

REGISTERED CHARITY NUMBER: 259464

**Report of the Trustees and
Unaudited Financial Statements for the Year Ended
31 March 2018
for
FRAME**

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

FRAME

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FRAME

Report of the Trustees for the year ended 31 March 2018

The trustees present their report with the financial statements of the charity for the year ended 31 March 2018. 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 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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

To 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 researches.

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 researches and promote the publication and dissemination of the results such research conducted by and in association with the Charity and to highlight and comment on such research conducted by others.

The charity's fundamental aim is to promote the embedding of the 3Rs (Reduction, Refinement and Replacement) in biomedical research and development. FRAME achieves its objectives through laboratory-based and office-based research into non-animal research methods that enable safety testing of chemicals present in cosmetics, foodstuffs, household products and pharmaceuticals. FRAME also is involved in the validation and regulatory acceptance of these methods, that can also be used to study and understand human diseases and their treatment.

The research, based largely in the FRAME Alternatives Laboratory (FAL) based in the University of Nottingham Medical School generates publications in peer-reviewed scientific journals and presentations at scientific meetings. The Charity publishes its own peer-reviewed scientific journal ATLA (Alternatives to Laboratory Animals).

FRAME's websites, press releases and social media are the portals 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 offer 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 their studies.

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Report of the Trustees for the year ended 31 March 2018

OBJECTIVES AND ACTIVITIES

Significant activities

In 2017, FRAME underwent a restructuring program. This involved a significant change from an office-based charity to a virtual environment in order to cut costs and to modernise with the growth of the internet.

The existing FRAME office building required extensive expenditure and the Trustees decided that it would be best to sell the building and move to outsourcing key roles. With this restructuring plan, there were staff redundancies. Another key factor was the appointment of a new Scientific Officer who was then able to work from home as were the 2 members of staff involved in the production of ATLA.

The PR, marketing and press aspects of FRAME were outsourced to V Formation, a company based in Nottingham. Under their guidance, FRAME has been re-branded, with a more modern and easier to use website with the aim of extending our message as wide as possible using new media.

The accounting side of FRAME was outsourced to Clayton & Brewill, an accountancy firm based in Nottingham.

Communications and Education

Communication of the work FRAME undertakes to the scientific community, relevant industry, regulatory bodies, Government, the media as well as the general public is disseminated via appropriate media options.

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 Scientific progress.

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

FRAME continues to influence policy at regulatory and UK governmental level (such as the proposed ban on testing finished household products on animals) through membership of the Home Office Animal Welfare Stakeholder Group and engagement with the All Party Parliamentary Group on Experimental Animals.

Press releases are sent out regularly to promote FRAME's work. Communication with the wider population have been targeted in an effort to increase FRAME's support base. Whilst FRAME has a strong following on social media such as Twitter and Facebook, it is recognised that this needs to be translated into more active support. FRAME's social media share is growing, with some announcements reaching audiences of several thousand. Such communication is also used to drive traffic to FRAME's websites as part of a co-ordinated communications strategy to increase the supported base.

FRAME Training Schools

Due to the restructuring process and staff redundancies, there were no training schools for the period March 2017- March 2018.

The next Training School is due to be held in January 2019.

Public benefit

The trustees have complied with the duty (set out in Section 4 of the Charities Act 2006) to have due regard to public benefit guidance published by the Charities Commission. The trustees have considered the public benefit delivered by FRAME through its activities.

ACHIEVEMENT AND PERFORMANCE

Research

Research in the FRAME Alternatives Laboratory (FAL) continues to focus on developing novel in vitro cell toxicity models using human cells. This research will provide scientifically valid new non-animal methods, replacing procedures currently used to assess human safety of drugs and chemicals, and to explore human disease.

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Report of the Trustees for the year ended 31 March 2018

ACHIEVEMENT AND PERFORMANCE

The FAL is part of the School of Life Sciences, University of Nottingham Medical School, and is staffed by the Director (FRAME Trustee Dr Andrew Bennett) and 15 research staff (post-doctoral fellows, PhD students and technicians).

