

**Charity Number 1156286**

***HOWDEN FOUNDATION***

*Audited Annual Report and Accounts*

*For the year ended 30 September 2024*

# Howden Foundation – Charity Number 1156286

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## Financial Statements For the year ended 30 September 2024

### Contents

Trustees and Advisors .....	2
Trustees' Report.....	3
Independent auditor’s report to the members of the Howden Foundation .....	10
Statement of Financial Activities .....	14
Balance Sheet .....	15
Statement of Cash Flows.....	16
Notes to the Financial Statements .....	17

# Howden Foundation – Charity Number 1156286

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## Trustees and Advisors

Trustees who served during the period and up to the date of this report were as follows:

L. Cable-Alexander  
C. Creasey  
L. Dormandy  
H. Goodhew  
D. Howden (appointed 8 May 2024 as Chair)  
M. Hudson  
A. Mandal  
J. Marron (resigned 30 April 2024)  
L. Munoz-Rojas Entrecanales (resigned 8 May 2024)  
R. Scott

Key management personnel:

Clare Ballantine (Head of Foundation)

Registered office and operational address:

One Creechurch Place  
London  
EC3A 5AF

Auditor:

Forvis Mazars LLP  
Two Chamberlain Square  
Birmingham  
B3 3AX

Bankers:

RBS London City Office  
PO Box 412  
62/63 Threadneedle Street  
London  
EC3R 8LA

Lawyers:

Russell Cooke Solicitors  
8 Bedford Row  
London  
WC1R 4BX

Charity registration number:

1156286

## Trustees' Report

The trustees present their report and the financial statements for the Howden Foundation (the Foundation), for the year ended 30 September 2024 (the year).

The financial statements comply with current statutory requirements, the charity's Constitution, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

## Structure, Governance and Management

### *Governing Document*

The Foundation is a Charitable Incorporated Organisation, incorporated with the Charity Commission for England and Wales on 20 March 2014. The Foundation's Constitution establishes the powers and objects of the charity, and this was last updated on the 30 July 2024.

The objects of the Foundation, which were updated on the 30 July 2024 are, for the public benefit, to advance any charitable purpose as defined from time to time by the laws of England and Wales, in particular but not exclusively by the provision of grants, items and services to one or more of individuals in need, charities and other organisations and for charitable purposes anywhere in the world.

### *Related parties and relationships with other organisations*

The Foundation is independent of any other body. However, it continues to be financially and operationally supported by Howden Group Holdings Limited ("Howden"), its subsidiary companies ("Howden Group Companies") and their employees ("Howden employees").

The Howden Foundation and Howden have a Relationship Agreement in place to formalise the arrangements between the two entities. This includes the services provided to the Foundation by Howden such as office space, professional support, and information systems. This year, Howden donated staff time and support services to the Foundation with an estimated value of £52,196.

The Foundation is a shareholder in Howden and maintains a revolving loan facility with a Howden Group Company to manage cash flow.

Please see the Financial Review on page 7 and note 12 for further Related Party transaction details.

### *Recruitment and Appointment of Trustees*

The Foundation is governed by the Board of trustees ("the Board"). The Constitution supports a minimum of three trustees and a maximum of 12 trustees. The trustees are normally appointed to serve for a period of three years and are eligible for reappointment for a further two consecutive terms up to a maximum term of nine years. A trustee may only be re-appointed beyond a maximum term of nine years if the other trustees consider the circumstances to be exceptional and the re-appointment is approved by a resolution of at least 75% of the other trustees.

In selecting individuals for appointment as trustees, the Board looks for the skills, knowledge and experience needed for the effective management of a charity. Currently, the Board includes three trustees not connected to Howden to ensure a wide range of backgrounds, experiences and skills and to provide an independent quorum where necessary.

On appointment, trustees are provided with external training on their role and responsibilities, a copy of the Constitution, the latest audited accounts and a trustee induction pack to assist them in their role.

