

**Charity No: 1087053**

**Company No: 04228843**

**FRIENDS PROVIDENT CHARITABLE FOUNDATION  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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**FRIENDS PROVIDENT CHARITABLE FOUNDATION**  
**REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2023**

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# FRIENDS PROVIDENT CHARITABLE FOUNDATION

## REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2023

### Reference and Administration Information

Charity Name:	Friends Provident Charitable Foundation
Other names by which the charity is known:	Friends Provident Foundation
Charity Number:	1087053 (England & Wales)
Company Number	04228843 (England & Wales)

### REGISTERED ADDRESS

Blake House  
18 Blake Street  
York  
YO1 8QG

### BOARD OF TRUSTEES

Members:	Abraham Baldry Paul Blyth (from April 2023) Paul Dickinson (to September 2023) Ann Don Bosco Joanna Elson (Vice Chair) Kathleen Kelly Stephanie Maier Stephen Muers (Chair) Aphra Sklair Caroline Taylor (from April 2023)
Associate Trustee:	Simin Wadiwala (from July 2023)

### KEY MANAGEMENT PERSONNEL

Foundation Director	Danielle Walker Palmour
Head of Funding Strategy	Abigail Gibson
Investment Engagement Manager	Colin Baines (to October 2022) Charlie Crossley (from June 2023)
Finance and Operations Manager	Kate Kendall
Communications Manager	Jake Furby

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**Reference and Administration Information**

**PRINCIPAL ADVISORS**

Principal Bankers:	CAF BANK Limited PO Box 289 West Malling Kent ME19 4TA	Triodos Bank NV Deanery Road Bristol BS1 5AS
Auditor:	Buzzacott LLP 130 Wood Street London EC2V 6DL	
Investment Advisor:	Peter Jones Independent Advisor	
Solicitors:	Wrigley's Solicitors LLP 3 <sup>rd</sup> Floor, 3 Wellington Place Leeds LS1 4AP	
Investment Managers:	BMO Asset Management 55 Baker Street London W1U 7EU	Cazenove Capital 1 London Wall Place London EC2Y 5AU
	Snowball Impact Management Ltd 20 Little Britain London EC1A 7DH	

## **CHAIR'S INTRODUCTION**

This year the Foundation has remained focused on our mission of building a fairer and more sustainable economy, using three main tools: our grants support organisations doing fantastic work in this field, our investment capital, and our ability to bring partners together and create wider influence and impact.

The third of those tools had greater prominence this year, as we put the restrictions created by the Covid pandemic behind us and were able to host and participate in more events as well as collecting learnings across projects. I am very pleased we have been able to do so, as it is only by connecting and working with others that we can make meaningful progress. Particular moments to highlight from the year included:

- Our Annual Conference, bringing together many grantholders and partners at Toynbee Hall in East London to share inspiration and learnings. I was personally very pleased to introduce our keynote speaker Aditya Chakraborty, who gave a powerful and personal account of how the UK's current economic model is not working for the area where he grew up.
- An event in partnership with the EIRIS Foundation looking at how foundations can deliver greater impact with how they invest their endowments. It is a slow journey, but I believe that there is now real momentum in the foundation sector towards making genuine impact a more mainstream concern within investment strategies.
- Our report "Learning to Change: Evidence-based Practices to Support the Just Transition" which pulled together insights from three projects we funded (run by the LSE Grantham Institute, the New Economics Foundation and Forum for the Future) and set out some pathways for future work in this area.

As well as this exciting external facing work, there have been a number of changes within the Foundation. In my last report I mentioned the departure of valued staff members and Trustees and we were sad this year that Paul Dickinson came to the end of his trusteeship after many years of providing great energy and inspiration. However, I am delighted to have been able to welcome two new Trustees – Caroline Taylor and Paul Blyth – and our first Associate Trustee, Simin Wadiwala. We are piloting the Associate Trustee programme as a way to learn from a wider range of perspectives and provide a different route into decision-making within the Foundation. On the staff team we have been joined by Kat Chatterton and Charlie Crossley, who are already having a very positive impact on the team and how we work. The whole staff team continue to think deeply and strategically about our work, enabling a very effective collaboration with Trustees. Working as one team is the best way to maximise our impact.

## **FRIENDS PROVIDENT CHARITABLE FOUNDATION**

### **REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2023**

As we go into next year, we are continuing to review how we work across our grants programme and our investment engagement priorities, to ensure we are using our limited resources most effectively and are providing the best possible experience for those we interact with. We look forward to continuing to develop future plans alongside our partners and stakeholders.

Stephen Muers  
October 2023

## **FRIENDS PROVIDENT CHARITABLE FOUNDATION**

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## **OUR PURPOSE**

Friends Provident Foundation is an independent charity that makes grants and uses its endowment towards a fair and sustainable economic system that serves people and planet. We connect, fund, support and invest in new thinking to shape a future economy that works for all.

This annual report has been written in the current context of the cost-of-living crisis, rising inflation and a pending recession that makes the creation of a fair economy more imperative.

We're a catalyst for wider change, making an impact through continuous experimentation and shared learning. We do all we can to embody the change we want to see. We invest in great social enterprises and use our money in line with our values.

We will continue to fund new thinking, connect new ideas, invest our capital in line with our aims and values and create better systems.

This annual report focuses on our main mission which is to create a fair and sustainable economy.

For more information, please visit our website at [www.friendsprovidentfoundation.org](http://www.friendsprovidentfoundation.org).

## **HIGHLIGHTING OUR SUCCESSES**

### **GRANT FUNDING**

This year saw the creation of our new small grants programme which sought to provide an entry route for under-resourced or newer entrants to economic systems change work. The programme quickly attracted a high level of applications. So far it has provided funding to seven organisations and projects that were either new or who, whilst established elsewhere, were new to the field of economic systems change. As we approach a full year of implementation, we are now evaluating the successes and challenges of this approach, with the focus on finding the most effective way to support new entrants into the new economy field.

Over the page we highlight one of the successes of the programme, the small grant made to Huddlecraft in December 2022:

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### REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2023

#### **Small Grant: £10,000 over 1 year**

#### **Huddlecraft, Money Movers – Women Moving Money for the Planet**

The Money Movers project sought to create a movement of women moving their personal finances for climate action. Taking a peer-based relational approach (through 'huddles') the grant allowed Huddlecraft to train a cohort of women to host peer-learning sessions in their communities. These sessions allowed women to grow capabilities, agency and a support network on green finances – and ultimately to move their money in line with climate goals.

The small grant allowed the project to be piloted – providing training to 21 women and resulting with around £150,000 of investments moved to date. Huddlecraft now hope to take this learning to expand the programme to reach more women who want to take control of their finances to contribute to climate action.

We continued to find ways to be a flexible grantmaker – offering our funding to a wide range of organisations. This year we increased the number of grants made via a fiscal hosting arrangement with The Social Change Nest – meaning that applicants who are not constituted or lack the resource or capacity to host their own grant can still be funded by us.

We've also had success in attracting an individual donation for the work we support. This has been incorporated into our grant giving for the year – allowing us to support more projects and organisations.

Over the year we've worked with 83 grantholders (with 20 starting and 25 closing over the year). 17 of these were core grants – given in support of the new economy ecosystem. The remainder were project grants covering a wide range of subjects in pursuit of a 4D economy.

Some examples of these are highlighted below:

#### **Project Grant: £75,000 over 14 months**

#### **Decolonising Economics - Building an economic democracy rooted in racial justice and social equity**

Decolonising Economics is working to build a solidarity economy rooted in racial justice principles. They work in a relational, creative and intersectional way to support an ecosystem of Black and People of Colour (BPOC) organisers working on solidarity economics and Just Transition initiatives and developing an alternative to racialised capitalism. The aim of this work is to develop progressive economic strategies that are designed and delivered by communities with expertise in surviving racial capitalism,



## FRIENDS PROVIDENT CHARITABLE FOUNDATION

### REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2023

where BPOC communities are organised and resourced to receive investment into long term strategies for self-determination and survival.

Over the last year Decolonising Economics has held a series of retreats and events for a network of BPOC organisers to grow and develop connections and redistribute time and resources. These have been warm, supportive, creative spaces – sharing intergenerational knowledge and experiences and providing places of rest and care as well as creativity and creation.

Their nourishing economics programme has allowed Decolonising Economics to create space for co-design and experimentation and provide resources for participants to collaborate in developing a narrative about and action towards an economic system that will bring about racial justice and social equity.

Moving forward they are continuing to support this ecosystem through retreats, events, knowledge sharing and practical support. They are also in the process of producing a book and will continue to showcase nourishing economics in a range of creative and engaging ways.

#### **Project Grant: £85,802 over 1 year Kings College London: Citizen's Panel**

King's College London was funded to test the potential of deliberate democracy in UK economic policy. In conjunction with Ipsos, they ran the 'Citizens' Economic Council on the Cost of Living' pulling together 39 members of the public for a series of workshops over a three-week period. Leading experts in economic issues provided them with background knowledge to support their ideas and discussion.

At the end of the series, council members were asked to agree a series of fiscal policy recommendations for politicians and economic decision-makers to consider. Despite different starting points the group did find their way to consensus on many issues. Their recommendations included:

- Crisis-response spending packages should focus on outcomes for the most vulnerable first;
- Windfall taxes are an appropriate response to windfall profits, but investment and small businesses should be protected;
- Taxation should be made fairer by rewarding work and focusing the burden more on unearned income and wealth;
- Targets for national debt/deficit reduction should not stifle state investment strategy.

