

Registered number: 11559926
Charity number: 1179912

THE RAYNE FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022

THE RAYNE FOUNDATION
(A company limited by guarantee)

CONTENTS

| | Page |
|--|---------|
| Reference and administrative details of the The Foundation, its Trustees and advisers | 7 |
| Trustees' report | 8 - 14 |
| Independent auditor's report on the financial statements | 15 - 18 |
| Statement of financial activities | 19 |
| Balance sheet | 20 - 21 |
| Statement of cash flows | 22 |
| Notes to the financial statements | 23 - 45 |

THE RAYNE FOUNDATION
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE FOUNDATION, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 30 NOVEMBER 2022**

| | |
|----------------------------------|---|
| Trustees | Lady Jane Rayne, Patron The Hon. Robert A Rayne, Chairman The Hon. Natasha Rayne The Hon. Nicholas Rayne Professor Sir Anthony Newman Taylor Lady Hilary Browne-Wilkinson, Deputy Chairman Sir Emyr Jones Parry Rabbi Baroness Julia Neuberger DBE |
| Company registered number | 11559926 |
| Charity registered number | 1179912 |
| Registered office | 3 Bromley Place London W1T 6DB |
| Director | Crispin Truman (appointed 17 October 2022) |
| Independent auditor | Crowe U.K. LLP Fourth Floor St James House St James Square Cheltenham GL50 3PR |
| Bankers | Barclays Bank Plc Level 15 1 Churchill Place London E14 5HP |
| Solicitors | Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH |
| Investment adviser | Rathbone Brothers PLC 8 Finsbury Circus London EC2M 7AZ |
| Investment adviser | Cazenove Capital Management Limited 1 London Wall Place London EC2Y 5AU |

THE RAYNE FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2022

CHAIRMAN'S FOREWORD

I'm delighted to present our report on the year at the Rayne Foundation: we have made some very positive steps with the appointment of a new director, implementing flexible working arrangements for staff and the full utilisation of our new London premises. Meanwhile we are aware that steeply rising costs and alarming increases in demand are posing huge challenges for the charities we seek to support. We retain some grantmaking around the effects of Long Covid, this was also the year in which we completed our pandemic funding arrangements and were able to begin to look forward and think about how we want to do grantmaking in the future.

We have always celebrated being able to be responsive and wide-ranging in our work at Rayne, but realise that in order to have more impact with limited resources we need to make our grantmaking more focused and - where there is particular need - more proactive in getting things done. We are at the early stages of working out what this means in practice, but during the year we began to focus more closely on our areas of special interest and I look forward to us doing more to convene, explore and work alongside those organisations and individuals committed to tackling some of society's most pressing needs.

As ever I am enormously grateful to our wonderful staff team who have continued to make good grants throughout a period of change and uncertainty, to our expert and committed trustees, our funding partners and, of course, the charities which we support and who do such excellent work in challenging and often straitened circumstances. A quick look at the list of organisations we have grant-funded this year in section 19 reminds us of what it's all about: helping very high calibre and committed people work together to improve lives and effect change.



The Hon. Robert A Rayne
Chairman
Date: 6 June 2023

THE RAYNE FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2022

The Rayne Foundation (referred to as “The Foundation” throughout this report) is an incorporated charity and registered in England and Wales, Charity Number: 1179912 and Company Number 11559926 as set out in the Memorandum of Articles.

The Trustees present their report and financial statements for the year ended 30 November 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The selection and appointment of Trustees is carried out using criteria which considers the knowledge and skills they would bring to meet the charitable purposes of The Foundation. Should new Trustees be appointed, names would be proposed and any appointment then made upon the Board’s approval. New Trustees have a tailored induction programme to ensure they meet their statutory obligations as well as understanding the focus of the Foundation. There is no Trustee remuneration policy as no Trustee receives any remuneration for being a Trustee but travel expenses can be claimed. The Trustees are volunteers in their role as Trustees, but The Foundation does not otherwise rely on the work of other volunteers.

There were no changes to the Trustee Board during the year and The Hon Robert Rayne and Lady Browne-Wilkinson continue to be Chairman and Deputy Chairman respectively.

Day to day responsibility for managing The Foundation is with the Director, Crispin Truman who was appointed towards the end of the year, four staff and one consultant. Staff remuneration is agreed by the Chairman of The Rayne Foundation, The Hon Robert A Rayne. Upon any new appointments being made, remuneration would be agreed in line with other comparable roles. The previous Director resigned in December 2021 and interim management arrangements were put in place to ensure the continued smooth running of the organisation until the permanent Director took up post on 17th October.

The Trustees’ responsibilities include the setting of policy and strategy and approving grants above £20,000. Trustees are advised on finance, investments and risk mitigation by the Joint Finance & Investment Committee.

During the year the annual review of policies and procedures were noted by the Board. The Foundation continued to ensure it was updated on recommended guidance from the Charity Commission regarding safeguarding both when assessing applicants and when monitoring grant reporting. This is a standing Board agenda item.

THE YEAR UNDER REVIEW

OBJECTIVES AND ACTIVITIES

The purpose of the Rayne Foundation is the amelioration of social injustice, primarily in the UK. We aim to achieve this through harnessing the potential of individuals and organisations to work together to create a fairer society by making grants to a range of charitable organisations in the arts, health & wellbeing, education and social sectors.

As in previous years, our three Areas of Special Interest are:

1. Arts as a tool to achieve social change;
2. Improved quality of life for carers and for older people;
3. Young people’s improved mental health.

Trustees also agreed to make grants to organisations improving the lives of refugees and asylum seekers during this period.

THE RAYNE FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2022

A core theme of the grants made by The Rayne Foundation is that they support work in the areas of greatest need, which has potential for wider application or lessons beyond the funded organisation. The assessment process also takes into consideration awareness of the bigger picture, expertise and sector knowledge, commitment to demonstrating results and sharing learning, strong leadership, management, track record, and the potential to have direct benefits to vulnerable and disadvantaged people.

ACHIEVEMENT AND PERFORMANCE

During the year, 34 grants totalling £1,396,300 were made (57 grants totalling £1,760,400 in 2021); the reduced number of grants reflects reduced capacity within the grant-making team during the interim period in the search for a new, permanent Director.

A full list of grants and a summary of their purpose is provided in section 19. The majority fell into one of the Foundation's Areas of Special Interest as above. Within young people's mental health, an emerging theme across grants made in the year is improved support of young people in, or leaving, the care system or 'care-experienced', with a number of arts-based grants also providing some valuable, creative solutions to improving wellbeing for these young people. Similarly, many of the grants supporting people in later life have a creative theme and explore ways to add joy and meaning to people experiencing some of the challenges that can accompany ageing.

