

ALLIANCE FAMILY FOUNDATION LIMITED

Trustees' Report and Financial Statements

Year ended 31 March 2022

ALLIANCE FAMILY FOUNDATION LIMITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS 2022

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ALLIANCE FAMILY FOUNDATION LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS AND TRUSTEES

Lord David Alliance CBE
Hon Mrs S D Esterkin
Hon J J M Alliance

PRINCIPAL AND REGISTERED OFFICE

Suite 1B
Maclaren House
Lancastrian Office Centre
Talbot Road
Manchester
M32 0FP

BANKERS

The Royal Bank of Scotland plc
Drummond House Customer Service Centre
1 Redheughs Avenue
Edinburgh
EH12 9JN

SOLICITORS

Bootes
7 St James Square
Manchester
M2 6XX

LAND AGENTS

Ingham & Yorke
Huntroyde Estate Office
Padiham
Lancashire
BB12 7QX

AUDITOR

Moore and Smalley LLP
Statutory Auditor
80 Mosley St,
Manchester
M2 3FX

ALLIANCE FAMILY FOUNDATION LIMITED

TRUSTEES' REPORT (incorporating a Directors' Report)

The trustees, who are also the directors of the company, present their annual report on the affairs of Alliance Family Foundation Limited, company number 00943938 and charity number 258721, together with the audited financial statements and auditor's report, for the year ended 31 March 2022.

They confirm that the financial statements have been prepared in accordance with statutory requirements and with the Memorandum and Articles of Association.

This Trustees' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. Accordingly, no Strategic Report has been presented.

DIRECTORS, TRUSTEES AND MANAGEMENT PERSONNEL

Alliance Family Foundation Limited is hereafter referred to as the charity, and its directors are its charity trustees for the purpose of charity law. The trustees have no employees or personnel or others to whom they delegate day to day management. Throughout this report, the directors are collectively referred to as the trustees.

The activity of the charity is exclusively the making of donations and, apart from the trustees, there are no key management personnel.

The trustees who served during the year and thereafter are listed on page 1 together with the charity's principal and registered office and its professional advisers.

Trustees hold appointment in accordance with the Memorandum and Articles of Association. The trustees have power to appoint new trustees subject to a maximum of five in total and when a new trustee is appointed, arrangements will be made to explain their legal duties and responsibilities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is registered with the Charity Commission and was formed as a company limited by shares in 1968. It is governed by its Memorandum and Articles of Association within the framework laid down by charity law.

Investment powers

The Memorandum and Articles of Association of the charity impose no restrictions on the investment powers of the trustees.

Principal risks and their mitigation

The trustees have considered the operational and business risks the charity faces and have confirmed that they are satisfied with the arrangements in place to mitigate them. The trustees personally conduct the business of the charity and therefore have the opportunity to validate all its transactions.

As shown by the fluctuations in investment values reflected in the annual accounts, the main financial risks faced by the charity are exposure to falls in the value and income from the listed investment held as market and economic conditions change. This has had particular impact following the onset of the Covid-19 pandemic in March 2020 when dividends were suspended until further notice and the value of the investment fell substantially. The trustees hold that investment for its long term potential to generate annual income to fund donations. However, the level of grant making remains restricted in the absence to date of the restoration of dividends and subject to the support of the senior trustee, Lord David Alliance CBE and his family.

Investments policy

Details of the investments are given in note 8 to the financial statements. The Trustees' policy is to retain their main listed investment in N Brown Group plc for the income it generates each year. This remains the case notwithstanding the continued suspension of dividends from that company whose directors have indicated that they will consider the dividend position again in 2023. In addition, selected limited other investments are made as opportunity arises where they are aligned with the charity's purposes or for their growth potential.

In the event of market fluctuations which might mean that the charity's assets would not be sufficient to fulfil its obligations as they fall due, it is the intention of the senior trustee, Lord David Alliance CBE, to arrange for it to be able to do so. It is the charity's continuing policy to retain the fixed asset investments to generate resources for its charitable expenditure.

