

THE LANCASHIRE FOUNDATION

England & Wales · Charity number 1149184

Details

Status Registered

Legal form Trust

Registered 2012-10-02

Register [View on the Charity Commission register](#)

Contact

Address Lancashire Insurance Company (UK)
Level 29
20 Fenchurch Street
London
EC3M 3BY

Phone 02072644056

Website <http://www.lancashiregroup.com>

Activities

Objects: ALL PURPOSES WHICH ARE EXCLUSIVELY CHARITABLE UNDER THE LAWS OF ENGLAND AND WALES FROM TIME TO TIME.

Activities: The objects of the Charity are to hold the Trust Fund and its income upon trust and to apply them for all purposes which are exclusively charitable under the laws of England and Wales from time to time by the making of grants to any individual, group, organisation or institution in the UK, Bermuda and worldwide, with a focus on helping young people and the severely disadvantaged in society.

Classification

- **How:** Makes Grants To Organisations
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Overseas Aid/famine Relief, Economic/community Development/employment, Human Rights/religious Or Racial Harmony/equality Or Diversity
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies

Geography

- Bermuda
- Philippines
- United States

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£956,314	£725,746	£1,605,182	0
2023-12-31	£287,478	£602,364	-	-
2022-12-31	£203,273	£502,866	-	-
2021-12-31	£196,641	£549,890	-	-
2020-12-31	£624,606	£571,188	£2,431,513	0

Trustees

Name	Role	Appointed
Louise Margaret Wells	Chair	2017-11-01
Derek Stapley		2014-12-01
Emma Grimes		2018-03-29
Kate Parker		2025-07-01
Robert William Kennedy		2022-03-05

THE LANCASHIRE FOUNDATION

England & Wales - Charity number 1149184

Accounts

The Lancashire Foundation

Financial Statements and Trustees' Report

For the year ended 31 December 2024

Registered Charity in England and Wales number 1149184

The Lancashire Foundation

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Reference and Administrative Details of the Lancashire Foundation

Trustees

Louise Wells (Chair) (appointed 1 November 2017)
Derek Stapley (appointed 1 December 2014)
Emma Grimes (appointed 29 March 2018)
Robert Kennedy (appointed 5 March 2022)
Kate Parker (appointed 1 July 2025)

Registered Office

29th Floor
20 Fenchurch Street
London
EC3M 3BY

Banker

HSBC Bank Plc
2nd Floor
62-76 Park Street
London
SE1 9DZ

Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Solicitor

Bates Wells Braithwaite London LLP
2-6 Cannon Street
London
EC4M 6YH

Investment adviser

Amber River Premier
Swan House
Liston Road
Marlow
Buckinghamshire
SL7 1DP

Registered Charity in England and Wales Number 1149184

The Lancashire Foundation

Trustees' report

For the year ended 31 December 2024

The trustees present their report and the audited financial statements of The Lancashire Foundation ("the Charity") for the year ended 31 December 2024. The financial statements have been prepared in accordance with the accounting policies set out in Notes 2 and 3 to the accounts and comply with the Charity's Trust Deed, the Charities Act 2011, the Statement of Recommended Practice: Accounting and Reporting by Charities published in 2019 and Amendments to FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Structure, Governance and Management

Governing Document

The Charity is structured as a charitable trust governed by a Trust Deed dated 27 September 2012 and is a charity registered by the Charity Commission, number 1149184, operating from the registered office shown on page 3.

Organisation

The Charity is managed by the trustees who hold quarterly meetings.

Decisions are taken at meetings when a quorum of at least one third of the number of trustees or three trustees, whichever is greater, are present.

Decisions may also be taken without a meeting on a unanimous basis through written resolution or other communication between the trustees.

The day to day management of the affairs of the charity has been delegated to the Donations Committee ("the Committee").

The role and activity of the Committee can be summarised as follows:

- To receive and analyse requests for donations from charitable bodies and where appropriate recommend to the trustees that a donation be made;
- To seek to build relationships with those charities that the Foundation supports and through developing strong and long-term relationships be able to provide assurance that the Foundation's funds are spent in a manner that leads to their effective use; and
- To support the Foundation in achieving its purpose through its core aims and objectives.

For the year ended 31 December 2024, the following trustees were members of the Committee:

Emma Grimes
Kate Parker (appointed as a Trustee in July 2025)

Other members of the Committee for the year ended 31 December 2024 were as follows:

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Jennifer Wilson (Chair)
Mark Carvalho
Kelly Turner
Nick Nebard
Nancy Da Silva
Minnie Beagley
Jayne King

The composition of the Committee is reviewed from time to time by the trustees in order to make such changes as are necessary to ensure that it remains reflective of and responsive to the needs of the Charity.

Appointment of trustees

The founder of the Charity, Lancashire Holdings Limited (“the Founder”), may appoint new or additional trustees by written resolution provided that if the number of trustees falls to less than three and the Founder fails to appoint new trustee(s) within six months thereof, the remaining trustees may appoint new or additional trustees by written resolution so as to bring the number up to three.

The trustees who have served during the year are set out on page 3. The number of trustees shall not be permitted to fall below three.

All trustees give of their time freely and no trustee may receive any remuneration or other benefit in money or money’s worth from the Charity.

On appointment, all new trustees receive information and training as appropriate to ensure that they are familiar with all aspects of the Charity including its finances, future plans and objectives.

Risk management

The trustees have, within the year under review, assessed the risks that the Charity faces and can confirm that systems are in place to minimise those risks. The trustees will continue to monitor and re-consider the risks the Charity is exposed to during the coming year.

The principal uncertainty facing the Charity is the level of future income. Due to the discretionary and annual nature of donations made by the Charity and its strong financial position the trustees believe that this can be effectively managed.

The Foundation received a donation of £594,078 from the Founder during 2024 (2023: £204,408)

Objectives and Activities

The Charity and its Trust Fund are administered and managed by the trustees. The objects of the Charity are to hold the Trust Fund and its income upon trust and to apply them for all purposes which are exclusively charitable under the laws of England and Wales from time to

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time by the making of grants to any individual, group, organisation or institution in the United Kingdom, Bermuda and worldwide.

The Charity is committed to channelling its resources in an effective way to meet community needs, particularly focussed on helping the severely disadvantaged in society.

The Charity's strategy is to provide grants to charities or organisations whose work reflects and is aligned to the values and interests of the people and businesses within the Lancashire group of insurers. In certain cases, these grants may be renewed for a number of years, subject always to an annual review of the proposed grant at the discretion of the Charity.

The Charity also invites applications for grants from members of staff of The Lancashire Group to charities with which they have an interest or involvement.

The trustees review the success of the Charity's activities through:

- analysis of levels of staff engagement with charities including the amount of "matching donations" made by the Charity;
- analysis of the allocation of donations to different types of charities;
- analysis of the performance of the underlying charities; and
- assessing the impact of the Charity's funding on the outcome and success measures used by each recipient organisation.

Reserves policy

The trustees have assessed the availability of resources to provide ongoing support to the majority of the charitable organisations currently supported based on the level of funds held, anticipated investment income and future donations from the Founder and are satisfied that sufficient reserves are held.

Restricted Funds

At 31 December 2024 the Charity held restricted funds of £nil (2023: £2,653) in relation to staff fundraising for Project Transform. See note 10 for further details.

Public benefit

The Charity is a public benefit entity and the trustees have paid due regard to the public benefit guidance published by the Charities Commission.

Investment policy

The Charity holds shares in the Founder which it received when exercising share warrants gifted by the Founder. The policy of the Charity is to hold these shares to receive dividend income to fund donations and to sell shares if required to provide additional cash.

The Charity has also holds a diversified portfolio of investment funds which is managed by a third-party provider. The performance of the funds is regularly monitored by the trustees. When considering potential funds to be held in the portfolio criteria around social responsibility are applied with the aim of selecting ethical and sustainable investments.

Cash balances are held in liquidity funds, term deposit and interest-bearing current accounts.

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Achievements and Performance

The trustees have considered each application made to the Charity.

During the year the Charity distributed £688,002 (2023: £571,034) to 109 (2023: 67) charities. £232,255 (2023: £94,350) of this amount was distributed to 63 (2023: 35) charities as part of a staff initiative whereby staff could apply for a donation for their nominated charity.

The 10 largest donations during 2024 were to Cancer Research, The Family Centre, St Giles Trust, Bermuda Autism Support "Tomorrow's Voices", Alzheimers Society, American Red Cross, HPV Foundation, Canadian Red Cross, Alberta Fires Appeal, The Human Milk Foundation and Mummy's Star.

During the year, the Charity matched individual employee fundraising up to a limit of £2,000, resulting in donations of £20,754 (2023: £12,664).

Details of grants made can be found in the notes to the financial statements. The trustees ensure that grants are made in accordance with the Charity's objectives.

The level of the annual donation from the Founder is dependent on its results for the year and the circumstances of the Charity. During 2024 the Charity received a donation from the Founder of £773,230 (2023: £204,048).

Financial Review

During 2024 the Charity received donation income of £774,530 (2023: £207,061) including a donation from the Founder of £594,078 (2023: £204,048) and a credit of £179,152 in relation to the waiving of Lancashire Group graduate scheme costs payable by the charity to Lancashire Insurance Services Limited. The Charity also received investment income of £181,784 (2023: £80,417) giving total incoming resources of £956,314 (2023: £287,478).

During the year donations of £688,002 (2023: £571,034) were made. After including governance costs of £22,964 (2023: £17,514), a loan impairment charge of £nil (2023: impairment of £6,862) and foreign exchange loss of £14,780 (2023: loss of £6,954) total resources expended were £725,746 (2023: £602,364).

Taking into account a gain on the revaluation of investments of £90,530 (2023: gain of £12,444) total funds increased in 2024 by £321,098 (2023: reduction of £302,442).

At 31 December 2024, the Charity had net assets of £1,605,182 (31 December 2023: £1,284,084).

Related parties

As noted above, the Founder at its discretion has the power to provide donations to the Charity and has the power to appoint trustees. The Charity holds an investment in the shares of the Founder.

The Founder and the Charity jointly sponsored an internship programme for Bermuda resident college graduates until 2021, with a portion of the costs allocated to the charity from Lancashire Insurance Services Limited from 2018 until 2021. During 2024 it was agreed that

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the amount payable to Lancashire Insurance Services Limited of £179,152 would be waived resulting in a credit to the income statement of £179,152.

Future Plans

The Charity will continue to encourage staff to take part in charitable activities, often by matching sums raised, or by direct grants to charities or organisations in which staff have an interest or involvement. The trustees encourage involvement from staff in the charities or organisations supported by the Charity.

The charity will also make funds available to support the wider ESG initiatives that the Founder has committed to with a focus on supporting social causes.

The Charity Governance code

The trustees have considered the principles of the Charity Governance Code and applied these to the operation of the charity as follows:

1. Organisational purpose

The trustees are clear about the Charity's aims which are described in the object and activities section above and ensure that these are being delivered effectively and sustainably.

2. Leadership

The Charity is led by the trustees who provide strategic leadership in line with the Charity's aims and values.

3. Integrity

The trustees act with integrity, adopting values and creating a culture which helps to achieve the organisation's charitable purposes. The trustees are aware of the importance of the public's confidence and trust in charities, and the trustees undertake their duties accordingly.

4. Decision-making, risk and control

The trustees make sure that their decision-making processes are informed, rigorous and timely and that effective delegation, control and risk assessment and management systems are set up and monitored.

5. Trustee effectiveness

The trustees work as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions.

6. Diversity

The trustees are committed to embracing diversity to support the effectiveness, leadership and decision-making within the Charity.

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7. Openness and accountability

The trustees manage the organisation in a transparent and accountable way.

Statement of disclosure of information to auditor

The trustees who held office at the date of approval of this trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Charity's auditor is unaware and each trustee has taken all the steps they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

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Statement of trustees' responsibilities in respect of the trustees' annual report and the financial statements

Under the trust deed of the Charity and charity law, the trustees are responsible for preparing a Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The trustees are required to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- assess the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Charity or to cease operations or have no realistic alternative but to do so.

The trustees are required to act in accordance with the trust deed of the Charity, within the framework of trust law. They are responsible for keeping accounting records which are sufficient to show and explain the charity's transactions and disclose at any time, with reasonable accuracy, the financial position of the Charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Charity and to prevent and detect fraud and other irregularities.

Approved by the trustees and signed on their behalf by:



Louise Wells
Trustee
8 October 2025

The Lancashire Foundation

Independent auditor's report to the Trustees of The Lancashire Foundation

Opinion

We have audited the financial statements of The Lancashire Foundation ("the Charity") for the year ended 31 December 2024 which comprise the Statement of Financial Activities, Statement of Financial Position, Cash flow statement, and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 145 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the Charity or to cease its operations, and as they have concluded that the Charity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Trustees' conclusions, we considered the inherent risks to the Charity's business model and analysed how those risks might affect the Charity's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the Trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgments that were reasonable at the time they were made, the above conclusions are not a guarantee that the Charity will continue in operation.

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Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management, and inspection of policy documentation as to the charity’s high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Trustee, and Donations Committee meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships. We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Charity has simple revenue streams with limited complexity around revenue recognition.

We did not identify any additional fraud risks.

We also performed procedures including:

Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by individuals who do not frequently post journals, those posted with descriptions containing key words or posted with no description, those posted to seldom used accounts with a corresponding entry to cash, and all material post-closing journals.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the Trustees (as required by auditing standards), and discussed with the Trustees the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related charities legislation and SORP), and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. This Charity is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

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In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the Charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 10, the Trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Charity'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 they either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Charity's Trustees as a body, in accordance with section 145 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's Trustees 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 Charity and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'Saad Salman', with a stylized flourish at the end.

Saad Salman
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square
London
E14 5GL

8 October 2025

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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Statement of financial activities for the year ended 31 December 2024

	Note	2024 Unrestricted funds £	2024 Restricted funds £	2024 Total funds £	2023 Total funds £
Income from					
Donations	5	773,230	1,300	774,530	207,061
Investments	8	181,784	-	181,784	80,417
Total income		<u>955,014</u>	<u>1,300</u>	<u>956,314</u>	<u>287,478</u>
Expenditure on					
Charitable activities	6	(684,049)	(3,953)	(688,002)	(577,896)
Governance costs	7	(22,964)	-	(22,964)	(17,514)
Unrealised and realised foreign exchange losses		(14,780)	-	(14,780)	(6,954)
Total expenditure		<u>(721,793)</u>	<u>(3,953)</u>	<u>(725,746)</u>	<u>(602,364)</u>
Gain on revaluation of investments	8	90,530	-	90,530	12,444
Net incoming resources before transfers/ (outgoing)		<u>323,751</u>	<u>(2,653)</u>	<u>321,098</u>	<u>(302,442)</u>
Transfers					
Transfer between funds		-	-	-	-
Net movement in funds		<u>323,751</u>	<u>(2,653)</u>	<u>321,098</u>	<u>(302,442)</u>
Fund balance brought forward		<u>1,281,431</u>	<u>2,653</u>	<u>1,284,084</u>	<u>1,586,526</u>
Fund balance carried forward		<u>1,605,182</u>	<u>-</u>	<u>1,605,182</u>	<u>1,284,084</u>

All operations are continuing.

The accompanying notes form part of these financial statements.

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Statement of financial position as at 31 December 2024

	<u>Note</u>	<u>2024</u> £	<u>2023</u> £
Assets			
Current assets			
Investments	8	1,543,586	1,453,054
Cash and cash equivalents		103,358	48,856
Total current assets		<u>1,646,944</u>	<u>1,501,910</u>
Liabilities			
Current liabilities			
Creditors	9	41,762	217,826
Total current liabilities		<u>41,762</u>	<u>217,826</u>
Net current assets		<u>1,605,182</u>	<u>1,284,084</u>
Net assets		<u>1,605,182</u>	<u>1,284,084</u>
Funds			
Unrestricted		1,605,182	1,281,431
Restricted	10	-	2,653
Total funds		<u>1,605,182</u>	<u>1,284,084</u>

The accompanying notes form part of these financial statements.

Approved by the trustees on 8 October 2025 and signed on their behalf by:



.....
Louise Wells
Trustee

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Cash flow statement for the year ended 31 December 2024

	<u>2024</u> £	<u>2023</u> £
Cash flows from operating activities:		
Net cash used in operating activities	(112,500)	(374,868)
Cash flows from investing activities:		
Dividends and interest from investments	181,784	80,417
Sale of investments	-	300,109
Net cash provided by investment activities	<u>181,784</u>	<u>380,526</u>
Change in cash and cash equivalents in year	69,284	5,658
Cash at the beginning of year	48,855	49,889
Change in cash due to exchange rate movements	(14,780)	(6,691)
Cash at bank at end of year	<u>103,358</u>	<u>48,856</u>
	<u>2024</u> £	<u>2023</u> £
Net incoming/ (outgoing) resources (as per the statement of financial activities)	230,568	(314,886)
Adjustments for:		
Dividends and interest from investments	(181,784)	(80,417)
(Decrease)/ Increase in creditors	(176,064)	6,533
Decrease in concessionary loan	-	6,948
Revaluation adjustments	14,780	6,954
Net cash used in operating activities	<u>(112,500)</u>	<u>(374,868)</u>
Analysis of cash and cash equivalents		
	<u>2024</u> £	<u>2023</u> £
Cash at bank	55,935	15,440
Notice deposits	47,423	33,416
Total cash and cash equivalents	<u>103,358</u>	<u>48,856</u>

The accompanying notes form part of these financial statements.

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Notes to the financial statements

1. Statement of compliance

The Charity is a charitable trust. The financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements for the year ended 31 December 2024.

2. Basis of preparation and accounting

Basis of preparation

The financial statements are prepared on a going concern basis. The trustees believe the going concern assumption to be appropriate as the trustees have sufficient unrestricted funds available for the ongoing use and continuing benefit of the Charity and its objectives. The Trustees are satisfied that the level and diversification of reserves held is sufficient to mitigate the related risks and have concluded that there are no material uncertainties that could cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

The key factors considered are that the Charity has a strong balance sheet with sufficient net assets and no significant ongoing contractual obligations. The vast majority of the net assets held by the Charity are highly liquid and can be readily sold if required. The trustees have analysed the latest available information in relation to the net assets when assessing the impact on going concern and the fact that donation income for the year 2025 from the founder has already been approved and paid by the founder. In addition, all outgoing donations and charitable activities are fully at the discretion of the Charity and can be withheld if needed as such there are no long-term commitments in relation to the outgoing donations. As a result of these factors, the Trustees expect that the Charity has adequate reserves to continue its operations for a period of at least 12 months from the date that the financial statements are approved.

Presentation currency

The financial statements are presented in Pounds Sterling which is the functional currency of the Charity.

Foreign currency transactions are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions, or at the average rate for the period when this is a reasonable approximation. Monetary assets and liabilities denominated in foreign currencies are translated at year end exchange rates. The resulting exchange differences on translation are recorded in the statement of financial activities.

Basis of accounting

The financial statements have been prepared under the accruals concept and provide information that is relevant, reliable, comparable and understandable.

3. Significant accounting policies

- a) The accounts are prepared under the historic cost convention as modified by the revaluation of investments, and are drawn up in accordance with the 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) issued in October 2019, and applicable

The Lancashire Foundation

United Kingdom accounting standards. Amendments to FRS 102 were issued on 27 March 2024. These are not expected to have an effect on the Foundation.

