

The Generation Foundation

(a company limited by guarantee)

Annual report and financial statements

31 December 2024

Company registration number: 05536312

Charity registration number: 1113061

Contents

Foundation details	3
Trustees' annual report	4
Independent auditor's report to the trustees of The Generation Foundation	11
Statement of financial activities	14
Balance sheet	15
Cash flow statement	16
Notes to the financial statements	17

Foundation details

Bankers	Independent Auditor
Royal Bank of Scotland	Sayer Vincent LLP
62/63 Threadneedle Street	Chartered Accountants and Statutory Auditors
London	110 Golden Lane
EC2R 8LN	London
	EC1Y 0TG
Registered office	Lawyers
20 Air Street	Bates Wells & Braithwaite London LLP
London	10 Queen Street Place
W1B 5AN	London
	EC4R 1BE

Board of trustees

Trustees:	G A L Bennett
	D W Blood
	A Choi (appointed 27 March 2025)
	P Coates (resigned 28 March 2025)
	S Krnic (appointed 27 March 2025)
	M-A Manolache
	E C Mason (appointed 27 March 2025)
	R Rajeswaran
	A C Woolf

Trustees' annual report

The trustees present their report and audited financial statements of The Generation Foundation for the year ended 31 December 2024. This trustees' report is also the directors' report.

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the financial statements and comply with the Charities Act 2011, the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102), "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (the "Charities SORP") and UK Generally Accepted Accounting Practice.

Governance

The Generation Foundation (the "Company" or "Foundation") is a company limited by guarantee (no. 05536312), incorporated on 15 August 2005 and registered with the Charity Commission (no. 1113061) on 22 February 2006. The Company was established under a Memorandum of Association, which established the objects and powers of the Company and is governed by the Articles of Association.

The Foundation is administered and managed on a regular basis by the Board of Trustees. The Board of Trustees is responsible for appointing new trustees who possess the required expertise.

Details of the Foundation's advisors and other administrative details can be found on page 3.

Trustees

The members of the Board of Trustees (the "trustees") who were in office during the year and up to the date of signing financial statements are set out on page 3. For the purposes of company law, the individuals listed are both trustees and directors of the Company and are appointed in accordance with the Company's Articles of Association.

Objectives

The objectives of the Foundation as set out in the governing documents are:

1. To advance the education of the public and organisations (profit and non-profit) in subjects related to sustainable development and the protection, enhancement and rehabilitation of the environment and to promote study and research in topics, provided that the useful results of such studies are disseminated to the public at large.
2. To promote sustainable development for the benefit of the public by: the preservation, conservation and the protection of the environment and the prudent use of natural resources; the relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities; and the promotion of sustainable means of achieving economic growth and regeneration.
3. To advance the education of the public in business ethics and related subjects, with particular reference to the study and application of ethical standards; and the management and conduct of industry and business generally in the UK and elsewhere and to the development of corporate social responsibility and community involvement in the practices of industry and commerce both nationally and internationally.
4. To advance any other purposes that are charitable under the laws of England and Wales and for the purposes of these objectives, "sustainable development" means development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Trustees' annual report (continued)

About The Generation Foundation

The Foundation's mission is to use strategic research, grant-making and advocacy to unlock the power of capital markets to drive a more sustainable economic system. We share a vision with our sister organisations, Generation Investment Management ("Generation") and Just Climate: a sustainable world in which prosperity is shared broadly, in a society that achieves wellbeing for all, protects nature and preserves a habitable climate.

Since 2020, the Foundation has funded more than 100 organisations, deploying more than £50 million in pursuit of our mission and vision. In that time we have contributed to significantly improved understanding of the investment sector's legal obligations with regards to impact; created tools and research enabling investors to prioritise sustainability; and provided emergency support to charities during the COVID epidemic.

2024 marked the first year working under a refreshed strategy grounded in our flagship research on fiduciary duties, "A Legal Framework for Impact" (LFI). Our strategy seeks to support and mobilise investors to address systemic risks and opportunities – like climate change, biodiversity-loss and deepening inequality – across all their activities as part of their fiduciary duties. This involves developing a specific workstream dedicated to implementing legal duties. This work focuses on the enabling environment for investors to better understand why and how to prioritise sustainable investing to increase long term investment value as required by legal duties.

More information on our values, impact and portfolio can be found on our website at www.genfound.org.

Research

The Generation Foundation's grant-making is grounded in a commitment to rigorous research. In 2024, we strengthened this commitment by welcoming four new team members to deepen our capabilities across both research and grant-making. At the heart of our research process is a central question: how can the Generation Foundation most effectively drive impact within the economic system? This process culminates in the development of a strategic asset we call a "Roadmap," which serves as a foundation for further research, as well as for our sourcing, advocacy, and communications efforts.

