

**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 2024**

**FRIENDS PROVIDENT CHARITABLE FOUNDATION**  
**REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024**

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## FRIENDS PROVIDENT CHARITABLE FOUNDATION

### REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024

#### 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 4228843 (England & Wales)

#### REGISTERED ADDRESS

15 Priory Street  
York  
YO1 6ET

#### BOARD OF TRUSTEES

Members: Abraham Baldry  
Paul Blyth  
Ann Don Bosco  
Joanna Elson (Vice Chair)  
(to 31 December 2023)  
Kathleen Kelly  
Stephanie Maier  
Stephen Muers (Chair)  
Aphra Sklair (to 31 March 2024)  
Caroline Taylor  
(Vice Chair, from 5 July 2024)

Associate Trustee: Simin Wadiwala

#### KEY MANAGEMENT PERSONNEL

Foundation Director	Danielle Walker Palmour
Head of Funding Strategy	Abigail Gibson
Investment Engagement Manager	Charlie Crossley
Social Investment Portfolio Manager	James Anthony (from January 2024)
Finance and Operations Manager	Kate Kendall
Communications Manager	Jake Furby (to January 2024)

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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:	Redington (from June 2024) 1 Angel Court London EC2R 7HJ	
	Peter Jones, Independent Advisor (to June 2024)	
Solicitors:	Wrigley's Solicitors LLP 3 <sup>rd</sup> Floor, 3 Wellington Place Leeds LS1 4AP	
Investment Managers:	Columbia Threadneedle Investments 78 Cannon Street London EC4N 6AG	Cazenove Capital 1 London Wall Place London EC2Y 5AU
	Snowball Impact Management Ltd 20 Little Britain London EC1A 7DH	

## FRIENDS PROVIDENT CHARITABLE FOUNDATION

### REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024

#### CHAIR'S INTRODUCTION

Twenty years ago in 2004, Trustees of the newly minted Friends Provident Charitable Foundation were preparing for an event to mark the public launch of the charity. They had commissioned a book of essays from across the political, economic and philosophical spectrum to explore the moral, social and cultural understanding of the role of money and financial systems in our society – published as *The Right Use of Money* (Policy Press, 2004). The event was held in the Queen Elizabeth II Conference Centre in London and was attended by a wide range of shareholders, stakeholders and peers.

2024 finds Trustees and staff preparing for another event in London; to celebrate the 20<sup>th</sup> anniversary of the Foundation and to take stock of where we have been. Much has changed. We have grown from one part-time member of staff to nine people based in York and London. We have shifted our focus from financial inclusion to more widely addressing the nature of our economy and how to make it fairer and more sustainable. We are now not just an ethical investor but an active, challenging one with ambitions to carry on the original intention of the founders of Friends Provident Foundation as an innovator in financial services.

However, there are also some continuities across those twenty years. We wish to address unfairness and inequality in the economic system. We continue to aim to work collaboratively with partners from all sectors to bring about change. And we continue to ask big questions despite our small size.

This year, in an attempt to maximise the impact of our grant funding, the Foundation has launched a refreshed programme organised around two central themes: **mainstreaming new economic ideas** and **transforming financial systems**. Alongside this we will have one supporting theme continuing our role as supporter of the **wider movement infrastructure**. The refreshed programme will guide our funding for the next three years. The programme continues to innovate through its focus on minimising wasteful application processes and costs for grant-seekers and embedding a learning framework and approach from the outset.

In 2020, alongside Joffe Trust and Blagrove Trust, we launched a process called the 'environmental, social and governance (ESG) investing olympics'. We did this because we believe the purpose of investment should be to direct capital to socially, environmentally and economically useful activity, and to help address societal challenges; rather than to focus on short-term financial returns. We created an open competition and a selection process including a public event attended by over 100 people who could question and assess the proposals for meeting our shared mandate. Cazenove Capital, part of Schrodgers group, won the competition and this led to Cazenove Capital's Sustainable Growth Fund, launched in early 2021. Three years on, we have been reflecting on progress against our objectives and published an update on this earlier in the year, in keeping with the principle of transparency we established from the start.

## **FRIENDS PROVIDENT CHARITABLE FOUNDATION**

### **REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024**

Looking at the Foundation itself, this year we were sad to lose long-standing Trustees Joanna Elson and Aphra Sklair and our Communications Manager Jake Furby: we are grateful for their contributions and they are much missed. We also welcomed new members of the team: James Anthony as Social Investment Portfolio Manager, Ashanti Akabusi who is working with us to manage the communications function and Dilys Winterkorn and Lotte Thelen as independent members of our Investment Committee. We also created a new role of Associate Trustee to bring a wider diversity of experience to our board and make Trusteeship more accessible. Simin Wadiwala has been a fantastic first holder of this position.

In August 2024, the York staff team moved our office from Blake House in central York to new premises in a community building at the Priory Street Centre, also located centrally. We are delighted with a new space that is fully accessible to all visitors.

2025 will undoubtedly see more of both continuity of mission and change in how we get there, and we look forward to collaborating with partners old and new as we continue the journey.

Stephen Muers

## FRIENDS PROVIDENT CHARITABLE FOUNDATION

### REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024

#### 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.

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).

#### DIVERSITY, EQUITY AND INCLUSION

Our Diversity, Equity and Inclusion (DEI) plan underscores our commitment to transforming the economic system into one that is fair and sustainable. Integral to this is addressing the structural inequities rooted in systemic discrimination. The Foundation sees that a commitment to diversity and inclusion must be central to our efforts to build a fair economy. This is about *how* we do all that we do: including staff and Trustee recruitment and management; our Investment management and engagement; grantmaking; communications and engagement with the wider community. We are aware of the power dynamics of our position as a holder and distributor of wealth.

This year our DEI working group was integrated into our Trustees' Resources Committee to ensure accountability for this area of our work. We have made progress in some areas but still have improvements to make in others. We see this as a continual process that will never be fully complete. Our rating for diversity in the Foundation Practice Rating this year was B, showing that there is still room for improvement.

#### Key Components:

##### Internal Operations:

- Recruitment practices emphasise fairness, not asking for unnecessary qualifications or previous salaries, anonymised applications and transparent salary disclosures.
- Creation of an Associate Trustee role to diversify access to strategic decision-making.

## **FRIENDS PROVIDENT CHARITABLE FOUNDATION**

### **REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024**

- Monitoring and publishing staff and Trustee diversity statistics to promote accountability.

#### **Grant-making:**

- This year equity and social justice have been central funding priorities with strands focused on marginalised voices and avoiding replication of systemic inequities.
- We introduced a small grants programme to support new entrants into the sector.
- Practices include providing pre-application support, flexible payment structures and collecting data to improve accessibility and fairness.

#### **Investment Management:**

- The Foundation aligns its investments with social and environmental goals, favouring companies that uphold fair pay, decent work and management diversity.
- Active shareholder engagement to promote equity-focused policies.

#### **Communications and Accessibility:**

- We are working towards the Web Content Accessibility Guidelines version 2.1 AA standard

#### **Future Goals (2024 and beyond):**

- Increased training and resources for staff and trustees.
- Further improvements in recruitment diversity, website accessibility and application processes.
- Exploration of paid trustee positions and expansion of support for marginalised communities.

By embedding equity into its strategy, operations and grant-making, the Foundation seeks to challenge systemic inequalities and promote a more inclusive and sustainable economic system.



## **FRIENDS PROVIDENT CHARITABLE FOUNDATION**

### **REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024**

#### **CLIMATE EMERGENCY DECLARATION**

This year, as part of our business planning process, we undertook to look again at our commitment to addressing the climate emergency in our grants, operations and investments. As a mechanism, we joined the Earth Funding Lab programme under the auspices of the Environmental Funders Network. We committed to joining two of the three workstreams – ‘tax and nature’ and ‘beyond ESG’.

The beyond ESG workstream saw us collaborate with other foundations to develop ideas that could contribute to systemic, positive changes in the investment practices of foundations. The key potential interventions emerging are: increasing transparency and accountability of foundation investments; accelerating peer learning between foundations on their investments; and identifying legitimate positive impactful investments.

The tax and nature workstream has undertaken an exploration of the ways in which taxes can be used in the service of nature. It has made many connections with key players both within tax campaigning organisations and environmental organisations. A joint pot of £40,000 has been made available to fund initial work and we are currently exploring a collaboration with the Economic Change Unit (ECU) and Tax Justice UK on the issues of tax and nature in the first half of 2025.

It is worth noting that our work through this workstream has already been influential on the tax sector in terms of supporting them to consider their work through the lens of the nature and climate crises.

This engaged three members of staff over the course of the year and expanded our knowledge of colleague-funders committed to the deep and systemic change required to address climate change as a funder.

