

THE WINDFALL FOUNDATION

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

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 2023

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 2023

The Trustees present their annual report together with the audited financial statements of the The Windfall Foundation for the year ended 30 June 2023.

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.

THE WINDFALL FOUNDATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

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:

Blue Marine Foundation (UK)

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 (including the Namibian Island Marine Protected Area) 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. African penguins are the only penguin species endemic to the African coastline and breed at mainland and island colonies. It was up-listed to Endangered by the IUCN in 2010 following continuous population declines; several threats face the species however the primary threat is a lack of food. In 2023 Blue Marine began working closely with the Southern African Foundation for the Conservation of Coastal Birds (SANCCOB) to collate and analyse African penguin data to gain a better understanding of the species. Since SANCCOB was established in 1968, they have admitted and treated 104,580 seabirds. This includes 70,173 African penguins with 71 per cent of those birds being successfully released. The most common species admitted to SANCCOB are classified as Endangered by the IUCN. Funding from the Windfall Foundation has supported a Conservation Impact Manager to oversee monitoring, data collection and key stakeholder liaison. All the penguin breeding colonies are within the marine protected areas. The expansion of SANCCOB's African Penguin & Seabird Ranger Programme supports ten rangers at five seabird breeding colonies along the coast of South Africa.

ClientEarth (UK)

ClientEarth (UK) supports and empowers local and indigenous communities to sustainably manage their land, and consequently their culture and way of life. In 2023 ClientEarth conducted 78 trainings for forest communities in Ghana, Gabon, Ivory Coast and Republic of Congo to empower communities with the resources they need to participate in the creation and enforcement of rights that safeguard their forests. Most of these were focused on legal and forest governance, but topics also included agroforestry, gender mainstreaming in forest management and women's rights. Additional projects included working with national partners in Liberia to develop a Partnership Agreement that will determine whether and how timber from Liberian forests can be exported to the EU and UK. And in Ghana, we supported the civil society to engage with the Forestry Commission which opened a valuable forum for communities to express their views on developments. ClientEarth has continued to work with the environmental organisation A Rocha Ghana in their case against the Ghanaian Government to stop the exploitation of Atewa Forest - one of the most biodiverse ecosystems on the planet.

Raising The Village (Uganda)

Raising The Village (Uganda) is on a mission to end ultra-poverty in our lifetime. Focusing on the most vulnerable, RTV's community-driven program removes barriers to participation in programs focused on improving agricultural production and incomes through increased yields, crop diversification and productive asset development. RTV relies on real-time data analytics to improve well-being, inform household decision-making, and maximize impact outcomes. In 2023, RTV reached 301,273 people with a holistic, data-informed program that enabled partner communities to increase Household Income & Production from \$0.84/day to \$2.23/day by Month 24. Select 2023 Highlights include:

- At Month 60, RTV's one-time household investment of \$111 unlocked \$1,378 in value for a 12X return.
- Partner households living on less than \$0.75/day reduced from 62% at baseline to 5% by Month 24.
- 2023 graduating households achieved a 267% increase in Annual Agriculture Income.

Looking ahead, RTV remains focused on achieving its 1 million program participants goal in 2024.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Achievements and performance (continued)

J-PAL Africa (South Africa)

The Windfall Foundation was a co-contributor to the Funda Wande Project. Funda Wande runs interventions across the Eastern Cape, Western Cape and Limpopo provinces of South Africa with the aim of improving early grade reading and mathematics outcomes. A series of evaluations, led by Prof. Cally Ardington, have shown that Funda Wande is effective in shifting foundational literacy and numeracy (FLN) outcomes. Nevertheless, there is considerable variability in programme fidelity and the extent to which teachers change their pedagogic practice. Prior qualitative evaluation illustrates some improvements in teaching practice indicating a change in the form of pedagogy, not necessarily the substance. Specifically, that there have been minimal improvements in the quality of teaching and the interactions between teachers and learners. Over the year 2023, the Funda Wande co-hosted with J-PAL two of the four workshops to develop a version of the Funda Wande programme that is underpinned by behavioural science principles in order to shift pedagogic practice. This involved further qualitative research with the aim to understand the enablers and inhibitors of change to teacher practice. This context was then used as the basis of a three-part behavioural intervention design workshop, which culminated in the Funda Wande Behavioural Science for Pedagogic Change (BSPC) program.

Inspiring Teachers (UK)

Inspiring Teachers (UK) made significant progress in 2023, supporting 76 school leaders and 532 teachers through programs across 45 schools in Ghana, Zambia, Uganda and Tanzania. During the year, we made progress towards our goals of (1) Making effective teaching easier, (2) Bringing teacher development into school, and (3) getting data flowing so teachers' and learners' support can be better targeted.