- b) Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.
- c) Shares are initially recognised at cost. They are subsequently recorded at fair value, determined based on bid prices from recognised exchanges, broker-dealers, recognised indices or pricing vendors. Any gain or loss on revaluation is taken to the statement of financial activities.
- d) Voluntary income is recognised in the statement of financial activities when:
 - The Charity becomes entitled to it;
 - The trustees are reasonably certain they will receive it; and
 - The trustees are reasonably certain that the value can be reliably measured.
- e) Investment income is accounted for in the year which the Charity is entitled to receipt.
- f) Grants payable are accounted for as soon as committed.
- g) Grants payable are recognised when donations are approved by the donations committee and trustees.
- h) Due to the ongoing financial support of the Charity by the Founder, there are no costs incurred in relation to generating funds.
- i) Governance costs comprise of audit fees and bank charges and are accounted for on an accruals basis. These are allocated to unrestricted funds.
- j) Restricted funds in relation to “Project Transform” are those which must be applied in accordance with the purpose for which they were raised.
- k) Unrestricted funds comprise those funds which the trustees are free to use for any purpose in the furtherance of the charitable objectives.
- l) Where the donations committee and trustees allocate unrestricted funds to a restricted purpose such as “Project Transform” then the relevant funds are transferred from unrestricted to restricted funds.
- m) Concessionary loans are recorded at the amount paid, with the carrying amount adjusted to allow for potential impairment due to non-payment.

4. Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received with categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

5. Donations received

	<u>2024</u>	<u>2023</u>
	<u>£</u>	<u>£</u>
Donation from Lancashire Holdings Limited	594,078	204,408
Graduate scheme costs waived (see note 11)	179,152	—
Donations to Project Transform appeal (see note 10)	1,300	2,653
	<u>774,530</u>	<u>207,061</u>

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6. Charitable activities

	<u>2024</u>	<u>2023</u>
	£	£
Grants to institutions made in the year	688,002	571,034
Adjustment to provision for potential loss on concessionary loan	-	6,862
	<u>688,002</u>	<u>577,896</u>

No charge is made for the trustees' services nor are the trustees reimbursed by the Charity for any costs they may incur. There are no other staff costs and the Charity does not employ any staff.

The Founder and the Charity have jointly sponsored an internship programme for Bermuda resident college graduates. The amount due to Lancashire Insurance Services Limited at 31 December 2023 was waived in the year resulting in a credit to the income statement of £179,152 (2023: £Nil).

7. Governance costs

	<u>2024</u>	<u>2023</u>
	£	£
Audit fee	18,000	15,000
Legal fees	3,438	1,440
Bank charges	1,526	1,074
	<u>22,964</u>	<u>17,514</u>

8. Investments

The Charity holds the following investments:

	<u>2024</u>	<u>2023</u>
	£	£
Lancashire Holdings Limited shares	935,338	885,662
Externally managed investment funds	608,248	567,392
	<u>1,543,586</u>	<u>1,453,054</u>

Lancashire Holdings Limited shares

At 31 December 2024, the Charity held 141,933 (2023: 141,933) common shares in Lancashire Holdings Limited which are listed on the London stock exchange. These have been recorded at fair value based on the closing share price on 31 December 2024 and 31 December 2023.

No shares were sold during 2024.

The Lancashire Foundation

Externally managed investment funds

During 2020, the Charity implemented a plan to diversify investments held and placed £1,000,000 in a portfolio of investment funds which is managed by a third-party provider. These have been recorded at fair value based on the closing fund price on 31 December 2024 and 31 December 2023.

During 2024, withdrawals totaling £Nil (2023: £300,109) were made from the externally held investment funds.

The funds held in the portfolio are summarised by type as follows:

	<u>2024</u>	<u>2023</u>
	£	£
Balanced multi-asset	606,625	—
Global equity	174	219,994
Flexible allocation	—	130,355
UK bond	162	98,972
UK equity	—	51,597
Global bond	—	41,468
Asia-Pacific equity	—	25,006
Cash	1,287	—
	<u>608,248</u>	<u>567,392</u>

At 31 December 2024, the externally managed portfolio included investments in 6 funds (2023: 18). This reflected a change to the use of multi-asset class funds in 2024 compared to asset specific funds in 2023 and prior years.

Investment income included the following:

	<u>2024</u>	<u>2023</u>
	£	£
Dividend income on Lancashire Holdings Limited shares	164,773	73,932
Bank interest	17,011	6,485
	<u>181,784</u>	<u>80,417</u>

The gain on revaluation to fair value of investments included the following:

	<u>2024</u>	<u>2023</u>
	£	£
Lancashire Holdings Limited shares	49,676	(36,902)
Externally managed investment funds	40,854	49,346
	<u>90,530</u>	<u>12,444</u>

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9. Creditors

	<u>2024</u>	<u>2023</u>
	£	£
Accrued expenses	18,000	15,000
Accrual in relation to donations for the year	23,762	23,674
Amount payable to Lancashire Insurance Services Limited (see note 11)	—	179,152
	<u>41,762</u>	<u>217,826</u>

10. Restricted funds

From 2010 to 2019, six to eight employees from across the Lancashire Group of Companies volunteered for Project Transform and travelled to the Philippines to work alongside International Care Ministries (Philippines) for a week providing aid and support to those living in extreme poverty.

It was not possible to arrange a Project Transform trip for 2020 or 2021 due to the restrictions on travel as a result of the Coronavirus pandemic.

During 2023 Project Transform was relaunched with a group of employees travelling to Tanzania for a week. During the year £1,300 was raised by staff donations and events and £3,953 was pledged from the Foundation for the benefit of Project Transform.

Restricted funds were held in a separate bank account. There was no unpaid balance at 31 December 2024. The balance at 31 December 2023 was £2,653 and represented funds raised not yet expended.

11. Related parties

During the year the Charity received a donation from Lancashire Holdings Limited of £594,078 (2023: £204,408) and investment income of £164,773 (2023: £73,932) from the Charity's holding of shares in Lancashire Holdings Limited.

There were no sales of Lancashire Holdings Limited shares during the year (refer to note 8 for further details).

There were no amounts due to or from Lancashire Holdings Limited at 31 December 2024.

The Founder and the Charity jointly sponsored an internship programme for Bermuda resident college graduates until 2021, with a portion of the costs allocated to the charity from Lancashire Insurance Services Limited from 2018 until 2021. The related amount of £179,152 had not yet been paid by the Charity to Lancashire Insurance Services Limited at 31 December 2023. During 2024 the Board of Lancashire Insurance Services Limited agreed that the balance of £179,152 due from the Charity would be waived and this has been credited to the statement of financial activities during 2024.

Derek Stapley and Robert Kennedy who are trustees of the Charity are also Trustees of Malawi Community Hubs. During the year the Charity donated £5,000 (2023: £4,250) to Malawi Community Hubs.

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Robert Kennedy who is a trustee of the Charity is married to an employee of WeSeeHope. During the year the Charity donated £5,000 (2023: £2,000) to WeSeeHope.

12. Subsequent events

The Founder has approved and paid a donation to the Charity of \$750,000 for 2025 which will enable it to continue to meet its objectives in that year by supporting new and existing charities.

In June 2025 the Charity committed to supporting The Royal British Legion Lloyd's & City Branch and the Lloyd's Patriotic Fund Slip Campaign 2025-2028 by pledging to donate £7,500 annually for the next 3 years. The 2025 payment has been paid.

The Lancashire Foundation

Appendix 1: Grants to Institutions

	2024	2023
	£	£
Cancer Research	50,694	32,000
The Family Centre	40,000	110,000
St Giles Trust	40,000	30,000
Bermuda Autism Support "Tomorrow's Voices"	40,000	30,000
Alzheimers Society	40,000	—
American Red Cross	40,000	—
HPV Foundation	30,000	—
Canadian Red Cross, Alberta Fires Appeal	25,000	—
The Human Milk Foundation	20,000	—
Mummy's Star	20,000	—
International Care Ministries (Philippines)	10,000	10,000
London Air Ambulance	10,000	10,000
Knowledge Quest	10,000	5,500
Mates4Mates	10,000	—
22 Zero	6,158	—
Salvation Army Bermuda	6,000	—
Scars	6,000	—
Furnishing Futures	5,600	—
Waterstart	5,000	40,000
Friends of Essex and London homeless	5,000	20,000
HOME	5,000	10,000
Warwick Academy Outreach Programme	5,000	5,750
Action on Alzheimer's and dementia	5,000	5,000
Windreach Bermuda	5,000	5,000
Victor Scott Primary School	5,000	5,000
The Poppy Factory	5,000	5,000
Malawi Community Hubs	5,000	4,250
Medical detection dogs	5,000	2,500
Mission Aviation Fellowship	5,000	2,500
Silver Jubilee Park	5,000	—
WeSeeHope	5,000	2,000
Relay for Life	4,731	—
Tanzania Host Experience (Project Transform)	3,953	5,000
Bermuda Championships (water bottles)	3,738	—
The Liam Taylor Legacy	3,060	—
Morgan's Message	3,038	—
The Mustard Seed	3,000	—
St Christopher's Hospice	3,000	—
Ham United Group Community Interest Company	3,000	—
Bermuda Volleyball Association	3,000	—
Bobby's Big Heart	3,000	—
Thames Hospice	3,000	—
The Dignity Foundation	3,000	—
DailyMale	3,000	—

The Lancashire Foundation

Appendix 1: Grants to Institutions

Masterworks Foundation	3,000	—
CALM	3,000	—
Stroke Association	3,000	—
Memory Action Group	3,000	—
Alzheimers Society	3,000	—
Love Oliver	3,000	—
Juvenile Diabetes Research Foundation	3,000	—
Tunnel to Towers	3,000	—
Alsama Project	3,000	—
Children with Cancer	3,000	—
St Luke's Hospice	3,000	—
Arthur Rank Hospice	3,000	—
World Pheasant Association	3,000	—
St Catherine's Hospice	3,000	—
Pewsey Heritage	3,000	—
The Motherhood Plan	3,000	—
Royal Marsden	3,000	—
The Lily Foundation	3,000	—
We are Beams	3,000	—
Waves Music Therapy	3,000	—
St. John Fisher Kidbrooke	3,000	—
Ace Africa	3,000	—
Haven House Children's Hospice	3,000	—
Kohima Educational Trust	3,000	—
Barrow Farm Riding and Carriage Driving for the Disabled	3,000	—
Association for Glycogen Storage Disease	3,000	—
Multiple System Atrophy Trust	3,000	—
The Worst Girl Gang Ever Foundation	3,000	—
Sophie Hayes Foundation	3,000	—
Ocular Melanoma UK	3,000	—
St. Albans Cathedral Music Trust	3,000	—
Yorda Adventures	3,000	—
Open Airways	3,000	—
Zoe's Place	3,000	—
Great Ormond Street Hospital Charity	3,000	—
Young Minds	3,000	—
BRACE - Dementia Research	3,000	—
Family Matters	3,000	—
Crohn's & Colitis UK	3,000	—
Lads Need Dads	3,000	—
East Anglia's Children's Hospices	3,000	—
Parents 1st UK	3,000	—
Norfolk & Norwich Hospital	3,000	—
Arthur Rank Hospice Charity	3,000	—
ERIC The Children's Bowel & Bladder Charity	3,000	—
Hoffman Institute	3,000	—
PALS	3,000	—
Bermuda SPCA	3,000	—

The Lancashire Foundation

Appendix 1: Grants to Institutions

Inn from the cold	2,977	—
Support Public Schools - Harrington Sound	2,800	—
The Royal Marsden	2,500	—
Support Public Schools - Purvis Primary	2,200	—
Ovarian Cancer Action	2,000	—
Stop Hate UK	2,000	—
Child Bereavement UK	2,000	—
Haven House (matching Amy Eaves)	2,000	—
Turkey/Syria: Red Cross	—	50,000
BMC access and conservation trust	—	45,000
Keep Bermuda Beautiful	—	24,000
Bermuda Zoological Society	—	8,000
Bermuda National Trust	—	5,350
Surfers against sewage	—	5,000
Circles Art Ed	—	5,000
Thames 21	—	5,000
Tree Musketeers	—	5,000
Women's Environmental	—	5,000
Relay for life	—	4,030
Bhubesi Pride Foundation (Football Kits)	1,000	3,300
Turkey/Syria: Red Cross staff matching	—	2,190
Bobby's Big heart	—	2,000
Plymouth hospitals	—	2,000
Parkinsons Disease Society UK	—	2,000
Forget me no support group	—	2,000
Waves Music. Toby's Fund	—	2,000
Prestwood Nature	—	2,000
Crohn's & Colitis UK	—	2,000
Team up for Social Mobility	—	2,000
The Kevin Bell repatriation trust	—	2,000
Home for Good	—	2,000
Pregnant then screwed	—	2,000
Haven House Children's Hospice	—	2,000
The Royal Marsden	—	2,000
Friends of Treetops School	—	2,000
George's Windmills	—	2,000
Scars	—	2,000
Women's resource center	—	2,000
Habitat for Humanity	—	2,000
Trees for cities	—	2,000
Recoil trampoline centre	—	2,000
Usher kids	—	2,000
Staunton Harold Sailability trust	—	2,000
Nature Vibez	—	2,000
Oakhaven trust	—	2,000
Raleigh International. Bermuda Backyard Ultra	—	2,000
Living Reefs foundation	—	2,000
IT takes a village	—	2,000

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Appendix 1: Grants to Institutions

Bermuda foundation for insurance studies	—	2,000
Sands	—	2,000
Miscellaneous donations under £2,000	7,553	6,664
Total donations	688,002	571,034

THE LANCASHIRE FOUNDATION

England & Wales - Charity number 1149184

Accounts

The Lancashire Foundation

Financial Statements and Trustees' Report

For the year ended 31 December 2023

Registered Charity in England and Wales number 1149184

The Lancashire Foundation

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The Lancashire Foundation

Reference and Administrative Details of the Lancashire Foundation

Trustees

Louise Wells (Chair) (appointed 1 November 2017)
Derek Stapley (appointed 1 December 2014)
Emma Grimes (appointed 29 March 2018)
Robert Kennedy (appointed 5 March 2022)

Registered Office

29th Floor
20 Fenchurch Street
London
EC3M 3BY

Banker

HSBC Bank Plc
2nd Floor
62-76 Park Street
London
SE1 9DZ

Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Solicitor

Bates Wells Braithwaite London LLP
2-6 Cannon Street
London
EC4M 6YH

Investment adviser

Amber River Premier
Swan House
Liston Road
Marlow
Buckinghamshire
SL7 1DP

Registered Charity in England and Wales Number 1149184

The Lancashire Foundation

Trustees' report

For the year ended 31 December 2023

The trustees present their report and the audited financial statements of The Lancashire Foundation ("the Charity") for the year ended 31 December 2023. The financial statements have been prepared in accordance with the accounting policies set out in Notes 2 and 3 to the accounts and comply with the Charity's Trust Deed, the Charities Act 2011, the Statement of Recommended Practice: Accounting and Reporting by Charities published in 2019 and Amendments to FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Structure, Governance and Management

Governing Document

The Charity is structured as a charitable trust governed by a Trust Deed dated 27 September 2012 and is a charity registered by the Charity Commission, number 1149184, operating from the registered office shown on page 3.

Organisation

The Charity is managed by the trustees who hold quarterly meetings.

Decisions are taken at meetings when a quorum of at least one third of the number of trustees or two trustees, whichever is greater, are present.

Decisions may also be taken without a meeting on a unanimous basis through written resolution or other communication between the trustees.

The day to day management of the affairs of the charity has been delegated to the Donations Committee ("the Committee").

The role and activity of the Committee can be summarised as follows:

- To receive and analyse requests for donations from charitable bodies and where appropriate recommend to the trustees that a donation be made;
- To seek to build relationships with those charities that the Foundation supports and through developing strong and long-term relationships be able to provide assurance that the Foundation's funds are spent in a manner that leads to their effective use; and
- To support the Foundation in achieving its purpose through its core aims and objectives.

For the year ended 31 December 2023, the following trustees were members of the Committee:

Emma Grimes

Other members of the Committee for the year ended 31 December 2023 were as follows:

The Lancashire Foundation

Jennifer Wilson (Chair)
Mark Carvalho
Kelly Turner
Nick Nebard
Nancy Da Silva
Minnie Beagley
Jayne King
Kate Parker (appointed 21 March 2023)

The composition of the Committee is reviewed from time to time by the trustees in order to make such changes as are necessary to ensure that it remains reflective of and responsive to the needs of the Charity.

Appointment of trustees

The founder of the Charity, Lancashire Holdings Limited (“the Founder”), may appoint new or additional trustees by written resolution provided that if the number of trustees falls to less than three and the Founder fails to appoint new trustee(s) within six months thereof, the remaining trustees may appoint new or additional trustees by written resolution so as to bring the number up to three.

The trustees who have served during the year are set out on page 3. The number of trustees shall not be permitted to fall below three.

All trustees give of their time freely and no trustee may receive any remuneration or other benefit in money or money’s worth from the Charity.

On appointment, all new trustees receive information and training as appropriate to ensure that they are familiar with all aspects of the Charity including its finances, future plans and objectives.

Risk management

The trustees have, within the year under review, assessed the risks that the Charity faces and can confirm that systems are in place to minimise those risks. The trustees will continue to monitor and re-consider the risks the Charity is exposed to during the coming year.

The principal uncertainty facing the Charity is the level of future income. Due to the discretionary and annual nature of donations made by the Charity and its strong financial position the trustees believe that this can be effectively managed.

The Foundation received a donation of £204,408 from the Founder during 2023 (2022: £184,348)

Objectives and Activities

The Charity and its Trust Fund are administered and managed by the trustees. The objects of the Charity are to hold the Trust Fund and its income upon trust and to apply them for all purposes which are exclusively charitable under the laws of England and Wales from time to time by the making of grants to any individual, group, organisation or institution in the United Kingdom, Bermuda and worldwide.

The Lancashire Foundation

The Charity is committed to channelling its resources in an effective way to meet community needs, particularly focussed on helping the severely disadvantaged in society.

The Charity's strategy is to provide grants to charities or organisations whose work reflects and is aligned to the values and interests of the people and businesses within the Lancashire group of insurers. In certain cases, these grants may be renewed for a number of years, subject always to an annual review of the proposed grant at the discretion of the Charity.

The Charity also invites applications for grants from members of staff of The Lancashire Group to charities with which they have an interest or involvement.

The trustees review the success of the Charity's activities through:

- analysis of levels of staff engagement with charities including the amount of "matching donations" made by the Charity;
- analysis of the allocation of donations to different types of charities;
- analysis of the performance of the underlying charities; and
- assessing the impact of the Charity's funding on the outcome and success measures used by each recipient organisation.

Reserves policy

The trustees have assessed the availability of resources to provide ongoing support to the majority of the charitable organisations currently supported based on the level of funds held, anticipated investment income and future donations from the Founder and are satisfied that sufficient reserves are held.

Restricted Funds

At 31 December 2023 the Charity held restricted funds of £2,653 (2022: £nil) in relation to staff fundraising for Project Transform. See note 11 for further details.

