

**THE R AND S COHEN FOUNDATION**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS OF THE GROUP**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Registered charity number</b>	1078225
<b>Governing document</b>	Trust Deed Dated 16 July 1999
<b>Trustees</b>	Sir Ronald Cohen Lady Sharon Harel-Cohen Tamara Harel-Cohen Jonathan Harel-Cohen David Marks
<b>Registered office</b>	3-4 Stanley Crescent London W11 2NB
<b>Auditors</b>	RSM UK Audit LLP Statutory Auditor Chartered Accountants St Olaf's Hall Church Road Lerwick Shetland Isles ZE1 0FD
<b>Bankers</b>	Coutts & Co 440 Strand London WC2R 0QS

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# **THE R AND S COHEN FOUNDATION**

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021**

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The Trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary for the year ended 31 December 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (effective 1 January 2015).

### **Our Objectives and Activities for the Public Benefit**

The R and S Cohen Foundation is constituted by Trust Deed.

The objectives of the Foundation, as detailed in the Trust Deed, are to apply the Trust Fund and income thereof:

- (a) For the advancement of education;
- (b) For the relief of persons who are in conditions of need, hardship or distress as a result of local, national or international disaster or by reason of their social and economic circumstances;
- (c) In promoting and encouraging for the public all aspects of the arts, including painting, sculpture, theatre and music; and
- (d) Other deserving causes as the Trustees see fit.

The Trust furthers its charitable purposes for the public benefit through the investment of accumulated funds and the making of charitable grants of money or other property to any charitable institution, bodies or funds, or lending money for any charitable purpose, at the discretion of the Trustees and within the objectives of the Foundation.

### **Trustees**

The Trustees who served during the year were as follows:-

Sir Ronald Cohen  
Lady Sharon Harel-Cohen  
Tamara Harel-Cohen  
Jonathan Harel-Cohen  
David Marks

Appointment of Trustees is governed by the Trust Deed of the Foundation. The Board of Trustees is authorised to appoint new Trustees to fill vacancies arising through resignation or death of an existing Trustee.

If the number of Trustees falls below three for any reason then the Trustees must take steps to bring the number up to at least three but no more than seven.

New Trustees are provided with an induction and appropriate training commensurate with their knowledge and experience in charity matters.

### **Structure, Governance and Management**

The consolidated annual report includes the activities of both the charity and its subsidiary, R and S Cohen Foundation Nominee Limited.

The Trustees of The R and S Cohen Foundation are in regular communication on matters affecting the Foundation and the grants it decides to make. The quorum for each meeting is two trustees.

# THE R AND S COHEN FOUNDATION

## REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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The Foundation has received a number of donations through its Trustees, and does not seek donations from the general public.

During the year Portland Place Capital Ltd, a company owned by Sir Ronald Cohen provided limited administrative support to the Foundation. A precise value cannot be attributed to this support and so no amount has been included in the financial statements.

### **Related parties**

Details of related party transactions are provided in note 12 to the financial statements.

### **Investment powers, policy and performance**

The Trust Deed authorises the Trustees to make and hold investments using the general funds of the Foundation.

The Trustees having regard to the liquidity requirements of the Foundation maintain a diversified portfolio of investments and cash.

The Trustees consider that the investments performed satisfactorily in the period.

### **Development, activities, achievements and performance**

The Trustees consider that they have continued to be successful in distributing funds to a wide range of well-deserving causes in accordance with the objectives of the Foundation.

When reviewing the Charity's aims and objectives and in planning future activities the Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 and have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit.

### **Financial review**

The Foundation made grants of £644,869 during the year (2020: £917,541), received donations of £32,218 (2020: £nil) and had income of £4,615 (2020: £8,558). Net investment gains of £246,236 were made (2020 gains: £4,212), and as a result, the Foundation's consolidated net assets decreased by £380,067 during the year (2020 decreased: £924,271). Fixed asset investments decreased by £244,684 during the year (2020 decreased: £131,379) to £778,658.

### **Future developments**

The Trustees intend to continue with the same policies in the future with a view to materially expending its current reserves in accordance with its charitable purposes by 31 December 2025.

### **Grant Making policy**

The Trustees are in regular communication on matters affecting the Foundation and the grants it decides to make. The Trustees' policy is to distribute funds to a wide range of well-deserving causes in accordance with the objectives of the Foundation.

