

PRUDENCE 'TRUST'

ANNUAL REPORT OF THE TRUSTEE AND FINANCIAL STATEMENTS

FOR THE YEAR TO
31 DECEMBER 2023

(Registered Charity No. 1187700)

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THE PRUDENCE TRUST

ANNUAL REPORT OF THE TRUSTEE

FOR THE YEAR TO 31 DECEMBER 2023

The Trustee Directors present their report and independently audited financial statements of The Prudence Trust (“the Trust” or “the Charity”), for the year to 31 December 2023. These have been prepared in accordance with the accounting policies set out in note 1 and comply with applicable charity law.

1. REFERENCE AND ADMINISTRATIVE DETAILS

The Prudence Trust, (registered charity number 1187700) is based and administered in the United Kingdom. The registered address is 32 Sackville Street, London, W1S 3EA.

Trustee:

The Trustee of the Trust who held office during the period and continues to serve at the date of this report is:

- Prudence Trust Company Limited

The Trustee did not hold any beneficial interest in the Trust at 31 December 2023 or at any time during or since that period.

Key Management:

The Directors of the Corporate Trustee (“Trustee Directors”) are in charge of directing and controlling the Trust. Day to day operations of the Trust are delegated to the Director, Tara Leathers.

Trustee Directors:

The following persons act as Directors of the Trustee

- Prudence MacLeod
- Guy Elliott
- Beatrice Hollond
- Julia Samuel MBE
- Peter Bennett-Jones CBE

2. OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The objects of the Trust are restricted specifically to the application of Trust funds, at such time or times and in such manner, for the public benefit, as the Trustee Director may in their discretion think fit for any exclusively charitable purposes in any part of the world. The Charity operates as a grant-making charity, with a view to support charitable projects and organisations with grants of varying sizes and durations.

The Trustee Directors have defined a programme of grant-making to charities which will achieve one or more of the following:

- The advancement of mental health especially in the UK
- The advancement of the arts especially in the UK
- The relief of those in need because of youth, age, financial hardship or other disadvantage
- Any other general purpose that the Trustee Directors think fit

During 2023 the Trustee Directors confirmed the funding priorities for its first years of operation. These are to:

- a) Build young people's resilience and tools to cope with life's challenges and prevent mental illness
- b) Improve young people's access to support when they have signs of mental ill health
- c) Build the evidence of what treatments work to prevent and treat youth mental illness, alongside building the community of adolescent mental health researchers

The emphasis will be on young people in the UK aged 11-25 years, although this will not exclude support to other groups.

The Trustee Directors have pursued a broad strategy of ensuring proper due diligence in the assessment of potential grants and ensuring that grants are made subject to appropriate terms and conditions.

Statement of Public Benefit

As a grant-funder, the Charity's activities will provide public benefit to the individuals and communities who are beneficiaries of the Charity's funded projects. The Charity's public benefit is not limited with reference to geography, by the charging of fees or otherwise. The Trustee Directors are aware of the Charity Commission guidance on Public Benefit and confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to it. They consider the information which follows in this annual report, about the Charity's aims, activities and achievements in the areas of interest that the Charity supports, demonstrates the benefit to its beneficiaries and through them to the public, that arise from those activities.

Grant Making Policies

Updates to the grant making and social investment policy to guide the Trustee's decisions in achieving the charitable objectives was approved by trustees on 9 February 2023. Grant-making is also guided by some further funding parameters (approved in November 2022) which allow Trustee Directors to properly select appropriate grantees and impose prudent terms on grants, including, as appropriate, monitoring and evaluation of the way in which funds are applied by grantees. The Trustees'

grant making policy was generally to consider making donations by way of direct funding and also by way of grants to charitable organisations recognised as such in their respective jurisdictions, for projects that are exclusively charitable under English law.

3. ACHIEVEMENT AND PERFORMANCE

The main aims during the period were to:

1. Deliver a large-scale and high-quality grants programme which makes an impact on the charity's strategic goals
2. Deepen the charity's organisational expertise and network within the sector
3. Monitor the charity's investments against the objectives

During this period, the following was achieved:

Build the grant-making activities of the charity

In 2023 the Charity considered a number of grants to advance the Charity's funding priorities detailed in section 2. The total of grants awarded in 2023 was £7.1m (2022: £6.62m). A full list of grants is below.

The average size of individual grants increased, in line with plans, with a smaller number of larger grants being made than in the prior year.

Across the charity's strategic aims, some of the key grant activities were:

Resilience-building to prevent mental illness

In 2023 the charity increased the grants it made to support the prevention of mental ill health.

Parents are often the first place that children turn when they are struggling with their emotional health. Many parents and other carers, however, find it hard to know what to do when their child has problems. In response to this the Prudence Trust ran a funding round which offered grants to charities supporting and advising parents and carers. Grants were awarded to Young Minds and Action for Children for the expansion of their parent support lines and to Kinship to boost the mental health dimension of their support for kinship carers (often grandparents or siblings).

To build awareness amongst young people about how to support themselves and where to go to for help, the trust made a grant for a second year to Place2Be for Children & Young People's Mental Health Week in February 2024, and a grant to the Samaritans for their outreach work in schools.

