

Charity number: 1176650

THE WINDFALL FOUNDATION

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

THE WINDFALL FOUNDATION

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THE WINDFALL FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 30 JUNE 2022

Trustees	Andrew Elder, Chair Lindsay Elder Thomas Elder Geoff Stead
Charity registered number	1176650
Principal office	13 Hammersmith Terrace London W6 9TS
Independent auditors	Warrener Stewart Chartered Accountants Registered Auditors Harwood House 43 Harwood Road London SW6 4QP
Bankers	SG Kleinwort Hambros Bank (CI) Limited SG Hambros House 18 Esplanade St Helier Jersey JE4 8PR
Stockbrokers	Genesis Investment Management LLP 21 Grosvenor Place London SW1X 7HU

THE WINDFALL FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2022

The Trustees present their annual report together with the audited financial statements of the Charity for the year ended 30 June 2022.

Objectives and activities

a. Policies and objectives

The financial statements have been prepared in accordance with the accounting policies set out in Note 2 to the financial statements and comply with the Trust's Trust deed, the Charities Act 2011 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)" (as amended for accounting periods commencing from 1 January 2016).

The Foundation's objectives, as set out in the Trust's Deed, are exclusively for charitable purposes, as the Trustees may in their absolute discretion determine.

The Foundation has an interest in projects that provide sustainable, long-term income generation and self-sufficiency, especially those making a demonstrable positive impact on marginalised communities currently beyond the reach of traditional government or market-based solutions.

The Foundation provides grants to advance such charitable purposes as the trustees see fit from time to time, in particular but not limited to providing grants for public benefit to help, primarily in the United Kingdom and in Africa.

The Foundation's grant-making strategy focuses on building relationships with high-potential partner organisations with meaningful track-records and robust business plans operating in developing countries.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Public benefit

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Foundation should undertake.

c. Impact of Coronavirus

As at 30 June 2022, being the end of the year covered by this report, the Covid-19 pandemic had been a significant world-wide problem for approximately 28 months and is expected to continue to be so for at least 12 months following the date of approval of this report and financial statements. However, although the consequent uncertainty arising may have some impact on the future value of investments, the Trustees are satisfied that at the date of signing this report there is no material uncertainty as to the longer term going concern of the Foundation, although they remain concerned regarding any impact on projects which it supports and will continue to monitor all situations going forward.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

Achievements and performance

a. Principal funding source

The principal funding source of the Foundation has been donations by Andrew Elder, the Chair.

b. Review of activities

Projects supported during the reporting period include:

Teaching at the Right Level Africa (South Africa). In 2022, over 4 million children have benefited from the Teaching at the Right Level (TaRL) approach, either through direct delivery by TaRL in Zambia, Nigeria and Ivory Coast or through other partners part of the TaRL community of practice. TaRL Africa has also made progress towards achieving its ambitious learning agenda, notably through:

- Launching the first independent Randomized Evaluation of its directly implemented programs in Zambia. The research evaluates the impact of Zambia's TaRL program (nationally called "Catch Up") on its own, compared to the Catch Up program enhanced with additional Continuous Professional Development innovations for teachers, and a control group.
- Creating the TaRL Africa NGO innovation fund to support local non-governmental organizations (NGOs) to strengthen and scale up Teaching at the Right Level (TaRL) programming across Africa. The one-off fund provides a platform to explore innovative, locally grounded TaRL models that are more cost-effective for the African context.
- Continuing to test new approaches to respond to local context, for example piloting neighbourhood learning groups to help learners sustain what they have been taught at school, encourage peer and self-learning as well as build time and culture for revision as most children and especially girls would be doing house chores after school.