The number of grants made in response to the coronavirus pandemic, either emergency grants or other support to help grantees safeguard existing services, reduced significantly. Of note however are a couple of grants to support people with 'Long Covid': both English National Opera and Scottish Ballet received grants for their programmes adapting techniques used by singers and dancers to help people manage their ongoing symptoms and make connections with peers.

Two exceptional grants were made in the year to the Disasters Emergency Committee and Medecins sans Frontieres in response to the war in Ukraine.

Whilst the Foundation continues to be a responsive grant maker, as we develop our programmes around the areas of special interest, we plan to shift the balance towards a greater proportion of proactive grants over the next two years.

Exploratory work with sector partners on the role of the Foundation in supporting career development for those employed in the social care workforce, particularly those working with those in later life, continued. This included convening two plenary sessions and four working groups with a group of leaders from the social care sector to consider in more detail the ongoing recruitment and retention issues and possible responses to this challenge. A more formal, pro-active programme of grant-making and development for this area, which we have named A better career for better care, will be refined and announced in the year ahead.

We also started the process to explore in more detail what a more pro-active approach to supporting young people's mental health might look like in practice. We began with an assessment of the grants made by the Foundation in recent years, to understand better the areas where we believed that were already seeing some impact. Two areas for further investigation emerged from this exercise: young people in the care system, and early intervention. We were pleased to see that a couple of existing grantees featured as examples of good practice in The Independent Review of Children's Social Care, published in May 2022 and have begun making links with potential partners and funders in this sector. This work will be developed further in the year ahead as part of our broader strategy review.

With the completion of works at the Foundation's new offices in Bromley Place, we began to make available to grantees the use of our central London meeting spaces as an additional benefit, on a pro bono basis. This arrangement not only provides a useful service, free of charge, to grantees but also assists the Foundation in getting to know and building productive relationships with key charities in the sectors we are working in.

THE RAYNE FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2022

Whilst the Foundation funds a variety of charitable and not-for-profit organisations, funding is specifically targeted towards issues and organisations which do not enjoy widespread public support. Collaboration with other funders continues to be important in terms of wider learning as well as for leveraging other funding from those Foundations interested in similar client groups or sectors. An added benefit The Foundation seeks with grant recipients, is to introduce organisations to each other to enhance learning, share good practice and where possible, work together.

The Foundation's work is measured by the degree to which each grant contributes to agreed outcomes covering qualitative and quantitative data. Outcomes are measured in different ways which may include feedback from beneficiaries, formal tracking from statutory agencies or others, data collection, estimation of cost savings and sometimes a more formal evaluation. Both hard and soft outcomes are gathered, and the Trustees consider each set of outcome requirements on a case-by-case basis. For multi-year grants (usually up to three years), the second or third year's payment are released upon receipt of satisfactory monitoring and financial reports.

Staff have now returned fully to work with a mix of office and home-based working. Part of the building is let out on a commercial basis to set against running costs and The Foundation also offers pro bono, meeting room space to grantees and other charities.

PLANS FOR THE YEAR

The Foundation's trustees have agreed the following plans to be delivered by the staff team in the year to December 2023, supported by a budget available separately. Our main activities this year will be to:

1. Distribute approximately £1.5 million in grants through our responsive programmes in our areas of interest.

Our main grantmaking activity comprises an ongoing responsive programme in which charities are invited to approach us with proposals which meet our criteria and address our areas of interest. The team provides advice and assistance to potential applicants, assesses applications including through a face-to-face visit where practicable, awards and monitors grants. The responsive programme will be focused on the areas of interest as described earlier in this report. The former 'open' responsive programme has been suspended to free up time and capacity for this work and for the proactive programme described below.

It is our long-term target to distribute 4% of the 'total return' on our investments.

2. Advance the development of our specialist 'A Better Career for Better Care' programme

This is the year in which we plan to implement plans for a more proactive approach to our work, working in partnership and ensuring that we test and learn as we go. We will begin with the older people's area of interest and a programme focusing specifically on supporting the professional development of carers in this field. We will:

- appoint a senior programme development lead;
- build partnerships, reconvene and refresh the project steering group and host expert round tables;
- test and learn a proactive, focused approach for wider application in the future;
- commence work with partners in 3 geographical areas;
- manage a supporting grants programme to further inform our approach; and
- learn and develop options for our two other areas of interest.

3. Review the Rayne Charities' purpose and strategy

Trustees and staff, consulting with key partners, will this year review the Foundation's overall purpose and its strategy for the next few years, with a view to clarifying and better articulating for applicants, grantees and partners what we want to achieve. We aim to have a refreshed purpose and strategy agreed by the end of the year for implementation 2024 onwards.

THE RAYNE FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2022

4. Commission and commence projects to enhance our work

Other projects this year will include:

- staff team development and training including a facilitated strategy awayday
- expanding and supporting the pro bono use of Bromley Place by our grantees
- moving to online application, monitoring and reporting systems
- carrying out a review of how we communicate externally, to include our website
- IT systems and support contract review and refresh

5. Support Investment management

Trustees, supported by our independent advisers and investment managers, will continue to develop and deliver our finance and investment strategies to ensure the strongest possible basis for future grantmaking, including: portfolio diversification, continued active cash management and supporting and developing a strong quarterly joint finance and investment committee (JFIC).

6. Support Trustee succession

A number of both family and independent trustees are at or approaching the end of their terms on the Foundation board and a three-year succession plan has been agreed with Board. During the year we will commence recruitment of two additional and the first replacement trustees according to the plan.

PUBLIC BENEFIT

The Trustees confirm that they have complied with their duty in Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales. The Foundation provides public benefit through the making of grants to registered charities and not-for-profit organisations with charitable objects and through undertaking initiatives which contribute to the needs of UK society. This covers both proactive and reactive grant making. Each year, The Foundation makes a careful judgment between investing in immediate calls on its funds and safeguarding the endowment to meet future needs and challenges.

RISK MANAGEMENT

Risks relating to financial performance and therefore future distribution, due to volatility of markets, are regularly reviewed by the Joint Finance & Investment Committee and include an annual impairment review.

The comprehensive risk register covers a range of issues which include loss of key staff, governance, fraud, reduction in capital and operational risks. Specific examples of risk management include keeping a watching brief on market volatility and portfolio diversification to mitigate loss of capital; reviewing governance and good practice from applicants before grants are awarded; maintaining up to date knowledge of policy or statutory changes/requirements in the sector and setting financial and reporting obligations for grant recipients to monitor multi-year grants before any subsequent payment is released.

The Trustees and staff formally review risk on an annual basis and conclude that there are sufficient controls in place across the organisation. The Chairman and Director also meet the auditor to discuss recommendations arising from their annual audit which may inform any approach to a particular risk.

