

REGISTERED COMPANY NUMBER: 1176266 (England and Wales)
REGISTERED CHARITY NUMBER: 1176266

**Report of the Trustees and
Unaudited Financial Statements
for the Year Ended 31 March 2020
for
THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

Clayton & Brewill
Chartered Accountants
Cawley House
149-155 Canal Street
Nottingham
Nottinghamshire
NG1 7HR

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Contents of the Financial Statements
for the year ended 31 March 2020**

	Page
Report of the Trustees	1 to 113
Independent Examiner's Report	14
Statement of Financial Activities	15
Balance Sheet	16 to 17
Cash Flow Statement	18
Notes to the Cash Flow Statement	19
Notes to the Financial Statements	20 to 30
Detailed Statement of Financial Activities	31 to 32

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Report of the Trustees
for the year ended 31 March 2020**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2020. The trustees have adopted the provisions of 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).

OBJECTIVES AND AIMS

The charitable objectives of FRAME, as stated in the 1969 Trust Deed, are:

1. promote the mental and moral improvement of mankind by working to relieve the suffering to animals when being used to assess adverse human reactions in medical, biological, pharmaceutical and other associated research.
2. To promote or assist in the provision of research into acceptable new techniques and substitutes for the use of animals in such medical, biological, pharmaceutical and other associated research and promote the publication and dissemination of the results of such research conducted by and in association with the Charity and to highlight and comment on such research conducted by others.
3. The charity's fundamental aim is to promote the embedding of the 3Rs (Reduction, Refinement and Replacement) in biomedical research and development, with replacement of the use of animals as the ultimate goal. FRAME achieves its objectives through the development and promotion of non-animal research methods that enable human-focussed safety testing and disease research.

FRAME works to achieve its goals via the following strategic areas of activity:

Funding research

To ensure scientific methods for biomedical research that improve upon the use of animals continue to be developed and implemented.

Sharing information

To ensure that information about non-animal methods, how to find, and how to use them is disseminated and shared as widely as possible within the scientific community at all levels.

Creating change

To actively promote uptake of non-animal methods, ensure that barriers to adoption are reduced, and engage in constructive challenge around the inherent problems of animal models.

Building resilience

To ensure that FRAME is a sustainable and resilient organization with sufficient skills, support and income to continue its work in the long term.

FRAME supports the longest-standing lab dedicated to researching alternatives to animal testing - the FRAME Alternatives Laboratory (FAL) in the University of Nottingham Medical School. Two key principles that underpin FRAME's approach to research funding are that outputs should always be disseminated as widely as possible to ensure maximum impact, and that the development of future researchers is supported. FRAME publishes a peer-reviewed scientific journal, ATLA (Alternatives to Laboratory Animals), and the FAL environment mentors, trains and inspires students to be part of replacing the use of animals.

FRAME's websites, press releases and social media are the channels through which FRAME disseminates its activities and provides advice, consultancy and news services to industry, government, academia, and others interested in the field of alternatives to animal testing.

FRAME's training schools offers training to research scientist's expert advice on experimental design and statistical analysis to those undertaking animal procedures, in order to minimise the numbers of animals used and to maximise the value of animal research where it continues to be unavoidable.

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Report of the Trustees
for the year ended 31 March 2020**

FRAME's STRUCTURE

In 2019/20, the Board of Trustees made key decision to advertise for a Chief Executive Officer (CEO) position, and also sought to increase the size of the Board through the recruitment of new trustees. The purpose of the CEO role would be to support the Board with strategy and governance; to develop and steward key public and stakeholder relations; to take responsibility for the appropriate financial and risk management of the charity; and to provide operational leadership for the delivery of the Board's vision.

The appointed CEO would work on a part-time basis and would take responsibility for the management of the other three staff members (the Scientific Liaison Officer, and two members of staff responsible for delivery of FRAME's journal ATLA), as well as key outsourced functions including V Formation, a Nottingham based marketing and PR agency that produces content and marketing material for the charity, and Clayton & Brewill, an accountancy firm based in Nottingham that provides financial accounting and payroll services.

Celean Camp was appointed and took up the role in March 2020.

SIGNIFICANT ACTIVITIES

50 years of working to advance science and protect animals

FRAME celebrated its 50th Anniversary in 2019. In recognition of this, a Young Scientists' Symposium was held at the University of Nottingham in July 2019, and a FRAME Lecture was held in London in October. We also ran a "50 facts" social media campaign, which highlighted the issues around animal testing as well as key facts about FRAME's and its impact in the field over the past five decades.

The FRAME 50th Anniversary Symposium took place on the 16th and 17th of July and gave early career scientists (postdocs and PhD students) a unique opportunity to showcase their work, in particular projects carrying out human-based, *in vitro* research or those using computer models and simulations.

Professor Mark Coles from the University of Oxford delivered a keynote speech on "Disruptive Technologies to Accelerate and De-risk Therapeutic Development", and PhD researchers and young scientists from leading universities across the world showcased their work via presentations and posters.

The judging panel, made up of FRAME trustees and associates, awarded the prize for Best Poster to Helena Emery of Swansea University for her "Novel use of insect larvae as a substitute model for indomethacin-induced gastric damage" work. Helen's study showed that *Galleria mellonella* have similar immune systems to vertebrates and could be used as a substitute for indomethacin induced gastric damage, reducing the need for a mammalian model.

University of Hull student Andrew Riley's, "Move over mouse there is a new 'chip' in the block!", was given the prize for the Best Oral Presentation. Andrew's presentation discussed the use of microfluidics in drug screening, and how a microfluidic platform can maintain the viability of thyroid tissue slices *ex vivo* for a minimum of four days, allowing for the assessment of thyroid tissue radioiodine sensitivity/adjuvant therapies in real time.

Amongst the event's delegates was Professor Eustace Johnson, who attended the event as a delegate from the University of Chester. He said:

"It's been fantastic. I've loved hearing from the young researchers who are up and coming in the field."

Elliot Lilley, Senior Scientific Officer within the RSPCA Research Animals Department said:

"The event has been a great opportunity to look at new developments within this field and provide younger researchers with an opportunity to present their work. I'm delighted FRAME is running these events again."

The Symposium's drinks reception was sponsored by Tissue Solutions, a provider of ethically sourced human samples required for preclinical drug development and research. Long term supporters of FRAME, Next and Boots, also supported the event; Next provided gift vouchers for each of the award winners, and Boots donated a number of products for the delegate bags.

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Report of the Trustees
for the year ended 31 March 2020**

FRAME concluded its 50th anniversary celebrations by holding its 18th Annual Lecture at The Wellcome Trust in London on Thursday 17th October. The lecture was well attended by a variety of supporters and collaborators including representatives from Boots, Unilever, The Kennel Club and the European Animal Research Association.

Professor Blanca Rodriguez, leader of the Computational Cardiovascular Science Team at the University of Oxford, gave her keynote lecture on "Human *In Silico* Trials for Drug Safety and Efficacy Evaluation". Commenting on the event, Professor Rodriguez said:

"I was delighted to be invited to speak at the FRAME Annual Lecture. I first came across FRAME many years ago when I attended a similar event. I was fascinated by the work FRAME carries out."