J-PAL (South Africa) team collaborated with the Western Cape Government (WCG) departments of the Premier, Education and Cultural Affairs and Sport, throughout 2022 to provide technical advice and monitoring activities for the pilot of an evidence-informed school-based cognitive behavioural therapy (CBT) intervention. The project, "Shukuma: Moving Mindsets," was delivered in 45 high schools across five school districts, spanning the Cape Metro and Cape Winelands areas. "Shukuma" is the isiXhosa word for "move" or "shift," which embodies the outcomes of the program: teaching young people socio-emotional skills to reduce violence and improve learning. The programme was delivered to over 4000 learners in the 8th and 9th grades and facilitated by more than 200 young South Africans. Participants in the programme spent between 4-6 months in small groups, developing social & emotional learning, conflict management, and self-regulation skills. The WCG is currently discussing options to deliver the program at a bigger scale. The Progress in International Reading and Literacy Study (PIRLS), a multi-country effort that assesses the reading comprehension of Grade 4 learners, found in 2016 that South Africa was the lowest performing of 50 participating countries. 78% of South African learners were unable to read for meaning by the end of Grade 4 with learners who wrote the assessment in the African languages performing significantly worse than those who wrote in English and Afrikaans. South Africa is particularly complex due to the variety of home languages, and marked differences in the phonological, morphological, and orthographic features of African languages. Being able to simply assess learners against a standardized reading benchmark in home language is a necessary step for educators to better identify areas of learning weakness and adjust their instructional practice. In response to this challenge, the Department of Basic Education (DBE) and partners have developed early grade reading (EGR) benchmarks in local African languages. Researcher Cally Ardington and J-PAL Africa have supported this effort by evaluating the first pilot of the EGR benchmarks: teacher training on how to use these tools was piloted from April to November 2022 in 40 schools across four provinces, collecting data on 225 teachers and 2,256 learners.

ClientEarth (UK) supports and empowers local and indigenous communities to sustainably manage their land, and consequently their culture and way of life. Last year, ClientEarth conducted 32 trainings in Liberia, Gabon, Ghana, Cote d'Ivoire and the Republic of Congo for civil society organisations and forest communities on legal avenues to support their rights and livelihoods, whilst safeguarding forests. Strong, clear and inclusive laws that empower communities to use, manage and benefit from their forests are essential to the success of community forestry. ClientEarth works with local civil society organisations to advocate for stronger community forestry governance. For example, in the Republic of Congo, ClientEarth supported local groups to participate in the

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

Achievements and performance (continued)

Protected Area Law reform through a public consultation, and to join a national workshop on the latest Protected Area Bill, ensuring their voices are heard on critical issues for forest management. ClientEarth has continued to work with the environmental organisation A Rocha Ghana in their case against the Ghanaian Government. The trial commenced in February and argues that plans to exploit Atewa Forest (one of the most biodiverse ecosystems on the planet and a vital source of drinking water, food and livelihoods for local communities) violate their human rights.

African Climate and Development Initiative (South Africa) is using the Windfall Foundation donation to support the following priority areas:

- Strategic communication and knowledge translation: often the most impactful scientific evidence does not come from an individual piece of research, but through systematic reviews of existing evidence on climate and development in Africa. An example of two recent systematic reviews ACDI has commissioned and published include: evidence of the impacts of road development on ecosystems in Africa and an assessment of the feasibility of different climate change adaptation options in Africa. We wish to support further reviews to fill critical knowledge gaps, and communication of the results to the wider public.
- Exploratory blue-skies research: to be a thought leader, ACDI needs to be "ahead of the game" in exploring new ideas, generating early evidence and insights that can stimulate more in-depth research. This is often hard to fund via traditional research funding routes – such as a national research foundation – as ideas being explored are not on the formal research agenda yet. We plan to use Windfall Foundation funds to support small proof-of-concept studies that can help set the knowledge generation agenda.
- Supporting student research: in an ideal world, we would provide full scholarships to all graduate students studying climate change at ACDI, but this would require millions of Rand per year. However, we can help those who are studying by providing them with research expense bursaries, that enable them to produce high quality research projects as part of their degree