Deliberative democracy seeks to strengthen democracy as a whole by embedding ordinary citizens in decision-making processes.

## FRIENDS PROVIDENT CHARITABLE FOUNDATION

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#### **Core Funding: £250,000 over 2 years Finance Innovation Lab**

The Finance Innovation Lab builds power to transform the financial system for people and planet. They cultivate a community of systems-changemakers and work on transformative but practical initiatives that impact mental models and power dynamics for deep, lasting change. Amongst many other things this year, the Lab has been instrumental in building the 'infrastructure' that allows civil society groups to understand the government's 'once in a generation' programme of financial sector reform and identify opportunities for collective action.

They are currently coordinating the campaign to introduce statutory climate and inclusion mandates for regulators and to defeat the proposal for an 'international competitiveness' mandate which would be a trojan horse for deregulation.

In addition, they are adopting a movement-building approach to build the scale of the ecosystem of 'good' financial institutions that have social purpose embedded across their mission, governance, ownership, culture and leadership. Such institutions include Community Development Finance Institutions (CDFIs), ethical and mutual banks and credit unions. They also run a network of climate 'intrapreneurs' – climate champions within multinational banks – that are working to get their institutions to rapidly align with Paris climate goals. The seniority and influence of this group has significantly increased over time and, today, members range from Vice President level up to Chief Risk Officer.

## INVESTMENT

Investment is a key element of our strategy and our impact on the world. Most of our funds are invested in capital markets and directly in social enterprises and funds. This year we continue to play an active role in advocating change by companies we hold, investment managers we engage and amongst peer foundations that share our commitment to mission-driven investment policies and practices.

A key theme, which the bridged grants and investment activity related to, was bringing about a just transition to a net zero economy. This has been an important area for investment engagement. Between November 2020 and November 2021, our engagement secured the publication of formal just transition strategies from five utilities – SSE, Eon, Centrica, EDF and Scottish Power. In 2022, the Foundation and Royal London Asset Management (RLAM) extended our successful engagement to banks and social housing.

The complexity and relatively low level of understanding in both sectors has slowed progress; RLAM published a useful background document on the routes to transition for social housing in 2023 and we continued to look for openings over the course of the year.

## **FRIENDS PROVIDENT CHARITABLE FOUNDATION**

### **REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2023**

#### **COP26 declaration of asset owner expectations – next steps**

Last year, we worked alongside our grantholder, Students Organising for Sustainability (SOS) and the Charities Responsible Investment Network to produce a ‘COP26 declaration of asset owner climate expectations’ and mobilised 27 founding signatories representing assets of £7 billion.

The declaration sets minimum standards to judge asset manager claims against and assist others to judge what is good practice and what is greenwashing. During 2022, signatories have been engaging their managers on these standards to help establish them as market norms. Cazenove/Schroders adopted new policies following our engagement.

#### **Friends Provident Foundation and EIRIS Foundation investment event**

At the end of September 2023, we again co-hosted a ‘peer to peer’ learning event with EIRIS Foundation at Toynbee Hall in London. It was tightly focused as a session for the Trustees and staff of foundations and other mission-led asset owners to share their experiences and insights.

We were sorry to say goodbye to our Investment Engagement Manager, Colin Baines, in October 2022. Colin brought huge amounts of energy, expertise, humour and commitment to social and economic justice, to our work and to the sector as a whole. We wish him well in his next role in the pensions industry. In June 2023, we were delighted to be joined by Charlie Crossley as his successor. Charlie brings us new skills, with a background in human rights and evaluation, and an opportunity for the Foundation to review its investment engagement priorities for the coming year.

## **COMMUNICATIONS**

This year marked a new chapter in our approach to social media engagement. We have introduced initiatives like a shared calendar for grantholders, “Mention Mondays,” and “Takeover Thursdays,” which prioritised two-way communication and direct collaboration with grantholders. As a result, we have:

- improved relationships;
- boosted engagement; and,
- streamlined messaging across platforms.

Moving forward, we plan to continue this focus on collaboration and partnership.

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### REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2023

## OPERATIONS

This year we have focused on streamlining our file management system in our move towards a paper-minimal office, updated policies and procedures and gained the Cyber Essentials accreditation.

## EQUITY AND SOCIAL JUSTICE

We are committed to promoting equity and social justice at all levels. An analysis of our current status indicates we have made progress but there is still more work to do.

Our current team composition (not all staff and Trustees completed the survey):

- 14 Trustees and staff: 11 White, 3 People of Colour
- Disabilities: 4 people identifying with a disability
- Gender Distribution: 9 Women, 4 Men, 1 Non-binary individual
- Sexual Orientation: 3 Non-heterosexual, 11 Heterosexual
- Age Groups: Balanced representation
- Caretaking Responsibilities: 8 members
- Education: Majority attended state schools

We strive to promote accessibility and inclusion for people with disabilities and have been working hard on our communications to achieve this.

In summary, while we are proud of the diversity we have achieved so far, we recognise there are always opportunities to be more inclusive. We will use this analysis to guide our efforts to foster a Board and staff reflecting the full diversity of the wider community.

### **We've made progress on Equity and Social Justice (ESJ):**

- We established a working group consisting of Trustees and staff working together to develop and implement an organisational approach to ESJ.
- We have focused on creating a programme of ESJ training for all staff and Trustees – we started in 2023 with a focus on power and privilege and are moving into more detailed explorations in upcoming sessions during 2024.
- Staff and Trustee demographics: - we have published an ESJ breakdown of staff and Trustees.
- We have made diversity and social justice a focus of our grant-giving – being both a specific strand of grant-making activity (“Supporting ‘outsider voices’ in pushing for a fair transition to a 4D economy”.) and a dimension that all grants are

## FRIENDS PROVIDENT CHARITABLE FOUNDATION

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assessed against. This year 30% of new grants were specifically focused on economically marginalized groups or communities (race, gender, age and socio-economic status).

- We collaborated with ShareAction and other partners on the development and funding of the Ethnicity Pay Gap project – seeking to use our influence as an asset owner in FTSE100 companies.

#### **We're continuing to work on:**

- An ESJ plan and enhanced Equal Opportunities policy.
- Ethnicity pay gap advocacy through our partnership with ShareAction.
- Implementation of the Diversity, Equity and Inclusion (DEI) data standard to allow us to monitor and take action on the reach of our grantmaking.
- Alternative format documentation and respective monitoring metrics.
- Improved Website Accessibility.

#### Things we decided not to do:

- We decided not to publish in Welsh due to in-house resource constraint.

## **CLIMATE EMERGENCY DECLARATION**

The Foundation published its Climate Emergency Declaration in September 2019. This year, we made progress in the following areas:

- **We will favour investments in providers of renewable energy generation....and environmental sustainability:** We invested in Energy Garden Ltd which develops community-owned solar projects on London's transport infrastructure. We also increased our investment in the Snowball Impact Investments Fund which aims to provide investments with market returns, along with positive social and environmental impacts.
- **We will use our influence....to promote a just and net-zero carbon transition:** We convened a just transition event to learn from work carried out by the London School of Economics, New Economics Foundation and Forum for the Future, resulting in a report "Learning to Change: Evidence-based Practices to Support the Just Transition".
- **We will provide grants to support a new range of thinking:** We gave small grants to Climate Vanguard to transform the UK youth climate movement into a new economic actor and to Green Finance Community Hub to accelerate green finance locally to enable a fair transition to net zero.

## IN-DEPTH ANALYSIS

The following sections expand and explore in more depth our activities this year.

### PROGRESS TOWARDS OUR GOALS IN 2022-2023

Trustees set the following six organisational objectives for 2022-23 to enable effective delivery of our mission:

- 1. Implement our rebalanced strategy to reduce grant expenditure and commit more strategic resources to actively use our capital base.**

#### *Reflections*

We achieved this goal and introduced a new funding stream, the small grants programme, which focuses on new entrants. The grants programme is being reviewed.

- 2. Recruit and induct new Board member(s) and staff members.**

#### *Reflections*

We've achieved this goal. We have:

- Welcomed two new Board members, Caroline Taylor and Paul Blyth.
- Introduced a new Associate Trustee role - filled by Simin Wadiwala.
- Inducted two new staff members, Kat Chatterton, as Office Manager, and Charlie Crossley, as Investment Engagement Manager.

- 3. Make equity and inclusion central to our work.**

#### *Reflections*

Partially Achieved

We acknowledge that implementing equity and social justice in our work is a gradual process. Two training sessions have already been conducted and the team is actively embedding these principles into their everyday operations.

- 4. Focus our communications on developing leadership within the foundation sector.**

#### *Reflections*

Achieved

## **FRIENDS PROVIDENT CHARITABLE FOUNDATION**

### **REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2023**

Our communication strategy is undergoing enhancements, with particular attention paid to social media initiatives. The focus has been on increasing interactions with grantholders and social media "Take Overs". A shared calendar between the team and grantholders is in place. An internal communication review has been conducted to improve effectiveness and efficiency.

#### **5. Scope, procure and implement new systems to support foundation functions.**

##### *Reflections*

Partially Achieved

Internal communications reviewed and new Teams system being implemented. Review of internal filing structure underway.

#### **6. Design and implement a staff development plan to increase knowledge and productivity.**

##### *Reflections*

Coaching: this year we offered staff some coaching. This has helped staff focus on development needs and further training opportunities have been taken as an outcome of this support by some staff.

## **GRANTS REPORT**

Last year, the decision was taken by Trustees that, in order to utilise all our assets to achieve our mission, we would rebalance our approach, reducing the level of grant-funding made and increasing our capacity to invest in mission-aligned funds and social enterprises.

