and beyond a diverse and rich network of organisations and supporters.

The Rank team have started a process to upgrade our data recording and management systems (the Salesforce Optimisation Programme) including a review of how we better integrate this to our payment system and to our operational programmes whilst maintaining current security and safety levels.

Our conventional, proactive grant pipeline is also steadily building, with a much stronger focus on potential collaboration, with other foundations, government bodies, and businesses, working to a common agenda around 'social value'.

We have continued exploratory talks with a multi-national infrastructure company about utilising our considerable network to target and support young people from severe areas of disadvantage and low achievement, with the intention of creating meaningful, employment and training opportunities aligned to significant new growth areas in the defence and cyber industries. The appetite for these collaborative discussions continues to grow both within and beyond the social sector and we will continue to embrace this.

We will continue to build our core and freelance team to respond effectively to changing needs of the Foundation. This development includes a new post, a Head of Impact and Learning, as a pivotal development in our plan to develop RankNet as a core function of our work, to provide an improved medium to better connect and to harness the knowledge, learning and expertise of this remarkable resource: RankNet presents an exciting opportunity to extend our reach, capacity and operational capability to deliver impactful, mission focused programmes across the UK.

Place

Rank's investment in Plymouth, before and during the Covid-19 pandemic, has been hugely important, supporting the development of a core group of social enterprises and community businesses. They are transforming physical spaces, improving lives, and strategically influencing local economic policy.

The breadth of the collaboration between the thirty-five Plymouth-based social enterprises funded by Rank has been extraordinary. By bringing together the network we have discovered innovative and creative solutions to address the City's multiple health, social and economic challenges. The use of Upshot has helped the Steering Group and the Rank Foundation to monitor, evaluate and performance manage the Plymouth-based activities across the network. Eight Plymouth organisations recorded over 1.3 million contact hours with more than 260,000 participants in community activities and support services. In addition, as we look back over the last three years, our engaged philanthropy approach has inflated the value of the investment in Plymouth to circa £2.6m, targeting Rank, The National Lottery Community Fund (TNLCF) and DCMS funding to 35 organisations across the city.

One of the reasons that the Rank Foundation started its investment in Plymouth three years ago was in part because there already existed a well-established social enterprise network - and a genuine warmth in working relationships between many of the City's public, private and third sector organisations, evidenced by a real sense of optimism, pride and collaboration. Over the past few years Plymouth has seen further growth of this vibrant and diverse social enterprise sector. These organisations are now leading the way in resolving some of the deep-rooted problems, despite the pandemic.

Review of Activities and Achievements (Continued)

Place (continued)

Building on existing networks and infrastructure organisations, the Rank Foundation has sought to maximise development and resourcing opportunities to social enterprises to ensure that they are able to collaborate more effectively to address inequalities. This has meant building resilience, capacity, confidence and, perhaps most importantly, it has been about leadership and enterprise. Phase two will see further development and growth of this network, facilitated by the Steering Group, as the Foundation continues to invest in people and the relationships between people by creating, nurturing and growing connectivity.

Last year's evaluation report 'Reflections on the Plymouth RISE programme' highlighted that Rank's investment contributed to raising awareness of social enterprises in the city; stimulating a powerful group of influential organisations and enhanced networking; boosting growth and strengthening the resilience of the sector; and increasing diversity of the social enterprise sector in Plymouth. In addition, the report went on to conclude that: the funding had helped to create more social impact for organisations; developed a shared sense of social commitment; and further developed personal networks and relationships.

In June 2021, the Foundation agreed to support a further phase totalling over £1.3m by continuing to develop those areas that have had the most significant positive impact on the City's social enterprise sector (the RISE Trade-up programme, the Steering Group and the business support, guidance and advice); respond to the changed post-pandemic storm by focusing on interventions which will combat loneliness and social isolation; developing a participatory grant making model offering both repayable and more traditional grants; and responding to the growing importance and raised profile of the Create Change leadership group and the work it is leading around the City's inclusive growth strategies.

Of significance was the creation of the Participatory Grant Making Programme. An advisory group, including key representatives from the public, business, and non-profit sectors, met to agree the programme priorities, in the context of city-wide strategies to reduce isolation and loneliness. The advisory group formed the policy basis that guided the grant programme criteria. A grants panel was created, with diverse representation from partner projects and their service users and residents. Co-ordinated by Memory Matters, the group participated in training and were supported through the grant appraisal process. Over £700k was distributed in the first phase of funding.

RankNet Community

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 of the Rank Foundation. Some networks form naturally and others strategically. The Rank network has a natural and informal beginning, building incrementally over the last 3 decades as a direct result of relational giving and in more recent years, an intentional & engaged philanthropic approach: networks can access new and diverse perspectives, build interconnectedness, level the playing field and build and share knowledge. As such, the success of a network is also indicative of how groups are engaging more generally in leadership, in our case, in social sector leadership.

In terms of RankNet our engagement continues to flourish. At the end of 2021, we had circa 1,200 members signed up to the membership platform, all having some form of active engagement within a 6-month period. In addition to the platform, RankNet activity has increased, both in-person and through the transition to digital events, led mainly by the impact of the pandemic.

RankNet Leaders Action Group

The planning group consists of 12-16 social sector leaders from within the Rank network, Rank staff, execs and trustees. Elected members are representative of Rank's wide geographical and thematic focus. The group meet quarterly to share knowledge, build connections and exercise leadership through active participation. In 2021 the group met 5 times and contributed to our collective thinking about the pandemic and sector insights and learning. The group also contributed to the annual conference planning.

Review of Activities and Achievements (Continued)

RankNet Community (continued)

Rank Annual Conference

'Take Stock and Reset' took place at The Queen's Hotel on the 6th and 7th October 2021 in Leeds, with 221 in-person attendees from the Rank Foundation's network, along with 80 digital attendees. Streaming some elements of the conference was a new experience for Rank, and one to build on, with delegates appreciating both the quality of the offer and the access it afforded. The conference content focussed on the impact of the Covid-19 pandemic, social sector insights, foresights, learning and opportunities. In addition, the conference provided a space for the RankNet community to convene and to reflect on the experience of the last 18 months, creating an opportunity to network, share best practice and to hear from key thought leaders, innovative projects and like-minded participants.

A sample of delegate's feedback.

"Every minute/hour of the conference was excellent and all very current and relevant to my thinking and practice"

"It was emotional – feeling like I was part of the wider Rank family. In a year that's been so dissociative, that was very special"

"I cannot thank Rank enough. The whole event, as with everything that Rank has put together has been not only beyond expectations but simply incredible. I have worked for many organisations who try hard but are lacking in certain areas. Rank, from my experience, are not only professional but welcoming and supportive. I honestly cannot find a single fault with anything, and I like to find faults and improvements. I am in awe of not only the work but the individuals, the process, the evaluation, the organisation you work with. I believe everyone could learn something from the Rank Foundation."

