

Registered number: 04112525
Charity number: 1086562

FREDERICKS FOUNDATION
(A company limited by guarantee)

UNAUDITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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FREDERICKS FOUNDATION
(A company limited by guarantee)

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FREDERICKS FOUNDATION
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022

Trustees	P Barry-Walsh, Chairman P E Kelly (resigned 29 June 2021) N Mehta D A Herbert F Cai S Waggett (appointed 7 December 2021) T Jordan (appointed 5 October 2021)
Company registered number	04112525
Charity registered number	1086562
Registered office	2 Communications Road Greenham Business Park Newbury Berkshire RG19 6AB
Accountants	James Cowper Kreston Chartered Accountants and Statutory Auditor 2 Communications Road Greenham Business Park Newbury Berkshire RG19 6AB
Bankers	The Bank of Scotland Edinburgh Royal Mile 300 Lawn Market Edinburgh EH1 2PH
Solicitors	Ranson Houghton 1-5 Bridge Street Andover Hampshire SP10 1BE

FREDERICKS FOUNDATION
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CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The chairman presents his statement for the year.

Fredericks has been trading for 21 years and I can attest, having been there from the start, we have had many challenges and have had to adapt our offering to meet commercial and market needs. In last year's statement I announced three fundamental changes in Fredericks offering:

1. To provide revenue share agreements not loans
2. To support social enterprises not individuals
3. To be staffed by volunteers

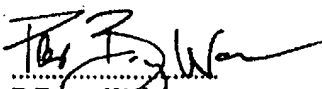
How have these changes affected the organisation?

The changes are taking time to bed in, and we have found it quite challenging to turn off our old deal flow and quite difficult to turn on new channels. Nevertheless, we have supported a number of social enterprises that fit squarely within our remit. For instance working together with the Salvation Army to train destitute people to become baristas and supporting an ethical social enterprise to provide sustainable fashion. We have also supported a for-profit organisation that provides new digital fundraising schemes for charities. Our primary motivation is supporting organisations that are doing good.

It was gratifying to see that our finances are in a much better position following our brave decisions last year as we produced a small surplus. The Trustees decided that we should invest some of this into a new website. I am delighted that this website will be live by May 1st, and it more closely represents our new mission whilst being more relevant, concise, and hopefully easier to use.

Our first years' experience has confirmed that there are indeed opportunities for Fredericks financial proposition. Our relatively small financial commitment can facilitate the raising of greater funds and hence help larger projects to get off the ground. We are currently working on a couple of complex projects which will have huge social impacts and I hope to be reporting on them next year.

We work with talented and professional volunteers to provide insightful and creative solutions to help social enterprises. In short despite the choppy waters and the headwinds I believe Fredericks is able to realise its objectives, to help social enterprises to scale and to help deliver a better and fairer society.


P Barry Walsh
Founder and Chairman

Date: 26 June 2022

FREDERICKS FOUNDATION
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report together with the financial statements of the company for the year 1 April 2021 to 31 March 2022. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) as amended by Update Bulletins 1 and 2.

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

Objectives and Activities

Policies and Objectives

In order to benefit the public, the objectives of the Charity are as follows:

- to assist Social Enterprises and Charities, and all organisations the trustees deem to have a positive social impact, to scale and magnify their impact;
- to assist the disadvantaged into employment;
- to assist those in financial hardship to either set up in business or obtain paid employment;
- to assist those whose businesses are struggling in the current climate; and
- to undertake other specific projects which the Trustees believe have merit.

Activities have been designed to achieve these objectives and have included the following:

- the provision of micro-finance;
- provision of funding via Revenue Share agreements;
- business support and assistance;
- provision of pecuniary and other assistance; and
- advancing education through the provision and assistance of training, teaching, mentoring and other services and facilities.

Assistance and support to individuals or organisations provide public benefit in that focus is on those who are unable to obtain finance through mainstream organisations such as banks or on organisations including social enterprises and charities who in turn further the objectives of Fredericks Foundation ("Fredericks").