Blue Marine Foundation (UK) is working to create an Eastern Atlantic Ocean Corridor to protect keystone species and coastal communities in Western Africa. Overfishing of forage fish is decimating stocks, impacting both the charismatic species that feed on them and the coastal communities that depend on them for food security. The Eastern Atlantic previously sustained major pelagic fish stocks (sardine and anchovy in particular) and semi-pelagic species (like Cape horse mackerel) with extremely high biomass until intense overfishing caused the stocks to collapse. This collapse of the sardine stocks caused the catastrophic decline of their predators – the African penguins, from over 4 million to only 4,000 remaining breeding pairs on the Namibian islands. This is a third of all remaining birds of this species in the wild. Working with local partner The Southern African Foundation for the Conservation of Coastal Birds (SANCCOB), Blue Marine aims to reverse this decline. The donation from the Windfall Foundation is enabling Blue Marine to create collaborative action plans, begin key data collection to inform policy and raise awareness to ensure large international reach.

Raising The Village (Uganda) is on a mission to end poverty in last-mile rural communities in Sub-Saharan Africa, with a focus on increasing household incomes from as low as \$0.75/day to >\$2.5/day within 24 months. Raising the Village's (RTV) programs focus on driving agricultural incomes, creating an enabling environment, and ensuring sustainability of impact. Each aspect of the program works together to build incomes year-after-year as communities transition from subsistence farming to income generation, breaking the chronic cycle of poverty. To ensure accountability, RTV utilizes innovative tools and advanced data analytics to inform planning, track progress, and evaluate impact. In 2022, RTV impacted 225,314 people in Uganda with graduated households' incomes increasing by 138% within 24 months. With the improved seeds, technical training, and ongoing support provided, partner households' were able to increase their annual agricultural yields by 62%, realizing a 151% higher agricultural value compared to peers. The enabling environment including forming cooperatives, and addressing key constraints – such as access to food, health and WASH – fuelled participation in agriculture, and other income generating activities. As a result, an investment of \$100 per household unlocked \$650 in annual household value compared to peers within 24 months.

Surfers Against Sewage (UK) continued to invest in the SAS team, growing to nearly 30 people. We will continue to grow the team in 2023 to 45 people to increase our impact and work. In the Summer we delivered our petition of over 50,000 to the government's Department for the Environment. We're calling on the UK Government to set legally binding targets to increase the number of official River Bathing Waters in the UK. In order to support this call we launched our package of resources supporting community groups who want to apply

THE WINDFALL FOUNDATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

Achievements and performance (continued)

for bathing water status at inland locations. We now have twenty communities signed up to start their journey towards registration with our support. Our Safer Seas and Rivers Service continued to play a critical role in keeping water users safe, with over 165,000 users this is a valuable tool for the public. On the 25th of November we launched our annual Water Quality Report which was referenced in parliament debate. In August we again published our Brand Audit, exposing the Dirty Dozen companies responsible for 70% of branded packing pollution found across the UK. Our volunteers collected and recorded 28,727 items overall. In November, we hosted a reception at the House of Commons to launch our new Plastics report, Strategic National Action Plan to End Plastic Pollution. We continued to invest in training and equipping our network of 237 regional representative volunteers throughout the UK. For the second year in a row we have achieved our target of cleaning a million miles of beaches, rivers, parks and mountains thanks to 140,000 volunteers. We continue to unite and support communities in the fight against plastic pollution through our Plastic Free Communities campaign, we now have 885 communities engaged. We now have 3,398 schools, attended by over 1.3 million pupils, enrolled in the Plastic Free Schools programme. The programme equips and empowers young activists with the tools to create positive, lasting environmental change. On 18th November we were joined at our HQ by Children's TV presenter Naomi Wilkinson, Biologist and TV presenter Gillian Burke, Marine Scientist Charlie Young and Zoologist Billy Heaney to broadcast our 2022 Pupil Power Assembly to over 6,000 students across the UK.

