

Charity registration number 1164682

Company registration number 09802468 (England and Wales)

THE STONE FAMILY FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

THE STONE FAMILY FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr J K Stone (Chairman) Mr C H Edwards Mr D J Steinegger Mrs Y M Stone
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Charity number	1164682
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Company number	09802468
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Registered office	130 Wood Street London United Kingdom EC2V 6DL
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Auditor	Buzzacott LLP 130 Wood Street London United Kingdom EC2V 6DL
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THE STONE FAMILY FOUNDATION

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THE STONE FAMILY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees, who are also the directors of The Stone Family Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charitable company for that year.

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

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that 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.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

THE STONE FAMILY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's applicable laws, the Companies Act 2006 and "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)".

Objectives and activities

Charitable objectives

The charity's principal objective is as follows:

To relieve persons, in any part of the world, who are in conditions of need, hardship or distress (including starvation, sickness or any disability or affliction) and primarily, but not exclusively, when such need, hardship, or distress is the result of local, national, or international disaster, war or civil disturbance or by reason of their social and economic circumstances.

In furtherance of the objects the trustees may make grants, donations and social investments to and in such institutions, foundations and trusts as they think fit, that are exclusively charitable according to the law of England and Wales.

When setting the objectives and planning the work of the charity for the period, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Listed and unlisted investments policy

There are no restrictions on the charity's power to invest and the investment strategy is agreed between the trustees and the investment managers and is regularly reviewed. It is the subject of a policy statement which has been completed by the trustees and forms an integral part of the agreement with the investment managers to provide investment management services.

The fundamental aim of the investment strategy is to achieve a target return agreed with the trustees and allowing for the current economic climate. To achieve the Foundation's objectives, the investment managers agree an appropriate level of risk for the portfolio and a suitable asset allocation is determined. For each asset class, there is a range around the proposed allocation to allow the investment managers to take action in light of prevailing or expected economic and market conditions. The performance of the portfolio is assessed against an inflation-linked benchmark.

The investment managers regularly report to and meet with the trustees to provide information regarding the performance of the portfolio, comparison against the benchmark and general market issues.

THE STONE FAMILY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Grant making policy

In pursuance of its objectives, the charity's income and, if considered appropriate, reserves, are applied in supporting organisations, initiatives and enterprises that pursue objectives which further the charity's objectives.

The trustees apply funds through grants, loans, and social investments. These are directed towards the relief of poverty, hardship, or distress in accordance with the charity's objects.

Applications for grants, loans or social investments must be in writing, and trustees seek the completion of formal terms and conditions. An updated grant agreement and impact investment contract, developed in late 2020 and early 2021 to ensure compliance with the latest relevant legislation, has been used throughout 2023.

Acknowledgement of receipt of funding is required after the signing of a formal agreement. Additional verification of bank details and, where relevant, common reporting forms are required. Financial reporting of expenditure is common, and trustees and staff will ask for copies of receipts for expenditure to be provided where relevant.

All grants and investments are subject to ongoing monitoring, and further instalments of funds are only released subject to milestones being reached within pre-agreed timelines.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

Achievements and performance

Review of Activities

During the period under review the trustees continued to support enterprises and projects, and at the same time committed to support several new innovative organisations which met the charity's aims and objectives.

The Foundation has three portfolios – one with an international focus which makes grants and social investments in water and sanitation enterprises and enterprise models in Africa and Asia; and two UK focused portfolios which support organisations working in the mental health and disadvantaged youth sectors. The strategies for each portfolio differ, and each has continued to expand its activities and impact.

In determining which organisations to support, the management team of the Foundation carry out scoping work and analysis to identify and carry out due diligence on potential beneficiary organisations in sanitation and water. New Philanthropy Capital (NPC) are contracted to carry out this work for the two UK focused portfolios. The trustees were also able to apply experience from working with organisations over a long period of time.

The trustees receive regular reports from the management team and NPC based on performance monitoring of grantees against milestones and deliverables agreed at the outset of the grant or social investment.