ALLIANCE FAMILY FOUNDATION LIMITED

TRUSTEES' REPORT (incorporating a Directors' Report)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Reserves policy

It is the policy of the charity to maintain the level of its funds, which are unrestricted, at a level sufficient to ensure income is generated to cover its donations and costs for the ensuing 12 months. However, reserves have come under pressure as a result of the drop in the share price of the company's listed investment in recent years.

During the year under review, the charity consequently received a donation of \$1m from Lord Alliance's private company, The Anglo-Eastern Trust Limited, to assist its finances; and it also received a further donation of £1.05m in honour of late Mr Yousef Tishbi which facilitated the funding of the year's commitment to the University of Manchester in respect of Manchester Business School. Lord Alliance remains committed to ensuring the charity meets its charitable commitments and continues with its charitable activities, even though the company's dividend income from its listed investment is suspended currently.

He has therefore reconfirmed his financial support, if needed, to enable the charity to meet its obligations.

Related parties

As described in note 8, the trustees each have personal shareholding interests in N Brown Group plc and Sparkbeyond Ltd, in each of which the charity is also invested. Lord David Alliance CBE and Hon J J M Alliance are directors of N Brown Group plc and Hon J J M Alliance is a director of Sparkbeyond Ltd. The charity has no dealings with either company other than its investment in its shares.

OBJECTIVES AND ACTIVITIES

The objectives of the charity, as set out in the Memorandum and Articles of Association, are to further the relief of poverty, advancement of education, advancement of religion and any other charitable purpose according to the law of England and Wales.

The charity was formed by the Alliance family in 1968 as a means to help meet the financial, educational or religious needs of those less fortunate or less able to help themselves in times or circumstances of difficulty. This remains its purpose and the trustees continue to carry this out for the public benefit by utilising the annual income of the charity in making donations they consider fulfil the objectives of the charity.

The trustees' policy is to review requests for financial support and make donations at their discretion. In some cases, they will give a formal or informal commitment to make an allocation available from annual income over a number of years.

In 2014, over and above their programme of such donations from annual income, the charity also entered into a Gift Agreement with the University of Manchester to donate £15m over a number of years to support the strategic development of Manchester Business School and so help economic development of the region. At the year end, one final instalment of £1m remained to be paid in respect of the Business School. That payment has subsequently been made with the assistance of the donation of a further £1m from Lord Alliance's private company, The Anglo-Eastern Trust Limited.

The trustees confirm that they have given careful consideration to the guidance contained in the Charity Commission's guidance on public benefit when reviewing the donation policy for the year and their future plans.

ACHIEVEMENTS AND PERFORMANCE

The charity makes donations rather than undertaking activities of its own directly. Its achievements in the year were to provide substantial support to charity through its donations to UK and foreign educational, religious and welfare charities and also make donations for the educational, medical and general benefit of individuals where considered appropriate. The charity does not seek to raise funds from the public, employs no staff, its administrative expenses are kept to a minimum and the trustees receive neither salary nor expenses.

Details of the most substantial institutional donations during the year are shown in note 6. The trustees were also able to provide funds for a variety of other educational, religious and welfare organisations.

In addition, the charity met the educational, medical and welfare costs of a number of individuals directly, the largest of which are referred to in note 6.

ALLIANCE FAMILY FOUNDATION LIMITED

TRUSTEES' REPORT (incorporating a Directors' Report)

ACHIEVEMENTS AND PERFORMANCE (continued)

Overall, the charity continued in making donations totalling £160,214 to 39 institutions, organisations and individuals for charitable purposes (2021: £213,079 to 53 recipients) and further financial information about donations is given in notes 5, 6, 10 and 11 to the financial statements.

FINANCIAL REVIEW

The results for the year ended 31 March 2022 are set out in the Statement of Financial Activities on page 9.

Income from listed investments was £Nil (2021: £Nil) in respect of the core strategic investment held in N Brown Group plc. The reintroduction of a dividend will be under review by that company's directors during the charity's new financial year which began on 1 April 2022.

In the absence of dividend income, the charity realised its other listed investment during the year which generated £187,784. As indicated earlier, the charity also received donation income of £1,800,694 (2021:£1,250,000) which facilitated the maintenance of reserves whilst continuing charitable activities.