Public benefit

The Charity is a public benefit entity and the trustees have paid due regard to the public benefit guidance published by the Charities Commission.

Investment policy

The Charity holds shares in the Founder which it received when exercising share warrants gifted by the Founder. The policy of the Charity is to hold these shares to receive dividend income to fund donations and to sell shares if required to provide additional cash.

The Charity has also holds a diversified portfolio of investment funds which is managed by a third-party provider. The performance of the funds is regularly monitored by the trustees. When considering potential funds to be held in the portfolio criteria around social responsibility are applied with the aim of selecting ethical and sustainable investments.

Cash balances are held in liquidity funds, term deposit and interest-bearing current accounts.

Achievements and Performance

The trustees have considered each application made to the Charity.

The Lancashire Foundation

During the year the Charity distributed £571,034 (2022: £498,726) to 67 (2022: 60) charities. £94,350 (2022: £40,000) of this amount was distributed to 35 (2022: 22) charities as part of a staff initiative whereby staff could apply for a donation for their nominated charity.

The 10 largest donations during 2023 were to The Family Centre, International Red Cross: Turkey/Syria appeal, BMC access and conservation trust, Waterstart, Cancer Research, St Giles Trust, Bermuda Autism Support "Tomorrow's Voices", Keep Bermuda Beautiful, Friends of Essex and London homeless and HOME.

During the year, the Charity matched individual employee fundraising up to a limit of £2,000, resulting in donations of £12,664 (2022: £7,600).

Details of grants made can be found in the notes to the financial statements. The trustees ensure that grants are made in accordance with the Charity's objectives.

The level of the annual donation from the Founder is dependent on its results for the year and the circumstances of the Charity. During 2023 the Charity received a donation from the Founder of £204,408 (2022: £184,348).

Financial Review

During 2023 the Charity received donations of £207,061 (2022: £184,348) including a donation from the Founder of £204,408 (2022: £184,348). The Charity also received investment income of £80,417 (2022: £18,925) giving total incoming resources of £287,478 (2022: £203,273).

During the year donations of £571,034 were made (2022: £498,726). After including governance costs of £17,514 (2022: £13,137), a loan impairment charge of £6,862 (2022: impairment of £2,559) and foreign exchange loss of £6,954 (2022: gain of £11,556) total resources expended were £602,364 (2022: £502,866).

Taking into account a gain on the revaluation of investments of £12,444 (2022: loss of £46,358) total funds reduced in 2023 by £302,442 (2022: reduction of £345,951).

At 31 December 2023, the Charity had net assets of £1,284,084 (31 December 2022: £1,586,526).

Related parties

As noted above, the Founder at its discretion has the power to provide donations to the Charity and has the power to appoint trustees. The Charity holds an investment in the shares of the Founder.

The Founder and the Charity have jointly sponsored an internship programme for Bermuda resident college graduates and the Charity was not allocated any costs during 2023 or 2022. The total allocation to date of £179,152 was payable to LISL at 31 December 2023 (2022: £179,152). This scheme came to an end during 2021 and therefore no further costs are expected to be incurred.

The Lancashire Foundation

Future Plans

The Charity will continue to encourage staff to take part in charitable activities, often by matching sums raised, or by direct grants to charities or organisations in which staff have an interest or involvement. The trustees encourage involvement from staff in the charities or organisations supported by the Charity.

The charity will also make funds available to support the wider ESG initiatives that the Founder has committed to with a focus on supporting social causes.

The Charity Governance code

The trustees have considered the principles of the Charity Governance Code and applied these to the operation of the charity as follows:

1. Organisational purpose

The trustees are clear about the Charity's aims which are described in the object and activities section above and ensure that these are being delivered effectively and sustainably.

2. Leadership

The Charity is led by the trustees who provide strategic leadership in line with the Charity's aims and values.

3. Integrity

The trustees act with integrity, adopting values and creating a culture which helps to achieve the organisation's charitable purposes. The trustees are aware of the importance of the public's confidence and trust in charities, and the trustees undertake their duties accordingly.

4. Decision-making, risk and control

The trustees make sure that their decision-making processes are informed, rigorous and timely and that effective delegation, control and risk assessment and management systems are set up and monitored.

5. Trustee effectiveness

The trustees work as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions.

6. Diversity

The trustees are committed to embracing diversity to support the effectiveness, leadership and decision-making within the Charity.

7. Openness and accountability

The trustees manage the organisation in a transparent and accountable way.

The Lancashire Foundation

Statement of disclosure of information to auditor

The trustees who held office at the date of approval of this trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Charity's auditor is unaware and each trustee has taken all the steps they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

The Lancashire Foundation

Statement of trustees' responsibilities in respect of the trustees' annual report and the financial statements

Under the trust deed of the Charity and charity law, the trustees are responsible for preparing a Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The trustees are required to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- assess the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Charity or to cease operations or have no realistic alternative but to do so.

The trustees are required to act in accordance with the trust deed of the Charity, within the framework of trust law. They are responsible for keeping accounting records which are sufficient to show and explain the charity's transactions and disclose at any time, with reasonable accuracy, the financial position of the Charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Charity and to prevent and detect fraud and other irregularities.

Approved by the trustees and signed on their behalf by:



Louise Wells
Trustee
19th June 2024

The Lancashire Foundation

Independent auditor's report to the Trustees of The Lancashire Foundation

Opinion

We have audited the financial statements of The Lancashire Foundation ("the charity") for the year ended 31 December 2023 which comprise the Statement of Financial Activities, Statement of Financial Position, and Cash flow statement and related notes, including the accounting policies in note 3 Significant Accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 145 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charity or to cease its operations, and as they have concluded that the charity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the charity's business model and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they

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were made, the above conclusions are not a guarantee that the charity will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management, and inspection of policy documentation as to the charity’s high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Trustee, and Donations Committee meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because Charity has simple revenue streams with limited complexity around revenue recognition.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by individuals who do not frequently post journals, those posted with descriptions containing key words or phrases or posted with no description, those posted to unusual accounts with a corresponding entry to cash, and all material post-closing journals.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the Trustees (as required by auditing standards), and discussed with the Trustees the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related charities legislation

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and SORP), and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: anti-bribery and certain aspects of charity legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees, and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or

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- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 10, the trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charity'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 they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charity's trustees as a body, in accordance with section 145 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Rajan Thakrar
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

19th June 2024

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Lancashire Foundation

Statement of financial activities for the year ended 31 December 2023

	Note	Unrestricted funds	Restricted funds	2023 Total funds	2022 Total funds
		£	£	£	£
Income from					
Donations	5	204,408	2,653	207,061	184,348
Investments	9	80,417	-	80,417	18,925
Total income		<u>284,825</u>	<u>2,653</u>	<u>287,478</u>	<u>203,273</u>
Expenditure on					
Charitable activities	6	(572,896)	(5,000)	(577,896)	(501,285)
Governance costs	7	(17,514)	-	(17,514)	(13,137)
Unrealised and realised foreign exchange gains (losses)		(6,954)	-	(6,954)	11,556
Total expenditure		<u>(597,364)</u>	<u>(5,000)</u>	<u>(602,364)</u>	<u>(502,866)</u>
Gain (loss) on revaluation of investments	9	12,444	-	12,444	(46,358)
Net outgoing resources before transfers		<u>(300,095)</u>	<u>(2,347)</u>	<u>(302,442)</u>	<u>(345,951)</u>
Transfers					
Transfer between funds		<u>(5,000)</u>	<u>5,000</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(305,095)</u>	<u>2,653</u>	<u>(302,442)</u>	<u>(345,951)</u>
Fund balance brought forward		<u>1,586,526</u>	<u>-</u>	<u>1,586,526</u>	<u>1,932,477</u>
Fund balance carried forward		<u>1,281,431</u>	<u>2,653</u>	<u>1,284,084</u>	<u>1,586,526</u>

All operations are continuing.

The accompanying notes form part of these financial statements.

The Lancashire Foundation

Statement of financial position as at 31 December 2023

	<u>Note</u>	<u>2023</u> £	<u>2022</u> £
Assets			
Fixed assets			
Concessionary loan	8	-	7,260
Total fixed assets		-	7,260
Current assets			
Investments	9	1,453,054	1,740,720
Cash and cash equivalents		48,856	49,889
Total current assets		1,501,910	1,790,609
Liabilities			
Current liabilities			
Creditors	10	217,826	211,343
Total current liabilities		217,826	211,343
Net current assets		1,284,084	1,579,266
Net assets		1,284,084	1,586,526
Funds			
Unrestricted		1,281,431	1,586,526
Restricted	11	2,653	-
Total funds		1,284,084	1,586,526

The accompanying notes form part of these financial statements.

Approved by the trustees on 19th June 2024 and signed on their behalf by:



.....
Louise Wells
Trustee

The Lancashire Foundation

Cash flow statement for the year ended 31 December 2023

	<u>2023</u>	<u>2022</u>
	£	£
Cash flows from operating activities:		
Net cash (used in) / provided by operating activities	(374,868)	(306,029)
Cash flows from investing activities:		
Dividends and interest from investments	80,417	18,925
Sale of investments	300,109	296,825
Net cash provided by / (used in) investment activities	<u>380,526</u>	<u>315,750</u>
Change in cash and cash equivalents in year	5,658	9,721
Cash at the beginning of year	49,889	29,801
Change in cash due to exchange rate movements	(6,691)	10,367
Cash at bank at end of year	<u>48,856</u>	<u>49,889</u>
	<u>2023</u>	<u>2022</u>
	£	£
Net incoming (outgoing) resources (as per the statement of financial activities)	(314,886)	(299,593)
Adjustments for:		
Dividends and interest from investments	(80,417)	(18,925)
Increase/ (Decrease) in creditors	6,533	20,191
Decrease in Concessionary loan	6,948	3,854
Revaluation adjustments	6,954	(11,556)
Net cash (used in) / provided by operating activities	<u>(374,868)</u>	<u>(306,029)</u>
Analysis of cash and cash equivalents		
	<u>2023</u>	<u>2022</u>
	£	£
Cash at bank	15,440	1,667
Notice deposits	33,416	48,222
Total cash and cash equivalents	<u>48,856</u>	<u>49,889</u>

The accompanying notes form part of these financial statements.

The Lancashire Foundation

Notes to the financial statements

1. Statement of compliance

The Charity is a charitable trust. The financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements for the year ended 31 December 2023.

2. Basis of preparation and accounting

Basis of preparation

The financial statements are prepared on a going concern basis. The trustees believe the going concern assumption to be appropriate as the trustees have sufficient unrestricted funds available for the ongoing use and continuing benefit of the Charity and its objectives. The Trustees are satisfied that the level and diversification of reserves held is sufficient to mitigate the related risks and have concluded that there are no material uncertainties that could cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

The key factors considered are that the Charity has a strong balance sheet with sufficient net assets and no significant ongoing contractual obligations. The vast majority of the net assets held by the Charity are highly liquid and can be readily sold if required. The trustees have analysed the latest available information in relation to the net assets when assessing the impact on going concern and the fact that donation income for the year 2024 from the founder has already been approved and paid by the founder. In addition, all outgoing donations and charitable activities are fully at the discretion of the Charity and can be withheld if needed as such there are no long-term commitments in relation to the outgoing donations. As a result of these factors, the Trustees expect that the Charity has adequate reserves to continue its operations for a period of at least 12 months from the date that the financial statements are approved.

Presentation currency

The financial statements are presented in Pounds Sterling which is the functional currency of the Charity.

Foreign currency transactions are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions, or at the average rate for the period when this is a reasonable approximation. Monetary assets and liabilities denominated in foreign currencies are translated at year end exchange rates. The resulting exchange differences on translation are recorded in the statement of financial activities.

Basis of accounting

The financial statements have been prepared under the accruals concept and provide information that is relevant, reliable, comparable and understandable.

3. Significant accounting policies

- a) The accounts are prepared under the historic cost convention as modified by the revaluation of investments, and are drawn up in accordance with the 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) issued in October 2019, and applicable

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United Kingdom accounting standards. Amendments to FRS 102 were issued on 27 March 2024. These are not expected to have an effect on the Foundation.

- b) Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.
- c) Shares are initially recognised at cost. They are subsequently recorded at fair value, determined based on bid prices from recognised exchanges, broker-dealers, recognised indices or pricing vendors. Any gain or loss on revaluation is taken to the statement of financial activities.
- d) Voluntary income is recognised in the statement of financial activities when:
 - The Charity becomes entitled to it;
 - The trustees are reasonably certain they will receive it; and
 - The trustees are reasonably certain that the value can be reliably measured.
- e) Investment income is accounted for in the year which the Charity is entitled to receipt.
- f) Grants payable are accounted for as soon as committed.
- g) Grants payable are recognised when donations are approved by the donations committee and trustees.
- h) Due to the ongoing financial support of the Charity by the Founder, there are no costs incurred in relation to generating funds.
- i) Governance costs comprise of audit fees and bank charges and are accounted for on an accruals basis. These are allocated to unrestricted funds.
- j) Restricted funds in relation to “Project Transform” are those which must be applied in accordance with the purpose for which they were raised.
- k) Unrestricted funds comprise those funds which the trustees are free to use for any purpose in the furtherance of the charitable objectives.
- l) Where the donations committee and trustees allocate unrestricted funds to a restricted purpose such as “Project Transform” then the relevant funds are transferred from unrestricted to restricted funds.
- m) Concessionary loans are recorded at the amount paid, with the carrying amount adjusted to allow for potential impairment due to non-payment.

4. Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received with categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

5. Donations received

	<u>2023</u>	<u>2022</u>
	<u>£</u>	<u>£</u>
Donation from Lancashire Holdings Limited	204,408	184,348
Donations to Project Transform appeal (note 11)	2,653	-
	<u>207,061</u>	<u>184,348</u>

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6. Charitable activities

	<u>2023</u>	<u>2022</u>
	<u>£</u>	<u>£</u>
Grants to institutions made in the year	571,034	498,726
Adjustment to provision for potential loss on concessionary loan (see note 8)	6,862	2,559
	<u>577,896</u>	<u>501,285</u>

No charge is made for the trustees' services nor are the trustees reimbursed by the Charity for any costs they may incur. There are no other staff costs and the Charity does not employ any staff.

The Founder and the Charity have jointly sponsored an internship programme for Bermuda resident college graduates and the Charity did not receive an allocation of costs in 2022 or 2023 however the amount due to Lancashire Insurance Services Limited at 31 December 2023 remains at £179,152 (2022: £179,152).

7. Governance costs

	<u>2023</u>	<u>2022</u>
	<u>£</u>	<u>£</u>
Audit fee	15,000	12,000
Legal fees	1,440	-
Bank charges	1,074	1,137
	<u>17,514</u>	<u>13,137</u>

8. Concessionary loan

	<u>2023</u>	<u>2022</u>
	<u>£</u>	<u>£</u>
Concessionary loan	-	7,260

During 2014 the Charity entered into a concessionary loan agreement with Kiva, a non-profit organisation, which provides small loans to small businesses in the developing world through partnerships with a number of micro-finance organisations.

Under the terms of the agreement \$855,000 (£670,378) was loaned for a minimum period of 2 years from 8 July 2014 to enable matching loans to be made to small businesses in developing countries. No interest was payable on the amount loaned.

At 31 December 2022, the majority of the \$855,000 originally loaned to Kiva had been repaid apart from £131,178 which had been provided for as impaired and £7,260 which was still outstanding.

During 2023, a further repayment of £256 was received and the remaining balance was written off.

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9. Investments

The Charity holds the following investments:

	<u>2023</u>	<u>2022</u>
	£	£
Lancashire Holdings Limited shares	885,662	922,564
Externally managed investment funds	567,392	818,156
	<u>1,453,054</u>	<u>1,740,720</u>

Lancashire Holdings Limited shares

At 31 December 2023, the Charity held 141,933 (2022: 141,933) common shares in Lancashire Holdings Limited which are listed on the London stock exchange. These have been recorded at fair value based on the closing share price on 31 December 2023 and 31 December 2022.

No shares were sold during 2023.

Externally managed investment funds

During 2020, the Charity implemented a plan to diversify investments held and placed £1,000,000 in a portfolio of investment funds which is managed by a third-party provider. These have been recorded at fair value based on the closing fund price on 31 December 2023 and 31 December 2022.

During 2023, withdrawals totaling £300,109 (2022: £296,825) were made from the externally held investment funds.

The funds held in the portfolio are summarised by type as follows:

	<u>2023</u>	<u>2022</u>
	£	£
Global equity	219,994	273,515
Flexible allocation	130,355	193,140
UK bond	98,972	122,713
UK equity	51,597	143,348
Global bond	41,468	56,372
Asia-Pacific equity	25,006	24,315
Cash	-	4,753
	<u>567,392</u>	<u>818,156</u>

At 31 December 2023, the externally managed portfolio included investments in 18 funds (2022: 16). None of the individual funds held represented more than 10% of the total value of portfolio.

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Investment income included the following:

	<u>2023</u>	<u>2022</u>
	£	£
Dividend income on Lancashire Holdings Limited shares	73,932	17,485
Bank interest	6,485	1,440
	<u>80,417</u>	<u>18,925</u>

The Gain (loss) on revaluation to fair value of investments included the following:

	<u>2023</u>	<u>2022</u>
	£	£
Lancashire Holdings Limited shares	(36,902)	170,319
Externally managed investment funds	49,346	(216,677)
	<u>12,444</u>	<u>(46,358)</u>

10. Creditors

	<u>2023</u>	<u>2022</u>
	£	£
Accrued expenses	15,000	24,000
Accrual in relation to donations for the year	23,674	8,191
Amount payable to Lancashire Insurance Services Limited (see note 12)	179,152	179,152
	<u>217,826</u>	<u>211,343</u>

11. Restricted funds

From 2010 to 2019, six to eight employees from across the Lancashire Group of Companies volunteered for Project Transform and travelled to the Philippines to work alongside International Care Ministries (Philippines) for a week providing aid and support to those living in extreme poverty.

It was not possible to arrange a Project Transform trip for 2020 or 2021 due to the restrictions on travel as a result of the Coronavirus pandemic.

During 2023 Project Transform was relaunched with a group of employees travelling to Tanzania for a week. During the year £2,653 was raised by staff donations and events and £5,000 was pledged from the Foundation for the benefit of Project Transform. This donation remains payable at year end.

Restricted funds were held in a separate bank account. The balance at 31 December 2023 was £2,653 and represents funds raised not yet expended. (2022: £Nil)

12. Related parties

During the year the Charity received a donation from Lancashire Holdings Limited of £204,408 (2022: £184,348) and investment income of £73,932 (2022: £18,925) from the Charity's holding of shares in Lancashire Holdings Limited.

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There were no sales of Lancashire Holdings Limited shares during the year (refer to note 9 for further details).

There were no amounts due to or from Lancashire Holdings Limited at 31 December 2023.

The Founder and the Charity have jointly sponsored an internship programme for Bermuda resident college graduates. The scheme came to an end during 2022 and the Charity did not receive an allocation of costs 2023 or 2022. The related amounts have not yet been paid by the Charity and £179,152 was due to Lancashire Insurance Services Limited at 31 December 2023 (2022: £179,152).

Derek Stapley and Robert Kennedy who are trustees of the Charity are also Trustees of Malawi Community Hubs. During the year the Charity donated £4,250 (2022: £4,250) to Malawi Community Hubs.