The charity continues to see the youth club environment as vital for both building resilience and also, increasingly, as a place young people first seek help. On the resilience building, the trust made new grants to East London Dance, Young Vic and Winston's Wish. The trust continued to monitor grants made in previous years to the Prince's Trust and Onside Youth Zones amongst others, as important sources of support for the worries young people have about their feelings.

Improve young people's access to support

As increasing numbers of children have had mental health worries and statutory services are finding it hard to keep up, children and adolescents have been turning to the adults at their youth clubs for help. The charity has heard about the rising pressure on youth workers and wanted to enable them to help young people more effectively, whilst also supporting this vital workforce. This round resulted in grants to Onside for training, supervision and counselling support for youth workers across 14 Youth Zones and to Oxfordshire Youth for mental health training and the facilitation of a youth worker peer network within Oxfordshire.

Talking therapy, delivered in many settings, is still a foundation of support, and is under pressure to meet demand. The trust made grants to Open Door, the Listening Place, SWEDA and AT the Bus for their different approaches to therapeutic support.

The charity monitors the grants made in its 2022 grant round to a number of other talking therapy services (both in person and digitally delivered) and also in the field of social activities for anxiety and depression (“social prescribing”).

Build the evidence of what works to prevent and treat mental illness.

The Charity continued to make a further investment in building the field of adolescent mental health researchers. During the year, grants were made to the charity’s four research partners (University of Bristol, University of Oxford, University College London and King’s College London) for further Prudence Trust Fellowships. This brings the total to eight Fellows who are pursuing their research in this field:

- Laura Hull, University of Bristol – who will be looking at the relationship between camouflaging and mental health in neurodivergent children and developing a mental health intervention to support those children.
- Stephanie Lewis, Kings College London – who will be using a data approach to research the benefits of recognising and treating depression and anxiety in young people with other mental health disorders.
- Tessa Reardon, Oxford University - whose project is to create a better screening tool for anxiety for children in school alongside a brief parent-led intervention.
- Sarah Griffiths, University College London - whose research project is to develop Cognitive Behavioural Therapy so that it is effective for children with a developmental language disorder (which impacts over 1 million children in the UK).

They join the 2022 Fellows - Naomi Warne at Bristol, Josefien Breedvelt at Kings, Lucy Foulkes at Oxford and Christina Carlisi at UCL.

The foundation has supported the work of two organisations who are researching broad themes within young people’s mental health. The Education Policy Institute is mapping the provision of non-clinical mental health support around the UK; MQ is undertaking a literature review on research into how the internet impacts the mental health of young people.

A further grant to MQ was to support the translation into practice of an improved referral process for the Child and Adolescent Mental Health Service (CAMHS) platform, alongside funding from the National Institute of Health Research.

The Pears Maudsley Centre for Children & Young People will be a research and clinical centre for mental health. The foundation awarded a grant to the capital costs of this important investment into advancing knowledge and practice.

Finally, the trust has funded the mental health strand of the new independent think tank, the Centre for Young Lives which is dedicated exclusively to improving the lives of children, young people, and families in the UK.

All grantees share half-yearly updates and meet with the staff team after each update. The trustees have an annual schedule of learning visits to current grantees to see the work, meet the team and learn about the needs and challenges which inform our future grant-making.

The full list of grants made across the year is below. All grants were made to registered charities or community interest companies.

Mental health: access to support		
AT The Bus	Delivery of a new business plan	£150,000
Open Door, Young People's Consultation Service	Core costs	£40,000
Climbing Out	Residential outdoor programme with coaching	£10,000
Somerset and Wessex Eating Disorder Association	Continuation of Counselling	£30,000
The Listening Place	Support for young people with suicidal feelings	£150,000
Mental health: prevention		
OnSide Youth Zones	Training and supervision for youth workers	£252,180
Oxfordshire Youth	Training and support for youth workers	£264,600
Action for Children	Expansion of parent help line services	£535,000
Kinship	Mental health support	£505,490
YoungMinds	Expansion of parent help line services	£651,720
Young Vic	Community programme for young people	£30,000
East London Dance	Youth programmes & staff wellbeing	£225,000
Place2Be	Children's Mental Health Week 2024	£34,210
Samaritans	Online chat evaluation & relaunch education resources	£174,800
Winston's Wish	Core costs	£30,000
Mental health: research		
University of Bristol	Prudence Trust Fellow Cohort 2 - Laura Hull	£600,000
King's College London	Prudence Trust Fellow Cohort 2 - Stephanie Lewis	£600,000
University of Oxford	Prudence Trust Fellow Cohort 2 - Tessa Reardon	£600,000
University College London	Prudence Trust Fellow Cohort 2 - Sarah Griffiths	£600,000
University of Bristol	Prudence Trust Fellow - Cohort 1 additional research costs	£75,000
King's College London	Prudence Trust Fellow - Cohort 1 additional research costs	£75,000
University of Oxford	Prudence Trust Fellow - Cohort 1 additional research costs	£74,266
University College London	Prudence Trust Fellow - Cohort 1 additional research costs	£74,615
Education Policy Institute	Research - Mapping mental health and wellbeing services	£80,000
Maudsley Charity	Eye Tracking Suite at Pears Maudsley Centre	£250,000
MQ	Review of research on mental health and the internet	£35,888
MQ	Improving Child and Adolescent Mental Health referral process	£357,031
The Centre for Young Lives c/o	Centre for Young Lives mental health work	£256,000

Oasis Community Partnerships		
Anna Freud	Developing and promoting manifesto	£44,916
Environment		
Royal Welsh Agricultural Society	Regenerative agriculture conference	£15,000
Sustainable Food Trust	Strategy advisor to support global advocacy for regenerative agriculture	£200,000
Global Canopy	Core costs	£75,000
		£7,095,716

Deepen our knowledge and increase our network

The Trustee Directors have been supported in the early years of the foundation by a panel of experts who have supported the strategic direction and research grants. In 2023 it was decided to expand the scope and membership of the Advisory Panel with expertise from the research, mental health and youth sectors, alongside young people who have had experience of using services.