There was an unrealised loss on investments overall in the year of £1,617,171 (2021: gain of £2,403,286).

The overall Net Expenditure for the year of £87,478 has been charged to (2021: overall Net Income of £3,398,180 credited to) reserves.

PLANS FOR THE FUTURE

With financial support available from the senior trustee, Lord David Alliance CBE, the trustees expect the charity to retain its remaining investments and continue to make donations in furtherance of its objectives.

GOING CONCERN

After making enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of approval of the financial statements. Those resources importantly include the benefit of the reconfirmation of financial support from the senior trustee, Lord David Alliance CBE, if needed, to enable the charity to meet its obligations.

Thus, the trustees continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies on page 12 in the financial statements.

AUDITOR

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Deloitte LLP ceased to act as auditor subsequent to the 2021 financial statements and were replaced for 2022 by Moore and Smalley LLP who have expressed their willingness to be reappointed for another term and they will be deemed reappointed as auditor in the absence of an Annual General Meeting.

Authorised for issue by the board of trustees and approved on their behalf by

D Alliance

Lord David Alliance, CBE, Trustee

Date: 15 December 2022

ALLIANCE FAMILY FOUNDATION LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Alliance Family Foundation Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLIANCE FAMILY FOUNDATION LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Alliance Family Foundation (the 'charitable company') for the year ended 31 March 2022 which comprise:

- the statement of financial activities (incorporating the income and expenditure account);
- the balance sheet;
- the cash flow statement; and
- the related notes 1 to 13, including significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLIANCE FAMILY FOUNDATION LIMITED (continued)

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLIANCE FAMILY FOUNDATION LIMITED (continued)

- Examination of journal entries and other adjustments to test for appropriateness and identify any instances of management override of controls;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Because of the field in which the client operates we identified that compliance with the UK Companies Act and the Charities Act are the areas most likely to have a material impact on the financial statements.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nicola Mason

Nicola Mason (Senior Statutory Auditor)

For and on behalf of

MHA Moore and Smalley

Chartered Accountants and Statutory Auditor

Richard House

Winckley Square

Preston

PR1 3HP

21 December 2022

ALLIANCE FAMILY FOUNDATION LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
(incorporating the income and expenditure statement)
For the year ended 31 March 2022**

	Note	2022 Unrestricted £	2021 Unrestricted £
INCOME FROM			
Donations, legacies and similar activities	3	1,800,694	1,250,000
Listed fixed asset investments	3	-	-
Bank deposit and other income	3	11,254	10,686
TOTAL INCOME		<u>1,811,948</u>	<u>1,260,686</u>
EXPENDITURE ON			
Raising funds	4	49,867	4,039
Charitable activities	5	192,690	269,348
TOTAL EXPENDITURE		<u>242,557</u>	<u>273,387</u>
NET INCOME FOR THE YEAR BEFORE INVESTMENT GAINS/(LOSSES)			
		1,569,391	987,299
Realised (losses)/gains on sale of investments	8	(39,698)	7,595
Unrealised (losses)/gains from investments	8	(1,617,171)	2,403,286
NET (EXPENDITURE)/INCOME FOR THE YEAR AND NET MOVEMENT IN FUNDS	7	<u>(87,478)</u>	<u>3,398,180</u>
RECONCILIATION OF FUNDS:			
Total (deficit)/funds brought forward		2,433,457	(964,723)
Net movement in funds for the year		(87,478)	3,398,180
Total funds/(deficit) carried forward	12	<u>2,345,979</u>	<u>2,433,457</u>

The above results are derived from continuing operations. There are no recognised gains and losses for the current or prior financial year other than as stated above. Accordingly, a separate statement of other comprehensive income has not been presented.