Robert Kennedy who is a trustee of the Charity is married to an employee of WeSeeHope. During the year the Charity donated £2,000 (2022: £Nil) to WeSeeHope.

13. Subsequent events

The Founder has approved and paid a donation to the Charity of \$750,000 for 2024 which will enable it to continue to meet its objectives in that year by supporting new and existing charities.

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Appendix 1: Grants to Institutions

	<u>2023</u>	<u>2022</u>
	£	£
The Family Centre	110,000	45,000
Turkey/Syria: Red Cross	50,000	—
BMC access and conservation trust	45,000	—
Waterstart	40,000	—
Cancer Research	32,000	32,000
St Giles Trust	30,000	33,600
Bermuda Autism Support "Tomorrow's Voices"	30,000	30,000
Keep Bermuda Beautiful	24,000	—
Friends of Essex and London homeless	20,000	21,954
HOME	10,000	42,817
International Care Ministries (Philippines)	10,000	34,174
London Air Ambulance	10,000	10,000
Bermuda Zoological Society	8,000	—
Warwick Academy Outreach Programme	5,750	3,750
Knowledge Quest	5,500	5,500
Bermuda National Trust	5,350	—
Action on Alzheimer's and dementia	5,000	20,000
Windreach Bermuda	5,000	5,000
Victor Scott Primary School	5,000	5,000
The Poppy Factory	5,000	5,000
Surfers against sewage	5,000	—
Circles Alt Ed	5,000	—
Thames 21	5,000	—
Tree Musketeers	5,000	—
Women's Environmental	5,000	—
Transform	5,000	—
Malawi Community Hubs	4,250	4,250
Relay for life	4,030	—
Football Kits	3,300	—
Medical detection dogs	2,500	2,500
Mission Aviation Fellowship	2,500	2,500
Turkey/Syria: Red Cross staff matching	2,190	—
Bobby's Big heart	2,000	4,000
Plymouth hospitals	2,000	—
Parkinson's Disease Society UK	2,000	—
Forget me no support group	2,000	—
Waves Music. Toby's Fund	2,000	—
Prestwood Nature	2,000	—
Crohn's & Colitis UK	2,000	—
Team up for Social Mobility	2,000	—
WeSeeHope	2,000	—
The Kevin Bell repatriation trust	2,000	—
Home for Good	2,000	—

The Lancashire Foundation

Appendix 1: Grants to Institutions

	<u>2023</u>	<u>2022</u>
	£	£
Pregnant then screwed	2,000	—
Haven House Children's Hospice	2,000	—
The Royal Marsden	2,000	—
Friends of Treetops School	2,000	—
George's Windmills	2,000	—
Scars	2,000	—
Women's resource center	2,000	—
Habitat for Humanity	2,000	—
Trees for cities	2,000	—
Recoil trampoline centre	2,000	—
Usher kids	2,000	—
Staunton Harold Sailability trust	2,000	—
Nature Vibez	2,000	—
Oakhaven trust	2,000	—
Raleigh International. Bermuda Backyard Ultra	2,000	—
Living Reefs foundation	2,000	—
IT takes a village	2,000	—
Bermuda foundation for insurance studies	2,000	—
Sands	2,000	—
Scars	1,772	—
Brain Tumor charity	1,690	—
Save our bumps	1,167	—
Great Ormond Street Hospital	1,035	—
Bermuda diabetes association	1,000	—
International Red Cross: Ukraine appeal	—	39,720
UNICEF Ukraine appeal	—	33,066
Bloody Good Period	—	10,000
Adult Education School	—	10,000
Hospice UK	—	10,000
The B.I.G. Foundation	—	6,000
Ukraine refugee support	—	5,420
Magic Breakfast	—	5,000
Youth Centres Calgary	—	4,000
Young Lives vs Cancer	—	4,000
The Stroke Association	—	4,000
The Neil Burnie Foundation	—	4,000
Bermuda Rugby Football Union	—	4,000
Bermuda Cancer Centre	—	3,864
Toby's Fund	—	2,500
Care for children	—	2,500
Ovarian Cancer Action	—	2,000
All Saints School	—	2,000
Circadian Trust	—	2,000

The Lancashire Foundation

Appendix 1: Grants to Institutions

	<u>2023</u>	<u>2022</u>
	£	£
Spinal Cure Australia	—	2,000
James Roberts Trust	—	2,000
Roots International Street Team	—	2,000
Bermuda Education Network	—	2,000
Mercy Ships	—	2,000
Meals on Wheels	—	2,000
H-ABC	—	2,000
The Psoriasis Association	—	2,000
Outward Bound	—	2,000
Matthew Wilson Multiple Myeloma fund	—	2,000
Children's Hospital Pyjamas	—	2,000
St Luke's Hospice	—	2,000
Sebby's Corner Charity	—	2,000
Help Rural Nepal	—	2,000
Sporting Chance	—	2,000
Brain Tumour Charity	—	2,000
Support Public Schools	—	2,000
Miscellaneous donations under £2,000	—	3,611
Total donations	<u>571,034</u>	<u>498,726</u>

THE LANCASHIRE FOUNDATION

England & Wales - Charity number 1149184

Accounts

The Lancashire Foundation

Financial Statements and Trustees' Report

for the year ended 31 December 2022

Registered Charity in England and Wales number 1149184

The Lancashire Foundation

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The Lancashire Foundation

Reference and Administrative Details of the Lancashire Foundation

Trustees

Louise Wells (Chair) (appointed 1 November 2017)
Derek Stapley (appointed 1 December 2014)
Emma Grimes (appointed 29 March 2018)
Robert Kennedy (appointed 5 March 2022)

Registered Office

29th Floor
20 Fenchurch Street
London
EC3M 3BY

Banker

HSBC Bank Plc
2nd Floor
62-76 Park Street
London
SE1 9DZ

Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Solicitor

Bates Wells Braithwaite London LLP
2-6 Cannon Street
London
EC4M 6YH

Investment adviser

Amber River Premier
Swan House
Liston Road
Marlow
Buckinghamshire
SL7 1DP

Registered Charity in England and Wales Number 1149184

The Lancashire Foundation

Trustees' report for the year ended 31 December 2022

Report of the trustees for the year ended 31 December 2022

The trustees present their report and the audited financial statements of The Lancashire Foundation ("the Charity") for the year ended 31 December 2022. The financial statements have been prepared in accordance with the accounting policies set out in Notes 2 and 3 to the accounts and comply with the Charity's Trust Deed, the Charities Act 2011, the Statement of Recommended Practice: Accounting and Reporting by Charities published in 2017 and Amendments to FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Structure, Governance and Management

Governing Document

The Charity is structured as a charitable trust governed by a Trust Deed dated 27 September 2012 and is a charity registered by the Charity Commission, number 1149184, operating from the registered office shown on page 3.

Organisation

The Charity is managed by the trustees who hold quarterly meetings.

Decisions are taken at meetings when a quorum of at least one third of the number of trustees or two trustees, whichever is greater, are present.

Decisions may also be taken without a meeting on a unanimous basis through written resolution or other communication between the trustees.

The day to day management of the affairs of the charity has been delegated to the Donations Committee ("the Committee").

The role and activity of the Committee can be summarised as follows:

- To receive and analyse requests for donations from charitable bodies and where appropriate recommend to the trustees that a donation be made;
- To seek to build relationships with those charities that the Foundation supports and through developing strong and long-term relationships be able to provide assurance that the Foundation's funds are spent in a manner that leads to their effective use; and
- To support the Foundation in achieving its purpose through its core aims and objectives.

For the year ended 31 December 2022, the following trustees were members of the Committee:

Emma Grimes

Other members of the Committee for the year ended 31 December 2022 were as follows:

Jennifer Wilson (Chair)
Mark Carvalho

The Lancashire Foundation

Kelly Turner
Nick Nebard
Nancy Da Silva
Minnie Beagley
Jayne King (appointed 15 November 2022)
Kate Parker (appointed 21 March 2023)

The composition of the Committee is reviewed from time to time by the trustees in order to make such changes as are necessary to ensure that it remains reflective of and responsive to the needs of the Charity.

Appointment of trustees

The founder of the Charity, Lancashire Holdings Limited (“the Founder”), may appoint new or additional trustees by deed provided that if the number of trustees falls to less than three and the Founder fails to appoint new trustee(s) within six months thereof, the remaining trustees may appoint new or additional trustees by written resolution so as to bring the number up to three.

The trustees who have served during the year are set out on page 3. The number of trustees shall not be permitted to fall below three.

All trustees give of their time freely and no trustee may receive any remuneration or other benefit in money or money’s worth from the Charity.

On appointment, all new trustees receive information and training as appropriate to ensure that they are familiar with all aspects of the Charity including its finances, future plans and objectives.

Risk management

The trustees have, within the year under review, assessed the risks that the Charity faces and can confirm that systems are in place to minimise those risks. The trustees will continue to monitor and re-consider the risks the Charity is exposed to during the coming year.

The principal uncertainty facing the Charity is the level of future income. Due to the discretionary and annual nature of donations made by the Charity and its strong financial position the trustees believe that this can be effectively managed.

The Foundation received a donation of £184,348 from the Founder during 2022 (2021: £180,288)

Objectives and Activities

The Charity and its Trust Fund are administered and managed by the trustees. The objects of the Charity are to hold the Trust Fund and its income upon trust and to apply them for all purposes which are exclusively charitable under the laws of England and Wales from time to time by the making of grants to any individual, group, organisation or institution in the United Kingdom, Bermuda and worldwide.

The Charity is committed to channelling its resources in an effective way to meet community needs, particularly focussed on helping the severely disadvantaged in society.

The Lancashire Foundation

The Charity's strategy is to provide grants to charities or organisations whose work reflects and is aligned to the values and interests of the people and businesses within the Lancashire group of insurers. In certain cases, these grants may be renewed for a number of years, subject always to an annual review of the proposed grant at the discretion of the Charity.

The Charity also invites applications for grants from members of staff of The Lancashire Group to charities with which they have an interest or involvement.

The trustees review the success of the Charity's activities through:

- analysis of levels of staff engagement with charities including the amount of "matching donations" made by the Charity;
- analysis of the allocation of donations to different types of charities;
- analysis of the performance of the underlying charities; and
- assessing the impact of the Charity's funding on the outcome and success measures used by each recipient organisation.

Reserves policy

The trustees have assessed the availability of resources to provide ongoing support to the majority of the charitable organisations currently supported based on the level of funds held, anticipated investment income and future donations from the Founder and are satisfied that sufficient reserves are held.

Restricted Funds

At 31 December 2022 the Charity held restricted funds of £Nil (2021: £4,175) in relation to staff fundraising for Project Transform. See note 11 for further details.

Public benefit

The Charity is a public benefit entity and the trustees have paid due regard to the public benefit guidance published by the Charities Commission.

Investment policy

The Charity holds shares in the Founder which it received when exercising share warrants gifted by the Founder. The policy of the Charity is to hold these shares to receive dividend income to fund donations and to sell shares if required to provide additional cash.

The Charity has also holds a diversified portfolio of investment funds which is managed by a third-party provider. The performance of the funds is regularly monitored by the trustees. When considering potential funds to be held in the portfolio criteria around social responsibility are applied with the aim of selecting ethical and sustainable investments.

Cash balances are held in liquidity funds, term deposit and interest-bearing current accounts.

Achievements and Performance

The trustees have considered each application made to the Charity.

During the year the Charity distributed £498,726 (2021: £515,773) to 60 (2021: 57) charities. £40,000 (2021: £146,888) of this amount was distributed to 22 (2021: 36) charities as part of a staff initiative whereby staff could apply for a donation of up to £2,000 (2021: £4,000) for their nominated charity.

The Lancashire Foundation

The 10 largest donations during 2022 were to The Family Centre, HOME, International Red Cross: Ukraine appeal, St Giles Trust, UNICEF: Ukraine appeal, Bermuda Autism Support "Tomorrow's Voices", International Care Ministries (Philippines), Cancer Research, Friends of Essex and London homeless and Action on Alzheimer's and dementia.

During the year, the Charity matched individual employee fundraising up to a limit of £2,000, resulting in donations of £7,600 (2021: £4,888).

Details of grants made can be found in the notes to the financial statements. The trustees ensure that grants are made in accordance with the Charity's objectives.

The level of the annual donation from the Founder is dependent on its results for the year and the circumstances of the Charity. During 2022 the Charity received a donation from the Founder of £184,348 (2021: £180,288).

Financial Review

During 2022 the Charity received donations of £184,348 (2021: £180,421) including a donation from the Founder of £184,348 (2021: £180,288). The Charity also received investment income of £18,295 (2021: £16,220) giving total incoming resources of £203,273 (2021: £196,641).

During the year donations of £498,726 were made (2021: £515,773) and an allocation of the cost of the Lancashire Group graduate internship scheme of £Nil (2021: £18,013) was incurred from Lancashire Insurance Services Limited ("LISL"). After including governance costs of £13,137 (2021: £12,852), a loan impairment charge of £2,559 (2021: impairment of £2,327) and foreign exchange gain of £11,556 (2021: loss of £925) total resources expended were £502,866 (2021: £549,890).

Taking into account a loss on the revaluation of investments of £46,358 (2021: loss of £145,787) total funds reduced in 2022 by £345,951 (2021: reduction of £499,036).

At 31 December 2022, the Charity had net assets of £1,586,526 (31 December 2021: £1,932,477).

Related parties

As noted above, the Founder at its discretion has the power to provide donations to the Charity and has the power to appoint trustees. The Charity holds an investment in the shares of the Founder.

The Founder and the Charity have jointly sponsored an internship programme for Bermuda resident college graduates and the Charity was allocated costs of £Nil during 2022 (2021: £18,013). The total allocation to date of £179,152 was payable to LISL at 31 December 2022 (2021: £179,152). This scheme came to an end during 2021 and therefore no further costs are expected to be incurred.

Future Plans

The Charity will continue to encourage staff to take part in charitable activities, often by matching sums raised, or by direct grants to charities or organisations in which staff have an interest or involvement. The trustees encourage involvement from staff in the charities or organisations supported by the Charity.

The Lancashire Foundation

The charity will also make funds available to support the wider ESG initiatives that the Founder has committed to with a focus on supporting social causes.

The Charity Governance code

The trustees have considered the principles of the Charity Governance Code and applied these to the operation of the charity as follows:

1. Organisational purpose

The trustees are clear about the Charity's aims which are described in the object and activities section above and ensure that these are being delivered effectively and sustainably.

2. Leadership

The Charity is led by the trustees who provide strategic leadership in line with the Charity's aims and values.

3. Integrity

The trustees act with integrity, adopting values and creating a culture which helps to achieve the organisation's charitable purposes. The trustees are aware of the importance of the public's confidence and trust in charities, and the trustees undertake their duties accordingly.

4. Decision-making, risk and control

The trustees make sure that their decision-making processes are informed, rigorous and timely and that effective control and risk assessment and management systems are set up and monitored.

5. Trustee effectiveness

The trustees work as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions.

6. Diversity

The trustees are committed to embracing diversity to support the effectiveness, leadership and decision-making within the Charity.

7. Openness and accountability

The trustees manage the organisation in a transparent and accountable way.

Statement of disclosure of information to auditor

The trustees who held office at the date of approval of this trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Charity's auditor is unaware and each trustee has taken all the steps they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

The Lancashire Foundation

Statement of trustees' responsibilities in respect of the trustees' report and the financial statements

Under the trust deed of the Charity and charity law, the trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations. The trustees are required to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- assess the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Charity or to cease operations or have no realistic alternative but to do so.

The trustees are required to act in accordance with the trust deed of the Charity, within the framework of trust law. They are responsible for keeping accounting records which are sufficient to show and explain the charity's transactions and disclose at any time, with reasonable accuracy, the financial position of the Charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Charity and to prevent and detect fraud and other irregularities.

Approved by the trustees and signed on their behalf by:



Louise Wells
Trustee
3rd August 2023

The Lancashire Foundation

Independent auditor's report to the Trustees of The Lancashire Foundation

Opinion

We have audited the financial statements of The Lancashire Foundation ("the charity") for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position, Cash Flow Statement and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 145 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the Charity or to cease its operations, and as they have concluded that the Charity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Trustees' conclusions, we considered the inherent risks to the Charity's business model and analysed how those risks might affect the Charity's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Charity will continue in operation.

The Lancashire Foundation

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”), we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management, as to the Charity’s high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Trustees’ and donation committee meetings minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management or individuals who do not frequently post journals, those posted with descriptions containing key words or phrases, those posted to unusual accounts.

On this audit we do not believe there is a fraud risk related to revenue recognition because the Charity has simple revenue streams with limited complexity around revenue recognition.

We did not identify any additional fraud risks.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Trustees and other management (as required by auditing standards), and discussed with the Trustees and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including the Charities SORP) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Lancashire Foundation

Secondly, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: anti-bribery and certain aspects of charity legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Trustees are responsible for the other information, which comprises the Trustees' Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the Charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

The Lancashire Foundation

Trustees' responsibilities

As explained more fully in their statement set out on page 9, the trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Charity'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 they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charity's trustees as a body, in accordance with section 145 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Rajan Thakrar
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
KPMG LLP
15 Canada Square
London
E14 5GL

3rd August 2023

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Lancashire Foundation

Statement of financial activities for the year ended 31 December 2022

	Note	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Income from					
Donations	5	184,348	-	184,348	180,421
Investments	9	18,925	-	18,925	16,220
Total income		<u>203,273</u>	<u>-</u>	<u>203,273</u>	<u>196,641</u>
Expenditure on					
Charitable activities	6	(497,110)	(4,175)	(501,285)	(536,113)
Governance costs	7	(13,137)	-	(13,137)	(12,852)
Unrealised and realised foreign exchange gains (losses)		11,556	-	11,556	(925)
Total expenditure		<u>(498,691)</u>	<u>(4,175)</u>	<u>(502,866)</u>	<u>(549,890)</u>
Net (outgoing) incoming resources before other recognised gains and losses		(295,418)	(4,175)	(299,593)	(353,249)
Other recognised gains/ (losses)					
(Loss) gain on revaluation of investments	9	(46,358)	-	(46,358)	(145,787)
Net movement in funds		<u>(341,776)</u>	<u>(4,175)</u>	<u>(345,951)</u>	<u>(499,036)</u>
Fund balance brought forward		<u>1,928,302</u>	<u>4,175</u>	<u>1,932,477</u>	<u>2,431,513</u>
Fund balance carried forward		<u>1,586,526</u>	<u>-</u>	<u>1,586,526</u>	<u>1,932,477</u>

All operations are continuing.