The Foundation commissioned a sustainability audit of our new website as part of the deployment, ensuring that we are monitoring and measuring the carbon footprint of our main means of communication going forward. A key element of this is a reduction in the number of pages and a simplification of the structure of the site.

We are also planning Carbon Literacy training sessions for staff and trustees in the next financial year.

## FRIENDS PROVIDENT CHARITABLE FOUNDATION

### REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024

#### PROGRESS TOWARDS OUR GOALS IN 2023-24

Each year, staff and Trustees set objectives for the year, reflected in our Business Plan. This guides our priorities and expenditure, and creates momentum for our overarching goal of continuous improvement. Last year we had the following aims and this sets out how well we have performed against them.

1. To increase our impact by bringing our grants and investment strategies into closer alignment.
  - *Fully achieved*
2. To ensure our grant giving is as efficient and effective as possible within the parameters of our budget and size as a funder.
  - *Fully achieved*
3. To review, communicate and implement the FPF investment policy and approach to align capital with mission.
  - *Fully achieved*
4. To communicate more effectively by reviewing and reframing our external communications and digital outputs.
  - *Partially achieved*
5. To make the Foundation's salary and benefits structure more reflective of our mission for a fair and sustainable economic system, reflecting operational and human needs.
  - *Fully achieved*
6. To restructure and develop internal systems to support Foundation operations.
  - *Partially achieved*
7. To refocus our climate emergency declaration in relation to operations, investment and other activities.
  - *Fully achieved*
8. To continue to evolve our governance to enable the Foundation to be responsive and reflective of the external context.
  - *Fully achieved*

# **FRIENDS PROVIDENT CHARITABLE FOUNDATION**

## **REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024**

### **GRANTS REPORT**

#### **Introduction**

Grantmaking has been an important part of the Foundation's toolkit for economic change for the past 20 years and, over 2024, we have been reflecting on and developing our grantmaking strategy both in terms of what we fund and how we do so.

Over this time our grantmaking programme has evolved: from an initial focus on the right use of money; to financial inclusion; then shifting to financial resilience; and more recently a focus on systemic economic change. After the 2008 crash, we helped support a range of ideas about how economic systems change could be achieved. We also helped to establish a number of increasingly influential organisations working in new economy space.

During 2023-24 the need for change was as urgent as ever. The financial system firmly re-asserted itself post-crash and climate breakdown and inequality have worsened. The UK is not short of ideas on how to change this and we have an active, creative new economy movement. As we look forward, therefore, we seek to turn our attention to what is stopping these ideas becoming a reality.

This year has been about looking back to move forwards – building on the learning and experience we've gained from 20 years of grantmaking to develop a strategy for a more focused programme of work and better-quality grantmaking practice for the future.

#### **A Look Back at 2023/24**

2024 was the final year of our '4D Economy' programme of grantmaking. Full details of grants made in the year are provided in Appendix 1.

Recognising the ongoing inflationary challenges facing our grant-holders, cost of living increases were made for long-term grants, maintaining the real value of our grants. A major strand of work this year has been the evolution of the grants strategy, involving a deep dive into learning from previous grants, consultation with stakeholders and reflecting on best grant-making practice.

This year has also seen the development of our learning strategy and the recruitment of a new learning partner to support us over the next three years and ensure that we are maximising the insights and intelligence to be gained from all of our work.

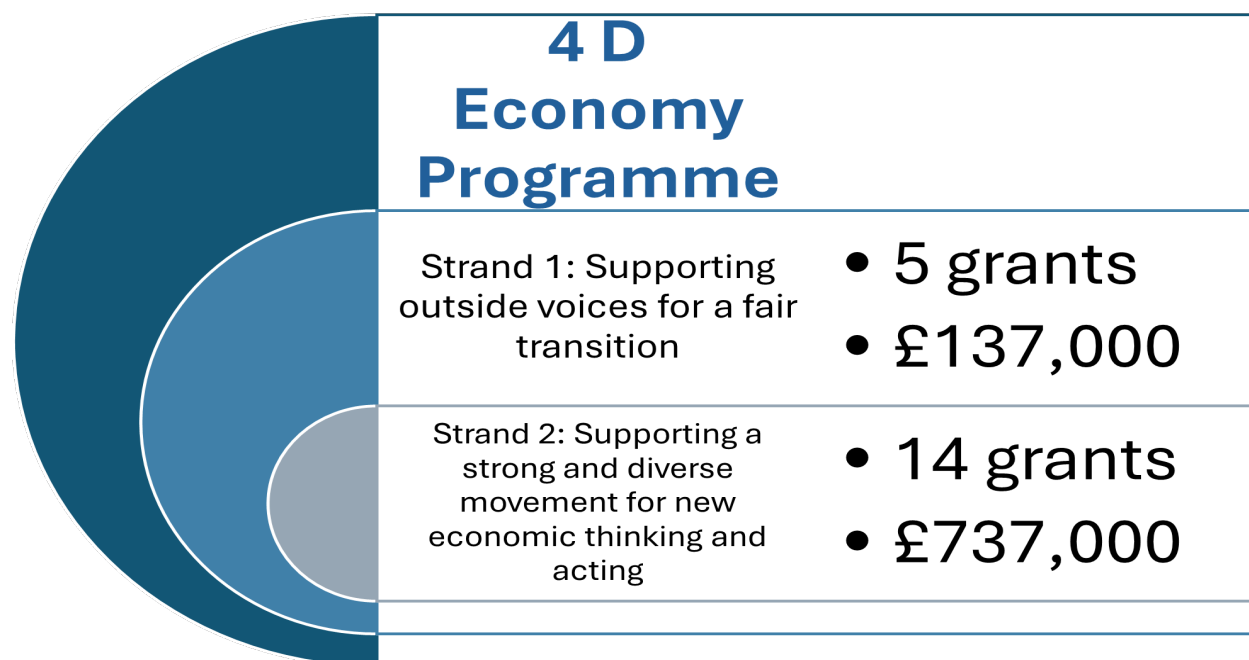
## Key Trends in Grant-making 2023-24:

### Grants Made:

19 grants to 18 organisations.

12 (66%) were for organisations we haven't previously funded.

As at the end of the financial year, there were 62 live grants in the portfolio.



## FRIENDS PROVIDENT CHARITABLE FOUNDATION

### REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024

Grants were made under two main thematic strands under the 4D Economy Programme.

#### The 4D Economy Programme

The grants programme funded organisations and projects that supported our vision of a fair, sustainable economy, that is Diversified, Decarbonised, Democratised and Decentralised.

Funding was granted under two thematic strands:

- **Supporting ‘outsider voices’ in pushing for a fair transition to a 4D economy** - funding projects and programmes that support the number of transitions needed to create a 4D economy in a fair way, i.e. not at the expense of already disadvantaged geographies, groups or communities.
- **Supporting a strong and diverse movement for new economic thinking and acting in the UK** - funding to support a movement that challenges and seeks alternatives to the current dominant ‘neo-liberal’ economic model.

#### Types of funding

*Core Funding* – funding in support of an organisation’s central and general costs. Fully flexible funding offered to organisations whose mission and strategy is fully aligned with that of the Foundation.

*Project Funding* – funding for specific activity following an application.

*Small Grants* – a new strand developed to try to enable more new entrants to our programme. Focused on new organisations or new ideas with a particular focus on under-represented groups.



## FRIENDS PROVIDENT CHARITABLE FOUNDATION

### REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024

#### Grant Value

The average grant value was £43,684. The high level of grants made under the small grants programme skewed the average – when these are removed, the average is £99,651.



#### Applications Received and Success Rates

The programme received 238 applications over the year, via the open application form on our website. Of these 8% were invited to stage two. This mostly reflects a very high number of ineligible applications, for areas not covered by the programme – which accounted for 71% of applications received. When we remove these from the analysis, the conversion rate from stage one to stage two increases to 26%. At stage two, where applications have been invited on the basis of fit, the success rate increases to 60%.

#### Grant Increases

Given ongoing inflationary pressures, we adopted a new policy of automatic grant increases for grant-holders with longer-term grants (1 year plus, with more than one year remaining) who had not built sufficient allowance for inflation into their budgets or who had not already been granted an increase in year. As a result, grants worth a total of £58,632 were made to 17 organisations.

In addition, 3 organisations requested more significant grant increases to allow them to meet unexpected costs or new additional opportunities, worth a total of £85,000.

