

REGISTERED CHARITY NUMBER: 259464

**Report of the Trustees and
Unaudited Financial Statements for the Year Ended
31 March 2019
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 2019

The trustees present their report with the financial statements of the charity for the year ended 31 March 2019. 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.

FRAME

Report of the Trustees for the year ended 31 March 2019

OBJECTIVES AND ACTIVITIES

Significant activities

After the charity restructured in 2017 a new position was created, and a home-based Scientific Liaison Officer, Amy Beale employed at the start of 2018. Key responsibilities of the role include collecting and disseminating messages and Scientific information, organise and run grant programmes, scientific events and meetings, develop industry and NGO relationships, produce content for social media and grow corporate and public fundraising activities. This structure was implemented after the closure of the office to reduce overhead costs. The Scientific Officer works closely with V Formation, a Nottingham based marketing and PR agency to produce content and marketing material for the charity. The accounting is outsourced to Clayton & Brewill, an accountancy firm based in Nottingham.

In March 2018 the new charity branding, logo and website had recently gone live. Throughout the year new content has been created to share charity messages and engage with supporters including press releases, news stories and blogs. Social media accounts have grown as a result of this increased activity. The first issue of revamped 'FRAME News' a newsletter for supporters went out in the summer 2018. Communications were also increased with existing corporate supporters and external communications and networks grown to increase opportunities for future partnerships and opportunities.

In 2019 FRAME celebrated its 50th Anniversary, in recognition of this plans were made to hold a Symposium at the University of Nottingham in the summer of 2019 and a FRAME Lecture in London in the autumn. The FRAME Summer Studentship scheme was also set up and advertised inviting applications from graduates to for a small grant to support a short university research project in the summer of 2019.

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.

FRAME continued to publish the Scientific Journal ATLA and employ two home-based members of staff for this. Discussions began to look at outsourcing the Journal in the future to SAGE to try to increase the reach and impact of the publication and take advantage of the support provided by a large publishing company.

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 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 Scientific progress.

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.

FRAME continues to influence policy at regulatory and UK governmental level through membership of the Home Office Animal Welfare Stakeholder Group and engagement.

Regular meetings at the Home Office are now 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. with the All Party Parliamentary Group on Experimental Animals.

In October 2018 the Director of the FAL, on behalf of FRAME, carried out a day of Experimental Design Training for around fifty Year 1, 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. The training will be repeated in 2019 creating a stronger relationship with the University with options to expand this training under FRAME supervision in the future.

Building on the successful rebrand and the launch of a new website V Formation worked to develop the digital marketing strategy, as well as broaden PR and communications to target audiences.

FRAME

Report of the Trustees for the year ended 31 March 2019

OBJECTIVES AND ACTIVITIES

Significant activities

FRAME increased its activity and presence on social media - using Twitter, Facebook and, more recently, Instagram to engage with various audiences, raise awareness, join discussions about alternatives. The number of followers on social media continues to grow, with Twitter followers increasing by 500, Facebook followers by 300 and Instagram by 97.

Two issues of FRAME News went out to 850 supporters and opted-in members on the database. FRAME News received a revamp and now goes out (in hard copy) twice yearly, sharing news, updates with supporters of FRAME.

Regular meetings between V Formation, Amy Beale and Andy Bennett at the FAL take place to discuss projects in the laboratory, FRAME news as well as developments in scientific research. This drives content for news items, thought leadership articles and press releases, with over a dozen stories and articles written for the website and press.

Press releases, articles and blogs written and issued throughout the year focused on raising awareness of projects in the FAL, collaborations with other institutions and new appointments. Press releases also reported on the Vice Chancellor of the University of Nottingham's visit to the FAL and promoted the FRAME Training School, the Summer Symposium and other events and initiatives that took place later in 2019.

To support Amy Beale, the Scientific Liaison Officer, V Formation developed a credentials document for use when engaging with corporate supporters. Re-engaging with Avon led to discussions about them using the FRAME logo on their packaging. Special packaging logos have been developed as a result.