The FAL has recruited 2 new PhD students over the past year. Both of the PhD studentships is funded by the Biotechnology and Biological Sciences Research Council (BBSRC). Both students are working on projects to develop the use of human liver stem/progenitor cells as replacement models for animals in studies of liver toxicity and liver disease modelling. In the past year, 4 PhD students have successfully graduated from the FAL and have gone on to new positions at Cyprotex Ltd, Nottingham Trent University, Qatar University and Jeddah Medical University. One of the major aims of the FAL is to train and educate young scientists in experimental design and techniques that replace animals in scientific procedures and to encourage our graduates to spread FRAME's message to the wider scientific community.

Current projects include development of improved in vitro models that can be used to study the human liver. Incidence of liver disease, in particular, Non-Alcoholic Fatty Liver Disease in the human population has increased markedly in recent years and it is now one of the leading causes of ill health in the UK and the developed world. However, the currently available methods for liver cell isolation and culture have many limitations and provide only a poor representation of many of the cellular interactions and functions that occur in human liver in vivo. Improved methods are therefore needed, which can improve our understanding of how human liver diseases arise and how they can be treated. Liver progenitor cells (isolated from human tissues obtained through surgery, with appropriate ethical permission) are being used to produce mini livers in the lab. In the past year we have identified 2 pools of cells that may be able to allow the liver to regenerate and we are developing methods to proliferate and culture these cells in the lab. It is intended that this project will allow production of organoids for toxicity testing, drug discovery and disease modelling, on a scale that will replace a significant number of animals in scientific research with a more human-relevant model.

Another project focuses on the role of dietary fructose in metabolism in the human liver. It has been proposed that fructose plays a key role in the increased prevalence of obesity and non-insulin dependent diabetes in recent years. Much of the work carried out examining the effects of dietary sugars upon liver metabolism is currently being done using rodent models which FRAME believes do not accurately model the situation in humans. By using human derived hepatocyte models we believe we will not only reduce the numbers of animals used in nutritional research, but also the data will be much more relevant to human subjects.

The FAL has also entered into a collaboration with colleagues in the School of Pharmacy at the University of Nottingham to develop ϵ -D printed models of human tissues and organs. The project is in its early stages, but we have just published our first paper entitled "Bioprinting using mechanically robust core-shell cell-laden hydrogel strands" in the Journal Macromolecular Bioscience.

A full thickness model of human skin that can aid the evaluation of new active cosmetic ingredients is also being developed in the lab. Since it is now not allowed to test cosmetics on animals in the UK and Europe, this work is required to enable development of cosmetics which will contain active ingredients that are aimed towards reducing skin irritation and inflammation.

We have also developed a model of primary human skeletal muscle in the laboratory which uses electrical stimulation to mimic muscle contraction. We have been able to demonstrate that this culture system more closely resembles adult human muscle and we are using this model system to study insulin signalling and glucose metabolism in normal and obese/diabetic conditions. The first manuscript using this model system has been submitted to the Journal "Ageing Cell".

The FAL has also been working in collaboration with breast cancer researchers at the University of Nottingham and Lincoln NHS Trust. The project is investigating the genetic differences between women who respond well to breast cancer therapy and those who do not to try and stratify the treatment given to patients. We have identified 2 key genes which we believe may help to inform treatment options and are currently testing a larger number of patient samples to confirm our initial findings.

We have also completed 2 further projects in the past year; a study on the effects of glucose supplementation in patients undergoing major surgery, which has been submitted to the Journal "Annals of Surgery" and a study examining the effects of very low calorie diets upon very obese patients undergoing gastric bypass surgery, which has been submitted to the journal "Diabetes, Obesity and Metabolism".

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Report of the Trustees for the year ended 31 March 2018

ACHIEVEMENT AND PERFORMANCE

For non-scientists

FRAME also produces publications aimed at non-scientists, using layman's language to discuss scientific and ethical questions.

FRAME News is issued to supporters and other interested parties.

FRAME's websites were overhauled last year and given a new look. This has been welcomed, as they are now accessible to mobile devices as well as desk-top computers. The FRAME website is updated regularly with timely content on topical issues, avoiding scientific jargon.