## FRIENDS PROVIDENT CHARITABLE FOUNDATION

### REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024

#### Looking Ahead

At the very end of the year, the 4D Economy Programme was closed and the new **Realising a New Economy** programme was launched. A significant amount of staff time was spent over the year developing and refining the new programme, which will roll out over 2024-25. The new programme seeks to bring about a number of changes in terms of grants focus and grant-making practice including:

- Three new programme strands – Shifting Cultural Perceptions, Transforming Financial Systems and New Economy Infrastructure (including a new small grants programme) to be opened at different points over 2024-25.
- A shift to a principle of unrestricted funding as a default (with exceptions for particular situations).
- The development of a new application process to be trialed over 2025. This aims to shift the burden of the work from the applicant to the Foundation grants team as far as possible. Applications will be created through conversation, with the bulk of the writing at stage one being carried out by Foundation staff.
- More contact pre-application, through a new 'say hello' function on our website (with contact being possible by writing, voice note or video), to ensure that people are only spending time applying if their project is a reasonable fit.

Our hope is that these changes will reduce our unsuccessful application rates, create a more inclusive and less extractive approach and will give applicants a faster sense of the outcome of an approach.

## **Realising A New Economy**

### **Strand 1: Shifting Cultural Perceptions**

We aim to explore how we think and talk about the economy. The way we collectively perceive the economy—often as an independent, complex system or a science understood by only a few—hinders our ability to envision change. By exploring our key question is *How can we shift perceptions and beliefs about the economy—what it is and what it could be?* we aim to inspire the belief that meaningful economic change is possible.

### **Strand 2: Transforming Financial Systems**

This strand aims to uncover and transform the hidden workings of our financial system. Our contention is that the financial system should allocate resources to meet economic and social needs, but it has increasingly served itself, drifting away from the real economy. While progress was made after the 2008 financial crisis, recent rollbacks threaten those gains, meaning that ongoing efforts for fairness and sustainability aren't gaining traction. This programme strand seeks to challenge barriers within the system—such as regulations, policies, power dynamics, and culture—and drive change toward a fairer, more sustainable financial framework.

### **Strand 3: New Economy Infrastructure**

Through this strand we aim to strengthen and grow diverse organisations driving economic systems change. The ecosystem of organisations focused on transforming economic systems is still emerging and often operates with limited capacity. To grow into respected institutions capable of challenging entrenched norms, these organisations need consistent, reliable support. As one of the few funders dedicated to this cause, we are committed to long-term partnerships and leveraging additional resources to help these organisations thrive and create meaningful change



## FRIENDS PROVIDENT CHARITABLE FOUNDATION

### REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024

#### INVESTMENTS REPORT

##### Introduction

We believe the purpose of investment should be to direct capital to socially and environmentally useful activity, to create social as well as economic value and to help address societal challenges, rather than to focus on short-term financial returns. As a participant in the financial system through our endowment, we have an opportunity to promote change that serves our mission. As such, we are a long-term investor and steward of our investee companies and funds. Our approach includes investing in positive social & environmental impact, aligned to our mission, as well as stewarding our investee companies and funds, using engagement to reduce negative impacts and increase alignment between our investments and our mission. This approach allows us to balance generating sufficient returns to fund our grant-making and operations, while utilising the endowment to further our mission.

Investing our endowment involves making decisions on what to invest in, what not to invest in, how we exercise our stewardship responsibilities and how we engage with the financial system. We believe these decisions should contribute to our aim of building an economy that is sustainable and fair.

Our Investment Principles and Policy is the key document driving our investment work.

Most of our endowment is invested through our investment managers: Columbia Threadneedle Investments, Cazenove Capital, and Snowball Impact Investments. Our investment adviser is Redington.

Our investments are summarised below:

##### Financial Investments

Investment	Investment manager	Investment approach <sup>1</sup>
Multiple funds	Columbia Threadneedle Investments	Responsible
Cazenove Sustainable Growth Fund	Cazenove Capital	Sustainable
Snowball Impact Investment LP Fund*	Snowball Impact Management Ltd	Impact

\* We are a founding investor in the Snowball Impact Investment LP Fund.

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<sup>1</sup> This is our view of the investment approach across the “spectrum of capital”, first developed by Bridges Fund Management. See more information here: <https://resonance.ltd.uk/for-investors/spectrum-of-capital>

## FRIENDS PROVIDENT CHARITABLE FOUNDATION

### REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024

We make direct investments in public companies via a Hargreaves Lansdown account, for the purpose of shareholder influencing.

#### Social Investments

Investment	Description
Awel Cooperative	Renewable energy project, based in Wales, operating two wind turbines, with the aim of tackling climate change and enabling local regeneration.
Egni Cooperative	Renewable energy project, linked to Awel Cooperative, installing rooftop solar panels in schools, community buildings & businesses.
Energy Garden	Enterprise developing community-owned solar projects and gardens in London, alongside educational programmes to promote their social and environmental benefits.
Ethex Investment Club	An online platform connecting investors with impactful social enterprises and community projects and raising the finance needed by these organisations to achieve their aims.
People Powered Retrofit	Enterprise providing advice, training and software development linked to retrofitting households to combat climate change.
Riding Sunbeams	Enterprise aiming to provide directly connected renewable energy to the rail network.
Snowball Impact Management Ltd	Company managing the Snowball Impact Investment LP fund, which targets investments with a positive impact for people and the planet, whilst generating sound financial returns.
Wyre Catchment CIC	Project to implement natural flood management works in the upper River Wyre catchment, with the aim of reducing flooding & flood risk to business & communities residing in the catchment.

## FRIENDS PROVIDENT CHARITABLE FOUNDATION

### REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024

We also make social investments.<sup>2</sup> A description of our current and prior social investments can be found on our [website](#).

Further information about our Investment Committee and staff team working on investments can be found on our [website](#).

Reflecting on the Foundation reaching its 20<sup>th</sup> anniversary, there have been several highlights relating to investment:

- We committed to our first social investment in 2007 – a subordinated loan to Charity Bank.
- In 2010, we became an investor in the world's first social impact bond, aiming to reduce recidivism in Peterborough.
- Being one of the first UK foundations to employ an Investment Engagement Manager in 2016.
- Becoming a founding investor in the Snowball Impact Investment Fund.
- Co-leading the 'ESG investing olympics' in 2020, an open, competitive tender for a £33.5 million mandate.
- Contributing to engagement successes, such as major utility companies committing to the just transition.

#### A Look Back at 2023-24:

A lot happened for the Foundation in the 2023-24 financial year, but here's a few of the highlights:

- We were part of a group of investors, co-ordinated by grant-holder, ShareAction, that co-filed a shareholder resolution at Barclays on their financing of new oil and gas infrastructure. The group eventually decided to withdraw the resolution after **engagement with the bank around its fossil fuel policy**.
- We supported an engagement led by Royal London Asset Management and Border to Coast Pension Fund encouraging UK banks to commit to a just transition to net zero. This included producing **investor expectations for the banking sector on the just transition**.
- We worked with ShareAction to engage companies to support workplace equality in the UK. We attended the AGM of Sainsbury's to ask about the real living wage and Mitie to discuss their ethnicity pay gap reporting.

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<sup>2</sup> We define social investment as where we use money with a view to both:

- achieving our purposes directly through the investment; and
- making a financial return.

## FRIENDS PROVIDENT CHARITABLE FOUNDATION

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- CCLA hosted a webinar, with the support of the University of Nottingham's Rights Lab, consultant Social Governance and us, on the role for investors in promoting labour rights in the adult social care sector. Our focus on this area continues.
- In January 2024, James Anthony joined as the Foundation's Social Investment Portfolio Manager, a new role designed to design and lead the Foundation's social and impact investment work.
- As part of our ongoing effort to be transparent and share knowledge about our investments, **we reflected on the Cazenove Sustainable Growth fund**, which was seeded after the 'ESG investing olympics' that we organised. We discussed progress in ESG integration, impact and influencing wider investment practices.
- We **appointed Redington** as our new investment adviser after a competitive tender process. Redington's mission-oriented approach and potential to influence the wider investment ecosystem made them our preferred choice for guiding our investment strategy.
- Lotte Thelen and Dilys Winterkorn both joined as co-opted members of our Investment Committee. We recruited these committee members, via direct approach, to further add skills and experience to the committee, rather than by an open selection process. In the future, we will consider more open approaches.
- We supported the development of the Charity Investment Governance Principles (CIGP) for trustees. The CIGP will create a comprehensive framework to guide charity investment decision-making.

### Looking Ahead

Looking ahead to 2024-25, there is plenty on our agendas.

We plan to update our Investment Principles and Policy document for the first time since 2019. We will do this in a participatory manner, including seeking feedback from a range of stakeholders, trying to make our investment approach accessible.

We also plan to work with peer investors to consider options to challenge and encourage the investment industry to do more on mission-aligned investing.

A new social investment strategy will be launched and a host of new social investments will be announced.