2019 marked FRAME's 50th anniversary, which began with the FRAME Training School, held in Nottingham. We also launched the promotional activity, including the FRAME 50 facts social media campaign, ahead of the FRAME Summer Symposium and the FRAME Lecture, both of which took place later in 2019.

FRAME Training Schools

FRAME held its twelfth Training School in January 2019 in Nottingham. This was held in collaboration with EU H2020 project and hosted by the University of Nottingham. Funding by the EU H2020 project covered the costs of the course organiser Dr Michelle Hudson-Shore, a previous employee of FRAME and current member of the University of Nottingham staff. Dr Hudson-Shore was supported in the organisation by V-Formation and Amy Beale. This training school also received additional support grants from LASA (Laboratory Animal Science Association) and FELASA (Federation of European Laboratory Animal Science Associations).

FRAME delivers regular training schools in experimental design and statistics to raise awareness among scientists about the need to reduce animal numbers used in experiments and refine procedures. Participants gain better understanding of how to properly design and effectively analyse their experimental programmes so that they can produce higher quality science which has made efficient use of a minimum number of animals.

45 participants attended the 3-day course, the majority coming from 17 different locations in the UK. There were also participants from 7 other countries including Croatia, Denmark and Italy. Most of the participants are postgraduate or postdoctoral researchers, but the school also attracted senior members of staff, veterinarians and managers.

The Training School was received well with most participants feeding back that they would recommend the course and that it exposed them to new knowledge and practices.

The FRAME Training School is also accredited by LASA and FELASA. Of the 45 participants 41 opted to take the exam to receive the FELASA accreditation and certificate, FELASA sent a team to audit the 2019 Training School and received very positive feedback from them.

The next Training School is planned for April 2020.

FRAME

Report of the Trustees for the year ended 31 March 2019

OBJECTIVES AND ACTIVITIES

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. FRAME continue to provide an annual block grant to the FAL that goes towards equipment, consumable costs for student projects and staffing. Not only supporting relevant research but also the education and exposure of graduate and postgraduate scientists to the FRAME ethos and alternative, non-animal methods. 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 graduates to spread FRAME's message to the wider scientific community.

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, the lab 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.

Our 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 FAL is part of the School of Life Sciences, University of Nottingham Medical School, and is currently staffed by the Director (Dr Andrew Bennett), two technicians, one research fellow 11 PhD students amongst others.

External Research Projects funded by FRAME during this time period:

In 2018 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 as an alternative to mammalian species such as pigs or rats. The project involving the University of Birmingham and the University of Warwick has published the following paper as a result of the research:

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Report of the Trustees for the year ended 31 March 2019

ACHIEVEMENT AND PERFORMANCE

Constantinou A., Sullivan J. & Mirbahal L. (2019). Ageing differently: Sex-dependent ageing rates in *Daphnia magna*. *Experimental Gerontology* 121 (2019), pp 33 - 45. Wyatt LA, Nwosu LN, Wilson D, Hill R, Spendlove I, Bennett AJ, Scammell BE, Walsh DA. (2019) Molecular expression patterns in the synovium and their association with advanced symptomatic knee osteoarthritis. *Osteoarthritis Cartilage*. 27(4):667-675.

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

Other FRAME Activities

Home Office figures were reviewed and commented upon this year by Amy Beale.

This was a period of office reorganisation and restructuring due to staff leaving, hence there was no FRAME Lecture or Debate however 2018 saw plans for a Lecture in October 2019..

Plans and marketing were implemented to start a Summer Studentship grant programme offering two awards for graduate students in 2019.

Plans and marketing were also implemented for a celebratory FRAME 50th Anniversary Symposium for graduates working on projects that would help reduce or replace animal use in research. Entries for posters and oral presentations were taken for the Symposium in July 2019.

Events attended by the Scientific Liaison Officer in 2018 included the NC3Rs East Midlands Conference, LASA Annual Conference and the LUSH Prize Conference.