1. We launched Inspiring Reading — a literacy program that combines lesson plans, assessments and workbooks to make mastery-based phonics teaching practical in low-resource classrooms.
2. We upgraded our school leader training and rolled out SmartCoach features that help with running our peer coaching program.
3. We built program management dashboards that leverage data from SmartCoach to enable better-targeted school support.

We had funding and research partnership breakthroughs. We were awarded a JPAL research grant and contracted to create a program for the Gates Foundation-funded initiative and a multi-year partnership in Ghana. In 2024, we aim to raise \$1m to strengthen our team and expand our programs in Ghana, Uganda and Zambia. We will continue to use testbed programs to hone, and we will start to run larger evaluations that help us understand what works and build a compelling case for scaling it.

African Climate and Development Initiative (South Africa)

After the successful second five-year external review of ACDI, the Windfall Foundation funds have been used to support organisational development by bringing in a strategy expert to work with ACDI to develop a strategy going forward. Funds were used to support the growth of an alumni network that we feel is very important to ensure ACDI's reach builds on its rich past student body. This included an Alumni event in December 2023 that gathered together old ACDI Masters students. It was a successful event, with talks from current ACDI staff and time to connect with old students and understand where they were working now and how they might be part of the alumni network going forward. Significant research output is generated by ACDI staff as part of their projects. However, to fully realise the benefits of this research it is often useful to develop additional communication materials that make the research papers more accessible to a wider audience. We have used the Windfall Foundation funds to create two researcher positions for black South African recent graduates or current students. The two staff that started in January 2024 will be working on a range of ACDI projects, to build their research capacity and contribute to ACDI projects.

StandOut (UK)

StandOut (UK) continued to provide life-changing resettlement support across three challenging London prisons, working with one of society's most marginalised groups. In 2023, we held 15 three-week courses across our three partner prisons. We worked with 161 men, of which 147 completed the course (91%) and continued to work with us in preparation for release. Our work after prison is underpinned by the relationships of trust that develop through the course, and over 70% of those who worked with us in prison engaged with our coaches on release for at least six months. In September we launched an updated curriculum with fresh resources and additional modules which seek to extend learning and meet emerging needs. We have worked with The Skills

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Achievements and performance (continued)

Builder to incorporate aspects of their Essential Skills programme, focusing on developing communication and teamwork skills through our course. We also included a module on working with probation, which came as a direct result of feedback from former participants. StandOut Participants, who engage with our support on release, are three times more likely to be in employment within six months compared to the national average. Only 26% of participants are back in custody within 12 months of release, half the national average.

Resurgo Trust (UK)

Resurgo Trust (UK) activities are outworked through Spear, a year-long programme helping young people facing barriers to work into sustainable employment. Spear was launched in Cheltenham and South Wales in 2023, taking the number of centres across the UK to 14. Resurgo proudly maintained 75% of those completing Spear entering work or education and remaining there a year later. Staying in contact with 94% of trainees during their year of support gives great confidence in the accuracy of these outcomes. One highlight to note has been the growth in a partnership with Nando's who have employed 40 Spear trainees across London, Brighton, Bournemouth, and Bristol. 75% of these hires are still employed and six have received promotions within just six months.

Waves for Change (South Africa)

Waves for Change (South Africa) is an award-winning non-profit organisation that has developed an evidence-based programme that uses surfing to deliver mental health prevention and promotion services in under-resourced communities. A lot of children in South Africa are repeatedly exposed to violence, a lack of basic needs and sometimes even restricted access to caregivers. This can cause them to have stress, particularly what we call Toxic Stress, which wears away at children's nervous systems and reduces children's ability to control their behaviour, emotions and thoughts. Waves for Change programme intervention through Surf Therapy is to ensure that our work intervenes early, whilst children's brains are still flexible & developing. We help children and adolescents learn how to manage their stress, create and maintain positive relationships with their peers as a way to ultimately prevent mental health conditions developing. During 2023, across all our five beach sites and programmes (both Surf Therapy and Surf Club), we've reached a total of 2743 children (1620 M, 1123 F) in 2023.

Save the Med (Spain)

Save the Med (Spain) made significant strides in citizen-led governance and plastic pollution prevention. The organization continued collaborative efforts with diverse stakeholders, including individuals, schools, businesses, NGOs, and governmental institutions, to execute regeneration projects. Key initiatives for the year included:

- **Areas Under Regeneration (AUR) Network:** Save the Med focused on research and community leadership projects to establish a network of Areas Under Regeneration, fostering the recovery and thriving of marine and terrestrial species. Concentrated efforts were made in Andratx and Pollença (Mallorca), with the ultimate goal of establishing enduring participatory governance movements.
- **Educational Initiatives:** Save the Med engaged students through projects like Dos Manos and Changemakers, encouraging their involvement in addressing single-use plastic pollution. In 2023, these projects explored the impact of plastic on marine life and human health, with the participation of a total of 1498 students.
- **Plastic Pollution Reduction Programme:** Working towards the elimination of single-use plastics, Save the Med has developed tools for businesses to identify and implement "honest alternatives". In 2023, the Plastic Free Balearics Certification prevented 30,467 kg of plastic consumption in the Hospitality sector.
- **Research & Innovation:** Save the Med contributed to advancing scientific knowledge, particularly focusing on potentially vulnerable species in the Mediterranean, such as sharks and rays.