There will be challenges ahead in delivering our work. Key overarching trends of the climate emergency and inequality are potentially worsening. The economic environment continues to look uncertain. A new policy landscape brings opportunity for our work but

## **FRIENDS PROVIDENT CHARITABLE FOUNDATION**

### **REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024**

shifting policy also brings challenges. Social investment opportunities are plentiful but fundraising remains a key issue for investees.

As we reflect on two decades of purposeful investing, we will remain committed to using all our endowment, including our investments, to contribute to a fair and sustainable economy.

## **COMMUNICATIONS REPORT**

### **Introduction**

Effective communication is central to the Foundation's mission of creating a fair, sustainable and resilient economic system. It allows us to amplify our impact, engage diverse audiences and foster meaningful conversations about systemic change. This year has been one of transformation and reflection, marked by significant milestones and transitions within our communications function.

We bid farewell to our Communications Manager, Jake Furby, whose contributions have been invaluable to the Foundation's success. In their stead, we warmly welcomed Ashanti Akabusi, who joined us in the summer and has brought fresh energy and perspective to our communications work.

This year, 2024, has been a momentous one, with highlights including the preparation for our 20th Anniversary celebrations, the launch of our revamped website and preparations to introduce our new grants programme. It has been a year of looking back at two decades of impactful work, learning from our journey and setting the stage for the future. Our involvement in the Foundation Practice Rating initiative further underscored our commitment to diversity, accountability and transparency and sector-wide improvement.

In a rapidly evolving digital landscape, we've had to reassess our social media strategy to ensure alignment with our values while continuing to engage effectively with our audiences. This year's activities have challenged us to reflect, champion our causes and celebrate our achievements - all while staying true to the Foundation's mission of driving systemic change.

The communications function remains at the heart of these efforts, acting as the bridge between our work and the wider world. It enables us to share our learnings, advocate for change and inspire others to join us in our vision for a better future.

## **FRIENDS PROVIDENT CHARITABLE FOUNDATION**

### **REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024**

#### **A Look Back at 2023-24**

- This year marked several pivotal moments for the Foundation, both in terms of internal transitions and external initiatives.
- A significant achievement this year was the relaunch of our website. This comprehensive project involved reimagining how we communicate our mission, revisiting content and copy, and enhancing the user experience. The result is a platform that better reflects our values and makes our work more accessible to our audience.
- In anticipation of our 20th Anniversary celebration, we engaged in extensive planning to honour two decades of working towards a fair and sustainable economic system that serves both people and planet. This milestone allowed us to reflect on our mission and to share stories of our impact over the years.
- As leaders in the Foundation Practice Rating initiative, we managed event logistics, distributed the report and key findings and spearheaded the 'Three Commitments' campaign. This initiative encouraged foundations to commit to meaningful changes, setting an example for diversity, accountability and transparency in the grant-making sector. Our media relations efforts resulted in coverage across various sector publications, amplifying the Foundation Practice Rating's reach.
- Preparing for the launch of our new grants programme, which will roll out over 2024-25, was another major focus. Communications played a critical role in crafting messaging and building anticipation for this initiative.
- We also celebrated the addition of James Anthony as our new Social Investment Portfolio Manager. Through thoughtful communications, we highlighted James's role and contributions to our mission.

#### **Looking Ahead:**

The coming year promises new opportunities to enhance and refine our communications strategy, ensuring it aligns with our mission and continues to drive impact. A few of such initiatives are below:

- With significant changes in the social media landscape, we will critically assess our use of platforms such as X (formerly Twitter). This evaluation will help us determine where best to focus our efforts, ensuring our presence aligns with our values and engages our audience effectively.

## **FRIENDS PROVIDENT CHARITABLE FOUNDATION**

### **REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024**

- A key focus for 2025 will be the creation and implementation of a new communications strategy. This strategy will build on our learnings from 2024, setting clear goals and tactics to enhance our storytelling, audience engagement and impact measurement. By aligning our communications with the Foundation's overarching goals, we aim to inspire action and foster deeper connections with our stakeholders.

As we move forward, our communications function will continue to be a cornerstone of our work, driving awareness, engagement and impact. Together, we will champion systemic change and celebrate the transformative power of collaboration.

### **OPERATIONS REPORT**

This year we have streamlined our software to enhance effectiveness and team-working. After eight years at Blake House, the Foundation moved offices to Priory Street, and we are pleased to now have an accessible office and meeting place.

### **GOALS FOR 2024/25**

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:

- To continue to develop our key strategies to progress alignment and impact.
- To review how the outsourcing of the Communications function has operated for the Foundation in 2024.
- To implement the review of the organisational salary and benefits structure conducted in 2024.
- To restructure and develop internal systems to support Foundation operations and communications.
- To develop our governance and support of the refreshed Trustee board to enable Trustees to fulfil their fiduciary duties and model our mission.
- To reassess and reduce our carbon impacts and contributions to biodiversity loss in our operations, investment portfolios and through grant-funded activities.
- To research and consider if other income sources – donors, other funders etc – might contribute toward the achievement of our mission.

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

### **Management and Advice**

During the year, our investment managers were 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.

Peter Jones, an independent investment advisor, continued to provide general investment advice to the Trustees until June 2024. Redington were then appointed to this role. Trustees instruct the investment managers to reflect the advice received in their management of the Foundation's assets.

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

### **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.

### **Resources**

Some years ago 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 three 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 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



## **FRIENDS PROVIDENT CHARITABLE FOUNDATION**

### **REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024**

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.

#### **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:

- 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.

#### **Reserves and Going Concern**

The total charity funds at the year-end of £24.26m (2023: £22.94m) 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 Foundation's free unrestricted reserves are expected to be approximately £23 million.

## **FRIENDS PROVIDENT CHARITABLE FOUNDATION**

### **REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024**

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.

In 2025, Trustees will be reviewing the use of capital to ensure that the charity's commitment to maximizing its impact through grant-making and investment activity continues, whilst holding an appropriate level of reserves to ensure financial sustainability and operational stability.

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 payments, as a cash reserve; estimated at £700,000 to £1,400,000. 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 2024. Trustees will continue to review the level of reserves taking into consideration the cost base of the Foundation.

#### **Financial Review and Performance**

The Foundation's income is derived from investment performance. Total income for the year ended 30 September 2024 was £996,642 (2023: £722,659), mainly attributable to dividends and interest received from the principal investments – open-ended investment trusts with underlying investments in equities and corporate bonds. Two donations 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 £2,200,525 (2023: £2,309,335). Of this, grant commitments amounted to £1,045,283 (2023: £1,335,505) and other expenditure was £1,155,242 (2023: £973,830). Net expenditure for the year was £1,203,883 (2023: £1,586,676) before investment gains of £2,526,450 (2023: gains of £641,780), leading to net income of £1,322,567 (2023: net expenditure of £944,896).

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 Advisors indicate that performance is in line with market expectations.

## **FRIENDS PROVIDENT CHARITABLE FOUNDATION**

### **REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024**

#### **Staff Remuneration**

Trustees have adopted and reviewed the pay policy that applies to all staff members. An independent review of staff rewards was undertaken during the year and the pay policy has been updated as a result. This new policy has taken effect from 1 October 2024 and includes a new pay structure and job evaluation process.

Trustees review salaries annually against suitable inflation measures. These reflect 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 (£102,088) and the median salary (£44,357) in the Foundation is 2.3:1. 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.

#### **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.

#### **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.

#### **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.

## **FRIENDS PROVIDENT CHARITABLE FOUNDATION**

### **REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024**

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.

#### **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.

#### **Statement of Trustees' 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:

- 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.