The Lancashire Foundation

Statement of financial position as at 31 December 2022

	<u>Note</u>	<u>2022</u> £	<u>2021</u> £
Assets			
Fixed assets			
Concessionary loan	8	7,260	9,924
Total fixed assets		<u>7,260</u>	<u>9,924</u>
Current assets			
Investments	9	1,740,720	2,083,904
Cash and cash equivalents		49,889	29,801
Total current assets		<u>1,790,609</u>	<u>2,113,705</u>
Liabilities			
Current liabilities			
Creditors	10	211,343	191,152
Total current liabilities		<u>211,343</u>	<u>191,152</u>
Net current assets		<u>1,579,266</u>	<u>1,922,553</u>
Net assets		<u>1,586,526</u>	<u>1,932,477</u>
Funds			
Unrestricted		1,586,526	1,928,302
Restricted	11	-	4,175
Total funds		<u>1,586,526</u>	<u>1,932,477</u>

Approved by the trustees on 3rd August 2023 and signed on their behalf by:



.....
Louise Wells
Trustee

The Lancashire Foundation

Cash flow statement for the year ended 31 December 2022

	<u>2022</u> £	<u>2021</u> £
Cash flows from operating activities:		
Net cash (used in) / provided by operating activities	(306,029)	(355,987)
Cash flows from investing activities:		
Dividends and interest from investments	18,925	21,641
Sale of investments	296,825	-
Net cash provided by / (used in) investment activities	<u>315,750</u>	<u>21,641</u>
Change in cash and cash equivalents in year	9,721	(334,346)
Cash at the beginning of year	29,801	365,038
Change in cash due to exchange rate movements	10,367	(891)
Cash at bank at end of year	<u>49,889</u>	<u>29,801</u>

	<u>2022</u> £	<u>2021</u> £
Net incoming (outgoing) resources (as per the statement of financial activities)	(299,593)	(353,249)
Adjustments for:		
Dividends and interest from investments	(18,925)	(16,220)
Increase/ (Decrease) in creditors	20,191	(3,994)
Decrease in Concessionary loan	3,853	16,594
Revaluation adjustments	(11,555)	882
Net cash (used in) / provided by operating activities	<u>(306,029)</u>	<u>(355,987)</u>

Analysis of cash and cash equivalents

	<u>2022</u> £	<u>2021</u> £
Cash at bank	1,667	27,717
Notice deposits	48,222	2,084
Total cash and cash equivalents	<u>49,889</u>	<u>29,801</u>

The Lancashire Foundation

Notes to the financial statements

1. Statement of compliance

The Charity is a charitable trust. The financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements for the year ended 31 December 2022.

2. Basis of preparation and accounting

Basis of preparation

The financial statements are prepared on a going concern basis. The trustees believe the going concern assumption to be appropriate as the trustees have sufficient unrestricted funds available for the ongoing use and continuing benefit of the Charity and its objectives. The Trustees are satisfied that the level and diversification of reserves held is sufficient to mitigate the related risks and have concluded that there are no material uncertainties that could cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (“the going concern period”).

The key factors considered are that the Charity has a strong balance sheet with sufficient net assets and no significant ongoing contractual obligations. The vast majority of the net assets held by the Charity are highly liquid and can be readily sold if required. The trustees have analysed the latest available information in relation to the net assets when assessing the impact on going concern and the fact that donation income for the year 2023 from the founder has already been approved and paid by the founder. In addition, all outgoing donations and charitable activities are fully at the discretion of the Charity and can be withheld if needed as such there are no long-term commitments in relation to the outgoing donations. As a result of these factors, the Trustees expect that the Charity has adequate reserves to continue its operations for a period of at least 12 months from the date that the financial statements are approved.

Presentation currency

The financial statements are presented in Pounds Sterling which is the functional currency of the Charity.

Foreign currency transactions are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions, or at the average rate for the period when this is a reasonable approximation. Monetary assets and liabilities denominated in foreign currencies are translated at year end exchange rates. The resulting exchange differences on translation are recorded in the statement of financial activities.

Basis of accounting

The financial statements have been prepared under the accruals concept and provide information that is relevant, reliable, comparable and understandable.

3. Significant accounting policies

- a) The accounts are prepared under the historic cost convention as modified by the revaluation of investments, and are drawn up in accordance with the Statement of Recommended Practice (SORP) “Accounting and Reporting by Charities” published in 2017 and applicable United Kingdom accounting standards.
- b) Shares are initially recognised at cost. They are subsequently recorded at fair value. Any gain or loss on revaluation is taken to the statement of financial activities.

The Lancashire Foundation

- c) Voluntary income is recognised in the statement of financial activities when:
- The Charity becomes entitled to it;
 - The trustees are reasonably certain they will receive it; and
 - The trustees are reasonably certain that the value can be reliably measured.
- d) Investment income is accounted for in the year which the Charity is entitled to receipt.
- e) Grants payable are accounted for as soon as committed.
- f) Grants payable are recognised when donations are approved by the donations committee and trustees.
- g) Due to the ongoing financial support of the Charity by the Founder, there are no costs incurred in relation to generating funds.
- h) Governance costs comprise of audit fees and bank charges and are accounted for on an accruals basis. These are allocated to unrestricted funds.
- i) Restricted funds in relation to “Project Transform” are those which must be applied in accordance with the purpose for which they were raised.
- j) Unrestricted funds comprise those funds which the trustees are free to use for any purpose in the furtherance of the charitable objectives.
- k) Where the donations committee and trustees allocate unrestricted funds to a restricted purpose such as “Project Transform” then the relevant funds are transferred from unrestricted to restricted funds.
- l) Concessionary loans are recorded at the amount paid, with the carrying amount adjusted to allow for potential impairment due to non-payment.

4. Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received with categories covered by Part 10 Income Tax Act 2007 or Section 356 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

5. Donations received

	<u>2022</u>	<u>2021</u>
	£	£
Donation from Lancashire Holdings Limited	184,348	180,288
Donations to Project Transform appeal (note 11)	-	133
	<u>184,348</u>	<u>180,421</u>

6. Charitable activities

	<u>2022</u>	<u>2021</u>
	£	£
Grants to institutions made in the year	498,726	515,773
Adjustment to provision for potential loss on concessionary loan (see note 8)	2,559	2,327
Graduate scheme costs	-	18,013
	<u>501,285</u>	<u>536,113</u>

Appendix 1 lists all grants made during the year.

No charge is made for the trustees’ services nor are the trustees reimbursed by the Charity for any costs they may incur. There are no other staff costs and the Charity does not employ any staff.

The Lancashire Foundation

The Founder and the Charity have jointly sponsored an internship programme for Bermuda resident college graduates and the Charity received an allocation of costs of £Nil during 2022 (2021: £18,013). This has resulted in the amount due to Lancashire Insurance Services Limited at 31 December 2022 of £179,152 (2021: £179,152).

7. Governance costs

	<u>2022</u> £	<u>2021</u> £
Audit fee	12,000	12,000
Bank charges	1,137	852
	<u>13,137</u>	<u>12,852</u>

8. Concessionary loan

	Concessionary loan £	Impairment provision £	Net balance £
Balance at 31 December 2020	138,306	(111,804)	26,502
Loan repayment	(14,267)	-	(14,267)
Adjustment to impairment provision (note 6)		(2,327)	(2,327)
Revaluation adjustments	<u>657</u>	<u>(641)</u>	<u>16</u>
Balance at 31 December 2021	124,696	(114,772)	9,924
Loan repayment	(1,294)		(1,294)
Adjustment to impairment provision (note 6)		(2,559)	(2,559)
Revaluation adjustments	<u>15,036</u>	<u>(13,847)</u>	<u>1,189</u>
Balance at 31 December 2022	<u>138,438</u>	<u>(131,178)</u>	<u>7,260</u>

During 2014 the Charity entered into a concessionary loan agreement with Kiva, a non-profit organisation, which provides small loans to small businesses in the developing world through partnerships with a number of micro-finance organisations.

Under the terms of the agreement \$855,000 (£670,378) was loaned for a minimum period of 2 years from 8 July 2014 to enable matching loans to be made to small businesses in developing countries.

During 2016 Kiva repaid \$284,992 (£208,990) and the term of the remaining loan of \$570,008 (£462,594) was extended to 31 December 2017.

During 2017 Kiva agreed to repay \$200,000 (£147,962) as underlying loans were repaid and the term of the remaining loan of \$370,008 (£273,735) was extended to 30 June 2019.

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As the term of the remaining loan facility expired on 30th June 2019, Kiva has now stopped lending funds and are repaying the outstanding balance to the Charity in quarterly instalments when funds are received from borrowers.

There is no interest payable on the amount loaned.

Due to uncertainty around the recoverability of the underlying loans, a provision for impairment of £131,178 (2021: £114,772) is held against the carrying amount of the loan.

As the concessionary loan and provision for potential loss are denominated in United States Dollars, they have been revalued at the closing exchange rate. These revaluation adjustments have been included in the “Unrealised and realised foreign exchange gains (losses)” line in the statement of financial activities.

9. Investments

The Charity holds the following investments:

	<u>2022</u>	<u>2021</u>
	£	£
Lancashire Holdings Limited shares	922,564	752,245
Externally managed investment funds	818,156	1,331,659
	<u>1,740,720</u>	<u>2,083,904</u>

Lancashire Holdings Limited shares

At 31 December 2022, the Charity held 141,933 (2021: 141,933) common shares in Lancashire Holdings Limited which are listed on the London stock exchange. These have been recorded at fair value based on the closing share price on 31 December 2022 and 31 December 2021.

No shares were sold during 2022.

Externally managed investment funds

During 2020, the Charity implemented a plan to diversify investments held and placed £1,000,000 in a portfolio of investment funds which is managed by a third-party provider. These have been recorded at fair value based on the closing fund price on 31 December 2022 and 31 December 2021.

During 2022, a withdrawal of £296,825 was made from the externally held investment funds.

The funds held in the portfolio are summarised by type as follows:

	<u>2022</u>	<u>2021</u>
	£	£
Global equity	273,515	528,131
Flexible allocation	193,140	354,864
UK equity	143,348	102,387
UK bond	122,713	299,125
Global bond	56,372	-
Asia-Pacific equity	24,315	42,399
Cash	4,753	4,753
	<u>818,156</u>	<u>1,331,659</u>

The Lancashire Foundation

At 31 December 2022, the externally managed portfolio included investments in 16 funds (2021: 20). None of the individual funds held represented more than 10% of the total value of portfolio.

Investment income included the following:

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Dividend income on Lancashire Holdings Limited shares	17,485	15,304
Bank interest	1,440	916
	<u>18,925</u>	<u>16,220</u>

The Gain (loss) on revaluation of investments included the following:

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Lancashire Holdings Limited shares	170,319	(274,640)
Externally managed investment funds	(216,677)	128,853
	<u>(46,358)</u>	<u>(145,787)</u>

10. Creditors

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Accrued expenses	24,000	12,000
Accrual in relation to donations for the year	8,191	-
Amount payable to Lancashire Insurance Services Limited (see note 13)	179,152	179,152
	<u>211,343</u>	<u>191,152</u>

11. Restricted funds

From 2010 to 2019, six to eight employees from across the Lancashire Group of Companies volunteered for Project Transform and travelled to the Philippines to work alongside International Care Ministries (Philippines) for a week providing aid and support to those living in extreme poverty.

It was not possible to arrange a Project Transform trip for 2020 or 2021 due to the restrictions on travel as a result of the Coronavirus pandemic. In 2019 £4,450 was raised from donations made by Lancashire employees in relation to Project Transform, for the benefit of the partner charity International Care Ministries (Philippines) ("ICM"). During 2020 the £4,450 raised in 2019 was donated to the partner charity and since no trip was planned for 2021 there was no fundraising activity during the year.

Restricted funds were held in a separate bank account. The remaining balance of £4,175 was transferred to ICM during 2022 leaving a balance at 31 December 2022 of £ Nil (2021: £4,175).

12. Related parties

During the year the Charity received a donation from Lancashire Holdings Limited of £184,348 (2021: £180,288) and investment income of £18,925 (2021: £15,304) from the Charity's holding of shares in Lancashire Holdings Limited.

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There were no sales of Lancashire Holdings Limited shares during the year (refer to note 9 for further details).

There were no amounts due to or from Lancashire Holdings Limited at 31 December 2022.

The Founder and the Charity have jointly sponsored an internship programme for Bermuda resident college graduates. The scheme came to an end during 2022 and the Charity did not receive an allocation of costs 2022 (2021: £18,013). The related amounts have not yet been paid by the Charity and £179,152 was due to Lancashire Insurance Services Limited at 31 December 2022 (2021: £179,152).

Derek Stapley and Robert Kennedy who are trustees of the Charity are also Trustees of Malawi Community Hubs. During the year the Charity donated £4,250 (2021: £8,500) to Malawi Community Hubs.

Robert Kennedy who is a trustee of the Charity is married to an employee of WeSeeHope. During the year the Charity donated £Nil (2021: £5,821) to WeSeeHope.

13. Subsequent events

The Founder has approved and paid a donation to the Charity of \$250,000 for 2023 which will enable it to continue to meet its objectives in that year by supporting new and existing charities.

The Lancashire Foundation

Appendix 1: Grants to Institutions

	<u>2022</u>	<u>2021</u>
	£	£
The Family Centre	45,000	60,000
HOME	42,817	-
International Red Cross: Ukraine appeal	39,720	-
St Giles Trust	33,600	40,000
UNICEF Ukraine appeal	33,066	-
Bermuda Autism Support "Tomorrow's Voices"	30,000	40,000
International Care Ministries (Philippines)	34,174	40,000
Cancer Research	32,000	25,000
Friends of Essex and London homeless	21,954	-
Action on Alzheimer's and dementia	20,000	-
Bloody Good Period	10,000	-
Adult Education School	10,000	-
London Air Ambulance	10,000	10,000
Hospice UK	10,000	-
The B.I.G. Foundation	6,000	6,000
Knowledge Quest	5,500	11,000
Ukraine refugee support	5,420	-
Magic Breakfast	5,000	-
Windreach Bermuda	5,000	10,000
Victor Scott Primary School	5,000	6,000
The Poppy Factory	5,000	10,000
Malawi Community Hubs	4,250	8,500
Youth Centres Calgary	4,000	-
Young Lives vs Cancer	4,000	-
The Stroke Association	4,000	-
The Neil Burnie Foundation	4,000	-
Bermuda Rugby Football Union	4,000	-
Bobby's Big heart	4,000	-
Bermuda Cancer Centre	3,864	-
Warwick Academy Outreach Programme	3,750	7,500
Medical detection dogs	2,500	5,000
Toby's Fund	2,500	-
Mission Aviation Fellowship	2,500	5,000
Care for children	2,500	-
Ovarian Cancer Action	2,000	-
All Saints School	2,000	-
Circadian Trust	2,000	-
Spinal Cure Australia	2,000	-
James Roberts Trust	2,000	-
Roots International Street Team	2,000	-
Bermuda Education Network	2,000	-
Mercy Ships	2,000	-
Meals on Wheels	2,000	-
H-ABC	2,000	-
The Psoriasis Association	2,000	-

The Lancashire Foundation

Appendix 1: Grants to Institutions

	<u>2022</u>	<u>2021</u>
	£	£
Outward Bound	2,000	-
Matthew Wilson Multiple Myeloma fund	2,000	-
Children's Hospital Pyjamas	2,000	-
St Luke's Hospice	2,000	-
Sebby's Corner Charity	2,000	-
Help Rural Nepal	2,000	-
Sporting Chance	2,000	-
Brain Tumour Charity	2,000	-
Support Public Schools	2,000	-
Miscellaneous donations under £2,000	3,611	-
Médecins Sans Frontières	-	40,000
Kiva Microloans	-	20,000
Vauxhall City Farm	-	20,000
WeSeeHope	-	5,821
Bermuda Diabetes Association	-	5,067
Bermuda Hospitals Board	-	4,000
The Coalition For The Protection Of Children	-	4,000
Eliza Doolittle Society	-	4,000
Bermuda Society For The Prevention of Cruelty to Animals	-	4,000
Protection against stalking	-	4,000
Rise to Shine	-	4,000
Carers Choice	-	4,000
Lily Foundation	-	4,000
Roots and Shoots	-	4,000
Karuna Trust	-	4,000
Communita Cenacolo	-	4,000
Henry van Straubenzee Memorial Fund	-	4,000
Kids on Track	-	4,000
Bermuda Squash Racquets Association	-	4,000
Chipstead Valley Primary School	-	4,000
Flora Fund	-	4,000
Isabel Hospice	-	4,000
African Promise	-	4,000
ADARA Development	-	4,000
Alzheimer's Society	-	4,000
Toilet Twinning	-	4,000
St Joseph's Hospice	-	4,000
The Living Paintings Trust	-	4,000
St Luke's Hospice	-	4,000
Communi-tea	-	4,000
The Howard Partnership	-	4,000
Reengage	-	4,000
Anthony Nolen Trust	-	4,000
Friends of Columbus School	-	4,000
PCC of St James	-	4,000
Focus on Malawi	-	4,000
Bermuda Salvation Army	-	4,000

The Lancashire Foundation

Appendix 1: Grants to Institutions

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Centre Against Abuse	-	4,000
Ace Africa	-	4,000
BTA Youth squad	-	2,885
MacMillan	-	<u>2,000</u>
Total Donations	<u>498,726</u>	<u>515,773</u>

THE LANCASHIRE FOUNDATION

England & Wales - Charity number 1149184

Accounts

The Lancashire Foundation

Financial Statements and Trustees' Report

for the year ended 31 December 2021

Registered Charity in England and Wales number 1149184

The Lancashire Foundation

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The Lancashire Foundation

Reference and Administrative Details of the Lancashire Foundation

Trustees

Louise Wells (Chair) (appointed 1 November 2017)
Christopher Wilkinson (resigned 15 July 2021)
Derek Stapley (appointed 1 December 2014)
Emma Grimes (appointed 29 March 2018)
Robert Kennedy (appointed 5 March 2022)

Registered Office

29th Floor
20 Fenchurch Street
London
EC3M 3BY

Bankers

HSBC Bank Plc
2nd Floor
62-76 Park Street
London
SE1 9DZ

Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Solicitor

Bates Wells Braithwaite London LLP
2-6 Cannon Street
London
EC4M 6YH

Registered Charity in England and Wales Number 1149184

The Lancashire Foundation

Trustees' report for the year ended 31 December 2021

Report of the trustees for the year ended 31 December 2021

The trustees present their report and the audited financial statements of The Lancashire Foundation ("the Charity") for the year ended 31 December 2021. The financial statements have been prepared in accordance with the accounting policies set out in Notes 2 and 3 to the accounts and comply with the Charity's Trust Deed, the Charities Act 2011, the Statement of Recommended Practice: Accounting and Reporting by Charities published in 2017 and Amendments to FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Structure, Governance and Management

Governing Document

The Charity is structured as a charitable trust governed by a Trust Deed dated 27 September 2012 and is a charity registered by the Charity Commission, number 1149184, operating from the registered office shown on page 3.

Organisation

The Charity is managed by the trustees who hold quarterly meetings.

Decisions are taken at meetings when a quorum of at least one third of the number of trustees or two trustees, whichever is greater, are present.

Decisions may also be taken without a meeting on a unanimous basis through written resolution or other communication between the trustees.

The day to day management of the affairs of the charity has been delegated to the Donations Committee ("the Committee").

The role and activity of the Committee can be summarised as follows:

- To receive and analyse requests for donations from charitable bodies and where appropriate recommend to the trustees that a donation be made;
- To seek to build relationships with those charities that the Foundation supports and through developing strong and long-term relationships be able to provide assurance that the Foundation's funds are spent in a manner that leads to their effective use; and
- To support the Foundation in achieving its purpose through its core aims and objectives.