The Foundation holds high cash reserves, which cover all current grant commitments and operating costs and more, so no funding commitments will be cancelled for lack of funds.

THE RAYNE FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2022

INTERNAL CONTROLS

The Trustees confirm that internal control processes and procedures are in place and continue to be reviewed to ensure that risks are mitigated as far as possible. This includes an annual budget, approved by the Trustees, and monthly financial reporting of actual against budget and other key performance indicators.

The charity was not involved directly or indirectly in any fundraising for its own benefit during 2021. The charity had no fundraising activities requiring disclosure under S162A of the Charities Act.

FINANCIAL REVIEW

The Foundation had income for the year of £1,982,620 (2021: £1,987,662). There were no exceptional dividends in the year under review. Grants awarded in the year amounted to £1,396,300 (2021: £1,760,400). The Joint Finance & Investment Committee agreed to continue to hold a strong cash balance due to the uncertainty of global markets and in order to ensure we are always in a position to meet grant payment commitments as above.

INVESTMENT POLICY AND PERFORMANCE AGAINST OBJECTIVES

The Foundation aims to maximise the investment return and to achieve sufficient cash income to maintain the level of grants. The value of the investment portfolio, excluding cash balances decreased from £94,296,747 in 2021 to £74,861,083 during the year. Trustees review expenditure on a regular basis, in particular at the start of the financial year, and consider new investments and changes in allocation on a case by case basis. The Trustees do not invest to meet a formal social, environmental or ethical investment policy. The Trustees hope to maintain distributions amounting to 2-4%, in the medium term, of the capital value of The Foundation primarily from income.

The distribution in the year was 1.48% (2021: 1.83%) of the average capital value of the twenty previous quarters. No changes were made to The Foundation's investment policies.

RESERVES POLICY

Reserves are held in order to ensure that outstanding commitments can be met and that, if necessary, levels of spending can be adjusted in a measured way. Total reserves at the year-end were £79,812,925 (2021: £102,239,899). Free reserves are calculated by deducting tangible fixed assets and designated funds from unrestricted funds, as well as adding back any loans used to purchase fixed assets (mortgage balance of £3,395,958 secured against Bromley Place). The free reserves held at the year-end were negative at £1,908,443 (2021: negative at £626,959). The position arises due to the significant value of Bromley Place purchased from unrestricted funds and mortgage funds. Included within unrestricted funds of £2,940,858 are designated funds of £2,208,200 and fixed assets of £6,037,059. However, the Foundation holds an expendable endowment fund of £76,864,892 which can be drawn upon if required in order to meet its obligations. The total amount of restricted reserves held at the year-end and not available for the general purposes of the charity were £7,175. £13,400 remains designated to the Men in Sheds programme, £1,860,800 designated to support improving quality of life for older people in care homes and £334,000 continues to be designated as Covid 19 support funding. The Foundation holds cash balances to manage fluctuations in cash flow and cash liquidity is reviewed quarterly by the Joint Finance & Investment Committee. The Trustees are satisfied that the Foundation, given its financial reserves and fundamental assets, is in a position to meet all its current and anticipated future commitments.

THE RAYNE FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of The Rayne Foundation 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:



The Hon Robert A Rayne
Chairman
Date: 6 June 2023

THE RAYNE FOUNDATION
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RAYNE FOUNDATION

Opinion

We have audited the financial statements of The Rayne Foundation (the 'the foundation') for the year ended 30 November 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of 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 30 November 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; 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 United Kingdom, including the Financial Reporting Council'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.

THE RAYNE FOUNDATION
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RAYNE FOUNDATION (CONTINUED)

Other information

The other information comprises the information included in the 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.

We have nothing to report in this regard.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

THE RAYNE FOUNDATION
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RAYNE FOUNDATION (CONTINUED)

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes 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.

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:

We obtained an understanding of the legal and regulatory frameworks within which the Company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, environmental protection legislation, Health and safety legislation, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be in the following areas: the override of controls by management, including posting of unusual journals, and inappropriate treatment of non-routine transactions.

Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, review and discussion of non-routine transactions, sample testing on the posting of journals and income transactions and review of accounting estimates for biases.

THE RAYNE FOUNDATION
(A company limited by guarantee)

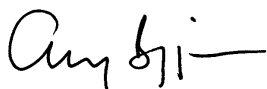
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RAYNE FOUNDATION (CONTINUED)

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council'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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Guy Biggin (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Fourth Floor

St James House

St James Square

Cheltenham

GL50 3PR

Date: 19 July 2023

THE RAYNE FOUNDATION
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 NOVEMBER 2022**

| | Note | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Endowment funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|---|------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | | | |
| Investments | 4 | 1,982,620 | - | - | 1,982,620 | 1,987,662 |
| Total income | | 1,982,620 | - | - | 1,982,620 | 1,987,662 |
| Expenditure on: | | | | | | |
| Raising funds: | 5 | | | | | |
| Investment manager's fees | | 7,999 | 159 | 120,044 | 128,202 | 134,772 |
| Charitable activities | 6 | 2,357,174 | - | - | 2,357,174 | 2,494,374 |
| Total expenditure | | 2,365,173 | 159 | 120,044 | 2,485,376 | 2,629,146 |
| Net expenditure before net (losses)/gains on investments | | (382,553) | (159) | (120,044) | (502,756) | (641,484) |
| Net gains/(losses) on investments | | (113,941) | 1,833 | (21,812,110) | (21,924,218) | 9,532,102 |
| Net (expenditure)/income | | (496,494) | 1,674 | (21,932,154) | (22,426,974) | 8,890,618 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 3,437,352 | 5,501 | 98,797,046 | 102,239,899 | 93,349,281 |
| Net movement in funds | | (496,494) | 1,674 | (21,932,154) | (22,426,974) | 8,890,618 |
| Total funds carried forward | 21 | 2,940,858 | 7,175 | 76,864,892 | 79,812,925 | 102,239,899 |

The notes on pages 23 to 45 form part of these financial statements.