FUNDING RESEARCH

FRAME continues to provide the FRAME Alternatives Laboratory (FAL) with an annual block grant to support the lab, staff and students in their research work using human-relevant, non-animal methods. The Scientific Liaison Officer and marketing team work closely with the lab to share information about the projects and the students benefitting from the grant.

The experimental work carried out in the FRAME Alternatives Laboratory (FAL) aims to marry excellent basic science with practical scientific alternatives to the use of animals in medical experiments.

The work in the lab can be summarised under the following 4 headings:

1. Direct replacement science – e.g. developing cell lines from human tissue that can replace animals.
2. Disease modelling – producing models of disease that are closer to the human condition and more relevant than animal models
3. Research advocacy – research that highlights that human based studies are essential for better science and can increase profit/productivity.
4. Research carried out using human patients or volunteers that demonstrates the essential differences between human subjects and animals and promotes the use of humans rather than animals where practically and ethically possible.

Cell culture projects using primary human liver, muscle and skin cells aim to produce human-relevant models of tissues and organs as a partial and eventually total replacement for animal-based studies. The lab also works on human liver progenitor cells, attempting to produce an expandable and sustainable source of hepatocytes as an alternative to relatively scarce primary human cells. In addition to using human derived cell types, FRAME is also working to improve the phenotype of cells using novel cell culture scaffolds and hydrogels derived from human tissues as a better material than cell culture plastics or animal cell derived products such as matrigel.

Cell culture models are produced as an alternative to animal use for drug discovery and toxicity and to generate *in vitro* models of human disease. Disease modelling is focussed on fatty liver disease and type II diabetes/insulin resistance in human muscle.

Human patient and volunteer studies aim to highlight the need for human subjects rather than animal models when studying disease states and potential therapies.

The FAL's current projects concentrate on four main areas:

1. Diabetes, metabolic syndrome, exercise and obesity – effects upon skeletal muscle
2. Fatty liver disease and fibrosis/non-alcoholic steatohepatitis
3. Inflammatory bowel disease and diverticulitis
4. Breast cancer

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Report of the Trustees
for the year ended 31 March 2020**

The two approaches – cell culture and human studies – are not mutually exclusive. There is a limit to the information that can be obtained from human subjects for obvious reasons, and mechanistic detail is hard to obtain. The FAL's approach is to integrate the *in vivo* and *in vitro* approaches, such that the human studies inform our cell culture disease model approaches, which in turn produce hypotheses that can be examined in human patients or volunteers, as appropriate.

The FAL employs two full-time technicians and a research fellow, and in 2019/20 supervised seven PhD students.

PhD Students:

Areej Alsolami, Saudi Govt.

Project: "The role of lipocalin -2 as a novel myokine"

Syedia Rahman, GSK/UoN

Project: "Role of Integrins in human liver fibrosis"

Andrew Willhelmsen, MRC DTP

Project: "Potential role for myostatin in muscle insulin resistance"

Matthias Nuamah, GETFund

Project: "Modelling troglitazone toxicity"

Alan Heath, BBSRC Agri-ATP

Project: "Effects of fructose loading upon hepatocyte metabolism"

Elisa Tarsitano, EPSRC DTC

Project: "Extracellular matrix-derived hydrogels as matrix for culturing liver progenitor cells"

Inchira Adala, EPSRC DTC

Project: "Generating electrospun functionalised scaffolds for culture of hepatic progenitor cells"

The information given below summarises the major achievements in the lab in the period:

Liver

- In collaboration with Dr Lisa White (School of Pharmacy) a method for producing acellular liver scaffolds from human liver tissue without the need for use of detergents such as SDS was established. The FAL has successfully grown human hepatic progenitor cells on these scaffolds and showed that, in combination with physiological hypoxia, an improved and mature hepatocyte-like phenotype can be produced in these cells. Significant increases in phase I and II enzyme expression and increased basal and inducible cytochrome P450 activity were observed.
- A new collaboration with Profs Cameron Alexander and Felicity Rose was established to develop electrospun scaffolds capable of controlled release of bioactive compounds for hepatic progenitor cell culture. The FAL has successfully cultured cells on the first set of scaffolds and is assessing cell phenotype.
- A study examining the effects of chemotherapy drugs upon hepatic steatosis and inflammation was completed. The FAL showed that 5-fluoro-uracil and irinotecan caused lipid accumulation in human but not rat hepatocytes in culture. It also demonstrated that the presence of kupffer cells was required for the development of steatosis.
- The FAL also completed a study examining the differences in liver glucose and lipid metabolism between primary human hepatocytes and transformed hepatic cell lines. The data showed that primary human cells accumulate fat in response to treatment with fructose whereas established cell lines such as Hep G2 cells do not. The study also indicated considerable inter-individual variability in response to fructose in hepatocytes from different donors.

Muscle

- The FAL completed a human volunteer study in collaboration with the MRC Versus Arthritis Centre for Musculoskeletal Ageing Research looking at intermittent calorie restriction in human subjects. The research showed that restricting calorie intake to earlier in the day improved skeletal muscle insulin sensitivity and led to an involuntary decrease in calorie intake.

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Report of the Trustees
for the year ended 31 March 2020**

Skin

- A Unilever-funded project looking at the effects of peroxisome-proliferator activated receptor (PPAR) ligands on human skin was completed. Using human skin models grown *in vitro* the FAL showed that PPAR ligands increased the rate of keratinocyte differentiation. The effects of the ligands used varied and one particular ligand, 12-hydroxy-stearate had a considerably greater effect than other compounds tested. The FAL carried out 3'RNAseq on the samples treated with the various ligands to give whole genome expression profiles. The data are novel and as they concern a compound that is commercially sensitive for Unilever, the FAL agreed to meet in early 2020 to discuss publication of the data.

Irritable Bowel Syndrome/Diverticulitis

- The FAL established a new collaboration with Dr Jonna Jolanka (University of Helsinki) studying the role of gut microbiota in inflammatory bowel conditions. We also generated gene expression data from a cohort of healthy volunteers to allow us to compare patient data with normal subjects. The results indicate that current therapy with the drug 5-ASA may actually delay improvements in symptoms and gene expression in IBS patients. In two separate studies on diverticular patients, our data indicate that short term (1 month) treatment with 5-ASA may be beneficial, but that longer term therapy (9 months) appears to increase inflammatory gene expression. We also found that there was considerable inter-patient variability in terms of gene expression profiles and gut microbiota between individuals.

C. Outputs

Publications

LA Wyatt, LN Nwosu, D Wilson, R Hill, I Spendlove, AJ Bennett, BE Scammell, and DA Walsh, (2019), 'Molecular expression patterns in the synovium and their association with advanced symptomatic knee osteoarthritis', *Osteoarthritis Cartilage*, 27(4):667-675.

Z Huggett, J Brameld, A Bennett, and A Salter, (2019), 'Comparison of primary human hepatocytes and HepG2 cells as models to study the development of hepatic steatosis', *Proceedings of The Nutrition Society*, 78(OCE1).

Submitted

R Jones, P Pardeep, J Mallinson, A Nixon, T Taylor, A Bennett, and K Tsintzas, 'Two weeks of early time restricted feeding (eTRF) improves whole-body and skeletal muscle insulin sensitivity in healthy men', Submitted to *American Journal of Clinical Nutrition*.

In preparation

The following manuscripts concern completed projects where all data has been collected, which were submitted in 2020. We will use the preprint server bioRxiv to publish all papers once ready for submission.