## Trustees' Report (*continued*)

### ***Organisational Structure***

The trustees are responsible for the management of the Foundation and meet at least quarterly. In the event that there are no urgent matters to address at a formal meeting then they will communicate electronically as outlined and permitted in the Foundation's Constitution. Any decision may be taken either at a formal meeting of the trustees or by resolution in writing or electronic form agreed by a majority of trustees. All trustees give their time voluntarily and receive no benefits from the charity. No expenses were reclaimed by trustees from the charity over the year.

The Board operates a Finance Committee and an Investment Committee, both of which meet on a regular basis, to focus on work delegated by the Board, provide added expertise and scrutiny, and make recommendations to the Board.

The trustees have delegated authority to the Head of Foundation, Clare Ballantine, for the day-to-day management of the Foundation. Following an open recruitment campaign, a candidate for the newly created CEO role has been appointed and is due to take up post by July 2025. Clare Ballantine will assume the role of COO at that point.

All Foundation staff are employed by Howden Group Services Limited, the Group's central services subsidiary company, and seconded to the Foundation. The Foundation reimburses Howden Group Services Limited for the remuneration of the Foundation staff. The Foundation staff remuneration is reviewed annually and set with reference to UK foundation sector benchmarks. Pay and benefit changes are approved by the full Board.

### **Principal Risks and Uncertainties**

The trustees have a duty to identify, understand and analyse the risks to which the Foundation is exposed and to ensure appropriate and effective controls are in place. The trustees have conducted a review of the major risks to which the Foundation is exposed. Risks are assessed based on their likelihood and potential impact, and mitigation strategies are put in place to manage them in line with the board's risk appetite. They are recorded in a Risk Register which is regularly reviewed by the trustees and updated and approved annually. Where appropriate, systems or procedures have been established to manage the risks the charity faces. The Head of Foundation continually monitors changes in risk levels or emergence of new risks that may impact upon the organisation and escalates any concerns to the trustees.

The principal three risks identified during the year are:

- **Investment risk:** Reduction in value of Foundation's assets owing to portfolio concentration.  
The Finance Committee meets on a monthly basis to monitor financial performance and trustees receive up to date information on the Foundation's financial position on a quarterly basis including its level of liquid assets. In September 2023, an Investment committee was formed as part of the governance structure to ensure that income requirements, risk profile and market prospects remain fit for purpose.
- **Reputational risk:** Negative publicity for the Howden Foundation, Howden or one of the Foundation's grant partners leads to reputational damage and regulatory scrutiny.  
The Foundation closely monitors potential risks to its reputation and recognises that negative news or sentiment relating to itself, or any closely linked parties, could have a detrimental effect on the Foundation achieving its mission. The Foundation conducts thorough due diligence on all potential partners and regular ongoing monitoring of all existing partners to help mitigate this risk and includes a grant termination clause in its funding agreements should it be required.

## Trustees' Report (*continued*)

- **Organisational capacity:** Trustees and staff lack adequate time, relevant skills or experience resulting in poor decision making and/or lack of support.

The Foundation has grown significantly over the last four years. In line with the growth, the Board recognise the need to ensure the time, skills and experience are in place to deliver on the agreed strategy. The trustees have expanded the Foundation team with the recruitment of a CEO who will take up post by July 2025 and expect to make further appointments in the near future. In addition, trustees intend to recruit a grants advisory panel and conduct a Board skills audit to review and agree skills required at trustee level over the next year.

## Purposes and Aims

### *Purpose*

The Foundation's objects are, for the public benefit, to advance any charitable purpose as defined from time to time by the laws of England and Wales, in particular but not exclusively by the provision of grants, items and services to one or more of individuals in need, charities and other organisations and for charitable purposes anywhere in the world.

### *Public benefit*

The Foundation has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing its aims and objectives and in planning its future activities. In particular, the trustees consider how any future, planned activities will contribute to the aims and objectives they have set.

### *Strategic aims*

Since inception, the Foundation has endeavoured to improve peoples' lives through funding high impact charitable organisations around the world and, over the last few years, has positioned itself to address the urgent and critical need for increased investment in climate action. Driven by climate change, extreme weather is one of the biggest risks we face over the next decade, and this is particularly the case for those communities who have contributed least to the climate crisis. In recognition of this, the Foundation has significantly increased its expenditure on climate action this year and invested in learning and collaboration in order to deepen its understanding of how to deliver meaningful impact.