These efforts underscore Save the Med's commitment to fostering environmental regeneration, community involvement, and scientific advancement in the region.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Achievements and performance (continued)

Surfers Against Sewage (UK)

In 2023 water quality issues came to the forefront of the public agenda, thanks to our communications team who ensured these issues featured extensively in the media – this generated significant public awareness about sewage and plastic pollution in our waterways, helping us to positively engage regulators and MP's. Our Community work and participation continues to grow across all of our programmes, including education, citizen science, plastic free communities & schools and our amazing regional representatives – we saw huge people-powered impact: 348,214 miles cleaned by 93,906 volunteers (Million Mile Clean), 173,043 people signing our sewage petition, 24,077 school children participating in a nationwide event (Trash Mob), plastic free schools are now attended by 1.5 million pupils and our sewage alert app had 250,000 downloads. Our new project aimed at ensuring inland designation for bathing waters has been a huge success, with 23 bathing waters now being consulted on by DEFRA. We started to successfully link our communities with our campaign & policy work to boost public participation and influence policy & systems change.

Marilles Foundation (Spain) has continued to advance towards its mission to turn the Balearics into a world reference of marine conservation. Our work has focused on our three main priorities: enlarge and improve marine protected areas; turn professional and recreational fisheries into sustainable ones and; protecting and restoring vulnerable habitat and species such as shallow water bays and shark and rays. We have continued to support projects which provide the foundations for long-term change such as the State of the Balearic Sea report, Sea Observers marine citizens science programme and; MARE underwater photography contest to inspire action for marine conservation. More than 20 local organisations have been supported financially and received capacity building training. Ahead of regional and national elections, Marilles launched the Balearic Blue Deal, a manifesto demanding more political action and resources for marine conservation in the Balearics which has been supported by more than 200 companies and local organisations. We have brought together leading Spanish NGOs to be more effective in delivering the 30x30 agenda in the Spanish Mediterranean. And last but not least, together with regional Balearic TV IB3 we launched the Blue Arxipelago TV Series which shows the Balearic Sea like never been seen before.

Likhulu (Mozambique)

Likhulu (Mozambique) is a non-profit Foundation with the aim of delivering marine conservation impact and growing future leaders in Mozambique. Likhulu's long-term financial sustainability relies on a blended financing model to support its various marine and coastal conservation projects, supplement its staff time and travel requirements, and to cover operational overheads. Likhulu initiated a sustainable livelihoods Project to uplift the community of the Bazaruto Archipelago National Park, in order to (a) alleviate poverty, (b) reduce the pressure on marine resources and important marine habitats, and (c) contribute towards resilience to climate change impacts and food security.

The Valley Trust (South Africa)

The Valley Trust (South Africa) celebrated its 70th anniversary as a non-profit organisation, established in 1953 and situated in the Valley of 1,000 Hills, Durban. The vision of TVT is that the rural communities of the Valley of 1,000 Hills live full and vibrant lives in a democratic South Africa. The approach of the organisation is to use health and other means to activate and promote 'agency' among the communities we work with. During 2023, TVT participated in a study commissioned by the National Department of Social Development which explored ways in which recipients of the government's child support grant could be integrated into the mainstream economy. TVT conducted the KwaZulu-Natal leg of the study, which was implemented in three provinces. In addition, TVT continued its programme of distributing monthly food packs to 900 families of children aged zero to five. The objective of the programme was to combat rampant child hunger, and consequent child mortality, by supplementing household food supply for a period of nine months. The organisation also continued to implement its two core projects, Khula Kahle Mntwana (or Promotion of Child Health and Development) and the youth computer skills project.

I AM WATER (South Africa)

I AM WATER (South Africa) believes in ocean conservation through transformative ocean experience, and 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

THE WINDFALL FOUNDATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Achievements and performance (continued)

oceans and to influence behaviours to protect our global seas. Throughout the year, 37 coaches activated the Ocean Guardians program, benefiting 1,493 individuals, while our School Speaking Series reached an audience of 9,381. The River Guardians initiative engaged 442 beneficiaries, and our Inclusive Ocean Experiences left lasting impressions on 28 participants. Our OCEANS FOR ALL Alliance expanded to four member organizations, exposing 298 youth to our methodology, with 11 organizations awaiting training. Advocacy workshops for 53 local influencers were hosted, and a long-term impact study by the University of North Carolina Wilmington promises valuable insights.