F Al-Rashed, I Kerr, A Foss, and A Bennett, "Complement activation increases drusen-like deposits whilst protecting against loss of barrier function in a Model of Age-related Macular Degeneration", for submission to *Scientific Reports*, submitted February 2020.

F Abukunna, M Owen, N DeVivo, D Gomez, G Aithal, and A Bennett, "The effect of acellular liver scaffolds and physiological hypoxia on human hepatic bipotent progenitor cell differentiation", for submission to *Stem Cell Reports*, submitted March 2020.

JS Hammond, M Owen, N De Vivo, G Aithal, DN Lobo, and A Bennett, "The pathogenesis of irinotecan-induced liver injury: lipid accumulation is induced by treatment of human hepatocytes with irinotecan and 5-fluorouracil and is associated with *de novo* lipogenesis", for submission to *Clinical Science*, submitted March 2020.

C Lam, J Jolanka, FAbukunna, A Bennett, and R Spiller, "Effects of Mesalazine upon mucosal gene expression and gut microbiota in patients with IBS-D", target journal to be agreed, submitted April 2020.

PhD Students

The following students have successfully completed their PhD in 2019:

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Report of the Trustees
for the year ended 31 March 2020**

Hazulin Mohd Radzuan, "The effect of obesogenic and inflammatory factors in regulating adipocyte lipid chaperone proteins"

Robert Jones, "Effects of nutritional intervention upon skeletal muscle protein synthesis and insulin sensitivity"

Tara Stirland, "PPAR alpha and Lipid binding chaperones in human skin"

Zoe Huggett, "Comparison of primary human hepatocytes and hepatoma cell lines as models to study the development of hepatic steatosis"

Conference Presentations

Work from the lab has been presented at the following conferences:

- FRAME 50th Anniversary Symposium
- NC3R's Midlands 3R's Symposium
- EPSRC MRC Centres for Doctoral Training in Tissue
- Engineering and Regenerative Medicine Joint Conference
- 11th International Meeting of the Portuguese Society for Stem Cells and Cell Therapies (SPCE-TC)

Presentations/Meetings with industrial partners

- Glaxosmithkline (Stevenage): meeting to discuss integrin project
- Unilever (Colworth Park): meeting and presentation on PPAR skin project and effects of fructose on hepatic steatosis.
- Sygnature Discovery: meeting to introduce FRAME and the FAL and discuss potential areas of interest.
- Xenogenesis: meeting to discuss potential collaboration – agreed to generate preliminary data for submission of a BBSRC CASE studentship proposal looking at enhancing detection of metabolites from slowly metabolised compounds using primary hepatocytes.

Other FRAME related activities

- Alternatives to Animals lecture to Nottingham Drug Discovery MSc cohort.
- Experimental design training to 1st and 2nd year Nottingham BBSRC DTP students -2 days training given with Amy Beale.
- Invited reviewer: NC3R's quinquennial review – Early Career Awards section.

Publications arising from FAL research during 2019/20

- Z Hugget, JM Brameld, A Bennett, and AM Salter, 2019, "Comparison of primary human hepatocytes and HepG2 cells as models to study the development of hepatic steatosis", *Proceedings of The Nutrition Society*, 78(OCE1).

In addition to work at the FAL, FRAME funded two summer studentships. The summer studentships are open to students at universities across the UK and are completed in the establishment where they study.

Elentina Gjoni, BSc Biomedical Sciences student at Brunel University London, worked on "Developing a novel assay to study biofilm formation in *Galleria mellonella*." Elentina's study involved injecting different strains of *Acinetobacter baumannii*, a bacterial pathogen known to cause hospital-acquired infections, into the *Galleria* (the Honeycomb moth).

Elentina's results suggested that there may be a substance within the *Galleria mellonella* that could make *Acinetobacter baumannii* infections easier to treat. The study shows that *Galleria mellonella* could be used as a model organism to study biofilm formation and could therefore replace larger organisms such as mice and rats in the future.

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Report of the Trustees
for the year ended 31 March 2020**

Commenting on her studentship, Elentina said:

"This project has allowed me to build on my competence and independence in the laboratory by giving me the opportunity to design and carry out my own experiments and learn the different ways in which data can be analysed and presented. I was able to carry out research that has never been done before, which was an exciting learning experience for me."

Rachele Bacchetti, BSc Biomedical Science student at the University of Sheffield, worked on the "Development of a synthetic skin model to test the efficacy of therapeutic ultrasound in skin healing." In Rachele's project, fibroblasts were used to test whether ultrasound produces changes in the composition of the extracellular matrix, a three-dimensional complex of proteins and other molecules which supports surrounding cells.

The results showed that 1.5 MHz pulsed ultrasound caused an increase in fibronectin and collagen I and a decrease of collagen VI in the fibroblast extracellular matrix after a week of treatment. These results indicate that the fibroblast model could be used to assess the effectiveness of ultrasound treatments without the need to test on animal models.

Commenting on her studentship, Rachele said:

"Thanks to the summer studentship, I have gained new laboratory skills that have helped me to build my confidence and will enable me to be more independent in future projects. The opportunity has also helped me to realise how much I enjoy laboratory-based work and data handling and analysis, and that I'd like to further my studies as a PhD candidate."

FRAME also awarded the Department of Biomedical Sciences at the University of Hull with a grant to support second year undergraduate, Elizabeth Gwerkere, on an ongoing project which aimed to create a 3D cancer model that could be used to help characterise a new strategy for enhancing anti-tumour responses in cancer patients.

The research group at the University is interested in the impact of CO₂ levels on tumours, as its supervisor Dr. Barbara Guinn explains:

"Since 2006, we started to notice that slight changes in CO₂ levels (but not hypoxia) caused changes in antigen levels in tumour cells – these are the proteins recognised by the immune system that can cause tumour destruction when targeted by immunotherapy. We now want to see whether we can demonstrate the same phenomena in a tumour spheroid model."

"The use of spheroids as models of early tumour growth enables us to investigate the impact of a lack of CO₂ and nutrients on tumour structure and antigen expression. Spheroids are balls of tumour cells grown in culture that can circumvent the need for animals to form a 3D tumour structure."

Last year, FRAME awarded a grant to Dr Leda Mirbahai and PhD Student Julia Constantinou to help fund research into characterising the water flea *Daphnia magna* as an invertebrate model for ageing research. The project involving the University of Birmingham and the University of Warwick has recently published the article "Ageing differently: Sex-dependent ageing rates in *Daphnia magna*" in *Experimental Gerontology* [A Constantinou, J Sullivan, and L Mirbahai, (2019), "Ageing differently: Sex-dependent ageing rates in *Daphnia magna*", *Experimental Gerontology* 121 (2019), pp 33 – 45].

ALTERNATIVES TO LABORATORY ANIMALS (ATLA)

2019/20 saw the completion of the process of transferring production of FRAME's journal, ATLA, to SAGE Publishing, with the aim of increasing the reach and impact of the journal with the support of a major publishing partner. The full archive of past issues has now been successfully moved onto the ATLA website on the SAGE platform for easier access and searching.