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.

The Trust's achievements during this period have only been possible through the generosity of our donors, funders, volunteers, supporters and the dedication and commitment of FRAME's staff and the Trustees. Thank you very much to everyone who supported us this year.

FINANCIAL REVIEW

During the year to 31 March 2018, total incoming resources were £251,119, whilst total resources expended were £447,521. These figures represent a 59% decrease in incoming resources and 6% decrease in resources expended over 2016/17. Other recognised gains and losses amounted to a net loss of £17,829, compared to a net gain of £152,138 in 2016/17. Overall FRAME produced a net deficit at 31 March 2018 of £214,231, compared with a net surplus of £292,670 in 2016/17.

FRAME generally operates at a deficit on its activities, with occasional large legacies tending to account for years where there are net surpluses.

Income

Legacies

Legacy income was £140,891 a large decrease on the figure for 2016/17.

Corporate Donations

Total corporate support for FRAME continued to decline, dropping to £3,500 from £27,391 in 2016/17. Some commercial sponsors have merged, ceased to trade or are consolidating their investment in-house and their support has been lost. Corporate support for research received this year, has also dropped to £1,500 from £20,000 in 2016/17. This has made it necessary again to hold the annual grant to University of Nottingham FRAME Alternatives Laboratory to £175,000 as for the last 8 years, the restricted funding being supplemented from the general funding to FRAME.

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

Private Donations

Private support from individuals and charitable trusts for FRAME's work promoting alternatives to animal testing fell by 74% to £11,287, compared to £44,180 in 2016/17.

Publication Fees, Subscriptions & Royalties

ATLA subscriptions income decreased at £20,811, compared to £28,444 in 2016/17. Royalties reduced from £1,156 in 2016/17 to £957 this year.

Ordinary Expenditure

Costs were kept tight in most areas and overall expenditure decreased by £30,240 or 6% to £447,521. The main decrease was in respect of staff costs, with an average of 2 fewer employees from 2016/17 to 2017/18 and a reduction in costs of £11,776 to £136,365 from £148,141 in 2016/17.

Activity Fund Management

FRAME has five primary areas of activity that are made up of unrestricted and restricted funds:

1. Alternatives Research restricted and non-restricted funds returned a total deficit of £194,371, compared to a deficit of £187,348 in 2016/17.

FRAME

Report of the Trustees for the year ended 31 March 2018

FINANCIAL REVIEW

2. Fundraising & PR, including legacies and corporate donations not allocated to Research or Publications, was £112,694 compared to £448,171 in 2016/17.

3. Publications were supported from non-restricted funding and the reserves. The ATLA and PiLAS restricted funds retained balances at the year end of £4,000 and £9,946 respectively.

4. Technical Services saw very little activity during the year, which was consistent with 2016/17.

5. Training and Education saw almost no activity during the year, which was consistent with 2016/17.

Endowment Funds

This fund is maintained at a constant balance of £50,000 as an endowment from non-restricted funding and reserves. The FRAME Endowment comprises an investment portfolio and the office property in Nottingham, and currently stands at £900,299.

Balance Sheet

Current Assets

The overall value of FRAME's investments declined by 3.27% to £999,657 at 31 March 2018 from £1,033,487 in 2016/17. This increase includes income generated, and cash held by our investment managers HSBC.

Fixed Assets

There were some small additions in the year however the main movement being the disposal of the freehold property which had a NBV of £231,677 and was sold for £256,000 leaving a profit on disposal of £24,323.

Net Current Assets

£636,257 is retained as cash or near-to-cash assets, up by 21% on the £525,189 held in 2016/17. With this increase in cash and bank balances, current assets outweigh current liabilities by 5:1.

Net Worth

FRAME's overall net worth decreased by £214,231 or 12% to £1,546,650, with the unrestricted funds balance decreasing by £53,415 or 10% from £629,629 to £576,214.

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.