StandOut (UK) returned to delivering the full curriculum of 12 sessions over three-weeks and including a return to employer visits and the full range of volunteering and activities to support mock interviews, CV workshops and an end of course graduation.

The unique feature of StandOut is that everyone who completes the course is then offered ongoing 1:1 coaching support while they remain in prison and on release, building on the relationships of trust developed during the course. This support also involves our community coach team and includes practical support with clothing and accommodation in the initial period following release. Once Trainees are more settled, we offer opportunities to meet employers and work on employability skills through our 'Career Hub', launched in February 2022. Our post-release engagement rates remain very strong with over 80% working with the coaches after release.

In November, we were pleased to be able to launch a pilot programme into a new prison – HMP Wormwood Scrubs. The pilot was a huge success, fully supported by the Head of the Employment Advisory Board, the Governor, and a wide range of prison staff. The pilot phase includes a further programme in March and we expect to commit to a full year's delivery from April and are recruiting a co-coach to join the Lead Coach who has led the pilot. Russell Webster has completed an independent evaluation of our work, which was published in October. This thorough review has included observing workshop sessions, reviewing our data processes, interviewing Trainees and stakeholders in both prisons and beyond, including employer partners. The evaluation found that StandOut has developed an impressive and effective programme to help people in prison and on release maximise their chances of living a personally fulfilling and crime-free life.

Waves for Change (South Africa) is an award-winning non-profit organisation that has developed an evidence-based programme that uses sport (surfing) to deliver mental health prevention and promotion services in under-resourced communities. External evaluations find Waves for Change (W4C) interventions achieve statistically significant improvements in children's social and psychological health. In W4C programmes, 'caring coaches' receive training to use sport as a child-friendly way to build caring attachments and confidence with at-risk youth. On completion of training, coaches receive continuous professional development to deliver programmes that combine sport with additional activities proven to increase social attachments, emotion regulation and goal setting behaviour (domains impacted by toxic stress). W4C programmes intentionally support children from traumatic backgrounds and as such, allow ample time for attachments to be developed and sustained. Evidence from other surf therapy programmes shows that positive mental health outcomes are achieved after six weeks, but are not sustained. Children in W4C programmes attend one three-hour session per week for 10 months. Each session combines a sport (surfing) with evidence-based activities that amplify peer connections and teach self-regulation and goal setting skills. On completion of a 10 month course, participants graduate to an after-care pathway. Aftercare pathways offer ongoing monthly engagements between coaches and children to ensure mental health gains are sustained. When working in low-middle income settings, an aftercare component in any mental health intervention is essential to sustain mental health gains. W4C programmes are aligned with the school calendar, improving buy-in from primary schools who are often key referral partners.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

Achievements and performance (continued)

Rather than grow via replication of surf therapy sites, we believe we can scale by integrating our programme model to South Africa's active community of sport and after-school programmes. W4C community partners understand their local context, enjoy established community relationships, and are already engaged in sport programmes that create enjoyable spaces for children. W4C training and technical support transforms these sports programmes into meaningful community-based mental health interventions that alleviate Toxic Stress. Our partnership method has proven effective in Sierra Leone and Mogadishu, and is seeing positive uptake in Khayelitsha. We have chosen to support large cohorts of partners in single high-needs communities as they offer greater potential to integrate service providers from various sectors, increasing the chance of local systems change. This project will help us grow our footprint in Khayelitsha and launch a new partner project in a new high-needs community in South Africa.