Securing the right funding is often not easy for social enterprises, therefore Fredericks offers flexible capital for organisations that have the potential for growth and profound social impact.

Loans have historically been available to anyone who qualifies. Fredericks has targeted people who are unemployed, lone parents, ex-offenders, ex-military, disabled or who live in areas of deprivation and can themselves be described as disadvantaged. These groups are usually unable to obtain financial help from conventional financial institutions. Our new investments are focused on social enterprises and charities who are led by or support disadvantaged groups.

The public benefit is therefore two-fold: Fredericks has provided assistance to specific parts of society to improve people's lives, whilst in turn benefiting the wider public as claims for state assistance are reduced.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and Activities (continued)

We review our aims, objectives and activities each year in order to ensure that they remain focused on our stated purposes. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Fredericks will only make an offer of financial support when it believes the business will be viable. We then nurture/mentor our clients, which improves the recovery rate, and ultimately benefits both those we support and the wider public.

Charitable Activities

Over the last few years, the Trustees have continued to explore ways for the Charity to evolve and achieve a sustainable longer-term operating model. This model needed to have as big a social impact as possible and cost less to run, but at the same time provide as much flexibility to our clients as possible.

Towards the end of last year, we introduced a new funding model by way of "Revenue Share Agreements", focusing this towards the Social Enterprise sector. We continue to support our existing clients when additional "top-up" funding is required, but we identified Social Enterprises, bCorps etc, which are often small and/or relatively "young" as needing support to scale and achieve their mission of benefitting society.

The Revenue Share model is more flexible. If an organisation we have funded starts to experience financial difficulties and their revenues drop – the pandemic over the last couple of years being a case in point - then the repayments under the Revenue Share Agreement would also drop, providing them with much needed time to stabilise their business.

In all cases, Fredericks endeavours to tailor business support and funding to the specific situation, rather than just offering "off the shelf" micro-finance loans to start-ups.

Our services have historically been delivered by a small pool of Client Managers and a helpdesk facility employed by Fredericks. The Client Managers assumed responsibility for identifying suitable clients, analysing and assisting in the preparation of business plans and cash flows, and recommending suitable candidates to Lending Panels. Since implementation of the new funding model and thanks to the reduced administrative burden Fredericks is now run almost exclusively by volunteers.

Lending and investment panels are also comprised of volunteers (including trustees and mentors) with relevant expertise such as accountants, bankers and entrepreneurs. The panels are responsible for the final decisions on the funding of a Client.

Our volunteer team includes people with diverse commercial backgrounds who wish to apply their business skills for the benefit of the charity's clients. We are extremely fortunate to have them and the support they provide is invaluable.

Fredericks works in partnership with other organisations to carry out our charitable objectives. This extends our reach for potential clients and donors. It also expands the services we can offer (e.g., intensive business support), enabling us to provide a fuller range of offerings without putting excessive pressure on our funding or operations.

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

FREDERICKS FOUNDATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and Activities (continued)

Indicators, Milestones and Benchmarks

To monitor the success of the charity in achieving its charitable objectives through its principal activity, the trustees identify and measure several key performance indicators, and monitor the charity's achievements and actual outcomes against annual budgets and targets.

In assessing the extent to which beneficiaries benefit from Fredericks's activities, the trustees monitor the numbers and amounts of Client loans/funding and track the progress of repayment rates to ensure our charitable objects are being delivered.

To date around £7 million has been disbursed to over 1,700 individuals, Social Enterprises, and Charities, the majority of whom have become successfully self-employed, returned to full time employment, or grown their businesses with our support.

Benchmarks

The prime benchmarks adopted by the trustees to monitor the progress of the charity include:

- Number of enquiries received
- Number of Clients funded
- Number of businesses and jobs created
- Total amount of funding provided to Clients
- Funding received by Fredericks
- Source of funds raised
- Cost of delivering funding
- Client loan repayments
- Social impact

The trustees receive regular reports on these key performance indicators which are reviewed in detail at the Trustee Board meetings. Many of these benchmarks are also reported to external funders.