The Foundation reviews its aims, objectives and activities annually and, against a dynamic backdrop, continues to revisit and refine its climate strategy to ensure its work can bring maximum benefit to the public. Its work is informed and shaped by the communities it supports and where possible it seeks to build long-term partnerships to provide organisations with income security and reduce their time spent on fundraising, freeing up more of their time for programme delivery.

### *1. Climate Adaptation and Resilience*

The Howden Foundation has committed to empowering frontline communities who are facing the worst impacts of the climate crisis to take early action so that they can prepare for, adapt to and recover from its increasingly devastating effects.

- **Prepare:** Supporting communities to prepare for the impacts of climate change by building climate risk data and supporting tools such as early warnings systems which are in acute shortage in many countries.
- **Adapt:** Supporting communities to adapt to the impacts of climate change, including sustainable infrastructure and nature-based solutions.
- **Recover:** Supporting communities to recover from the impacts of climate change with anticipatory tools such as insurance and other forms of pre-arranged finance.

## Trustees' Report (*continued*)

### **2. People First Fund**

In addition to its Climate Adaptation and Resilience work, the Foundation's People First Fund supports the charitable giving of Howden employees and the variety of causes they care about around the world. Through this Fund, Howden employees can access matched funding for their personal fundraising or donations, as well as nominating charities to secure a donation through the annual Howden Foundation Charity Awards.

### **Activities and achievements**

Over the course of the year, the Foundation made grants and donations amounting to £1.5m (2023; £556k). This included £1.1m across its Climate Adaptation and Resilience portfolio and £400k for People First Fund activities. A selection of the Foundation's activities and achievements are outlined here.

#### **1. Climate Adaptation and Resilience partnerships**

- **Global Resilience Partnership (Climate Resilience for All) (£250,000)**

Climate Resilience for All ("CRA") are raising awareness about extreme heat and creating the conditions under which informal female workers in India can suffer less from heat-related income loss, ill health and death.

Through CRA's fiscal sponsor, the Global Resilience Partnership, the Foundation funded the 'Women's Climate Shock Insurance and Livelihood Initiative' (WCS) which was co-created by CRA and the Self-Employed Women's Association (SEWA) in India. Under WCS, SEWA members can sign up to receive warnings about extreme heat events, and secure wage supplements which prevent them from having to work under unbearable conditions. These supplements are paid directly to WCS members when temperatures reach 40 degrees, whilst temperatures of 50 degrees trigger parametric insurance to cover daily wages until temperatures decrease. 50,000 women signed up to the first year of the programme - with almost \$600,000 paid out in insurance and cash supplements during extreme heat events.

- **Start Network (£201,000)**

Start Network is made up of over 130 humanitarian agencies with a footprint across five continents. Its vision is for a world in which people receive high quality humanitarian aid when they experience disasters and where communities are prepared and resilient for when crises occur. This year, the trustees approved the second instalment of a two-year grant of £401k for Start Network's Start Ready programme. Start Ready is an innovative programme that supports NGOs to understand climate risks, develops risk models to forecasts crises, and pre-positions funding to support communities before climate crises hit.

The Foundation also provided non-financial support to the Start Network in the form of office space for meetings during Start Network's Crisis Anticipation and Risk Financing Week, as well as technical support from Howden employees.

- **Environmental Change Institute (University of Oxford) (£196,000)**

The Environmental Change Institute ("ECI") at the University of Oxford is working to democratise access to climate risk data, enabling vulnerable communities in the Global South to better plan and prepare for climate-related disasters.

The J-ADAPT Toolkit is the world's first fully open toolkit of its kind, which proves tailored, high-quality analytics on climate-related risks, whilst assessing the social and economic impacts of plans that aim to address them. The toolkit specifically focuses on ensuring that infrastructure is well adapted to a changing climate, as well as ensuring that adaptation plans developed by Governments and communities are as just and inclusive as they can be in order to bring the maximum benefit to the world's most vulnerable people.