RankNet Events

In the year 2021, RankNet hosted a total of 11 digital events for 421 attendees. This included a digital celebration event for the Time to Shine programme. The digital events were advertised and administered through the RankNet platform and consisted of 'Wellbeing with Rank' digital seminars which included meditation, self-care and supporting others in the workplace. All sessions were well received with all events booking out within 48 hours. Feedback from delegates was positive with many appreciating the opportunity to engage during lockdown.

Other events included the 'Leadership Insights Sessions', delivered by members of the RankNet community and covering issues close to the sector, such as poverty, women, and community. These sessions were fully attended and the RankNet community have asked for more of these sessions in 2022. All but two digital events for this year had full sign up, bringing the average sign-up rate to 98%." This represents a significant increase regarding year on year take up and activity.

RankNet Bursaries

Rank Bursaries have contributed to training, development and capacity building within the sector for many years. Individuals who are part of the Rank network can apply for up to £1,000 per year in support of their professional development. Due to an increase in RankNet membership, in 2021 we reviewed the criteria for making bursary applications to communicate more clearly and make best use of the limited resource (capped at £90K per year). As such, applicants must clearly demonstrate how a contribution towards professional development will benefit the individual, their organisations and/or wider communities.

In 2021 Rank awarded 152 Development Bursaries totalling £78,771 (average grant £518), funding was typically used for training in leadership, coaching and mentoring, well-being and project management.

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Review of Activities and Achievements (Continued)

Enterprise Programmes

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 3-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 3-year pilot programme.

The 2019 cohort had the additional challenge of the pandemic. As such, we decided to award Year 2 and Year 3 funding as pure grant, removing the expectation for the grant to be matched against traded income. This support was well received, and we continue to engage with the cohort in support of their enterprise plans. Following an application and interview process, Rank welcomed 10 new projects onto the programme in November 2021. All participants attended a launch event during November 2021, meeting each other, developing a framework for their learning, working with the Social Enterprise Academy and forming Action Learning Sets. All 10 projects were awarded Year 1 funding of £10,000.

One example is the Hyndburn and Ribble Valley Domestic Violence Trust (HARV) who applied for funding to secure an adjacent lake (owned by a local mill) with a view to creating a 'watersports centre' both for clients and the local community, connected to their ambition to open a lakeside café, as part of a wider plan to become more sustainable. The spirit of enterprise and innovation was consistent and strong throughout the many applications.

Repayable Grants

As part of the enterprise strategy, the Rank Foundation has awarded a small number of repayable grants over a 5-year period. The applicants are members of the RankNet community and are able to demonstrate both a social impact and a financial return. This has been a fascinating and rewarding experience for both grantees and the Foundation. We continue to learn, innovate and pioneer new approaches to supporting the diverse needs of the social sector. In 2021, we awarded two repayable grants of £285k.

In summary, since 2016, we have awarded 5 grants totalling c.£1m. We have had 2 of these grants fully repaid to the total of £535k. The remaining grants are due to be paid between 2022 and 2026.

Nudge in Stonehouse, Plymouth, have a strong track record in attracting community funding to bring old, vacant buildings (in and around Union Street) back to life, anything from enterprise centres to cafes and local pubs. The Rank Foundation agreed a repayable grant of £285k to secure the former 'Millennium' building (a large, former Rank cinema, with several floors), working in conjunction with an established property developer, with the intention of restoring an important flagship building, and connecting this to a range of vibrant local businesses and wider community use, including a local brewery. Offering this flexibility has been warmly encouraged by many.

Pebbles

We have recently relaunched our Pebbles (small grants programme) which is the only open, reactive grants programme on offer. With an annual spend of £400k, this year, we spent less on this as we suspended the 'offer' whilst we focused on Covid related resilience grants. In 2021, 85 Pebble Grants were awarded totalling £133k, with an average of £1.6k per grant. Of the programme, Pebbles recipient Castle Point Social Car Scheme Ltd said:

"We very much appreciate your support since we are a small charity, and every donation means so much to our existence. The aged and/or disabled people who cannot easily access transport from other sources appreciate the service we offer, which increases their social inclusion while at the same time also their independence, health and well-being."

Review of Activities and Achievements (Continued)

Leadership Programmes

Time to Shine

Time to Shine (T2S) remains one of our cores, flagship programmes providing a 12-month paid-living wage, supported leadership programme, for people of all ages, attached to one of our RankNet member organisations. With a strong focus on personal development and building organisational capacity and capability.

When the COVID-19 pandemic struck, 54 organisations had begun the T2S programme jointly funded by TNLCF. The national lockdown affected the quality of work experience the 2020 T2S leaders were able to gain access to. The year began with the Rank Foundation and TNLCF supporting these leaders with a 12-week funding extension. 42 leaders and organisations accepted the offer and over £170k was awarded to organisations to fund the extended placements. At the end of 2020, the Rank Foundation received additional funding from the DCMS. As part of the Government's Community Match Challenge initiative, together with the TNLCF partnership, the Rank Foundation was able to scale the T2S programme to offer 200 places across 2021/2022, with an approximate spend of £5m.

In 2021, 135 individuals and organisations were offered a place on the T2S programme. Throughout the year, leaders were able to take part in a variety of development activities including Action Learning Sets. Initially these sessions took place virtually but as restrictions eased, groups were able to meet in person.

'As the year progressed, I realised how valuable it was to have a group of peers with whom I could compare my experiences and share advice' Leader January 2021

'I have really enjoyed taking part in the leadership days and action learning as I have come to understand the importance of solving problems as a core element of developing leadership skills.' Blackpool Health Watch Leader January 2021

43% of leaders applied to be matched with a mentor through the T2S mentoring scheme. Mentoring was offered virtually due to the pandemic. All mentors are part of the RankNet Community.

'The mentoring scheme has been an amazing experience and really helped me with my professional development. I would highly recommend the mentoring scheme to anyone considering it.' SB Leader January 2021

'Having a mentor has massively helped with my personal development, and I now feel much more confident in public speaking, organisational and writing skills. I also feel surer of myself in the workplace and feel comfortable setting boundaries and knowing how to ask for help when I need it' Leader March 2021

Leaders were invited to attend face to face mid-way review conferences. The events team adapted these 24-hour residential events to meet government guidelines by inviting leaders only, reducing the number of attendees and hosting regional events at regional venues to reduce the distance of travel. Digital options were available as an alternative.

'Finally, meeting everyone in person!' Leader March 2021

'It was a great opportunity to meet the other leaders on the programme. The Rank staff were absolutely amazing providing support throughout the visit' Leader, London

'Really enjoyed the event, was so lovely to see everyone in person and hear how everyone is getting on' Leader 2021

128 (95%) T2S leaders completed the 12-month placement with their organisation. 52% of T2S leaders will stay employed with their organisation beyond the end of the programme.