Achievements and Performance

We previously benefited from receiving an EU award of first-loss loan guarantee funding which, since inception in January 2016, protected c18% of our lending. However, due to Brexit this ultimately expired, and it has been sorely missed.

Towards the end of 2020-21, we completed the reorganisation of our Restricted Capital Funds, the majority of which had originally been provided under the Regional Growth Fund (RGF) contract in 2012. Although the contract had expired in 2017, we continued to deliver the services under this contract, including providing loans to start-up businesses, up-front loan application support, and on-going business guidance and mentoring support.

We continue to spend a significant amount of time and activity delivering on our strategy. We have worked very hard on reducing our default rate over the past few years through a mixture of improving the loan application and the decision-making process. Over the past twelve months we have seen loan balances with arrears reduce by 30% and a release of net provisions held against our loans/investments of £8,079 at the Year End.

During this financial period we have completed a further 3 Revenue Share investments – having now invested a total of £85k across 4 organisations we believe can have a significant social impact. We are working to establish ourselves in the social enterprise sector and build our pipeline of future investments

We successfully bid for, and were awarded, grants totalling £36,830 during the year.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Financial Review

Financial Results of Activities & Events

Income for the year ending March 2022 totalled £172,712 (£335,146 the prior year). Costs for the year totalled £116,494 (£596,824 the prior year). The result was a net income of £56,218 (a deficit of £263,678 the prior year).

Loans, grants and donations paid	No.	Amount
Loans/Revenue Share Agreements	3	£59,581

Community Investment Tax Relief Scheme

During the year, Fredericks retained accreditation for the CITR scheme. This allowed Fredericks to take investments in the form of loans from both individuals and companies and retain these investments for 5 years. These funds could then be used for onwards lending. In return, the investor was allowed by HMRC to deduct 5% of the investment from their final tax liability.

As detailed above, the CITR investments were fully repaid towards the end of the year and we have taken the decision to remove our accreditation of the CITR scheme.

Reserves Policy

Fredericks' policy is to set aside funds to meet financial risks associated with future uncertainties and other contingencies that are identified from time to time. The charity's unrestricted free reserves as at 31 March 2022 were £253,602 (£158,621 the prior year).

The Trustees believe that it is appropriate to carry a reserve to cover a minimum of 3 months' worth of costs, which at current rates would equate to approximately £30,000. With the current unrestricted reserves standing at £253,602, this objective has indeed been exceeded. The Trustees consider however the additional reserve to be prudent in the current climate which is almost uniquely challenging.

Since the first COVID-19 "lockdown" two years ago, our major challenge has been our ability to generate income for both lending and for operational expenditure. One follows the other, as much of our revenue is generated by lending and with limited capital to lend, it impacts on our ability to generate operational funding.

We also had to cancel several projects which had been originated to raise further unrestricted funds, including fund raising events. It was clear that a number of corporate and individual donors had suspended support until the COVID-19 situation became clear. The virus may now be waning in intensity, but the outlook for economic activity is still bedevilled by the looming threat of stagflation, China's zero covid lockdown strategy and the Ukraine war. A perfect storm.

Investments Policy

The investment policy is to be risk free and accordingly funds at the moment are only invested in current or term deposit accounts with major banks. The term of such deposits is varied with reference to future cash requirements and links to the timing of existing funding commitments and the use of reserves as detailed above.

FREDERICKS FOUNDATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Structure, Governance and Management

Status and History

Fredericks Foundation is a registered charity, and a company limited by guarantee, not having share capital. Every member undertakes to contribute an amount not exceeding £10 to the assets of the charity in the event of the charity being wound-up during the period of membership, or within one year thereafter.

Fredericks Foundation was incorporated on 22 November 2000 and became a registered charity on 14 May 2001. The charity is governed by the rules and regulations set down in its company Memorandum and Articles of Association as last updated on 9 April 2001.