This year was the first year where the fact that the Foundation's grants programme has reduced in size began to have an impact. We made 20 grants over the year (although this number was somewhat inflated by our new small grants programme which accounted for seven of these). This total number is fairly in line with the average over the last 3 years (24 grants in 2020/21 and 17 grants 2021/22). The level of funding granted, however, dropped substantially over this period – from £2.5m in 2020/21 to £1.8m in 2021/22 to £1.3m in 2022/23. In addition to funding fewer organisations, we are also funding at lower average levels. The average grant size dropped substantially from £105,000 in 2020/21 to £67,000 (or £97,000 excluding small grants).

# FRIENDS PROVIDENT CHARITABLE FOUNDATION

## REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2023

<b>Number of grants</b>	<b>Average grant size*</b>
<b>20 Grants</b>	<b>£97,000</b>
<b>Core Funding</b>	<b>Average grant length*</b>
<b>45% of grants 64% of value</b>	<b>2 years</b>
<b>* Excluding small grants</b>	

Whilst 45% of grants made were for core funding, they accounted for 65% of committed spend over the year. Inversely, 35% of grants were made under the small grants programme but this accounted for only 5% of spend.

### Grants made in 2022-2023

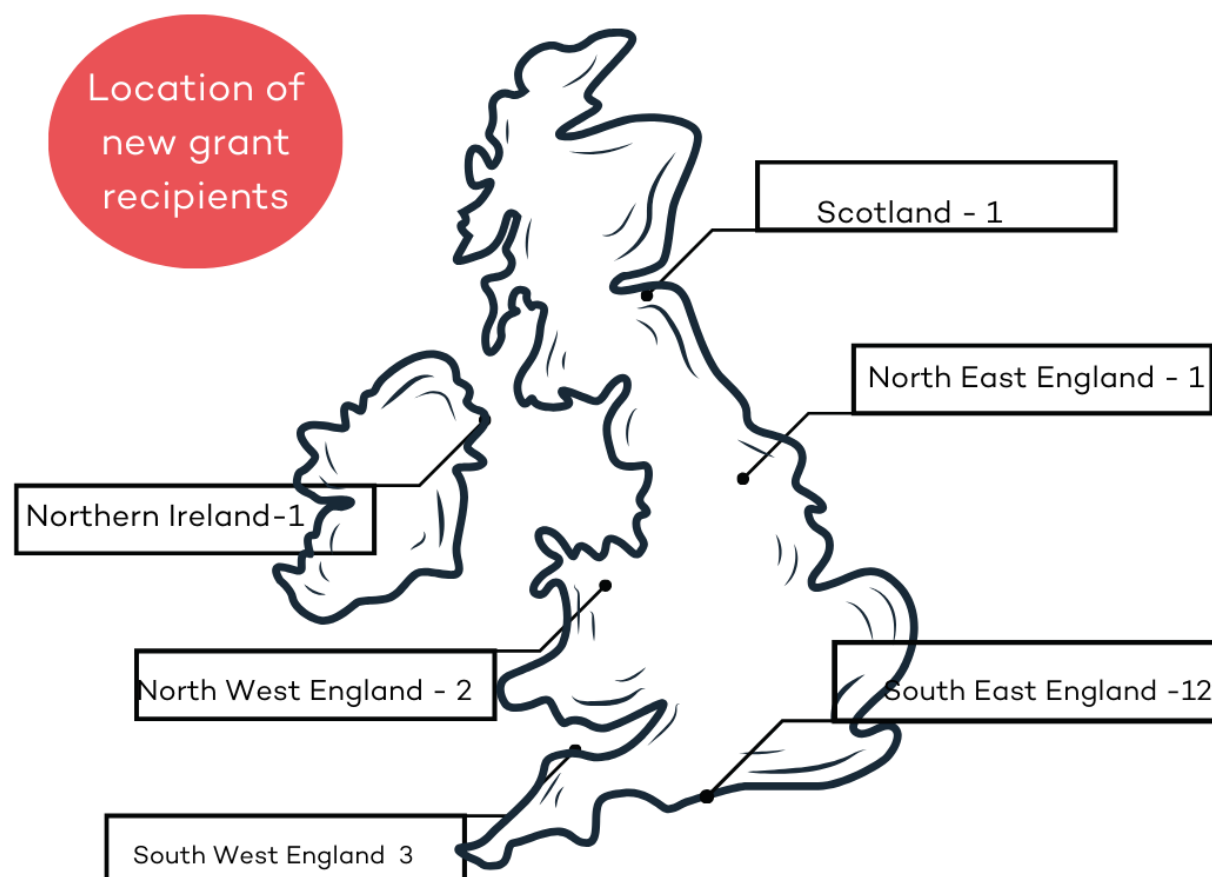
<b>Unrestricted (or 'core') Grants</b> As part of our aim to support the new economics ecosystem – these grants were made to support the overall strategy and mission of organisations strategically aligned to the Foundation's mission for a fair and sustainable economy.	£860,000	64%
<b>Restricted (or 'project') grants</b> Grants made for specific activities under our 'ecosystem' or 'fair transition' strands of funding.	£381,874	29%
<b>Small grants</b> Smaller support grants made to organisations or projects seeking to develop new ways to integrate economic thinking into their work or to bring new and diverse voices into the new economy movement.	£70,536	5%
<b>New grants</b>	<b>£1,312,410</b>	
Increases to existing grants	£23,095	2%
<b>Total grant expenditure this year</b>	<b>£1,335,505</b>	



## FRIENDS PROVIDENT CHARITABLE FOUNDATION

### REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2023

Geographically, most of the grants made were to organisations based (or headquartered) in the Southeast of England (primarily London).



### Application success rates

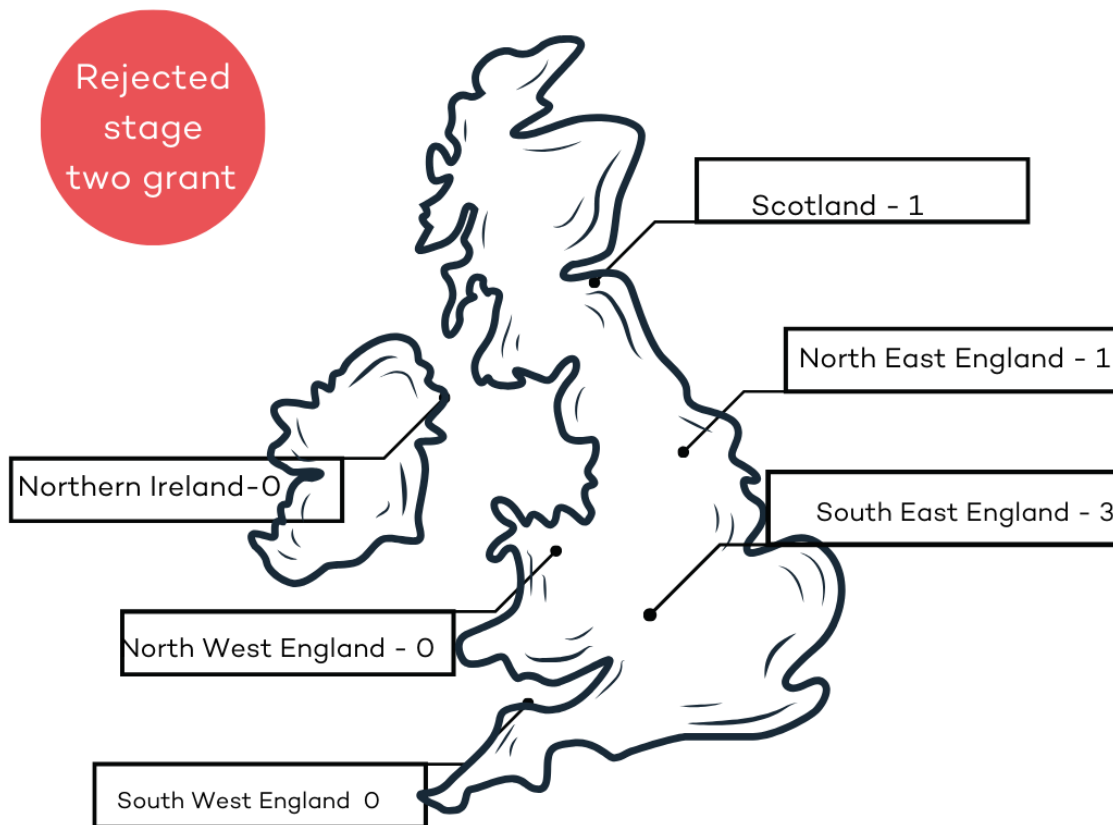
At stage two (full application)	
Funded	80%
Not funded	20%

At stage one, invited to stage 2	7%
Rejected at stage 1	37%
Admin reject (not eligible for funding)	56%

## FRIENDS PROVIDENT CHARITABLE FOUNDATION

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Whilst the great majority of those applicants invited to stage two were funded (80%) only 7% of initial applications made it to stage two. Of concern is the 56% 'admin reject' rate – this is the number of applications submitted that were not eligible for funding, indicating that better communication about the nature of the Foundation's grant programme and who can apply is needed. Most of the admin rejects were for applications to the new small grants programme – this is a relatively light touch application process with a faster turnaround – perhaps making applicants more willing to take a risk in applying for funds when unsure about whether they are a fit. When admin rejects are removed from consideration 16% of stage one applications were invited to stage two. This remains a very low rate and supports the case for improvement in our messaging and filtering approach.