ALLIANCE FAMILY FOUNDATION LIMITED

BALANCE SHEET
As at 31 March 2022

	Note	£	2022 £	£	2021 £
FIXED ASSETS					
Investments	8		3,197,865		5,042,518
CURRENT ASSETS					
Debtors	9	3,865		21,334	
Cash at bank and in hand		287,188		-	
		<u>291,053</u>		<u>21,334</u>	
CREDITORS: amounts falling due within one year	10	<u>(1,142,939)</u>		<u>(1,662,871)</u>	
NET CURRENT LIABILITIES			<u>(851,886)</u>		<u>(1,641,537)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,345,979		3,400,981
CREDITORS: amounts falling due after more than one year	11		<u>-</u>		<u>(967,524)</u>
NET ASSETS/(LIABILITIES)			<u>2,345,979</u>		<u>2,433,457</u>
FUNDS					
Unrestricted funds:					
Called up share capital	12		2		2
Revaluation reserve	12		-		-
Accumulated (deficit)/surplus	12		<u>2,345,977</u>		<u>2,433,455</u>
TOTAL FUNDS			<u>2,345,979</u>		<u>2,433,457</u>

The financial statements of Alliance Family Foundation Limited, company number 00943938 and charity number 258721, were approved by the Trustees and authorised for issue on 15 December 2022.

Signed on behalf of the Trustees

D Alliance

Lord David Alliance CBE

Trustee

ALLIANCE FAMILY FOUNDATION LIMITED

CASH FLOW STATEMENT
For the year ended 31 March 2022

	2022	2021
	Unrestricted	Unrestricted
	£	£
Reconciliation of net movement in funds to net cash flows from operating activities		
Net movement in funds	(87,478)	3,398,180
Adjustments for:		
Income from investments, interest and other income	(11,254)	(10,686)
Realised and unrealised losses/(gains) on investments	1,656,869	(2,410,881)
Decrease/(increase) in debtors	17,469	(9,483)
Increase/(decrease) in creditors due within one year	16,269	(12,519)
(Decrease) in creditors due after more than one year	(967,524)	(943,798)
	<hr/>	<hr/>
Net cash flows from operating activities	624,351	10,813
	<hr/>	<hr/>
Cash flows from investing activities		
Income from investments, interest and other income	11,254	10,686
Proceeds from sale of investments	187,784	17,500
Purchase of investments	-	-
	<hr/>	<hr/>
Net cash flows from investing activities	199,038	28,186
	<hr/>	<hr/>
Net increase in cash and cash equivalents	823,389	38,999
	<hr/>	<hr/>
Cash and cash equivalents at beginning of year	(536,201)	(575,200)
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	287,188	(536,201)
	<hr/> <hr/>	<hr/> <hr/>
Being:		
Cash at bank and in hand	287,188	-
Bank overdrafts (secured)	-	(536,201)
	<hr/>	<hr/>
	287,188	(536,201)
	<hr/> <hr/>	<hr/> <hr/>

ALLIANCE FAMILY FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

1. ACCOUNTING POLICIES

Company and charitable status

Alliance Family Foundation Limited, a public benefit entity, is incorporated in England and Wales as a company limited by shares. There are currently three directors, two of whom hold the £1 shares in issue. The company is a registered charity and the address of the registered office is given on page 1 together with other relevant information.

Basis of accounting

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2019)" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2019 and the Companies Act 2006.

The principal accounting policies are set out below and have been consistently applied in the year and previous year's comparatives presented.

Going concern

The charity's activities and future plans are set out in the trustees' report which also describes the financial position of the charity including its fixed asset investment and reserves policies.

In recent years, there has been a significant decrease in the value of the charity's fixed asset investments and the future income they will generate. However, the senior trustee, Lord David Alliance CBE, has reconfirmed his financial support, if needed, to enable the charity to meet its obligations.

On the above basis, the trustees have a reasonable expectation that the charity has adequate resources available to it for a period of at least 12 months from the date of approval of the financial statements, and accordingly continue to adopt the going concern basis in preparing these financial statements.

Donation, legacy and investment income

Donation, legacy and investment income is accounted for when the charity has entitlement to it and includes related tax recoverable if any.

Interest receivable

Interest is included when the charity is entitled to it.

Raising funds

Expenditure on raising funds comprises the incidental costs of operation which are recognised as they are incurred.