THE RAYNE FOUNDATION
(A company limited by guarantee)
REGISTERED NUMBER: 11559926

BALANCE SHEET
AS AT 30 NOVEMBER 2022

| | Note | 2022 £ | 2021 £ |
|---|------|-------------------|--------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 6,037,059 | 6,254,974 |
| Investments | 13 | 76,627,209 | 96,429,925 |
| | | <u>82,664,268</u> | <u>102,684,899</u> |
| Current assets | | | |
| Debtors | 14 | 151,072 | 140,996 |
| Investments | 15 | 1,267,164 | 3,963,864 |
| Cash at bank and in hand | | 1,922,617 | 4,075,586 |
| | | <u>3,340,853</u> | <u>8,180,446</u> |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 16 | (2,380,479) | (3,471,035) |
| | | <u>960,374</u> | <u>4,709,411</u> |
| Net current assets | | | |
| | | <u>83,624,642</u> | <u>107,394,310</u> |
| Total assets less current liabilities | | | |
| Creditors: amounts falling due after more than one year | 18 | (3,811,717) | (5,154,411) |
| | | <u>79,812,925</u> | <u>102,239,899</u> |
| Total net assets | | | |

THE RAYNE FOUNDATION
(A company limited by guarantee)
REGISTERED NUMBER: 11559926


BALANCE SHEET (CONTINUED)
AS AT 30 NOVEMBER 2022

| | Note | 2022 £ | 2021 £ |
|----------------------|------|-------------------|--------------------|
| Charity funds | | | |
| Endowment funds | 21 | 76,864,892 | 98,797,046 |
| Restricted funds | 21 | 7,175 | 5,501 |
| Unrestricted funds | 21 | 2,940,858 | 3,437,352 |
| Total funds | | <u>79,812,925</u> | <u>102,239,899</u> |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



.....
Lady Jane Rayne
Trustee



.....
The Hon. Robert A Rayne
Chair of Trustees

Date: 6 June 2023

The notes on pages 23 to 45 form part of these financial statements.

THE RAYNE FOUNDATION
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 NOVEMBER 2022

| | Note | 2022 £ | 2021 £ |
|---|------|---------------------|---------------------|
| Cash flows from operating activities | | | |
| Net cash used in operating activities | 23 | (4,330,105) | <i>(2,840,863)</i> |
| Cash flows from investing activities | | | |
| Dividends, interests and rents from investments | | 1,982,620 | <i>1,987,662</i> |
| Purchase of tangible fixed assets | | (1,948) | <i>(39,484)</i> |
| Proceeds from sale of investments | | 13,435,238 | <i>24,283,712</i> |
| Purchase of investments | | (15,923,796) | <i>(22,151,909)</i> |
| Proceeds from investment repayments | | 161,227 | <i>80,000</i> |
| Movement in investments held as cash | | 2,696,700 | <i>(1,134,929)</i> |
| Net cash provided by investing activities | | 2,350,041 | 3,025,052 |
| Cash flows from financing activities | | | |
| Repayments of borrowing | | (172,905) | <i>(110,537)</i> |
| Financing fees | | - | <i>(600)</i> |
| Net cash used in financing activities | | (172,905) | (111,137) |
| Change in cash and cash equivalents in the year | | (2,152,969) | 73,052 |
| Cash and cash equivalents at the beginning of the year | | 4,075,586 | <i>4,002,534</i> |
| Cash and cash equivalents at the end of the year | 24 | 1,922,617 | <i>4,075,586</i> |

The notes on pages 23 to 45 form part of these financial statements

THE RAYNE FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022

1. General information

The Rayne Foundation is a charitable company limited by guarantee, registered with Companies House (registered number: 11559926 England & Wales) and the Charity Commission (registered number: 1179912). Its registered principal office is 3 Bromley Place, London, W1T 6DB.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Companies Act 2006 and the Charities Act 2011.

The Rayne Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The Foundation has cash resources and no requirement for external funding during the year. The Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue.

Having regard to the above, the Trustees believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Income

Income from investments is included in the Statement of Financial Activities only if received, or declared and receivable. Gains or losses arising from the revaluation of investments are dealt with in the Statement of Financial Activities.

THE RAYNE FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is accrued as soon as a liability is considered probable. Grants are recognised when a constructive obligation arises that results in the payment being unavoidable.

Costs of raising funds include expenditure associated with investment management.

Charitable activities include expenditure associated with grants payable and include both the direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the Foundation and its assets and are primarily associated with constitutional and statutory requirements and are included within support costs.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

All expenditure is classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

Expenditure on raising funds includes all expenditure incurred by the The Foundation to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the The Foundation's objectives, as well as any associated support costs.

2.5 Taxation

The Rayne Foundation is a registered charity, and as such is entitled to taxation exemptions on all its income and gains, properly applied for its charitable purposes.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £750 or more are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

THE RAYNE FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

| | |
|-----------------------|--------------------------|
| Freehold buildings | - 30 years straight line |
| Freehold land | - Not depreciated |
| Fixtures and fittings | - 5 years straight line |
| Office equipment | - 5 years straight line |
| Computer equipment | - 3 years straight line |

2.7 Investments

Quoted investments are stated in the Balance Sheet at their market value as at the year end date.

Non listed investments are measured at historic cost and are reviewed annually for impairment.

Included in current asset investments are short term cash deposits.

Works of art are valued periodically for insurance purposes, and this value is incorporated in the Balance Sheet. Gains and losses are shown in the Statement of Financial Activities and reflected in the relevant fund.

2.8 Financial instruments

The Foundation 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. Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method.

2.9 Debtors

Other debtors and accrued income are recognised at the settlement amount due.

Prepayments are valued at the amount prepaid.

2.10 Cash at bank and in hand

Cash at bank and 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.

2.11 Creditors

Liabilities are recognised once there is a legal or constructive obligation that commits the Foundation to the obligation. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

THE RAYNE FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022

2. Accounting policies (continued)

2.12 Pensions

The Foundation operates a defined contribution scheme on behalf of its employees. Contributions are charged in the Statement of Financial Activities as incurred. No further liabilities accrue under the scheme.

2.13 Expendable Endowment Fund

The expendable endowment fund is maintained to generate sustainable income for the unrestricted funds.

2.14 Restricted Funds

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

2.15 Unrestricted Funds

Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objects or administration of the Foundation.

Designated funds comprise general funds, which have been set aside at the discretion of the Trustees, for specific purposes.

3. Critical accounting estimates and areas of judgement

Preparation of the financial statements requires management to make judgements and estimates. The Trustees consider that there are no material judgements in applying accounting policies or key sources of estimation uncertainty.