THE STONE FAMILY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

WASH

The Stone Family Foundation made a total of £4.84m in grants and £1.4m in programme related investments across its WASH portfolio in 2023. In the water and sanitation portfolio, the Foundation shifted its enterprise-focused strategy in 2022 to focus on increasing access to safe water in the home, including by providing non-financial support to support the development of water operators. The Foundation continued to make strategic impact investments to support the water sector by supporting research, subsidy programmes, market collaboration and to enable new finance to flow into the sector. Key grants and investments made in the year included continued support to enterprises in Africa and Asia, specifically for piped water enterprises in Cambodia, Sierra Leone, Ghana, and Kenya.

Our largest programme is a \$12m finance facility that provides funding for private water operators in Cambodia with wrap-around technical support to increase coverage to 100% of accessible households. We work in partnership with a local bank and a local partner to demonstrate the viability of funding operators and improve performance with sales, engineering design and business support. To date, 37 loans have been issued and 35,000 new households have been connected.

We also provided a \$1.1m loan to KWSH, a Cambodian water supply company that takes majority stakes in under-performing water stations and develops them by investing in the improvement of water treatment and distribution facilities and bringing operational and technical expertise. Through this decentralised portfolio of small-scale piped water stations, KWSH are increasing access to safe water at home, a transformative improvement in the lives of Cambodian families. Another example is a £730,000 grant to Uptime, a registered UK charity that pools and disburses results-based grant funding to contracted rural water service providers. It is pioneering the design, implementation, and evaluation of novel approaches for the sustainable funding of professional water services that otherwise could not be profitable. It currently supports an estimated 5 million rural users.

In 2019 the Foundation worked in partnership with iDE Cambodia and the United States Agency for International Development (USAID) to launch the first Development Impact Bond (DIB) in sanitation in November 2019. The Rural Sanitation in Cambodia DIB aims to eradicate the high rates of open defecation in the country and accelerate the Cambodian government's efforts to reach universal sanitation. The DiB initiative closed in 2023, with iDE exceeding their targets, achieving open defecation free status in over 1,700 villages.

UK Portfolios

The Stone Family Foundation made a total of £2.42m in grants across its UK based portfolios in 2023. Two new grantees, *Pause* and *Think Forward*, were added to the Disadvantaged Youth portfolio; no new grantees were added to the Mental Health portfolio.

In July 2023, the Trustees adapted the Mental Health portfolio strategy which had for several years supported adults with acute and enduring mental health issues to a new focus on the needs of children and young people post Covid-19. As a result, the portfolio is in transition and supporting more organisations which specialise in intervention and support for children and young people aged 5-25 years old. The portfolio continues to support organisations in specialist areas such as The Longford Trust.

The Trustees also agreed to concentrate on smaller organisations of £500k-£3m, bringing the Mental Health portfolio more in line with the Disadvantaged Youth portfolio.

The Foundation continues to deliver impact via its Disadvantaged Youth portfolio, for example, the Foundation supported Making the Leap with an unrestricted grant of £100,000 towards core costs. Making the Leap supports disadvantaged young people in London to fulfil their career aspirations by running employability workshops and other activities to help develop skills and confidence. The charity's delivery was severely impacted by Covid-19, but it now delivers a hybrid version of its flagship programme for young adults and has been successfully rebuilding its schools-based delivery, reaching 4,088 young people in 2022-23.

THE STONE FAMILY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Financial review

Investment performance for the year to 31 December 2023

Total income from investments in the year amounted to £1,566,312 (2022: £373,326). The Foundation realised a gain of £550,603 (2022: £393,827) on its investment portfolio and generated unrealised gains of £214,357 (2022: £1,962,873 losses) on the movement in fair value (market value).

Given the stock market and economic conditions experienced in the year, the trustees were satisfied with the performance of the investments and that their investment objectives had been met.

Results for the year

A summary of the results can be found under the "Statement of Financial Activities" of this report and financial statements.