Charitable activity

The charity's activity is charitable giving in pursuit of the charity's objects. Donations payable are accounted for when the trustees have accepted a legal obligation and treated as Expenditure in the Statement of Financial Activities accordingly. Informal pledges that are to be funded from future income are disclosed as commitments in note 13 to the accounts. Amounts payable under the Gift Agreement with Manchester University are recognised at the present value of contributions payable under the agreement. The present value is calculated using a discount rate equivalent to the charity's effective borrowing rate.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange ruling at that date. Exchange differences resulting are shown in the Statement of Financial Activities.

ALLIANCE FAMILY FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

1. ACCOUNTING POLICIES (continued)

Taxation

As the company is a registered charity, it has no liability to corporation tax provided its income and gains are applied to charitable purposes as specified by applicable tax legislation.

Investment properties

Investment properties are measured initially at cost and subsequently at fair value at the reporting date, with any change recognised in the Statement of Financial Activities.

Investments

Where possible, investments in shares and securities are measured at fair value through the Statement of Financial Activities. Realised and unrealised gains and losses are shown separately.

Fair value for listed shares and securities is established by reference to the market value of stock exchange quotations. Fair value for other investments is established by reference to latest available financial information, although it is subject to inevitable uncertainty as a result of their unlisted character. Where fair value of unlisted investments cannot be measured reliably, these are measured at cost less impairment.

Fund accounting

The funds of the charity are unrestricted and are expendable at the discretion of the trustees in the furtherance of the objects of the charity. There are no designated or restricted funds.

Revaluation reserve

The revaluation reserve represents unrealised gains and losses arising on the fair valuation of investments in shares and securities.

Charitable commitments

Commitments which are legally binding on the trustees are accounted for as expenditure in the Statement of Financial Activities. Informal or conditional commitments that are to be wholly financed from future income are disclosed instead as charitable commitments in note 13 to the accounts.

Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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

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

ALLIANCE FAMILY FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

1. ACCOUNTING POLICIES (continued)

Financial assets and liabilities (continued)

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the charity's accounting policies, which are described above, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, investments in unlisted entities are measured at cost less impairment involving judgements made on the carrying amounts of those assets at each reporting date.

The trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure other than the above

2. INFORMATION REGARDING TRUSTEES AND EMPLOYEES

No remuneration was paid to the trustees who were the only employees of the charity (2021: none). The trustees were not paid nor reimbursed for any expenses incurred during the year (2021: none). The total amount of donations received from the trustees without conditions during the year was £1.80m (2021: £1.25m), inclusive of any deducted tax also recovered.

3. INCOME

Investment income of £nil (2021: £nil) relates to dividends and equivalents received from investment in UK and foreign listed companies.

Bank interest of £9 (2021: £6) was received during the year together with rent of £11,245 (2021: £10,680) relating to investment property.

Donations of £1,800,694 (2021: £1,250,000) were received from Lord David Alliance CBE, one of the Trustees, or donors connected with him.

4. EXPENDITURE ON RAISING FUNDS

	2022	2021
	£	£
Bank interest and charges	13,665	16,794
Exchange loss/(gain)	11,635	(41,608)
Expenses relating to investment property	3,406	1,741
Legal fees re investment property	-	7,840
Expenses re disposal of NASDAQ listed investment	1,925	-
Fees payable to the charitable company's auditors:		
- for the audit of the charitable company's annual financial statements	17,436	17,472
- for taxation compliance services	1,800	1,800
	<u>49,867</u>	<u>4,039</u>

ALLIANCE FAMILY FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2022

5. EXPENDITURE ON CHARITABLE ACTIVITIES

	2022 £	2021 £
Donations to institutions	84,250	104,810
Donations for education to individuals	7,921	14,522
Donations for medical and care costs to individuals	20,436	34,140
Other charitable donations	47,607	59,607
	160,214	213,079
Unwinding of discounting of future payments of contracted donations	32,476	56,269
	192,690	269,348

The charity undertakes no activities beyond donation and is personally administered by its trustees without support by way of personnel or office overhead. Consequently, the charity has no support costs. The costs of external audit are categorised as part of the expenditure of raising funds and included at note 4.