THE RAYNE FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022

4. Investment income

| | Unrestricted funds 2022 £ | Total funds 2022 £ | <i>Total funds 2021 £</i> |
|-------------------------|--|---------------------------------------|---------------------------------------|
| Licence income | 39,426 | 39,426 | 44,216 |
| Income from investments | 1,935,951 | 1,935,951 | 1,940,256 |
| Interest receivable | 7,243 | 7,243 | 3,190 |
| Total 2022 | <u>1,982,620</u> | <u>1,982,620</u> | <u>1,987,662</u> |
| <i>Total 2021</i> | <u>1,987,662</u> | <u>1,987,662</u> | |

5. Investment management costs

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Endowment funds 2022 £ | Total funds 2022 £ | <i>Total funds 2021 £</i> |
|----------------------------|--|--|---|---------------------------------------|---------------------------------------|
| Investment management fees | 7,999 | 159 | 120,044 | 128,202 | 134,772 |
| <i>Total 2021</i> | <u>9,245</u> | <u>240</u> | <u>125,287</u> | <u>134,772</u> | |

THE RAYNE FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022

6. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2022 £ | Total 2022 £ | <i>Total 2021 £</i> |
|-----------------------------|--|-----------------------------|-----------------------------|
| Support costs | 775,049 | 775,049 | 774,974 |
| Grant funding of activities | 1,376,300 | 1,376,300 | 1,719,400 |
| Impairment of investment | 205,825 | 205,825 | - |
| Total 2022 | <u>2,357,174</u> | <u>2,357,174</u> | <u>2,494,374</u> |

THE RAYNE FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022

7. Analysis of expenditure by activities

| | Activities undertaken directly 2022 £ | Grant funding of activities 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|-----------------------------|---|--|-----------------------------|-----------------------------|
| Support costs | 775,049 | - | 775,049 | 774,974 |
| Grant funding of activities | - | 1,376,300 | 1,376,300 | 1,719,400 |
| Impairment of investment | 205,825 | - | 205,825 | - |
| Total 2022 | <u>980,874</u> | <u>1,376,300</u> | <u>2,357,174</u> | <u>2,494,374</u> |
| <i>Total 2021</i> | <u>774,974</u> | <u>1,719,400</u> | <u>2,494,374</u> | |

Analysis of support costs

| | Total funds 2022 £ | Total funds 2021 £ |
|---------------------------|-----------------------------|-----------------------------|
| Staff costs (note 10) | 181,343 | 239,220 |
| Depreciation | 219,863 | 220,554 |
| Staff related costs | 31,560 | 16,872 |
| Premises cost | 133,428 | 136,537 |
| Travel and subsistence | 1,092 | 464 |
| Office costs | 59,418 | 57,431 |
| Governance costs (note 8) | 148,345 | 103,896 |
| Impairment of investment | 205,825 | - |
| | <u>980,874</u> | <u>774,974</u> |

THE RAYNE FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022

8. Governance costs

| | 2022 £ | 2021 £ |
|----------------------------|----------------|----------------|
| Trustee expenses | 1,268 | - |
| Legal fees | 54,944 | 46,654 |
| Professional fees | 76,593 | 43,070 |
| Audit and accountancy fees | 15,540 | 14,172 |
| | 148,345 | 103,896 |

9. Auditor's remuneration

| | 2022 £ | 2021 £ |
|--|--------------|--------------|
| Fees payable to the The Foundation's auditor for the audit of The Foundation's annual accounts | 9,300 | 8,160 |
| Fees payable to the The Foundation's auditor in respect of: Preparation of the financial statements | 3,650 | 3,650 |
| | 3,650 | 3,650 |

10. Staff costs

| | 2022 £ | 2021 £ |
|--|----------------|----------------|
| Wages and salaries | 145,921 | 192,230 |
| Social security costs | 14,780 | 20,178 |
| Contribution to defined contribution pension schemes | 20,642 | 26,812 |
| | 181,343 | 239,220 |

The average number of persons employed by the The Foundation during the year was as follows:

| | 2022 No. | 2021 No. |
|----------------|-------------|-------------|
| Administration | 3 | 4 |
| Management | 1 | 1 |
| | 4 | 5 |

THE RAYNE FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022

10. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | 2022 | <i>2021</i> |
|---------------------------------|-------------|-------------|
| | No. | <i>No.</i> |
| In the band £70,001 - £80,000 | 1 | - |
| In the band £100,001 - £110,000 | - | <i>1</i> |

Defined contribution pension scheme costs payable with regard to the higher paid employee totalled £8,950 (2021: £14,729).

Key management personnel employee benefits consisting of the Acting Director totalled £100,442 (Director in 2021: £136,856).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 30 November 2022, expenses totalling £1,268 were reimbursed or covered travel costs (2021: £NIL).

THE RAYNE FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022**

12. Tangible fixed assets

| | Freehold land and buildings £ | Fixtures and fittings £ | Office equipment £ | Computer equipment £ | Total £ |
|-----------------------|--|-------------------------------|--------------------------|----------------------------|-------------------------|
| Cost | | | | | |
| At 1 December 2021 | 6,295,786 | 390,494 | 5,777 | 23,153 | 6,715,210 |
| Additions | - | 1,948 | - | - | 1,948 |
| At 30 November 2022 | <u>6,295,786</u> | <u>392,442</u> | <u>5,777</u> | <u>23,153</u> | <u>6,717,158</u> |
| Depreciation | | | | | |
| At 1 December 2021 | 282,654 | 159,829 | 1,388 | 16,365 | 460,236 |
| Charge for the year | 133,745 | 79,235 | 1,155 | 5,728 | 219,863 |
| At 30 November 2022 | <u>416,399</u> | <u>239,064</u> | <u>2,543</u> | <u>22,093</u> | <u>680,099</u> |
| Net book value | | | | | |
| At 30 November 2022 | <u><u>5,879,387</u></u> | <u><u>153,378</u></u> | <u><u>3,234</u></u> | <u><u>1,060</u></u> | <u><u>6,037,059</u></u> |
| At 30 November 2021 | <u><u>6,013,132</u></u> | <u><u>230,665</u></u> | <u><u>4,389</u></u> | <u><u>6,788</u></u> | <u><u>6,254,974</u></u> |

Freehold land and buildings includes mixed use property. The element considered to be investment property is not separately identifiable.

THE RAYNE FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022

13. Fixed asset investments

| | Quoted investments £ | George Capital £ | Social investments £ | Works of art £ | Total £ |
|--------------------------|----------------------------|------------------------|----------------------------|-------------------|-------------------|
| Cost or valuation | | | | | |
| At 1 December 2021 | 94,296,747 | 1,106,678 | 315,000 | 961,500 | 96,679,925 |
| Additions | 15,923,796 | - | - | - | 15,923,796 |
| Disposals | (13,435,238) | - | - | - | (13,435,238) |
| Revaluations | (21,924,222) | - | - | - | (21,924,222) |
| Capital repayments | - | (96,227) | (65,000) | - | (161,227) |
| At 30 November 2022 | <u>74,861,083</u> | <u>1,010,451</u> | <u>250,000</u> | <u>961,500</u> | <u>77,083,034</u> |
| Impairment | | | | | |
| At 1 December 2021 | - | - | 250,000 | - | 250,000 |
| Charge for the year | - | 205,825 | - | - | 205,825 |
| At 30 November 2022 | <u>-</u> | <u>205,825</u> | <u>250,000</u> | <u>-</u> | <u>455,825</u> |
| Net book value | | | | | |
| At 30 November 2022 | <u>74,861,083</u> | <u>804,626</u> | <u>-</u> | <u>961,500</u> | <u>76,627,209</u> |
| At 30 November 2021 | <u>94,296,747</u> | <u>1,106,678</u> | <u>65,000</u> | <u>961,500</u> | <u>96,429,925</u> |

Works of Art are valued for insurance purposes on a rolling basis at least every 5 years. In 2022 valuations were provided by Christie's for the whole portfolio of art works. These valuations have been used by the Trustees as a proxy for market value. Some of the items are on loan for display by public or charitable organisations.