The enlarged panel met for the first time in September 2023 for a series of roundtable discussions on activities which build resilience; which mental health provision in schools is most effective; and, developing the children and young people's mental health workforce.

The charity has taken part in a number of events and roundtables during 2023 and has increased its network and profile as a funder dedicated to adolescent mental health. In December 2023, the foundation brought together leaders from a number of grantees to encourage stronger connections and more informal sharing across the sector.

Monitor investments against the objectives

The Investment & Audit Committee oversee the charity's investments, supported by an investment consultant, JT Financial Management Limited.

During the year, as part of diversifying the charity's assets, the trustee directors appointed a fourth investment manager. The details are outlined in the Financial Review.

4. FINANCIAL REVIEW

The Statement of Financial Activities on page 16 shows total incoming resources for the period of £14,595,619 (2022: £13,427,941) and expenditure on charitable activities of £7,583,136 (2022: £7,088,383). Direct charitable expenditure of £7,085,716 (2022: £6,624,846) was incurred in the year by way of awarding grants. Governance costs amounted to £18,674 (2022: £19,227) and are included within charitable activities. The balance of charitable activities comprised support costs totalling £478,746 (2022: £444,310). The increase in support costs was primarily driven by an increase in staff, office and administrative costs.

The Trust spent £1,194,038 (2022: £965,672) on investment management fees. The total reserve at 31 December 2023 amounted to £196,852,333 (2022: £177,159,827).

During 2023 the Charity held its investments across three portfolios. At 31 December 2023, 51.5% was held with Brown Advisory, 26.2% with Meridiem Investment Partners (UK) Limited and 22.3% with Ruffer LLP.

The investment managers operate under a discretionary mandate with advice provided by JTFM Limited.

As at 31 December 2023 the funds held with Brown Advisory appreciated 9.1% over the year on a time weighted return basis, Meridiem Investment Partners (UK) Limited appreciated 17.8% over the year on a time weighted return basis and Ruffer LLP depreciated by 6.5% over the year on a time weighted return basis. The total investment income for the year across all portfolios increased to £2,347,705 (2022: £1,992,483) as more interest yielding investments were held throughout the year.

The benchmark of inflation as measured by the UK Consumer Price Index ("CPI") plus 4.0% totalled 8.1% for the year, of which both Brown Advisory and Meridiem were able to outperform against a relatively high inflationary environment. The Trustee Directors have reviewed the performance of the portfolios and are satisfied with the returns to date given the wider economic volatility.

A fourth investment manager, Pantheon Ventures (UK) LLP was appointed in October 2023 with the Trust committing to invest £30m into a Luxembourg domiciled fund with this manager over the next 13 years. As at 31 December 2023 no investments were held with this manager and it is expected the total investment with this manager will not exceed 10% of total investment holdings over the long term.

Reserves policy and going concern

The Trustee Directors have examined the Charity's requirement for resources in light of the main risks to the organisation and have no outstanding commitments or cash demands which are not adequately covered by existing resources. The net unrestricted assets of the Charity are regarded as free reserves and the funds at 31 December 2023 will be retained to make grants in accordance with the Charity's charitable objects and any policies. The Trustee Directors consider that the freely expendable funds are appropriate and adequate taking into account plans for grants to be awarded in future years. The Trustee Directors have agreed that at least £10m of reserves is held in cash and/or liquid investments that can be realised and their settlement proceeds are available within 5 business days.

The geo-political and macro-economic effects of the war in Ukraine and the Middle East, rising costs, high interest rates and inflation continued to impact the Charity throughout 2023. Despite this backdrop, the Charity benefited from the US technology equity rally in the fourth quarter of 2023, contributing to an appreciation in the valuation of the Charity's investments of £13,814,632 (10.97%) during the year to 31 December 2023. The Trustee Directors consider the adoption of the going concern basis in preparing these financial statements continues to be appropriate.

Investment Policy

The investment objective is to maintain and grow the real value of the assets and to generate stable, sustainable, distributable returns (capital and income), sufficient to at least maintain the purchasing power of those distributions.

The long-term total return objective is to achieve inflation as measured by UK Consumer Price Index ("CPI") plus 4.0% per annum to be measured over 5 year rolling periods.

Remuneration Policy

The Trust aims to ensure that staff are paid appropriately according to the nature of the work and the experience, knowledge and skills needed to carry out their job.

The Trust aims to remunerate at a median level or above when benchmarked against similar organisations in the sector. The charity is committed to principles ensuring that pay and conditions of employment do not discriminate unlawfully and are free from bias.