Organisational Structure

The overall strategic direction of the charity is determined by the trustees, who are also directors under the Companies Act 2006. They are empowered to take such steps as are necessary to achieve the objectives of the charitable company. This includes making appropriate arrangements for the sound management of the charity's business. In practice, this is done by delegating certain of the trustees' powers to a "management team", which includes the Chairman of Trustees and one other Trustee, who report back to the full Board at the quarterly trustees' meetings.

Full board of trustees' meetings are held at quarterly intervals, with additional interim meetings if and when required, and the "management committee" meet weekly.

Method of Recruitment, Appointment, Election, Induction and Training of Trustees

Recruitment

Reflecting the principal activities of the charity to assist disadvantaged individuals into employment and to assist the development and expansion of the Client organisations, an emphasis is placed on recruiting trustees with commercial, entrepreneurial and business backgrounds.

Fredericks has developed a "trustee's' job description" to assist in the recruitment of trustees, identifying the basic skills required for individual trustees with the aim of achieving complementary and diverse skills within the board of trustees, and with the intention of encouraging diversity to maximise achievement, creativity and good practice.

Appointment and Election

At 31 March 2022, there were six trustees that had been appointed by ordinary resolution at the Annual General Meeting. At each Annual General Meeting one third of the trustees are subject to retirement by rotation.

Induction and Training

An induction process has been developed for all new trustees commencing with an explanation of the roles and responsibilities of trustees, an introduction by a senior member of staff to the services delivered by Fredericks, and the manner of their delivery including an introduction to all senior personnel.

All trustees are encouraged to attend external courses to ensure familiarity and understanding of the responsibility of trustees in strategic planning, funding and governance, ensuring that the trustees are always conversant with current rules and regulations governing Fredericks' activities.

Towards the end of 2019 all Trustees successfully completed training and accreditation under the FCA Senior Manager and Certification Rules, and all new Trustees go through the same process during their induction. This is critical in us continuing to be accredited by the FCA to undertake what we do.

FREDERICKS FOUNDATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Structure, Governance and Management (continued)

Setting of Key Management Personal Remuneration

The remuneration for Key Management is reviewed annually and included with the Annual Budget and Projections which is approved by the Board of Trustees.

Risk and Corporate Governance Matters

The trustees seek to identify all areas of potential risk to Fredericks both financial and otherwise, including ensuring that risk assessments are carried out for the purposes of Health and Safety at Work and that all recommendations are implemented. A risks register is maintained.

The chief risk facing Fredericks is that funds generated from lending and investing operations are insufficient to cover all expenses of the charity. This is to be expected when (i) the preponderance of lending historically has been to start-ups; and (ii) the majority of borrowers can be described as disadvantaged. In order to mitigate this risk, the Trustees agreed to widen the spectrum of clients to whom financing is offered, including Charities and Social Enterprises, subject to the majority of ultimate beneficiaries still remaining within our core target market; i.e. unemployed, lone parents, ex-offenders, ex-military, female, disabled or live in areas of deprivation.

Fredericks has continued to take steps on several fronts to maintain its plurality of funding streams and develop new ones. Funding streams include fund-raising events, foundation grants, corporate and individual contributions, and service delivery contracts. However, the number of projects we have been able to originate has been severely reduced, including fund-raising events, as a direct impact of the COVID-19 situation.

The other significant risk Fredericks has faced is achieving the benchmarks that were a condition of its funding contracts. This risk is mitigated by close tracking and monitoring of performance.

Existing and future funding sources are continually scrutinised, evaluated and reported quarterly to the main board of Trustees.

Professional Indemnity Insurance

The charity has taken out an insurance policy that provides professional indemnity cover for the trustees. The cost of this insurance for the year was £3,124 (2021 £2,819).

Plans for Future Periods

Future Strategy

To achieve its goals, Fredericks' is seeking its own long-term sustainability through building on enduring revenue streams, partnering other charities and organisations that provide referrals, joint funding opportunities and post funding support, in addition to building up reserves.