## Trustees' Report (*continued*)

- ***Sand Dams Worldwide (£165,000)***

Sand Dams Worldwide (“SDW”) is supporting smallholder farmers affected by extreme heat and drought in Malawi to gain access to year-round water supplies, whilst also enabling the uptake of conservation farming and reforestation.

SDW works with local partner, CARD, to construct concrete dams across four seasonal riverbeds in Malawi’s drylands, which can each store up to 40 million litres of water in the sand that accumulates above the dams. This provides year-round access to water supplies for local communities whilst enabling women - who would usually spend up to 12 hours a day fetching water - to spend more time tending to the land, including through enrolling in SDW’s climate resilient agriculture training programme. The programme aims to enhance food and water security for 8,000 people, whilst enabling the restoration of degraded riverbeds through the establishment of tree nurseries, which is made possible by the presence of more reliable groundwater supplies. In partnership with the local partner, SDW is also working with the Malawi government to advocate for more widespread construction of sand dams across the country.

- ***RedR UK (£123,000)***

RedR UK is equipping humanitarian workers and affected communities with the knowledge and resources to respond to climate-related challenges in drought-prone regions of Somalia and Afghanistan.

RedR UK partner with local NGOs and community-based organisations to train humanitarian responders to account for the impacts of climate change in their work. This ‘train the trainer’ model covers drought response, management, and resilience planning, with the aim of developing a skilled climate workforce in areas of high climate risk. Through this training, the programme aims to reduce reliance on external assistance, whilst empowering local actors to handle climate-related challenges independently. This includes equipping local actors with the skills to conduct risk assessments and take anticipatory or ‘preventative’ action, with a critical focus on gender-responsive approaches towards climate change.

## ***2. People First Fund***

The Foundation distributed £400k (2023: £182k) in matched funds for Howden employees' donations and personal fundraising initiatives throughout the year. In celebration of the Foundation's tenth anniversary, a special triple-match campaign was introduced from November 2023 to October 2024.

The Foundation deferred this year's funds for the Howden Foundation Charity Awards to next year in order to create a larger-than-usual awards pool, in honour of Howden's 30th anniversary.

All People First Fund donations were administered by Benevity Inc, in partnership with vetting partner TechSoup and a global network of non-profit foundations (American Online Giving Foundation / Australian Online Giving Foundation / Charitable Giving / UK Online Giving Foundation) who collect, process, and disburse donations on behalf of the Foundation, ensuring compliance with UK charity law.

### ***Other***

Over the year, the Board elected to support two emergency appeals including a donation of £4k to the International Federation of Red Cross and Red Crescent Societies for the Spanish floods and £10k for the UK Friends of the Mustique Charitable Trust in the wake of Hurricane Beryl.

## **Financial Review**

Income for the year was £88k (2023: £18k) including donated staff time and services from Howden. Net investment gains of £4.9m (2023: £2.6m) were also generated through the Foundation’s investments. Cashflow is complemented by access to a loan facility (from a Howden Group company) secured against the Foundation’s assets to ensure liquidity in the short term, as well as a modest income stream coming from UK-based Howden employees via payroll giving. All donations into the Foundation were unrestricted.

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## Trustees' Report (*continued*)

To support the financial sustainability of the Foundation, Howden employees can forego the right to take up share incentive awards and allow the Foundation to take up a certain part of their allocation directly in its own name. These incentive shares have a nominal value but, if they vest, would represent a material contribution to the Foundation's assets.

As at 30 September 2024, the Foundations' investments stood at £20.4m (2023: £17.3m). The Foundation does not undertake fundraising from the general public. However, it does receive donations from Howden employees.

Expenditure for the year totalled £1.85m (2023: £609k). This relates to Climate Adaptation and Resilience grants, People First Fund contributions and other donations that further the Foundation's charitable objects. It also includes support costs.