FRAME remains relatively stable financially. However the charity continues to run underlying operating deficits of approximately £200K pa. The full impact of these deficits has been offset by occasional large legacies and the depletion of existing unrestricted reserves; however these sources of funding cannot be relied upon.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

FRAME is a registered charity, number 259464, and is constituted under a trust deed dated 1 September 1969.

Recruitment and appointment of new trustees

The management of the charity 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 charity is governed by its trust deed. The Trustees exercise ultimate control over FRAME's 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 Charity.

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Report of the Trustees for the year ended 31 March 2018

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 FRAME and their role.

Risk management

The trustees have reviewed the risks to which the charity is exposed and have ensured that appropriate controls /procedures have been established to provide reasonable assurance against fraud and error.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

259464

Principal address

Russell & Burch House
96-98 North Sherwood Street
Nottingham
NG1 4EE

Trustees

A Cadogan
R Clothier
D Kendall
A Bennett
G Thomson

- resigned 6.5.2017

Independent examiner

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

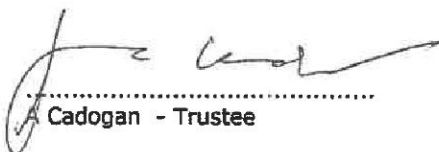
Solicitors

Edwards Hands & Lewis
3 Rectory Place
Loughborough
Leicestershire
LE11 1UW

Bankers

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

Approved by order of the board of trustees on 31st Jan 2019 and signed on its behalf by:


A Cadogan - Trustee

**Independent Examiner's Report to the Trustees of
FRAME**

Independent examiner's report to the trustees of FRAME

I report to the charity trustees on my examination of the accounts of the FRAME (the Trust) for the year ended 31 March 2018.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the 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 ACA which is one of the listed bodies

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

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

I confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.

 ACA.

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

Date: 31st January 2019.

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Statement of Financial Activities for the year ended 31 March 2018

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2018 Total funds £	2017 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	3	161,732	14,000	-	175,732	540,162
Charitable activities	6					
Charitable Activities		570	-	-	570	561
Other trading activities	4	45,188	-	-	45,188	44,868
Investment income	5	-	-	29,629	29,629	32,702
Total		<u>207,490</u>	<u>14,000</u>	<u>29,629</u>	<u>251,119</u>	<u>618,293</u>
EXPENDITURE ON						
Raising funds	7	45,477	-	-	45,477	13,551
Charitable activities	8					
Charitable Activities		8,588	-	-	8,588	-
Alternatives Research		194,372	-	-	194,372	207,349
Publications		77,066	-	-	77,066	102,876
Training School		5,310	-	-	5,310	67
Management and Admin		108,187	54	8,467	116,708	126,647
Establishment and						
Depreciation		-	-	-	-	27,271
Total		<u>439,000</u>	<u>54</u>	<u>8,467</u>	<u>447,521</u>	<u>477,761</u>
Net gains/(losses) on investments		<u>-</u>	<u>-</u>	<u>(17,829)</u>	<u>(17,829)</u>	<u>152,138</u>
NET INCOME/(EXPENDITURE)		<u>(231,510)</u>	<u>13,946</u>	<u>3,333</u>	<u>(214,231)</u>	<u>292,670</u>
Other recognised gains/(losses)						
Gains/(losses) on revaluation of fixed assets		<u>178,095</u>	<u>-</u>	<u>(178,095)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(53,415)</u>	<u>13,946</u>	<u>(174,762)</u>	<u>(214,231)</u>	<u>292,670</u>
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>629,629</u>	<u>56,191</u>	<u>1,075,061</u>	<u>1,760,881</u>	<u>1,468,211</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>576,214</u></u>	<u><u>70,137</u></u>	<u><u>900,299</u></u>	<u><u>1,546,650</u></u>	<u><u>1,760,881</u></u>

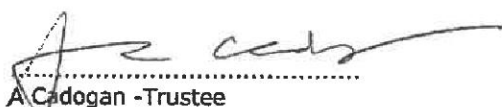
The notes form part of these financial statements

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Balance Sheet At 31 March 2018