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.

THE WINDFALL FOUNDATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

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

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.

THE WINDFALL FOUNDATION

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

Disclosure of information to auditors

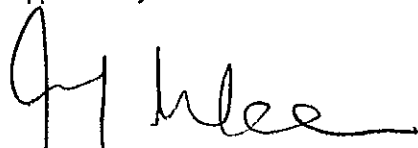
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- 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.

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: 20/3/24

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 2023 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 2023 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 145 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

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

Date: *20 March 2024*

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 2023**

	Note	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:				
Investments	3	54,960	54,960	368,032
Total income		54,960	54,960	368,032
Expenditure on:				
Charitable activities	4	560,850	560,850	360,652
Total expenditure		560,850	560,850	360,652
Net (expenditure)/Income before net losses on investments		(505,890)	(505,890)	7,380
Net losses on investments		(78,557)	(78,557)	(644,307)
Net movement in funds		(584,447)	(584,447)	(636,927)
Reconciliation of funds:				
Total funds brought forward		5,988,327	5,988,327	6,625,254
Net movement in funds		(584,447)	(584,447)	(636,927)
Total funds carried forward		5,403,880	5,403,880	5,988,327

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

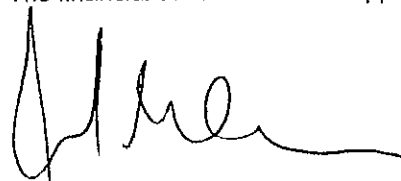
The notes on pages 16 to 22 form part of these financial statements.

THE WINDFALL FOUNDATION

**BALANCE SHEET
AS AT 30 JUNE 2023**

	Note	2023 £	2022 £
Fixed assets			
Investments	7	4,330,952	3,656,101
		<u>4,330,952</u>	<u>3,656,101</u>
Current assets			
Cash at bank and in hand		1,078,328	2,450,200
		<u>1,078,328</u>	<u>2,450,200</u>
Creditors: amounts falling due within one year	8	(5,400)	(117,974)
		<u></u>	<u></u>
Net current assets		<u>1,072,928</u>	<u>2,332,226</u>
Total net assets		<u><u>5,403,880</u></u>	<u><u>5,988,327</u></u>
Charity funds			
Restricted funds		-	-
Unrestricted funds		5,403,880	5,988,327
		<u>5,403,880</u>	<u>5,988,327</u>
Total funds		<u><u>5,403,880</u></u>	<u><u>5,988,327</u></u>

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



Andrew Elder
Trustee

Date: 20/3/24

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 2023

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 2023

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.

THE WINDFALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

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.

3. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Bank interest	54,960	54,960
	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Bank interest	6,120	6,120
Investment income - foreign cash	361,912	361,912
	<u>368,032</u>	<u>368,032</u>

THE WINDFALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

4. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Total 2023 £
Grants made	429,348	429,348
Investment transaction fees	10,632	10,632
Audit fee	5,400	5,400
Legal and professional fees	180	180
Bank charges	465	465
Bank interest payable	44	44
Loss on foreign exchange	42,395	42,395
Loss on short term investments	72,386	72,386
Total 2023	560,850	560,850

	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

5. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £5,400 (2022 - £5,400).

6. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year, no Trustee expenses have been incurred (2022 - £NIL).

THE WINDFALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

7. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 July 2022	3,656,101
Additions	3,155,644
Disposals	(2,289,695)
Revaluations	(191,098)
	<u>4,330,952</u>
At 30 June 2023	
Net book value	
At 30 June 2023	<u>4,330,952</u>
At 30 June 2022	<u>3,656,101</u>

Investments have been measured at fair value at the Balance Sheet date which has resulted in a loss on revaluation of £191,098 (2022: £644,307).

On 18 February 2024 the fair value of the investments had fallen to £4,416,690, representing a gain on revaluation of £85,738 since 30 June 2023. 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

	2023 £	2022 £
Accruals and deferred income	<u>5,400</u>	<u>117,974</u>

THE WINDFALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

9. Summary of funds

Summary of funds - current year

	Balance at 1 July 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 30 June 2023 £
General funds	5,988,327	54,960	(560,850)	(78,557)	5,403,880

Summary of funds - prior 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

THE WINDFALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

10. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Total funds 2023 £
Fixed asset investments	4,330,952	4,330,952
Current assets	1,078,328	1,078,328
Creditors due within one year	(5,400)	(5,400)
Total	5,403,880	5,403,880

Analysis of net assets between funds - prior 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