The Trustees remain concerned about the volume of unsolicited approaches from other charities and the expenditure incurred by these charities in making these submissions. Accordingly, the Trustees have adopted a policy of only considering the making of grants to charitable organisations with which the Trustees have personal contact or those whose aims they support and will not respond to any unsolicited requests in the hope that this will dissuade such charities from incurring unnecessary expenditure. The Trustees have also decided not to respond to any requests for support from private individuals.

# THE R AND S COHEN FOUNDATION

## REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### Reserves policy

The Foundation is a grant making charity. It has received a number of donations through its Trustees in previous years, which have been donated with the view to establishing an expendable reserve to be expended over a number of years. The Foundation does not seek donations from the general public.

The Foundation's administration costs are small. The only substantial ongoing commitments are those to programme related investments and a private equity fund as detailed in note 7. The Group has £1,217,785 (2020: £1,597,852) of expendable reserves which the Trustees consider to be sufficient to meet these commitments.

The Foundation does not have any assurance that it will receive additional donations in future periods.

In view of the uncertainty over future incoming donations, the Trustees consider it appropriate that the Foundation should manage its activities in order to materially expend its reserves in accordance with its charitable purposes by 31 December 2025.

The Foundation reviews this policy annually, or if there are any significant changes in its commitments or activities.

### Social investment policy

The Foundation is a charity which makes grants in accordance with its objects as set out on page 2.

The majority of grants are made directly to the beneficiaries, but the Foundation also makes Programme Related Investment where this is consistent with the Foundation's charitable purposes.

In particular, the Foundation supports Programme Related Investment in disadvantaged communities in the UK, where entrepreneurship can be harnessed for the benefit of the community.

Full repayment of the investments in Bridges Funds is expected and the Foundation no longer expects lower returns than for normal private equity funds.

### Risk assessment

The trustees have considered the recoverability of its investments and ability to continue as a going concern. The trustees have reviewed the Foundation's assets and in particular the programme related investments and are satisfied that it has sufficient liquidity and expendable reserves to meet its foreseeable commitments.

The principal risk to which it is exposed is a fall in the value of its investments. The Foundation seeks to minimise this risk by diversifying its investments, both in the UK and abroad, and by maintaining a relatively high level of cash.

The risks associated with governance issues are considered to be low; the Trustees include a very experienced investment manager and a Chartered Accountant and obtain expert professional advice where appropriate.

# THE R AND S COHEN FOUNDATION

## REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### Statement of Trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable laws and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year. Under that 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity 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 in the applicable Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) 2008 Regulations and the provision of the Trust Deed. They are also responsible for safeguarding the assets of the Charity and hence for the prevention and detection of fraud and other irregularities.

### Auditors

RSM UK Audit LLP was appointed as auditor during the year and has expressed a willingness to be re-appointed for 2022.



Sir Ronald Cohen  
**Trustee**



David Marks  
**Trustee**

# THE R AND S COHEN FOUNDATION

## INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE R AND S COHEN FOUNDATION

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### Opinion

We have audited the financial statements of The R and S Cohen Foundation (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 December 2021 which comprise the Group Statement of Financial Activities, the Group and parent charity Balance Sheets, the Group and parent charity Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charity's affairs as at 31 December 2021 and of their incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

We have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the Report of the Trustees other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of the Trustees. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



# THE R AND S COHEN FOUNDATION

## INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE R AND S COHEN FOUNDATION CONTINUED

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### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Report of the Trustees; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 5, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

# THE R AND S COHEN FOUNDATION

## INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE R AND S COHEN FOUNDATION CONTINUED

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks, that the group and parent charity operates in and how the group and parent charity is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, the parent charity's governing document and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Report of the Trustees, remaining alert to new or unusual transactions which may not be in accordance with the governing documents or charity law, inspecting board minutes and confirming that there had been no correspondence with Charity Commission or external legal advisers in the period.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*RSM UK Audit LLP*

RSM UK Audit LLP  
Statutory Auditor  
Chartered Accountants  
St Olaf's Hall  
Church Road  
Lerwick  
Shetland Isles

ZE1 0FD

Date *24 October 2022*

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# THE R AND S COHEN FOUNDATION