Future Activities and Events (2021/2022)

We remain very aware of the financial ramifications of COVID-19, and our position is under constant review. Our 2022-23 budget includes the following income streams;

- (i) Private and Corporate donations from the primary benefactor and affiliated companies who have committed 1% of their profits
- (ii) Repayment of loans: the repayment of loans made to those unable to obtain funding from conventional sources is fundamental to the sustainability of the charity.
- (iii) Revenue Share: income from the purchase of Revenue Participation Rights.
- (iv) Fund-raising events.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Information on Fundraising Practices

The Trustees are fully aware of their responsibilities with regards to Fundraising and Reporting and Fredericks has voluntarily registered with the Fundraising Regulator. Our fundraising practices are compliant with the recognised standards of fundraising (set out in the Code of Fundraising Practice) as well as those required under charity law and wider law.

Our fundraising activities do not involve an unreasonable intrusion on a person's privacy. Furthermore, we do not undertake persistent approaches for the purpose of soliciting or otherwise procuring money or other property on behalf of the charity, or place undue pressure on a person to give money or other property. We have not received any complaints about our fundraising activities.

Statement of Trustees' responsibilities


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

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

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

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

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



.....
P Barry Walsh

Chairman

Date:

28 June 2022

FREDERICKS FOUNDATION
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2022

Independent Examiner's Report to the Trustees of Fredericks Foundation ('the company')

I report to the charity Trustees on my examination of the accounts of the company for the year ended 31 March 2022.

Responsibilities and Basis of Report

As the Trustees of the company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent Examiner's Statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's Trustees as a body, for my work or for this report.

Signed:



Dated:

30/6/2022

Michael Bath BSc FCA DChA

James Cowper Kreston
Chartered Accountants and Statutory Auditor
2 Communications Road
Greenham Business Park
Newbury
Berkshire
RG19 6AB

FREDERICKS FOUNDATION
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	3	90,375	-	90,375	145,916
Charitable activities:	4				
Income for assisting clients		36,830	-	36,830	58,055
Fees and interest on loans		21,193	-	21,193	50,988
Investment income		9,058	-	9,058	2,084
Other grants		-	-	-	63,605
Fundraising	5	11,137	-	11,137	14,321
Investments	6	19	-	19	177
Other income	7	4,100	-	4,100	-
Total income		172,712	-	172,712	335,146
Expenditure on:					
Raising funds	8	7,826	-	7,826	600
Charitable activities:	10				
Cost of assisting clients		66,009	35,784	101,793	589,696
Governance		6,875	-	6,875	6,528
Total expenditure		80,710	35,784	116,494	596,824
Net income/(expenditure) before net losses on investments		92,002	(35,784)	56,218	(261,678)
Net losses on investments		-	-	-	(2,000)
Net income/(expenditure)		92,002	(35,784)	56,218	(263,678)
Transfers between funds	18	2,979	(2,979)	-	-
Net movement in funds		94,981	(38,763)	56,218	(263,678)
Reconciliation of funds:					
Total funds brought forward		158,621	556,336	714,957	978,635
Net movement in funds		94,981	(38,763)	56,218	(263,678)
Total funds carried forward		253,602	517,573	771,175	714,957

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

The notes on pages 13 to 28 form part of these financial statements.

FREDERICKS FOUNDATION
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REGISTERED NUMBER: 04112525

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	15	154,065	127,000
Current assets			
Debtors	16	107,028	219,475
Cash at bank and in hand		537,978	414,624
		<u>645,006</u>	<u>634,099</u>
Creditors: amounts falling due within one year	17	(27,896)	(46,142)
Net current assets		<u>617,110</u>	<u>587,957</u>
Total net assets		<u><u>771,175</u></u>	<u><u>714,957</u></u>
Charity funds			
Restricted funds	18	517,573	556,336
Unrestricted funds	18	253,602	158,621
Total funds		<u><u>771,175</u></u>	<u><u>714,957</u></u>


The company was entitled to exemption from audit under section 477 of the Companies Act 2006.