The Trustees determine the salary for the Director and seek to pay a fair salary to attract and retain a skilled and expert senior leader for the organisation taking into account the median range for similar organisations in the UK Charity sector. Trustees ensure that the Director's performance is reviewed and reported at least annually by the Chair of the Board of Trustees. The Director is responsible for determining the salaries of other staff in line with the remuneration policy above and as approved in the budget.

5. PLANS FOR THE FUTURE

The Trustees do not propose to deviate from the current objectives and activities of the Charity as detailed in Section 2 of this report. Trustees have approved a grants plan to deliver on the areas of focus and a schedule of grant rounds until December 2024.

This year will be the last of the charity's first strategic period. During 2024 the trustees will reflect on the impact of the 100+ grants made to date and consider the changing needs of young people and the sector. Together with an examination of the funding landscape in children and young people's mental health, trustees will determine the strategic direction for the next four years. That process will involve the charity's grantees and the advisory panel and young advisers.

In February the charity announced its second open round, "What's Working for Young People's Mental Health". This funding round is available to front line charities who want to improve the evaluation of their support for young people and where they can act upon the findings. Shortlisted charities will be supported by NCVO Consulting with their applications and successful grantees will receive training and mentoring support from an evaluation specialist.

The charity will be making grants on harnessing digital tools for mental health in April 2024. These charities will also be offered specialist support to implement their project successfully. Later in the year, the charity will be considering how it can advocate for and support the systematic roll out of mental health hubs in the UK which offer drop-in support to address the first sign of problems. The charity is also interested in understanding and supporting community-based activities (such as clubs and groups) which give young people positive support and structures as they navigate adolescence.

The charity will ensure that the trustee board is appropriately informed and supported, by reviewing the composition and skills of sub-committees. The Mental Health Advisory panel will provide regular guidance on both strategic direction as well as grant-making.

The Prudence Trust profile and networks will be built further with the aim of attracting high quality applications for open rounds and to identify opportunities for collaboration with other funders.

6. STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is a trust governed by its declaration of trust dated 20 May 2019 and is registered as a charity with the Charity Commission for England and Wales.

The Charity is controlled by its sole corporate trustee, the Prudence Trust Company Ltd. The charity resolved to appoint the Prudence Trust Company Ltd as sole corporate trustee in June 2020. Charity Commission approval for this appointment was received in September 2020.

The Trustee Directors liaise regularly and meet at least quarterly to discuss and develop the Charity's goals and strategy and to review grant proposals and general grant requests.

In the reporting period the Trust appointed an investment and audit sub-committee with oversight of investment, audit, risk management and financial performance. The committee meets at least twice a year.

The number of Trustees shall be a minimum of three at any one time, or one Trustee if said trustee is a Trust corporation, and new Trustees shall be appointed in writing by the Founding Trustee. The range of skills represented on the Trustee Board will be kept under review as the Charity develops over time.

Induction and Training

As part of their training, Trustee Directors are given an information pack which includes the Charity's Constitution. Trustee Directors are offered training on the Charity Commission guidance on Trustees' Responsibilities. All Trustee Directors are aware of their legal duties and obligations in respect of the management of the Charity, including in relation to the protection of its assets.

Statement of Trustees' Responsibilities

The Trustee Directors are responsible for preparing the Annual Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the Trustee should follow best practice and:

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

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the 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 Trustee Directors have signed fit and proper declarations in line with HMRC guidance.

Charity Governance Code

In addition, each alternate year the Trustee Directors give due consideration to Good Governance – A Code for the Voluntary and Community Sector, ensuring that the seven main principles of the Code are adhered to. These are:

- Understanding the Trustees' role;
- Doing what the organisation was set up to do;

- Working effectively;
- Control;
- Behaving with integrity;
- Equality, diversity and inclusion; and
- Openness and accessibility.

The Trustee recognises that good governance plays an essential part in securing the future of the Charity and confirm that the said main principles of the Code are followed by them in leading, directing and managing the Charity.

No Trustee Director received any remuneration during the year to 31 December 2023.

The Trust does not undertake fundraising from the general public and does not use professional fundraisers or commercial participators. The income of the Trust is not bound by any regulatory scheme, and the Trust does not consider it necessary to comply with any voluntary code of practice relating to fundraising. As such, we have received no complaints in relation to any fundraising activities. As we do not approach individuals for the purpose of raising funds, we do not have specific requirements related to fundraising activities, nor do we consider it necessary to design specific procedures to monitor such activities.

Internal Controls

The Trustee has overall responsibility for ensuring that the Charity has appropriate systems of internal controls. They are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements follow best practice and all applicable law regulation and guidance. The Trustee is also responsible for the Charity safeguarding its assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The system of internal controls is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

Risk Management & Corporate Governance

A risk assessment has been performed during the preparation of this report and the Financial Statements. The risk assessment undertaken comprises of:

- A review of the risks the Charity faced during the period, since the period end and which it may face in the future;
- The establishment of systems and procedures to mitigate those risks; and
- The implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise.

This continuing process will identify risk areas to which the Charity is vulnerable and highlight any necessary safeguards that will need to be put in place. The current version of the Charity's Risk Register was approved by the Board of Trustee Directors in January 2024.