### **Investment policy**

The Foundation is a shareholder in Howden, and as at 30 September 2024, this investment was valued at £20.4m (2023: £17.3m). The Board continues to monitor the performance of its shares in Howden and regularly reviews the performance of the investment. There are no restrictions on the charity's power to invest.

In line with the growth of the Foundation, the trustees recognise the need to review the investment policy in accordance with Charity Commission guidance and have appointed a trustee sub-committee as part of their governance structure to ensure that income requirements, risk profile and market prospects are fit for purpose. The sub-committee is in the process of consulting external financial advisers and developing an updated policy for approval by the full Board.

### **Reserves policy**

The Board has examined the requirement for unrestricted accessible cash reserves sufficient to cover a source of income not being renewed and the need to fund short term deficits in cash flow. The Foundation had resolved to establish and maintain a level of cash reserves of up to £250k to provide sufficient funds for its support costs.

### **Plans for Future Periods**

**Grant-making:** The Board acknowledges the urgency of its mission and is committed to continuously evolving its strategy to meet emerging needs. Trustees intend to significantly increase the Foundation's overall grant-making budget to maximise its impact over the next year. To support this, and to uphold the Foundation's high standards in grant-making, the Board plans to establish a grants advisory panel, conduct a board skills audit, and expand the Foundation team alongside its increased giving.

**Collaboration:** The Foundation remains committed to working closely with other funders focused on climate adaptation and resilience, ensuring efforts are scaled and accelerated to meet urgent needs. Over the next year, the team will actively strengthen relationships with aligned partners to foster a more coordinated and impactful approach to climate action.

**Governance, finance and operations:** The Board remains focused on implementing a strengthened investment policy, working closely with an external investment advisor to ensure an appropriate balance of risk and return. Trustees plan to roll out this new policy over the next year. Additionally, the Foundation will enhance its impact measurement by adopting the Business for Societal Impact (B4SI) framework and invest in improving how it communicates its funding approach and partnerships.

## Statement of the responsibility of the Trustees

The Trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of the Foundation's affairs and the surplus or deficit for the year.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Foundation will continue in operation.

The Trustees are responsible for:

- Keeping adequate accounting records, which disclose with reasonable accuracy at any time the financial position of the Foundation and;
- Safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the auditors are unaware and,
- That they have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by the Board of Trustees on 8 May 2025 and signed on its behalf by:



David Howden (Chair)

.....

## Independent auditor's report to the members of the Howden Foundation

### Opinion

We have audited the financial statements of the Howden Foundation (the 'charity') for the year ended 30 September 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If,

## Independent auditor's report to the members of the Howden Foundation (*continued*)

based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

### **Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the charity and its activities, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: the Charities Act 2011, the Charities Statement of Recommended Practice and anti-money laundering regulation.

## Independent auditor's report to the members of the Howden Foundation (*continued*)

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the Charities Act 2011 and Charities Statement of Recommended Practice.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to the valuation of investments, and income cut off at year end.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

### **Use of the audit report**

This report is made solely to the charity's members as a body in accordance with Part 4 of the Charities (Accounts and Report) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

# Howden Foundation – Charity Number 1156286

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Independent auditor's report to the members of the Howden Foundation (*continued*)

Signed: FORVIS MAZARS LLP  
FORVIS MAZARS LLP (May 21, 2025 14:59 GMT+1)

05/21/2025

Forvis Mazars LLP  
Chartered Accountants and Statutory Auditor  
First Floor  
Two Chamberlain Square  
Birmingham B3 3AX

Forvis Mazar LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 121 of the Companies Act 2006.

# Howden Foundation – Charity Number 1156286

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## Statement of Financial Activities (incorporating an income and expenditure account) For the year ended 30 September 2024

	Note	2024 £'000	2023 £'000
<b>Income from:</b>			
Donations	2	66	1
Charitable activities		-	1
Investments		22	16
<b>Total income</b>		<b>88</b>	<b>18</b>
<b>Expenditure on:</b>			
Charitable activities	3	1,805	515
Loan interest		49	94
<b>Total expenditure</b>		<b>1,854</b>	<b>609</b>
<b>Net expenditure before net gains on investments</b>		<b>(1,766)</b>	<b>(591)</b>
Net gains on investments		4,940	2,600
<b>Net income for the year</b>	5	<b>3,174</b>	<b>2,009</b>
<b>Reconciliation of funds:</b>			
Total funds brought forward		16,664	14,655
<b>Total funds carried forward</b>		<b>19,838</b>	<b>16,664</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

All funds are unrestricted.