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted funds	Restricted funds	Total funds 2021	Total funds 2020
	Notes	£	£	£	£
<b>Income</b>					
Donations	2	10,902	21,316	32,218	-
Investment income	3	4,615	-	4,615	8,558
<b>Total income</b>		<u>15,517</u>	<u>21,316</u>	<u>36,833</u>	<u>8,558</u>
<b>Expenditure</b>					
Charitable activities	4	633,212	21,359	654,571	936,595
<b>Total expenditure</b>		<u>633,212</u>	<u>21,359</u>	<u>654,571</u>	<u>936,595</u>
<b>Net expenditure and net movement in funds before gains and losses on investments and on exchange</b>		(617,695)	(43)	(617,738)	(928,037)
Net gains on investments		245,519	-	245,519	4,212
Exchange (losses)/gains on cash and cash equivalents		(7,891)	43	(7,848)	(446)
<b>Net movement in funds</b>		(380,067)	-	(380,067)	(924,271)
<b>Reconciliation of Funds</b>					
<b>Total Funds brought forward</b>		<u>1,597,852</u>	<u>-</u>	<u>1,597,852</u>	<u>2,522,123</u>
<b>Total Funds carried forward</b>	15	<u>1,217,785</u>	<u>-</u>	<u>1,217,785</u>	<u>1,597,852</u>

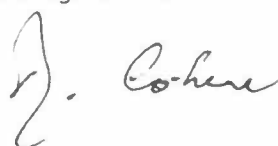
# THE R AND S COHEN FOUNDATION

## CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2021

	Notes	£	2021 £	£	2020 £	£
<b>Fixed assets</b>						
Programme related investments and private equity funds	7		778,658		1,023,342	
			778,658		1,023,342	
<b>Current assets</b>						
Debtors	9	-	-	-	-	-
Bank and cash balances		450,275		585,152		
			450,275	585,152		
<b>Liabilities</b>						
Creditors falling due within one year	10	(11,148)		(10,642)		
<b>Net current assets</b>			439,127		574,510	
<b>Total assets less current liabilities</b>			1,217,785		1,597,852	
<b>Net assets</b>			1,217,785		1,597,852	
<b>The Funds of the charity:</b>						
Unrestricted funds			1,217,785		1,597,852	
Restricted Funds			-		-	
<b>Total funds</b>			1,217,785		1,597,852	

The notes at pages 13 to 20 form part of these accounts.

These financial statements were approved by the trustees on 19 October 2022 and signed on their behalf by:-



Sir Ronald Cohen  
Trustee



David Marks  
Trustee

# THE R AND S COHEN FOUNDATION

## CHARITY BALANCE SHEET AS AT 31 DECEMBER 2021

	Notes	£	2021 £	£	2020 £
<b>Fixed assets</b>					
Investment in subsidiary undertaking	8		1		1
Programme related investments and private equity funds	7		397,661		723,072
			<u>397,662</u>		<u>723,073</u>
<b>Current assets</b>					
Debtors	9	183,344		176,785	
Bank and cash balances		450,275		585,152	
		<u>633,619</u>		<u>761,937</u>	
<b>Liabilities</b>					
Creditors falling due within one year	10	(10,248)		(9,738)	
		<u></u>		<u></u>	
<b>Net current assets</b>			623,371		752,199
<b>Total assets less current liabilities</b>			<u>1,021,033</u>		<u>1,475,272</u>
<b>Net assets</b>			<u>1,021,033</u>		<u>1,475,272</u>
<b>The funds of the charity</b>					
Unrestricted funds			1,021,033		1,475,272
Restricted funds			-		-
			<u>1,021,033</u>		<u>1,475,272</u>
<b>Total funds</b>			<u>1,021,033</u>		<u>1,475,272</u>

The notes at pages 13 to 20 form part of these accounts.