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Review of Activities and Achievements (Continued)

The Rank Aspire Programme

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 leaders' development. Rank meets with the leaders three times a year on residential based programmes. Each cohort starts in September to align with the academic calendar.

In 2021, we were delighted to secure a new partnership with the Catalyst for Impact Fund (CIF). The fund has been established to support the wishes of philanthropist Donald Porteous; a Scottish born oil executive now based in the US. Our partnership agreement is to work collaboratively with the Catalyst for Impact Fund to scale and deliver our successful youth social mobility programme, Rank Aspire, in Dundee. CIF will fund 4 young leaders per year and for the next 4 years in Dundee.

In 2021, we successfully recruited 14 young people in total to the Rank Aspire Programme. The RAP leaders attended a launch event in September 2021 and have met several times since through digital sessions. We will continue to engage with this group well into 2022.

'The programme allows space to grow and is, by far, one of the best opportunities anyone could ask for' – Josh 2020/21 Leader.

School Leadership Programme

The Leadership Award currently supports 42 sixth formers from a range of independent, state maintained, academy and free schools across the UK. This number has remained steady at 40-45 over the past ten years. The residential Community Action Placement (CAP) programme was not possible this year and so Award holders were encouraged to report back on their local volunteering. A successful 'leadership event' took place online in September in which current award holders shared their views about what constitutes effective leadership and heard an inspirational talk from a former award holder and current medical student on what the award meant to her. Other online meetings have provided opportunities for further development of ideas around leadership and allowed the sharing of advice and guidance on university applications.

Rank Fellowship

The Fellowship continued to thrive during a second year of limitations consequent on the pandemic. Steering committee meetings have been both entirely virtual and hybrid in format, both of which have encouraged a full attendance by a committed group of Fellows keen to develop the Fellowship further. Work on developing communications systems – notably using LinkedIn; on bringing the work of the Fellowship closer to that of the Foundation in general and on clarifying the Fellowship's offer to its younger members has continued apace with exciting plans in place for the coming year.

In the meantime, Fellowship events have continued as usual, with a social gathering for young Fellows in Durham and further 'Learning Through Leadership' talks across a range of topics. Two - 'A shot in the Arm: how Big Pharma can continue its contribution' and 'Great Techspects: the future of post pandemic tech' – directly reflected the times we live in. The third – 'Lessons from the Classroom' – also draw on pandemic experiences whilst looking more widely at leadership in the education field.

An innovation saw a 'Welcome to the Fellowship' event for the 2019 cohort of school leadership award holders in August 2021. They now join over 700 others who are actively engaged in the Fellowship. The event also marked a departure, as Tim Young retired from his role as Director of Education.

Review of Activities and Achievements (Continued)

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 44. Despite the ongoing COVID-19 restrictions, which continued to prove challenging, CTVC won multiple commissions and delivered high quality programming across the television, radio and digital departments. The highlights were as follows.

Alone Together – this online resource was maintained during 2021 as the country continued to endure restrictions due to coronavirus. With assistance from those with vast experience of social distancing or isolation, further resources were produced for the thousands of people struggling in the UK.

TheSundayService.org continued to stream live services from churches across the UK as the pandemic kept parishioners away from traditional worship. Additional services were requested including funerals, Easter and Advent. The number of views for 2021 totalled over 41,000.

The fourth series of Pilgrimage was cast and filmed in September 2021 across Ireland, Northern Ireland and Scotland. Seven celebrities of differing faiths and beliefs braved unpredictable weather as they followed in the footsteps and legacy of St Columba, a 6th Century Irish Monk, to the site of his most famous monastic settlement on the tiny Hebridean island of Iona.

Britain's Novel Landscapes with Mariella Frostrup was CTVC's second series commissioned during the pandemic. Broadcast on More 4, it explored the stunning landscapes that inspired female British authors to write our best-loved novels.

CTVC also had many programmes broadcast on BBC World Service, including The Right Thing: A Life Worth Living? in which regular presenter Mike Wooldridge talks to a Christian couple who were distraught when their child was diagnosed with Down's Syndrome in the womb. BBC Commissioning Editor said "Heart-breaking stuff. Very moving indeed. Go and win prizes." Other programmes included On the Covid Ward, an ad hoc commission from the broadcaster who knew CTVC was experienced in dealing with sensitive subject matters and Eighteen Years in Hell, which tells the story Aziz BineBine who survived 18 years in a notorious prison partly due to his attitude of complete surrender to God.

Broadcast on BBC Radio 3 in a series of five Essays, writer Madeleine Bunting explored The Meaning of Ritual, and why religious and secular ritual has been such a pervasive feature of human societies and marking Holy Week and Easter, CTVC produced an original drama for ThingsUnseen. Moving between the time of Jesus and a 21st century hospital ward, it explored the story of Christ's passion from the perspective of Judas, the traitor.

After an extensive evaluation, a new TrueTube platform was developed with an improved search functionality. It can now also host content CTVC created for the BBC through its new embedding functionality. In time for Black History Month, TrueTube released films which explored racism, as well as looking at the true definition of racism.

CTVC have also partnered with a record number of highly regarded charities and organisations to create content for TrueTube including, BBC Teach, The Salters Institute, Red Cross, FASTN, Money Advise Service and the Capuchin Franciscans of Great Britain. This is an excellent way of working with likeminded people to bring their voices to a mass audience.

CTVC also delivered several training courses for The British Film Institute. Normally, delivered in regular group meetings in a residential setting, due to COVID-19 restrictions this year the courses were all delivered online and have been very successful.

With the continuing COVID-19 working restrictions, the team worked at home and in professional co-working spaces. A priority for 2022 will be securing permanent office facilities to accommodate a reduced workforce.

With the support of Father Christopher Jamison, CTVC presented its strategy for consideration to the RFL Trustees. The CTVC team look forward to working more closely with their colleagues at the Rank Foundation to further the aims and objectives of both organisations.

THE RANK FOUNDATION LIMITED

Report of the Trustees for the year ended 31 December 2021

Looking Forward

Plans for the Future

The Rank Foundation has continued to respond well to the opportunities presented by the Covid pandemic, working with government and other foundations, distributing record levels of funding, whilst building our network to over 1,200 members. The work to develop a new strategy, that reflects the changing social landscape of the UK, and plays to the operational strengths of the Foundation, has now concluded. Our interests in better understanding 'impact', across all of our programmes, will become increasingly important at a time when resources are stretched and where the likelihood of increased poverty will continue to push demand. In this, retaining the capacity to nimbly respond to new and emerging challenges remains important.

The two levers of enterprise and leadership will continue to play an important part in shaping our work, with flagship programmes like Time to Shine and Profit for Good, combining the desire to develop strong leadership with the entrepreneurial skills and confidence to innovate: the 'enterprising leader' has become a successful Rank product and we will continue to build on this. But the development of our participatory grants programme in Plymouth represents a step-change in terms of our grant-giving, recognising the significant value and potential in delegating key decisions to the local community.