The notes on pages 17 to 22 form part of these accounts.

# Howden Foundation – Charity Number 1156286

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## Balance Sheet

As at 30 September 2024

	Note	£'000	2024 £'000	£'000	2023 £'000
<b>Fixed assets:</b>					
Investments	7		20,359		17,267
<b>Current assets:</b>					
Debtors	8	9		1	
Cash at bank and in hand		969		696	
			<hr/>	<hr/>	
		978		697	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	9	(392)		(120)	
			<hr/>	<hr/>	
<b>Net current assets</b>			586		577
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			20,945		17,844
Creditors: amounts falling due after one year	10		(1,107)		(1,180)
			<hr/>		<hr/>
<b>Total net assets</b>			19,838		16,664
			<hr/> <hr/>		<hr/> <hr/>
<b>The funds of the charity:</b>					
Unrestricted income funds:					
General funds		19,838		16,664	
			<hr/>	<hr/>	
Total unrestricted funds			19,838		16,664
			<hr/>		<hr/>
<b>Total funds</b>			19,838		16,664
			<hr/> <hr/>		<hr/> <hr/>

These financial statements were approved and authorised for issue by the Trustees on 8 May 2025 and were signed on its behalf by:



.....  
David Howden (Chair)

The notes on pages 17 to 22 form part of these accounts.



# Howden Foundation – Charity Number 1156286

## Statement of Cash Flows

For the year ended 30 September 2024

	2024		2023	
	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>				
Net income for the reporting period (as per the statement of financial activities)	3,174		2,009	
Gains on investments	(4,940)		(2,600)	
Investment income recognised in the statement of financial activities	(22)		(16)	
(Increase)/decrease in debtors	(8)		2	
Increase/(decrease) in creditors	272		(606)	
<b>Net cash used in operating activities</b>		(1,524)		(1,211)
<b>Cash flows from investing activities:</b>				
Investment income recognised in the statement of financial activities	22		16	
Proceeds from sale of investments	1,848		1,845	
<b>Net cash provided by investing activities</b>		1,870		1,861
<b>Cash flows from financing activities:</b>				
Repayments of borrowing	(73)		(400)	
<b>Net cash used in financing activities</b>		(73)		(400)
<b>Change in cash and cash equivalents in the year</b>		273		250
Cash and cash equivalents at the beginning of the year		696		446
<b>Cash and cash equivalents at the end of the year</b>		969		696

### Analysis of cash and cash equivalents and of net debt

	At 1 Oct 2023	Cash flows	Other non- cash changes	At 30 Sept 2024
	£'000	£'000	£'000	£'000
Cash at bank and in hand	696	273	-	969
Loans falling due after more than one year	(1,180)	73	-	(1,107)
<b>Total</b>	(484)	346	-	(138)

# Howden Foundation – Charity Number 1156286

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## Notes to the Financial Statements For the year ended 30 September 2024

### **1 Accounting Policies**

#### **a) Statutory information**

Howden Foundation is a Charitable Incorporated Organisation registered with the Charity Commission for England and Wales.

The registered office address and principal place of business is One Creechurch Place, London, EC3A 5AF.

#### **b) Basis of preparation**

The accounts have been prepared in accordance with the Charities Act 2011, the Charities Statement of Recommended Practice (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and under the historical cost convention in accordance with applicable Accounting Standards as modified by the accounting policy for investments.

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

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

#### **c) Public benefit entity**

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

#### **d) Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

The carrying amount of unlisted investments on 30 September 2024 was £20.4m (last year: £17.3m).