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## COMMUNICATIONS REPORT

This year our communication efforts remained a cornerstone of our organisation's mission. We concentrated on a diverse range of activities to engage our stakeholders, deliver important messages and enhance our presence. In this report, we outline tasks we've focused on throughout the year.

**Forward Planner:** Our forward planner was successfully implemented, ensuring that the communications manager was aware of key events and reports from our grantholders. This pilot was successful and will be integrated into communication activities going forward.

**Two-Way Communication Plan:** We established an effective two-way communication plan, facilitating more meaningful interactions with our audience and enhancing their engagement.

**Social Media Activities:** Our "Mention Mondays" and "Takeover Thursdays" initiatives gained traction, fostering vibrant discussions and boosting our online presence. This pilot was successful and will be integrated into communication activities going forward.

**Website Redesign Tender Concluded:** After rigorous evaluation, we concluded the website redesign tender, setting the stage for an improved online and accessibility experience.

**Events:** We successfully organised several key events, including the Annual Conference, an event exploring social enterprises during the York Festival of Ideas, Just Transition learning environment and an Investment Conference. These events contributed to a broader understanding of our organisation's mission, fostered collaboration and created awareness.

**Joined Communication Networks:** We actively participated in communication networks, enhancing our industry visibility and knowledge sharing.

Things we are still working on:

- Website Redesign
- Communication guides for grantholders

Our communication efforts in 2023 have been marked by significant achievements, from improved planning and engagement to successful events and network participation. As we move forward, we remain focused on refining our website and amplifying our sector. We look forward to another year of progress and achievement in 2024.

## **FRIENDS PROVIDENT CHARITABLE FOUNDATION**

### **REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2023**

#### **GOALS FOR 2023-2024**

In the coming year, we have another ambitious set of organisational goals for both staff and Trustees, the aim of which are to ensure the most effective delivery of our mission:

1. To increase our impact by bringing our grants and investment engagement strategies into closer alignment, building on their respective strengths.
2. To ensure our grant giving is as efficient and effective as possible, within the parameters of our budget and size as a funder.
3. To review, communicate and implement the Foundation's investment policy and approach to align capital with broader strategy.
4. To communicate more effectively by reviewing and reframing our external communications and digital outputs to better support the goals of the Foundation.
5. To make the Foundation's organisational salary and benefits structure more reflective of our mission for a fair and sustainable economic system, reflecting operational and human needs.
6. To increase the effectiveness of our operations and functions by restructuring our systems to support Foundation grants, operations and communications.
7. Refocus our climate emergency declaration to reassess and reduce our carbon impacts and contributions to biodiversity loss in our operations, investment portfolios and through grant-funded activities.
8. To continue to evolve our governance to enable the Foundation to be responsive and reflective of a wider range of experiences of the UK economy

#### **POLICIES, GOVERNANCE AND OPERATIONAL FRAMEWORK**

##### **A. Management and Advice**

During the year, our investment managers included Columbia Threadneedle Investments, Cazenove Capital and Snowball Impact Management Limited. An investment policy has been agreed by Trustees, with investment objectives shared with the investment managers. The managers provide regular reports and are invited to Investment Committee meetings to discuss asset allocation and investment performance.

To support Foundation staff and Trustees in their commitment to the responsible use of its assets and as a means of sharing our practice, the Foundation continued as a member of the Charities Responsible Investment Network.

## **FRIENDS PROVIDENT CHARITABLE FOUNDATION**

### **REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2023**

Peter Jones, an independent investment advisor, continued to provide general investment advice to the Trustees, who instruct the investment managers to reflect that advice in their management of the Foundation's assets. Trustees are grateful for his continued support of our work.

Wrigley's Solicitors LLP was retained to provide legal advice on direct investment documentation and on our general charitable activities.

#### **B. Climate Risk Management in Our Investment Portfolio**

Trustees are mindful of a wide range of experts who consider that climate risk is arguably the biggest risk to economies today. They understand that climate-related systemic risk could have a highly negative impact not only on the Foundation's assets but also on its core mission and stakeholders through disruption of the financial system, with implications for jobs, incomes and inequality. They seek, therefore, to do whatever they reasonably can to progress a rapid transition to a low-carbon economy and to safeguard the Foundation's capital.

#### **C. Resources**

Trustees took the decision that the Foundation can spend its capital as well as its income in pursuit of our mission. This has been at a reduced rate over the past two years, following the decision to reduce grant expenditure to allow for more mission-driven investment. They actively review both strategy and resources to manage the risk of this approach. The current rate of spend is £2.5 million per annum.

Trustees are prepared to consider accepting a higher level of risk or a lower level of financial return than the market norm, especially for those social investments that are closely aligned with the Foundation's specific programme aims. For investments that generate broader positive social impact and meet the Foundation's general charitable objectives, but without specific alignment with programme aims, Trustees might look for levels of risk and return that are closer to the benchmark for that asset class.

#### **D. Risk Management**

The Trustees are responsible for overseeing the effective management of the Foundation and for safeguarding its assets. Risk management is an ongoing activity involving all Trustees and is reviewed by Trustees at least annually.

During the year, the Trustees have reviewed the risks facing the Foundation covering governance and management issues, financial, regulatory, legal and operational risks. Mitigating actions have been taken regarding the major risks that have been identified, namely:

## FRIENDS PROVIDENT CHARITABLE FOUNDATION

### REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2023

- Investment risk with loss of income impacting operations and mission: Trustees tolerate this risk whilst closely monitoring the markets and the Foundation's investment portfolios.
- Staff sickness or absence risk arising from having a small team: Plans are in place to mitigate this risk.
- Mission risk – having an ambitious mission with limited resources: Trustees tolerate this risk.
- Reputational risk, such as poor publicity arising from the actions of organisations we fund or inaccurate information on our website: Trustees mitigate and manage this risk.
- Financial risk relating to internal operations and the management of resources: Trustees mitigate and manage this risk with staff and external advisors.

Each risk identified was assessed in terms of the potential impact and likelihood of occurrence and the Trustees confirm that they believe that, for each of these risks, appropriate controls are in place to mitigate the significant risks to an acceptable degree.

#### **E. Reserves and Going Concern**

The total charity funds at the year-end of £22.94m (2022: £23.88m) were held in the endowment fund. The capital comprising the Foundation's expendable endowment is the principal source of income to meet the Foundation's objectives and running costs. The Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern.

In 2016 Trustees took the strategic decision to expend capital from the endowment in pursuit of our mission. In order to ensure there are adequate funds to support a potentially higher level of expenditure, the Foundation adopted a policy to 'draw down' a sum from the endowment each year to match the difference between our projected income and our projected expenditure as set by Trustees in the annual business planning process.

In 2021 Trustees decided to slow down the reduction of the capital base. This was to enable a rebalance of internal resources to allow greater focus on investment engagement and impact.

Trustees also recognise that Foundation income from investments can fall. To mitigate this risk, it is the Trustees' intention to hold three to six months' operating costs, which includes grant commitments, as a cash reserve; estimated at £750,000 to £1,500,000. This is held as part of Foundation funds and will not be expended although Trustees do not consider it necessary to have a separate reserves account.

The reserves policy was last reviewed and approved by the Trustees in September 2023. Trustees will continue to review the level of reserves taking into consideration the cost base of the Foundation.

## **FRIENDS PROVIDENT CHARITABLE FOUNDATION**

### **REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2023**

#### **F. Financial Review and Performance**

The Foundation's income is derived from investment performance. Total income for the year ended 30 September 2023 was £722,659 (2022: £689,814), mainly attributable to dividends and interest received from the principal investments – open-ended investment trusts with underlying investments in equities and corporate bonds. As for last year, a donation, and grant funding for the Foundation Rating Project, being coordinated by the Foundation, has added to the income this year. The total expenditure for the year was £2,309,335 (2022: £2,950,988). Of this, grant commitments amounted to £1,335,505 (2022: £1,790,313) and other expenditure was £973,830 (2022: £1,160,675). Net expenditure for the year was £1,586,676 (2022: £2,261,174) before investment gains of £641,780 (2022: losses of £3,789,640), leading to net expenditure of £944,896 (2022: net expenditure of £6,050,814).

As per our investment policy, Trustees expect our mainstream portfolio to produce competitive market returns, as well as reflecting our investment beliefs. Regular reviews of performance by the Investment Committee and advice from our Investment Advisor indicate that performance is in line with market expectations.

#### **G. Staff Remuneration**

Trustees have adopted and reviewed the pay policy that applies to all staff members.

Trustees adjusted the measures against which salaries are reviewed annually to ensure a reasonable reflection of the cost of living. This now reflects a cost-of-living measure weighted equally with average wages.

Reflecting our programme focus on pay transparency and in line with NCVO guidance, the ratio between the highest salary (£95,499) and the median salary (£37,014) in the Foundation is 2.6:1. The ratio of the top salary to the lowest is 3.3:1. These calculations are based on full-time equivalent salaries, net of salary sacrifice deductions.

The charity made contributions to employees' personal pension plans based on a fixed percentage of salary. In September 2014, Trustees established a company pension scheme in which contributions are made to NEST.

#### **H. Statement of Fundraising Practices**

The Foundation does not engage in public fundraising and does not use professional fundraisers or commercial participators. The Foundation, nevertheless, observes the relevant fundraising regulations and codes. During the year there were no instances of non-compliance with these regulations and codes and the Foundation received no complaints relating to its fundraising practice.