## **FRIENDS PROVIDENT CHARITABLE FOUNDATION**

### **REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024**

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 10 March 2025 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 2024 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 2024 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 Statement of Trustees' Responsibilities contained within the trustees' report, 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.
  - Reviewing 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 2024

	Note	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
<b>Income from:</b>							
Donations	2	522,500	–	<b>522,500</b>	120,013	–	120,013
Charitable activities	3	–	62,500	<b>62,500</b>	–	155,550	155,550
Investments	4	411,642	–	<b>411,642</b>	447,096	–	447,096
<b>Total income</b>		<b>934,142</b>	<b>62,500</b>	<b>996,642</b>	<b>567,109</b>	<b>155,550</b>	<b>722,659</b>
<b>Expenditure on:</b>							
Raising funds		32,941	–	<b>32,941</b>	19,238	–	19,238
Charitable activities							
Support for Resilient Economies		1,985,287	–	<b>1,985,287</b>	2,151,056	–	2,151,056
Foundation Practice Rating Project		–	182,297	<b>182,297</b>	–	139,041	139,041
<b>Total expenditure</b>	5	<b>2,018,228</b>	<b>182,297</b>	<b>2,200,525</b>	<b>2,170,294</b>	<b>139,041</b>	<b>2,309,335</b>
<b>Net (expenditure)/income before net gains on investments</b>		<b>(1,084,086)</b>	<b>(119,797)</b>	<b>(1,203,883)</b>	<b>(1,603,185)</b>	<b>16,509</b>	<b>(1,586,676)</b>
Net gains on investments	13	2,526,450	–	<b>2,526,450</b>	641,780	–	641,780
<b>Net income/(expenditure)</b>		<b>1,442,364</b>	<b>(119,797)</b>	<b>1,322,567</b>	<b>(961,405)</b>	<b>16,509</b>	<b>(944,896)</b>
Transfers between funds	19	(16,700)	16,700	–	(30,000)	30,000	–
<b>Net movement in funds</b>		<b>1,425,664</b>	<b>(103,097)</b>	<b>1,322,567</b>	<b>(991,405)</b>	<b>46,509</b>	<b>(944,896)</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		22,806,154	129,274	<b>22,935,428</b>	23,797,559	82,765	23,880,324
<b>Total funds carried forward</b>		<b>24,231,818</b>	<b>26,177</b>	<b>24,257,995</b>	<b>22,806,154</b>	<b>129,274</b>	<b>22,935,428</b>

All expenditure in both 2023–24 and 2022–23 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 2024

	Note	£	2024 £	£	2023 £
<b>Fixed assets:</b>					
Tangible assets	12		12,361		6,133
Listed Investments	13		23,711,503		23,438,663
Social Investments	14		482,000		379,000
			<u>24,205,864</u>		<u>23,823,796</u>
<b>Current assets:</b>					
Debtors	15	219,969		225,506	
Cash at bank and in hand		1,179,842		1,099,099	
			<u>1,399,811</u>	<u>1,324,605</u>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	16	(1,166,454)		(1,665,948)	
<b>Net current assets/(liabilities)</b>			<u>233,357</u>		<u>(341,343)</u>
<b>Total assets less current liabilities</b>			<u>24,439,221</u>		<u>23,482,453</u>
Creditors: amounts falling due after one year	17		(181,226)		(547,025)
<b>Total net assets</b>			<u><u>24,257,995</u></u>		<u><u>22,935,428</u></u>
<b>The funds of the charity:</b>	19				
Restricted income funds			26,177		129,274
Unrestricted income funds:					
Designated funds		1,159,100		–	
General funds		23,072,718		22,806,154	
			<u>24,231,818</u>		<u>22,806,154</u>
<b>Total unrestricted funds</b>			<u>24,231,818</u>		<u>22,806,154</u>
<b>Total charity funds</b>			<u><u>24,257,995</u></u>		<u><u>22,935,428</u></u>

Approved by the Board of Trustees on 10 March 2025 and signed on their behalf by:

Stephen Muers  
Chair of Trustees

Statement of cash flows

For the year ended 30 September 2024

	Note	2024 £	£	2023 £	£
<b>Cash flows from operating activities</b>					
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		1,322,567		(944,896)	
Depreciation charges		3,536		1,756	
Dividends, interest and rent from investments		(411,642)		(447,096)	
(Gains)/Losses on investments		(2,526,450)		(641,780)	
Impairment losses		210,000		250,000	
Decrease/(increase) in debtors		5,537		180,788	
Decrease in creditors		(865,293)		(731,329)	
<b>Net cash used in operating activities</b>			<b>(2,261,745)</b>		<b>(2,332,557)</b>
<b>Cash flows from investing activities:</b>					
Dividends, interest and rents from investments		411,642		447,096	
Purchase of fixed assets		(9,764)		(4,339)	
Proceeds from sale of investments		2,678,366		4,228,021	
Purchase of investments		(997,292)		(2,220,649)	
Transfer in to investment funds		(15,000)		19,294	
Funds released for reinvestment		250,000		–	
<b>Net cash provided by investing activities</b>			<b>2,317,952</b>		<b>2,469,423</b>
<b>Change in cash and cash equivalents in the year</b>			<b>56,207</b>		<b>136,866</b>
Cash and cash equivalents at the beginning of the year			<b>1,183,234</b>		<b>1,046,368</b>
<b>Cash and cash equivalents at the end of the year</b> a			<b>1,239,441</b>		<b>1,183,234</b>

Analysis of cash and cash equivalents and of net debt

	At 1 October 2023 £	Cash flows £	Other non- cash changes £	At 30 September 2024 £
Cash held as part of investment portfolio	84,135	(24,536)	–	59,599
Cash at bank and in hand	1,099,099	80,743	–	1,179,842
<b>a Total cash and cash equivalents</b>	<b>1,183,234</b>	<b>56,207</b>	<b>–</b>	<b>1,239,441</b>

The charity held no borrowings at either 1 October 2023 or 30 September 2024.

**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 The Priory Street Centre, 15 Priory Street, York, YO1 6ET.

**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.

Salary costs are apportioned, based on an estimate of staff time, as follows:

- |                    |     |
|--------------------|-----|
| ● Support costs    | 85% |
| ● Governance costs | 15% |

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 £1,000. 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 |
| ● Fixtures and fittings | 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**

	2024 Total £	2023 Total £
Donations	522,500	120,013
	<u>522,500</u>	<u>120,013</u>

The Foundation received two large one-off donations from private donors during the year which have been included within unrestricted funds. The first unrestricted donation of £122,500 was fully expended during the year. The second unrestricted donation of £400,000, from the Dandelion Fund, will contribute towards a new grant programme in 2024–25. The Foundation's trustees will determine how the donation is spent.

**3 Income from charitable activities**

	2024 Total £	2023 Total £
Grant income for Foundation Practice Rating Project	62,500	155,550
	<u>62,500</u>	<u>155,550</u>

All income from charitable activities is restricted.

**4 Income from investments**

	2024 Total £	2023 Total £
Gross dividends	389,486	431,435
Income from social investments	17,799	11,322
Bank interest	4,357	4,339
	<u>411,642</u>	<u>447,096</u>

All income from investments is unrestricted.



Friends Provident Charitable Foundation

Notes to the financial statements

For the year ended 30 September 2024

5a Analysis of expenditure (current year)

	Charitable activities		Foundation				
	Raising funds	Support for Resilient Economies projects	Practice Rating Project	Governance costs	Support costs	2024 Total	2023 Total
	£	£	£	£	£	£	£
Investment manager's fees	15,528	-	-	-	-	15,528	15,511
Investment advice & other costs	17,413	-	-	-	-	17,413	3,727
Grant commitments	-	1,045,283	-	-	-	1,045,283	1,335,505
Impairment losses	-	210,000	-	-	-	210,000	250,000
Staff costs (Note 8)	-	-	-	56,178	318,343	374,521	313,180
Staff training, expenses & other related costs	-	-	-	-	34,001	34,001	32,493
Grant advisory group, assessors & grantee support	-	-	-	-	5,588	5,588	1,464
Learning Strategy	-	-	-	-	14,285	14,285	4,593
Equity Group	-	-	-	-	-	-	2,400
Climate Emergency Developments	-	-	-	-	7,000	7,000	-
Communication, dissemination & website costs	-	-	34,998	-	96,578	131,576	116,729
Overhead costs	-	-	-	-	92,952	92,952	71,807
Operational investment costs	-	-	-	-	40,696	40,696	16,359
Legal & professional fees	-	-	147,299	-	24,449	171,748	116,735
Auditor's remuneration	-	-	-	17,017	-	17,017	15,643
Trustee meetings & expenses	-	-	-	22,917	-	22,917	13,189
	32,941	1,255,283	182,297	96,112	633,892	2,200,525	2,309,335
Support costs	-	633,892	-	-	(633,892)	-	-
Governance costs	-	96,112	-	(96,112)	-	-	-
<b>Total expenditure 2024</b>	<b>32,941</b>	<b>1,985,287</b>	<b>182,297</b>	<b>-</b>	<b>-</b>	<b>2,200,525</b>	
Total expenditure 2023	19,238	2,151,056	139,041	-	-		2,309,335

All expenditure in both 2023–24 and 2022–23 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 2024

5b Analysis of expenditure (prior year)