Social Investments represent funds made available to Emmaus UK for the provision of loans to develop new Emmaus Communities and to support Emmaus Enterprises.

Please see note 28 for details of the George Capital investment.

THE RAYNE FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022**

14. Debtors

| | 2022 £ | 2021 £ |
|----------------------------|-----------|-----------|
| Due within one year | | |
| Other debtors | 141,020 | 126,485 |
| Prepayments | 10,052 | 14,511 |
| | 151,072 | 140,996 |

15. Current asset investments

| | 2022 £ | 2021 £ |
|------------------------------------|-----------|-----------|
| Cash held with Investment managers | 1,267,164 | 3,963,864 |
| | 1,267,164 | 3,963,864 |

16. Creditors: Amounts falling due within one year

| | 2022 £ | 2021 £ |
|------------------------------------|-----------|-----------|
| Bank loans | 151,241 | 142,952 |
| Other taxation and social security | 11,943 | 7,653 |
| Other creditors | 21,821 | 40,172 |
| Accruals | 79,174 | 84,858 |
| Grants payable | 2,116,300 | 3,195,400 |
| | 2,380,479 | 3,471,035 |

17. Reconciliation of grants payable:

| | 2022 £ | 2021 £ |
|------------------------------------|------------------|------------------|
| Commitments brought forward | 4,923,900 | 5,363,200 |
| Commitments made in the year | 1,396,300 | 1,760,400 |
| Commitments withdrawn | (20,000) | (41,000) |
| Grants paid during the year | (3,616,900) | (2,158,700) |
| Commitments carried forward | 2,683,300 | 4,923,900 |

THE RAYNE FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022

18. Creditors: Amounts falling due after more than one year

| | 2022 | <i>2021</i> |
|----------------|-------------------------|-------------------------|
| | £ | £ |
| Bank loans | 3,244,717 | <i>3,425,911</i> |
| Grants payable | 567,000 | <i>1,728,500</i> |
| | <u>3,811,717</u> | <i><u>5,154,411</u></i> |

Included within the above are amounts falling due as follows:

| | 2022 | <i>2021</i> |
|-----------------------------------|-------------------------|-------------------------|
| | £ | £ |
| Between one and two years | | |
| Bank loans | <u>156,106</u> | <i><u>151,641</u></i> |
| Between two and five years | | |
| Bank loans | <u>499,095</u> | <i><u>484,820</u></i> |
| Over five years | | |
| Bank loans | <u>2,589,516</u> | <i><u>2,789,450</u></i> |

The mortgage is secured by a legal charge over the property 3 Bromley Place, London, W1T 6DB.

THE RAYNE FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022**

19. Grants

| Company Name | Appeal Summary | Covid Grant | Main Grant | Total |
|--|--|-------------|------------|--------|
| Arts as a tool to achieve social change | | | | |
| Dante or Die Theatre Limited | Towards a digital artistic and engagement project exploring the harms of online gambling. | | 16,500 | 16,500 |
| Hijinx Theatre | Towards the salary and running costs of Hijinx Film. | | 40,000 | 40,000 |
| The Clay Foundation | Towards a one year extension of the ReCast project. | | 15,000 | 15,000 |
| Intergenerational Music Making (IMM) | Towards a virtual, intergenerational programme connecting local schools, community groups and creatives to their local care homes and older people through music. | | 20,000 | 20,000 |
| Synergy Theatre Project | Towards the salary of a Learning & Engagement Manager. | | 75,000 | 75,000 |
| Delight | Towards core costs to support the expansion of arts-based learning programmes which aim to improve the mental wellbeing, learning and creativity of children from disadvantaged backgrounds. | | 45,000 | 45,000 |
| Other - health | | | | |
| Doctors in Distress | Towards 'Long Covid care for Medics'. | 10,000 | | 10,000 |
| Scottish Ballet | Towards the development of a dance programme for people living with Long Covid. | | 20,000 | 20,000 |
| Providence Row | Towards the development of an Outreach Psychotherapy project to support entrenched and extremely vulnerable rough-sleepers and vulnerably housed people in Tower Hamlets. | | 75,000 | 75,000 |
| Medecins Sans Frontieres UK | Towards MSF's Emergency Fund. | | 20,000 | 20,000 |
| English National Opera | Towards ENO Breathe, a programme for those suffering from ongoing breathlessness, anxiety and other symptoms of Long Covid. | | 50,000 | 50,000 |
| Freedom from Torture (FFT) | Towards the provision of holistic therapeutic and practical legal and welfare support to adult and young survivors of torture in North East England. | | 60,000 | 60,000 |

THE RAYNE FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022**

Grants (continued)

| Company Name | Appeal Summary | Covid Grant | Main Grant | Total |
|---|---|-------------|------------|--------|
| Improved quality of life for carers and for older people | | | | |
| National Museums Liverpool | Towards On the Road, bringing House of Memories museum experiences to older people in their communities. | | 60,000 | 60,000 |
| Dementia UK | Towards a new Admiral Nurse service in Torbay and South Devon supporting patients and families who move from hospital into a care home. | | 20,000 | 20,000 |
| St Joseph's Hospice Hackney | Towards the running costs of St Joseph's Hospice' Namaste Care East London Project. | | 20,000 | 20,000 |
| Age UK South Lakeland | Toward an extension of funding to the Compass programme so it can further expand outside of Cumbria. | 20,000 | | 20,000 |
| Magic Me | Towards developing, testing and implementing sustainable ways of scaling up Magic Moments in care homes across England. | | 20,000 | 20,000 |
| Others - social | | | | |
| West London Zone | Towards the salary of the Strategy and Impact Director. | | 90,000 | 90,000 |
| Amma Birth Companions | Towards a support programme for people who experience discrimination and systemic inequalities in the realms of reproductive, pregnancy and postnatal care. | | 20,000 | 20,000 |
| The Oxford Diocesan Council for Social Work Inc | Towards a pilot approach that will offer women the opportunity to receive holistic, tailored, community-based support, rather than a summons to court. | | 60,000 | 60,000 |
| Beating Time | Towards an in-prison Employment Consultancy for people serving sentences, led by people serving sentences. | | 35,000 | 35,000 |
| Disasters Emergency Committee | Towards DEC Ukraine Humanitarian Appeal. | 20,000 | | 20,000 |