## **FRIENDS PROVIDENT CHARITABLE FOUNDATION**

### **REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2023**

#### **I. Governance Arrangements**

A Board of Trustees, of up to ten individuals, who must hold at least two meetings each year, administers and controls the Foundation and has control of its property and funds. Trustees are subject to fixed-term appointments as set out in the Memorandum and Articles of Association updated in January 2022. During the year, Trustees have formally met four times, plus a residential Away Day.

The Trustees have complied with the duty in Section 17 of The Charities Act 2011 to have due regard to the Charity Commission's published guidance concerning the operation of the Public Benefit requirement under that Act.

#### **J. Trustee Roles and Responsibilities**

An individual induction programme is in place and implemented for new Trustees, covering all relevant aspects of the role and the Foundation. We hold regular training and engagement sessions before Trustee meetings with guest speakers to share learning and engage staff and Trustees.

The role of the Trustees includes setting strategic direction and agreeing the financial plan, approving grant-making applications and monitoring the Foundation's grant activities, ensuring that all activities are within its agreed charitable objectives and pursued for the public benefit. Matters reserved for the Trustees are approved by the Trustees and are subject to annual review.

Trustees act on advice and information from regular meetings with the Director and their appointed advisers and from the Foundation's Resources Committee and Investment Committee under terms of reference approved by the Board of Trustees.

#### **K. Trustee Recruitment**

Trustees are recruited through open advertisement. They are interviewed by a panel of existing Trustees against a set of advertised criteria and with due regard to the Foundation's commitment to equality of opportunity and fair treatment. We monitor the response to all vacancies in terms of gender, ethnicity and disability.

#### **L. Statement of Responsibilities**

The Trustees (who are also directors of Friends Provident Charitable Foundation for the purposes of company law) are responsible for preparing the report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 and of the income and expenditure of the charitable company for that period. In preparing these financial statements, the Trustees are required to:



## **FRIENDS PROVIDENT CHARITABLE FOUNDATION**

### **REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2023**

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper 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,
- each Trustee has 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.

The Trustees are responsible for the maintenance and integrity of the organisational and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The report of the Trustees has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the Trustees on 12 March 2024 and signed on their behalf by

**Stephen Muers, Chair of the Board of Trustees**

## **FRIENDS PROVIDENT CHARITABLE FOUNDATION**

### **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF FRIENDS PROVIDENT CHARITABLE FOUNDATION**

#### **Opinion**

We have audited the financial statements of Friends Provident Charitable Foundation (the 'charitable company') for the year ended 30 September 2023 which comprise the statement of financial activities, the balance sheet, statement of cash flows and the notes to the financial statements including a summary of the principal 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 September 2023 and of 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

## **FRIENDS PROVIDENT CHARITABLE FOUNDATION**

### **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF FRIENDS PROVIDENT CHARITABLE FOUNDATION**

#### **Other information**

The other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. 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.

#### **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 is also the directors' report 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 trustees' report, which is also the directors' report for the purposes of company law, has 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 material misstatements in 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, 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'

## **FRIENDS PROVIDENT CHARITABLE FOUNDATION**

### **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF FRIENDS PROVIDENT CHARITABLE FOUNDATION**

exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

#### **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 that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.
- We understood how the charitable company is complying with these legal and regulatory frameworks by making enquiries to management and those responsible for legal and compliance procedures. Through our enquiries we corroborated these views by our review of Board minutes.

## **FRIENDS PROVIDENT CHARITABLE FOUNDATION**

### **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF FRIENDS PROVIDENT CHARITABLE FOUNDATION**

- We assessed the susceptibility of the charitable company's accounts to material misstatement, including how fraud might occur. Audit procedures performed by the audit team included:
  - Enquiries with the trustees and management, whether they have any knowledge of any actual, suspected or alleged fraud; or non compliance with relevant laws and regulations.
  - Identifying and testing journal entries.
  - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures.
  - Investigating material variances from expectations.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the 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.

Gumayel Miah ACA (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Friends Provident Charitable Foundation

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 30 September 2023

	Note	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
<b>Income from:</b>							
Donations	2	120,013	–	<b>120,013</b>	135,313	–	135,313
Charitable activities	3	–	155,550	<b>155,550</b>	–	150,000	150,000
Investments	4	447,096	–	<b>447,096</b>	404,501	–	404,501
<b>Total income</b>		<b>567,109</b>	<b>155,550</b>	<b>722,659</b>	<b>539,814</b>	<b>150,000</b>	<b>689,814</b>
<b>Expenditure on:</b>							
Raising funds		19,238	–	<b>19,238</b>	21,664	–	21,664
Charitable activities							
Support for Resilient Economies		2,151,056	–	<b>2,151,056</b>	2,745,066	–	2,745,066
Foundation Practice Rating Project		–	139,041	<b>139,041</b>	–	184,258	184,258
<b>Total expenditure</b>	5	<b>2,170,294</b>	<b>139,041</b>	<b>2,309,335</b>	<b>2,766,730</b>	<b>184,258</b>	<b>2,950,988</b>
<b>Net (expenditure)/income before net gains on investments</b>		<b>(1,603,185)</b>	<b>16,509</b>	<b>(1,586,676)</b>	<b>(2,226,916)</b>	<b>(34,258)</b>	<b>(2,261,174)</b>
Net gains/(losses) on investments	13	641,780	–	<b>641,780</b>	(3,789,640)	–	(3,789,640)
<b>Net (expenditure)/income</b>		<b>(961,405)</b>	<b>16,509</b>	<b>(944,896)</b>	<b>(6,016,556)</b>	<b>(34,258)</b>	<b>(6,050,814)</b>
Transfers between funds	19	(30,000)	30,000	–	(30,000)	30,000	–
<b>Net movement in funds</b>		<b>(991,405)</b>	<b>46,509</b>	<b>(944,896)</b>	<b>(6,046,556)</b>	<b>(4,258)</b>	<b>(6,050,814)</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		23,797,559	82,765	<b>23,880,324</b>	29,844,115	87,023	29,931,138
<b>Total funds carried forward</b>		<b>22,806,154</b>	<b>129,274</b>	<b>22,935,428</b>	<b>23,797,559</b>	<b>82,765</b>	<b>23,880,324</b>

All expenditure in both 2022–23 and 2021–22 was made from unrestricted funds, apart from that relating to the Foundation Practice Rating Project which was made from restricted funds.

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 19 to the financial statements.

# Friends Provident Charitable Foundation

## Balance sheet

Company no. 04228843

As at 30 September 2023

	Note	£	2023 £	£	2022 £
<b>Fixed assets:</b>					
Tangible assets	12		6,133		3,550
Listed Investments	13		23,438,663		25,111,648
Social Investments	14		379,000		329,000
			<u>23,823,796</u>		<u>25,444,198</u>
<b>Current assets:</b>					
Debtors	15	225,506		406,294	
Cash at bank and in hand		1,099,099		974,134	
			<u>1,324,605</u>	<u>1,380,428</u>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	16	(1,665,948)		(2,023,065)	
<b>Net current liabilities</b>			<u>(341,343)</u>		<u>(642,637)</u>
<b>Total assets less current liabilities</b>			<u>23,482,453</u>		<u>24,801,561</u>
Creditors: amounts falling due after one year	17		<u>(547,025)</u>		<u>(921,237)</u>
<b>Total net assets</b>			<u><u>22,935,428</u></u>		<u><u>23,880,324</u></u>
<b>The funds of the charity:</b>	19				
Restricted income funds			129,274		82,765
Unrestricted income funds:					
Designated funds		–		30,000	
General funds		22,806,154		23,767,559	
			<u>22,806,154</u>		<u>23,797,559</u>
<b>Total unrestricted funds</b>			<u>22,806,154</u>		<u>23,797,559</u>
<b>Total charity funds</b>			<u><u>22,935,428</u></u>		<u><u>23,880,324</u></u>

Approved by the Board of Trustees on 12 March 2024 and signed on their behalf by:

Stephen Muers  
Chair of Trustees

Statement of cash flows

For the year ended 30 September 2023

	Note	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Net expenditure for the reporting period (as per the statement of financial activities)		(944,896)		(6,050,814)	
Depreciation charges		1,756		1,947	
Dividends, interest and rent from investments		(447,096)		(404,501)	
(Gains)/Losses on investments		(641,780)		3,789,640	
Impairment losses		250,000		399,960	
Decrease/(increase) in debtors		180,788		(29,775)	
Decrease in creditors		(731,329)		(910,372)	
<b>Net cash used in operating activities</b>		<b>(2,332,557)</b>		<b>(3,203,915)</b>	
<b>Cash flows from investing activities:</b>					
Dividends, interest and rents from investments		447,096		404,501	
Purchase of fixed assets		(4,339)		(1,361)	
Proceeds from sale of investments		4,228,021		2,617,704	
Purchase of investments		(2,220,649)		(289,009)	
Transfer in to investment funds		19,294		(12,845)	
Funds released for reinvestment		–		250,000	
<b>Net cash provided by investing activities</b>		<b>2,469,423</b>		<b>2,968,990</b>	
<b>Change in cash and cash equivalents in the year</b>		<b>136,866</b>		<b>(234,925)</b>	
Cash and cash equivalents at the beginning of the year		<b>1,046,368</b>		<b>1,281,293</b>	
<b>Cash and cash equivalents at the end of the year</b> a		<b>1,183,234</b>		<b>1,046,368</b>	

Analysis of cash and cash equivalents and of net debt

	At 1 October 2022 £	Cash flows £	Other non- cash changes £	At 30 September 2023 £
Cash held as part of investment portfolio	72,234	11,901	–	84,135
Cash at bank and in hand	974,134	124,965	–	1,099,099
<b>a Total cash and cash equivalents</b>	<b>1,046,368</b>	<b>136,866</b>	<b>–</b>	<b>1,183,234</b>

The charity held no borrowings at either 1 October 2022 or 30 September 2023.