The trustees made grants to various institutions totalling £7.26m (2022: £5.86m) and programme related investments totalling £1.4m (2022: £3.13m). Investment management, grant administration and governance costs totalled £0.36m (2022: £0.3m). Gains on the investment portfolio of £0.77m (2022: £1.57m loss) and a £0.54m loss (2022 - £1.01m profit) on foreign exchange contributed to the overall net deficit of £4.2m (2022: £2.12m net surplus) for the year.

Fundraising

The Foundation does not fundraise directly with individuals and therefore is not registered with the Fundraising Regulator. Where donations from individuals are received, the Foundation aims to protect personal data and never sells data or swaps data with other organisations.

In the event of any complaints regarding its fundraising activities being received, the Foundation would undertake to react, investigate, respond, and learn from the complaint and improve its service. During 2023, the Foundation received no complaints about its fundraising activities.

Approach to income and reserves

All income derived from the Foundation's investment portfolio is intended for the sole purpose of achieving social impact and therefore all income then forms part of the Foundation's reserves and ultimately distributed using the grant making and social investment approach.

The unrestricted funds of £47.9m represent investments and cash held by the charity in order to meet any liabilities that may fall due for payment and to generate an income return for the future.

Financial Position

The balance sheet shows total unrestricted funds at 31 December 2023 of £47.9m (2022 - £52.16m)

The trustees consider that this level of free reserves meets the charity's reserves policy as outlined above and they, therefore, consider free reserves to be adequate.

THE STONE FAMILY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

FUTURE PLANS

The trustees regularly review their giving strategy based on experience gained of the organisations and sectors supported to date whilst also using research by the management team and New Philanthropy Capital.

The intention is to continue to focus on extending funding into enterprises and market-based models in the water sector globally where impactful opportunities arise; and maintaining the UK funding streams where appropriate with a focus on mental health and disadvantaged youth sectors. The trustees will also consider one-off smaller donations as they see fit.

Structure, governance and management

The charity is a company limited by guarantee with no share capital.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr J K Stone (Chairman)

Mr C H Edwards

Mr D J Steinegger

Mrs Y M Stone

(Appointed 31 October 2023)

Governance

The Stone Family Foundation is governed by its Memorandum and Articles of Association, adopted on 30 September 2015.

As set out in the Articles of Association, the directors of the Foundation are the trustees. The minimum number of trustees required is three and the maximum is five.

The names of the trustees who were appointed and served during the period and to the date of this report are given below with brief biographical details:

John K Stone

John Stone is FCII qualified and has spent the majority of his career within the insurance industry, holding various director/chairman positions with a number of organisations.

Charles H Edwards

Charles Edwards qualified as a Chartered Accountant and is currently employed as an investment manager with a major institution.

David J Steinegger

David Steinegger is a Chartered Accountant and has worked for over 30 years in the international financial services industry.

Yvonne Stone

Yvonne Stone started her career at the United Nations High Commissioner for Refugees, (UNHCR) in Geneva and subsequently forged a career in public relations and publishing in London, Hong Kong, and Greece.

Trustees must be appointed by resolution of the trustees. Trustees are entitled to hold office for life. Every trustee must sign a declaration of willingness to act as a trustee of the charitable company before he or she is eligible to vote at any meeting of the trustees.

On agreeing to become a trustee of the charity, the trustees are thoroughly briefed by their co-trustees on the day-to-day management, the responsibilities of the trustees, the current objectives and future plans. The trustees are also encouraged to attend any courses which they feel are relevant to the development of their role, and to keep up-to-date on any changes in legislation.

THE STONE FAMILY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Structure and management reporting

The trustees are ultimately responsible for the policies, activities, and assets of the charity. They meet on a regular basis to review the developments with regard to the charity, its grant giving and social investment activities and make any important decisions. The trustees review the proposals for grants and social investments and approve proposals as appropriate. They also review progress on major ongoing grant programmes.

When necessary, the trustees seek advice and support from the charity's professional advisers including investment managers, solicitors, and accountants. The day to day management of the charity's activities, and the implementation of policies, is delegated to four members of staff who ensure that grant applications are processed and presented to the trustees as appropriate and keep the books and records of the charity.