	Charitable activities					2023 Total £
	Raising funds £	Support for Resilient Economies projects £	Practice Rating Project £	Governance costs £	Support costs £	
Investment manager's fees	15,511	-	-	-	-	15,511
Investment advice & other costs	3,727	-	-	-	-	3,727
Grant commitments	-	1,335,505	-	-	-	1,335,505
Impairment losses	-	250,000	-	-	-	250,000
Staff costs (Note 8)	-	-	-	46,977	266,203	313,180
Staff training, expenses & other related costs	-	-	-	-	32,493	32,493
Grant advisory group, assessors & grantee support	-	-	-	-	1,464	1,464
Learning Strategy	-	-	-	-	4,593	4,593
Equity Group	-	-	-	-	2,400	2,400
Performance evaluation	-	-	-	-	-	-
Communication, dissemination & website costs	-	-	33,014	-	83,715	116,729
Overhead costs	-	-	-	-	71,807	71,807
Investment engagement fees	-	-	-	-	16,359	16,359
Legal & professional fees	-	-	106,027	-	10,708	116,735
Auditor's remuneration	-	-	-	15,643	-	15,643
Trustee meetings & expenses	-	-	-	13,189	-	13,189
	19,238	1,585,505	139,041	75,809	489,742	2,309,335
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>

Notes to the financial statements

For the year ended 30 September 2024

**6 Grant making (current year)**

	2024 £	2023 £
Grants payable at the start of the year	2,171,035	2,905,752
Grant commitments made in the year	873,684	1,312,410
Grants (written back) or adjusted	171,599	23,095
Net grants committed in the year	1,045,283	1,335,505
Grants paid	(1,951,390)	(2,070,222)
Grants payable at the end of the year	1,264,928	2,171,035
Creditors: amounts due within one year (note 16)	1,083,702	1,624,010
Creditors: amounts due in over one year (note 17)	181,226	547,025
Total creditors at the end of the year	1,264,928	2,171,035

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

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

This is stated after charging:

	2024 £	2023 £
Depreciation	3,536	1,756
Operating lease rentals payable:		
Property	–	19,250
Auditor's remuneration (excluding VAT):		
Audit	13,750	12,500

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

Staff costs were as follows:

	2024 £	2023 £
Salaries and wages	304,220	252,075
Social security costs	25,495	20,272
Employer's contribution to defined contribution pension schemes	44,806	40,767
Other forms of employee benefits	–	66
	374,521	313,180

Notes to the financial statements

For the year ended 30 September 2024

**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:

	2024 No.	2023 No.
£70,000 – £79,999	–	1
£80,000 – £89,999	1	–

The total employee benefits (including employer's pension contributions and employer's national insurance) of the key management personnel were £280,762 (2023: £234,619).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2023: £nil). No charity trustee received payment for professional or other services supplied to the charity (2023: £nil).

Trustees' expenses represents the payment or reimbursement of travel, subsistence, training and IT/technology costs totalling £2,987 (2023: £1,650) incurred by 9 (2023: 10) 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 8.0 (2023:7.8). The full time equivalent number of staff was 6.1 (2023: 5.5).

**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.

Stephen Muers, Chair of trustees, is Chief Executive Office of Better Society Capital which has an investment in Ethex. Core funding of £25,000 was awarded to Ethex in June 2024 (2023: £Nil). There was no remaining balance included in grant creditors at 30 September 2024. The Foundation has an investment in Ethex with a value of £57,000 at 30 September 2024. A previous impairment of this investment, amounting to £40,000, was reversed during the year.

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 in March 2023. A cost of living increase of £3,000 was awarded this year. There was no remaining balance included in grant creditors at 30 September 2024.

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

There are no donations from related parties (2023: None) which are outside the normal course of business and no restricted donations from related parties (2023: None).

Other than as disclosed above, there were no other related party transactions during the period of the report (2022–23: 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 £	Fixtures & Fittings	Total £
<b>Cost</b>			
At the start of the year	14,581	–	<b>14,581</b>
Additions in year	4,964	4,800	<b>9,764</b>
Disposals in year	(4,539)	–	<b>(4,539)</b>
At the end of the year	15,006	4,800	<b>19,806</b>
<b>Depreciation</b>			
At the start of the year	8,448	–	<b>8,448</b>
Charge for the year	3,336	200	<b>3,536</b>
Eliminated on disposal	(4,539)	–	<b>(4,539)</b>
At the end of the year	7,245	200	<b>7,445</b>
<b>Net book value At the end of the year</b>	<b>7,761</b>	<b>4,600</b>	<b>12,361</b>
At the start of the year	6,133	–	<b>6,133</b>

All of the above assets are used for charitable purposes.

## 13 Listed investments

	2024 £	2023 £
Fair value at the start of the year	23,354,528	25,039,414
Additions at cost	684,292	1,920,649
Disposal proceeds	(2,678,366)	(4,228,021)
Transfer (out)/ in during year	15,000	(19,294)
Funds released for reinvestment	(250,000)	–
Net gain/(loss) on change in fair value	2,526,450	641,780
	<b>23,651,904</b>	<b>23,354,528</b>
Cash held by investment broker pending reinvestment	59,599	84,135
Fair value at the end of the year	<b>23,711,503</b>	<b>23,438,663</b>
	<b>2024 £</b>	<b>2023 £</b>
Historical costs of listed investments at the year end	<b>18,234,553</b>	<b>19,356,640</b>
Investments comprise:	<b>2024 £</b>	<b>2023 £</b>
UK Common investment funds	20,013,656	20,193,506
Shares listed on the London Stock Exchange	102,630	61,621
Other investments	3,535,618	3,099,401
Cash	59,599	84,135
	<b>23,711,503</b>	<b>23,438,663</b>

Two amounts, totalling £644,225, were invested in Snowball Impact Investments LP during the year. 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.

Notes to the financial statements

For the year ended 30 September 2024

13. Listed investments (continued)

Individual holdings of listed fixed asset investments, held at 30 September 2024, which represent a material proportion of the total value of the fixed asset investment portfolio were as follows:

	Valuation £	Proportion %
Cazenove Sustainable Growth Fund	11,440,315	48.4
BMO Responsible UK Equity Fund	2,662,734	11.3
BMO Responsible Global Equity Fund	3,153,042	13.3
BMO Responsible Sterling Corporate Bond Fund	2,757,566	11.7
Snowball Impact Investments LP	3,535,618	14.9

14 Social investments

	2024 £	2023 £
Balance at the start of the year	379,000	329,000
Additions at cost	313,000	300,000
Loan repayment	-	-
Impairment charge	(210,000)	(250,000)
Balance at the end of the year	482,000	379,000

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

Funds of £250,000 invested into Snowball Impact Management Limited (SIML) during the year 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.

The impairment of £40,000 relating to the investment in the Ethex Investment Club, recognised in the comparative period, has been reversed. The total investment of £57,000 is now included at cost. This is following due diligence and approval of a further investment of £43,000 which is to be made in 2024-25.

Additional funds of £63,000 were invested into Wyre Catchment CIC during the year, bringing the investment up to the total commitment under the loan agreement of £90,000. It is due to be repaid in instalments by 30 November 2030.

Individual holdings of social investments, held at 30 September 2024, were as follows:

	Valuation £	Proportion %
Egni Co-op	100,000	20.7
Energy Garden	100,000	20.7
AWEL Co-op	95,000	19.7
Wyre Catchment CIC	90,000	18.7
Ethex Investment Club	57,000	11.8
People Powered Retrofit Ltd	40,000	8.4
	482,000	100.0

Notes to the financial statements

For the year ended 30 September 2024

15 Debtors

	2024 £	2023 £
Grants receivable	38,600	45,900
Other debtors	–	2,310
Prepayments	42,187	12,606
Accrued income	139,182	164,690
	<b>219,969</b>	<b>225,506</b>

16 Creditors: amounts falling due within one year

	2024 £	2023 £
Grants payable (note 6)	1,083,702	1,624,010
Other creditors	36,401	–
Accruals	46,351	41,938
	<b>1,166,454</b>	<b>1,665,948</b>

17 Creditors: amounts falling due after one year

	2024 £	2023 £
Grants payable – within 1 to 5 years (note 6)	181,226	547,025
	<b>181,226</b>	<b>547,025</b>

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

	Restricted £	General unrestricted £	Designated £	Total funds £
Tangible fixed assets	–	12,361	–	12,361
Investments	–	24,193,503	–	24,193,503
Current assets	26,177	214,534	1,159,100	1,399,811
Current liabilities	–	(1,166,454)	–	(1,166,454)
Long term liabilities	–	(181,226)	–	(181,226)
<b>Net assets at 30 September 2024</b>	<b>26,177</b>	<b>23,072,718</b>	<b>1,159,100</b>	<b>24,257,995</b>

18b Analysis of net assets between funds (prior 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 2023</b>	<b>129,274</b>	<b>22,806,154</b>	<b>–</b>	<b>22,935,428</b>

Notes to the financial statements

For the year ended 30 September 2024

19a Movements in funds (current year)

	At 1 October 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 September 2024 £
<b>Restricted funds:</b>					
Restricted funds:					
Foundation Practice Rating Project	129,274	62,500	(182,297)	16,700	26,177
Total restricted funds	129,274	62,500	(182,297)	16,700	26,177
<b>Unrestricted funds:</b>					
Designated funds:					
Foundation Practice Rating Project – funds contributed by Friends Provident Foundation	–	–	–	33,300	33,300
Grant funding of core organisational costs	–	–	–	1,125,800	1,125,800
Total designated funds	–	–	–	1,159,100	1,159,100
<b>General funds</b>	22,806,154	3,460,592	(2,018,228)	(1,175,800)	23,072,718
<b>Total funds</b>	22,935,428	3,523,092	(2,200,525)	–	24,257,995

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.