THE RAYNE FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022

Grants (continued)

| Company Name | Appeal Summary | Covid Grant | Main Grant | Total |
|---|--|-------------|------------|--------|
| Gingerbread, the charity for single parent families | Towards a series of online workshops to provide single parents with an interactive toolkit to improve their wellbeing, mental health and resilience. | | 15,000 | 15,000 |
| Future Frontiers Ltd | Towards core costs to develop a new, extended two-year programme of career coaching and guidance to equip disadvantaged 14-16 year-olds. | | 20,000 | 20,000 |
| Young people's improved mental health | | | | |
| StreetDoctors Ltd | Towards a project to empower young people to cope with the physical and mental health effects of experiencing traumatic violence. | | 50,000 | 50,000 |
| First Light South West | Towards piloting a family centred approach to recovery support for young person victims (11-18yrs) of sexual abuse or exploitation in Devon. | | 60,000 | 60,000 |
| Power2 Ltd | Towards a project that will offer 115 young people in the care system and their mainstream schools with an asset-based early intervention. | | 60,000 | 60,000 |
| Reaching Higher Limited | Towards the creation of a referral pathway for highly vulnerable young people engaged in a Youth Offending Service to integrate into trauma-informed community-based programmes. | | 10,000 | 10,000 |
| The Prison Advice and Care Trust | Towards piloting the first trauma-informed casework service for young men in custody. | | 60,000 | 60,000 |
| Mosac | Towards a suite of training sessions for non-abusing parents and carers following a disclosure of child sexual abuse. | | 45,000 | 45,000 |

THE RAYNE FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022**

Grants (continued)

| Company Name | Appeal Summary | Covid Grant | Main Grant | Total |
|-------------------------------|---|---------------|------------------|------------------|
| St Giles Trust | Towards a project that will work with 40 children and young people per year (80 in total) on the edge of being taken into Local Authority care. | | 50,000 | 50,000 |
| The Anna Freud Centre | Towards the development and implementation of the Virtual Mental Health Lead (VMHL) in the London Borough of Brent. | | 75,000 | 75,000 |
| Beat | Towards a free, moderated email support service for young people who are currently struggling to overcome their own eating disorder. | | 60,000 | 60,000 |
| The National Autistic Society | Towards the development, delivery and dissemination of a suite of free, online mental health resources for young autistic people. | | 60,000 | 60,000 |
| Youthnet UK Ltd | Towards piloting the expansion of its current counselling services to introduce video-based counselling. | | 19,800 | 19,800 |
| Total Grants Awarded | | 50,000 | 1,346,300 | 1,396,300 |

20. Financial instruments

| | 2022 £ | 2021 £ |
|--|-------------------|-------------------|
| Financial assets | | |
| Financial assets measured at fair value through income and expenditure | 77,089,747 | 95,258,247 |

Financial assets measured at fair value through income and expenditure comprise investments.

THE RAYNE FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022**

21. Statement of funds

Statement of funds - current year

| | Balance at 1 December 2021 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 30 November 2022 £ |
|---|---------------------------------------|------------------|--------------------|--------------------------|-------------------------|---|
| Unrestricted funds | | | | | | |
| Designated funds | | | | | | |
| Mens Sheds | 13,400 | - | - | - | - | 13,400 |
| Improved Quality of Life for Older People in Care Homes | 980,800 | - | (120,000) | 1,000,000 | - | 1,860,800 |
| Covid-19 allocation | 384,000 | - | (50,000) | - | - | 334,000 |
| | <u>1,378,200</u> | <u>-</u> | <u>(170,000)</u> | <u>1,000,000</u> | <u>-</u> | <u>2,208,200</u> |
| General funds | | | | | | |
| General Fund | 2,059,152 | 1,982,620 | (2,195,173) | (1,000,000) | (113,941) | 732,658 |
| Total Unrestricted funds | <u>3,437,352</u> | <u>1,982,620</u> | <u>(2,365,173)</u> | <u>-</u> | <u>(113,941)</u> | <u>2,940,858</u> |
| Endowment funds | | | | | | |
| Expendable Endowment Fund | 98,797,046 | - | (120,044) | - | (21,812,110) | 76,864,892 |
| Restricted funds | | | | | | |
| Gerry Nash Fund | 5,501 | - | (159) | - | 1,833 | 7,175 |
| Total of funds | <u>102,239,899</u> | <u>1,982,620</u> | <u>(2,485,376)</u> | <u>-</u> | <u>(21,924,218)</u> | <u>79,812,925</u> |

THE RAYNE FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022

21. Statement of funds (continued)

Statement of funds - prior year

| | <i>Balance at 1 December 2020 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Gains/ (Losses) £</i> | <i>Balance at 30 November 2021 £</i> |
|--|---|---------------------|--------------------------|----------------------------------|--|
| Unrestricted funds | | | | | |
| Designated funds | | | | | |
| Mens Sheds | 40,000 | - | (26,600) | - | 13,400 |
| Improved Quality of Life for Older People in Care Homes | 1,100,800 | - | (120,000) | - | 980,800 |
| Covid-19 allocation | 802,300 | - | (418,300) | - | 384,000 |
| | <u>1,943,100</u> | <u>-</u> | <u>(564,900)</u> | <u>-</u> | <u>1,378,200</u> |
| General funds | | | | | |
| General Fund | 2,015,863 | 1,987,662 | (1,938,719) | (5,654) | 2,059,152 |
| Total Unrestricted funds | <u>3,958,963</u> | <u>1,987,662</u> | <u>(2,503,619)</u> | <u>(5,654)</u> | <u>3,437,352</u> |
| Endowment funds | | | | | |
| Expendable Endowment Fund | 89,384,688 | - | (125,287) | 9,537,645 | 98,797,046 |
| Restricted funds | | | | | |
| Gerry Nash Fund | 5,630 | - | (240) | 111 | 5,501 |
| Total of funds | <u>93,349,281</u> | <u>1,987,662</u> | <u>(2,629,146)</u> | <u>9,532,102</u> | <u>102,239,899</u> |

THE RAYNE FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022

21. Statement of funds (continued)

The Emmaus UK Fund represents a social investment loan to be made available to Emmaus UK which was repaid at the year end.

The Mens Sheds fund represents money put aside to be granted to the Mens Sheds Programme in future periods.

The Gerry Nash Fund (previously known as the Peggy Nash Legacy) is restricted for grants relating to medical research, general medical or health related projects.

The Improved Quality of Life for Older People in Care Homes designated fund will be used to focus on the little things within care homes that will make a difference and relationships between the care homes and wider community.

The Covid-19 allocation relates to funding designated by the Trustees to provide additional support for the charity sector in light of the impact of the pandemic.