The value of the investments is based on the adopted share price of Howden. The share price adopted is based on a report prepared for Howden by an external third party, which values the shares on the basis of precedent transactions, public company valuations, leverage buyout valuation and discounted cash flow. The adopted share price has also been used for a number of recent transactions, including the internal market run by Howden and shares issued in relation to acquisitions. Some of the shares held have a hurdle price, which needs to be achieved for the shares to have value, as set out in the legal documents governing those shares.

# Howden Foundation – Charity Number 1156286

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## Notes to the Financial Statements For the year ended 30 September 2024

### **1 Accounting Policies (continued)**

#### **e) Going concern**

The trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern.

#### **f) Income**

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

#### **g) Donations of gifts, services and facilities**

Donated professional services and donated facilities are recognised as income when the Foundation has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the Foundation of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the Foundation which is the amount the Foundation would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

#### **h) Interest receivable**

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

#### **i) Fund accounting**

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes. All funds are unrestricted.

#### **j) Expenditure and irrecoverable VAT**

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

- Expenditure on charitable activities consists of expenditure/costs applied by the Foundation in meeting its charitable purposes, namely grants and donations.
- Support costs are those functions that assist the work of the Foundation but do not directly undertake charitable activities. Support costs include back-office costs, finance and governance costs which support the Foundation's activities.
- Governance costs are the costs associated with the governance arrangements of the Foundation. These costs are associated with constitutional and statutory requirements.

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

# Howden Foundation – Charity Number 1156286

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## Notes to the Financial Statements For the year ended 30 September 2024

### 1 Accounting Policies (continued)

#### k) Grants payable

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

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

#### l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

#### m) Creditors and provisions

Creditors and provisions are recognised where the Foundation has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### 2 Income from donations

	2024 £'000	2023 £'000
Individual donations	1	1
Corporate donations	13	-
Donated services and facilities	52	-
	<hr/>	<hr/>
	66	1
	<hr/>	<hr/>

All income from donations is unrestricted.

### 3a Analysis of expenditure (current year)

	Charitable activities £'000	Governance costs £'000	Support costs £'000	2024 Total £'000	2023 Total £'000
Grants and donations (note 4)	1,537	-	-	1,537	356
Overheads	62		186	248	139
Audit fee	-	20	-	20	20
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,599	20	186	1,805	515

Overheads include salary costs for Foundation staff recharged by Howden Group Services Limited.

# Howden Foundation – Charity Number 1156286

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## Notes to the Financial Statements For the year ended 30 September 2024

### 3b Analysis of expenditure (prior year)

	Charitable activities £'000	Governance costs £'000	Support costs £'000	2023 Total £'000
Grants and donations (note 4)	356	-	-	356
Overheads	50	-	89	139
Audit fee	-	20	-	20
	406	20	89	515

### 4 Grants and donations

	2024 £'000	2023 £'000
Charitable Giving	332	156
Global Resilience Partnership (Climate Resilience for All)	250	-
Start Network	201	201
Environmental Change Institute (University of Oxford)	196	-
Sand Dams Worldwide	165	-
RedR UK	123	-
PELUM Zimbabwe	107	-
Seven Clean Seas	50	-
UK Online Giving Foundation	31	56
The Nature Conservancy	30	-
American Online Giving Foundation	21	5
Australian Online Giving Foundation	17	17
UK Friends of the Mustique Charitable Trust	10	-
International Federation of the Red Cross	4	-
Care Channels International	-	85
Disasters Emergency Committee	-	34
Alzheimer's Society	-	2
Danish Red Cross (see note)	-	(200)
	1,537	356

In March 2023, the Danish Red Cross asked to terminate the Ecosystem-based Adaptation (EbA) financing facility grant that had been approved and paid in FY22 while the project scope was reconsidered. In line with trustee duties to safeguard the Foundation's assets, the grant of US\$250k (£200k) was returned to the Foundation in May 2023.