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Report of the Trustees
for the year ended 31 March 2020**

Six issues were published this year and sent to subscribers around the world. As part of FRAME's mission, and with the kind support of the Phoebe Wortley Talbot Charitable Trust, hard copies were distributed free of charge to resource centres and libraries in many countries where the implementation of the 3Rs and animal alternatives is less advanced than in the UK. Papers were published by authors from a wide range of countries, including Brazil, India, Japan, Sri Lanka and the USA, in addition to the UK and other European countries.

This year, the Lush Prize winners were featured in ATLA again to mark the progress achieved in the area of Replacement that is recognised by this biennial award. In addition, FRAME advertised for a new Editor in Chief to drive forward a longer-term vision and strategy for the journal.

SHARING INFORMATION: COMMUNICATION, EDUCATION & TRAINING

FRAME's work is shared with the scientific community, relevant industry, regulatory bodies, Government, the media as well as the general public via the website, social media channels (Facebook, Twitter, LinkedIn and Instagram), and biannual issues of FRAME News, our supporter magazine, produced under the guidance of V Formation.

Scientific progress made by FRAME this year has been communicated to scientists by publication of original research in peer-reviewed scientific journals, and by making presentations to scientific conferences. FRAME's journal, *Alternatives to Laboratory Animals* (ATLA) remains a platform for dissemination of cutting-edge research in the field of alternatives.

Corporate and other supporters are kept up to date by means of a programme of regular communication through opt-in emails, face-to face visits, as well as use of the business contacts website LinkedIn.

In October 2019, the Director of the FAL, on behalf of FRAME, carried out a day of Experimental Design Training for around fifty year one, BBSRC funded PhD students at the University of Nottingham, supported by FRAME's Scientific Liaison Officer. This is a key area of the charity's education work, alongside the training school to engage and educate scientists using animals in research to reduce and refine animal use and employ good science. This training will continue to form part of the University of Nottingham's Doctoral Training Program going forward.

FRAME TRAINING SCHOOLS

FRAME, in partnership with universities, NGOs and projects, delivers regular industry accredited Training Schools in Experimental Design and Statistics to increase awareness among scientists about the need to reduce animal numbers in experiments and to refine procedures. Participants gain a better understanding of how to properly design and effectively analyse their experimental programmes so that they can go on to produce higher quality science, which has made the most efficient use of a minimum number of animals.

In August 2019, to facilitate the continued delivery of this essential training course and in order to develop further training provision relating to the 3Rs and ethics, FRAME began a 3-year collaborative arrangement with the Centre for Applied Bioethics, University of Nottingham.

Following the very successful delivery of the 12th Training School at the University of Nottingham in January 2019, alongside planning the 13th event, the Training School team developed a new one-day Further Training in Experimental Design course in collaboration with the EU Horizon 2020 VetBioNet Project (<https://www.vetbionet.eu/>). The new course is aimed at giving participants the opportunity to undertake further training to either improve their confidence in teaching experimental design (stream 1) or to gain more in-depth knowledge of the process and execution of statistical analysis of various experimental designs (stream 2). During this unique one-day course, participants will receive small group tuition in their chosen stream from experts in the field. This day course is designed for those who already have an understanding of Experimental Design.

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Report of the Trustees
for the year ended 31 March 2020**

The new one-day course was due to take place following the 13th Training School in Experimental Design and Statistics at Moredun Research Institute, Edinburgh in April 2020. Due to the coronavirus pandemic, this event has been rescheduled for April 2021. Further details can be found at: <https://frame.org.uk/training-events/training-school/>.

Going forward, the Training School team is working to develop flexible course delivery options and training provision that can respond to novel challenges, such as the current pandemic. Now more than ever, it is important to be able to meet training requirements digitally rather than face-to-face, therefore the team is developing innovative online material and contingency options to deliver the Training Schools virtually, until it is safe to once again provide in person tuition.

POLICY AND INFLUENCE

FRAME continues to influence policy at regulatory and UK governmental level through membership of the Home Office Animal Welfare Stakeholder. Regular meetings at the Home Office are attended by the Scientific Liaison Officer. Other meetings and events attended include meetings with local business networks, local NC3Rs meetings and symposia, conferences with potential scientific and business audiences and the LUSH Prize Conference. Home Office and EU figures were reviewed and commented upon by the Scientific Liaison Officer.

For the first time, FRAME conducted an online survey to assess public attitudes to animal testing and to measure how informed and aware the public is about animal testing and research for medical, chemical and cosmetic purposes. The survey was open for three months and gathered over 400 responses from a range of different countries and fields. Whilst not a comprehensive assessment, the study provided an insight into some worrying misconceptions still held.

The responses revealed that the overwhelming majority of people (93.4%) think more needs to be done to replace and reduce the use of animals in testing and research.

The survey also found that that over half of people think the use of animals in all testing and research could be stopped immediately, and that 42% of people see greater funding of alternatives as the most important factor in helping to end the use of animals in testing and research. It also revealed that:

- 93% of the general public think more needs to be done to replace and reduce the use of animals in testing and research.
- 52% of people think stopping the use of animals in all types of research and testing could happen immediately.
- 42% of people see greater funding of alternatives as the most important factor in helping to end the use of animals in testing and research.
- 75% of survey respondents see the pharmaceutical industry as the biggest user of animals for research and testing.

FRAME CEO, Colean Camp, commented:

"Three-quarters of survey respondents view the pharmaceutical industry as being the biggest user of animals for research and testing, when it is in fact academia and university-led research. This is a very common misconception. Indeed, the most recent Home Office report on the Annual Statistics of Scientific Procedures on Living Animals Great Britain (2018) tells us that 56% of the experimental procedures carried out in 2018 were for basic research, and 26% for regulatory testing purposes.

"We know that stopping the use of animals in all research and testing is not going to happen overnight. Developing validated alternative models and ensuring their use is not a quick process; scientists need support and training to find, access and implement alternatives, and develop the skills to move towards more accurate, human-relevant models."

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Report of the Trustees
for the year ended 31 March 2020**

FRAME CORPORATE SUPPORTERS FOR 2019-2020:

1. Avon
2. Boots
3. Biosline
4. British Association for Chemical Specialties (BACS)
5. Johnson & Johnson
6. Next
7. Neals Yard Remedies
8. Smith & Nephew Group
9. The Kennel Club

This year FRAME reached an agreement with Avon to use the FRAME logo on their packaging. Avon has now reformulated their products and moved to 'cross-border ecommerce' to ensure their products will no longer undergo animal testing anywhere in the world – including China – across any of their brands. As a long-term corporate partner, FRAME is excited to help AVON share their commitment to the end of laboratory animal testing with their customers.

It is clear that FRAME has a vital independent role to play in developing and promoting new, valid and effective biomedical alternatives to animal-based research. FRAME will continue to spearhead and promote new methods exploiting *in vitro* and human tissue-based studies to facilitate and educate others on how non-animal science can address specific human biomedical needs.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

The management of the CIO is the responsibility of The Trustees who are elected under the terms of the trust deed. Trustees are elected on the recommendation of fellow trustees and there must be at least four trustees at any one time, but no more than six.

Organisational structure

The CIO is governed by its trust deed. The Trustees exercise ultimate control over The Fund for the Replacement of Animals in Medical Experiments' work and activities ensuring its financial and legal responsibilities are properly fulfilled. All Trustees give their time voluntarily and receive no direct financial or other benefits from the CIO.