Inspiring Teachers (UK) made significant progress in 2022, with 94 teachers from the US and UK joining their fellowships, and 463 teachers participating in coaching programs in Uganda, Tanzania, Ghana, and Nepal. The organization developed and piloted tools for managing large-scale teacher coaching programs, including CoachForward, a year-round in-school program for peer coaching; Technique Videos, which show effective teaching practices in Uganda and have been integrated into print materials and the app; SmartCoach App, an Android app for managing teacher coaching; and LeadForward, a training program for school leaders to roll out CoachForward. These developments have helped Inspiring Teachers reposition itself as a technical partner and product-providing organization, overcoming its dependency on Fellowship programs and moving towards an approach that can deliver impact at the system scale. In addition, the organization ran a pilot program providing teachers with pre-prepared lesson plans and plans to develop this area further in 2023. Inspiring Teachers is now focusing on trialing SmartCoach v2 and further developing LeadForward while finalizing three partnerships that will see its tools integrated into programs. The organization is also raising funds with a target of \$250k to support its work and hoping to attract more multi-year support to enable it to retain talent and focus on its long-term strategy.

Resurgo Trust (UK) activities are outworked through Spear (a year-long programme helping young people facing barriers to work into sustainable employment), ReWork (equipping unemployed adults from all backgrounds with the skills, mindset and confidence to re-enter the workplace) and Resurgo Consulting (providing coaching and impact management to support organisations to drive social change).

I AM WATER Foundation (South Africa) believes in ocean conservation through transformative ocean experience. Its mission is to ignite a movement of blue minds across the planet, to facilitate physical and emotional connections to the aquatic environment, to build understanding of the interdependence of healthy humans and healthy oceans and to influence behaviours to protect our global seas. It feels especially passionate about working with underprivileged coastal communities where, despite living walking distance to the shoreline, and often finds young people who have never seen the world just beneath the waves.

Valley Trust (South Africa) is still recovering from the impact of COVID-19 and loss of major funding in 2020, the focus for 2022 at TVT was on strengthening both our youth opportunity centre and Promotion of Child Health and Development (or Khula Kahle Mntwana) Project. The opportunity centre graduated 30 young people who completed a course in basic computing as well as other digital and life skills. A select few of them also completed a further course in workplace skills as part of job readiness training. In our child health project, we served 1,000 children aged zero to six years old through educating their caregivers in child health, nutrition, household-based early childhood stimulation and child safeguarding. We also supported educators from local early childhood development (ECD) centres through education and assistance with starting vegetable gardens. Funding enabled us to get our field team trained in crop production, so they could train the households and ECD practitioners. We were also able to fence and get other resources for our demonstration garden, and to contribute resources to ECD for their gardens and children.

THE WINDFALL FOUNDATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

Financial review

a. Going concern

Having assessed the principal risks and uncertainties to which the Foundation is likely to be exposed, and after making appropriate enquiries, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

b. Reserves policy

The Foundation keeps its reserves policy under careful review in order to mitigate its risks, support grantmaking for beneficiaries and respond to opportunities.

Funds are maintained with a view to meeting all grant commitments over the full term set out in the grant agreements (not only immediate liabilities).

c. Investment policy

The Foundation aims to preserve the capital value of funds to enable it to carry out future grant-making activities effectively, even in the event of adverse conditions. Reflecting the wishes of the donor the Trustees intend to hold the shares in the long term, retaining absolute discretion to expend the principal capital if necessary. To meet the other contingencies identified in the Reserves Policy, the Foundation maintains a low-risk investment policy with funding placed in either call or fixed term bank deposits. Funds will only be placed with institutions meeting minimum credit ratings

d. Financial risk management objectives and policies

The principal risk is the credibility and authenticity of potential Grantees and their appropriation of grants. Due diligence is carried out before any grant is awarded on the legitimacy and reputation of the Grantee. The Foundation takes care in appraising a project's potential impact and sustainability, and mitigates the risk of inappropriate expenditure or poor performance in larger and longer-term grants by paying in installments conditional on the satisfaction of project milestones and reporting.

The Foundation maintains its foreign exchange policy. In the normal course of awarding grants, the Trust will assume the foreign exchange risk by meeting budgeted requirements in the local currency. The policy sets out a set of principles that the Foundation will apply to resolve any future difficulties caused by foreign currency changes.