In 2024, the team produced five Roadmaps on: voluntary carbon markets, avoided emissions, harmonising systemic social data, real economy policy advocacy, and nature stewardship. Figure 2 provides an overview of the Foundation's research and grant-making process.

Advocacy and convenings

Advocacy is a critical part of the Foundation's theory of change. Participating in and hosting convenings helps inform our work and disseminate important analysis. In 2024, the Foundation took part in six major convenings (including some hosted by the Foundation team) and spoke publicly at 15 events. Some examples of our advocacy include:

- Hosting a forum of funders and non-profits on LFI during New York Climate Week to find consensus on civil society's approaches to fiduciary duty. Approximately 40 NGOs joined the convening.
- Also during New York Climate Week, the team hosted a working dinner for institutional investors to discuss the findings of LFI. More than 20 investors joined the session, hosted by the Executive Director, Grace Eddy and the Foundation's Chair, David Blood.
- Members of the team also participated in several funder forums including the Corporate Political Responsibility group, Funders Table and the Nature Finance Funders group.

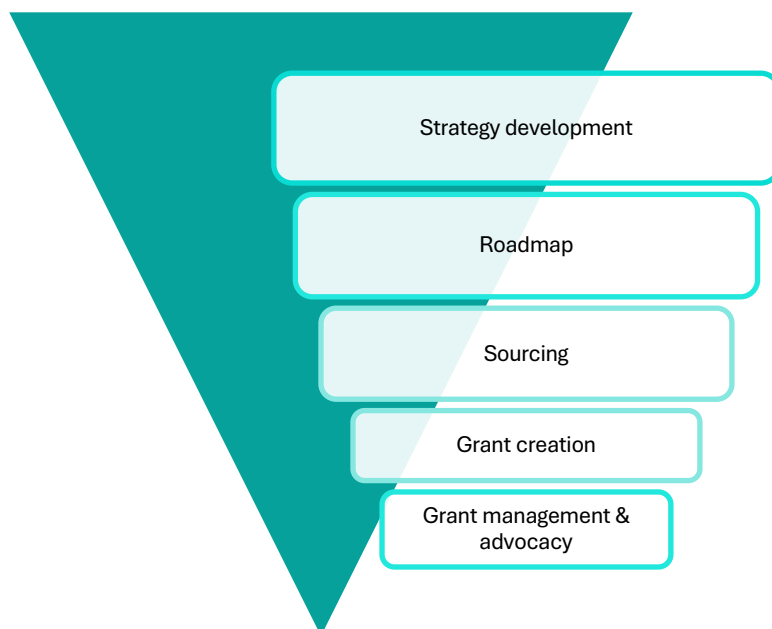
Figure 1: What is "A Legal Framework for Impact"?

LFI is the groundbreaking legal analysis published by Freshfields in 2021, commissioned by the Generation Foundation alongside the Principles for Responsible Investment and the United Nations Environment Programme Finance Initiative. This analysis sought to answer "to what extent can investors pursue impact?" across 11 jurisdictions.

Contrary to expectations, Freshfields found that under existing law it is already part of investors' fiduciary duties to manage systemic risk through the pursuit of impact. In other words, all investors must consider investing sustainably.

Trustees' annual report (continued)

Figure 2. The Foundation's grant-making process (simplified)



Advocacy and convenings

Advocacy is a critical part of the Foundation's theory of change. Participating in and hosting convenings helps inform our work and disseminate important analysis. In 2024, the Foundation took part in six major convenings (including some hosted by the Foundation team) and spoke publicly at 15 events. Some examples of our advocacy include:

- Hosting a forum of funders and non-profits on LFI during New York Climate Week to find consensus on civil society's approaches to fiduciary duty. Approximately 40 NGOs joined the convening.
- Also during New York Climate Week, the team hosted a working dinner for institutional investors to discuss the findings of LFI. More than 20 investors joined the session, hosted by the Executive Director, Grace Eddy and the Foundation's Chair, David Blood.
- Members of the team also participated in several funder forums including the Corporate Political Responsibility group, Funders Table and the Nature Finance Funders group.

Grant-making

During 2024, the Foundation managed a portfolio of 29 strategic partnerships, convened many investors and non-profits around our work on fiduciary duties, launched a new workstream focused on LFI and deployed over £9.5 million to charitable partners.

STRATEGIC GRANTS IN 2024: CLIMATE

We added four new partners to our climate portfolio. One such partnership was a research project with Volans Ventures that seeks to understand how institutional investors carry out advocacy on real economy policy issues, and how they can better use this tool to address climate change. This aligns to our Roadmap on "Real Economy Policy Advocacy" and seeks to mobilise investors to address systemic risk using policy engagement.