These financial statements were approved by the trustees on 19 October 2022 and signed on their behalf by:-



Sir Ronald Cohen  
Trustee



David Marks  
Trustee

## THE R AND S COHEN FOUNDATION

### STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDING 31 DECEMBER 2021

	Note	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
<b>Cash used in operating activities</b>	<b>11</b>	(621,847)	(956,723)	(608,664)	(849,784)
<b>Cash flows from investing activities</b>					
Investment income		4,615	8,558	22	316
Net distributions from programme related investments and private equity funds		490,203	135,591	481,613	36,894
<b>Net cash provided by investing activities</b>		494,818	144,149	481,635	37,210
Decrease in cash and cash equivalents in the year		(127,029)	(812,574)	(127,029)	(812,574)
Effect of foreign exchange rate changes		(7,848)	(446)	(7,848)	(446)
Cash and cash equivalents at the beginning of the year		585,152	1,398,172	585,152	1,398,172
<b>Total cash and cash equivalents at the end of the year</b>		450,275	585,152	450,275	585,152

# THE R AND S COHEN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### **1 Accounting policies**

#### **1.1 Basis of preparation and assessment of going concern**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 as amended for accounting periods commencing on or after 1 January 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Charity constitutes a public benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. In arriving at this opinion the trustees considered the potential impact of Covid-19 on the valuation and recoverability of its investments in the context of its commitments.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

#### **1.2 Funds**

Unrestricted funds are those which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

#### **1.3 Income**

Voluntary donations and any associated tax claim are accounted for once the Charity has an entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. Donated investments are recorded as income at market value on the date of receipt. Dividends from investments are accounted for on the date of payment. Interest on cash deposits is accounted for on an accruals basis. No permanent endowment has been received in the period.

#### **1.4 Grants payable**

Donations to charitable causes are accounted for as they are paid or when future donations have been committed to in writing by the Trustees and are measurable with reasonable accuracy.

#### **1.5 Expenditure**

Governance costs include all expenditure not directly related to the charitable activity and are included in the Statement of Financial Activities within Charitable Activities on an accruals basis. Value added tax is not recoverable by the charity, and as such is included in the relevant costs. Expenditure met by the Trustees and donated services are not recognised in the accounts unless they are readily quantifiable.

#### **1.6 Investments**

Investments are stated at market value (where readily available) at the balance sheet date, converted at the exchange rate at the balance sheet date where applicable. The Consolidated Statement of Financial Activities includes net gains and losses arising on revaluations and exchange rate movements during the year.

#### **1.7 Foreign currency assets and transactions**

Assets and liabilities denominated in foreign currencies are translated into sterling at the rate ruling on the balance sheet date. Any profit and loss owing from exchange differences is recognised in the Statement of Financial Activities.

# THE R AND S COHEN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1.8 Private equity and programme related investments

Private equity investments are stated at the carrying value provided to the charity by the private equity manager. The private equity managers prepare their valuations in accordance with the British Venture Capital Association guidelines. A provision is made against any loan where the carrying value provided to the charity is less than the loan drawn. Where the carrying value is higher than the drawn loan the value of the equity investment is increased.

### 1.9 Financial instruments

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

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument, and are offset only when the group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The group only has financial assets and liabilities of a kind that qualify as basic financial instruments, which are initially recognised at transaction value and subsequently valued at their settlement date.

### 1.10 Critical accounting estimates and judgements

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 critical areas of judgement 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*

Investments in social impact bonds are carried at cost until such time as the financial outcome is determined or the trustees have evidence of permanent impairment. The trustees base their judgements on regular updates provided by the managers of those bonds.

### 1.11 Basis of Consolidation

The Group financial statements consolidate the financial statements of The R and S Cohen Foundation and its subsidiary R and S Cohen Foundation Nominee Limited.

## 2 Donations

	2021 £	2020 £
Donations receivable	32,218	-
	<hr/>	<hr/>
	32,218	-
	<hr/>	<hr/>



# THE R AND S COHEN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 3 Investment income

	2021 £	2020 £
Interest receivable	22	316
Management fee rebate	4,593	8,242
	<u>4,615</u>	<u>8,558</u>

### 4 Charitable activities

	2021 £	2020 £
Institutional grants	644,869	917,541
Governance Costs (see note 6)	9,702	19,050
Corporation Tax on profit in trading subsidiary	-	4
	<u>654,571</u>	<u>936,595</u>

There were no grants to individuals during the year. Further details of grants paid are given in Note 13.

### 5 Staff costs

The Foundation has no employees (2020: nil).

None of the Trustees received any remuneration in the year (2020: nil).