FRAME Corporate supporters for 2018 - 2019:

Avon

Boots

Biosline

British Association for Chemical Specialties (BACS)

Johnson & Johnson

Next

Neals Yard Remedies

PZ Cussons Beauty

Sainsburys

Smith & Nephew Group

The Kennel Club

U.B.A.E.A.V (Union Belge pour l'Abolition de l'Experimentation sur l'Animal Vivant)

Alternatives to Laboratory Animals (ATLA)

Six issues of FRAME's scientific journal ATLA have been published this year and sent out to subscribers around the world. As part of FRAME's mission, hard copies are distributed free of charge to resource centres and libraries in many countries where the implementation of the Three Rs and animal alternatives is less advanced than in the UK. In the past ATLA was incorporated in the FRAME website, making online access extremely cumbersome. It is now available through its own website: www.atla.org.uk. Access to abstracts, and any articles more than 12 months old, is free.

Again, this year, the Lush Prize award winners were featured in ATLA.

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 website was 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.

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Report of the Trustees for the year ended 31 March 2019

FINANCIAL REVIEW

During the year to 31 March 2019, total incoming resources were £390,465, whilst total resources expended were £480,741. These figures represent a 56% increase in incoming resources and 7% increase in resources expended compared to the year to 31st March 2018. Other recognised gains and losses amounted to a net of gain of £27,435, compared to a net loss of £17,829 in the year to 31st March 2018. Overall FRAME produced a net deficit at 31 March 2019 of £62,841, compared with a net deficit of £214,2310 in the year to 31st March 2018.

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 received totalled £205,757 an increase of £64,876 from legacies received in the year to 31st March 2018.

Corporate Donations

Total corporate support for FRAME increased to £49,000 from £3,500 in the year to 31st March 2018.

The annual grant to University of Nottingham FRAME Alternatives Laboratory increased to £200,000 the first increase in 9 years.

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 £33,220 to £480,741 from £447,521 in the year to 31st March 2018.

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 £1,066,479.

Balance Sheet

Current Assets

The overall value of FRAME's investments increased by 9% to £1,066,479 at 31 March 2019 from £976,014 at the 31st March 2018. This increase includes income generated, and cash held by our investment managers HSBC.

Fixed Assets

The office fixtures and fittings were donated to charity following the office move in 2018. Net book value of remaining assets at the 31st March 2019 is £230.

Net Current Assets

£476,122 is retained as cash or near-to-cash assets, down £160,135 from the cash balance of £636,257 held at the 31st March 2018.

Net Worth

FRAME's overall net worth decreased by £62,841, 4% to £1,483,809, with the unrestricted funds balance decreasing by £132,448, 22% from £576,214 to £443,766.

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.

FRAME

Report of the Trustees for the year ended 31 March 2019

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.

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
D Kendall
A Bennett
G Thomson
Dr K Firth

- resigned 8.1.2019

Independent examiner

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

Solicitors

Actons Solicitors
20 Regent Street
Nottingham
NG1 5BQ

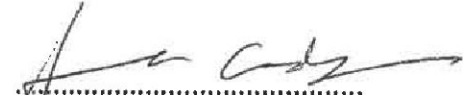
Bankers

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

FRAME

**Report of the Trustees
for the year ended 31 March 2019**

Approved by order of the board of trustees on ...20.01.2020..... 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 2019.

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 FCA 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 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.

D Perry FCA

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

Date: 30th January 2020

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**Statement of Financial Activities
for the year ended 31 March 2019**