Please refer to Note 7 for a full list of Climate grants during 2024.

Trustees' annual report (continued)

STRATEGIC GRANTS IN 2024: NATURE

In 2024, we added three grants to the newly established Nature workstream within our portfolio, including the Institutional Investor Group on Climate Change (IIGCC) as part of our “Nature Stewardship” Roadmap. This grant aims to convene and mobilise investors to use collaborative stewardship to meaningfully engage with companies on systemic nature issues.

Please refer to Note 7 for a full list of Nature grants during 2024.

STRATEGIC GRANTS IN 2024: PEOPLE

Four new grantees were added to the People stream of our portfolio in 2024, including the IFRS Foundation. This grant seeks to support the International Sustainability Standards Board’s (ISSB) work to harmonise social-related company disclosures, particularly where such data can support investors to address market-wide and systemic social risks. This aligns to the “Harmonising Systemic Social Data” Roadmap.

Please refer to Note 7 for a full list of People grants during 2024.

EMPLOYEE GIVING

In addition to strategic grant-making, the Generation Foundation encourages the philanthropy of colleagues and partners at Generation and Just Climate. This helps us execute our mission by building a culture of philanthropy across the Foundation’s sister organisations.

The Foundation runs two programmes as part of employee giving: employee-led grant-making and Matched Giving enable individuals to apply their expertise and passion for sustainability in support of community and society organisations. It can also help the Foundation identify high impact organisations aligned to our mission and vision.

- **Matched Giving donations:** the Foundation matches charitable gifts and volunteer hours donated by Generation and Just Climate partners and employees. In 2024, donations were matched at a rate of 200% up to a total of £40,000¹ per person. Volunteer hours were matched at a rate of £200 per hour volunteered up to £10,000.² This resulted in over £1.2 million directed to local and international charities in 2024.
- **Employee-led grant-making:** in 2024 the Foundation ran a “Sustainable Community Grant” programme where employees and partners of Generation and Just Climate are encouraged to bring a grant proposal for organisations to which they can demonstrate a commitment either through personal donations or volunteering. Five Sustainable Community Grants were brought in 2024, resulting in expenditure of approximately £127,000.

See Note 7 for more detail on employee giving in 2024.

Trustee induction and training

When recruiting new trustees, the Foundation seeks individuals with relevant experience on the objectives of the Foundation. A new trustee is provided with an induction that includes information explaining the legal obligations of trustees, the Foundation’s governing document, the most recent annual report and financial statements and any relevant Charity Commission guidance notes.

Responsibilities of trustees

The trustees are responsible for preparing the trustees’ annual report and the financial statements in accordance with applicable law, including the Companies Act 2006, and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice).

¹ Or currency equivalent

² Or currency equivalent

Trustees' annual report (continued)

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

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy, at any time, the financial position of the Company. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each trustee in office at the date the trustees' report is approved confirms that:

- a. so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- b. the directors have taken all necessary steps to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of such information.

Financial review

The Foundation's total income for 2024 was £11.5m (2023: £18.3m). Total income for the year ended 2024 includes donations of £5.6m (2023: £4.9m) and investment income of £5.9m (2023: £13.4m). The reduction in total income for the year is due to the crystallisation in 2023 of a sizeable distribution from the investment the Foundation holds in GIM Marvel (Deferred) LP. The reduction in income for the year did not impact the activities of the Foundation. As forecast in the 2023 accounts, the Foundation expenditure in 2024 was higher than the prior year at £11.1m (2023: £5.9m). Naturally in 2023, while working on the strategy, grant-making was lower, however, activity picked up with new hires and a refreshed strategy in 2024.

Principal risks and uncertainties

The trustees have assessed the major risks to which the Foundation is exposed, including those relating to financial, operational, compliance, reputational and governance issues. These risks are captured in a Risk Register reviewed annually by trustees, and the trustees are satisfied that systems are in place to mitigate exposure to those risks.

The most critical risk to the Foundation is the loss of funding from the members of Generation, which supports the Foundation's objectives. If Generation's members are unable or unwilling to provide funding, this would restrict the Foundation's ability to grow further or mean that grants and research activities may need to be scaled back. However, the trustees consider this risk unlikely.

Trustees' annual report (continued)

Donations policy

The donations are made on a voluntary basis and at the discretion of the members of Generation. The Foundation does not consider it appropriate at the current time to seek donations from the general public, nor has the Foundation engaged any professional fundraiser or commercial participator. Consequently, the Foundation has not joined any voluntary fundraising regulation scheme. The Foundation has not recorded any complaint regarding fundraising since inception.