But the big challenge for the Rank Foundation is the desire to transform our network, RankNet, from good to great: to find the best way forward to capture the energy, passion and experience in a way that forms part of our 'impact model', creating an eco-system that is, in part, self-regulating and serves to ensure that we remain firmly focused on the prevailing social issues, shaping and guiding our plans as we go forward. This forms a central part of our new strategy.

The Rank Foundation continues to work collaboratively across the sector, and our conversations with potential corporate partners and with various government departments from across the UK, reflects a strong and confident model, built around our growing and vibrant network. The recent £10m grant, working with the Department for Communities and the sports and the voluntary and community sectors in Northern Ireland, reflects this step-change regarding our operational capability and enhanced reputation for delivering impactful programmes.

The social and relation capital of RankNet marks our distinctive and pioneering approach to deliver positive and meaningful change. In the summer of 2022, the University of St Andrew's will publish their report on 'Relational Philanthropy', recognising the additional value that looks beyond conventional and transactional grant-making: Rank's story will form part of this, hopefully inspiring others to think and act differently.

Over the last year, we have made great, bold and confident strides to become more impactful, challenging the consequences of inequality, championing local leaders and connecting better through partnerships and collaboration. In the autumn of 2022, we will formally open our new home, in Shoreditch, with a large co-working space available to our growing network, creating an environment that will serve to inspire and engage the future generation of social sector leaders.

The last 12 months have been remarkable for the Rank Foundation, and we have emerged from the challenges presented by the Covid pandemic in a stronger position, with a clear strategy and ambition that remains true to the values of our Founder, in this 50th anniversary year, and significantly builds on our distinctive and impactful approach, creating bigger ripples in bigger ponds.

THE RANK FOUNDATION LIMITED

Report of the Trustees for the year ended 31 December 2021

Financial Review

Review of finances

The Foundation is primarily funded from the return on our investments. Our total funds at the year-end amounted to £302.9m (2020 - £275.3m) of which £302.6m (2020 - £273.7m) is held as publicly traded investments to fund our current and future grant spending. These investment funds show an increase of 10.6% (2020 increase – 8.4%).

During the year grants amounting to £11.6m (2020 - £8.6m) were paid by the Foundation. This included the balance of £3.8m 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 distributed 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 grant expenditure, the Trustees consider the income receivable and commitments payable in each year.

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 expenditure both for current beneficiaries and those we wish to help in the future.

At 31 December 2021 the Unrestricted Reserves of the Group were £301.7m (2020 - £269.8m) 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 of £5.03m 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 11 years. See p38 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 2021 the cash at bank balance held by CTVC was £673k (2020 - £773k). 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 programme 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 44.

THE RANK FOUNDATION LIMITED

Report of the Trustees for the year ended 31 December 2021

Financial Review (continued)

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 2021 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 2021 the capital value of the Foundation's portfolio, including the cash from sales awaiting reinvestment, increased by £28.8m to £302.6m (2020 increase of £21.3m) compared to an inflation adjusted target return of CPI + 3.5% or 8.3% or £22.8m (2020 - £8.8m). Since the year end, the investments have reduced as a result of the Russia / Ukraine conflict but by less than comparative benchmarks again 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.

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 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.

THE RANK FOUNDATION LIMITED

Report of the Trustees for the year ended 31 December 2021

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:

8th June 2022

By Order of the Trustees
JR Newton, Chairman

THE RANK FOUNDATION LIMITED

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

Independent Auditor's Report

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 2021 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 2021 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.

THE RANK FOUNDATION LIMITED

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

Independent Auditor's Report (continued)

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.

THE RANK FOUNDATION LIMITED

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

Independent Auditor's Report (continued)

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

Independent Auditor's Report (continued)

DocuSigned by:

Fiona Condron

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Fiona Condron (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick, UK
Date 11 June 2022

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 2021

	Notes	2021			2020		
		Restricted Fund	Unrestricted Fund	Total Funds	Restricted Fund	Unrestricted Fund	Total Funds
		£' 000	£' 000	£' 000	£' 000	£' 000	£' 000
Income from:							
Grants	1	1,173	35	1,208	6,093	45	6,138
Charitable activities		1,533	-	1,533	823	-	823
Investments		-	1,577	1,577	-	468	468
Other income		1	(40)	(39)	8	70	78
TOTAL INCOME		2,707	1,572	4,279	6,924	583	7,507
Expenditure on:	2						
Raising funds		4	267	271	5	150	155
Charitable activities		10,733	3,897	14,630	5,322	5,074	10,396
TOTAL EXPENDITURE		10,737	4,164	14,901	5,327	5,224	10,551
Net gains on investments	10	-	34,823	34,823	-	26,841	26,841
Net income/ (expenditure)		(8,030)	32,231	24,201	1,597	22,200	23,797
Transfers between funds	16	334	(334)	-	5,904	(5,904)	-
Other gains / (losses)							
Actuarial gains / (losses) on defined benefit pension scheme	21	3,413	-	3,413	(1,788)	-	(1,788)
Net movement in funds		(4,283)	31,897	27,614	5,713	16,296	22,009
Reconciliation of funds	16						
Total funds brought forward		5,434	269,824	275,258	(279)	253,528	253,249
Total funds carried forward		1,151	301,721	302,872	5,434	269,824	275,258

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

The notes on pages 27 to 45 form part of the financial statements.

THE RANK FOUNDATION LIMITED

Consolidated Balance Sheet at 31 December 2021

	Notes	Year ended 2021		Year ended 2020	
		£' 000	£' 000	£' 000	£' 000
Fixed assets					
Tangible assets	9		6,456		6,426
Investments	10		303,338		274,232
Total fixed assets			<u>309,794</u>		<u>280,658</u>
Current assets					
Debtors	12	1,022		3,822	
Cash at bank and in hand		1,886		3,972	
Total current assets		<u>2,908</u>		<u>7,794</u>	
Current liabilities					
Creditors: Amounts falling due within one year	13	(4,297)		(3,633)	
Net current (liabilities) / assets			<u>(1,389)</u>		<u>4,161</u>
Total assets less current liabilities			308,405		284,819
Creditors: Amounts payable after more than one year	14		(500)		(770)
Net assets excluding pension liability			<u>307,905</u>		<u>284,049</u>
Defined benefit pension scheme liability	21		(5,033)		(8,791)
Net assets including pension liability			<u>302,872</u>		<u>275,258</u>
The funds of the Group	16				
Unrestricted funds					
Unrestricted funds			300,389		268,531
Designated funds - CTVC Grants			1,332		1,293
			<u>301,721</u>		<u>269,824</u>
Restricted			6,184		14,225
Funds excluding pension reserve			<u>307,905</u>		<u>284,049</u>
Defined benefit pension scheme reserve -restricted	16, 21		(5,033)		(8,791)
Total funds			<u>302,872</u>		<u>275,258</u>

These accounts have been prepared in accordance with the special provisions of Part 16 of the Companies Act 2006 relating to small companies.