The unwinding of discounting relates to the Gift Agreement with Manchester University which is further described in note 11. The schedule of payments due under that agreement has been recognised on a discounted basis, discounting future amounts back to present value at each successive accounting date using the rate of interest on the charity's bank borrowing. The reduction in the level of discounting each year has been recognised as further expenditure of the year on charitable activities.

6. DONATIONS

The charity meets its objectives by making donations for purposes which match those of the charity. During the year, donations have been made to 39 (2021: 53) institutions, organisations and individuals worldwide. Donations representing 5 % (2021: 5%) or more of the total expended for the year (excluding for the purpose the contracted amounts for Manchester Business School) were:

	2022 £	2021 £
Donations to institutions		
Weizmann Institute	50,000	-
Jewish Care	12,500	-
Community Security Trust	-	50,000
University of Manchester – stroke research*	-	25,000
Spanish & Portuguese Sephardi Community Synagogue*	-	10,000
	62,500	85,000
Total disclosed above	62,500	85,000
Other donations to institutions	21,750	19,810
	84,250	104,810

* Informal pledge for additional donation out of future income included in Note 13.

Donations for individuals		
Accommodation costs	20,086	21,054
Religious training support costs	12,000	12,000
	32,086	33,054

ALLIANCE FAMILY FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

7. RECONCILIATION OF NET INCOME/(EXPENDITURE) FOR THE YEAR FOR THE PURPOSES OF THE COMPANIES ACT 2006

	2022	2021
	£	£
Net (Expenditure)/Income per the Statement of Financial Activities	(87,478)	3,398,180
Add/(Deduct): unrealised loss/(gain) on investments	1,617,171	(2,403,286)
	<u>1,529,693</u>	<u>994,894</u>

8. INVESTMENTS HELD AS FIXED ASSETS

	Investment property	Listed investments	Other investments	Total
	£	£	£	£
Valuation				
At 1 April 2021	1,490,095	3,199,824	352,599	5,042,518
Additions	-	-	-	-
Disposal proceeds	-	(187,784)	-	(187,784)
Net realised investment (loss)	-	(39,698)	-	(39,698)
Net unrealised investment gain	-	(1,617,171)	-	(1,617,171)
	<u>1,490,095</u>	<u>1,355,171</u>	<u>352,599</u>	<u>3,197,865</u>
Cost				
At 31 March 2022	496,700	3,530,616	392,806	4,420,122
At 31 March 2021	496,700	3,681,990	392,806	4,571,496

The overall value of the investment property was last adjusted at 31 March 2020. The charity's land agents, Ingham & Yorke, have reappraised the detailed holdings making up the property in the light of current day circumstances and opportunities and proposed no further change up to 31 March 2022. The carrying value represents the agents' professional estimate as chartered surveyors of market value on sale with vacant possession of the individual holdings based on their ongoing knowledge and experience of the local area concerned. There are no protected tenancies.

Listed investments are listed on the London Stock Exchange and, prior to the disposal, on NASDAQ. The other investments consist of an investment in an unlisted Israeli company.

Material investments

The listed investments consist of a holding of 4,517,237 ordinary shares in N Brown Group plc which makes up 100% (2021: 93%) of the listed investment portfolio. Both Lord David Alliance CBE and Hon J J M Alliance, trustees, are directors of N Brown Group plc and both they and the other trustee also have personal interests in shares in that company. During the year, £nil (2021: £nil) of investment income was received on the holding.

The share price at which this investment is reflected at the balance sheet date is 30.0p (2021: 65.8p). As at 08 December 2022, the closing share price was 28.75p, representing a reduction on the year end value of £56,465.

The other investments consist of a holding of shares in Sparkbeyond Ltd, of which Hon J J M Alliance, trustee, is a director and in which he and the other trustees also have personal interests in shares. During the year, £nil (2021: £nil) of investment income was received on the holding.

ALLIANCE FAMILY FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

9. DEBTORS: AMOUNTS DUE WITHIN ONE YEAR

	2022	2021
	£	£
Other debtors	3,865	21,334
	<u> </u>	<u> </u>

10. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank overdrafts (secured)	-	536,201
Accruals and other creditors	1,142,939	1,126,670
	<u> </u>	<u> </u>
	<u>1,142,939</u>	<u>1,662,871</u>

The bank overdrafts were secured on certain listed investments of the charity.