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2019 Total funds £	2018 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	3	286,835	14,000	-	300,835	175,731
Charitable activities	6	-	-	-	-	570
Charitable Activities		-	-	-	-	570
Other trading activities	4	56,661	-	-	56,661	45,188
Investment income	5	-	-	32,969	32,969	29,630
Total		343,496	14,000	32,969	390,465	251,119
EXPENDITURE ON						
Raising funds	7	50,673	-	-	50,673	45,477
Charitable activities	8	-	-	-	-	-
Grant		12,500	-	-	12,500	-
Charitable Activities		7,713	-	-	7,713	8,588
Alternatives Research		200,000	-	-	200,000	194,372
Publications		28,782	-	-	28,782	77,066
Training School		-	-	-	-	5,310
Management and Admin		173,260	-	7,813	181,073	116,708
Total		472,928	-	7,813	480,741	447,521
Net gains/(losses) on investments		-	-	27,435	27,435	(17,829)
NET INCOME/(EXPENDITURE)		(129,432)	14,000	52,591	(62,841)	(214,231)
Other recognised gains/(losses)						
Gains/(losses) on revaluation of fixed assets		(3,016)	-	3,016	-	-
Net movement in funds		(132,448)	14,000	55,607	(62,841)	(214,231)
RECONCILIATION OF FUNDS						
Total funds brought forward		576,214	70,137	900,299	1,546,650	1,760,881
TOTAL FUNDS CARRIED FORWARD		443,766	84,137	955,906	1,483,809	1,546,650

The notes form part of these financial statements

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**Balance Sheet
At 31 March 2019**

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2019 Total funds £	2018 Total funds £
FIXED ASSETS						
Tangible assets	12	230	-	-	230	6,646
Investments	13	26,436	84,137	955,906	1,066,479	999,657
		<u>26,666</u>	<u>84,137</u>	<u>955,906</u>	<u>1,066,709</u>	<u>1,006,303</u>
CURRENT ASSETS						
Debtors	14	65,529	-	-	65,529	32,445
Cash at bank and in hand		476,122	-	-	476,122	636,257
		<u>541,651</u>	<u>-</u>	<u>-</u>	<u>541,651</u>	<u>668,702</u>
CREDITORS						
Amounts falling due within one year	15	(124,551)	-	-	(124,551)	(128,355)
NET CURRENT ASSETS		<u>417,100</u>	<u>-</u>	<u>-</u>	<u>417,100</u>	<u>540,347</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>443,766</u>	<u>84,137</u>	<u>955,906</u>	<u>1,483,809</u>	<u>1,546,650</u>
NET ASSETS		<u><u>443,766</u></u>	<u><u>84,137</u></u>	<u><u>955,906</u></u>	<u><u>1,483,809</u></u>	<u><u>1,546,650</u></u>
FUNDS	16					
Unrestricted funds					443,766	576,214
Restricted funds					84,137	70,137
Endowment funds					955,906	900,299
TOTAL FUNDS					<u><u>1,483,809</u></u>	<u><u>1,546,650</u></u>

The financial statements were approved by the Board of Trustees on 30.01.2020 and were signed on its behalf by:


A. Cadogan - Trustee

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**Cash Flow Statement
for the year ended 31 March 2019**

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Cash generated from operations	1	(151,110)	(157,161)
Net cash provided by (used in) operating activities		<u>(151,110)</u>	<u>(157,161)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		-	(630)
Purchase of fixed asset investments		(392,695)	(459,929)
Sale of tangible fixed assets		5,206	231,677
Sale of fixed asset investments		353,308	475,931
Interest received		-	18
Net cash provided by (used in) investing activities		<u>(34,181)</u>	<u>247,067</u>
Cash flows from financing activities:			
Income attributable to endowment		32,969	29,629
Expenditure attributable to endowment		(7,813)	(8,467)
Net cash provided by (used in) financing activities		<u>25,156</u>	<u>21,162</u>
Change in cash and cash equivalents in the reporting period		<u>(160,135)</u>	<u>111,068</u>
Cash and cash equivalents at the beginning of the reporting period		<u>636,257</u>	<u>525,189</u>
Cash and cash equivalents at the end of the reporting period		<u><u>476,122</u></u>	<u><u>636,257</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 2019

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

	2019 £	2018 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(62,841)	(214,231)
Adjustments for:		
Depreciation charges	1,210	3,000
(Gain)/losses on investments	(27,435)	17,829
Interest received	-	(18)
Income attributable to endowment	(32,969)	(29,629)
Expenditure attributable to endowment	7,813	8,467
(Increase)/decrease in debtors	(33,084)	9,471
(Decrease)/increase in creditors	(3,804)	47,950
Net cash provided by (used in) operating activities	<u>(151,110)</u>	<u>(157,161)</u>

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Notes to the Financial Statements for the year ended 31 March 2019

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.