The financial statements were approved and authorised for issue by the Board of Trustees on 8 June 2022 and signed on its behalf by:

The notes on pages 27 to 45 form part of the financial statements.

J.R. Newton



THE RANK FOUNDATION LIMITED

Company Balance Sheet
at 31 December 2021

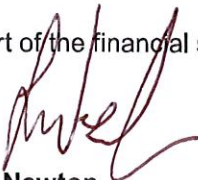
Company number : 516434

	Notes	Year ended 2021		Year ended 2020	
		£' 000	£' 000	£' 000	£' 000
Fixed assets					
Tangible assets	9		6,449		6,412
Investments	10		303,338		274,232
Total fixed assets			<u>309,787</u>		<u>280,644</u>
Current assets					
Debtors	12		687		3,702
Cash at bank and in hand			<u>1,213</u>		<u>3,194</u>
Total current assets			1,900		6,896
Current liabilities					
Creditors: Amounts falling due within one year	13		<u>(5,722)</u>		<u>(5,058)</u>
Net current (liabilities) / assets			<u>(3,822)</u>		<u>1,838</u>
Total assets less current liabilities			305,965		282,482
Creditors: Amounts payable after more than one year	14		(5,033)		(5,759)
Net assets			<u>300,932</u>		<u>276,723</u>
The funds of the charity	16				
Restricted funds			500		4,852
			<u>500</u>		<u>4,852</u>
Unrestricted funds					
Unrestricted funds			305,465		280,662
Designated funds	16, 21		(5,033)		(8,791)
Total unrestricted funds			<u>300,432</u>		<u>271,871</u>
Total funds			<u>300,932</u>		<u>276,723</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 £24,209k (2020 - net income of £25,405k).

The financial statements were approved and authorised for issue by the Board of Trustees on 8 June 2022 and signed on its behalf by:

The notes on pages 27 to 45 form part of the financial statements.


J.R. Newton

THE RANK FOUNDATION LIMITED

Consolidated Statement of Cash Flows at 31 December 2021

	Notes	2021 £' 000	2020 £' 000
Cash flow from operating activities	A	(9,575)	(6,138)
Net cash flow used in operating activities		<u>(9,575)</u>	<u>(6,138)</u>
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(87)	(2)
Receipts from sales of tangible fixed assets		32	29
Payments to acquire investments		(103,901)	(90,978)
Receipts from sales of investments		109,699	81,209
Payment of repayable grants		(35)	(285)
Dividends and interest received from investments		1,577	468
Net cash flow generated by /(used in) investing activities		<u>7,285</u>	<u>(9,559)</u>
Change in cash and cash equivalents in the year		(2,290)	(15,697)
Cash and cash equivalents at 1 January		8,370	24,067
Cash and cash equivalents at 31 December		<u>6,080</u>	<u>8,370</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		1,886	3,972
Cash balances held by custodian for reinvestment		4,194	4,398
Cash at cash equivalents at 31 December		<u>6,080</u>	<u>8,370</u>
A) Reconciliation of net income to net cash flow from operating activities			
Net income for year		24,201	23,797
Dividends and interest from investments		(1,577)	(468)
Depreciation of tangible fixed assets		32	36
Net gains on investments		(34,823)	(26,841)
Capitalised social investment interest		-	-
Profit on disposal of tangible fixed assets		(7)	(3)
(Decrease) / Increase in debtors		2,800	(1,847)
Increase / (decrease) in creditors net of repayable grant creditor		144	(497)
Defined benefit pension scheme contributions		(457)	(457)
Defined benefit pension scheme finance cost		112	142
		-	-
Net cash flow from operating activities		<u>(9,575)</u>	<u>(6,138)</u>

The notes on pages 27 to 45 form part of the financial statements

THE RANK FOUNDATION LIMITED

Notes to the Financial Statements for the year ended
31 December 2021

1. Accounting policies

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 2021

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

	2021	2020
	£'000	£'000
DCMS Community Match Challenge Match Funding Grant	-	5,000
The National Lottery Community Fund - Time to Shine Grant funding	1,123	1,093
Catalyst For Impact Funds	50	-
Coronavirus Job Retention Scheme Grant	29	45
Kickstart Scheme Grant	6	-
	<u>1,208</u>	<u>6,138</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.

THE RANK FOUNDATION LIMITED

Notes to the Financial Statements for the year ended (continued)
31 December 2021

1. Accounting policies (continued)

(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.

(j) Critical accounting judgements and key sources of estimation

In preparing these financial statements the key sources of estimation are summarised below:

pension liabilities – The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation such as standard rates of inflation, mortality and discount rate. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense. Assumptions used are based on actuarial advice.

THE RANK FOUNDATION LIMITED

Notes to the Financial Statements for the year ended (continued)
31 December 2021

2 Total group expenditure

2021	Direct Costs / Grants £'000	Staff £'000	Other £'000	Support Costs £'000	Total £'000
Raising funds					
Investment management costs	-	-	267	-	267
Expenditure on other trading activities - Hillside	-	-	4	-	4
Total raising funds	-	-	271	-	271
Charitable activities					
Community programmes	10,459	549	-	721	11,729
CTVC	1,227	783	196	695	2,901
Total charitable activities	11,686	1,332	196	1,416	14,630
Total Expenditure	11,686	1,332	467	1,416	14,901

2020					
Raising funds					
Investment management costs	-	-	150	-	150
Expenditure on other trading activities - Hillside	-	-	5	-	5
Total raising funds	-	-	155	-	155
Charitable activities					
Community programmes	6,773	592	-	552	7,917
CTVC	553	741	206	979	2,479
Total charitable activities	7,326	1,333	206	1,531	10,396
Total Expenditure	7,326	1,333	361	1,531	10,551

Included above in Charitable activities - CTVC, is £112,000 (2020 : £142,000), 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	2021 £' 000	Community £' 000	CTVC £' 000	2020 £' 000
Governance (see note 4)	113	37	150	81	39	120
Staff	361	502	863	188	558	746
Occupancy	77	23	100	69	217	286
Depreciation	24	25	49	28	8	36
Other	146	108	254	186	157	343
Total	721	695	1,416	552	979	1,531

Support costs have been apportioned between the charitable activities based on staff time.