### 6 Governance costs

	2021 £	2020 £
Auditors remuneration:		
Audit – current year	8,718	8,718
Audit – underprovided prior year	-	258
Accountancy	960	960
Bank charges and interest	24	608
Professional charges	-	8,506
	<u>9,702</u>	<u>19,050</u>

# THE R AND S COHEN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 7 Programme related investments and Private Equity Funds

In accordance with their policy on Programme Related Investment the Trustees invested the following sums in Bridges Community Development Venture Funds, the Bridges Sustainable Property Funds, Social Finance NY State Workforce Re-entry 2013 LLC and into Apax Europe VII Founder LP a private equity fund.

#### *Consolidated*

	2021 Programme related Investment £	2021 Private Equity £	2021 Total £	2020 Programme Related Investment £	2020 Private Equity £	2020 Total £
Balance Brought Forward						
Investments	339,345	126,007	465,352	314,026	190,139	504,165
Loans	557,990	-	557,990	650,556	-	650,556
	897,335	126,007	1,023,342	964,582	190,139	1,154,721
Movement in year						
Loans drawn	2,720	-	2,720	6,130	-	6,130
Loans repaid	(479,839)	-	(479,839)	(98,696)	-	(98,696)
Distributions in excess loan	-	(13,084)	(13,084)	(4,621)	(38,404)	(43,025)
Exchange rate differences	(716)	-	(716)	-	-	-
Appreciation/(Depreciation) of investments	245,197	1,038	246,235	29,940	(25,728)	4,212
	(232,638)	(12,046)	(244,684)	(67,247)	(64,132)	(131,379)
Balance carried forward						
Investments	545,063	113,961	659,024	339,345	126,007	465,352
Loans	119,634	-	119,634	557,990	-	557,990
	664,697	113,961	778,658	897,335	126,007	1,023,342

The Trustees have committed to a further €7,500 (2020: €7,500) to the Apax Europe VII Founder LP, to be called at the discretion of the general partner of the fund. In addition distributions received totalling £78,088 and €4,415 may be recalled in certain circumstances by the general partners of the Bridges and Apax funds respectively under the terms of the fund agreements.

# THE R AND S COHEN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### Charity

	2021 Programme related Investment £	2021 Private Equity £	2021 Total £	2020 Programme Related Investment £	2020 Private Equity £	2020 Total £
Balance Brought Forward						
Investments	146,213	126,007	272,220	135,359	190,139	325,498
Loans	450,852	-	450,852	444,722	-	444,722
	597,065	126,007	723,072	580,081	190,139	770,220
Movement in year						
Loans drawn	2,720	-	2,720	6,130	-	6,130
Loans repaid	(471,249)	-	(471,249)	-	-	-
Distributions in excess loan	-	(13,084)	(13,084)	(4,621)	(38,404)	(43,025)
Exchange rate differences	(716)	-	(716)	-	-	-
Appreciation/(Depreciation) of investments	155,880	1,038	156,918	15,475	(25,728)	(10,253)
	(313,365)	(12,046)	(325,411)	16,984	(64,132)	(47,148)
Balance carried forward						
Investments	262,614	113,961	376,575	146,213	126,007	272,220
Loans	21,086	-	21,086	450,852	-	450,852
	283,700	113,961	397,661	597,065	126,007	723,072

### 8 Investment in subsidiary undertaking

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Subsidiary undertaking	-	-	1	1

The charity owns 100% of the share capital of R and S Cohen Foundation Nominees Limited (Registered in England - company number 05752230) represented by one £1 share. R and S Cohen Foundation Nominee Limited holds a single programme related investment. The relevant balances for the subsidiary at 31 December 2020 and 2019 were as set out below.

	31 Dec 2021 £	31 Dec 2020 £
Aggregate assets	380,997	300,270
Aggregate liabilities	(184,245)	(177,689)
Revenue incl. Gain/(Loss) on PRI	93,910	22,708
Expenditure	(19,738)	(34,472)
Profit/(Loss)	74,172	(11,764)
Corporation Tax	-	4

# THE R AND S COHEN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 9 Debtors

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Amount due from subsidiary undertaking	-	-	183,344	176,785
	-	-	183,344	176,785

The timing of the recovery of the amount due from the subsidiary undertaking will be dependent upon the realisations in the underlying investment fund held by the subsidiary undertaking.