**1 Accounting policies**

**a) Statutory information**

Friends Provident Charitable Foundation is a charitable company limited by guarantee and is incorporated in the United Kingdom.

The registered office address and principal place of business is Blake House, 18 Blake Street, York, YO1 8QG.

**b) Basis of preparation**

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

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

**c) Public benefit entity**

The charity meets the definition of a public benefit entity under FRS 102.

**d) Going concern**

The trustees consider that there are no material uncertainties which may cast significant doubt about the charity's ability to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of approval of these financial statements.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Trustees are aware that there are net current liabilities but this is principally down to timing and the fact that liabilities are recognised in full for the following 12 months but there is no corresponding income recognised. In addition, the Foundation has significant resources available in fixed asset investments which can be drawn down as required to fund working capital.

**e) Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment managers.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**1 Accounting policies (continued)**

**f) Fund accounting**

Unrestricted funds are donations and other income received or generated by the charity which may be used freely in pursuit of the charity's objects at the discretion of the Trustees.

The investment assets derived from the donation of £20 million from Friends Provident plc in 2004. The assets are expendable at the discretion of the trustees.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds relate to income earned which may only be applied towards specific projects or causes in line with the terms by which the income was received.

**g) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on raising funds principally relates to the costs of managing the charity's investments.
- Expenditure on charitable activities includes the costs of grant making and associated activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**h) Grants payable**

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

**i) Allocation of support costs**

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are allocated in full to charitable activities – Support for Resilient Economies projects.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

**1 Accounting policies (continued)**

**j) Operating leases**

Rental charges are charged on a straight line basis over the term of the lease.

**k) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Computer equipment 4 years

**l) Listed investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

**m) Social Investments**

Social investments are valued at their fair value, which would ordinarily equate to market value where this is available. Where fair value is not practicable, social investments are recognised at cost less impairment. An annual review is carried out, either by external independent consultants or by Foundation staff, to determine whether investments should be impaired. Any impairment losses are included within expenditure during the year.

**n) Debtors**

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.

**o) Cash at bank and in hand**

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.

**p) Creditors and provisions**

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. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**1 Accounting policies (continued)**

**q) Financial instruments**

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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**r) Pensions**

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 under the scheme by the Foundation to the fund. The Foundation has no liability under the scheme other than for the payment of those contributions.

**2 Income from donations**

	<b>2023</b>	2022
	<b>Total</b>	Total
	<b>£</b>	£
Donations	120,013	135,313
	<u>120,013</u>	<u>135,313</u>

The Foundation received a large one-off donation from a private donor during the year which has been included within unrestricted funds. It was fully expended during the year.

**3 Income from charitable activities**

	<b>2023</b>	2022
	<b>Total</b>	Total
	<b>£</b>	£
Grant income for Foundation Practice Rating Project	155,550	150,000
	<u>155,550</u>	<u>150,000</u>

All income from charitable activities is restricted.

**4 Income from investments**

	<b>2023</b>	2022
	<b>Total</b>	Total
	<b>£</b>	£
Gross dividends	431,435	374,852
Income from social investments	11,322	29,073
Bank interest	4,339	576
	<u>447,096</u>	<u>404,501</u>

All income from investments is unrestricted.

Friends Provident Charitable Foundation

Notes to the financial statements

For the year ended 30 September 2023

5a Analysis of expenditure (current year)

	Charitable activities		Foundation Practice Rating Project	Governance costs	Support costs	2023 Total	2022 Total
	Raising funds £	Support for Resilient Economies projects £	£	£	£	£	£
Investment manager's fees	15,511	-	-	-	-	15,511	16,603
Investment advice & other costs	3,727	-	-	-	-	3,727	5,061
Grant commitments	-	1,335,505	-	-	-	1,335,505	1,790,313
Impairment losses	-	250,000	-	-	-	250,000	399,960
Staff costs (Note 8)	-	-	-	46,977	266,203	313,180	326,691
Staff training, expenses & other related costs	-	-	-	-	32,493	32,493	21,977
Grant advisory group, assessors & grantee support	-	-	-	-	1,464	1,464	6,825
Learning Strategy	-	-	-	-	4,593	4,593	500
Equity Group	-	-	-	-	2,400	2,400	800
Performance evaluation	-	-	-	-	-	-	-
Communication, dissemination & website costs	-	-	33,014	-	83,715	116,729	81,958
Overhead costs	-	-	-	-	71,807	71,807	66,218
Investment engagement fees	-	-	-	-	16,359	16,359	19,283
Legal & professional fees	-	-	106,027	-	10,708	116,735	190,525
Auditor's remuneration	-	-	-	15,643	-	15,643	10,348
Trustee meetings & expenses	-	-	-	13,189	-	13,189	13,926
	19,238	1,585,505	139,041	75,809	489,742	2,309,335	2,950,988
Support costs	-	489,742	-	-	(489,742)	-	-
Governance costs	-	75,809	-	(75,809)	-	-	-
<b>Total expenditure 2023</b>	<b>19,238</b>	<b>2,151,056</b>	<b>139,041</b>	<b>-</b>	<b>-</b>	<b>2,309,335</b>	
Total expenditure 2022	21,664	2,745,066	184,258	-	-		2,950,988

All expenditure in both 2022-23 and 2021-22 was made from unrestricted funds, apart from that relating to the Foundation Practice Rating Project which was made from restricted funds.

Friends Provident Charitable Foundation

Notes to the financial statements

For the year ended 30 September 2023

5b Analysis of expenditure (prior year)

	Charitable activities					2022 Total £
	Raising funds £	Support for Resilient Economies projects £	Practice Rating Project £	Governance costs £	Support costs £	
Investment manager's fees	16,603	-	-	-	-	16,603
Investment advice & other costs	5,061	-	-	-	-	5,061
Grant commitments	-	1,790,313	-	-	-	1,790,313
Impairment losses	-	399,960	-	-	-	399,960
Staff costs (Note 8)	-	-	-	49,004	277,687	326,691
Staff training, expenses & other related costs	-	-	-	-	21,977	21,977
Grant advisory group, assessors & grantee support	-	-	-	-	6,825	6,825
Learning Strategy	-	-	-	-	500	500
Equity Group	-	-	-	-	800	800
Performance evaluation	-	-	-	-	-	-
Communication, dissemination & website costs	-	-	25,619	-	56,339	81,958
Overhead costs	-	-	-	-	66,218	66,218
Investment engagement fees	-	-	-	-	19,283	19,283
Legal & professional fees	-	-	158,639	-	31,886	190,525
Auditor's remuneration	-	-	-	10,348	-	10,348
Trustee meetings & expenses	-	-	-	13,926	-	13,926
	21,664	2,190,273	184,258	73,278	481,515	2,950,988
Support costs	-	481,515	-	-	(481,515)	-
Governance costs	-	73,278	-	(73,278)	-	-
<b>Total expenditure 2022</b>	<b>21,664</b>	<b>2,745,066</b>	<b>184,258</b>	<b>-</b>	<b>-</b>	<b>2,950,988</b>

Notes to the financial statements

For the year ended 30 September 2023

**6 Grant making (current year)**

	2023 £	2022 £
Grants payable at the start of the year	2,905,752	3,812,110
Grant commitments made in the year	1,312,410	1,673,130
Grants (written back) or adjusted	23,095	117,183
Net grants committed in the year	1,335,505	1,790,313
Grants paid	(2,070,222)	(2,696,671)
Grants payable at the end of the year	2,171,035	2,905,752
Creditors: amounts due within one year (note 16)	1,624,010	1,984,515
Creditors: amounts due in over one year (note 17)	547,025	921,237
Total creditors at the end of the year	2,171,035	2,905,752

Details of the grant commitments made in the year can be found in the Trustees' Annual Report.

**7 Net (expenditure)/income for the year**

This is stated after charging / (crediting):

	2023 £	2022 £
Depreciation	1,756	1,947
Operating lease rentals payable:		
Property	19,250	19,350
Auditor's remuneration (excluding VAT):		
Audit	12,500	7,800

**8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	252,075	259,871
Social security costs	20,272	22,409
Employer's contribution to defined contribution pension schemes	40,767	43,375
Other forms of employee benefits	66	1,036
	313,180	326,691

Notes to the financial statements

For the year ended 30 September 2023

**8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (continued)**

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2023 No.	2022 No.
£70,000 – £79,999	1	1

The total employee benefits (including employer's pension contributions and employer's national insurance) of the key management personnel were £234,619 (2022: £257,625).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

Trustees' expenses represents the payment or reimbursement of travel, subsistence and training costs totalling £1,650 (2022: £792) incurred by 10 (2022: 9) members relating to attendance at meetings of the trustees.

**9 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 7.8 (2022:8.3). The full time equivalent number of staff was 5.5 (2021: 6.8).

**10 Related party transactions**

Due to the nature of the Foundation's operations and the composition of the trustee board and staff and their charitable interests, it is possible that the Foundation will make a donation to a charity in which a trustee or staff member may have a governance interest. In recognition of this possibility, trustees have developed a policy of disclosure to ensure there is no conflict of interest and that such a donation is made at arm's length.

During this year a grant of £100,000 was made to Fairshare Educational Foundation (Share Action) for core funding. Paul Dickinson is a trustee of both organisations and was Chair of Share Action from November 2018 to August 2023. The full amount was included in grant creditors at 30 September 2023.