Principal funding source

The Foundation's principal funding source is donations received annually from the members of Generation.

During the year to 31 December 2024 the Foundation recognised income from donations and associated Gift Aid of £5.6m (2023: £4.9m).

Reserves policy

The trustees recognise the urgency of achieving the Foundation's charitable objectives. All multi-year commitments without significant performance conditions attached are accounted for in full on an accruals basis. This ensures that the Foundation can meet its commitments to grant partners as they fall due.

The Foundation holds unrestricted funds of £30.4m (2023: £30.0m) at the end of the accounting period. All of the funds held are unrestricted and available for the general purposes of the charity. Within the unrestricted funds at the end of 2024, an amount of £13.0m (2023: £12.4m) was set aside as designated funds (for more detail, see Note 18), these designated funds are held in line with trustee expectations of grant-making during the course of 2025 and there is an expectation that these designated funds will be fully committed by the end of 2025.

Over time the trustees intend to maintain the ongoing reserves of the Foundation at a level that would enable it to continue a scaled-down grant-making programme for one calendar year should the Foundation face a year of significantly reduced income. The remaining funds of £17.4m (2023: £12.6m) exceed the anticipated minimum annual expenditure of £3m.

People and remuneration policy

The average number of employees during the year was 5 (2023: 4).

The Generation Foundation has a committee of trustees ("Remuneration Committee") with delegated power and functions to consider and set remuneration for the Foundation's employees on behalf of the full Board of Trustees, in accordance with the Articles of the Foundation.

People and remuneration policy (continued)

Salaries are reviewed annually in line with performance, subject to a calibration process with regard to the skills and attributes required for particular roles. The trustees also have reference to the compensation paid within large grant-making foundations and those associated with asset managers and financial institutions.

Other matters

The trustees consider that the funding sources and expenditure in the year have supported the key objectives of the Foundation. In setting the Foundation's objectives and planning its activities, the Foundation's trustees have considered section four of the Charities Act 2011. In doing so they are satisfied that they have complied with their duty to 'have regard' to the public benefit guidance published by the Charity Commission.

Trustees' annual report (continued)

Related parties

Generation Investment Management LLP is a related party as it is the sole member of the Foundation. During the reporting period, the Foundation's trustees were also members and employees of the LLP (see Note 19 for further details of the Foundation's connection with this related party).

Going concern

The trustees believe that the Foundation is well-placed to manage its business risks successfully. The trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Approved by the Board of Trustees on 23 June 2025 and signed on their behalf.



Audrey Choi

Chair, Board of Trustees

Independent auditor's report to the trustees of The Generation Foundation

Opinion

We have audited the financial statements of The Generation Foundation (the 'charitable company') for the year ended 31 December 2024, which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK 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 of 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of 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 Foundation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

Independent auditor's report to the trustees of The Generation Foundation (continued)

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' annual 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 directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual 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.

Auditors' 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 auditors' 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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- we enquired of management and the board of trustees, which included obtaining and reviewing supporting documentation, concerning the Foundation's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- we inspected the minutes of meetings of those charged with governance;

Independent auditor's report to the trustees of The Generation Foundation (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

- we obtained an understanding of the legal and regulatory framework that the Foundation operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the Foundation from our professional and sector experience;
- we communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit;
- we reviewed any reports made to regulators;
- we reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations;
- we performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- in addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditors' report.

Use of our report

This report is made solely to the charitable company's member 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 member those matters we are required to state to the member in an auditors' 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller, Senior Statutory Auditor
for and on behalf of Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, London, EC1Y 0TG

23 July 2025

Statement of financial activities

(Including income and expenditure accounts)

		Year ended 31 December 2024 GBP	Year ended 31 December 2023 GBP
Unrestricted total funds	Note		
Income from			
Donations	4	5,558,632	4,909,514
Investments	5	5,918,936	13,351,237
Total		11,477,568	18,260,751
Expenditure on			
Charitable activities	6	(11,089,321)	(5,945,608)
Total		(11,089,321)	(5,945,608)
Net income before gain/(loss) on foreign exchange on investments		388,247	12,315,143
Gain/(loss) on foreign exchange		1,484	(131,193)
Net movement in funds		389,731	12,183,950
Reconciliation of funds			
Total funds brought forward		30,025,162	17,841,212
Total funds carried forward		30,414,893	30,025,162

All recognised gains and losses have been included in the statement of financial activities and the amounts included are derived from the continuing activities of the Foundation.