In March 2024, the Trustee Board agreed to designate £50,000, as the Foundation's contribution to the Practice Rating Project project over a three year period. Of this, £16,700 has been transferred into the project's restricted fund for the current financial year, leaving £33,300 in designated funds. A further £1,125,800 has been set aside in designated funds, relating to an extension of core funding to eight existing grantholders which was approved in principle by the Trustee Board in September 2024.

19b Movements in funds (prior year)

	At 30 September 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 1 October 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	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



## 19 Movements in funds (continued)

### Purpose of restricted funds

During the year, Friends Provident Foundation has coordinated the Foundation Practice Rating Project, working alongside other partner trusts/foundations (see details below). 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.

External funders for the current phase of the Foundation Practice Rating Project include:

	Total grant	Recognised in 2023–24
	£	£
Barrow Cadbury Trust	6,000	6,000
City Bridge Trust	15,000	5,000
Indigo Trust	45,000	15,000
John Ellerman Foundation	30,000	–
John Lyons Charity	45,000	15,000
Joseph Rowntree Charitable Trust	50,000	–
Joseph Rowntree Reform Trust	7,500	–
Paul Hamlyn Foundation	50,000	17,000
The Robertson Trust	45,000	–
		<b>58,000</b>
Opt-ins for one year only:		
KPMG Foundation, Maitri Trust, Mercer's Charitable Trust & Mission 44		<b>4,500</b>
		<b>62,500</b>

In addition, Friends Provident Foundation has committed £50,000 for the period 2024–26.

### Purpose of designated funds

There were no designated funds held at 1 October 2023. During the year, Trustees have approved a further contribution of £50,000, over three years, towards the Foundation Practice Rating Project, with funding for the next two years, amounting to £33,300, held in designated funds at 30 September 2024. In addition, core funding to eight grantholders, of £1,125,800 in total, has been set aside in designated funds, having been approved by Trustees in September 2024. This will extend their core funding over the next three year period.

## 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 2024	2023
	£	£
Less than one year	–	19,250
	–	19,250

## 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 2024**

## **APPENDICES**

- A. Grants made in 2023-24
- B. Summary of Investments held at 30 September 2024

## FRIENDS PROVIDENT CHARITABLE FOUNDATION

### REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024

## Appendix A

### Grants made in 2023-24

#### Core Funding

Organisation	Value
Centre for Local Economic Strategies (CLES)	£90,000
Ethex Investment Club	£25,000
<b>Total Core Funding</b>	<b>£115,000</b>

#### Project Funding

Organisation	Project Name	Value	Description
Institute for the Future of Work	Decentralising Power, Diversifying Voices: Co-designing mechanisms of accountability for artificial intelligence (AI) at work.	£96,587	The project will explore how algorithmic systems concentrate economic power and seeks to shift AI policy by publishing case studies on how new value capture methods are affecting work. Partnering with unions and employers to create technology forums in three workplaces, involve workers in AI governance, and develop mitigations using a tested assessment model. Nationally, they will work with regulators and organisations to amplify worker voices and embed co-governance principles in AI workplace policies.
Kinfolk Network CIC	Political education and praxis: exploring solidarity economics rooted in Black / African traditions.	£80,000	Kinfolk will create and host educational sessions on topics such as mutual aid, food sovereignty and ecological economic relationships. Following these, they will create small communities of practice to help participants apply decolonial economic principles, focusing on supporting Black communities in transforming their economic relationships and engaging in nourishing economic practices and reducing reliance on extractive systems.

## FRIENDS PROVIDENT CHARITABLE FOUNDATION

### REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024

Organisation	Project Name	Value	Description
Operation Noah	Working with churches to bring in a climate resilient future based on solutions and not problems.	£55,000	<p>This project continues the Bright Now campaign, focusing on helping UK churches use their resources - money, land, and influence - to shift away from fossil fuel reliance and promote environmental sustainability.</p> <p>The work involves four key areas: training church investors on positive environmental impact, launching the Green Investment Declaration to guide climate-friendly investments, advancing the Big Bank Switch campaign to move funds to green alternatives and encouraging church landowners to adopt practices that enhance carbon sequestration, biodiversity and sustainable farming.</p>
Spotlight on Corruption	Creating more equal access to key economic decision-makers in government to ensure a fairer economy.	£104,300	<p>This project will monitor government commitments to increase transparency in lobbying related to key economic policy departments, particularly the UK Treasury. It will identify and address existing loopholes that allow privileged access by mapping interactions with key officials, analysing transparency data and producing public assessments of access to decision-makers.</p> <p>The project will consult with partners and experts to develop a model policy that promotes equitable access to policy-making processes, aligning with recommendations from the Boardman review and OECD principles. Collaborating with civil society groups, regulators and lobbying professionals, it aims to push for a fair and transparent lobbying framework.</p>
Students Organising for Sustainability	Invest for Change: universities leading a transformational shift in	£174,322	<p>UK universities hold over £19 billion in investments but only a small portion aligns with the goal of a just, decarbonized economy. SOS provides students with detailed ethical finance training, coordinates collective engagement efforts</p>

## FRIENDS PROVIDENT CHARITABLE FOUNDATION

### REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024

Organisation	Project Name	Value	Description
	responsible investment practice.		and supports active campaigns at 36 institutions across the UK. This funding is to enable them to sustain this work and build on the programme's progress. Their key objectives include ensuring universities adopt exemplary responsible investment policies, empowering student leaders to hold institutions accountable and encouraging universities to engage in impactful, high-profile, coordinated activities.
The Centre for Health and the Public Interest (CHPI)	A usable data map of the extraction of profit from health and social care services in England.	£70,000	<p>The project will expand existing datasets on the finances of care services, including NHS PFI deals, to cover mental health, prison healthcare and children's social care. Using data on overseas ownership and NHS outsourcing, it will create a comprehensive analysis of public money flows in the care system.</p> <p>The data will be visualized through an interactive map based on the 44 NHS Integrated Care Systems, illustrating profit extraction from care services. An advocacy toolkit will empower citizens to push for transparency and accountability in healthcare ownership while promoting public-interest business models.</p> <p>A high-impact report will present findings to policymakers, MPs and local authorities, aiming to enhance scrutiny and drive systemic change.</p>
Trade Justice Movement (TJM)	An alternative trade strategy for the UK.	£75,000	<p>The project will be carried out in three phases.</p> <ol style="list-style-type: none"> <li><b>Convening and Imagining:</b> TJM will host roundtable discussions with allies from civil society and academia, focusing on themes such as transparency in trade negotiations, corporate accountability, development,</li> </ol>

## FRIENDS PROVIDENT CHARITABLE FOUNDATION

### REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024

Organisation	Project Name	Value	Description
			<p>the environment, digital trade and human and labour rights. These sessions will harness the expertise of participants to develop bold recommendations for UK trade policy and guide the work of other civil society organisations in this area.</p> <p>2. <b>Briefings for Political Audiences:</b> Insights from the discussions will inform the creation and launch of briefing documents on key trade justice themes, structured to align with the chapters envisioned for a UK trade strategy.</p> <p>3. <b>Advocacy:</b> The briefings will serve as the foundation for targeted engagement with political stakeholders, particularly those influencing government trade policy, as well as the media and civil society groups not traditionally focused on trade issues.</p>
<b>Total Project Funding</b>		<b>£655,209</b>	

#### Small Grants

Organisation	Project Name	Value	Description
Arkbound Foundation	Our Economy	£9,636	<p>This project will host 12 participatory workshops at the community hub in Govanhill, Glasgow, in collaboration with WeAll Scotland. The workshops aim to present economic concepts in an accessible way, focusing on engaging people from backgrounds typically excluded from economic discussions. Topics will include the circular economy, 'donut' models, tokenomics, degrowth and what a wellbeing economy could look like from the participants' perspectives.</p>