For the year ended 31 December 2021, the following trustees were members of the Committee:

Emma Grimes

Other members of the Committee for the year ended 31 December 2021 were as follows:

Adam Goldsmith-King (resigned 9 March 2021)

The Lancashire Foundation

Christopher Wilkinson (resigned 15 July 2021)
Daniel Warburg (resigned 14 June 2021)
Jennifer Wilson (Chair)
Mark Carvalho
Kelly Turner (appointed 15 November 2021)
Nick Nebard (appointed 14 September 2021)
Nancy Da Silva (appointed 14 September 2021)
Minnie Beagley (appointed 14 September 2021)

The composition of the Committee is reviewed from time to time by the trustees in order to make such changes as are necessary to ensure that it remains reflective of and responsive to the needs of the Charity.

Appointment of trustees

The founder of the Charity, Lancashire Holdings Limited (“the Founder”), may appoint new or additional trustees by deed provided that if the number of trustees falls to less than three and the Founder fails to appoint new trustee(s) within six months thereof, the remaining trustees may appoint new or additional trustees by written resolution so as to bring the number up to three.

The trustees who have served during the year are set out on page 3. The number of trustees shall not be permitted to fall below three.

All trustees give of their time freely and no trustee may receive any remuneration or other benefit in money or money’s worth from the Charity.

On appointment, all new trustees receive information and training as appropriate to ensure that they are familiar with all aspects of the Charity including its finances, future plans and objectives.

Risk management

The trustees have, within the year under review, assessed the risks that the Charity faces and can confirm that systems are in place to minimise those risks. The trustees will continue to monitor and re-consider the risks the Charity is exposed to during the coming year.

The principal uncertainty facing the Charity is the level of future income. Due to the discretionary and annual nature of donations made by the Charity and its strong financial position the trustees believe that this can be effectively managed.

The Foundation received a donation of £180,288 from the Founder during 2021 (2020: £604,394)

Impact of Covid 19

The trustees have considered potential impacts of Covid 19 which increase the level of uncertainty about the future financial position of the Charity at 31 December 2021.

The trustees are satisfied that the level and diversification of reserves held is sufficient to mitigate these.

The Lancashire Foundation

Objectives and Activities

The Charity and its Trust Fund are administered and managed by the trustees. The objects of the Charity are to hold the Trust Fund and its income upon trust and to apply them for all purposes which are exclusively charitable under the laws of England and Wales from time to time by the making of grants to any individual, group, organisation or institution in the United Kingdom, Bermuda and worldwide.

The Charity is committed to channelling its resources in an effective way to meet community needs, particularly focussed on helping the severely disadvantaged in society.

The Charity's strategy is to provide grants to charities or organisations whose work reflects and is aligned to the values and interests of the people and businesses within the Lancashire group of insurers. In certain cases, these grants may be renewed for a number of years, subject always to an annual review of the proposed grant at the discretion of the Charity.

The Charity also invites applications for grants from members of staff of The Lancashire Group to charities with which they have an interest or involvement.

The Charity continues to fund its key partnerships with International Care Ministries, St Giles Trust, Tomorrow's Voices, Médecins Sans Frontières and The Family Centre.

The trustees review the success of the Charity's activities through:

- analysis of levels of staff engagement with charities including the amount of "matching donations" made by the Charity;
- analysis of the allocation of donations to different types of charities;
- analysis of the performance of the underlying charities; and
- assessing the impact of the Charity's funding on the outcome and success measures used by each recipient organisation.

Reserves policy

The trustees have assessed the availability of resources to provide ongoing support to the majority of the charitable organisations currently supported based on the level of funds held, anticipated investment income and future donations from the Founder and are satisfied that sufficient reserves are held.

Restricted Funds

At 31 December 2021 the Charity held restricted funds of £4,174 (2020: £4,042) in relation to staff fundraising for Project Transform. See note 12 for further details.

Public benefit

The Charity is a public benefit entity and the trustees have paid due regard to the public benefit guidance published by the Charities Commission.

Investment policy

The Charity holds shares in the Founder which it received when exercising share warrants gifted by the Founder. The policy of the Charity is to hold these shares to receive dividend income to fund donations and to sell shares if required to provide additional cash.

The Lancashire Foundation

The Charity has also holds a diversified portfolio of investment funds which is managed by a third-party provider. The performance of the funds is regularly monitored by the trustees. When considering potential funds to be held in the portfolio criteria around social responsibility are applied with the aim of selecting ethical and sustainable investments.

Cash balances are held in liquidity funds, term deposit and interest-bearing current accounts.

Achievements and Performance

The trustees have considered each application made to the Charity.

During the year the Charity distributed £515,773 (2020: £518,976) to 57 (2020: 32) charities. £146,888 of this amount was distributed to 36 charities as part of a staff initiative whereby staff could apply for a donation of up to £4,000 for their nominated charity. The 10 largest donations during 2021 were to International Care Ministries, The Family Centre, St Giles Trust, Médecins Sans Frontières, Tomorrow's Voices, Cancer Research, Kiva Microfunds, Vauxhall City Farm, Knowledge Quest and London Air Ambulance.

During the year, the Charity matched individual employee fundraising up to a limit of £2,000, resulting in donations of £4,888 (2020: £1,300).

Details of grants made can be found in the notes to the financial statements. The trustees ensure that grants are made in accordance with the Charity's objectives.

The level of the annual donation from the Founder is dependent on its results for the year and the circumstances of the Charity. During 2021 the Charity received a donation from the Founder of £180,288 (2020: £604,394).

Financial Review

During 2021 the Charity received donations of £180,421 (2020: £604,394) including a donation from the Founder of £180,288 (2020: £604,394) and investment income of £16,220 (2020: £20,212) giving total incoming resources of £196,641 (2020: £624,606).

During the year donations of £515,773 were made (2020: £518,976) and an allocation of the cost of the Lancashire Group graduate internship scheme of £18,013 (2020 £14,717) was received from Lancashire Insurance Services Limited ("LISL"). After including governance costs of £12,852 (2020: £9,517), a loan impairment charge of £2,327 (2020: impairment of £178) and foreign exchange loss of £925 (2020: loss of £27,800) total resources expended were £549,890 (2020: £571,188).

Taking into account a loss on the revaluation of investments of £145,787 (2020: gain of £141,065) total funds reduced in 2021 by £499,036 (2020: increase of £194,483).

At 31 December 2021, the Charity had net assets of £1,932,477 (31 December 2020: £2,431,513).

Related parties

As noted above, the Founder at its discretion has the power to provide donations to the Charity and has the power to appoint trustees. The Charity holds an investment in the shares of the Founder.

The Lancashire Foundation

The Founder and the Charity have jointly sponsored an internship programme for Bermuda resident college graduates and the Charity received an allocation of costs of £18,013 during 2021 (2020: £14,717). The total allocation to date of £179,152 was payable to LISL at 31 December 2021 (2020: £161,139). This scheme came to an end during 2021 and therefore no further costs are expected to be incurred.

Future Plans

The Charity will continue to encourage staff to take part in charitable activities, often by matching sums raised, or by direct grants to charities or organisations in which staff have an interest or involvement. The trustees encourage involvement from staff in the charities or organisations supported by the Charity and hope that, as life returns to normal post-Covid staff volunteering opportunities will resume.

The charity will also make funds available to support the wider ESG initiatives that the Founder has committed to with a focus on supporting social causes.

The Charity Governance code

The trustees have considered the principles of the Charity Governance Code and applied these to the operation of the charity as follows:

1. Organisational purpose

The trustees are clear about the Charity's aims which are described in the object and activities section above and ensure that these are being delivered effectively and sustainably.

2. Leadership

The Charity is led by the trustees who provide strategic leadership in line with the Charity's aims and values.

3. Integrity

The trustees act with integrity, adopting values and creating a culture which helps to achieve the organisation's charitable purposes. The trustees are aware of the importance of the public's confidence and trust in charities, and the trustees undertake their duties accordingly.

4. Decision-making, risk and control

The trustees make sure that their decision-making processes are informed, rigorous and timely and that effective control and risk assessment and management systems are set up and monitored.

5. Trustee effectiveness

The trustees work as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions.

6. Diversity

The Lancashire Foundation

The trustees are committed to embracing diversity to support the effectiveness, leadership and decision-making within the Charity.

7. Openness and accountability

The trustees manage the organisation in a transparent and accountable way.

Statement of disclosure of information to auditor

The trustees who held office at the date of approval of this trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Charity's auditor is unaware and each trustee has taken all the steps they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

The Lancashire Foundation

Statement of trustees' responsibilities in respect of the trustees' report and the financial statements

Under the trust deed of the Charity and charity law, the trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations. The trustees are required to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- assess the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Charity or to cease operations or have no realistic alternative but to do so.

The trustees are required to act in accordance with the trust deed of the Charity, within the framework of trust law. They are responsible for keeping accounting records which are sufficient to show and explain the charity's transactions and disclose at any time, with reasonable accuracy, the financial position of the Charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Charity and to prevent and detect fraud and other irregularities.

Approved by the trustees and signed on their behalf by:



Louise Wells
Trustee
28th October 2022

The Lancashire Foundation

Independent auditor's report to the Trustees of The Lancashire Foundation

Opinion

We have audited the financial statements of The Lancashire Foundation ("the charity") for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, Cash Flow Statement and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 145 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the Charity or to cease its operations, and as they have concluded that the Charity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Trustees' conclusions, we considered the inherent risks to the Charity's business model and analysed how those risks might affect the Charity's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Charity will continue in operation.

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Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included:

- Enquiring of management, as to the Charity’s high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading minutes of Trustees’ and donation committee meetings.
- Using analytical procedures to identify any usual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries.

On this audit we do not believe there is a fraud risk related to revenue recognition because the Charity has simple revenue streams with limited complexity around revenue recognition.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management or individuals who do not frequently post journals, those posted with descriptions containing key words or phrases, those posted to unusual accounts including those related to cash and post-closing journals meeting certain criteria.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Trustees and other management (as required by auditing standards), and discussed with the Trustees and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including the Charities SORP) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

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Secondly, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: anti-bribery and certain aspects of charity legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Trustees are responsible for the other information, which comprises the Trustees' Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the Charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

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Trustees' responsibilities

As explained more fully in their statement set out on page 10, the trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Charity'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 they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charity's trustees as a body, in accordance with section 145 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Rajan Thakrar
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
KPMG LLP
15 Canada Square
London
E14 5GL

28th October 2022

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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Statement of financial activities for the year ended 31 December 2021

	<u>Note</u>	<u>Unrestricted funds</u> £	<u>Restricted funds</u> £	<u>2021 Total funds</u> £	<u>2020 Total funds</u> £
Income from					
Donations	5	180,288	133	180,421	604,394
Investments	9	<u>16,220</u>	<u>-</u>	<u>16,220</u>	<u>20,212</u>
Total income		<u>196,508</u>	<u>133</u>	<u>196,641</u>	<u>624,606</u>
Expenditure on					
Charitable activities	6	(536,113)	-	(536,113)	(533,871)
Governance costs	7	(12,852)	-	(12,852)	(9,517)
Unrealised and realised foreign exchange losses		<u>(925)</u>	<u>-</u>	<u>(925)</u>	<u>(27,800)</u>
Total expenditure		<u>(549,890)</u>	<u>-</u>	<u>(549,890)</u>	<u>(571,188)</u>
Net (outgoing) incoming resources before other recognised gains and losses		(353,382)	133	(353,249)	53,418
Other recognised gains/ (losses)					
(Loss) gain on revaluation of investments	9	<u>(145,787)</u>	<u>-</u>	<u>(145,787)</u>	<u>141,065</u>
Net movement in funds		<u>(499,169)</u>	<u>133</u>	<u>(499,036)</u>	<u>194,483</u>
Fund balance brought forward		<u>2,427,471</u>	<u>4,042</u>	<u>2,431,513</u>	<u>2,237,030</u>
Fund balance carried forward		<u>1,928,302</u>	<u>4,175</u>	<u>1,932,477</u>	<u>2,431,513</u>

All operations are continuing.

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Statement of financial position as at 31 December 2021

	<u>Note</u>	<u>2021</u> £	<u>2020</u> £
Assets			
Fixed assets			
Concessionary loan	8	9,924	26,502
Total fixed assets		<u>9,924</u>	<u>26,502</u>
Current assets			
Investments	9	2,083,904	2,229,691
Cash and cash equivalents		29,801	365,038
Accrued investment income		-	6
Other debtors	10	-	5,415
Total current assets		<u>2,113,705</u>	<u>2,600,150</u>
Liabilities			
Current liabilities			
Creditors	11	191,152	195,139
Total current liabilities		<u>191,152</u>	<u>195,139</u>
Net current assets		<u>1,922,553</u>	<u>2,405,011</u>
Net assets		<u>1,932,477</u>	<u>2,431,513</u>
Funds			
Unrestricted		1,928,302	2,427,471
Restricted	12	4,175	4,042
Total funds		<u>1,932,477</u>	<u>2,431,513</u>

Approved by the trustees on 28th October and signed on their behalf by:



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Louise Wells
Trustee

The Lancashire Foundation

Cash flow statement for the year ended 31 December 2021

	<u>2021</u> £	<u>2020</u> £
Cash flows from operating activities:		
Net cash (used in) / provided by operating activities	<u>(355,987)</u>	<u>139,908</u>
Cash flows from investing activities:		
Dividends and interest from investments	21,641	14,917
Purchase of investments	-	<u>(1,000,000)</u>
Net cash provided by / (used in) investment activities	<u>21,641</u>	<u>(985,083)</u>
Change in cash and cash equivalents in year	(334,346)	(845,175)
Cash at the beginning of year	365,038	1,243,743
Change in cash due to exchange rate movements	<u>(891)</u>	<u>(33,530)</u>
Cash at bank at end of year	<u>29,801</u>	<u>365,038</u>

Reconciliation of changes in resources to net cash flow from operating activities

	<u>2021</u> £	<u>2020</u> £
Net incoming (outgoing) resources (as per the statement of financial activities)	(353,249)	53,418
Adjustments for:		
Dividends and interest from investments	(16,220)	(20,212)
Increase/ (Decrease) in creditors	(3,994)	8,224
Decrease in Concessionary loan	16,594	70,679
Revaluation adjustments	882	27,799
Net cash (used in) / provided by operating activities	<u>(355,987)</u>	<u>139,908</u>

Analysis of cash and cash equivalents

	<u>2021</u> £	<u>2020</u> £
Cash at bank	27,717	35,983
Notice deposits	2,084	329,055
Total cash and cash equivalents	<u>29,801</u>	<u>365,038</u>

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Notes to the accounts

1. Statement of compliance

The Charity is a charitable trust. The financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements for the year ended 31 December 2021.

2. Basis of preparation and accounting

Basis of preparation

The financial statements are prepared on a going concern basis. The trustees believe the going concern assumption to be appropriate as the trustees have sufficient unrestricted funds available for the ongoing use and continuing benefit of the Charity and its objectives. The going concern assessment prepared by the trustees has taken into consideration potential impacts of Covid-19 on the Charity. The Trustees are satisfied that the level and diversification of reserves held is sufficient to mitigate the related risks and have concluded that there are no material uncertainties that could cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (“the going concern period”).

The key factors considered are that the Charity has a strong balance sheet with sufficient net assets and no significant ongoing contractual obligations. The vast majority of the net assets held by the Charity are highly liquid and can be readily sold if required. The trustees have analysed the latest available information in relation to the net assets when assessing the impact on going concern and the fact that donation income for the year 2022 from the founder has already been approved and paid by the founder. In addition, all outgoing donations and charitable activities are fully at the discretion of the Charity and can be withheld if needed as such there are no long-term commitments in relation to the outgoing donations. As a result of these factors, the Trustees expect that the Charity has adequate reserves to continue its operations for a period of at least 12 months from the date that the financial statements are approved.

Presentation currency

The financial statements are presented in Pounds Sterling which is the functional currency of the Charity.

Foreign currency transactions are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions, or at the average rate for the period when this is a reasonable approximation. Monetary assets and liabilities denominated in foreign currencies are translated at year end exchange rates. The resulting exchange differences on translation are recorded in the statement of financial activities.

Basis of accounting

The financial statements have been prepared under the accruals concept and provide information that is relevant, reliable, comparable and understandable.

3. Significant accounting policies

- a) The accounts are prepared under the historic cost convention as modified by the revaluation of investments, and are drawn up in accordance with the Statement of Recommended Practice (SORP) “Accounting and Reporting by Charities” published in 2017 and applicable United Kingdom accounting standards.

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- b) Shares are initially recognised at cost. They are subsequently recorded at fair value. Any gain or loss on revaluation is taken to the statement of financial activities.
- c) Voluntary income is recognised in the statement of financial activities when:
 - The Charity becomes entitled to it;
 - The trustees are reasonably certain they will receive it; and
 - The trustees are reasonably certain that the value can be reliably measured.
- d) Investment income is accounted for in the year which the Charity is entitled to receipt.
- e) Grants payable are accounted for as soon as committed.
- f) Grants payable are recognised when donations are approved by the donations committee and trustees.
- g) Due to the ongoing financial support of the Charity by the Founder, there are no costs incurred in relation to generating funds.
- h) Governance costs comprise of audit fees and bank charges and are accounted for on an accruals basis. These are allocated to unrestricted funds.
- i) Restricted funds in relation to “Project Transform” are those which must be applied in accordance with the purpose for which they were raised.
- j) Unrestricted funds comprise those funds which the trustees are free to use for any purpose in the furtherance of the charitable objectives.
- k) Where the donations committee and trustees allocate unrestricted funds to a restricted purpose such as “Project Transform” then the relevant funds are transferred from unrestricted to restricted funds.
- l) Concessionary loans are recorded at the amount paid, with the carrying amount adjusted to allow for potential impairment due to non-payment.

4. Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received with categories covered by Part 10 Income Tax Act 2007 or Section 356 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

5. Donations received

	<u>2021</u>	<u>2020</u>
	£	£
Donation from Lancashire Holdings Limited	180,288	604,394
Donations to Project Transform appeal (note 12)	133	-
	<u>180,421</u>	<u>604,394</u>

6. Charitable activities

	<u>2021</u>	<u>2020</u>
	£	£
Grants to institutions made in the year	515,773	518,976
Adjustment to provision for potential loss on concessionary loan (see note 8)	2,327	178
Graduate scheme costs	18,013	14,717
	<u>536,113</u>	<u>533,871</u>

Appendix 1 lists all grants made during the year.

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No charge is made for the trustees' services nor are the trustees reimbursed by the Charity for any costs they may incur. There are no other staff costs and the Charity does not employ any staff.

The Founder and the Charity have jointly sponsored an internship programme for Bermuda resident college graduates and the Charity received an allocation of costs of £18,013 during 2021 (2020: £19,644). This has resulted in the amount due to Lancashire Insurance Services Limited at 31 December 2021 increasing to £179,152 (2020: £161,139)

7. Governance costs

	<u>2021</u> £	<u>2020</u> £
Audit fee	12,000	9,000
Bank charges	852	517
	<u>12,852</u>	<u>9,517</u>

8. Concessionary loan

	Concessionary loan £	Impairment provision £	Net balance £
Balance at 31 December 2019	212,026	(115,549)	96,477
Loan repayment	(70,501)	-	(70,501)
Adjustment to impairment provision (note 6)	-	(178)	(178)
Revaluation adjustments	<u>(3,219)</u>	<u>3,923</u>	<u>704</u>
Balance at 31 December 2020	138,306	(111,804)	26,502
Loan repayment	(14,267)	-	(14,267)
Adjustment to impairment provision (note 6)	-	(2,327)	(2,327)
Revaluation adjustments	<u>657</u>	<u>(641)</u>	<u>16</u>
Balance at 31 December 2021	<u>124,696</u>	<u>(114,772)</u>	<u>9,924</u>

During 2014 the Charity entered into a concessionary loan agreement with Kiva, a non-profit organisation, which provides small loans to small businesses in the developing world through partnerships with a number of micro-finance organisations.