THE RANK FOUNDATION LIMITED

Notes to the Financial Statements for the year ended (continued)
31 December 2021

4 Analysis of Governance Costs

Group

	2021 £' 000	2020 £' 000
Auditor's Remuneration	40	40
Legal and Professional fees	14	8
Trustee and consultants expenses	12	10
Allocated staff costs	84	62
	<u>150</u>	<u>120</u>
Group statutory audit fees (Net of VAT)	<u>33</u>	<u>33</u>

5 Grants

	Group		Foundation	
	2021 £' 000	2020 £' 000	2021 £' 000	2020 £' 000
Commitments made in the year	10,302	6,537	11,634	6,537
Grants cancelled or recovered	<u>(111)</u>	<u>(95)</u>	<u>(111)</u>	<u>(95)</u>
Grants payable for the year	10,191	6,442	11,523	6,442
Grants paid in the year	<u>(9,808)</u>	<u>(6,832)</u>	<u>(11,558)</u>	<u>(8,557)</u>
Net (decrease) / increase in commitments	383	(390)	(35)	(2,115)
Commitments at 1 January	3,779	4,169	10,518	12,633
Commitments at 31 December	<u>4,162</u>	<u>3,779</u>	<u>10,483</u>	<u>10,518</u>
Payable as follows:				
Payable within one year	3,662	3,009	5,451	4,759
Payable after more than one year	500	770	5,032	5,759
	<u>4,162</u>	<u>3,779</u>	<u>10,483</u>	<u>10,518</u>

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 2021 two recipients received a total of £19,500 (in 2020 £19,500 was awarded to two individuals).

DCMS Match Funding Grants Commitment

The Foundation agreed to match fund the £5m grant it was awarded by DCMS in September 2020. This commitment was partially funded from the balance of the grant received or receivable from TNLFC totalling £2.26m, which was invested in the Time to Shine programme in 2021 and January 2022. The remaining £2.74m of the £5m was funded by the Foundation in 2021 and January 2022. This commitment was fully accounted for in 2021 and is included in the figures in the table above.

THE RANK FOUNDATION LIMITED

Notes to the Financial Statements for the year ended (continued)
31 December 2021

6 Net income for the year

Net income is stated after charging / (crediting):	2021 £' 000	2020 £' 000
Depreciation of tangible fixed assets	32	36
(Gain) / loss on disposal of tangible fixed assets	(7)	(3)
Operating lease rentals	22	122
Net gains on investments	(34,823)	(26,841)
Auditor remuneration (Gross of VAT):		
Audit of the Foundation's annual accounts	24	24
Audit of the subsidiaries	16	16
Non-audit services	19	19

7 Trustee Expenses

	2021 £' 000	2020 £' 000
Travelling and subsistence expenses reimbursed to five Trustees (2020: 4)	4	2

The Trustees of the Foundation neither received nor waived any remuneration during the year (2020: £Nil).

THE RANK FOUNDATION LIMITED

Notes to the Financial Statements for the year ended (continued)
31 December 2021

8 Staff numbers and costs

	Group		Foundation	
	2021 £' 000	2020 £' 000	2021 £' 000	2020 £' 000
Salaries	1,744	1,667	716	611
Social security costs	186	180	87	76
Redundancy payments	-	2	-	-
Pension costs	254	213	118	97
Personal insurance	68	73	31	41
	<u>2,252</u>	<u>2,135</u>	<u>952</u>	<u>825</u>

Average number employed

Employed in direct charitable activities

	2021 Number	2020 Number	2021 Number	2020 Number
CTVC Programmes	16	16	-	-
Community programmes	5	4	5	4
Support	14	14	11	9
	<u>35</u>	<u>34</u>	<u>16</u>	<u>13</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:

	2021 Number	2020 Number	2021 Number	2020 Number
Number of Staff earning £60,001 to £70,000	1	-	1	-
Number of Staff earning £70,001 to £80,000	2	2	1	1
Number of Staff earning £80,001 to £90,000	1	-	-	-
Number of Staff earning £90,001 to £100,000	1	2	1	1
Number of Staff earning £100,001 to £110,000	-	1	-	-
Number of Staff earning £110,001 to £120,000	-	-	-	-
Number of Staff earning £120,001 to £130,000	2	1	1	1
Number of Staff earning £130,001 to £140,000	1	1	-	-

Employers pension contributions for those employees earning more than £60,000 were - Group £93,793 (2020 - £76,576) Foundation £62,879 (2020 - £46,568)

The Senior Management Team of Rank comprises, the CEO David Sanderson, Deputy CEO Caroline Broadhurst, Director of Programmes Kai Wooder, Director of Education and Leadership John Hind, Finance Director Wendy Matthews (resigned on 28th November 2021) and Interim Finance Director Tom Kelman. Their employee benefits total £525k (2020 - £509k). The group includes the CEO Caroline Matthews and the COO Paul Connolly (resigned on 8th October 2021) from CTVC whose employee benefits totalled £225k (£235k-2020). Group employees' benefits totalled £750k (£744k - 2020).

THE RANK FOUNDATION LIMITED

Notes to the Financial Statements for the year ended (continued)
31 December 2021

9 Fixed Assets

Group	Long Leasehold Properties £' 000	Fixtures Fittings etc, £' 000	Motor Vehicles £' 000	Total £' 000
Cost at 1 January	6,464	141	59	6,664
Additions at cost	-	10	77	87
Disposals	-	-	(59)	(59)
Cost at 31 December	<u>6,464</u>	<u>151</u>	<u>77</u>	<u>6,692</u>
Depreciation at 1 January	96	111	31	238
Disposals	-	-	(34)	(34)
Charge for the year	2	12	18	32
Depreciation at 31 December	<u>98</u>	<u>123</u>	<u>15</u>	<u>236</u>
Net Book Value				
31 December 2021	<u>6,366</u>	<u>28</u>	<u>62</u>	<u>6,456</u>
31 December 2020	<u>6,368</u>	<u>30</u>	<u>28</u>	<u>6,426</u>

Foundation

Cost at 1 January	6,464	75	59	6,598
Additions at cost	-	9	77	86
Disposals	-	-	(59)	(59)
Cost at 31 December	<u>6,464</u>	<u>84</u>	<u>77</u>	<u>6,625</u>
Depreciation at 1 January	96	59	31	186
Disposals	-	-	(34)	(34)
Charge for the year	2	4	18	24
Depreciation at 31 December	<u>98</u>	<u>63</u>	<u>15</u>	<u>176</u>
Net Book Value				
31 December 2021	<u>6,366</u>	<u>21</u>	<u>62</u>	<u>6,449</u>
31 December 2020	<u>6,368</u>	<u>16</u>	<u>28</u>	<u>6,412</u>

THE RANK FOUNDATION LIMITED

Notes to the Financial Statements for the year ended (continued)
31 December 2021