Structure, governance and management

a. Constitution

The Windfall Foundation is a registered charity, number 1176650, and is constituted as a Charitable Incorporated Organisation under a Trust deed.

The Windfall Foundation was established on 12th January 2018. The four Trustees are:

Andrew Elder (Chair)
Lindsay Elder
Thomas Elder
Geoff Stead

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

The Foundation has a minimum of three Trustees appointed for various terms of at least three years. New Trustees are recruited by the existing Trustees on the basis of their experience, empathy with and knowledge of the Foundation's work. Trustees have been given a welcome pack consisting of the governing document and the Charity Commission's guidance booklet "The Essential Trustee: What you need to know."

c. Financial risk management

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Statement of Trustees' responsibilities

The Trustees 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).

The law applicable to charities in England & Wales 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. 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.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

THE WINDFALL FOUNDATION

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

Auditors

The auditors, Warrener Stewart, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Andrew Elder
Trustee

Date: 23/3/23

THE WINDFALL FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WINDFALL FOUNDATION

Opinion

We have audited the financial statements of The Windfall Foundation (the 'charity') for the year ended 30 June 2022 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2022 and of its incoming resources and application of resources 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

THE WINDFALL FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WINDFALL FOUNDATION (CONTINUED)

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of the financial statements which 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.

THE WINDFALL FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WINDFALL FOUNDATION (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Consideration of the following, which reduce the likelihood of irregularities, including fraud to arise or to go undetected:

- Total control over all aspects of the charity by the Trustees with no non-trustee involvement.
- Informed management within the Trustees.
- A single banking relationship managing cash funds.
- A single investment relationship managing investment funds.
- Very low transaction levels.
- Delegation to professional advisors of the preparation of the financial statements.

Some specific procedures performed, to detect material misstatements in respect of irregularities including fraud, include:

- A very high level of verification of transactions executed, both during and after the year.
- A full review for unusual transactions which may be inconsistent with the objectives of the charity.
- Consideration of all transactions for any indication of fraud or inappropriate use of funds.
- Consideration of all transactions and balances for any irregular related party involvement.
- Independent verification of all year end fund balances and any subsequent diminution in value.
- Critical consideration of the going concern basis for appropriate application within the financial statements.
- Detailed review of the financial statements for fair presentation and correct content.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

THE WINDFALL FOUNDATION

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WINDFALL FOUNDATION
(CONTINUED)**

Use of our report

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



Warrener Stewart
Chartered Accountants
Registered Auditors
Harwood House
43 Harwood Road
London
SW6 4QP

Date: 23/3/23

Warrener Stewart are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE WINDFALL FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2022

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:				
Investments	3	368,032	368,032	5,350
Total income		368,032	368,032	5,350
Expenditure on:				
Charitable activities	4	360,652	360,652	262,641
Total expenditure		360,652	360,652	262,641
Net income/(expenditure) before net (losses)/gains on investments		7,380	7,380	(257,291)
Net (losses)/gains on investments		(644,307)	(644,307)	1,096,840
Net movement in funds		(636,927)	(636,927)	839,549
Reconciliation of funds:				
Total funds brought forward		6,625,254	6,625,254	5,785,705
Net movement in funds		(636,927)	(636,927)	839,549
Total funds carried forward		5,988,327	5,988,327	6,625,254

The Statement of Financial Activities includes all gains and losses recognised in the year.

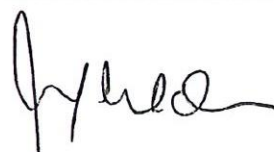
The notes on pages 16 to 22 form part of these financial statements.