Under the terms of the agreement \$855,000 (£670,378) was loaned for a minimum period of 2 years from 8 July 2014 to enable matching loans to be made to small businesses in developing countries.

During 2016 Kiva repaid \$284,992 (£208,990) and the term of the remaining loan of \$570,008 (£462,594) was extended to 31 December 2017.

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During 2017 Kiva agreed to repay \$200,000 (£147,962) as underlying loans were repaid and the term of the remaining loan of \$370,008 (£273,735) was extended to 30 June 2019.

As the term of the remaining loan facility expired on 30th June 2019, Kiva has now stopped lending funds and are repaying the outstanding balance to the Charity in quarterly instalments when funds are received from borrowers.

There is no interest payable on the amount loaned.

Due to uncertainty around the recoverability of the underlying loans, a provision for impairment of £114,772 (2020: £111,804) is held against the carrying amount of the loan.

As the concessionary loan and provision for potential loss are denominated in United States Dollars, they have been revalued at the closing exchange rate. These revaluation adjustments have been included in the "Unrealised and realised foreign exchange gains (losses)" line in the statement of financial activities.

9. Investments

The Charity holds the following investments:

	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
Lancashire Holdings Limited shares	752,245	1,026,885
Externally managed investment funds	1,331,659	1,202,806
	<u>2,083,904</u>	<u>2,229,691</u>

Lancashire Holdings Limited shares

At 31 December 2021, the Charity held 141,933 (2020; 141,933) common shares in Lancashire Holdings Limited which are listed on the London stock exchange. These have been recorded at fair value based on the closing share price on 31 December 2021 and 31 December 2020.

No shares were sold during 2021.

Externally managed investment funds

During 2020, the Charity implemented a plan to diversify investments held and placed £1,000,000 in a portfolio of investment funds which is managed by a third-party provider. These have been recorded at fair value based on the closing fund price on 31 December 2021 and 31 December 2020.

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The funds held in the portfolio are summarised by type as follows:

	<u>2021</u> £	<u>2020</u> £
Global equity	528,131	532,446
Flexible allocation	354,864	91,878
UK bond	299,125	260,567
UK equity	102,387	219,010
Asia-Pacific equity	42,399	-
Cash	4,753	4,753
Global bond	-	94,152
	<u>1,331,659</u>	<u>1,202,806</u>

At 31 December 2021, the externally managed portfolio included investments in 20 funds (2020: 14). None of the individual funds held represented more than 10% of the total value of portfolio.

Investment income included the following:

	<u>2021</u> £	<u>2020</u> £
Dividend income on Lancashire Holdings Limited shares	15,304	16,936
Bank interest	916	3,276
	<u>16,220</u>	<u>20,212</u>

The Gain (loss) on revaluation of investments included the following:

	<u>2021</u> £	<u>2020</u> £
Lancashire Holdings Limited shares	(274,640)	(61,741)
Externally managed investment funds	128,853	202,806
	<u>(145,787)</u>	<u>141,065</u>

10. Debtors

	<u>2021</u> £	<u>2020</u> £
Dividend receivable	-	5,415
	<u>-</u>	<u>5,415</u>

11. Creditors

	<u>2021</u> £	<u>2020</u> £
Accrued expenses	12,000	9,000
Accrual in relation to donations for the year	-	25,000
Amount payable to Lancashire Insurance Services Limited (see note 13)	179,152	161,139
	<u>191,152</u>	<u>195,139</u>

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12. Restricted funds

From 2010 to 2019, six to eight employees from across the Lancashire Group of Companies volunteered for Project Transform and travelled to the Philippines to work alongside International Care Ministries (Philippines) for a week providing aid and support to those living in extreme poverty.

It was not possible to arrange a Project Transform trip for 2020 or 2021 due to the restrictions on travel as a result of the Coronavirus pandemic. In 2019 £4,450 was raised from donations made by Lancashire employees in relation to Project Transform, for the benefit of the partner charity International Care Ministries (Philippines). During 2020 the £4,450 raised in 2019 was donated to the partner charity and since no trip was planned for 2021 there was no fundraising activity during the year.

Restricted funds are held in a separate bank account. The balance at 31 December 2021 was £4,175 (2020: £4,042). This balance was transferred to ICM early in 2022.

13. Related parties

During the year the Charity received a donation from Lancashire Holdings Limited of £180,288 (2020: 604,394) and investment income of £15,304 (2020: £16,936) from the Charity's holding of shares in Lancashire Holdings Limited.

There were no sales of Lancashire Holdings Limited shares during the year (refer to note 9 for further details).

There were no amounts due to or from Lancashire Holdings Limited at 31 December 2021.

The Founder and the Charity have jointly sponsored an internship programme for Bermuda resident college graduates and the Charity received an allocation of costs of £18,013 during 2021 (2020: £14,717). The related amounts have not yet been paid by the Charity and £179,152 was due to Lancashire Insurance Services Limited at 31 December 2021 (2020: £161,139). This programme came to an end during the year and therefore no further allocations of costs are expected.

Derek Stapley and Robert Kennedy who are trustees of the Charity are also Trustees of Malawi Community Hubs. During the year the Charity donated £8,500 (2020: £ Nil) to Malawi Community Hubs.

Robert Kennedy who is a trustee of the Charity is married to an employee of WeSeeHope. During the year the Charity donated £5,821 (2020: £ Nil) to WeSeeHope.

14. Subsequent events

The Founder has approved and paid a donation to the Charity of \$250,000 for 2022 which will enable it to continue to meet its objectives in that year by supporting new and existing charities.

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Appendix 1: Grants to Institutions

	<u>2021</u>	<u>2020</u>
	£	£
The Family Centre	60,000	60,000
International Care Ministries (Philippines)	40,000	44,450
St Giles Trust	40,000	40,000
Médecins Sans Frontières	40,000	40,000
Bermuda Autism Support "Tomorrow's Voices"	40,000	40,000
Cancer Research UK	25,000	25,000
Kiva Microloans	20,000	20,000
Vauxhall City Farm	20,000	20,000
Knowledge Quest	11,000	10,600
London Air Ambulance	10,000	13,000
Windreach Bermuda	10,000	7,000
The Poppy Factory	10,000	-
Malawi Community Hubs	8,500	-
Warwick Academy Outreach Programme	7,500	7,490
Victor Scott Primary School	6,000	5,385
The B.I.G. Foundation	6,000	-
WeSeeHope	5,821	-
Bermuda Diabetes Association	5,067	-
Medical Detection Dogs	5,000	5,000
Mission Aviation Fellowship	5,000	5,000
Bermuda Hospitals Board	4,000	40,785
The Coalition For The Protection Of Children	4,000	11,200
Eliza Doolittle Society	4,000	9,216
Bermuda Society For The Prevention of Cruelty to Animals	4,000	6,900
Protection against stalking	4,000	-
Rise to Shine	4,000	-
Carers Choice	4,000	-
Lily Foundation	4,000	-
Roots and Shoots	4,000	-
Karuna Trust	4,000	-
Communita Cenacolo	4,000	-
Henry van Straubenzee Memorial Fund	4,000	-
Kids on Track	4,000	-
Bermuda Squash Racquets Association	4,000	-
Chipstead Valley Primary School	4,000	-
Flora Fund	4,000	-
Isabel Hospice	4,000	-
African Promise	4,000	-
ADARA Development	4,000	-
Alzheimer's Society	4,000	-
Toilet Twinning	4,000	-
St Joseph's Hospice	4,000	-
The Living Paintings Trust	4,000	-
St Luke's Hospice	4,000	-

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Appendix 1: Grants to Institutions

Communi-tea	4,000	-
The Howard Partnership	4,000	-
Reengage	4,000	-
Anthony Nolen Trust	4,000	-
Friends of Columbus School	4,000	-
PCC of St James	4,000	-
Focus on Malawi	4,000	-
Bermuda Salvation Army	4,000	-
Centre Against Abuse	4,000	-
Ace Africa	4,000	-
BTA Youth squad	2,885	-
MacMillan	2,000	-
NHS Charities Together	-	25,000
Thamesreach	-	12,500
Fareshare	-	12,500
Starlight Foundation	-	11,486
Action on Addiction	-	10,000
The Women's Resource Centre	-	6,900
The Connection at St Martin's In The Field	-	6,757
Young Minds	-	6,757
Care for children	-	5,000
The Lord Mayor's appeal	-	3,750
Spencer Lynx Hockey	-	3,000
The Salvation Army Bermuda	-	3,000
Child Bereavement UK	-	-
Team Up	-	-
Bermuda Cancer & Health Centre	-	-
Ahoy Centre	-	-
Miscellaneous donations under £2,000	-	1,300
Total donations:	515,773	518,976

THE LANCASHIRE FOUNDATION

England & Wales - Charity number 1149184

Accounts

The Lancashire Foundation

Financial Statements and Trustees' Report

for the year ended 31 December 2020

Registered Charity in England and Wales number 1149184

The Lancashire Foundation

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The Lancashire Foundation

Reference and Administrative Details of the Lancashire Foundation

Trustees

Christopher Wilkinson (Chair) (appointed 17 November 2020)

Michael Connor (resigned 17 November 2020)

Derek Stapley

Louise Wells

Emma Grimes

Registered Office

29th Floor
20 Fenchurch Street
London
EC3M 3BY

Bankers

HSBC Bank Plc
2nd Floor
62-76 Park Street
London
SE1 9DZ

Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Solicitor

Bates Wells Braithwaite London LLP
2-6 Cannon Street
London
EC4M 6YH

Registered Charity in England and Wales Number 1149184

The Lancashire Foundation

Trustees' report for the year ended 31 December 2020

Report of the trustees for the year ended 31 December 2020

The trustees present their report and the audited financial statements of The Lancashire Foundation ("the Charity") for the year ended 31 December 2020. The financial statements have been prepared in accordance with the accounting policies set out in Notes 2 and 3 to the accounts and comply with the Charity's Trust Deed, the Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by Charities published in 2016.

Structure, Governance and Management

Governing Document

The Charity is structured as a charitable trust governed by a Trust Deed dated 27 September 2012 and is a charity registered by the Charity Commission, number 1149184, operating from the registered office shown on page 3.

Organisation

The Charity is managed by the trustees who hold quarterly meetings.

Decisions are taken at meetings when a quorum of at least one third of the number of trustees or two trustees, whichever is greater, are present.

Decisions may also be taken without a meeting on a unanimous basis through written resolution or other communication between the trustees.

The day to day management of the affairs of the charity has been delegated to the Donations Committee ("the Committee").

The role and activity of the Committee can be summarised as follows:

- To receive and analyse requests for donations from charitable bodies and where appropriate recommend to the trustees that a donation be made;
- To seek to build relationships with those charities that the Foundation supports and through developing strong and long-term relationships be able to provide assurance that the Foundation's funds are spent in a manner that leads to their effective use; and
- To support the Foundation in achieving its purpose through its core aims and objectives.

For the year ended 31 December 2020, the following trustees were members of the Committee:

Emma Grimes

Other members of the Committee for the year ended 31 December 2020 were as follows:

Adam Goldsmith-King
Christopher Wilkinson (Chair)
Daniel Warburg

The Lancashire Foundation

Jennifer Wilson
Mark Carvalho

The composition of the Committee is reviewed from time to time by the trustees in order to make such changes as are necessary to ensure that it remains reflective of and responsive to the needs of the Charity.

Appointment of trustees

The founder of the Charity, Lancashire Holdings Limited (“the Founder”), may appoint new or additional trustees by deed provided that if the number of trustees falls to less than three and the Founder fails to appoint new trustee(s) within six months thereof, the remaining trustees may appoint new or additional trustees by written resolution so as to bring the number up to three.

The trustees who have served during the year are set out on page 3. The number of trustees shall not be permitted to fall below three.

All trustees give of their time freely and no trustee may receive any remuneration or other benefit in money or money’s worth from the Charity.

On appointment, all new trustees receive information and training as appropriate to ensure that they are familiar with all aspects of the Charity including its finances, future plans and objectives.

Risk management

The trustees have, within the year under review, assessed the risks that the Charity faces and can confirm that systems are in place to minimise those risks. The trustees will continue to monitor and re-consider the risks the Charity is exposed to during the coming year.

The principal uncertainty facing the Charity is the level of future income. Due to the discretionary and annual nature of donations made by the Charity and its strong financial position the trustees believe that this can be effectively managed.

The Foundation received a donation of £604,394 from the Founder during 2020 (2019: £384,586)

Impact of Covid 19

The trustees have identified the following potential impacts of Covid 19 which increase the level of uncertainty about the future financial position of the Charity:

- Impact of economic conditions on level of future funding from Founder;
- Impact of financial market volatility on valuation of investments held;
- Potential failure of banking institutions holding funds; and
- Impact of economic conditions on borrowers ability to repay concessionary loans through Kiva.

The trustees are satisfied that the level and diversification of reserves held is sufficient to mitigate these.

The Lancashire Foundation

Objectives and Activities

The Charity and its Trust Fund are administered and managed by the trustees. The objects of the Charity are to hold the Trust Fund and its income upon trust and to apply them for all purposes which are exclusively charitable under the laws of England and Wales from time to time by the making of grants to any individual, group, organisation or institution in the United Kingdom, Bermuda and worldwide.

The Charity is committed to channelling its resources in an effective way to meet community needs, particularly focussed on helping the severely disadvantaged in society.

The Charity's strategy is to provide grants to charities or organisations whose work reflects and is aligned to the values and interests of the people and businesses within the Lancashire group of insurers. In certain cases, these grants may be renewed for a number of years, subject always to an annual review of the proposed grant at the discretion of the Charity.

The Charity also invites applications for grants from members of staff of The Lancashire Group to charities with which they have an interest or involvement.

The Charity continues to fund its key partnerships with International Care Ministries, St Giles Trust, Tomorrow's Voices, Médecins Sans Frontières and The Family Centre.

The trustees review the success of the Charity's activities through:

- analysis of levels of staff engagement with charities including the amount of "matching donations" made by the Charity;
- analysis of the allocation of donations to different types of charities;
- analysis of the performance of the underlying charities; and
- assessing the impact of the Charity's funding on the outcome and success measures used by each recipient organisation.

Reserves policy

The trustees have assessed the availability of resources to provide ongoing support to the majority of the charitable organisations currently supported based on the level of funds held, anticipated investment income and future donations from the Founder and are satisfied that sufficient reserves are held.

Restricted Funds

At 31 December 2020 the Charity held restricted funds of £4,042 (2019: £8,492) in relation to staff fundraising for Project Transform. See note 12 for further details.

Public benefit

The Charity is a public benefit entity and the trustees have paid due regard to the public benefit guidance published by the Charities Commission.

Investment policy

The Charity holds shares in the Founder which it received when exercising share warrants gifted by the Founder. The policy of the Charity is to hold these shares to receive dividend income to fund donations and to sell shares if required to provide additional cash.

The Lancashire Foundation

Cash balances are held in liquidity funds, term deposit and interest-bearing current accounts.

During 2020, the Charity implemented a plan to diversify investments and placed £1,000,000 realised through the sale of LHL shares during 2019 in a diversified portfolio of investment funds which is managed by a third-party provider. The performance of the funds is regularly monitored by the trustees. When considering potential funds to be held in the portfolio criteria around social responsibility are applied with the aim of selecting ethical and sustainable investments.

Achievements and Performance

The trustees have considered each application made to the Charity.

During the year the Charity distributed £518,976 (2019: £376,690) to 32 (2019: 28) charities. The 10 largest donations during 2020 were to International Care Ministries, The Family centre, The Bermuda Hospitals Board, St Giles Trust, Médecins Sans Frontières, Tomorrow's Voices, NHS Charities Together, Cancer research, Kiva Microfunds and Vauxhall City Farm.

During the year, the Charity matched individual employee fundraising up to a limit of £2,000, resulting in donations of £1,300 (2019: £8,528)

Details of grants made can be found in the notes to the financial statements. The trustees ensure that grants are made in accordance with the Charity's objectives.

The level of the annual donation from the Founder is dependent on its results for the year and the circumstances of the Charity. During 2020 the Charity received a donation from the Founder of £604,394 (2019: £384,586).

Financial Review

During 2020 the Charity received donations of £604,394 (2019: £389,036) including a donation from the Founder of £604,394 (2019: £384,586) and investment income of £20,212 (2019: £207,775) giving total incoming resources of £624,606 (2019: £596,811).

During the year donations of £518,976 were made (2019: £376,690) and an allocation of the cost of the Lancashire Group graduate internship scheme of £14,717 (2019: £19,644). After including governance costs of £9,517 (2019: £20,609), a loan impairment charge of £178 (2019: impairment of £38,283) and foreign exchange loss of £27,800 (2019: loss of £15,263) total resources expended were £571,188 (2019: £470,489).

Taking into account a gain on the revaluation of investments of £141,065 (2019: gain of £263,870) total funds increased in 2020 by £194,483 (2019: increase of £390,192).

At 31 December 2020, the Charity had net assets of £2,431,513 (31 December 2019: £2,237,030).

Related parties

As noted above, the Founder at its discretion has the power to provide donations to the Charity and has the power to appoint trustees. The Charity holds an investment in the shares of the Founder.

The Lancashire Foundation

The Founder and the Charity have jointly sponsored an internship programme for Bermuda resident college graduates and the Charity received an allocation of costs of £14,717 during 2020 (2019: £19,644). The total allocation of £161,139 was due to Lancashire Insurance Services Limited at 31 December 2020 (2019: £146,422).

Future Plans

The Charity will continue to encourage staff to take part in charitable activities, often by matching sums raised, or by direct grants to charities or organisations in which staff have an interest or involvement. The trustees encourage involvement from staff in the charities or organisations supported by the Charity.

The Charity is committed to, where appropriate, developing long term relationships with those to whom it makes grants.

The Charity Governance code

The trustees have considered the principles of the Charity Governance Code and applied these to the operation of the charity as follows:

1. Organisational purpose

The trustees are clear about the Charity's aims which are described in the object and activities section above and ensure that these are being delivered effectively and sustainably.

2. Leadership

The Charity is led by the trustees who provide strategic leadership in line with the Charity's aims and values.

3. Integrity

The trustees act with integrity, adopting values and creating a culture which helps to achieve the organisation's charitable purposes. The trustees are aware of the importance of the public's confidence and trust in charities, and the trustees undertake their duties accordingly.

4. Decision-making, risk and control

The trustees make sure that their decision-making processes are informed, rigorous and timely and that effective control and risk assessment and management systems are set up and monitored.

5. Trustee effectiveness

The trustees work as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions.

6. Diversity

The trustees are committed to embracing diversity to support the effectiveness, leadership and decision-making within the Charity.

The Lancashire Foundation

7. Openness and accountability

The trustees manage the organisation in a transparent and accountable way.