Separate meetings take place between the trustees and the investment managers when details of the investment performance and activity are reported and reviewed. This enables the trustees to update the fund managers with regard to funding requirements to meet the grants agreed. Regular liaison also takes place between the two investment managers appointed to ensure that a holistic approach is adopted in respect of the investments held.

Key management personnel

The trustees consider that the board of trustees and its employees, of which there were 5-6 for the duration of the year, comprise the key management personnel in charge of directing and controlling, running and operating the charity on a day to day basis. The trustees give their time freely and no trustee received remuneration in the year. The pay of the employees is reviewed annually by the trustees.

Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those relating to its investments and its finances. The trustees believe that by ensuring controls exist over key financial systems and by delegating the investment management function to investment managers, subject to regular monitoring, including periodic reviews of performance against benchmarks, they established effective systems to mitigate those risks.

In addition, the trustees have reviewed and re-assessed the controls and protocols over the identification and reporting of potential irregularities and conflicts of interest relating to organisations receiving grants made by the Foundation. The trustees believe that these controls have been effective in the period under review and that appropriate action has been taken to ensure the Foundation's responsibilities have been discharged.

Auditor

In accordance with the company's articles, a resolution proposing that Buzzacott LLP be reappointed as auditor of the company will be put at a General Meeting.

The trustees' report, including the strategic report, was approved by the Board of Trustees.

John Stone

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Mr J K Stone (Chairman)

Trustee 20/09/2024

Dated:

THE STONE FAMILY FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE STONE FAMILY FOUNDATION

Opinion

We have audited the financial statements of The Stone Family Foundation (the 'charitable company') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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, including the trustees' report which incorporates a strategic report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE STONE FAMILY FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE STONE FAMILY FOUNDATION

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- ◆ We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP FRS 102 and the Charities Act 2011.
- ◆ We understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and corroborated our inquiries through our review of trustee meetings and papers provided to the trustees.

THE STONE FAMILY FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE STONE FAMILY FOUNDATION

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ We assessed the susceptibility of the charitable company's financial statements to material misstatements, including how fraud might occur. Audit procedures performed by the engagement team included:
 - ◇ Identifying and assessing the design and implementation of controls in place to prevent and detect fraud;
 - ◇ Challenging assumptions and judgments made by management and the trustees in its significant accounting estimates;
 - ◇ Identifying and testing journal entries, in particular adjustments made at the year-end for financial statement preparation; and
 - ◇ Assessing the extent of compliance with relevant laws and regulations by reviewing correspondence with regulators and legal advisors.

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Katharine Patel (Senior Statutory Auditor)
for and on behalf of Buzzacott LLP

Statutory Auditor
Buzzacott LLP
130 Wood Street
London
United Kingdom
EC2V 6DL

30 September 2024

THE STONE FAMILY FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted funds 2023 £	Unrestricted funds 2022 £
	Notes		
Income and endowments from:			
Donations	2	3,250,220	9,518,741
Investments	3	1,566,312	373,326
Total income		<u>4,816,532</u>	<u>9,892,067</u>
Expenditure on:			
Expenditure on charitable activities	4	9,015,234	7,037,837
Investment managers' fees	8	268,120	182,561
Total expenditure		<u>9,283,354</u>	<u>7,220,398</u>
Net gains /(losses) on investments	10	764,960	(1,569,046)
Net (expenditure) / income		(3,701,862)	1,102,623
Other recognised gains / (losses)			
Foreign exchange (losses) / gains on monetary assets		(533,247)	1,016,642
Net movement in funds		(4,235,109)	2,119,265
Fund balances at 1 January 2023		52,151,915	50,032,650
Fund balances at 31 December 2023		<u>47,916,806</u>	<u>52,151,915</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