Balance sheet

	Note	As of 31 December 2024 GBP	As of 31 December 2023 GBP
Fixed assets			
Investments	10	9,588	7,663
Total fixed assets		9,588	7,663
Long term debtor	11	-	5,018,562
Current assets			
Debtors	12	12,296,676	10,861,016
Investments	13	26,328,583	19,874,248
Cash at bank		1,026,183	1,068,577
Total current assets		39,651,442	31,803,841
Liabilities			
Creditors: amounts falling due within one year	14	(5,060,182)	(5,754,325)
Net current assets		34,591,260	26,049,516
Total assets less current liabilities		34,600,848	31,075,741
Creditors: amounts falling due after one year	15	(3,879,060)	(840,219)
Provision for liabilities	16	(306,895)	(210,360)
Total net assets		30,414,893	30,025,162
The funds of the charity			
Designated funds		13,000,000	17,425,562
General funds		17,414,893	12,599,600
Total foundation funds	17,18	30,414,893	30,025,162

Approved by the Board of Trustees on 23 June 2025 and signed on their behalf:



A Choi (Chair, Board of Trustees)

23 June 2025

The Generation Foundation (Company No: 05536312)

Cash flow statement

	Note	Year ended 31 December 2024 GBP	Year ended 31 December 2023 GBP
Net income for the reporting year (as per the statement of financial activities)		389,731	12,183,950
Adjustments for			
Dividends, interest and income from cash at bank, deposits and investments		(5,918,936)	(13,351,237)
Decrease/(increase) in debtors	11,12	3,582,902	(10,397,541)
Increase/(decrease) in creditors	14,15	2,344,698	(4,215,191)
Increase/(decrease) in provisions	16	96,535	(144,800)
Net cash provided by /(used in) operating activities		494,930	(15,924,819)
Dividends, interest and income from cash at bank, deposits and investments		5,918,936	13,351,237
Purchase of investments		(1,925)	-
Net cash provided by investing activities		5,917,011	13,351,237
Change in cash and cash equivalents in the year		6,411,941	(2,573,582)
Cash and cash equivalent at 1 January		20,942,825	23,516,407
Cash and cash equivalent at 31 December		27,354,766	20,942,825

Reconciliation of cash at bank to cash and cash equivalents:

	Note	Year ended 31 December 2024 GBP	Year ended 31 December 2023 GBP
Cash at bank		1,026,183	1,068,577
Short-term deposits (included in current asset investments)	13	26,328,583	19,874,248
Net cash		27,354,766	20,942,825

Notes to the financial statements

1. Accounting policies

- a) The Generation Foundation is a charitable company limited by guarantee and is incorporated in the United Kingdom. The Charity meets the definition of public benefit entity under FRS 102.

The registered address and principal place of business is 20 Air Street, London, W1B 5AN.

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. The financial statements have been prepared on a going concern basis.

The other principal accounting policies, which have been applied consistently throughout the year, are set out below.

- b) Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, and it is probable that the income will be received and that the amount can be measured reliably. Income is accounted for on an accruals basis such that the planned donation by the members of Generation in respect of the 2024 profits of Generation are recognised as of 31 December 2024.

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the value of volunteer time is not recognised.

- c) Investment income is recognised in the statement of financial activities and measured at the fair value of the consideration received and represents the Foundation's allocated portion of receipts from its investments in Generation IM Climate Solutions SLP II, L.P. and GIM Marvel (Deferred) LP in its capacity as a Limited Partner during the year.
- d) Interest income is recognised in the statement of financial activities and comprise interest on cash and cash equivalents and is accounted for using the effective interest method.
- e) Resources expended are allocated to the particular activity where the cost relates directly to that activity. As the only activity of the Foundation is grant-making, all costs have been allocated accordingly as per Note 6.

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.

- f) As a registered charity, the Foundation is exempt from UK taxation on income and gains to the extent that these are applied in furtherance of its charitable objectives.
- g) Grant activities are payments made to third parties in the furtherance of the Foundation's charitable objectives. Single or multi-year grants are accounted for in full on an accruals basis when the recipient has a reasonable expectation that they will receive a grant as there are no significant performance conditions attached.
- h) Going Concern; the trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The trustees do not consider that there are any sources of estimation or 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.
- i) Matched giving awards are made to third parties in relation to eligible donations to charities by staff and members of Generation. The awards are recognised when approved by the Foundation following a review of the donations made by staff and members of Generation attributable to the period.
- j) The Foundation is not registered for VAT. All expenditure is therefore stated inclusive of VAT where applicable.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund. Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

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

Provisions are recognised when the Foundation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. The provisions recognised in Note 16 relate to the Employee Incentive Plan. Further details of the Employee Incentive Plan are given in Note 8.