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

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

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

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


.....
P Barry-Walsh
Chairman
Date: 28 June 2022

The notes on pages 13 to 28 form part of these financial statements.

FREDERICKS FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies

1.1 Basis of preparation of financial statements

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

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

1.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

1.3 Fund accounting

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Income

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised and refer to the Trustees' report for more information about their contribution.

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

FREDERICKS FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

1.5 Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

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

All expenditure is inclusive of irrecoverable VAT.

1.6 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

1.7 Interest receivable

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

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investments held as fixed assets are shown at cost less provision for impairment.

1.9 Debtors

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

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FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

1.10 Cash at bank and in hand

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

1.11 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

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

1.12 Financial instruments

The Charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks, other loans and investments in ordinary shares.

1.13 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.14 Pensions

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

2. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

Provision on client loans

Using information available at the balance sheet date, the Charity makes judgements based on experience regarding the level of provision required to account for potentially uncollectable client loans.

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3. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations from primary benefactor	16,954	-	16,954	37,000
Other donations income	30,581	-	30,581	66,076
Gift in kind	42,840	-	42,840	42,840
	<u>90,375</u>	<u>-</u>	<u>90,375</u>	<u>145,916</u>
Total 2021	<u>144,916</u>	<u>1,000</u>	<u>145,916</u>	

4. Income from charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Grants receivable	36,830	-	36,830	58,055
Fees and interest charged on loans made	21,193	-	21,193	50,988
Investment income	9,058	-	9,058	2,084
Non-core government and other support grants for Covid-19	-	-	-	63,605
	<u>67,081</u>	<u>-</u>	<u>67,081</u>	<u>174,732</u>
Total 2022	<u>67,081</u>	<u>-</u>	<u>67,081</u>	<u>174,732</u>
Total 2021	<u>122,389</u>	<u>52,343</u>	<u>174,732</u>	

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5. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Local events	11,137	11,137	14,321
	<u>11,137</u>	<u>11,137</u>	<u>14,321</u>
Total 2021	<u>14,321</u>	<u>14,321</u>	

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest receivable	19	19	177
	<u>19</u>	<u>19</u>	<u>177</u>
Total 2021	<u>177</u>	<u>177</u>	

7. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Business Club income	4,100	4,100	-
	<u>4,100</u>	<u>4,100</u>	<u>-</u>

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8. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Event expenses	7,826	7,826	600
	<u>600</u>	<u>600</u>	
Total 2021	<u>600</u>	<u>600</u>	

9. Analysis of grants

	Grants to Individuals 2022 £	Total funds 2022 £	Total funds 2021 £
Grants made to institutions	10,000	10,000	5,000
	<u>5,000</u>	<u>5,000</u>	
Total 2021	<u>5,000</u>	<u>5,000</u>	

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10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Costs of assisting clients	66,009	35,784	101,793	398,133
Repayment of Community Funds	-	-	-	191,563
Governance costs	6,875	-	6,875	6,528
	<u>72,884</u>	<u>35,784</u>	<u>108,668</u>	<u>596,224</u>
Total 2021	<u>181,534</u>	<u>414,690</u>	<u>596,224</u>	

11. Costs of assisting clients

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Other staff costs	-	-	-	907
Administration costs and expenses	69,338	-	69,338	125,924
Irrecoverable client loan write-offs/(write-backs)	(43,864)	35,784	(8,080)	128,328
Accountancy	30,535	-	30,535	30,500
Wages and salaries	-	-	-	101,708
National insurance	-	-	-	1,537
Pension costs	-	-	-	3,996
Depreciation	-	-	-	233
Grants made to institutions	10,000	-	10,000	5,000
	<u>66,009</u>	<u>35,784</u>	<u>101,793</u>	<u>398,133</u>
Total 2021	<u>175,006</u>	<u>223,127</u>	<u>398,133</u>	

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12. Independent examiner's remuneration

	2022 £	2021 £
Fees payable to the charity's independent examiner for the independent examination of the charity's annual accounts	4,685	4,470
Fees payable to the charity's independent examiner in respect of:		
Preparation of the financial statements	1,170	1,110
All other services not included above	198	198

13. Staff costs

	2022 £	2021 £
Wages and salaries	-	101,708
Social security costs	-	1,537
Other pension costs	-	3,996
	<u>-</u>	<u>107,241</u>

During the year settlement costs were paid to no (2021: 3) employees totalling £nil (2021: £39,650).