THE STONE FAMILY FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	£	2023 £	£	2022 £
Fixed assets					
Investments	11		33,390,517		32,965,506
Programme related investments	12		14,210,550		13,681,993
Investment in subsidiary	11		10		-
			<u>47,601,077</u>		<u>46,647,499</u>
Current assets					
Debtors	13	23,482		11,981	
Cash at bank and in hand		1,497,259		5,605,873	
		<u>1,520,741</u>		<u>5,617,854</u>	
Creditors: amounts falling due within one year	14	(1,205,012)		(113,438)	
Net current assets			<u>315,729</u>		<u>5,504,416</u>
Total assets less current liabilities			<u>47,916,806</u>		<u>52,151,915</u>
Income funds					
Unrestricted funds			<u>47,916,806</u>		<u>52,151,915</u>
			<u>47,916,806</u>		<u>52,151,915</u>

The financial statements were approved by the Trustees on 20 September 2024

John Stone

Mr J K Stone (Chairman)
Trustee

Company Registration No. 09802468

THE STONE FAMILY FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	£	2023 £	£	2022 £
Cash flows from operating activities					
Cash (used in)/generated from operations	17		(4,953,061)		5,828,987
Investing activities					
Purchase of subsidiary shares		(10)		-	
Purchase of other fixed asset investments		(8,853,238)		(12,414,798)	
Purchase of social investments		(1,404,352)		(3,128,309)	
Proceeds on disposal of investments		9,749,942		13,045,607	
Investment income received d		1,566,312		373,326	
Net cash generated from/(used in) investing activities			1,058,654		(2,123,174)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(3,894,407)		3,705,813
Cash and cash equivalents at 1 January			6,198,097		1,475,122
Changes in cash and cash equivalents due to exchange rate movements on monetary assets			(533,247)		1,016,642
Cash and cash equivalents at 31 December			<u>1,770,443</u>		<u>6,198,097</u>
Relating to:					
Cash at bank and in hand			1,497,259		5,605,873
Short term deposits included in investments			273,184		592,224
			<u>1,770,443</u>		<u>6,198,097</u>

THE STONE FAMILY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

The Stone Family Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 130 Wood Street, London, United Kingdom, EC2V 6DL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial assets at fair value. The principal accounting policies adopted are set out below.

Critical accounting estimates and areas of judgement

The preparation of financial statements requires the use of certain critical accounting estimates and judgements. It also requires the trustees to exercise judgement in the process of applying accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including an expectation of future events that are believed to be reasonable under the circumstances. Although these estimates are based on the trustees' best knowledge of the amount, event or actions, actual results may differ from those estimates.

Areas requiring the use of estimates and critical judgements that may impact on the charity's financial activities and financial position include:

- Social investments require consideration of the nature of the investment to ensure that the substance of the arrangement is appropriately accounted for as either a "programme related investment" held at cost or a "mixed motive investment" held at fair value. This involves the trustees' judgement on whether:
 - The investment is made in order to directly further the charitable purposes of the Foundation and where financial return is not a primary reason for making the investment (programme related); or
 - The investment is made to both further the Foundation's charitable purposes but also to generate a financial return (mixed motive investment).
- The trustees use investment managers to provide valuations of the investment portfolio, including the fair value, where appropriate, of its social investments. The valuations are based on mid- market prices, bid prices or recently traded prices.
- Programme related investments are held at cost to the Foundation less any impairment in value as assessed by the trustees based on financial information available to the trustees on the recoverability of the investment. Impairment provisions are recognised as a cost within the "expenditure on charitable activities" in the statement of financial activities.

1.2 Going concern

The trustees have not identified any material uncertainties relating to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern and consider it to be appropriate for the charity's financial statements to be prepared on a going concern basis.

THE STONE FAMILY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (continued)

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income from donations and legacies is recognised in the period in which the charity becomes entitled to the donation and where receipt is probable and its amount can be measured reliably.

Investment income comprises dividends and interest on the Foundation's portfolio of investments. Dividends are recognised once the dividend has been declared and the Foundation has received notification that the dividend is due.

Interest is recognised when receipt is probable and the amount can be measured reliably using the effective interest method.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

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. It includes VAT which cannot be recovered.

Expenditure on charitable activities comprises grants payable, administration expenses and governance costs.

Grants payable

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions. Grants approved but not paid at the end of the financial year are accrued for.