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	
	2021 £' 000	2020 £' 000
Publicly traded investments	302,558	273,737
Repayable grants (see note 11)	780	495
	<u>303,338</u>	<u>274,232</u>
Publicly traded investments		
Market value at 1 January	273,737	252,432
Additions at cost	103,901	90,978
Disposal proceeds	(109,699)	(81,209)
Net gains on investments	34,823	26,841
Movement in cash awaiting reinvestment	(204)	(15,305)
Market value at 31 December	<u>302,558</u>	<u>273,737</u>
The investments comprise (in acquisition date order)		
CF Ruffer Total Return Fund I	-	43,254
CF Ruffer Total Return Fund J	50,990	-
Fundsmith Equity Class I	36,505	29,866
Heronbridge UK equity fund Acc	22,522	18,057
I Shares Core MSCI World	13,086	36,236
I Shares MSCI EM	-	4,306
Veritas Global Equities Focus Fund	32,929	28,193
Monks Investment Trust	30,807	30,493
GMO Global Real Return Fund	49,063	40,866
MDO Management Co RWC Global Emerging	14,874	15,514
Pantheon International Private Equity Funds	11,355	8,234
Harbourvest Global Private Equity Funds	11,663	4,873
Standard Life Private Equity Trust	4,770	2,776
Royal London Money Market Fund	2,419	6,671
ICG Enterprise Trust	8,222	-
Pantheon Infrastructure	9,073	-
Pantheon RTS	86	-
Cash awaiting reinvestment	4,194	4,398
Market value at 31 December	<u>302,558</u>	<u>273,737</u>
Historical cost at 31 December	<u>196,798</u>	<u>197,844</u>

THE RANK FOUNDATION LIMITED

Notes to the Financial Statements for the year ended (continued)
31 December 2021

11 Repayable grants

Group and Foundation

	2021 £' 000	2020 £' 000
Balance at 1 January	495	210
New repayable grants disbursed	35	285
New repayable grants payable	250	-
Capitalised interest	-	-
Interest adjustment	-	-
Repayments received	-	-
Balance at 31 December	<u>780</u>	<u>495</u>
Maturity of the repayable grants:		
Due within one year	390	390
Due between one year and five years	390	105
	<u>780</u>	<u>495</u>

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.

12 Debtors

	Group		Foundation	
	2021 £' 000	2020 £' 000	2021 £' 000	2020 £' 000
Other debtors	-	6	-	6
Prepayments and accrued income	1,020	3,814	651	3,694
Amounts due by subsidiary undertaking	-	-	34	-
VAT recoverable	2	2	2	2
	<u>1,022</u>	<u>3,822</u>	<u>687</u>	<u>3,702</u>

Included within Prepayments and accrued income in 2021 is an amount of £500k due from TNFL relating to T2S programme (£500k 2020).

THE RANK FOUNDATION LIMITED

Notes to the Financial Statements for the year ended (continued)
31 December 2021

13 Creditors: amounts falling due within one year

	Group		Foundation	
	2021 £' 000	2020 £' 000	2021 £' 000	2020 £' 000
Trade creditors	187	192	66	119
Accruals and deferred income	243	210	182	116
Amounts due to subsidiary undertaking	-	-	-	26
Other taxation and social security	54	55	21	23
Pension contributions	2	15	2	15
Other creditors	149	152	-	-
Grants payable to third parties	3,412	3,009	3,412	3,009
Social Investment - repayable grant to third party	250	-	250	-
Grants payable to subsidiary undertaking				
- running costs	-	-	1,332	1,293
	4,297	3,633	5,265	4,601
Grants payable to subsidiary undertaking				
- pension reserve	-	-	457	457
	4,297	3,633	5,722	5,058

14 Creditors: amounts falling due after more than one year

	Group		Foundation	
	2021 £' 000	2020 £' 000	2021 £' 000	2020 £' 000
Grants to third parties payable 1-2 years	405	596	472	596
Grants to third parties payable 2-5 years	95	174	28	174
	500	770	500	770
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	-	-	2,705	3,161
	-	-	4,533	4,989
	500	770	5,033	5,759

15 Operating leases

	Group		Foundation	
	2021 £' 000	2020 £' 000	2021 £' 000	2020 £' 000
Total future minimum lease payments under non-cancellable operating leases are as follows:				
Not later than one year	21	12	10	-
Later than one and not later than five years	21	11	10	-
	42	23	20	-

THE RANK FOUNDATION LIMITED

Notes to the Financial Statements for the year ended (continued)
31 December 2021

16 Funds

	As at 1 January	Inc.	Exp.	Actuarial Gain on pension scheme	Investment Gains / (losses)	Transfers	As at 31 December
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2021							
Unrestricted funds	269,824	1,572	(4,164)	-	34,823	(334)	301,721
Restricted funds							
Pension scheme deficit	(8,791)	-	(112)	3,413	-	457	(5,033)
Pension reserve	8,791	-	-	-	-	(3,758)	5,033
CTVC restricted funds	-	156	(156)	-	-	-	-
CTVC general funds	582	1,378	(2,637)	-	-	1,328	651
Rank restricted funds	-	-	(1,323)	-	-	1,323	-
Rank Catalyst funds	-	50	(50)	-	-	-	-
TNLCF - Time to Shine	1,093	1,123	(1,716)	-	-	-	500
DCMS - direct funding	3,759	-	(3,759)	-	-	-	-
DCMS - Rank funded	-	-	(984)	-	-	984	-
Total restricted funds	5,434	2,707	(10,737)	3,413	-	334	1,151
	275,258	4,279	(14,901)	3,413	34,823	-	302,872
2020							
Unrestricted funds	253,528	583	(5,224)	-	26,841	(5,904)	269,824
Restricted funds							
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	-
TNCLF - 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
Total funds	253,249	7,507	(10,551)	(1,788)	26,841	-	275,258

Restricted funds

The pension reserve total of £5,033k represents the amount set aside by the Trustees to cover the deficit repayments made to the defined benefit pension scheme of £4,989k, and in addition the current difference of £44k between that balance and the FRS 102 estimated deficit as at 31 December 2021. The Foundation has guaranteed to CTVC to cover the full cost of the current repayment plan (see note 21).

CTVC restricted funds represents 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.

TNLCF restricted funds relates to monies received from TNLCF to fund the T2S programme.

THE RANK FOUNDATION LIMITED

Notes to the Financial Statements for the year ended (continued)
31 December 2021

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 £1,328k, (2020 - £1,308k) from unrestricted funds to restricted funds reflects the commitment made by the Foundation to CTVC to support its general reserves as at 31 December 2021. These funds are restricted because the objectives of CTVC are narrower than those of the Foundation.

A transfer of £3,301k to unrestricted funds from the pension reserve (2020 - £3,345k from unrestricted 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 2021.

A transfer of £1,323k (2020- £1,251k) from unrestricted funds to restricted funds relates primarily to the Foundation funding the element of the Time to Shine programme in 2021 that was not met from the funds received from TNLCF.

A transfer of £984k from unrestricted funds to restricted funds relates to the funding by Rank of the remaining DCMS recovery fund applications after the DCMS restricted funding was completely disbursed and which Rank met from its own funds.