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2018 Total funds £	2017 Total funds £
FIXED ASSETS						
Tangible assets	12	6,646	-	-	6,646	240,693
Investments	13	29,221	70,137	900,299	999,657	1,033,487
		<u>35,867</u>	<u>70,137</u>	<u>900,299</u>	<u>1,006,303</u>	<u>1,274,180</u>
CURRENT ASSETS						
Debtors	14	32,445	-	-	32,445	41,918
Cash at bank and in hand		<u>636,257</u>	<u>-</u>	<u>-</u>	<u>636,257</u>	<u>525,189</u>
		668,702	-	-	668,702	567,107
CREDITORS						
Amounts falling due within one year	15	(128,355)	-	-	(128,355)	(80,406)
NET CURRENT ASSETS		<u>540,347</u>	<u>-</u>	<u>-</u>	<u>540,347</u>	<u>486,701</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>576,214</u>	<u>70,137</u>	<u>900,299</u>	<u>1,546,650</u>	<u>1,760,881</u>
NET ASSETS		<u>576,214</u>	<u>70,137</u>	<u>900,299</u>	<u>1,546,650</u>	<u>1,760,881</u>
FUNDS	16					
Unrestricted funds					576,214	629,629
Restricted funds					70,137	56,191
Endowment funds					900,299	1,075,061
TOTAL FUNDS					<u>1,546,650</u>	<u>1,760,881</u>

The financial statements were approved by the Board of Trustees on 31st Jan 2019 and were signed on its behalf by:


A Cadogan -Trustee

The notes form part of these financial statements

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**Cash Flow Statement
for the year ended 31 March 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Cash generated from operations	1	(157,161)	98,946
Net cash provided by (used in) operating activities		<u>(157,161)</u>	<u>98,946</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(630)	(2,203)
Purchase of fixed asset investments		(459,929)	(323,458)
Sale of tangible fixed assets		231,677	-
Sale of fixed asset investments		475,931	403,888
Interest received		18	396
Net cash provided by (used in) investing activities		<u>247,067</u>	<u>78,623</u>
Cash flows from financing activities:			
Income attributable to endowment		29,629	32,306
Expenditure attributable to endowment		(8,467)	(15,068)
Net cash provided by (used in) financing activities		<u>21,162</u>	<u>17,238</u>
Change in cash and cash equivalents in the reporting period		<u>111,068</u>	<u>194,807</u>
Cash and cash equivalents at the beginning of the reporting period		<u>525,189</u>	<u>330,382</u>
Cash and cash equivalents at the end of the reporting period		<u><u>636,257</u></u>	<u><u>525,189</u></u>

The notes form part of these financial statements

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Notes to the Cash Flow Statement for the year ended 31 March 2018

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

	2018 £	2017 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(214,231)	292,670
Adjustments for:		
Depreciation charges	3,000	9,721
Losses/(gain) on investments	17,829	(152,138)
Interest received	(18)	(396)
Income attributable to endowment	(29,629)	(32,306)
Expenditure attributable to endowment	8,467	15,068
Decrease/(increase) in debtors	9,472	(15,777)
Increase/(decrease) in creditors	47,949	(17,896)
Net cash provided by (used in) operating activities	<u>(157,161)</u>	<u>98,946</u>

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Notes to the Financial Statements for the year ended 31 March 2018

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, 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 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. 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.

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.

Freehold property	- 2% of cost or valuation
Fixtures and fittings	- 20% on reducing balance
Computer equipment	- 33% on cost

Taxation

The charity is exempt from 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.

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the year end exchange rate.

Transactions during the year are recorded at the rate of exchange ruling at the date of the transaction. Translation differences are taken to the Statement of Financial Activities.

Pension costs and other post-retirement benefits

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

Stocks

No value is given to stocks of publications, books or other promotional products held at the year end. Costs incurred are fully charged in the year.

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Notes to the Financial Statements - continued for the year ended 31 March 2018

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Although the charity 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 on the level of future activities that the charity is able to carry out.

3. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	2018 Total funds £	2017 Total funds £
Donations	14,408	14,000	-	28,408	85,462
Gift aid	6,433	-	-	6,433	6,529
Legacies	140,891	-	-	140,891	448,171
	<u>161,732</u>	<u>14,000</u>	<u>-</u>	<u>175,732</u>	<u>540,162</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	2018 Total funds £	2017 Total funds £
Fundraising	4,000	-	-	4,000	5,000
Publications	27,853	-	-	27,853	39,868
Training school	13,335	-	-	13,335	-
	<u>45,188</u>	<u>-</u>	<u>-</u>	<u>45,188</u>	<u>44,868</u>

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	2018 Total funds £	2017 Total funds £
Investment income	-	-	29,611	29,611	32,306
Deposit account interest	-	-	18	18	396
	<u>-</u>	<u>-</u>	<u>29,629</u>	<u>29,629</u>	<u>32,702</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2018 £	2017 £
Sundry income	Charitable Activities	<u>570</u>	<u>561</u>

FRAME

Notes to the Financial Statements - continued for the year ended 31 March 2018

7. RAISING FUNDS

Raising donations and legacies

	Unrestricted funds £	Restricted funds £	Endowment funds £	2018 Total funds £	2017 Total funds £
Telephone	-	-	-	-	285
Stationery	2	-	-	2	155
Travel and subsistence	420	-	-	420	30
Advertising	43,272	-	-	43,272	10,164
Subscriptions	-	-	-	-	378
Postage	279	-	-	279	1,036
Printing	205	-	-	205	1,503
Staff training & development	1,150	-	-	1,150	-
Sundry	149	-	-	149	-
	<u>45,477</u>	<u>-</u>	<u>-</u>	<u>45,477</u>	<u>13,551</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 9) £	Grant funding of activities £	Totals £
Charitable Activities	8,588	-	8,588
Alternatives Research	19,372	175,000	194,372
Publications	77,066	-	77,066
Training School	5,310	-	5,310
Management and Admin	116,708	-	116,708
	<u>227,044</u>	<u>175,000</u>	<u>402,044</u>

FRAME

Notes to the Financial Statements - continued for the year ended 31 March 2018

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2018	2017
	£	£
Staff costs	136,365	148,141
Trustees' expenses	354	291
Printing	19,434	33,063
Technical services	5,924	5,724
Training	379	310
Utilities	909	2,913
Stationery	763	1,267
Advertising	-	61
Sundries	810	161
Travel	3,367	556
Subscriptions	921	424
ICT maintenance	12,176	6,469
Legal fees	24,502	48,163
Research & dissemination	403	398
Telephone	2,007	1,787
Recruitment	3,081	1,100
Rates	2,012	2,097
Insurance	6,249	4,182
Repairs	1,047	3,116
Foreign exchange gain/loss	(80)	1,958
VAT	8,035	8,024
Gains/ losses on FA disposal	(24,323)	-
Accountancy fees	15,859	6,384
Independent examination fee	3,850	2,400
Depreciation	3,000	9,721
	<u>227,044</u>	<u>288,710</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2018 nor for the year ended 31 March 2017.

Trustees' expenses

During the year, one trustee was reimbursed travel expenses incurred in their duty as a trustee totalling £354 (2017: £291).

11. STAFF COSTS

	2018	2017
	£	£
Wages and salaries	119,047	131,514
Social security costs	10,043	7,311
Other pension costs	7,275	9,316
	<u>136,365</u>	<u>148,141</u>

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

	2018	2017
Charitable activities	<u>3</u>	<u>5</u>

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

FRAME

Notes to the Financial Statements - continued for the year ended 31 March 2018

12. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 April 2017	241,303	67,461	27,948	336,712
Additions	-	-	630	630
Disposals	(241,303)	-	-	(241,303)
At 31 March 2018	-	67,461	28,578	96,039
DEPRECIATION				
At 1 April 2017	9,626	61,043	25,350	96,019
Charge for year	-	1,212	1,788	3,000
Eliminated on disposal	(9,626)	-	-	(9,626)
At 31 March 2018	-	62,255	27,138	89,393
NET BOOK VALUE				
At 31 March 2018	-	5,206	1,440	6,646
At 31 March 2017	231,677	6,418	2,598	240,693

13. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 April 2017	1,033,487
Additions	459,929
Disposals	(407,593)
Revaluations	(86,166)
At 31 March 2018	999,657
NET BOOK VALUE	
At 31 March 2018	999,657
At 31 March 2017	1,033,487

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 2018 was £999,657 (2017: £1,033,487).