If the beneficiary has not been informed or has to meet certain conditions before the grant is released, the grant is not accrued for in the financial statements but is disclosed as a financial commitment in the notes. Similarly, if the grant obligation is conditional on an annual review process and the discretion to terminate the grant is retained by the trustees, the grant is not accrued in the financial statements but is disclosed as a commitment.

Support costs and governance costs

Included within charitable activities expenditure are support costs incurred in assisting the grant making programme of the Foundation. Governance costs include audit costs and legal costs relating to the Foundation's compliance with regulation and good practice.

Investment management fees

Investment management fees are incurred in managing the Foundation's investments and are charged in the statement of financial activities and are stated net of rebates.

THE STONE FAMILY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (continued)

1.6 Fixed asset investments

The Foundation's investment in quoted shares and similar investments are initially measured at cost and subsequently at market value. Investment gains and losses, whether realised or unrealised, are recognised in the statement of financial activities in the period in which they arise.

Investments in unlisted equity and similar investments are initially measured at cost and subsequently at market value unless the market value cannot be measured reliably in which case they are valued at cost less impairment. Investment gains and losses, whether realised or unrealised, together with impairment charges, are recognised in the statement of financial activities in the period in which they arise.

Social investments

Social investments include programme related investments and mixed motive investments.

Programme related investments

Programme related investments are made exclusively to further the Foundation's charitable objectives by funding specific activities and where a financial return is not the primary reason for making the investment.

Programme related investments consist of unquoted shares and concessionary loans. Unquoted shares are initially recognised at cost and subsequently at fair value. If fair value cannot be measured reliably, the unquoted shares are measured at cost less impairment. Concessionary loans are initially recognised at the amount paid, with the carrying value being subsequently adjusted for repayments and any impairment.

Mixed motive investments

Mixed motive investments are made to provide funding to organisations in order to generate a financial return for the Foundation but also to contribute to the Foundation achieving its charitable objectives.

Mixed motive investments consist of quoted and unquoted shares and similar financial instruments and are initially recognised at cost and subsequently at fair value. If fair value cannot be reliably measured, the investment is carried at cost less impairment.

Gains on the disposal of social investments, together with impairment losses, are recognised in the statement of financial activities in the period in which they arise.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.8 Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Foundation becomes party to the contractual provisions of the instrument.

THE STONE FAMILY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (continued)

Basic financial assets

Debtors are initially recognised at their settlement amount and subsequently at amortised cost or their recoverable amount. Impairment provisions are recognised when there is objective evidence, such as significant financial difficulties on the part of the counterparty or default or a significant delay in payment, that the Foundation will be unable to collect all of the amounts due.

1.9 Taxation

The charity is exempt from corporation tax on its charitable activities.

1.10 Retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

1.11 Foreign exchange

Transactions undertaken in foreign currency during the period are translated into sterling at the spot rate of exchange on the day of the transaction. Exchange differences are taken to the statement of financial activities.

Foreign exchange gains (or losses) arising on the translation of monetary assets and liabilities at the period end date are taken to the statement of financial activities.

2 Donations

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts (note 15)	<u>3,250,220</u>	<u>9,518,741</u>

THE STONE FAMILY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3 Investment income	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Listed and unlisted investments	947,102	280,658
Programme related investments	619,210	92,667
	<u>1,566,312</u>	<u>373,326</u>

4 Expenditure on charitable activities

	2023 £	Governance costs 2023 £	Total 2023 £	Total 2022 £
Staff wages	289,090	-	289,090	307,005
Staff social security	28,225	-	28,225	33,262
Staff pension costs	13,479	-	13,479	15,101
Staff development	8,570	-	8,570	16,757
Travel expenses	64,863	-	64,863	63,604
Rent and office costs	63,898	-	63,898	69,144
IT costs	36,966	-	36,966	12,659
Grant administration	52,470	-	52,470	23,341
Staff medical insurance	2,687	-	2,687	2,690
Consultancy	1,065,550	-	1,065,550	527,664
Net exchange losses on currency translation	2,904	-	2,904	6,275
Bank charges	1,339	-	1,339	1,128
Trustees' expenses	-	29,130	29,130	30,615
Auditors' remuneration	-	23,646	23,646	11,250
Accountancy costs	-	45,363	45,363	33,576
HR payroll and tax costs	-	19,356	19,356	21,706
Legal expenses	-	8,711	8,711	777
	<u>1,630,041</u>	<u>126,206</u>	<u>1,756,247</u>	<u>1,176,404</u>
Grant funding of activities (see note 5)	<u>7,258,987</u>	<u>-</u>	<u>7,258,987</u>	<u>5,861,433</u>
	<u>8,889,028</u>	<u>126,206</u>	<u>9,015,234</u>	<u>7,037,837</u>