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Endowment funds 2022 £ | Total funds 2022 £ |
|-------------------------------------|--|--|---|---------------------------------------|
| Tangible fixed assets | 6,037,059 | - | - | 6,037,059 |
| Fixed asset investments | 3,054,076 | - | 73,573,133 | 76,627,209 |
| Current assets | (1,058,081) | 107,175 | 4,291,759 | 3,340,853 |
| Creditors due within one year | (1,280,479) | (100,000) | (1,000,000) | (2,380,479) |
| Creditors due in more than one year | (3,811,717) | - | - | (3,811,717) |
| Total | 2,940,858 | 7,175 | 76,864,892 | 79,812,925 |

THE RAYNE FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022

22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

| | <i>Unrestricted funds 2021 £</i> | <i>Restricted funds 2021 £</i> | <i>Endowment funds 2021 £</i> | <i>Total funds 2021 £</i> |
|-------------------------------------|--|--|---|---------------------------------------|
| Tangible fixed assets | 6,254,974 | - | - | 6,254,974 |
| Fixed asset investments | 3,502,429 | - | 92,927,496 | 96,429,925 |
| Current assets | (917,705) | 228,601 | 8,869,550 | 8,180,446 |
| Creditors due within one year | (1,271,035) | (200,000) | (2,000,000) | (3,471,035) |
| Creditors due in more than one year | (4,131,311) | (23,100) | (1,000,000) | (5,154,411) |
| Total | 3,437,352 | 5,501 | 98,797,046 | 102,239,899 |

23. Reconciliation of net movement in funds to net cash flow from operating activities

| | 2022 £ | 2021 £ |
|--|---------------------|--------------------|
| Net income/expenditure for the year (as per Statement of Financial Activities) | (22,426,974) | 8,890,618 |
| Adjustments for: | | |
| Depreciation charges | 219,863 | 220,554 |
| (Gains)/Losses on investments | 21,924,218 | (9,532,102) |
| Dividends, interest and rents received from investments | (1,982,620) | (1,987,662) |
| Decrease/(Increase) in debtors | (10,076) | 12,693 |
| (Decrease)/Increase in creditors | (2,261,010) | (444,964) |
| Impairment of investment | 205,825 | - |
| Net cash used in operating activities | (4,330,774) | (2,840,863) |

24. Analysis of cash and cash equivalents

| | 2022 £ | 2021 £ |
|--------------|-------------------|-------------------|
| Cash in hand | 1,922,617 | 4,075,586 |

THE RAYNE FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022

25. Analysis of changes in net debt

| | At 1 December 2021 £ | Cash flows £ | Other non- cash changes £ | At 30 November 2022 £ |
|--------------------------|-------------------------------|--------------------|------------------------------------|--------------------------------|
| Cash at bank and in hand | 4,075,586 | (2,152,969) | - | 1,922,617 |
| Debt due within 1 year | (142,952) | 172,905 | (181,194) | (151,241) |
| Debt due after 1 year | (3,425,911) | - | 181,194 | (3,244,717) |
| Liquid investments | 3,963,864 | (2,696,700) | - | 1,267,164 |
| | <u>4,470,587</u> | <u>(4,676,764)</u> | <u>-</u> | <u>(206,177)</u> |

26. Pension commitments

The Foundation operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Foundation in an independently administered fund. The pension cost charge represents contributions payable by the Foundation to the fund amounted to £27,522 (2021: £26,812). Contributions of £4,705 (2021: £3,288) were payable to the fund at the balance sheet date.

27. Operating licence commitments

At 30 November 2022 The Foundation had commitments to receive future minimum licence receipts as follows:

| | 2022 £ | 2021 £ |
|--|---------------|----------------|
| Not later than 1 year | 32,780 | 32,780 |
| Later than 1 year and not later than 5 years | 51,902 | 84,682 |
| | <u>84,682</u> | <u>117,462</u> |

THE RAYNE FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022

28. Related party transactions

Lady Rayne and The Hon. Robert A Rayne also serve as Trustees of The Rayne Trust (TRT), a company limited by guarantee and a registered charity.

During the year The Rayne Foundation (TRF) recharged expenses to TRT totalling £122,006 (2021: £125,551). At the year end the balance within TRF debtors due from TRT is £123,066 (2021: £125,591).

The Hon. Robert A Rayne also serves as a Non-Executive Chairman of LMS Capital Plc. The Rayne Foundation holds 6.64% (2021:6.64%) of shares in LMS Capital plc and 1.643% (2021:1.68%) of shares in Derwent London plc.

LMS Capital Plc signed a License to Occupy Agreement on 10th July 2020 with The Rayne Foundation to occupy part of 3 Bromley Place. During the year The Rayne Foundation received rental income of £32,780 (2021: £32,780).

The Rayne Foundation holds an investment of £661,183.69 (£1.44 of capital commitment and £661,182.25 of Loan commitments) in George Capital Real Estate Fund LP (the "Fund 1"). The commitments invested represent 7.98% of the total commitments in Fund 1 (2021: 7.98%). Other limited partners include The Rayne Foundation Chairman The Hon. Robert A Rayne (SQP Ltd), holding 11.25% of total commitments in Fund 1 (2021: 11.25%) and Trustee, The Hon. Nicholas Rayne, holding 8.53% of total commitments in Fund 1 (2021: 8.53%). At the year end, the Trustees have assessed the investments for impairment and a impairment charge of £66,118 for Fund 1 and £139,707 for Fund 2 has been expensed.

The Rayne Foundation holds an investment of £349,266.75 (£0.50 of capital commitment and £349,266.75 of Loan commitments) in George Capital Real Estate Fund 2 LLP (the "Fund 2"). The commitment invested represents 2.02% of the total commitments in the Partnership (2021: 2.02%). Other limited partners include The Rayne Foundation Chairman, The Hon. Robert A Rayne (SQP Ltd), holding 7.19% as at 30 November 2022 of total commitments in Fund 2 (2021: 7.19%). No other partners included in Fund 2 have any connections with The Rayne Foundation.

The Hon. Robert A Rayne is Emeritus Trustee of The National Theatre, currently in receipt of a grant of £100,000 (£10,000 per annum for ten years) towards the Max Rayne Studio Design Award, which was committed to in the year ended 30 November 2013, now in its Eighth year. At the year-end, £40,000 was included within grant creditors, of which £30,000 is due to be paid in greater than one year.

The following transactions occurred in the prior year where there were no transactions this year.

£5,000 was awarded to the Bromley by Bow Centre - The Chair of Trustees, Professor Ajit Lalvani, is a Principal Investigator at Imperial College and was line managed by Sir Anthony Newman Taylor until Sir Anthony's retirement in September 2020.