The risk register is reviewed every six months by the Board. Mitigation plans are in place for all risks and are overseen by the Investment & Audit Committee.

Principle risks for the Charity were identified as:

- The market outlook remains unclear for the Trust's investment portfolio. The performance of each manager is overseen by the Investment & Audit Committee, supported by a specialist investment adviser.

- As the charity makes larger single grant commitments, greater scrutiny needs to be given to due diligence, building confidence in the grant application, the charity's financial stability and the grantee leadership's ability to manage risks related to grants.

Related Party Transactions

The Trust has no subsidiary undertakings and has not entered into any co-operation agreements with other Charities in pursuit of its charitable objectives. Where the Trust engages in a transaction with which one of the Trustee Directors is connected, the conflicted Trustee Director recuses themselves from the decision making process. Any related party transactions are disclosed in note 13 to the Financial Statements.

Approved by the Trustee and signed on their behalf by:

Guy Elliott

13th June 2024

Director of the Prudence Trust Company Limited (Trustee)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE THE PRUDENCE TRUST

Opinion

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

In our opinion, the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 31 December 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern.

In auditing the financial statements, we have concluded that the trustee's 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 Prudence Trust'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 trustee with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustee's annual report, other than the financial statements and our auditor's report thereon. The trustee is 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- The information given in the trustee's annual report is inconsistent in any material respect with the financial statements;
- 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 trustee

As explained more fully in the statement of trustee's responsibilities set out in the trustee's annual report, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determines 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 trustee is 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 trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's 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 regulations made under section 154 of that Act.

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

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

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the audit and investment committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

Use of our report

This report is made solely to the charity's trustee as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

Date: 14 June 2024

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

THE PRUDENCE TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR TO 31 DECEMBER 2023

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Income from:					
Donations	2	82,800	12,148,675	12,231,475	11,424,408
Investments	3	989,447	1,358,257	2,347,704	1,992,483
Charitable activities		16,440	-	16,440	11,050
Total Income		1,088,687	13,506,932	14,595,619	13,427,941
Expenditure on:					
Charitable activities	4	6,677,800	905,336	7,583,136	7,088,383
Raising funds: investment management	6	440,269	753,769	1,194,038	965,672
Total Expenditure		7,118,069	1,659,105	8,777,174	8,054,055
Net income/(expenditure) before gains/(losses) on investments		(6,029,382)	11,847,827	5,818,445	5,373,886
Net gains/(losses) on investments	7	8,852,414	4,962,218	13,814,632	(18,655,708)
Net income/(expenditure)		2,823,032	16,810,045	19,633,077	(13,281,822)
Other recognised gains/(losses)		(101,142)	160,571	59,428	188,106
Net movement in funds		2,721,890	16,970,616	19,692,505	(13,093,716)
Reconciliation of funds:					
Total funds brought forward		66,134,894	111,024,933	177,159,827	190,253,543
Total funds carried forward		68,856,784	127,995,549	196,852,333	177,159,827

All of the above results are derived from continuing activities. There were no recognised gains and losses for either period other than those stated above. Movement in funds are disclosed in Note 15 to the Financial Statements. A comparative Statement of Financial Activity is included as Note 17.

THE PRUDENCE TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Investments and cash under management	7	200,310,491	181,412,789
Tangible Assets	8	4,735	6,313
Total fixed assets		<u>200,315,226</u>	<u>181,419,102</u>
Current assets			
Debtors	9	747,703	23,171
Cash at bank		5,930,893	3,291,835
Total Current Assets		<u>6,678,596</u>	<u>3,315,006</u>
Current liabilities			
Creditors - amounts falling due within one year	10	(6,187,756)	(3,905,606)
Net current assets/(liabilities)		<u>490,840</u>	<u>(590,600)</u>
Total assets less current liabilities		200,806,066	180,828,502
Non-current liabilities			
Creditors – amounts falling due in more than one year	11	(3,953,733)	(3,668,675)
Total net assets		<u>196,852,333</u>	<u>177,159,827</u>
The funds of the charity:			
Unrestricted funds		68,856,784	66,134,894
Restricted funds		127,995,549	111,024,933
Total charity funds		<u>196,852,333</u>	<u>177,159,827</u>

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

Guy Elliott
Director of Prudence Trust Company Limited
(Trustee)

Beatrice Hollond
Director of Prudence Trust Company Limited
(Trustee)

13th June 2024

THE PRUDENCE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR TO 31 DECEMBER 2023

	Note	2023	2022
		£	£
Net cash flow from Operating Activities			
Net movement in funds for the year		19,692,506	(13,093,716)
Less: Investment income and deposit interest		(2,347,704)	(1,992,483)
Depreciation charge	8	1,578	1,578
Net (gain) / loss on investment assets		(13,814,632)	18,655,708
(Increase)/Decrease in debtors		(724,532)	76,188
Increase in creditors		2,567,208	4,049,173
		<u>5,374,424</u>	<u>7,696,448</u>
Cash flows from investing activities			
Investment income	3	2,347,704	1,992,483
Purchase of tangible assets		-	(5,846)
Purchase of investments		(61,063,939)	(193,724,775)
Proceeds from sale of investments	7	55,162,255	186,112,442
		<u>(3,553,980)</u>	<u>(5,625,696)</u>
Change in cash and cash equivalents in the year		<u><u>1,820,444</u></u>	<u><u>2,070,752</u></u>
Reconciliation of net cash flow to movement in net funds			
Net cash resources at 1 January 2023		14,573,045	12,502,293
Net increase in cash		<u>1,820,444</u>	<u>2,070,752</u>
Net cash resources at 31 December 2023		<u><u>16,393,489</u></u>	<u><u>14,573,045</u></u>
Analysis of net funds:			
Cash held in investment portfolio	7	10,462,596	11,281,210
Cash at Bank		<u>5,930,893</u>	<u>3,291,835</u>
		<u><u>16,393,489</u></u>	<u><u>14,573,045</u></u>