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.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

FRAME

Notes to the Financial Statements - continued for the year ended 31 March 2019

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	2019 Total funds	2018 Total funds
	£	£	£	£	£
Donations	74,432	14,000	-	88,432	28,407
Gift aid	6,636	-	-	6,636	6,433
Legacies	205,767	-	-	205,767	140,891
	<u>286,835</u>	<u>14,000</u>	<u>-</u>	<u>300,835</u>	<u>175,731</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted funds	Restricted funds	Endowment funds	2019 Total funds	2018 Total funds
	£	£	£	£	£
Fundraising	17,697	-	-	17,697	4,000
Publications	27,832	-	-	27,832	27,853
Training school	11,132	-	-	11,132	13,335
	<u>56,661</u>	<u>-</u>	<u>-</u>	<u>56,661</u>	<u>45,188</u>

5. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	Endowment funds	2019 Total funds	2018 Total funds
	£	£	£	£	£
Investment income	-	-	32,969	32,969	29,612
Deposit account interest	-	-	-	-	18
	<u>-</u>	<u>-</u>	<u>32,969</u>	<u>32,969</u>	<u>29,630</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2019	2018
		£	£
Sundry income	Charitable Activities	-	570

FRAME

Notes to the Financial Statements - continued for the year ended 31 March 2019

7. RAISING FUNDS

Raising donations and legacies

	Unrestricted funds £	Restricted funds £	Endowment funds £	2019 Total funds £	2018 Total funds £
Stationery	-	-	-	-	2
Travel and subsistence	521	-	-	521	420
Advertising	46,602	-	-	46,602	43,272
Postage	1,190	-	-	1,190	279
Printing	2,360	-	-	2,360	205
Staff training & development	-	-	-	-	1,150
Sundry	-	-	-	-	149
	<u>50,673</u>	<u>-</u>	<u>-</u>	<u>50,673</u>	<u>45,477</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 9) £	Grant funding of activities £	Totals £
Charitable Activities	7,713	-	7,713
Alternatives Research	-	200,000	200,000
Publications	28,782	-	28,782
Management and Admin	181,073	-	181,073
Grant	-	12,500	12,500
	<u>217,568</u>	<u>212,500</u>	<u>430,068</u>

FRAME

Notes to the Financial Statements - continued for the year ended 31 March 2019

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2019	2018
	£	£
Staff costs	94,200	136,365
Trustees' expenses	562	354
Printing	29,306	19,434
Technical services	3,645	5,924
Training	897	379
Utilities	84	909
Stationery	623	763
Sundries	277	810
Travel	6,645	3,367
Subscriptions	2,013	921
ICT maintenance	5,102	12,176
Legal fees	17,684	24,502
Research & dissemination	-	403
Telephone	2,052	2,007
Bank charges	373	-
Recruitment	-	3,081
Rates	(1,009)	2,012
Insurance	3,008	6,249
Repairs	-	1,047
Foreign exchange gain/loss	-	(80)
VAT	25,714	8,035
Gains/ losses on FA disposal	5,206	(24,323)
Accountancy fees	16,816	15,859
Independent examination fee	3,160	3,850
Depreciation	1,210	3,000
	<u>217,568</u>	<u>227,044</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2019 nor for the year ended 31 March 2018.

Trustees' expenses

During the year, one trustee was reimbursed travel expenses incurred in their duty as a trustee totalling £562 (2018: £354).