THE STONE FAMILY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

5 Grants payable

	2023 £	2022 £
<i>Grants to institutions:</i>		
1001Fontaines	560,319	830,614
3BL	-	114,609
Beat	165,000	149,972
Bipolar UK	55,000	55,000
Birmingham Mind	105,000	-
CBSA	35,000	35,000
Cellar Trust	126,500	115,000
Eau et Vie Bangladesh	-	44,269
Elphrods Digitisation	19,894	21,955
Empire Fighting Chance	100,000	100,000
FactorE	575,242	-
Hillside Clubhouse	134,000	134,000
IDE	-	7,449
Impetus PEF	225,000	225,000
IntoUniversity	-	100,000
KWSH	17,729	10,170
Laos Feasibility Study	-	30,177
Leap Confronting Conflict	150,000	150,000
Longford Trust	40,000	20,000
Making The Leap	100,000	100,000
Max Tapwater Pilot	-	78,351
Mental Health Innovations	250,000	250,000
Mosaic Clubhouse	147,723	103,061
On Purpose Careers	-	50,000
Oxfordshire Mind	85,000	85,000
PFNL	50,000	50,001
Redthread	165,000	-
Rethink	-	115,196
Right to Succeed	112,000	-
Ruwasco	31,567	52,691
Safe Water Network	891,177	1,012,910
Safi Sana	436,003	478,733
Samaritans	45,000	90,000
SandONE	6,249	-
Sanergy	-	450,248
Sonic Fresh	30,592	52,691
Sport 4 Life	95,000	65,000
The Listening Place	80,000	80,000
The Mix	110,000	-
ThinkForward	50,000	-
Tutor Trust	120,000	120,000
Tutors United	62,500	130,202
Uptime Catalyst Facility	245,000	-
Water4	158,245	238,086
Wheels Project	-	25,000
World Bank Global Water Partnership	1,569,669	-
Youth Moves	-	25,000

THE STONE FAMILY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

5	Grants payable		(Continued)
	Opero Services	-	66,050
	Development Investment Bond	109,578	-
		<u>7,258,987</u>	<u>5,861,433</u>

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, however £29,130 of travel expenses were reimbursed to three trustees during the year (2022 - £30,615).

7 Employees

Number of employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
	<u>5</u>	<u>5</u>

Employment costs

	2023	2022
	£	£
Wages and salaries	289,090	307,005
Social security costs	28,225	33,112
Other pension costs	13,479	15,101
	<u>330,794</u>	<u>355,218</u>

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the charity and are represented by the trustees and the Foundation's employees. The total remuneration paid to the key management personnel was £330,794 (2022 - £355,218).

The number of employees whose annual remuneration was £60,000 or more were:

	2023	2022
	Number	Number
£60,001 to £70,000	2	1
£80,001 to £90,000	<u>1</u>	<u>1</u>

THE STONE FAMILY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

8 Investment managers' fees

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Investment managers' fees	268,120	182,561
	<u>268,120</u>	<u>182,561</u>

9 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

10 Net gains on investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Unrealised gain / (loss) on revaluation of investments	214,357	(1,962,873)
Realised gain / (loss) on sale of investments	550,603	393,827
	<u>764,960</u>	<u>(1,569,046)</u>