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Report of the Trustees
for the year ended 31 March 2020**

Financial Review

During the year to 31 March 2020, total incoming resources were £674,137 an increase of 73% on 2019, whilst total resources expended were £524,858 an increase of 9% on 2019. Other recognised gains and losses amounted to a net of loss of £130,291, compared to a net gain of £27,435 in the year to 31st March 2019. Overall FRAME produced a net surplus at 31 March 2020 of £18,988, compared with a net deficit of £62,841 in the year to 31st March 2019.

Income

Legacies

Legacy income received totalled £555,348 an increase of £349,581 from legacies received in the year to 31st March 2019.

Donations

Total support for FRAME decreased to £56,469 from £88,432 in the year to 31st March 2020.

The annual grant to University of Nottingham FRAME Alternatives Laboratory totalled £200,000.

Any costs of the Office, FAL or the publications not met from the restricted and non-restricted funding require supplementation from the reserves.

Ordinary Expenditure

Overall expenditure increased by £2,794 to £483,535 from £480,741 in the year to 31st March 2019.

Endowment Funds

The FRAME Endowment comprises investments and currently stands at £848,272.

Balance Sheet

Current Assets

The overall value of FRAME's investments decreased by 11% to £945,271 at 31 March 2020 from £1,066,479 at the 31st March 2019. This decrease includes income generated, and cash held by our investment managers HSBC.

Net Current Assets

£669,652 is retained as cash or near-to-cash assets, up £193,530 from the cash balance of £476,122 held at the 31st March 2019.

Net Worth

FRAME's overall net worth increased by £18,988, 1% to £1,502,797, with the unrestricted funds balance increasing by £131,793, 30% from £443,766 to £575,559.

Cash Flow

Continued Increased legacy income has seen an increase and improvement in FRAME's cash flow. This means the charity is able to continue undertaking a key phase of development in its history; however, without a continuous flow of legacy income, as the charity runs on an operational deficit, this healthy financial position can easily be reversed in future years and funding from the Endowment fund will be required to retain liquidity.

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Report of the Trustees
for the year ended 31 March 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

The induction and training of trustees is viewed as an ongoing process and relevant training opportunities are brought to the attention of the board as required. Newly recruited trustees are offered an induction and training designed around their existing knowledge of The Fund for the Replacement of Animals in Medical Experiments and their role.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

1176266 (England and Wales)

Registered Charity number

1176266

Registered office

Cawley House
149-155 Canal Street
Nottingham
Nottinghamshire
NG1 7HR

Trustees

Professor D A Kendall
A Cadogan
G Thomson
M Newman

Independent Examiner

N F South FCA
Clayton & Brewill
Chartered Accountants
Cawley House
149-155 Canal Street
Nottingham
Nottinghamshire
NG1 7HR

Solicitors

Actons Solicitors
20 Regents Street
Nottingham
NG1 5BQ

Bankers

Barclays Bank plc
Nottingham High Street Branch
PO Box 18
Nottingham
NG1 6FF

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Report of the Trustees
for the year ended 31 March 2020**

COMMENCEMENT OF ACTIVITIES

The charity CIO incorporated on the 13th December 2017 and was dormant for the period to 30th June 2019.

On 30 June 2019, the transfer of all funds and associated assets held by the unincorporated charity, The Trustees of Fund for the Replacement of Animals in Medical Experiments (Charity number: 259464) to the incorporated charity, The Fund for the Replacement of Animals in Medical Experiments CIO (Charity Number: 1176266) occurred as part of the formal merger agreement between the two parties.

As a result of this merger agreement, all charitable activities connected with the combined parties commenced directly through the charity CIO from this date.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 27th January 2021..... and signed on the board's behalf by:


.....
A Adogan - Trustee

**Independent Examiner's Report to the Trustees of
THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

Independent examiner's report to the trustees of THE FUND FOR THE REPLACEMENT OF ANIMALS IN MEDICAL EXPERIMENTS (FRAME) CIO ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2020.

Responsibilities and basis of report

As the charity's trustees of the Company (and also 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 your charity's accounts as 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

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of FCA which is one of the listed bodies.

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.

Neil Sath FCA

N South FCA
Clayton & Brewill
Chartered Accountants
Cawley House
149-155 Canal Street
Nottingham
Nottinghamshire
NG1 7HR

Date: *28th January 2021*

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Statement of Financial Activities
for the year ended 31 March 2020**

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Year Ended 31/3/20 Total funds £	Year Ended 31/3/19 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	4	610,442	2,929	-	613,371	300,835
Other trading activities	5	4,886	22,728	-	27,614	56,661
Investment income	6	-	-	33,152	33,152	32,969
Total		615,328	25,657	33,152	674,137	390,465
EXPENDITURE ON						
Raising funds	7	65,705	-	-	65,705	50,673
Charitable activities	8					
Grant		14,632	1,950	-	16,582	12,500
Charitable Activities		-	-	-	-	1,646
Alternative Research		200,000	-	-	200,000	200,000
Publications		-	28,788	-	28,788	28,782
Management & Admin		203,198	90	10,495	213,783	187,140
Total		483,535	30,828	10,495	524,858	480,741
Net gains/(losses) on investments		-	-	(130,291)	(130,291)	27,435
NET INCOME/(EXPENDITURE)		131,793	(5,171)	(107,634)	18,988	(62,841)
Other recognised gains/(losses)						
Gains on revaluation of fixed assets		-	-	-	-	-
Net movement in funds		131,793	(5,171)	(107,634)	18,988	(62,841)
RECONCILIATION OF FUNDS						
Total funds brought forward		443,766	84,137	955,906	1,483,809	1,546,650
TOTAL FUNDS CARRIED FORWARD		<u>575,559</u>	<u>78,966</u>	<u>848,272</u>	<u>1,502,797</u>	<u>1,483,809</u>

The notes form part of these financial statements

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Balance Sheet
31 March 2020**

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS						
Tangible assets	16	-	-	-	-	230
Investments	17	<u>4,033</u>	<u>92,966</u>	<u>848,272</u>	<u>945,271</u>	<u>1,066,479</u>
		4,033	92,966	848,272	945,271	1,066,709
CURRENT ASSETS						
Debtors	18	24,394	-	-	24,394	65,529
Cash at bank and in hand		<u>669,652</u>	<u>-</u>	<u>-</u>	<u>669,652</u>	<u>476,122</u>
		694,046	-	-	694,046	541,651
CREDITORS						
Amounts falling due within one year	19	<u>(122,520)</u>	<u>(14,000)</u>	<u>-</u>	<u>(136,520)</u>	<u>(124,551)</u>
NET CURRENT ASSETS		<u>571,526</u>	<u>(14,000)</u>	<u>-</u>	<u>557,526</u>	<u>417,100</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>575,559</u>	<u>78,966</u>	<u>848,272</u>	<u>1,502,797</u>	<u>1,483,809</u>
NET ASSETS		<u>575,559</u>	<u>78,966</u>	<u>848,272</u>	<u>1,502,797</u>	<u>1,483,809</u>
FUNDS	20					
Unrestricted funds					575,559	443,766
Restricted funds					78,966	84,137
Endowment funds					<u>848,272</u>	<u>955,906</u>
TOTAL FUNDS					<u>1,502,797</u>	<u>1,483,809</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2020 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

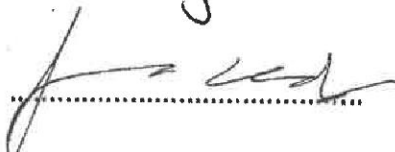
- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Balance Sheet - continued
31 March 2020**

The financial statements were approved by the Board of Trustees and authorised for issue on
27th January 2021 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'A Cadogan', written over a dotted line.