Notes to the financial statements (continued)

1. Accounting policies (continued)

- k) Transactions denominated in foreign currency are translated into sterling at the exchange rates ruling at the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate ruling at the balance sheet date. All foreign exchange gains and losses, realised and unrealised, are recognised in the statement of financial activities.
- l) 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.
- m) The long term debtor represents a deferred consideration for gains on GIM Marvel (Deferred) LP earned in 2023 and to be paid by the end of 2025. In recognising this deferred consideration, the trustees judge that the crystallisation is highly likely, but understand that in the current interest rate environment, the value of this consideration today is not the same as it will be in December 2025 when it becomes payable. Accordingly, this receivable of £5.6m has been discounted using 6% Generation's cost of capital, and transferred from long term to short term debtors as of 31 December 2024.
- n) Non-current investments are financial assets held for continuing use in the business and include three investments in Guernsey-based limited partnerships: GIM Marvel (Deferred) LP, Generation IM LTE SLP, L.P. Generation Solutions Fund III SLP, L.P. and Generation Sustainable Solutions IV SLP L.P., and an investment in a Scottish limited partnership: Generation IM Climate Solutions SLP II, L.P.

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 income before gain/(loss) on foreign exchange on investments" in the statement of financial activities. The Charity does not acquire put options, derivatives or other complex financial instruments.

Where it is not practicable to recognise investments at fair value, these are recognised at historic cost less impairment. These investments are subject to regular review, and any diminution is charged to the statement of financial activities. Valuations under the cost model are not enhanced to more than the original cost.

- o) Debtors include amounts receivable on donations to which the Foundation is entitled, including any recoverable Gift Aid. Debtors are measured at their recoverable amounts.

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.

- p) Current investments include money market funds which are short-term, highly liquid investments redeemable on demand.
- q) Cash at bank includes cash in bank accounts.
- r) The Foundation does not operate its own pension scheme. The Foundation contributes on behalf of the employees to their chosen pension scheme plan. Charges represent the actual amount of the contribution payable to the pension schemes in respect of the accounting year.
- s) Donated services: Generation provides various support services to the Foundation. Generation does not charge the Foundation for the cost of the employees that have wider roles within Generation, or for the use of Generation's facilities. The trustees have reviewed the value of services provided, but as these are deemed to be immaterial, they have not been reflected as a donated service.

2. Estimates and assumptions

FRS 102 requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from these estimates. Information about these judgements and estimates is included in the accounting policies and other notes.

The significant judgements are:

- the consideration that the trustees are the controlling persons of the Foundation (Note 20);
- the allocation of support costs to the grants awarded by the Foundation (Note 6).

Notes to the financial statements (continued)

2. Estimates and assumptions (continued)

The significant estimates are:

- recognition of grant obligations payable in later periods (Notes 1 (g), 7, 14 and 15);
- future obligations and provisions are not subject to discounting (Notes 14, 15 and 16).

3. Guarantees

The Foundation is a company in which the liability of the company member is limited to an amount not exceeding £10.

4. Donations

Donations comprise donations from members of Generation equivalent to an annual allocation of distributable profit arising from Generation of £4,449,268 (2023: £3,988,946) and the associated Gift Aid recoverable from HMRC of £1,109,364 (2023: £920,568).

5. Income from investments

	31 December 2024 GBP	31 December 2023 GBP
Interest and dividend income	1,349,164	1,017,714
Investment income	4,569,772	12,333,523
At 31 December	5,918,936	13,351,237

Investment income relates to distributions received in the year from the Foundation's investment in GIM Marvel (Deferred) LP, and Generation IM Climate Solutions SLP II, L.P.

6. Charitable activities

		Year ended 31 December 2024			Year ended 31 December 2023		
	Note	Grant awards GBP	Support costs GBP	Total GBP	Grant awards GBP	Support costs GBP	Total GBP
Activity							
Grant activities	7	9,540,978		9,540,978	4,811,897		4,811,897
Staff costs	8		1,265,270	1,265,270		1,034,243	1,034,243
Professional fees			251,531	251,531		48,885	48,885
Research costs			31,542	31,542		50,583	50,583
		9,540,978	1,548,343	11,089,321	4,811,897	1,133,711	5,945,608

Governance costs are considered within professional fees and include fees payable to the auditors in respect of the statutory audit of £15,420 (£12,850 excluding VAT) (2023: £14,700/£12,250). Research costs include costs incurred for the benefit of our grant and research partners, this can include, for instance, impact management training for grant partners or communications support to highlight their work.