THE WINDFALL FOUNDATION

BALANCE SHEET
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	7	3,656,101	3,030,289
		<u>3,656,101</u>	<u>3,030,289</u>
Current assets			
Cash at bank and in hand		2,450,200	3,600,005
		<u>2,450,200</u>	<u>3,600,005</u>
Creditors: amounts falling due within one year	8	(117,974)	(5,040)
Net current assets		<u>2,332,226</u>	<u>3,594,965</u>
Total net assets		<u><u>5,988,327</u></u>	<u><u>6,625,254</u></u>
Charity funds			
Restricted funds		-	-
Unrestricted funds		5,988,327	6,625,254
Total funds		<u><u>5,988,327</u></u>	<u><u>6,625,254</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Andrew Elder
Trustee

Date: 23/3/23

The notes on pages 16 to 22 form part of these financial statements.

THE WINDFALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1. General information

The Windfall Foundation is a charitable incorporated organisation (CIO) registered with the Charity Commission in England & Wales. The principal office is 13 Hammersmith Terrace, London, W6 9TS.

The Foundation has an interest in projects that provide sustainable, long-term income generation and self-sufficiency, especially those making a demonstrable positive impact on marginalised communities currently beyond the reach of traditional government or market-based solutions.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Windfall Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

Having assessed the principal risks and uncertainties to which the Foundation is likely to be exposed, and after making appropriate enquiries, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

2.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

THE WINDFALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.5 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

2.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

2.9 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

THE WINDFALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

3. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £
Bank interest	6,120	6,120
Gain on short term investments	361,912	361,912
	<u>368,032</u>	<u>368,032</u>
	Unrestricted funds 2021 £	Total funds 2021 £
Bank interest	<u>5,350</u>	<u>5,350</u>

THE WINDFALL FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

4. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Total 2022 £
Grants made	308,655	308,655
Audit fee	5,400	5,400
Bank charges	72	72
Loss on foreign exchange	46,525	46,525
Total 2022	360,652	360,652

	<i>Unrestricted funds 2021 £</i>	<i>Total 2021 £</i>
Grants made	158,054	158,054
Audit fee	5,040	5,040
Bank charges	180	180
Investment transaction fees	4,824	4,824
Loss on foreign exchange	94,543	94,543
<i>Total 2021</i>	<i>262,641</i>	<i>262,641</i>

5. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £5,400 (2021 - £5,040).

6. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year, no Trustee expenses have been incurred (2021 - £NIL).

THE WINDFALL FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

7. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 July 2021	3,030,289
Additions	1,270,119
Revaluations	(644,307)
	<u>3,656,101</u>
At 30 June 2022	<u>3,656,101</u>
 Net book value	
At 30 June 2022	<u>3,656,101</u>
At 30 June 2021	<u>3,030,289</u>

Investments have been measured at fair value at the Balance Sheet date which has resulted in a loss on revaluation of £644,307 (2021: gain £1,096,840).

On 10 March 2023 investments of a value of £2,424,358 (30 June 2022: £2,351,088) were redeemed. At the time of redemption the fair value had increased by £73,270 from 30 June 2022. Fair value of the remaining investment of £1,305,013 has since fallen to £1,287,429 at 22 March 2023, representing a loss on revaluation of £17,584 since 30 June 2022. As non-adjusting post balance sheet events, no provisions for the redemption or fall in value have been made within the Statement of Financial Activities.

8. Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals and deferred income	<u>117,974</u>	<u>5,040</u>

THE WINDFALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

9. Summary of funds

Summary of funds - current year

	Balance at 1 July 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 30 June 2022 £
General funds	6,625,254	368,032	(360,652)	(644,307)	5,988,327

Summary of funds - prior year

	Balance at 1 July 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 30 June 2021 £
General funds	5,785,705	5,350	(262,641)	1,096,840	6,625,254

THE WINDFALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

10. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Total funds 2022 £
Fixed asset investments	3,656,101	3,656,101
Current assets	2,450,200	2,450,200
Creditors due within one year	(117,974)	(117,974)
Total	5,988,327	5,988,327

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Total funds 2021 £
Fixed asset investments	3,030,289	3,030,289
Current assets	3,600,005	3,600,005
Creditors due within one year	(5,040)	(5,040)
Total	6,625,254	6,625,254