A Cadogan - Trustee

The notes form part of these financial statements

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Cash Flow Statement
for the year ended 31 March 2020**

Notes	Year Ended 31/3/20 £	Year Ended 31/3/19 £
Cash flows from operating activities		
Cash generated from operations 1	<u>168,957</u>	<u>(151,110)</u>
Net cash provided by/(used in) operating activities	<u>168,957</u>	<u>(151,110)</u>
Cash flows from investing activities		
Purchase of fixed asset investments	(493,955)	(392,695)
Sale of tangible fixed assets	-	5,206
Sale of fixed asset investments	<u>484,872</u>	<u>353,308</u>
Net cash used in investing activities	<u>(9,083)</u>	<u>(34,181)</u>
Cash flows from financing activities		
Income attributable to endowment	44,151	32,969
Expenditure attributable to endowment	<u>(10,495)</u>	<u>(7,813)</u>
Net cash provided by financing activities	<u>33,656</u>	<u>25,156</u>
Change in cash and cash equivalents in the reporting period	<u>193,530</u>	<u>(160,135)</u>
Cash and cash equivalents at the beginning of the reporting period	<u>476,122</u>	<u>636,257</u>
Cash and cash equivalents at the end of the reporting period	<u>669,652</u>	<u>476,122</u>

The notes form part of these financial statements

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Notes to the Cash Flow Statement
for the year ended 31 March 2020**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Year Ended 31/3/20 £	Year Ended 31/3/19 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	18,988	(62,841)
Adjustments for:		
Depreciation charges	230	1,210
Losses/(gain) on investments	130,291	(27,435)
Income attributable to endowment	(44,151)	(32,969)
Expenditure attributable to endowment	10,495	7,813
Decrease/(increase) in debtors	41,134	(33,084)
Increase/(decrease) in creditors	<u>11,970</u>	<u>(3,804)</u>
Net cash provided by/(used in) operations	<u>168,957</u>	<u>(151,110)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/19 £	Cash flow £	At 31/3/20 £
Net cash			
Cash at bank and in hand	<u>476,122</u>	<u>193,530</u>	<u>669,652</u>
	<u>476,122</u>	<u>193,530</u>	<u>669,652</u>
Total	<u>476,122</u>	<u>193,530</u>	<u>669,652</u>

The notes form part of these financial statements

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Notes to the Financial Statements
for the year ended 31 March 2020**

1. TRANSFER OF ASSETS

At 30 June 2019 The Fund for the Replacement of Animals in Medical Experiments (FRAME) and The Fund for the Replacement of Animals in Medical Experiments CIO (FRAME CIO) combined to form the Fund for the Replacement of Animals in Medical Experiments CIO (FRAME CIO) through a formal merger agreement.

At this time, all funds and associated assets were transferred from FRAME to FRAME CIO and all activities commenced directly through FRAME CIO from the 1 July 2019.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The financial statements have been prepared under merger accounting principles in accordance with the Charities SORP (FRS 102) to reflect the formal merger between the charity, The Fund for the Replacement of Animals in Medical Experiments and charity CIO, The Fund for the Replacement of Medical Experiments CIO that occurred on 30 June 2019.

An analysis of the principal components of the two merging parties which make up these financial statements are set out in note 15 and an analysis of net assets as at the date of the merger is set out in note 23.

Income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 33% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Notes to the Financial Statements - continued
for the year ended 31 March 2020**

2. ACCOUNTING POLICIES - continued

Fund accounting

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

Although the CIO does generate income from trading and investment activities, the majority of its income is from donations and legacies. It is therefore reliant on the continued support of donors. There is no reason to suggest that this would change in the future, but the variable nature of donations will have an impact of the level of future activities that the CIO is able to carry out.

4. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	Year Ended 31/3/20 Total funds £	Year Ended 31/3/19 Total funds £
Donations	54,237	2,232	-	56,469	88,432
Gift aid	1,554	-	-	1,554	6,636
Legacies	<u>554,651</u>	<u>697</u>	<u>-</u>	<u>555,348</u>	<u>205,767</u>
	<u>610,442</u>	<u>2,929</u>	<u>-</u>	<u>613,371</u>	<u>300,835</u>

5. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	Year Ended 31/3/20 Total funds £	Year Ended 31/3/19 Total funds £
Fundraising	4,219	22,728	-	26,947	17,697
Publications	667	-	-	667	27,832
Training school	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,132</u>
	<u>4,886</u>	<u>22,728</u>	<u>-</u>	<u>27,614</u>	<u>56,661</u>

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Notes to the Financial Statements - continued
for the year ended 31 March 2020**

6. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	Year Ended 31/3/20 Total funds £	Year Ended 31/3/19 Total funds £
Investment income	-	-	33,152	33,152	32,969

7. RAISING FUNDS

Raising donations and legacies

	Unrestricted funds £	Restricted funds £	Endowment funds £	Year Ended 31/3/20 Total funds £	Year Ended 31/3/19 Total funds £
Travel and subsistence	405	-	-	405	521
Advertising	57,210	-	-	57,210	46,602
Subscriptions	2,973	-	-	2,973	-
Postage	-	-	-	-	1,190
Printing	1,547	-	-	1,547	2,360
Staff training and development	3,006	-	-	3,006	-
Sundry	564	-	-	564	-
	<u>65,705</u>	<u>-</u>	<u>-</u>	<u>65,705</u>	<u>50,673</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9) £	Grant funding of activities (see note 10) £	Totals £
Unrestricted	12,903		12,903
Grant	-	3,679	3,679
Alternative Research	-	200,000	200,000
Publications	28,788	-	28,788
Management & Admin	<u>213,783</u>	<u>-</u>	<u>213,783</u>
	<u>255,474</u>	<u>203,679</u>	<u>459,153</u>

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Notes to the Financial Statements - continued
for the year ended 31 March 2020**

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	Year Ended 31/3/20	Year Ended 31/3/19
	£	£
Staff costs	92,898	94,200
Trustees' expenses	947	562
Printing	30,317	29,306
Postage	631	3,645
Light and heat	-	897
Utilities	352	84
Stationery	68	623
Sundries	2,153	277
Travel and subsistence	3,900	6,645
Subscriptions	2,673	2,013
ICT maintenance	1,640	5,102
Training School consultancy	11,138	-
Legal and professional fees	18,526	17,684
Research and dissemination	419	-
Telephone	980	2,052
Bank charges	-	373
Rates	463	(1,009)
Insurance	3,002	3,008
Repairs	532	-
Foreign exchange gain/loss	(1,593)	-
VAT	20,243	25,714
Gains / losses on FA disposal	-	5,206
Accountancy fees	27,118	16,816
Independent examination fees	6,760	3,160
Bad debt write-off	20,000	-
ATLA fees	12,077	-
Depreciation	230	1,210
	<u>255,474</u>	<u>217,568</u>

10. GRANTS PAYABLE

	Year Ended 31/3/20	Year Ended 31/3/19
	£	£
Grant	3,679	12,500
Alternative Research	<u>200,000</u>	<u>200,000</u>
	<u>203,679</u>	<u>212,500</u>

The total grants paid to institutions during the year was as follows:

	Year Ended 31/3/20	Year Ended 31/3/19
	£	£
University of Nottingham	200,000	212,500
Brunel University	1,729	-
University of Hull	<u>1,950</u>	<u>-</u>
	<u>203,679</u>	<u>212,500</u>

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Notes to the Financial Statements - continued
for the year ended 31 March 2020**

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	Year Ended 31/3/20	Year Ended 31/3/19
	£	£
Depreciation - owned assets	<u>230</u>	<u>1,210</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2020 nor for the period ended 31 March 2019.