THE PRUDENCE TRUST

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

1. ACCOUNTING POLICIES

Basis of Preparation of Financial Statements

The Prudence Trust ("the Trust"), registered charity number 1187700, is based and administered in the United Kingdom. The registered address is 32 Sackville Street, London, W1S 3EA. The nature of the Trust's operations and principal activities are set out in the Trustees' Annual Report.

The financial statements have been prepared in accordance with 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) ("Charities SORP FRS 102"), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and where relevant, the Charities Act 2023, and UK Generally Accepted Accounting Practice.

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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Trust constitutes a public benefit entity as defined by Charities SORP FRS 102.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

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

Incoming Resources

Investment income is derived from interest and dividends receivable from investments and is accounted for in the period in which the Trust is entitled to receipt. Interest from deposit accounts are included as and when received only. All incoming resources are included in the SOFA when the Trust is entitled to the income and the amount can be quantified with reasonable accuracy.

Voluntary donations include donations under Gift Aid with the associated tax credits included when receivable. Interest from deposit accounts are included when received.

Resources Expended

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation committing the Trustee to the expenditure. Irrecoverable VAT is charged against the activity for which expenditure was incurred.

Charitable activities include governance costs made during the period and are expended through the SOFA when the offer is conveyed to the recipient.

Cost of raising funds relate to the costs incurred by the Trust in managing its investment portfolios.

Governance costs relating to the general running of the Trust, as opposed to the management functions inherent in generating funds.

Grants payable

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

Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/ (losses) on investments" in the statement of financial activities. The Trust does not trade in options, derivatives or other complex financial instruments. However the Trust's investment managers may trade in such financial instruments as part of their investment portfolio management.

Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Tangible fixed assets are included at their cost value and depreciated using the straight line method over 5 years.

Status of funds

Restricted funds are to be used for specific purposes as laid down by the donor. Income arising from the investment of those funds and expenditure which meets the criteria set out by the donor is charged to the fund.

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

Foreign currency

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are converted at the rate of

exchange ruling at the date of the transaction. All translation differences are taken to the statement of financial activities as they arise.

Taxation

The Trust is not subject to any taxes on its charitable activities.

Debtors and creditors receivable / payable

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised as expenditure.

Cash and cash equivalents

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

Provisions

Provisions are recognised when the Trust has an obligation at the Balance Sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Going concern

The Trustee Directors consider the adoption of the going concern basis in preparing these financial statements continues to be appropriate.

For the year ended 31 December 2023			
2. INCOME FROM DONATIONS	Unrestricted	Restricted	Total 2023 £
Donations received	82,800	12,148,675	12,231,475
	<u>82,000</u>	<u>12,148,675</u>	<u>12,231,475</u>

For the year ended 31 December 2022			
	Unrestricted	Restricted	Total 2022 £
Donations received	390,940	11,033,468	11,424,408
	<u>390,940</u>	<u>11,033,468</u>	<u>11,424,408</u>

For the year ended 31 December 2023			
3. INCOME FROM INVESTMENTS	Unrestricted	Restricted	Total 2023 £
UK quoted securities income	35,878	103,100	138,978
Overseas quoted securities income	781,114	1,002,897	1,784,011
Bank interest	172,455	252,260	424,715
	<u>989,447</u>	<u>1,358,257</u>	<u>2,347,704</u>

For the year ended 31 December 2022			
	Unrestricted	Restricted	Total 2022 £
UK quoted securities income	140,386	167,719	308,105
Overseas quoted securities income	570,694	1,031,034	1,601,728
Deposit interest	30,781	51,869	82,650
	<u>741,861</u>	<u>1,250,622</u>	<u>1,992,483</u>

4. EXPENDITURE ON CHARITABLE ACTIVITIES

Grants payable:

The Trust awarded grants totalling £7,095,716 to twenty four UK registered charities and four UK Universities during the year to 31 December 2023 (Current year list is shown in the Annual Report of the Trustees) (2022: £6,624,846 to thirty eight UK registered charities (note 18)). The grants awarded were in the following areas of focus of the Trust with the cumulative amount per area shown:

	Total 2023 £	Total 2022 £
Mental Health: Research	3,722,716	2,226,564
Mental Health: Access to support	380,000	3,897,667
Mental Health: Prevention	2,703,000	490,615
Environment	290,000	10,000
Cancelled Grants – Mental health: Research	(10,000)	-
Total Grants payable	7,085,716	6,624,846

Grants have been awarded restricted and unrestricted funds as follows:

Restricted	904,516	3,259,282
Unrestricted	6,181,200	3,365,564
	7,085,716	6,624,846