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

	2022 No.	2021 No.
Operations	-	2
Administration	-	1
	<u>-</u>	<u>3</u>

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

Remuneration and benefits paid to key management personnel in the year totalled £nil (2021: £45,600).

14. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, expenses totalling £nil were reimbursed or paid directly to no Trustees (2021 - £778 to 2 Trustees), in respect of travel expenses.

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15. Fixed asset investments

	Listed investments £	Loans £	Revenue Share Agreements £	Total £
Cost or valuation				
At 1 April 2021	2,000	100,000	25,000	127,000
Additions	-	-	59,581	59,581
Repayment of capital	-	(5,435)	-	(5,435)
Amounts written off	-	-	(14,581)	(14,581)
Amounts provided for	-	-	(12,500)	(12,500)
At 31 March 2022	2,000	94,565	57,500	154,065
Net book value				
At 31 March 2022	2,000	94,565	57,500	154,065
At 31 March 2021	2,000	100,000	25,000	127,000

Revenue Share Agreements are amounts invested in organisations where the Charity receives a percentage of income from the organisation in return.

16. Debtors

	2022 £	2021 £
Due after more than one year		
Client loans (net of provision)	37,439	103,019
	37,439	103,019
Due within one year		
Client loans (net of provision)	67,661	112,213
Other debtors	250	206
Prepayments and accrued income	1,678	4,037
	107,028	219,475

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17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other loans	20,301	20,301
Trade creditors	1,453	13,317
Other taxation and social security	-	3,266
Other creditors	142	1,687
Accruals and deferred income	6,000	7,571
	<u>27,896</u>	<u>46,142</u>

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18. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
Unrestricted funds					
General Funds - all funds	158,621	172,712	(80,710)	2,979	253,602
Restricted funds					
Friendly Lending	5,161	-	-	-	5,161
Women's Loan Fund	100	-	-	-	100
Capital Fund	551,075	-	(35,784)	(2,979)	512,312
	556,336	-	(35,784)	(2,979)	517,573
Total of funds	714,957	172,712	(116,494)	-	771,175

Capital Fund

The Capital Fund consists of income received under the Regional Growth Fund contract, which was formally completed in prior years. These funds have now been reorganised into the Capital Fund, which is restricted to the provision of loans and revenue share agreements to participants. For more detail, see the Trustees' Report.

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18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds						
General Funds - all funds	121,079	281,803	(182,134)	(60,127)	(2,000)	158,621
Restricted funds						
Yarlington Housing Group Loan fund	40,844	-	-	(40,844)	-	-
Community Foundation - Kent	114,976	-	(50,134)	(64,842)	-	-
Community Foundation - Cornwall	11,172	-	(1,607)	(9,565)	-	-
Community Foundation - Northamptonshire	72,575	-	(53,624)	(18,951)	-	-
Community Foundation - Cambridgeshire	92,422	-	(19,225)	(73,197)	-	-
Community Foundation - Bristol & Bath	268,521	-	(156,375)	(112,146)	-	-
Community Foundation - London	97,971	-	(42,510)	(55,461)	-	-
Community Foundation - Devon	30,442	-	(5,916)	(24,526)	-	-
Community Foundation - Wiltshire	63,661	-	(3,914)	(59,747)	-	-
Community Foundation - Lincolnshire	60,711	-	-	(60,711)	-	-
Surrey County Council community sector grant	-	50,000	(55,652)	5,652	-	-

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18. Statement of funds (continued)

Statement of funds - prior year (continued)