Trustees' expenses

During the year, one trustee was reimbursed travel expenses incurred in their duties as a trustee totalling £829.

13. STAFF COSTS

	Year Ended 31/3/20	Year Ended 31/3/19
	£	£
Wages and salaries	55,471	80,285
Social security costs	21,574	7,843
Other pension costs	<u>15,853</u>	<u>6,072</u>
	<u>92,898</u>	<u>94,200</u>

The average monthly number of employees during the year was as follows:

	Year Ended 31/3/20	Year Ended 31/3/19
	3	3
Charitable activities	<u>3</u>	<u>3</u>

No employees received emoluments in excess of £60,000.

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

The comparatives in the financial statements are presented for the year ending 31 March 2019.

The last filed Financial statements for FRAME was for the year ending 31 March 2019.

The last filed accounts for FRAME CIO ran for the period 13 December 2017 (the date of incorporation) to 31 March 2019. The FRAME CIO was dormant throughout this period.

Given that FRAME CIO had zero transactions through the SOFA during the prior period, the prior year comparatives have been based on the FRAME accounting period (the year ending 31 March 2019), which is considered a reasonable period for comparison.

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Notes to the Financial Statements - continued
for the year ended 31 March 2020**

15. ANALYSIS OF PRINCIPAL SOFA COMPONENTS FOR THE REPORTING PERIOD

Set out below is an analysis of the principal components of the Statement of Financial Activities for both the current and prior year reporting periods pre and post-merger between the two constituent charities: The Fund for the Replacement of Animals in Medical Experiments (FRAME) and The Fund for the Replacement of Animals in Medical Experiments (FRAME CIO), together, post-merger, The Fund for the Replacement of Animals in Medical Experiments (FRAME CIO).

Analysis of principal components of the Statement of Financial Activities for the current reporting period:

	FRAME pre- merger £	FRAME CIO pre- merger £	FRAME CIO post- merger £	Total £
Total income	385,477	-	288,661	674,138
Total expenditure	(158,066)	-	(366,792)	(524,858)
Net gains/(losses) on investment	28,063	-	(158,354)	(130,291)
Other gains/(losses)	-	-	-	-
Net movement in funds	<u>255,474</u>	<u>-</u>	<u>(236,485)</u>	<u>18,989</u>

Analysis of principal components of the Statement of Financial Activities for the prior year reporting period:

	FRAME £	FRAME CIO £	Total £
Total income	390,465	-	674,138
Total expenditure	(480,741)	-	(524,858)
Net gains/(losses) on investment	27,435	-	24,435
Other gains/(losses)	-	-	-
Net movement in funds	(62,841)	-	(62,841)
Total funds brought forward	<u>1,546,650</u>	<u>-</u>	<u>1,546,650</u>
Total funds carried forward	<u>1,483,809</u>	<u>-</u>	<u>1,483,809</u>

16. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 April 2019 and 31 March 2020	<u>28,578</u>
DEPRECIATION	
At 1 April 2019	28,348
Charge for year	<u>230</u>
At 31 March 2020	<u>28,578</u>
NET BOOK VALUE	
At 31 March 2020	<u>-</u>
At 31 March 2019	<u>230</u>

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Notes to the Financial Statements - continued
for the year ended 31 March 2020**

17. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 April 2019	1,066,479
Additions	493,955
Disposals	(525,554)
Revaluations	<u>(89,609)</u>
At 31 March 2020	<u>945,271</u>
NET BOOK VALUE	
At 31 March 2020	<u>945,271</u>
At 31 March 2019	<u>1,066,479</u>

There were no investment assets outside the UK.

Fixed asset investments are represented by quoted investments listed on a recognised stock exchange.

Market value at 31 March 2020 was £945,272 (2019: £1,066,479).

Historical cost at 31 March 2020 was £990,004 (2019: £976,014)

At 31 March 2020 the charity's financial assets were held and managed by HSBC Premier Discretionary Management. The full value of the portfolio managed by HSBC is £998,750, which includes a £53,478 cash balance.

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	15,200	54,877
VAT	2,913	4,889
Prepayments and accrued income	<u>6,281</u>	<u>5,763</u>
	<u>24,394</u>	<u>65,529</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	57,929	-
Social security and other taxes	2,689	1,772
Other creditors	-	50
Accruals and deferred income	<u>75,902</u>	<u>122,729</u>
	<u>136,520</u>	<u>124,551</u>

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Notes to the Financial Statements - continued
for the year ended 31 March 2020**

20. MOVEMENT IN FUNDS

	At 1/4/19 £	Net movement in funds £	At 31/3/20 £
Unrestricted funds			
General fund	414,545	129,444	543,989
Training School Fund	<u>29,221</u>	<u>2,349</u>	<u>31,570</u>
	443,766	131,793	575,559
Restricted funds			
Alternative Research Fund	815	12,708	13,523
ATLA Fund	18,764	(15,839)	2,925
Dogs Project Fund	20,299	-	20,299
Education Fund	1,145	(1,950)	(805)
PiLAS Fund	<u>43,114</u>	<u>(90)</u>	<u>43,024</u>
	84,137	(5,171)	78,966
Endowment funds			
FRAME Bill Annett Annual Lecture Fund	50,000	-	50,000
FRAME Endowment Fund	<u>905,906</u>	<u>(107,634)</u>	<u>798,272</u>
	955,906	(107,634)	848,272
TOTAL FUNDS	<u><u>1,483,809</u></u>	<u><u>18,988</u></u>	<u><u>1,502,797</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	612,392	(482,948)	-	129,444
Training School Fund	<u>2,936</u>	<u>(587)</u>	<u>-</u>	<u>2,349</u>
	615,328	(483,535)	-	131,793
Restricted funds				
Alternative Research Fund	12,708	-	-	12,708
ATLA Fund	12,949	(28,788)	-	(15,839)
Education Fund	-	(1,950)	-	(1,950)
PiLAS Fund	<u>-</u>	<u>(90)</u>	<u>-</u>	<u>(90)</u>
	25,657	(30,828)	-	(5,171)
Endowment funds				
FRAME Endowment Fund	<u>33,152</u>	<u>(10,495)</u>	<u>(130,291)</u>	<u>(107,634)</u>
TOTAL FUNDS	<u><u>674,137</u></u>	<u><u>(524,858)</u></u>	<u><u>(130,291)</u></u>	<u><u>18,988</u></u>

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Notes to the Financial Statements - continued
for the year ended 31 March 2020**