11. STAFF COSTS

	2019	2018
	£	£
Wages and salaries	80,285	119,047
Social security costs	7,843	10,043
Other pension costs	6,072	7,275
	<u>94,200</u>	<u>136,365</u>

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

	2019	2018
	<u>3</u>	<u>3</u>

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

FRAME

Notes to the Financial Statements - continued for the year ended 31 March 2019

12. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2018	67,461	28,578	96,039
Disposals	(67,461)	-	(67,461)
At 31 March 2019	-	28,578	28,578
DEPRECIATION			
At 1 April 2018	62,255	27,138	89,393
Charge for year	-	1,210	1,210
Eliminated on disposal	(62,255)	-	(62,255)
At 31 March 2019	-	28,348	28,348
NET BOOK VALUE			
At 31 March 2019	-	230	230
At 31 March 2018	5,206	1,440	6,646

13. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 April 2018	999,657
Additions	392,695
Disposals	(328,103)
Revaluations	2,230
At 31 March 2019	1,066,479
NET BOOK VALUE	
At 31 March 2019	1,066,479
At 31 March 2018	999,657

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 2019 was £1,066,479 (2018: £999,657).

Historical cost at 31 March 2019 was £976,014 (2018: £863,076).

At 31 March 2019 the charity's financial investment assets were held and managed by HSBC Premier Discretionary Management. The full value of the portfolio managed by HSBC is £1,106,382 which includes a £39,903 cash balance.

FRAME

Notes to the Financial Statements - continued for the year ended 31 March 2019

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade debtors	54,877	13,085
Other debtors	10,652	19,360
	<u>65,529</u>	<u>32,445</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	-	6,306
Taxation and social security	1,772	5,783
Other creditors	122,779	116,266
	<u>124,551</u>	<u>128,355</u>

16. MOVEMENT IN FUNDS

	At 1.4.18	Net movement in funds	At 31.3.19
	£	£	£
Unrestricted funds			
General fund	546,993	(132,448)	414,545
Training School fund	29,221	-	29,221
	<u>576,214</u>	<u>(132,448)</u>	<u>443,766</u>
Restricted funds			
Alternatives 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	39,114	4,000	43,114
	<u>70,137</u>	<u>14,000</u>	<u>84,137</u>
Endowment funds			
FRAME Bill Annett Annual Lecture fund	50,000	-	50,000
FRAME Endowment fund	850,299	55,607	905,906
	<u>1,546,650</u>	<u>(62,841)</u>	<u>1,483,809</u>
TOTAL FUNDS	<u>1,546,650</u>	<u>(62,841)</u>	<u>1,483,809</u>

FRAME

**Notes to the Financial Statements - continued
for the year ended 31 March 2019**

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	332,364	(472,928)	8,116	(132,448)
Training School fund	11,132	-	(11,132)	-
	<u>343,496</u>	<u>(472,928)</u>	<u>(3,016)</u>	<u>(132,448)</u>
Restricted funds				
ATLA fund	4,000	-	6,000	10,000
PILAS fund	10,000	-	(6,000)	4,000
	<u>14,000</u>	<u>-</u>	<u>-</u>	<u>14,000</u>
Endowment funds				
FRAME Endowment fund	32,969	(7,813)	30,451	55,607
TOTAL FUNDS	<u>390,465</u>	<u>(480,741)</u>	<u>27,435</u>	<u>(62,841)</u>

Comparatives for 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>1,075,061</u>	<u>(174,762)</u>	<u>900,299</u>
TOTAL FUNDS	<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 2019

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	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>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.17 £	Net movement in funds £	At 31.3.19 £
Unrestricted funds			
General fund	600,408	(185,863)	414,545
Training School fund	29,221	-	29,221
Restricted funds			
Alternatives Research fund	815	-	815
ATLA fund	4,764	14,000	18,764
Dogs Project fund	20,299	-	20,299
Education fund	1,145	-	1,145
PILAS fund	29,168	13,946	43,114
	56,191	27,946	84,137
Endowment			
FRAME Bill Annett Annual Lecture fund	50,000	-	50,000
FRAME Endowment fund	1,025,061	(119,155)	905,906
	1,075,061	(119,155)	955,906
TOTAL FUNDS	<u>1,760,881</u>	<u>(277,072)</u>	<u>1,483,809</u>