Accruals and other creditors include £991,713 (2021: £991,713) in respect of £1m (2021: £1m) due under the charity's Gift Agreement with the University of Manchester further described in note 11.

11. CREDITORS: AMOUNTS DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Other creditors	-	967,524
	<u> </u>	<u> </u>

In November 2014, the charity entered into a Gift Agreement with the University of Manchester to support the strategic development of Manchester Business School within the University's Faculty of Humanities. The total donation provided under the agreement was £15m and that amount as discounted to the present value of the future cash flows involved was included in Donations to institutions within Charitable Activities under Expenditure for the year ended 31 March 2015.

In accordance with the schedule of payment in the agreement, £1m was paid in the current year (2021: £1m) and a further £1m (2021: £2m) remained to be paid to the University at the year end.

Of that balance remaining, £1m (2021: £1m) was due within one year and is accordingly included in Accruals and other creditors in note 10 at £991,713 (2021: £991,713) after discounting to present value at the year end.

The following time discounted amount was recognised as an amount payable after more than one year in respect of the further amount to be paid subsequently:

	2022	2021
	£	£
Payable within:		
1 – 2 years	-	967,524
2 – 5 years	-	-
More than 5 years	-	-
	<u> </u>	<u> </u>

ALLIANCE FAMILY FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

12. STATEMENT ON UNRESTRICTED FUNDS

	Share capital: 2 shares of £1 nominal £	Revaluation reserve £	Accumulated surplus/ (deficit) £	Total unrestricted funds £
Balance at 1 April 2020	2	-	(964,725)	(964,723)
Net income before investment gains	-	-	987,299	987,299
Realised gains on sale of investments	-	-	7,595	7,595
Unrealised gains from investments	-	-	2,403,286	2,403,286
NET MOVEMENT IN FUNDS	-	-	3,398,180	3,398,180
Balance at 31 March 2021	2	-	2,433,455	2,433,457
Net income before investment losses	-	-	1,569,391	1,569,391
Realised (losses) on sale of investments	-	-	(39,698)	(39,698)
Unrealised (losses) from investments	-	-	(1,617,171)	(1,617,171)
NET MOVEMENT IN FUNDS	-	-	(87,478)	(87,478)
Balance at 31 March 2022	2	-	2,345,977	2,345,979

There are no designated or restricted funds.

ANALYSIS OF ASSETS AND LIABILITIES BETWEEN UNRESTRICTED FUNDS

	Share capital and revaluation reserve 2022 £	Accumulated surplus/ (deficit) 2022 £	Total 2022 £	Share capital and revaluation reserve 2021 £	Accumulated Surplus 2021 £	Total 2021 £
Fixed assets						
investments	-	3,197,865	3,197,865	-	5,042,518	5,042,518
Current assets	2	291,051	291,053	2	21,332	21,334
Current liabilities	-	(1,142,939)	(1,142,939)	-	(1,662,871)	(1,662,871)
Non-current liabilities	-	-	-	-	(967,524)	(967,524)
	2	2,345,977	2,345,979	2	2,433,455	2,433,457

ALLIANCE FAMILY FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

13. COMMITMENTS

As part of its activities, the charity in some instances gives informal pledges or otherwise informally agrees to make donations over a number of years to be met out of its future annual income. As no contractually specific arrangements are entered into between the parties concerned, the charity does not consider such commitments as constructive or legal obligations for the purposes of its accounts but instead discloses them below as charitable commitments agreed but not yet provided in its annual accounts.

Charitable commitments	2022	2021
	£	£
Agreed but not yet provided		
Brought forward	130,619	165,072
Additional commitments	-	2,500
Amounts charged against commitments	(2,500)	(35,000)
Amounts reversed unused	-	(1,953)
Foreign exchange movement	890	-
	<hr/>	<hr/>
Closing balance	<u>129,009</u>	<u>130,619</u>