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 01/04/18 £	Net movement in funds £	At 31/3/19 £
Unrestricted funds			
General fund	546,993	(132,448)	414,545
Training School Fund	<u>29,221</u>	<u>-</u>	<u>29,221</u>
	576,214	(132,448)	443,766
Restricted funds			
Alternative Research Fund	815	-	815
ATLA Fund	8,764	10,000	18,764
Dogs Project Fund	20,299	-	20,299
Education Fund	1,145	-	1,145
PiLAS Fund	<u>39,114</u>	<u>4,000</u>	<u>43,114</u>
	70,137	14,000	84,137
Endowment funds			
FRAME Bill Annett Annual Lecture Fund	50,000	-	50,000
FRAME Endowment Fund	<u>850,299</u>	<u>55,607</u>	<u>905,906</u>
	<u>900,299</u>	<u>55,607</u>	<u>955,906</u>
TOTAL FUNDS	<u><u>1,546,650</u></u>	<u><u>(62,841)</u></u>	<u><u>1,483,809</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	332,364	(472,928)	8,116	(132,448)
Training School Fund	<u>11,132</u>	<u>-</u>	<u>(11,132)</u>	<u>-</u>
	343,496	(472,928)	(3,016)	(132,448)
Restricted funds				
ATLA Fund	4,000	-	6,000	10,000
PiLAS Fund	<u>10,000</u>	<u>-</u>	<u>(6,000)</u>	<u>4,000</u>
	14,000	-	-	14,000
Endowment funds				
FRAME Endowment Fund	32,969	(7,813)	30,451	55,607
TOTAL FUNDS	<u><u>390,465</u></u>	<u><u>(480,741)</u></u>	<u><u>27,435</u></u>	<u><u>(62,841)</u></u>

Unrestricted Funds

The General fund covers the ordinary day-to-day expenditure of the charity.

The General fund is able to benefit from the transfer of investment income earned by the Endowment fund for any year, so as long as the transfer of such income does not result in the Unrestricted fund either making a surplus, or a larger surplus, in the year in which the transfer is made.

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Notes to the Financial Statements - continued
for the year ended 31 March 2020**

20. MOVEMENT IN FUNDS - continued

The Training School fund is a Designated fund for the charitable purpose of running training courses in furtherance of FRAME's charitable activities. Any surpluses generated are reinvested in future courses.

Restricted Funds

The Alternatives Research fund is made up of donations given for the purpose of supporting the scientific research work carried out or commissioned by FRAME.

The ATLA fund is made up of donations given for the purpose of supporting the publication of FRAME's scientific journal Alternatives to Laboratory Animals.

The Dogs Project fund is made up of donations given for the purpose of research into the use of dogs in medical experiments.

The PILAS fund exists to promote active discussion of different perspectives in the use of laboratory animals in medical experiments.

Endowment Funds

During the year ended 31 March 1989 the charity established the FRAME Endowment Trust. The objective of this fund was to enable the charity to finance long term research expenditure by investment income from the Endowment fund, rather than relying largely on current year income. Part of the fund's capital has previously been used to purchase Russel & Burch House in order to reduce the charity's regular expenditure.

Since its creation, the Endowment fund has benefitted, periodically, from the transfer of surplus unrestricted operations fund income. Such transfers have been made solely at the trustees' discretion who have retained the right to release these funds back to the General fund if required.

The charity has applied for and been granted permission by the Charity Commission to utilise the Endowment fund to assist with the cash flow of the charity when required.

The FRAME Bill Annett Annual lecture Endowment Fund constitutes a non-expendable financial reserve, the interest on which is used to contribute towards the charity's cost of holding the Bill Annett Lecture (formerly the FRAME Annual Lecture) held for the first time in September 1999.

21. CAPITAL COMMITMENTS

	2020 £	2019 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>-</u>

22. RELATED PARTY DISCLOSURES

During the year, the trustees declared that they had no potential conflicts of interest.

23. ANALYSIS OF NET ASSETS AT THE DATE OF MERGER

As at 30 June 2019 (the date of the merger) the net assets held by the two individual combining entities were as follows:

	FRAME £	FRAME CIO £	Total £
Net assets	<u>1,739,283</u>	<u>-</u>	<u>1,739,283</u>
Represented by:			
Unrestricted funds	667,077	-	667,077
Restricted funds	84,289	-	84,289
Endowment funds	<u>987,917</u>	<u>-</u>	<u>987,917</u>

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Notes to the Financial Statements - continued
for the year ended 31 March 2020**

23. ANALYSIS OF NET ASSETS AT THE DATE OF MERGER - continued

Total funds carried forward	<u>1,739,283</u>	<u>-</u>	<u>1,739,283</u>
-----------------------------	------------------	----------	------------------

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Detailed Statement of Financial Activities
for the year ended 31 March 2020**

	Year Ended 31/3/20 £	Year Ended 31/3/19 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	56,469	88,432
Gift aid	1,554	6,636
Legacies	<u>555,348</u>	<u>205,767</u>
	613,371	300,835
Other trading activities		
Fundraising	26,947	17,697
Publications	667	27,832
Training school	<u>-</u>	<u>11,132</u>
	27,614	56,661
Investment income		
Investment income	<u>33,152</u>	<u>32,969</u>
Total incoming resources	674,137	390,465
EXPENDITURE		
Raising donations and legacies		
Travel and subsistence	405	521
Advertising	57,210	46,602
Subscriptions	2,973	-
Postage	-	1,190
Printing	1,547	2,360
Staff training and development	3,006	-
Sundry	<u>564</u>	<u>-</u>
	65,705	50,673
Charitable activities		
Trustees' expenses	947	562
Wages	55,471	80,285
Social security	21,574	7,843
Pensions	15,853	6,072
Printing	30,317	29,306
Postage	631	3,645
Light and heat	-	897
Utilities	352	84
Stationery	68	623
Sundries	2,153	277
Travel and subsistence	3,900	6,645
Subscriptions	2,673	2,013
ICT maintenance	1,640	5,102
Training School Consultancy	11,138	-
Legal and professional fees	18,526	17,684
Carried forward	163,478	161,038

This page does not form part of the statutory financial statements

**THE FUND FOR THE REPLACEMENT
OF ANIMALS IN MEDICAL
EXPERIMENTS (FRAME) CIO**

**Detailed Statement of Financial Activities
for the year ended 31 March 2020**

	Year Ended 31/3/20 £	Year Ended 31/3/19 £
Charitable activities		
Brought forward	163,478	161,038
Research and dissemination	419	-
Telephone	980	2,052
Bank charges	-	373
Rates	463	(1,009)
Insurance	3,002	3,008
Repairs	532	-
Foreign exchange gain/loss	(1,593)	-
VAT	20,243	25,714
Gains / losses on FA disposal	-	5,206
Accountancy fees	27,118	16,816
Independent examination fees	6,760	3,160
Bad debt write-off	20,000	-
ATLA fees	12,077	-
Computer equipment	230	1,210
Grants to institutions	<u>203,679</u>	<u>212,500</u>
	<u>459,153</u>	<u>430,068</u>
Total resources expended	<u>524,858</u>	<u>480,741</u>
Net income/(expenditure) before gains and losses	149,279	(90,276)
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	<u>(130,291)</u>	<u>27,435</u>
Net income/(expenditure)	<u>18,988</u>	<u>(62,841)</u>