Statement of disclosure of information to auditor

The trustees who held office at the date of approval of this trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Charity's auditor is unaware and each trustee has taken all the steps they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

The Lancashire Foundation

Statement of trustees' responsibilities in respect of the trustees' report and the financial statements

Under the trust deed of the Charity and charity law, the trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations. The trustees have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the Charity and of the excess of expenditure over income for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- assess the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Charity or to cease operations or have no realistic alternative but to do so.

The trustees are required to act in accordance with the trust deed of the Charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the Charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Charity and to prevent and detect fraud and other irregularities.

Each person who is a trustee at the date of this report confirms that so far as the trustee is aware, there is no relevant audit information of which the auditor is unaware.

Approved by the trustees and signed on their behalf by:



Louise Wells
Trustee
19 October 2021

The Lancashire Foundation

Independent auditor's report to the Trustees of The Lancashire Foundation

Opinion

We have audited the financial statements of The Lancashire Foundation ("the charity") for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Statement of Financial Position, Cash Flow Statement and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 145 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charity or to cease its operations, and as they have concluded that the charity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the charity's business model and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charity will continue in operation.

The Lancashire Foundation

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included:

- Enquiring of management, as to the Charity’s high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading minutes of Trustees’ and donation committee meetings.
- Using analytical procedures to identify any usual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries.

On this audit we do not believe there is a fraud risk related to revenue recognition because the Charity has simple revenue streams with limited complexity around revenue recognition.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management or individuals who do not frequently post journals, those posted with descriptions containing key words or phrases, those posted to unusual accounts including those related to cash and post-closing journals meeting certain criteria.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the trustees and other management (as required by auditing standards), and discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including the Charities SORP) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Lancashire Foundation

Secondly, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: anti-bribery and certain aspects of charity legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The trustees are responsible for the other information, which comprises the Trustees' Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

The Lancashire Foundation

Trustees' responsibilities

As explained more fully in their statement set out on page 10, the trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charity'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 they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charity's trustees as a body, in accordance with section 145 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Rajan Thakrar
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
KPMG LLP
15 Canada Square
London
E14 5GL

19 October 2021

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Lancashire Foundation

Statement of financial activities for the year ended 31 December 2020

	<u>Note</u>	<u>Unrestricted funds</u> £	<u>Restricted funds</u> £	<u>2020 Total funds</u> £	<u>2019 Total funds</u> £
Income from					
Donations	5	604,394	-	604,394	389,036
Investments	9	20,212	-	20,212	207,775
Total income		<u>624,606</u>	<u>-</u>	<u>624,606</u>	<u>596,811</u>
Expenditure on					
Charitable activities	6	(529,421)	(4,450)	(533,871)	(434,617)
Governance costs	7	(9,517)	-	(9,517)	(10,570)
Share sale costs	9	-	-	-	(10,039)
Unrealised and realised foreign exchange gains (losses)		<u>(27,800)</u>	<u>-</u>	<u>(27,800)</u>	<u>(15,263)</u>
Total expenditure		<u>(566,738)</u>	<u>(4,450)</u>	<u>(571,188)</u>	<u>(470,489)</u>
Net incoming (outgoing) resources before other recognised gains and losses		57,868	(4,450)	53,418	126,322
Other recognised gains/ (losses)					
Gain (loss) on revaluation of investments	9	<u>141,065</u>	<u>-</u>	<u>141,065</u>	<u>263,870</u>
Net movement in funds		<u>198,933</u>	<u>(4,450)</u>	<u>194,483</u>	<u>390,192</u>
Fund balance brought forward		<u>2,228,538</u>	<u>8,492</u>	<u>2,237,030</u>	<u>1,846,838</u>
Fund balance carried forward		<u>2,427,471</u>	<u>4,042</u>	<u>2,431,513</u>	<u>2,237,030</u>

All operations are continuing.

The Lancashire Foundation

Statement of financial position as at 31 December 2020

	<u>Note</u>	<u>2020</u> £	<u>2019</u> £
Assets			
Fixed assets			
Concessionary loan	8	26,502	96,477
Total fixed assets		<u>26,502</u>	<u>96,477</u>
Current assets			
Investments	9	2,229,691	1,088,626
Cash and cash equivalents		365,038	1,243,743
Accrued investment income		6	126
Other debtors	10	5,415	-
Total current assets		<u>2,600,150</u>	<u>2,332,495</u>
Liabilities			
Current liabilities			
Creditors	11	195,139	191,942
Total current liabilities		<u>195,139</u>	<u>191,942</u>
Net current assets		<u>2,405,011</u>	<u>2,140,553</u>
Net assets		<u>2,431,513</u>	<u>2,237,030</u>
Funds			
Unrestricted		2,427,471	2,228,538
Restricted	12	4,042	8,492
Total funds		<u>2,431,513</u>	<u>2,237,030</u>

Approved by the trustees on 19th October 2021 and signed on their behalf by:



.....
Louise Wells
Trustee

The Lancashire Foundation

Cash flow statement for the year ended 31 December 2020

	<u>2020</u> £	<u>2019</u> £
Cash flows from operating activities:		
Net cash provided by / (used in) operating activities	139,908	(12,754)
Cash flows from investing activities:		
Dividends and interest from investments	14,917	38,758
Proceeds from sale of investments	-	993,887
Purchase of investments	(1,000,000)	-
Net cash (used in) / provided by investment activities	<u>(985,083)</u>	<u>1,032,645</u>
Change in cash and cash equivalents in year	(845,175)	1,019,891
Cash at the beginning of year	1,243,743	220,550
Change in cash due to exchange rate movements	(33,530)	3,242
Cash at bank at end of year	<u>365,038</u>	<u>1,243,743</u>

Reconciliation of changes in resources to net cash outflow from operating activities

	<u>2020</u> £	<u>2019</u> £
Net incoming (outgoing) resources (as per the statement of financial activities)	53,418	126,322
Adjustments for:		
Dividends and interest from investments	(20,212)	(37,072)
Realised (gains) losses on investments	-	(170,703)
Share sale costs	-	10,039
Increase/ (Decrease) in creditors	8,224	(69,260)
Decrease in Concessionary loan	70,679	112,659
Revaluation adjustments	27,799	15,261
Net cash provided by/ (used in) operating activities	<u>139,908</u>	<u>(12,754)</u>

Analysis of cash and cash equivalents

	<u>2020</u> £	<u>2019</u> £
Cash at bank	35,983	1,005,356
Notice deposits	329,055	238,387
Total cash and cash equivalents	<u>365,038</u>	<u>1,243,743</u>

The Lancashire Foundation

Notes to the accounts

1. Statement of compliance

The Charity is a charitable trust. The financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements for the year ended 31 December 2020.

2. Basis of preparation and accounting

Basis of preparation

The financial statements are prepared on a going concern basis. The trustees believe the going concern assumption to be appropriate as the trustees have sufficient unrestricted funds available for the ongoing use and continuing benefit of the Charity and its objectives. The going concern assessment prepared by the trustees has taken into consideration potential impacts of Covid-19 on the Charity. The Trustees are satisfied that the level and diversification of reserves held is sufficient to mitigate the related risks and have concluded that there are no material uncertainties that could cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (“the going concern period”).

The key factors considered are that the Charity has a strong balance sheet with sufficient net assets and no significant ongoing contractual obligations. The vast majority of the net assets held by the Charity are highly liquid and can be readily sold if required. The trustees have analysed the latest available information in relation to the net assets when assessing the impact on going concern and the fact that donation income for the year 2021 from the founder has already been approved and paid by the founder. In addition, all outgoing donations and charitable activities are fully at the discretion of the Charity and can be withheld if needed as such there are no long-term commitments in relation to the outgoing donations. As a result of these factors, the Trustees expect that the Charity has adequate reserves to continue its operations for a period of at least 12 months from the date that the financial statements are approved.

Presentation currency

The financial statements are presented in Pounds Sterling which is the functional currency of the Charity.

Foreign currency transactions are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions, or at the average rate for the period when this is a reasonable approximation. Monetary assets and liabilities denominated in foreign currencies are translated at year end exchange rates. The resulting exchange differences on translation are recorded in the statement of financial activities.

Basis of accounting

The financial statements have been prepared under the accruals concept and provide information that is relevant, reliable, comparable and understandable.

3. Significant accounting policies

- a) The accounts are prepared under the historic cost convention as modified by the revaluation of investments, and are drawn up in accordance with the Statement of Recommended Practice (SORP) “Accounting and Reporting by Charities” published in 2017 and applicable United Kingdom accounting standards.

The Lancashire Foundation

- b) Shares are initially recognised at cost. They are subsequently recorded at fair value. Any gain or loss on revaluation is taken to the statement of financial activities.
- c) Voluntary income is recognised in the statement of financial activities when:
 - The Charity becomes entitled to it;
 - The trustees are reasonably certain they will receive it; and
 - The trustees are reasonably certain that the value can be reliably measured.
- d) Investment income is accounted for in the year which the Charity is entitled to receipt.
- e) Grants payable are accounted for as soon as committed.
- f) Grants payable are recognised when donations are approved by the donations committee and trustees.
- g) Due to the ongoing financial support of the Charity by the Founder, there are no costs incurred in relation to generating funds.
- h) Governance costs comprise of audit fees and bank charges and are accounted for on an accruals basis. These are allocated to unrestricted funds.
- i) Restricted funds in relation to “Project Transform” are those which must be applied in accordance with the purpose for which they were raised.
- j) Unrestricted funds comprise those funds which the trustees are free to use for any purpose in the furtherance of the charitable objectives.
- k) Where the donations committee and trustees allocate unrestricted funds to a restricted purpose such as “Project Transform” then the relevant funds are transferred from unrestricted to restricted funds.
- l) Concessionary loans are recorded at the amount paid, with the carrying amount adjusted to allow for potential impairment due to non-payment.

4. Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received with categories covered by Part 10 Income Tax Act 2007 or Section 356 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

5. Donations received

	<u>2020</u>	<u>2019</u>
	£	£
Donation from Lancashire Holdings Limited	604,394	384,586
Donations to Project Transform appeal (note 11)	-	4,450
	<u>604,394</u>	<u>389,036</u>

6. Charitable activities

	<u>2020</u>	<u>2019</u>
	£	£
Grants to institutions made in the year	518,976	376,690
Adjustment to provision for potential loss on concessionary loan (see note 9)	178	38,283
Graduate scheme costs	14,717	19,644
	<u>533,871</u>	<u>434,617</u>

Appendix 1 lists all grants made during the year.

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No charge is made for the trustees' services nor are the trustees reimbursed by the Charity for any costs they may incur. There are no other staff costs and the Charity does not employ any staff.

The Founder and the Charity have jointly sponsored an internship programme for Bermuda resident college graduates and the Charity received an allocation of costs of £19,644 during 2020. This amount was due to Lancashire Insurance Services Limited at 31 December 2020 along with the balance charged in the prior year of £126,778.

7. Governance costs

	<u>2020</u>	<u>2019</u>
	<u>£</u>	<u>£</u>
Audit fee	9,000	6,960
Legal fee	-	2,640
Bank charges	517	520
Seminar fee	-	450
	<u>9,517</u>	<u>10,570</u>

8. Concessionary loan

	Concessionary loan £	Impairment provision £	Net balance £
Balance at 31 December 2018	290,111	(61,548)	228,563
Loan repayment	(74,376)	-	(74,376)
Adjustment to impairment provision (note 6)	-	(38,283)	(38,283)
Revaluation adjustments	<u>(3,709)</u>	<u>(15,718)</u>	<u>(19,427)</u>
Balance at 31 December 2019	212,026	(115,549)	96,477
Loan repayment	(70,501)	-	(70,501)
Adjustment to impairment provision (note 6)	-	(178)	(178)
Revaluation adjustments	<u>(3,219)</u>	<u>3,923</u>	<u>704</u>
Balance at 31 December 2020	<u>138,306</u>	<u>(111,804)</u>	<u>26,502</u>

During 2014 the Charity entered into a concessionary loan agreement with Kiva, a non-profit organisation, which provides small loans to small businesses in the developing world through partnerships with a number of micro-finance organisations.

Under the terms of the agreement \$855,000 (£670,378) was loaned for a minimum period of 2 years from 8 July 2014 to enable matching loans to be made to small businesses in developing countries.

During 2016 Kiva repaid \$284,992 (£208,990) and the term of the remaining loan of \$570,008 (£462,594) was extended to 31 December 2017.

During 2017 Kiva agreed to repay \$200,000 (£147,962) as underlying loans were repaid and the term of the remaining loan of \$370,008 (£273,735) was extended to 30 June 2019.

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As the term of the remaining loan facility expired on 30th June 2019, Kiva has now stopped lending funds and are repaying the outstanding balance to the Charity in quarterly instalments when funds are received from borrowers.

There is no interest payable on the amount loaned.

Due to uncertainty around the recoverability of the underlying loans, a provision for impairment of £111,804 (2019: £115,549) has been made against the carrying amount of the loan.

As the concessionary loan and provision for potential loss are denominated in United States Dollars, they have been revalued at the closing exchange rate. These revaluation adjustments have been included in the “Unrealised and realised foreign exchange gains (losses)” line in the statement of financial activities.

9. Investments

The Charity holds the following investments:

	<u>2020</u>	<u>2019</u>
	£	£
Lancashire Holdings Limited shares	1,026,885	1,088,626
Externally managed investment funds	<u>1,202,806</u>	<u>-</u>
	<u>2,229,691</u>	<u>1,088,626</u>

Lancashire Holdings Limited shares

At 31 December 2020, the Charity held 141,933 (2019; 141,933) common shares in Lancashire Holdings Limited which are listed on the London stock exchange. These have been recorded at fair value based on the closing share price on 31 December 2020 and 31 December 2019.

During 2019 56,667 shares were sold resulting in a realised gain of £170,703 and share sale costs of £10,039. No shares were sold during 2020.

Externally managed investment funds

During 2020, the Charity implemented a plan to diversify investments held and placed £1,000,000 in a portfolio of investment funds which is managed by a third-party provider. These have been recorded at fair value based on the closing fund price on 31 December 2020.

The funds held in the portfolio are summarised by type as follows:

	<u>2020</u>	<u>2019</u>
	£	£
Global equity	532,446	-
UK bond	260,567	-
UK equity	219,010	-
Global bond	94,152	-
Flexible allocation	91,878	-
Cash	<u>4,753</u>	<u>-</u>
	<u>1,202,806</u>	<u>-</u>

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At 31 December 2020, the externally managed portfolio included investments in 14 funds (2019: Nil). None of the individual funds held represented more than 10% of the total value of portfolio.

Investment income included the following:

	<u>2020</u> £	<u>2019</u> £
Dividend income on Lancashire Holdings Limited shares	16,936	32,391
Gain (loss) on sale of Lancashire Holdings Limited shares	-	170,703
Bank interest	<u>3,276</u>	<u>4,681</u>
	<u>20,212</u>	<u>207,775</u>

The Gain (loss) on revaluation of investments included the following:

	<u>2020</u> £	<u>2019</u> £
Lancashire Holdings Limited shares	(61,741)	263,870
Externally managed investment funds	<u>202,806</u>	<u>-</u>
	<u>141,065</u>	<u>263,870</u>

10. Debtors

	<u>2020</u> £	<u>2019</u> £
Dividend receivable	<u>5,415</u>	<u>-</u>
	<u>5,415</u>	<u>-</u>

11. Creditors

	<u>2020</u> £	<u>2019</u> £
Accrued expenses	9,000	5,520
Accrual in relation to donations for the year	25,000	40,000
Amount payable to Lancashire Insurance Services Limited (see note 13)	<u>161,139</u>	<u>146,422</u>
	<u>195,139</u>	<u>191,942</u>

12. Restricted funds

From 2010 to 2019, six to eight employees from across the Lancashire Group of Companies volunteered for Project Transform and travelled to the Philippines to work alongside International Care Ministries (Philippines) for a week providing aid and support to those living in extreme poverty.

It was not possible to arrange a Project Transform trip for 2020 due to the restrictions on travel as a result of the Coronavirus pandemic. In 2019 £4,450 was raised from donations made by Lancashire employees in relation to Project Transform, for the benefit of the partner charity International Care Ministries (Philippines). During 2020 the £4,450 raised in 2019 was donated to the partner charity.

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Restricted funds are held in a separate bank account. The balance at 31 December 2020 was £4,042 (2019: £8,492).

13. Related parties

During the year the Charity received a donation from Lancashire Holdings Limited of £604,394 (2019: 384,586) and investment income of £16,936 (2019: £32,391) from the Charity's holding of shares in Lancashire Holdings Limited.

During the year the Charity sold nil (2019: 132,133) Lancashire Holdings Limited shares (refer to note 9 for further details).

There were no amounts due to or from Lancashire Holdings Limited at 31 December 2020.

The Founder and the Charity have jointly sponsored an internship programme for Bermuda resident college graduates and the Charity received an allocation of costs of £14,717 during 2020 (2019: £19,644). The related amounts have not yet been paid by the Charity and £161,139 was due to Lancashire Insurance Services Limited at 31 December 2020 (2019: £146,422).

14. Subsequent events

The Founder has approved and paid a donation to the Charity of \$250,000 for 2021 which will enable it to continue to meet its objectives in that year by supporting new and existing charities.

Covid 19 has resulted in increased volatility in financial markets which has had led to a reduction in the value of the investments held by the Charity below their valuation in the statement of financial position at some points of the year to date. The trustees continue to closely monitor the situation.

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Appendix 1: Grants to Institutions

	<u>2020</u>	<u>2019</u>
	£	£
The Family Centre	60,000	60,000
International Care Ministries (Philippines)	44,450	40,000
Bermuda Hospitals Board	40,785	-
St Giles Trust	40,000	42,273
Médecins Sans Frontières	40,000	41,540
Bermuda Autism Support "Tomorrow's Voices"	40,000	40,674
Cancer Research UK	25,000	25,895
NHS Charities Together	25,000	-
Kiva Microloans	20,000	20,000
Vauxhall City Farm	20,000	20,000
London Air Ambulance	13,000	10,000
Thamesreach	12,500	-
Fareshare	12,500	-
Starlight Foundation	11,486	-
The Coalition For The Protection Of Children	11,200	-
Knowledge Quest	10,600	9,152
Action on Addiction	10,000	5,000
Eliza Doolittle Society	9,216	-
Warwick Academy Outreach Programme	7,490	7,118
Windreach Bermuda	7,000	7,118
Bermuda Society For The Prevention of Cruelty to Animals	6,900	-
The Women's Resource Centre	6,900	-
The Connection at St Martin's In The Field	6,757	-
Young Minds	6,757	-
Victor Scott Primary School	5,385	5,084
Medical Detection Dogs	5,000	5,000
Mission Aviation Fellowship	5,000	5,000
Care for children	5,000	5,000
The Lord Mayor's appeal	3,750	-
Spencer Lynx Hockey	3,000	-
The Salvation Army Bermuda	3,000	-
The Poppy Factory	-	8,528
Child Bereavement UK	-	7,000
Team Up	-	5,000
Bermuda Cancer & Health Centre	-	3,838
Ahoy Centre	-	2,000
Miscellaneous donations under £2,000	1,300	1,470
Total donations:	<u>518,976</u>	<u>376,690</u>