Historical cost at 31 March 2018 was £863,076 (2017: £863,076).

At 31 March 2018 the charity's financial investment assets were held and managed by HSBC Premier Discretionary Management (previously HSBC Global Asset Management) The full value of the portfolio managed by HSBC is £1,050,276, which includes a £50,619 cash balance.

FRAME

Notes to the Financial Statements - continued for the year ended 31 March 2018

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade debtors	13,085	28,132
Other debtors	19,360	13,786
	<u>32,445</u>	<u>41,918</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	6,306	180
Taxation and social security	5,783	1,919
Other creditors	116,266	78,307
	<u>128,355</u>	<u>80,406</u>

16. MOVEMENT IN FUNDS

	At 1.4.17	Net movement in funds	At 31.3.18
	£	£	£
Unrestricted funds			
General fund	600,408	(53,415)	546,993
Training School fund	29,221	-	29,221
	<u>629,629</u>	<u>(53,415)</u>	<u>576,214</u>
Restricted funds			
Alternatives Research fund	815	-	815
ATLA fund	4,764	4,000	8,764
Dogs Project fund	20,299	-	20,299
Education fund	1,145	-	1,145
PiLAS fund	29,168	9,946	39,114
	<u>56,191</u>	<u>13,946</u>	<u>70,137</u>
Endowment funds			
FRAME Bill Annett Annual Lecture fund	50,000	-	50,000
FRAME Endowment fund	1,025,061	(174,762)	850,299
	<u>1,760,881</u>	<u>(214,231)</u>	<u>1,546,650</u>

FRAME

Notes to the Financial Statements - continued for the year ended 31 March 2018

16. MOVEMENT IN FUNDS - continued

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	207,490	(439,000)	178,095	(53,415)
Restricted funds				
ATLA fund	4,000	-	-	4,000
PiLAS fund	10,000	(54)	-	9,946
	14,000	(54)	-	13,946
Endowment funds				
FRAME Endowment fund	29,629	(8,467)	(195,924)	(174,762)
TOTAL FUNDS	<u>251,119</u>	<u>(447,521)</u>	<u>(17,829)</u>	<u>(214,231)</u>

Comparatives for movement in funds

	At 1.4.16 £	Net movement in funds £	At 31.3.17 £
Unrestricted Funds			
General fund	423,442	176,966	600,408
Training School fund	29,288	(67)	29,221
	452,730	176,899	629,629
Restricted Funds			
Alternatives Research fund	815	-	815
ATLA fund	(1,736)	6,500	4,764
Dogs Project fund	20,299	-	20,299
Education fund	1,145	-	1,145
PiLAS fund	6,283	22,885	29,168
	26,806	29,385	56,191
Endowment funds			
FRAME Bill Annett Annual Lecture fund	50,000	-	50,000
FRAME Endowment fund	938,675	86,386	1,025,061
	988,675	86,386	1,075,061
TOTAL FUNDS	<u>1,468,211</u>	<u>292,670</u>	<u>1,760,881</u>

FRAME

**Notes to the Financial Statements - continued
for the year ended 31 March 2018**

16. MOVEMENT IN FUNDS - continued

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	556,153	(462,177)	82,990	176,966
Training School fund	-	(67)	-	(67)
	<u>556,153</u>	<u>(462,244)</u>	<u>82,990</u>	<u>176,899</u>
Restricted funds				
ATLA fund	6,500	-	-	6,500
PiLAS fund	23,334	(449)	-	22,885
	<u>29,834</u>	<u>(449)</u>	<u>-</u>	<u>29,385</u>
Endowment funds				
FRAME Endowment fund	32,306	(15,068)	69,148	86,386
	<u>32,306</u>	<u>(15,068)</u>	<u>69,148</u>	<u>86,386</u>
TOTAL FUNDS	<u><u>618,293</u></u>	<u><u>(477,761)</u></u>	<u><u>152,138</u></u>	<u><u>292,670</u></u>

FRAME

Notes to the Financial Statements - continued for the year ended 31 March 2018

16. MOVEMENT IN FUNDS - continued

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 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.