FRAME

**Notes to the Financial Statements - continued
for the year ended 31 March 2019**

16. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined 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	539,854	(911,928)	186,211	(185,863)
Training School fund	11,132	-	(11,132)	-
	<u>550,986</u>	<u>(911,928)</u>	<u>175,079</u>	<u>(185,863)</u>
Restricted funds				
ATLA fund	8,000	-	6,000	14,000
PiLAS fund	20,000	(54)	(6,000)	13,946
	<u>28,000</u>	<u>(54)</u>	<u>-</u>	<u>27,946</u>
Endowment funds				
FRAME Endowment fund	<u>62,598</u>	<u>(16,280)</u>	<u>(165,473)</u>	<u>(119,155)</u>
TOTAL FUNDS	<u><u>641,584</u></u>	<u><u>(928,262)</u></u>	<u><u>9,606</u></u>	<u><u>(277,072)</u></u>

FRAME

Notes to the Financial Statements - continued for the year ended 31 March 2019

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

	2019	2018
	£	£
Contracted but not provided for in the financial statements	-	-
	<u> </u>	<u> </u>

The charity had no capital commitments at 31 March 2019 (2018: none).

18. RELATED PARTY DISCLOSURES

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

FRAME

Detailed Statement of Financial Activities for the year ended 31 March 2019

	2019 £	2018 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	88,432	28,407
Gift aid	6,636	6,433
Legacies	205,767	140,891
	<u>300,835</u>	<u>175,731</u>
Other trading activities		
Fundraising	17,697	4,000
Publications	27,832	27,853
Training school	11,132	13,335
	<u>56,661</u>	<u>45,188</u>
Investment income		
Investment income	32,969	29,612
Deposit account interest	-	18
	<u>32,969</u>	<u>29,630</u>
Charitable activities		
Sundry income	-	570
	<u>-</u>	<u>570</u>
Total incoming resources	<u>390,465</u>	<u>251,119</u>
EXPENDITURE		
Raising donations and legacies		
Stationery	-	2
Travel and subsistence	521	420
Advertising	46,602	43,272
Postage	1,190	279
Printing	2,360	205
Staff training & development	-	1,150
Sundry	-	149
	<u>50,673</u>	<u>45,477</u>
Charitable activities		
Trustees' expenses	562	354
Wages	80,285	119,047
Social security	7,843	10,043
Pensions	6,072	7,275
Printing	29,306	19,434
Technical services	3,645	5,924
Training	897	379
Utilities	84	909
Stationery	623	763
Sundries	277	810
Travel	6,645	3,367
Subscriptions	2,013	921
ICT maintenance	5,102	12,176
Legal fees	17,684	24,502
Carried forward	161,038	205,904

This page does not form part of the statutory financial statements

FRAME

Detailed Statement of Financial Activities for the year ended 31 March 2019

	2019 £	2018 £
Charitable activities		
Brought forward	161,038	205,904
Research & dissemination	-	403
Telephone	2,052	2,007
Bank charges	373	-
Recruitment	-	3,081
Rates	(1,009)	2,012
Insurance	3,008	6,249
Repairs	-	1,047
Foreign exchange gain/loss	-	(80)
VAT	25,714	8,035
Gains/ losses on FA disposal	5,206	(24,323)
Accountancy fees	16,816	15,859
Independent examination fee	3,160	3,850
Fixtures and fittings	-	1,212
Computer equipment	1,210	1,788
Grants to institutions	212,500	175,000
	<u>430,068</u>	<u>402,044</u>
Total resources expended	480,741	447,521
	<u> </u>	<u> </u>
Net expenditure before gains and losses	(90,276)	(196,402)
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	27,435	(17,829)
	<u> </u>	<u> </u>
Net expenditure	<u>(62,841)</u>	<u>(214,231)</u>