### 10 Creditors: amounts falling due within one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Accruals	11,148	10,642	10,248	9,738
	11,148	10,642	10,248	9,738

### 11 Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Net movement in funds	(380,067)	(924,271)	(454,239)	(912,502)
Deduct investment income shown in investing activities	(4,615)	(8,558)	(22)	(316)
Foreign exchange losses on cash and cash equivalents	7,848	446	7,848	446
(Increase)/decrease in valuation of programme related investments and private equity funds	(245,519)	(4,212)	(156,202)	10,253
(Increase)/decrease in debtors	-	-	(6,559)	72,467
Increase/(decrease) in creditors	506	(20,128)	510	(20,132)
<b>Net cash used in operating activities</b>	<b>(621,847)</b>	<b>(956,723)</b>	<b>(608,664)</b>	<b>(849,784)</b>

# THE R AND S COHEN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 12 Related party transactions

The Charity received donations of £17,872 and €4,000 from Sir Ronald Cohen in the year (2020: £nil).

Grants payable include £495,778 (2020: £498,649) paid to The Portland Trust a UK Charity of which Sir Ronald Cohen is a Trustee.

Grants payable include £32,676 (2020: £nil) paid to Global Steering Group for Impact Investment a UK Charity of which Sir Ronald Cohen is a Trustee.

Sir Ronald Cohen is a director of Social Finance Inc. which is the advisor to Social Finance NY State Workforce Re-Entry 2013 LLC. In 2013 the Charity made a commitment to invest USD200,000 in this fund which targets a reduction in prisoner recidivism in New York State and the fund is fully drawn. Sir Ronald Cohen did not receive any income from Social Finance Inc. in the period. This loan was repaid in 2019. The Charity incurred a New York State Tax liability as a consequence of this investment. The Charity does not have a US based bank account which was needed to settle this tax liability. Sir Ronald Cohen agreed to settle the liability in the amount of USD16,565.37 on behalf of the Charity from his personal account. The Charity reimbursed this amount to Sir Ronald Cohen in June 2021.

The Foundation made loan advances of £nil (2020: £nil) received loan repayments of £8,590 (2020: £98,696) and grants of £19,288 (2020: £34,022) from its subsidiary in the year.

### 13 Grants payable Name of Recipient

	2021	2020
	£	£
Ben Gurion University Foundation	45,414	44,491
Community Security Trust	20,000	20,000
The Rector and Scholars of Exeter College in the University of Oxford	-	300,000
Global Steering Group for Impact Investment	32,676	-
Good Chance Theatre	-	3,000
Multiple Sclerosis Society	-	25,000
Portland Trust, The	495,778	498,649
Sir Martin Gilbert Learning Centre	25,000	-
Southbank Centre	1,001	1,001
United Jewish Israel Appeal	25,000	25,000
Other Gifts - £1,000 or less	-	400
	<hr/> 644,869	<hr/> 917,541

During the year, £644,869 (2020: £917,541) was committed in grants payable to charities and organisations that met the Foundation's objectives, of which £644,869 (2020: £917,541) was paid in the year. In addition £nil (2020: £20,900) of grants were paid in the year that were committed to in prior years.

### 14 Controlling party

No individual trustee has control of the charity.

# THE R AND S COHEN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 15 Comparatives for the statement of financial activities

	Unrestricted funds	Restricted funds	Total funds 2020 £
	£	£	£
<b>Income</b>			
Donations	-	-	-
Investment income	8,558	-	8,558
	<hr/>	<hr/>	<hr/>
<b>Total income</b>	8,558	-	8,558
	<hr/>	<hr/>	<hr/>
<b>Expenditure</b>			
Charitable activities	936,595	-	936,595
	<hr/>	<hr/>	<hr/>
<b>Total expenditure</b>	936,595	-	936,595
	<hr/>	<hr/>	<hr/>
<b>Net expenditure and net movement in funds before gains and losses on investments and on exchange</b>	(928,037)	-	(928,037)
Net gains on investments	4,212	-	4,212
Exchange losses on non-investment assets	(446)	-	(446)
<b>Net movement in funds</b>	(924,271)	-	(924,271)
<i>Reconciliation of Funds</i>			
<b>Total Funds brought forward</b>	2,522,123	-	2,522,123
	<hr/>	<hr/>	<hr/>
<b>Total Funds carried forward</b>	1,597,852	-	1,597,852
	<hr/>	<hr/>	<hr/>