17. CAPITAL COMMITMENTS

	2018	2017
	£	£
Contracted but not provided for in the financial statements	-	-

The charity had no capital commitments at 31 March 2018 (2017: none).

FRAME

Notes to the Financial Statements - continued for the year ended 31 March 2018

18. RELATED PARTY DISCLOSURES

During the year, the trustees declared that they had potential conflicts of interest or related party transactions, as follows:

Andrew Bennett declared that he is an employee of the University of Nottingham School of Biomedical Sciences and Director of the FRAME Alternatives Laboratory at the University, which is in direct receipt of research funding from FRAME accounting for £175,000 in the year to 31 March 2018 (2017: £175,000).

David Kendall also declared that he is an employee of the University of Nottingham School of Biomedical Sciences which is in direct receipt of research funding described above.

19. FUTURE COMMITMENTS

At 31 March 2018, the trustees had committed funding to future research activities as follows:

University of Nottingham - School of Biomedical Sciences

The outstanding commitment at 31 March 2018 was £87,500 (2017: £87,500).

Of the outstanding commitment at 31 March 2017 an amount of £175,000 has been expended during the year.

FRAME

Detailed Statement of Financial Activities for the year ended 31 March 2018

	2018 £	2017 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	28,408	85,462
Gift aid	6,433	6,529
Legacies	140,891	448,171
	<hr/> 175,732	<hr/> 540,162
Other trading activities		
Fundraising	4,000	5,000
Publications	27,853	39,868
Training school	13,335	-
	<hr/> 45,188	<hr/> 44,868
Investment income		
Investment income	29,611	32,306
Deposit account interest	18	396
	<hr/> 29,629	<hr/> 32,702
Charitable activities		
Sundry income	570	561
	<hr/> 251,119	<hr/> 618,293
Total incoming resources		
EXPENDITURE		
Raising donations and legacies		
Telephone	-	285
Stationery	2	155
Travel and subsistence	420	30
Advertising	43,272	10,164
Subscriptions	-	378
Postage	279	1,036
Printing	205	1,503
Staff training & development	1,150	-
Sundry	149	-
	<hr/> 45,477	<hr/> 13,551
Charitable activities		
Trustees' expenses	354	291
Wages	119,047	131,514
Social security	10,043	7,311
Pensions	7,275	9,316
Printing	19,434	33,063
Technical services	5,924	5,724
Training	379	310
Utilities	909	2,913
Stationery	763	1,267
Advertising	-	61
Sundries	810	161
Travel	3,367	556
Carried forward	168,305	192,487

This page does not form part of the statutory financial statements

FRAME

Detailed Statement of Financial Activities for the year ended 31 March 2018

	2018 £	2017 £
Charitable activities		
Brought forward	168,305	192,487
Subscriptions	921	424
ICT maintenance	12,176	6,469
Legal fees	24,502	48,163
Research & dissemination	403	398
Telephone	2,007	1,787
Recruitment	3,081	1,100
Rates	2,012	2,097
Insurance	6,249	4,182
Repairs	1,047	3,116
Foreign exchange gain/loss	(80)	1,958
VAT	8,035	8,024
Gains/ losses on FA disposal	(24,323)	-
Accountancy fees	15,859	6,384
Independent examination fee	3,850	2,400
Freehold property	-	4,826
Fixtures and fittings	1,212	1,605
Computer equipment	1,788	3,290
Grants to institutions	175,000	175,000
Grants to individuals	-	500
	<u>402,044</u>	<u>464,210</u>
Total resources expended	447,521	477,761
	<u> </u>	<u> </u>
Net (expenditure)/income before gains and losses	(196,402)	140,532
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	(17,829)	152,138
	<u> </u>	<u> </u>
Net (expenditure)/income	(214,231)	292,670