## FRIENDS PROVIDENT CHARITABLE FOUNDATION

### REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024

Organisation	Project Name	Value	Description
Birbeck University of London	Dark Money: Public Education Audio Documentary	£10,000	Through an immersive narrative-style audio documentary format, our podcast series will elucidate the connections between Britain's Empire and modern structures of illicit finance, grounding abstract concepts in compelling real-life stories. From the 2012 US Presidential election to a house of 40,000 companies in the Cayman Islands and the empty homes of Westminster, London, this gripping tale brings the world of shadow banking into the everyday lives of its listeners. This series will be produced using detailed sound design, archival audio material and clips from in-depth interviews with relevant characters and experts.
Northern Mutual	Market Research: Determining the need for a mutual regional bank for Northern Ireland.	£9,950	The project will select a market research consultant based on value for money, community impact and ethics. The survey will be designed to be statistically representative of the population, covering geodemographics and economic activity. A reliable sample will include around 400 responses from the general public and 50 from SMEs, with participants spanning different levels of engagement with banking products, from limited (e.g., basic accounts) to more extensive use (e.g., mortgages, loans). The survey will cover key topics such as banking trends, trust in banks, use of branches, digitisation, financial exclusion and factors influencing bank choice. The consultant will deliver a final report with recommendations based on survey findings.
One Parent Families Scotland (OPFS)	Empowering Single Parents: Shaping Scotland's	£9,759	The project will establish a single parent expert group, including single parents from six local authority areas in Scotland. The initial focus will be on capacity-building around the wellbeing

## FRIENDS PROVIDENT CHARITABLE FOUNDATION

### REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024

Organisation	Project Name	Value	Description
	Wellbeing Economy		<p>economy, emphasizing social wellbeing, equity and sustainability. With support from OPFS, the group will then develop a plan to engage the wider single parent population in their area, using tools like surveys, social media and online discussions.</p> <p>The goal is to reach 200-300 single parents through an online survey, followed by four discussion groups with approximately eight parents each. The project will ensure the inclusion of more marginalized groups. Findings will be compiled into a short report, including representative quotes, survey statistics and key themes. These results will inform the involvement of single parent experts in the Scottish Parliament's future scrutiny of the Wellbeing &amp; Sustainable Development Bill.</p>
Peers for the Planet (P4P)	Collaborating with new economy experts to tackle structural barriers through parliamentary levers.	£10,000	<p>The project will facilitate a joint workshop bringing together new economy stakeholders and P4P legislative experts to exchange expertise and collaborate on systemic solutions. The session will focus on a practical '4D' legislative lever, such as reforming the capital risk requirement regime, to address structural issues and gain support from aligned legislators. This initiative will serve as a foundation for broader engagement on 4D solutions. Key activities include:</p> <ul style="list-style-type: none"> <li>• Preparing draft legislative provisions for integration into future legislative opportunities.</li> <li>• Producing high-quality written and oral briefings to support parliamentary work, enabling peers to advance the debate through tools like parliamentary questions, debates and committees.</li> </ul>



# FRIENDS PROVIDENT CHARITABLE FOUNDATION

## REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024

Organisation	Project Name	Value	Description
			<ul style="list-style-type: none"> <li>Reviewing progress and outcomes over the year, sharing insights and exploring opportunities for replication and expanded collaboration.</li> </ul> <p>The project aims to build momentum, expand political debate (including in the House of Lords) and strengthen advocacy for structural reform.</p>
People's Economy (PE)	Action inquiry on building collaboration between grassroots groups and the new economy movement	£10,000	<p>Over 12 months, PE will facilitate an action inquiry with a mixed group of GCs (Grassroots Campaigners) and NEOs (New Economic Organisations), potentially including supporting funders. The inquiry will focus on how GCs and NEOs can collaborate equitably and effectively on economic system change. The process will be co-designed with the group, covering trust-building, research, developing collaboration practices and testing practical collaboration experiments.</p> <p>All funding from this grant will go directly to the GC's to enable participation.</p>
Planet B	Macrodose Podcast	£12,000	<p>Macrodose's rapid growth highlights the demand for its content. With new funding, the platform aims to maintain its regular programming through 2024 while significantly increasing output around the UK election. Planned activities include:</p> <ul style="list-style-type: none"> <li>Producing eight "alternative manifesto" episodes, featuring leading policy experts to promote innovative ideas and build support for new economic policies.</li> <li>Hosting a series of "election special" interviews with high-profile guests.</li> </ul>

# FRIENDS PROVIDENT CHARITABLE FOUNDATION

## REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024

Organisation	Project Name	Value	Description
			<ul style="list-style-type: none"> <li>Shifting to a three-day-a-week schedule during the six weeks leading up to the election.</li> </ul> <p>These initiatives aim to amplify impactful voices and provide timely, engaging content during a critical political period.</p>
Prime Economics	We are the economy	£10,000	<p>Building on the success of the 'We Are the Economy' campaign, the next phase includes:</p> <ol style="list-style-type: none"> <li><b>Developing Messaging:</b> Expanding and refining the original campaign's message.</li> <li><b>Building a Coalition:</b> Forming a group of 12+ organizations, including Oxfam and the Joseph Rowntree Foundation.</li> <li><b>Aligning with Political Events:</b> Preparing content around key 2024 political events and election announcements.</li> <li><b>Creating Newsworthy Content:</b> Producing polling and research to attract media coverage.</li> <li><b>Social Media Engagement:</b> Sharing videos and graphics to spread the message.</li> <li><b>Parliamentary Outreach:</b> Distributing briefings to MPs, Prospective Parliamentary Candidates and Lords to build support.</li> <li><b>Collaborating with Partners:</b> Partnering with ECU and NEON to amplify research and messaging.</li> </ol>
Prime Economics	We are the Economy	£15,000	<p>Extension funding to allow the project to build on momentum achieved through the 'We Are the Economy' campaign.</p>

# FRIENDS PROVIDENT CHARITABLE FOUNDATION

## REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024

Organisation	Project Name	Value	Description
UK Youth Climate Coalition (UKYCC)	It's Just Economics: Alternative Economics Workshop Series for and by Young People	£7,130	<p>This pilot project will consist of 3 workshops:</p> <ul style="list-style-type: none"> <li>• <b>Alternative Economic Theories:</b> Experts will present topics like Degrowth, Doughnut Economics, Circular Economics, Decolonised Economics, Feminist Economics, Community Wealth Building and Ethical Banking in an "information fair" format.</li> <li>• <b>Imagining Alternative Futures:</b> This workshop will inspire participants to creatively envision just and sustainable futures, exploring the economic systems needed to support those visions.</li> <li>• <b>Taking Action:</b> Focused on helping young people start their own campaigns or projects, with support from expert facilitators.</li> </ul> <p>Targeting young people aged 18-29, the pilot will be held in London at a community centre, where UKYCC's volunteer group is based.</p>
<b>Total Small Grants Funding</b>		<b>£103,475</b>	

### Total funding in 2023-24:

Grants Funded	Value
Core Grants	115,000
Projects	655,209
Small Grants	103,475
<b>Total</b>	<b>873,684</b>

## FRIENDS PROVIDENT CHARITABLE FOUNDATION

### REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2024

## Appendix B

### Summary of Investments

#### Top 10 underlying funds in Cazenove Capital fund at September 2024:

Schroder WM Global Sustainable Equity Fund GBP
Sparinvest Ethical Global Value Fund GBP
Schroder Sustainable Diversified Alternative Assets Fund GBP
UK Treasury Gilt 1.125%
UBAM Positive Impact Emerging Equity Fund GBP
Vontobel Fund – TwentyFour Sustainable Short Term Bond Income GBP
HSBC Global Investment Funds – Global Equity Sustainable Healthcare GBP
RobecoSAM Sustainable Water Fund GBP
Ninety One Global Environment Fund GBP
Morgan Stanley Global ABS Focused Fund GBP

#### Top 20 company investments in our Columbia Threadneedle Investments funds at September 2024:

Astrazeneca PLC Common Stock USD.25
Microsoft Corp Common Stock USD.00000625
Apple Inc Common Stock USD.00001
Nvidia Corp Common Stock USD.001
European Investment Bank SR (Responsible Sterling Corporate Bond Fund)
Kreditanstalt Fuer Wiederaufba (Responsible Sterling Corporate Bond Fund)
Unilever plc Common Stock GBP.00031111
Linde PLC Common Stock
Mastercard Inc Common Stock USD.0001
London Stock Exchange Group plc Common Stock GBP.06918605
Smurfit Westrock plc Common Stock
Schneider Electric SE Common Stock EUR4.0
Experian plc Common Stock USD.1
Thermo Fisher Scientific Inc Common Stock USD1.0
Keyence Corp Common Stock
SSE plc Common Stock GBP.5
Ashtead Group plc Common Stock GBP.1
Intuit Inc Common Stock USD.01
Intercontinental Exchange Inc Common Stock USD.01
Waste Connections Inc Common Stock