11 Fixed asset investments

	Listed and unlisted investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 January 2023	32,373,282	592,224	32,965,506
Additions	8,853,238	-	8,853,238
Valuation changes	(214,357)	-	(214,357)
Cash changes	-	(319,040)	(319,040)
Disposals	(7,894,830)	-	(7,894,830)
	<u>33,117,333</u>	<u>273,184</u>	<u>33,390,517</u>
At 31 December 2023	33,117,333	273,184	33,390,517
Carrying amount			
At 31 December 2023	<u>33,117,333</u>	<u>273,184</u>	<u>33,390,517</u>
At 31 December 2022	<u>32,373,282</u>	<u>592,224</u>	<u>32,965,506</u>

THE STONE FAMILY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

11 Fixed asset investments

(Continued)

	2023 £	2022 £
Other investments comprise:		
Investments in subsidiaries	10	-

The Foundation subscribed for the entire issued share capital of WRRF Limited on its incorporation in July 2023 and holds 100 ordinary shares of 10 pence. WRRF Limited remained dormant in the period to 31 December 2023.

	2023 £	2022 £
Investments at fair value comprise:		
Listed on UK stock exchange	4,176,882	3,639,254
Listed on overseas stock exchanges	17,160,259	17,229,841
Gilts and fixed interest	4,749,201	5,301,606
Unlisted UK equities	5,996,101	5,996,101
Equity managed funds	176,545	206,480
Commodities	858,345	-
	<u>33,117,333</u>	<u>32,373,282</u>

The following individual holdings had a carrying value in excess of 5% of the entire portfolio at 31 December 2023

	£
JJ&P (Belvin Franks)	5,996,101
Sway Ventures Accelerate AJTV LP	4,697,868
Blackrock Coutts UK Index Fund C GBP Income	2,547,076
Blackrock Solutions Funds ICAV Coutts	2,222,348
Blackrock Asset MGMT Ireland Ltd Coutts	1,703,841

THE STONE FAMILY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

12 Social Investments

Programme related investments

	2023 £	2022 £
At 1 January 2023	13,681,993	11,385,136
Additions	1,404,352	3,128,309
Disposals	(875,795)	(831,452)
At 31 December 2023	14,210,550	13,681,993

Financial commitments on programme related investments amounted to \$0.624M at 31 December 2023 (2022 - \$1.563m), payment of which is dependent on performance milestones being achieved.

Social investments can be further broken down as follows:

	2023 £	2022 £
Loans	2,236,379	3,950,165
Equity	1,595,590	1,595,590
Fixed deposits	10,378,581	8,136,238
	14,210,550	13,681,993

These investments support:

- Water-based projects.
- Rural sanitation.
- Waste to resources.

THE STONE FAMILY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

13 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Amounts owed by subsidiary undertakings	375	-
Other debtors	13,270	8,812
Prepayments and accrued income	9,837	3,169
	<u>23,482</u>	<u>11,981</u>

14 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	8,139	48,239
Trade creditors	20,586	21,232
Other creditors	1,088,288	6,523
Accruals and deferred income	87,999	37,444
	<u>1,205,012</u>	<u>113,438</u>

15 Related party transactions

Mr John Stone, a trustee, made donations of: cash and equivalents amounting to £2,864,404; securities with a market value of £236,498 and settled liabilities on behalf of the Foundation of £149,320 (2022 cash donations – £7,684,818).

In addition, the Foundation made grant payments to Impetus - The Private Equity Foundation - of £225,000, a charity in which Mr Charles Edwards, a trustee, is also a director (2022 – £225,000).

16 Analysis of changes in net funds

The charity had no debt during the year.

THE STONE FAMILY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

17 Cash generated from operations

	2023 £	2022 £
Net movement in funds	(4,235,109)	2,119,265
<i>Adjustments for:</i>		
Investment income recognised in statement of financial activities	(1,566,312)	(373,326)
(Gain)/losses on investments	(764,960)	2,215,599
<i>Movements in working capital:</i>		
(Increase)/decrease in debtors	(11,501)	1,922,915
Increase/(decrease) in creditors	1,091,574	(55,837)
Cash (used by)/generated from operations	<u>(4,953,061)</u>	<u>5,828,987</u>