Ann Don Bosco, a trustee of Friends Provident Charitable Foundation, is a Director of the Economic Change Unit which was given core funding of £100,000 this year. £50,000 was included in grant creditors at 30 September 2023.

The following related party transactions were identified from previous years where the grants have still been live during this year:

- Fairshare Educational Foundation (Share Action): A grant of £300,000 was made in December 2020 to provide core funding. A further grant of £122,000 was made in March 2022 to fund a project on ethnicity pay gap reporting. Paul Dickinson is a trustee of both organisations and was Chair of Share Action from November 2018 to August 2023. The 2020 core funding grant was paid in full by the end of this year. £71,166 was included in grant creditors at 30 September 2023 in respect of the ethnicity pay gap reporting project (2022: £122,000).
- University of Birmingham, Centre on Household Assets and Savings Management (CHASM): A grant of £50,000 was awarded in March 2018 for the project 'Monitoring Financial inclusion 2018–2022'. Joanna Elson, a trustee of Friends Provident Charitable Foundation, has since become Chair of CHASM's Advisory Panel. No funds were included in grant creditors at 30 September 2023 (2022: £17,250).
- Simin Wadiwala, who was appointed as an Associate Trustee in July 2023, has links to Decolonising Economics who were awarded a grant of £75,000 in June 2022, prior to her appointment. No funds were included in grant creditors at 30 September 2023 (2022: £75,000).

The individuals mentioned above did not take part in the funding/investment decisions involving their related party transaction.

There are no donations from related parties (2022: None) which are outside the normal course of business and no restricted donations from related parties (2022: None).

Other than as disclosed above, there were no other related party transactions during the period of the report (2021–22: no other transactions).



## 11 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

## 12 Tangible fixed assets

	Computer equipment £	Total £
<b>Cost</b>		
At the start of the year	16,399	<b>16,399</b>
Additions in year	4,339	<b>4,339</b>
Disposals in year	(6,157)	<b>(6,157)</b>
At the end of the year	14,581	<b>14,581</b>
<b>Depreciation</b>		
At the start of the year	12,849	<b>12,849</b>
Charge for the year	1,756	<b>1,756</b>
Eliminated on disposal	(6,157)	<b>(6,157)</b>
At the end of the year	8,448	<b>8,448</b>
<b>Net book value At the end of the year</b>	6,133	<b>6,133</b>
At the start of the year	3,550	<b>3,550</b>

All of the above assets are used for charitable purposes.

## 13 Listed investments

	2023 £	2022 £
Fair value at the start of the year	25,039,414	31,578,904
Additions at cost	1,920,649	5,009
Disposal proceeds	(4,228,021)	(2,517,704)
Transfer (out)/ in during year	(19,294)	12,845
Funds released for reinvestment	-	(250,000)
Net gain/(loss) on change in fair value	641,780	(3,789,640)
	<b>23,354,528</b>	25,039,414
Cash held by investment broker pending reinvestment	84,135	72,234
Fair value at the end of the year	<b>23,438,663</b>	25,111,648
	<b>2023 £</b>	<b>2022 £</b>
Historical costs of listed investments at the year end	<b>19,356,640</b>	20,167,662
Investments comprise:	<b>2023 £</b>	<b>2022 £</b>
UK Common investment funds	20,193,506	23,735,281
Shares listed on the London Stock Exchange	61,621	59,708
Other investments	3,099,401	1,244,425
Cash	84,135	72,234
	<b>23,438,663</b>	25,111,648

On 19 October 2022, £1,692,871 was transferred from listed investments managed by Columbia Threadneedle Investments to Snowball Impact Investments LP. This was following a commitment to increase the funds invested in Snowball Impact Investments LP up to a maximum of £5 million or 10% of the value of the fund, whichever is the lower, by 31 December 2024. Two further amounts, totalling £227,778, were invested during the year.

Notes to the financial statements

For the year ended 30 September 2023

13. Listed investments (continued)

Individual holdings of listed fixed asset investments, held at 30 September 2023, which represent a material proportion of the total value of the fixed asset investment portfolio were as follows:

	Valuation £	Proportion %
Cazenove Sustainable Growth Fund	10,140,069	43.4
BMO Responsible UK Equity Fund	3,184,686	13.6
BMO Responsible Global Equity Fund	3,457,937	14.8
BMO Responsible Sterling Corporate Bond Fund	3,410,814	14.6
Snowball Impact Investments LP	3,099,401	13.3

14 Social investments

	2023 £	2022 £
Balance at the start of the year	329,000	544,960
Additions at cost	300,000	284,000
Loan repayment	–	(100,000)
Impairment charge	(250,000)	(399,960)
Balance at the end of the year	379,000	329,000

All social investments have been valued at historical cost, less impairment.

Funds of £250,000 invested into Snowball Impact Management Limited (SIML) on 6 October 2022 were impaired, in accordance with our social investment policy. It was always anticipated that SIML would need additional capital whilst the Snowball Impact Investments LP fund grew to scale and there are plans in place for further capitalisations.

Funds of £50,000 were invested into Energy Garden on 30 November 2022. Energy Garden, a Community Benefit Society, already held £50,000 of funds awaiting the launch of its community share offer, taking the Foundation's total investment to £100,000. Energy Garden develops community-owned solar projects on London's transport infrastructure.

Individual holdings of social investments, held at 30 September 2023, were as follows:

	Valuation £	Proportion %
Egni Co-op	100,000	26.4
Energy Garden	100,000	26.4
AWEL Co-op	95,000	25.1
People Powered Retrofit Ltd	40,000	10.5
Wyre Catchment CIC	27,000	7.1
Ethex Investment Club	17,000	4.5
	379,000	100.0

Notes to the financial statements

For the year ended 30 September 2023

15 Debtors

	2023 £	2022 £
Grants receivable	45,900	15,000
Funds held for reinvestment (see note 13 above)	–	250,000
Other debtors	2,310	2,008
Prepayments	12,606	12,972
Accrued income	164,690	126,314
	<b>225,506</b>	<b>406,294</b>

16 Creditors: amounts falling due within one year

	2023 £	2022 £
Grants payable (note 6)	1,624,010	1,984,515
Accruals	41,938	38,550
	<b>1,665,948</b>	<b>2,023,065</b>

17 Creditors: amounts falling due after one year

	2023 £	2022 £
Grants payable – within 1 to 5 years (note 6)	547,025	921,237
	<b>547,025</b>	<b>921,237</b>

18a Analysis of net assets between funds (current year)

	Restricted £	General unrestricted £	Designated £	Total funds £
Tangible fixed assets	–	6,133	–	6,133
Investments	–	23,817,663	–	23,817,663
Current assets	129,274	1,195,331	–	1,324,605
Current liabilities	–	(1,665,948)	–	(1,665,948)
Long term liabilities	–	(547,025)	–	(547,025)
<b>Net assets at 30 September 2022</b>	<b>129,274</b>	<b>22,806,154</b>	<b>–</b>	<b>22,935,428</b>

18b Analysis of net assets between funds (prior year)

	Restricted £	General unrestricted £	Designated £	Total funds £
Tangible fixed assets	–	3,550	–	3,550
Investments	–	25,440,648	–	25,440,648
Current assets	82,765	1,267,663	30,000	1,380,428
Current liabilities	–	(2,023,065)	–	(2,023,065)
Long term liabilities	–	(921,237)	–	(921,237)
<b>Net assets at 30 September 2021</b>	<b>82,765</b>	<b>23,767,559</b>	<b>30,000</b>	<b>23,880,324</b>

Notes to the financial statements

For the year ended 30 September 2023

19a Movements in funds (current year)

	At 1 October 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 September 2023 £
<b>Restricted funds:</b>					
Restricted funds:					
Foundation Practice Rating Project	82,765	155,550	(139,041)	30,000	129,274
Total restricted funds	82,765	155,550	(139,041)	30,000	129,274
<b>Unrestricted funds:</b>					
Designated funds:					
Foundation Practice Rating Project – funds contributed by Friends Provident Foundation	30,000	–	–	(30,000)	–
Total designated funds	30,000	–	–	(30,000)	–
<b>General funds</b>	23,767,559	1,208,889	(2,170,294)	–	22,806,154
<b>Total funds</b>	23,880,324	1,364,439	(2,309,335)	–	22,935,428

Funds held during the current and prior year comprised of both restricted and unrestricted funds. The narrative to explain the purpose of the restricted and designated funds is given at the foot of the note below.

£30,000 has been transferred from the Foundation's designated fund to the Practice Rating Project restricted fund, representing the Foundation's contribution towards the project. These funds were set aside last year to be utilised if required by the project.

19b Movements in funds (prior year)

	At 30 September 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 September 2022 £
<b>Restricted funds:</b>					
Restricted funds:					
Foundation Practice Rating Project	87,023	150,000	(184,258)	30,000	82,765
Total restricted funds	87,023	150,000	(184,258)	30,000	82,765
<b>Unrestricted funds:</b>					
Designated funds:					
Foundation Practice Rating Project	–	–	–	30,000	30,000
Total designated funds	–	–	–	30,000	30,000
<b>General funds</b>	29,844,115	539,814	(6,556,370)	(60,000)	23,767,559
<b>Total funds</b>	29,931,138	689,814	(6,740,628)	–	23,880,324

Purpose of restricted funds

During the year, Friends Provident Foundation has coordinated the Foundation Practice Rating Project, working with fourteen other partner trusts/foundations. The aim of the project is to develop a new method of assessing the governance and reporting practices of private trusts and foundations in the UK, creating a public record of their achievements. Performance will be assessed in three areas: Transparency, Accountability and Diversity.