Notes to the financial statements (continued)

7. Grant activities

Climate

Institution	GBP
Integrity Council for the Voluntary Carbon Market (ICVCM)	1,500,000
World Business Council for Sustainable Development	782,736
Volans Ventures Ltd	357,000
Net Zero Lawyers Alliance	200,000
Total climate grants 2024	2,839,736
Total climate grants 2023	2,551,180

Nature

Institution	GBP
Institutional Investors Group on Climate Change (IIGCC)	1,500,000
The Soil Inventory Project	627,280
InfluenceMap	470,460
Total nature grants 2024	2,597,740
Total nature grants 2023	-

People

Institution	GBP
IFRS Foundation	1,488,900
The Taskforce on Inequality and Social-related Financial Disclosures (TISFD)	637,200
Shift project	434,995
Rights CoLab	158,020
Total people grants 2024	2,719,115
Total people grants 2023	560,740

Employee programmes

	GBP
Matched Giving Awards	1,257,449
Sustainable Community Grants	126,938
Total employee programmes 2024	1,384,387
Total employee programmes 2023	1,699,977

None of the organisations awarded a grant in 2024 received similar grants in 2023 from the Foundation.

At the end of 2024 the Foundation had approved 469 matched giving award applications (2023: 662) with an average value of £2,681 per application (2023: £2,124).

Total grants (including employee programmes) amounted to £9,540,978 (2023: £4,811,897). All grants have been made to institutions as the Foundation does not provide grants to individuals. The tables in this note represent 100% of total grants awarded by the Generation Foundation in 2024.

As the trustees believe that the future payments will be made without substantial performance conditions, amounts payable in future years totalling £8,617,662 (2023: £6,317,610) have been recognised in these financial statements and in earlier years' financial statements. Of this, £4,738,602 is expected to settle within 12 months of the year-end (2023: £5,253,799). The following table shows the overall movement in the grant payment obligations.

Notes to the financial statements (continued)

7. Grant activities (continued)

	Year ended 31 December 2024 GBP	Year ended 31 December 2023 GBP
Grant commitments brought forward	6,317,610	10,391,305
Additional grant awards	9,540,978	4,811,897
Total grants activities	9,540,978	4,811,897
Total net commitments in the year	15,858,588	15,203,202
Grants paid in the year	(7,227,155)	(8,645,511)
Foreign exchange movements	(13,771)	(240,081)
Grant commitments carried forward	8,617,662	6,317,610

8. Employee information

Staff costs

	Year ended 31 December 2024 GBP	Year ended 31 December 2023 GBP
Wages and salaries	850,769	740,514
Deferred compensation	119,284	79,064
Social security costs	137,156	115,836
Other pension costs	64,721	73,105
Benefits	97,340	25,724
	1,265,270	1,034,243

Wages and salaries include salary and taxable benefits in kind and other payments to employees. Other pension costs include employer's contribution to defined contribution pension schemes. The deferred compensation costs are incurred in relation to deferred cash bonuses awarded to employees. The ultimate cash value to be paid to employees is dependent upon the performance of certain Generation managed investment fund units. Awards vest after three years from grant date with proceeds paid to respective employees after five years. The level of incentives awarded are linked to an employee's level of seniority at grant date.

The average number of employees who during the year was 5 (2023: 4). There were 4 employees during the year with emoluments exceeding £60,000 (2023: 4).

	Year ended 31 December 2024 GBP	Year ended 31 December 2023 GBP
Compensation band (excluding pension)		
130,000-140,000	-	1
150,000 - 160,000	1	-
180,000 - 190,000	1	1
200,000 - 210,000	-	1
260,000 - 270,000	1	-
280,000 - 290,000	1	1
At 31 December	4	4

Notes to the financial statements (continued)

8. Employee information (continued)

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £1,265,270 (2023: £1,034,243).

9. Payments to trustees

The trustees have not received remuneration or expenses during the year (2023: nil).

10. Investments

	31 December 2024 GBP	31 December 2023 GBP
At 1 January	7,663	7,663
Additions	1,925	-
At 31 December	9,588	7,663

The above investments are held at cost. Further details on these investments are given in Note 1(n).

11. Long term debtors

	31 December 2024 GBP	31 December 2023 GBP
At 1 January	5,018,562	-
Additions	-	5,018,562
Transfers	(5,018,562)	
At 31 December	-	5,018,562

This debtor represents a discounted deferred consideration for gains on GIM Marvel (Deferred) LP earned in 2023 and paid in April 2025, the gross receivable in 2025 was £5,638,857. Further details on these investments are given in Note 1(m).