# Howden Foundation – Charity Number 1156286

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## Notes to the Financial Statements For the year ended 30 September 2024

### 5 Net income for the year

This is stated after charging / (crediting):

	2024 £'000	2023 £'000
Interest payable	49	94
Auditor's remuneration (excluding VAT) - Audit		
Current year	17	17
Prior year over accrual	(1)	-
Foreign exchange gains or losses	-	(1)

### 6 Taxation

As a charity, the Foundation is exempt from tax on income and gains falling within s505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No charges have arisen in the Foundation in the period.

### 7 Investments

All fixed asset investments at 1 October 2023 and at 30 September 2024 were unlisted share investments in Howden. These investments are held at fair value in accordance with the accounting policy as detailed in Note 1 on page 17 and their historic cost on acquisition was £10.m (2023: £8.6m).

	2024 £'000	2023 £'000
Market value:		
At 1 October 2023	17,267	16,512
Additions at cost	-	359
Disposal proceeds	(1,848)	(1,845)
Net gain on change in fair value	4,940	2,241
	<hr/>	<hr/>
At 30 September 2024	20,359	17,267
	<hr/>	<hr/>

### 8 Debtors

	2024 £'000	2023 £'000
Prepayments	9	-
Accrued income - donations	-	1
	<hr/>	<hr/>
	9	1
	<hr/>	<hr/>

# Howden Foundation – Charity Number 1156286

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## Notes to the Financial Statements For the year ended 30 September 2024

### 9 Creditors: amount falling due within one year

	2024 £'000	2023 £'000
Trade creditors	6	-
Grants payable	272	-
Amounts due to Howden Group Services Limited (see note 12)	52	32
Accruals	62	88
	<hr/>	<hr/>
	392	120
	<hr/>	<hr/>

### 10 Creditors: amounts falling due after one year

	2024 £'000	2023 £'000
Loan due to HIG Finance 2 Limited	1,107	1,180
	<hr/>	<hr/>
	1,107	1,180
	<hr/>	<hr/>

The loan relates to a revolving loan facility agreed in July 2020 with HIG Finance 2 Limited, a Howden Group company. Although the extension of the loan agreement for another five years with updated terms was signed post year-end, an agreement in principle was signed before 30 September 2024. Accordingly, the trustees have chosen to reflect the substance of the loan at the balance sheet date and have treated the loan as falling due after one year. The total principal amount must not exceed £7.5m and must be repaid on or before the fifth-year anniversary of the date of the extension. Interest rate is equal to the weighted average cost of group debt plus a margin, to be reviewed at least annually. The loan is secured by a fixed charge on the shares held in Howden. As at 30 September 2024, the loan advance was £1.1m (2023: £1.15m) and accrued interest was £7.4k (2023: £30.3k). Interest incurred in the period amounted to £49.5k (2023: £93.6k).

### 11 Financial commitments, guarantees and contingent liabilities

Grants totalling £765k have been approved and will be paid in future years subject to rigorous review of the conditions attached to these grants by the staff and reporting to trustees. This amount has not been provided for in the financial statements. If the conditions of the grants are met the liabilities will be settled, in the local currency applicable, using the unrestricted funds of the Foundation.

Should the grants be awarded at the date of review, the £765k will be payable in the following years:

	£'000
30 September 2025	765
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## Notes to the Financial Statements For the year ended 30 September 2024

### 12 Related party transactions

The Foundation is independent of any other body however it is primarily funded by Howden Group Companies and their employees. The Foundation had the following transactions with Howden Group Companies over the course of the year.

Name of the trustee or related party	Description of the transaction	£'000
HIG Finance 2 Limited	Loan drawdown	1,050
HIG Finance 2 Limited	Loan repayment	(1,100)
HIG Finance 2 Limited	Interest repayment	(72)
HIG Finance 2 Limited	Interest accrued	49
Howden Group Holdings Limited	Vested shares	3,313
Howden Group Services Limited	Administrative expenses	134

During the year, seven (7) trustees were affiliated with Howden Group Companies (2023: 6).

None of the trustees have been paid any remuneration or incurred any expenses in the year (2023: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties. The amount due to Howden Group Services as at 30 September 2024 was £52k (2023: £32k) – see note 9.