**19 Movements in funds (continued)**

**Purpose of designated funds**

The designated funds held at 1 October 2022 represented a further contribution towards the Foundation Practice Rating Project by Friends Provident Foundation which was approved by Trustees in September 2022. These funds were to be utilised if needed. They have been transferred to the project during the year.

**20 Operating lease commitments payable as a lessee**

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property 2023 £	2022 £
Less than one year	19,250	21,000
One to five years	–	19,250
	<u>19,250</u>	<u>40,250</u>

**21 Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

**FRIENDS PROVIDENT CHARITABLE FOUNDATION**  
**REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2023**

**APPENDICES**

- A. Grants made in 2022-2023
- B. Summary of Investments held in 2022-2023

# FRIENDS PROVIDENT CHARITABLE FOUNDATION

## REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2023

### APPENDIX A – GRANTS MADE IN 2022-2023

<b>Core Funding</b>	
<b>Economy</b>  Core funding in support of Economy's work with communities in the UK experiencing economic injustice to reimagine, rebalance, and transform the economy. They do this through direct support for changemakers, community education and shaping the wider movement conditions for this work to be effective.	£100,000 over 2 years
<b>FairShare Educational Foundation (ShareAction)</b>  Core funding in support of ShareAction's work - acting as a 'critical friend' to many of the largest investors in the UK and EU. ShareAction's focus on catalysing change in capital markets and the wider investment system is designed to produce tangible, positive impacts downstream in the real economy.	£100,000 over 2 years
<b>Finance Innovation Lab</b>  Core funding in support of Finance Innovation Lab's work to transform the financial system for people and planet. Finance Innovation Lab cultivate a community of systems-changemakers and work on transformative but practical initiatives that impact mental models and power dynamics for deep, lasting change.	£100,000 over 2 years
<b>New Economics Foundation (NEF)</b>  Core funding in support of NEF's work as a thought leader in the new economy ecosystem influencing policies adopted by major political parties and pushing the wider movement towards radical yet achievable goals.	£100,000 over 2 years
<b>Rethinking Economics (REPCE)</b>  Core funding in support of Rethinking Economics work to build a diverse movement of people who challenge, interrogate and renew the practice and teaching of economics.	£100,000 over 2 years
<b>Stir to Action Ltd</b>  Core funding in support of Stir To Action's work to bridge policy and practice within the new economy sector and to determine wider	£80,000 over 2 years

## FRIENDS PROVIDENT CHARITABLE FOUNDATION

### REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2023

opportunities and limitations for advancing new economic alternatives and democratic ownership across UK workplaces and communities.	
<b>Strategy and Communications Group (ECU)</b>  Core funding in support of the ECU's vision of a fair, sustainable, prosperous and resilient economy where everyone has the freedom and security to live a good life. ECU work to accelerate this transition by growing the impact and power of the UK 'new economy' movement and building support for its ideas in politics and society.	£100,000 over 2 years
<b>Tax Justice Ltd</b>  Core funding in support of Tax Justice UK's campaigning work and in support of their vision that everyone in the UK should benefit from a fairer and more effective tax system.	£80,000 over 2 years
<b>Wellbeing Economy Alliance Scotland (WEALL Scotland)</b>  Core funding is support of WEALL's work to build a movement to develop a sustainable and fair Wellbeing Economy in Scotland and to change the narrative in media and public discourse to create widespread belief and support of an economy designed to deliver wellbeing of people and nature.	£100,000 over 2 years

Project Funding	
<b>Community Action Groups (CAG) Oxford - Owned by Oxford: Black, Minoritised, Marginalized communities creating a just regenerative economy.</b>  Oxford has a wealth problem, with roots entwined in colonialism, institutional racism and classism, that obstructs progress towards a fair and sustainable economy for the City. Centring the voices of Black, minoritised and economically-marginalised communities in the development of economic strategy, policy and practice in Oxford. CAG Oxford develop an ecosystem for authentically community-led, regenerative enterprises.	£120,000 over 2 years
<b>Institute for Public Policy Research (IPPR) – New Philanthropy Initiative</b>  Research to investigate the levels of potential for greater philanthropic giving in support of the new economy movement in the UK.	£25,000 over 6months



## FRIENDS PROVIDENT CHARITABLE FOUNDATION

### REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2023

<p><b>New Economy Organisers Network (NEON) – NEON Movement Building</b></p> <p>NEON's work aims to directly contribute to a strong and diverse movement for new economic thinking and acting in the UK. This grant will help them to support the movement to better challenge the structural problems that are embedded in our economy and work to envisage and create a new economic system that meets our political, social and environmental needs.</p>	<p>£179,000 over 2 years</p>
<p><b>The Black Economists Network (TBEN) Ltd – TBEN Engage Project</b></p> <p>TBEN will provide a vital alternative to failed mainstream economic orthodoxy by building the vital infrastructure to nurture Black economists who can drive financial modelling that reflects a variety of economic experiences and reduces inequity.</p>	<p>£57,874 over 1 year</p>

Small Grants Programme	
<p><b>Climate Vanguard – Transforming the UK Youth Climate Movement into a New Economic Actor</b></p> <p>Climate Vanguard has been set up to shepherd the evolution of the UK youth climate movement into a new economic actor with a plan to tackle the fact that the economy is hardwired against the interests of people and planet. The youth climate movement must not only demand economic transformation but also create a program of policy demands that shift the predominant economic paradigm that enables the conditions for decarbonisation.</p>	<p>£10,000 over 6months</p>
<p><b>Green Finance Community Hub – Accelerating Green Finance Locally to Enable to a Fair Transition to New Zero</b></p> <p>Funding to support community voice in the development of a Climate Finance Accelerator in Cumbria seeking to ensure a fair transition in the to climate mitigation (net zero) and adaptation projects.</p>	<p>£10,000 over 6months</p>
<p><b>Huddlecraft CIC – Money Movers – Women moving money for the planet</b></p> <p>Funding in support of the Money Movers programme which seeks to create a movement of women taking control of and moving their personal finances for climate action.</p>	<p>£10,000 over 1 year</p>

## FRIENDS PROVIDENT CHARITABLE FOUNDATION

### REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2023

<p><b>Community Alliances Ltd - Developing ideas for decentralised community finance infrastructure</b></p> <p>Community Alliances Ltd envision a future in which everyone can create value, has a voice and collectively can direct it towards neighbourhood wellbeing. They are seeking to deliver neighbourhood empowerment through new community finance infrastructure and a community wellbeing exchange platform designed to democratise local investment.</p>	<p style="text-align: right;">£10,700 over 1 year</p>
<p><b>Planet B Productions – Macrodose Podcast</b></p> <p>Macrodose is a weekly economics podcast providing 15-minute updates on the key stories making the news, and the analysis needed to make sense of them. Macrodose is about democratising economics education, cutting through jargon and building an alternative vision for the economy.</p>	<p style="text-align: right;">£9,895 over 1 year</p>
<p><b>This is Rubbish (TiR) CIC – Plenty to Share</b></p> <p>TiR has been campaigning for an end to poverty and food waste, calling for an environmentally and socially just food system. This work will build the capacity of under-resourced organisations to speak truth to power. It will also focus on the systemic flaws that lead to the need for food aid. Futuring/visioning methods will be used to explore what an alternative economy that centres care and fairness would look like from their perspective for a future without food banks.</p>	<p style="text-align: right;">£9,950 over 1 year</p>
<p><b>Trademark Belfast – Building a Democratic Economy in Northern Ireland</b></p> <p>A project to build the capacity and networks for supporting the transition towards a more democratic and fair economy in Northern Ireland. This is conceived as preparatory work for the establishment of a Centre for Democratic Ownership and Participation.</p>	<p style="text-align: right;">£9,991 over 1 year</p>

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## APPENDIX B: SUMMARY OF INVESTMENTS

### Top 10 underlying funds in Cazenove Capital fund at September 2023:

Schroder International Selection Fund – Global Sustainable Growth GBP
Sparinvest Ethical Global Value Fund GBP
Schroder Special Situations Fund – Sustainable Diversified Alternative Assets GBP
UK Treasury Gilt 1.125%
UK Treasury Gilt 0.125%
UBAM Positive Impact Emerging Equity Fund GBP
Vontobel Fund – TwentyFour Sustainable Short Term Bond Income GBP
Wisdom Tree Hedged Metal Sec Ltd – Gold Hedged Index GBP
HSBC Global Investment Funds – Global Equity Sustainable Healthcare GBP
HSBC Sterling ESG Liquidity Fund GBP

### Top 20 company investments in our Columbia Threadneedle Investments funds at September 2023:

Apple Inc Common Stock USD.00001
Mastercard Inc Common Stock USD.0001
Linde PLC Common Stock
Accenture PLC Common Stock USD.0000225
Intercontinental Exchange Inc Common Stock USD.01
Astrazeneca PLC Common Stock USD.25 (Responsible UK Equity Fund)
Nvidia Corp Common Stock USD.001
Schneider Electric SE Common Stock EUR4.0
Thermo Fisher Scientific Inc Common Stock USD1.0
Roper Technologies Inc Common Stock USD.01
Xylem Inc/NY Common Stock
ASML Holding NV Common Stock EUR.09
Waste Connections Inc Common Stock
Becton Dickinson & Co Common Stock USD1.0
Aptiv PLC Common Stock USD.01
CSL LTD Common Stock
Astrazeneca PLC Common Stock USD.25 (Responsible Global Equity Fund)
Humana Inc Common Stock USD.1666666
Intuitive Surgical Inc Common Stock USD.001
Autodesk Inc Common Stock USD.01