12. Debtors

	31 December 2024 GBP	31 December 2023 GBP
Other debtors	5,829,289	5,951,279
Amounts due from members of Generation	4,437,455	3,988,946
Gift Aid recoverable	2,029,932	920,568
Prepayments	-	223
At 31 December	12,296,676	10,861,016

13. Current asset investments

	31 December 2024 GBP	31 December 2023 GBP
At 1 January	19,874,248	22,894,809
Increase/(decrease) in money market funds	6,488,181	(2,633,178)
Foreign exchange movement	(33,846)	(387,383)
At 31 December	26,328,583	19,874,248

Current asset investments comprise money market investments, which are redeemable on demand.

Notes to the financial statements (continued)

14. Creditors: amounts falling due within one year

	31 December 2024 GBP	31 December 2023 GBP
Grant commitments due within one year	4,738,602	5,477,391
Taxation and social security	244,815	235,680
Accruals	65,873	15,096
Other creditors	10,892	26,158
At 31 December	5,060,182	5,754,325

15. Creditors: amounts falling due after one year

	31 December 2024 GBP	31 December 2023 GBP
Grant commitments due after one year	3,879,060	840,219
At 31 December	3,879,060	840,219

No discounting has been applied to these future obligations as the impact is judged to be immaterial.

16. Provisions for liabilities

	31 December 2024 GBP	31 December 2023 GBP
At 1 January	210,360	355,160
Movement for the year	96,535	(144,800)
At 31 December	306,895	210,360

The Foundation provides deferred cash incentives ("awards") for employees. Awards take the form of a deferred entitlement to cash based on the performance of Generation-managed investment funds. These relate to the deferred employee incentive plan detailed in Note 8.

17. Analysis of net assets between funds

	As of 31 December 2024			As of 31 December 2023		
	General unrestricted GBP	Designated GBP	Total funds GBP	General unrestricted GBP	Designated GBP	Total funds GBP
Long term debtors	-	-	-	-	5,018,562	5,018,562
Investments	9,588	-	9,588	7,663	-	7,663
Net current assets	21,591,260	13,000,000	34,591,260	13,642,516	12,407,000	26,049,516
Long-term liabilities	(3,879,060)	-	(3,879,060)	(840,219)	-	(840,219)
Provision for liabilities	(306,895)	-	(306,895)	(210,360)	-	(210,360)
	17,414,893	13,000,000	30,414,893	12,599,600	17,425,562	30,025,162

Notes to the financial statements (continued)

18. Movement in funds

	At 1 January 2024 GBP	Income & gains GBP	Expenditure & losses GBP	Transfers GBP	At 31 December 2024 GBP
Designated funds	17,425,562		(17,425,562)	13,000,000	13,000,000
General funds	12,599,600	11,479,052	6,336,241	(13,000,000)	17,414,893
Total unrestricted funds at 31 December 2024	30,025,162	11,479,052	(11,089,321)	-	30,414,893

	At 1 January 2023 GBP	Income & gains GBP	Expenditure & losses GBP	Transfers GBP	At 31 December 2023 GBP
Designated funds	8,600,000		(8,600,000)	17,425,562	17,425,562
General funds	9,241,212	18,129,558	2,654,392	(17,425,562)	12,599,600
Total unrestricted funds at 31 December 2023	17,841,212	18,129,558	(5,945,608)	-	30,025,162

At the end of 2024, the Foundation set aside £13,000,000 (2023: £12,407,000) of designated funds in line with trustee expectations of grant-making in the coming year allocated as follows.

	Climate GBP	Nature GBP	People GBP	Legal Framework for Impact GBP	Employee programmes GBP	Support costs GBP	Total GBP
At 31 December 2024	2,500,000	2,200,000	2,300,000	2,500,000	1,500,000	2,000,000	13,000,000
At 31 December 2023	3,500,000	2,500,000	2,500,000	-	1,500,000	2,407,000	12,407,000

19. Related party transactions

Generation Investment Management LLP is a related party as it is the sole member of the Foundation, and during the reporting period, the Foundation's trustees were also members and employees of the LLP. As the Foundation has a charitable status, the Foundation is excluded from the LLP's group consolidation due to the severe long-term restrictions which substantially hinder the exercise of the rights of the LLP over the Foundation.

As of 31 December 2024 a balance of £4,437,455 (2023: £3,988,946) was due from members of Generation.

During the year, Generation settled expenses of £61,580 (2023: £53,102) on behalf of the Foundation of which £nil (2023: £6,298) was due by the Foundation at the end of the year.

20. Ultimate controlling party

Generation Investment Management LLP is the ultimate parent by virtue of being the sole member. The controlling Persons of the Foundation are the trustees as listed in the trustees' annual report.

21. Subsequent Events

The £4,437,455 balance due from the members of Generation as of 31 December 2024 was settled on the 5 June 2025. There were no other events subsequent to the balance sheet date that required adjustment to or disclosure in the financial statements.