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Friendly Lending	4,161	1,000	-	-	-	5,161
Women's Loan Fund	100	-	-	-	-	100
BBO	-	2,343	(2,343)	-	-	-
Capital Fund	-	-	(23,390)	574,465	-	551,075
	<u>857,556</u>	<u>53,343</u>	<u>(414,690)</u>	<u>60,127</u>	<u>-</u>	<u>556,336</u>
Total of funds	<u>978,635</u>	<u>335,146</u>	<u>(596,824)</u>	<u>-</u>	<u>(2,000)</u>	<u>714,957</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Summary of funds

Summary of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
General funds	158,621	172,712	(80,710)	2,979	253,602
Restricted funds	556,336	-	(35,784)	(2,979)	517,573
	<u>714,957</u>	<u>172,712</u>	<u>(116,494)</u>	<u>-</u>	<u>771,175</u>

Summary of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
General funds	121,079	281,803	(182,134)	(60,127)	(2,000)	158,621
Restricted funds	857,556	53,343	(414,690)	60,127	-	556,336
	<u>978,635</u>	<u>335,146</u>	<u>(596,824)</u>	<u>-</u>	<u>(2,000)</u>	<u>714,957</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Fixed asset investments	154,065	-	154,065
Debtors due after more than one year	37,439	-	37,439
Current assets	69,893	537,874	607,567
Creditors due within one year	(7,595)	(20,301)	(27,896)
Total	<u>253,602</u>	<u>517,573</u>	<u>771,175</u>

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20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Fixed asset investments	127,000	-	127,000
Debtors due after more than one year	103,019	-	103,019
Current assets	(45,557)	576,637	531,080
Creditors due within one year	(25,841)	(20,301)	(46,142)
Total	158,621	556,336	714,957

21. Contingent liabilities

The charity received funds as loans from donors for use in providing loans to clients. As at the year end £nil (2021: £nil) of these loans are provided against in the balance sheet as the loans to client do not appear to be collectable. If the loans to clients were to be collected then these amounts would be due back to the donor.

22. Pension commitments

The Charity makes contributions into defined contribution pension schemes on behalf of certain employees. The assets of the schemes are held separately from those of the charity in independently administered funds. The amount charged to the Statement of Financial Activities in respect of pension costs was £nil (2021: £3,996). At the year end £45 (2021: £1,576) was outstanding to the scheme in respect of pension contributions.

23. Operating lease commitments

The company had no commitments under non-cancellable operating leases at 31 March 2022.

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24. Related party transactions

During the year Trustee Mr P Barry-Walsh made donations to the charity of £16,954 (2021: £37,000). He also provided free accommodation for use as the charity's office premises, the market rent of which is £42,840 (2021: £42,840).

During the year donations were received from the following companies in which Trustee Mr P Barry-Walsh has an interest: Bluesource Information Ltd £3,125 (2021: £2,500), Farm Power Ltd £1,000 (2021: £nil), Dans Le Noir Ltd £1,000 (2021: £nil), Fortress Availability Services Ltd £nil (2021: £1,000), AskIf £1,000 (2021: £nil), Investor Networks £1,000 (2021: £nil), Dynamis Associates £1,000 (2021: £nil), Freedom Bi-Folds Ltd £1,000 (2021: £nil), Role Models £1,000 (2021: £nil), Boldspace Group £2,163 (2021: £nil), Hiyacar Ltd £1,000 (2021: £nil) and Claranet £2,000 (2021: £nil).

During the year, Freedom Bi-Folds Ltd, a company controlled by Mr P Barry-Walsh's son, paid £600 (2021: £nil) to the charity for membership to the Hampshire Business Club. The balance outstanding at the year end was £nil (2021: £nil).

During the year grants of £nil (2021: £5,000) were made to The Beacon Fellowship Charitable Trust, a charity in which Mr P Barry-Walsh has a significant interest.

During the year, 4 (2021: 2) other Trustees made donations to the charity of £1,790 (2020: £1,098).