17 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Pension reserve £'000	TOTAL £'000
2021				
Fixed assets	309,787	7	-	309,794
Net current (liabilities) / assets	(7,566)	6,177	-	(1,389)
Creditors more than one year	(500)	-	-	(500)
Pension (liabilities)/ Assets	-	-	(5,033)	(5,033)
TOTAL	301,721	6,184	(5,033)	302,872
2020				
Fixed assets	280,644	14	-	280,658
Net current (liabilities) / assets	(10,050)	14,211	-	4,161
Creditors more than one year	(770)	-	-	(770)
Pension (liabilities) / Assets	-	-	(8,791)	(8,791)
TOTAL	269,824	14,225	(8,791)	275,258

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 2021 there were 12 members (2020 : 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 2021

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 and at that date, the scheme deficit was c.£5.14m. 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 as at 30 September 2021 is already underway and the draft results indicate that the scheme deficit was c.£4.63m at that date.

The Foundation has formalised its commitment to the funding of this scheme by putting in place a legal guarantee that has been accepted by the Pensions Regulator. The Foundation expects 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 Rank Foundation has sought independent actuarial advice from time to time to manage the strategic risks of funding the scheme. The management of the funding, investment, and compliance risk is undertaken by the pension scheme Trustees, who have appointed their own independent professional actuarial advisors, administrators, and investment manager.

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 2021

	Value at 31 December 2021 £'000	Value at 31 December 2020 £'000
Fair value of assets	11,366	10,204
Present value of funded obligations	(16,399)	(18,995)
Deficit	(5,033)	(8,791)
Net defined benefit liability at 31 December	(5,033)	(8,791)

Amounts recognised in the Income and Expenditure account in the year

	31 December 2021 £'000	31 December 2020 £'000
Interest on liabilities	242	339
Interest on assets	(130)	(197)
Total	112	142

	31 December 2021 £'000	31 December 2020 £'000
Gain on scheme assets in excess of interest	(1,378)	(242)
Experience gains on liabilities	(4)	-
Gains from changes to demographic assumptions	(358)	-
(Gains) / losses from changes to financial assumptions	(1,673)	2,030
Total remeasurements	(3,413)	1,788

THE RANK FOUNDATION LIMITED

Notes to the Financial Statements for the year ended (continued)
31 December 2021

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 2021 £'000	Value at 31 December 2020 £'000
Fair value of assets at the beginning of the year	10,204	9,947
Interest on assets	130	197
Company contributions	457	457
Benefits paid	(803)	(639)
Return on scheme assets less liabilities	1,378	242
Fair value of assets at the end of the year	11,366	10,204

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

	31 December 2021 £'000	31 December 2020 £'000
Defined Benefit Obligation at the beginning of the year	18,995	17,265
Interest on liabilities	242	339
Benefits paid	(803)	(639)
Experience gain on defined benefit obligation	(4)	-
Changes to demographic assumptions	(358)	-
Changes to financial assumptions	(1,673)	2,030
Fair value of assets at the end of the year	16,399	18,995

Assets

	£'000	£'000
Equities	8,535	7,765
Fixed interest	902	829
Alternatives	1,530	1,367
Cash	399	243
Total	11,366	10,204
Actual return on assets	1,508	439

Notes to the Financial Statements for the year ended (continued)

31 December 2021

21 Pensions (continued)

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

	2021	2020
Discount rate	1.90%	1.30%
Retail Prices Index (RPI) inflation	3.60%	3.20%
Revaluation in deferment:		
Pre May 2001 benefits	5.00%	5.00%
Post May 2001 benefits	3.60%	3.20%
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	3.45%	3.10%
Life expectancy at age 65 of male aged 45	22.6	23.2
Life expectancy at age 65 of male aged 65	21.3	21.8
Life expectancy at age 65 of female aged 45	25.9	26.0
Life expectancy at age 65 of female aged 65	24.5	24.4

Sensitivity placed on the value of the liabilities

	2021	2020
	£'000	£'000
Approximate affect on liability		
Discount Rate		
Discount Rate -0.10%	255	323
Cash Commutation		
Assume members exchange 15% of pension for cash	148	432
Mortality		
Mortality loading reduced by 5% for males and females (100% of S3PMA and 90% of S3PFA)	339	423

THE RANK FOUNDATION LIMITED

Notes to the Financial Statements for the year ended (continued)
31 December 2021

21 Pensions (continued)

Movement of triennial valuation, Restricted fund.

	£'000	£'000
Deficit as per triennial valuation at 30 September 2015 including estimate for loss of income.		7,084
Payments made into the fund during 2017 and 2019 (pre valuation)	(457)	
Payments made into the fund during 2018 (post valuation)	(724)	(1,181)
		5,903
Payments made into the fund during 2019	(457)	
Refund of grant required as per triennial valuation at 30 September 2018.		(457)
		5,446
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)	(114)	
Payments made into the fund during 2021	(1,371)	(1,485)
Balance carried forward, Restricted fund per CTVC financial statements		4,989
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		44
Balance carried forward		5,033

B) Defined Contribution Schemes

	2021 £'000	2020 £'000
Rank Foundation scheme		
Pension charge for the period	117	97
CTVC stakeholder scheme		
Pension charge for the period	54	64
Balance due to the scheme at the year end	11	11
	182	172

THE RANK FOUNDATION LIMITED

Notes to the Financial Statements for the year ended (continued)

31 December 2021

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 (2020 - £Nil) and net assets of £15k at the year end (2020 - £20K)

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

Summarised Consolidated Statement of Financial Activities	2021 £'000	2020 £'000
Income		
Donations - Grants	1,328	1,313
Income from charitable activities	1,533	823
Investment income	-	1
Other Income	1	7
Total income	2,862	2,144
Expenditure		
Costs of raising funds	4	5
Charitable activities	2,901	2,479
Total Expenditure	2,905	2,484
Net Expenditure	(43)	(340)
Other recognised losses		
Actuarial losses on defined benefit pension scheme	3,413	(1,788)
Net movement on funds	3,370	(2,128)
Reconciliation of funds		
Total funds brought forward	(2,763)	(635)
Total funds carried forward	607	(2,763)
Summarised Consolidated Balance Sheet		
Net assets less liabilities excluding pension liability	5,640	6,028
Defined benefit pension scheme liability	(5,033)	(8,791)
Net assets / (liabilities)	607	(2,763)

THE RANK FOUNDATION LIMITED

Notes to the Financial Statements for the year ended (continued)
31 December 2021

23 Outstanding commitments and contingent liabilities

At 31 December 2021 there were outstanding commitments relating to concessionary loans and repayable grants of £250k (2020 - £285k) which had not been drawn down by beneficiaries.

At 31 December 2021 there were outstanding commitments of up to £705k (2020 - £472k) 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.