Support Costs:

Staff costs (note 5)	282,686	270,493
Office and Admin costs	125,053	97,910
Professional fees	70,473	64,085
Travel, Events and Subsistence	534	11,822
Total Support costs	478,746	444,310

Support costs are allocated between restricted and unrestricted funds as follows:

Restricted	820	409
Unrestricted	477,926	443,901
	478,746	444,310

	Total 2023 £	Total 2022 £
Governance Costs:		
Legal fees	7,814	5,187
Audit fees	10,860	14,040
Total Governance costs:	18,674	19,227
Governance costs are allocated to unrestricted funds.		
Total Charitable activities	7,583,136	7,088,383

Auditor remuneration in respect of their audit of the Financial Statements for the year to 31 December 2023 totalled £11,000 excluding VAT. (2022: £9,750 excluding VAT)

5. STAFF COSTS

During the year to 31 December 2023, the average number of employees was 4 (2022: 4). The associated costs of employment are as follows:

	Total 2023 £	Total 2022 £
Gross Salaries	229,005	204,925
Employers Social Security	26,582	25,731
Employers Pension contribution	24,626	23,001
Staff benefits and insurance	2,473	16,836
	282,686	270,493

The total amount of benefit received by key management personnel was £142,623 (2022: £134,698). Key management personnel represent the Trustees and the Foundation Director. One employee earned between £110,000 and £120,000 during the year (2022: 1 earned between £100,000 and £110,000)

For the year ended 31 December 2023			Total 2023 £
6. EXPENDITURE ON INVESTMENT MANAGEMENT	Unrestricted	Restricted	
JTFM Limited – Financial consultant	45,900	-	45,900
Meridiem Investment management fees	261,782	121,598	383,380
Ruffer LLP Investment management fees	-	443,801	443,801
Brown Advisory investment management fee	132,587	188,370	320,957
	440,269	753,769	1,194,038

For the year ended 31 December 2022

	Unrestricted	Restricted	Total 2022 £
JTFM Limited – Financial consultant	30,900	-	30,900
Meridiem Investment management fees	218,392	99,446	317,838
Ruffer LLP Investment management fees	-	232,764	232,764
Brown Advisory investment management fee	150,284	233,886	384,170
	<u>399,576</u>	<u>566,096</u>	<u>965,672</u>

Ruffer LLP was appointed in June 2022. The fees shown above represent a seven month period.

7. FIXED ASSET INVESTMENTS	2023 £	2022 £
Quoted investments	189,847,895	170,131,579
Cash held as part of portfolios	10,462,596	11,281,210
Total investments and cash under management	<u>200,310,491</u>	<u>181,412,789</u>
Net gain/(loss)on investments	<u>13,814,632</u>	<u>(18,655,708)</u>
Market value at 1 January	170,131,580	181,174,953
Additions at cost	61,063,939	193,724,775
Disposals	(55,162,255)	(186,112,442)
Net realised investment (loss)	(1,897,319)	(3,351,609)
Net unrealised investment gain/(loss)	15,711,951	(15,304,099)
Market Value at 31 December	<u>189,847,896</u>	<u>170,131,578</u>

The Trust has unaccrued investment commitments of £28m at 31 December 2023 (2022: Nil).

8. TANGIBLE FIXED ASSET	2023 £	2022 £
Fixtures, fittings and equipment at cost		
Balance at 1 January	8,402	2,556
Purchases of fixtures, fittings and equipment		
Computer equipment	-	5,846
Balance at 31 December 2023	8,402	8,402
Accumulated depreciation		
Balance at 1 January	2,089	511
Charge for the year	1,578	1,578
Balance at 31 December 2023	3,667	2,089
Net Book Value at 31 December 2023	4,735	6,313

Tangible fixed assets are depreciated over a five year period using the straight line method.

The fixed assets are still being used by the Trust.

9. DEBTORS	2023 £	2022 £
Investments Awaiting Settlement	716,670	-
Accrued Income	18,990	-
Prepayments	12,043	23,171
	747,703	23,171

10. CREDITORS - amounts falling due within one year	2023 £	2022 £
Accounts payable	310,517	320,105
Accruals	18,825	50,303
Grants payable	5,141,743	3,535,198
Investment commitment	716,670	-
	6,187,755	3,905,606

11. CREDITORS - amounts falling due in more than one year	2023 £	2022 £
Grants payable	3,953,733	3,668,675

12. GRANTS PAYABLE

During the year the Trustee awarded twenty four new multi-year commitments. The following amounts outstanding as at 31 December 2023:

Organisation	Amount falling due within one year	Amount falling due in more than one year	Total £
Anna Freud Centre	100,000	-	100,000
Body & Soul	85,512	-	85,512
Bristol University	263,441	-	263,441
Bristol University Fellowship	100,000	100,000	200,000
Comics Youth	30,000	30,000	60,000
Core Arts	45,000	-	45,000
Create	58,445	-	58,445
Dalai Lama Centre for Compassion	10,000	-	10,000
Designs in Mind	30,000	30,000	60,000
Dose of Nature	50,000	50,000	100,000
Empire Fighting Chance	96,590	96,590	193,180
Groundwork London	65,939	65,938	131,877
Jigsaw4u	105,448	-	105,448
Kings College London Fellowship	125,000	125,000	250,000
Ormiston Families	50,000	-	50,000
OTR Bristol	64,405	66,337	130,742
Oxford University	97,077	-	97,077
Place2Be	152,000	-	152,000
Raw Material Music and Media	61,503	156,215	217,718
Roundhouse Trust	15,000	-	15,000
Student Minds	50,000	-	50,000
The Mix	75,000	-	75,000
The Music Works	91,255	92,682	183,937
The Wave Project	100,000	100,000	200,000
University College London	300,000	146,467	446,467
University College London Fellowship	200,000	-	200,000
University of Oxford Fellowship	125,000	125,000	250,000
Young Roots	82,831	-	82,831
Youth Access	50,000	-	50,000
AT The Bus	75,000	-	75,000
Bristol University Fellowship	158,720	441,280	600,000

Kings College London Fellowship	200,000	400,000	600,000
OnSide	78,355	83,057	161,412
Oxfordshire Youth	88,200	88,200	176,400
University College London Fellowship	400,000	200,000	600,000
University of Oxford Fellowship	150,000	400,000	550,000
YoungMinds	217,240	217,240	434,480
Sustainable Food Trust	100,000	-	100,000
Action for Children	178,333	178,333	356,667
Kinship	145,328	164,684	310,012
The Listening Place	50,000	50,000	100,000
East London Dance	112,500	112,500	225,000
Climbing Out	10,000	-	10,000
MQ	143,487	213,544	357,031
Open Door, Young People's Consultation Service	40,000	-	40,000
Samaritans	174,800	-	174,800
Global Canopy	25,000	50,000	75,000
The Centre for Young Lives c/o Oasis Community Partnerships	85,334	170,666	256,000
Winston's Wish	30,000	-	30,000
	<u>5,141,743</u>	<u>3,953,733</u>	<u>9,095,476</u>

13. RELATED PARTY TRANSACTIONS

During the year two donations totalling £264,916 (2022: £420,000) were paid to Anna Freud Centre where the spouse of one of the Trustee Directors, Julia Samuel, is the Chair. Julia recused herself from the decision-making process related to these grants.

No Trustee Director received any remuneration or reimbursement of expenses during the year to 31 December 2023 (2022: £nil).

Trustee Liability insurance of £6,186 was paid by the Charity on behalf of the Trustee Director (2022: £2,462)

A Trustee Director, Beatrice Hollond is a Non-Executive Director of Brown Advisory. Beatrice Hollond recused herself from any decisions made in relation to Brown Advisory. Fees payable to Brown are disclosed in note 6.

During the year, a Trustee received the services of one of the employees of the Trust. The terms and provisions of these services were agreed by way of a consultancy agreement with fees charged to the Trustee that are above the cost incurred by the Trust in providing these services and agreed with the Trustee and the Trust at arm's length. The fee income for the Trust for the year was £16,440 (2022 £11,050).

Aggregate donations from related parties were £Nil (2022: £260,000).

14. ULTIMATE CONTROLLING PARTY

The Trustee Directors consider that the Trust is jointly controlled by the Directors of The Prudence Trust Company and therefore there is no one ultimate controlling party.

15.	FUNDS	Balance brought forward £	Income and Gains £	Expenditure and Losses £	Balance carried forward £
For the year ended 31 December 2023:					
	Unrestricted	66,134,894	9,941,101	(7,219,211)	68,856,784
	Restricted	111,024,933	18,629,721	(1,659,105)	127,995,549
		<u>177,159,827</u>	<u>28,570,822</u>	<u>(8,878,316)</u>	<u>196,852,333</u>
For the year ended 31 December 2022:					
	Unrestricted	77,693,436	1,095,911	(12,654,453)	66,134,894
	Restricted	112,560,107	12,477,431	(14,012,605)	111,024,933
		<u>190,253,543</u>	<u>13,573,342</u>	<u>(26,667,058)</u>	<u>177,159,827</u>

For the year ended 31 December 2023			
Analysis of net assets between funds:	Unrestricted £	Restricted £	Total 2023 £
Fixed assets	75,083,505	125,231,721	200,315,226
Debtors	747,703	-	747,703
Cash at Bank	848,934	5,081,959	5,930,893
Creditors	(7,823,358)	(2,318,131)	(10,141,489)
Total Funds	<u>68,856,784</u>	<u>127,995,549</u>	<u>196,852,333</u>

For the year ended 31 December 2022			
	Unrestricted £	Restricted £	Total 2022 £
Fixed assets	70,016,987	111,402,115	181,419,102
Debtors	23,171	-	23,171
Cash at Bank	500,324	2,791,511	3,291,835
Creditors	(4,405,588)	(3,168,693)	(7,574,281)
Total Funds	<u>66,134,894</u>	<u>111,024,933</u>	<u>177,159,827</u>

Restricted funds are to be used for specific purposes as laid down by the donor and must be used to furthering the charitable objectives and not for day to day operations of the Trust.

Income arising from the investment of those funds and expenditure which meets the criteria set out by the donor is charged to the fund.

16.	FINANCIAL INSTRUMENTS	2023 £	2022 £
	The carry amounts of the Trust's financial instruments are as follows:		
	Financial assets		
	Measured at fair value through SOFA:		
	-Fixed asset quoted investments	189,847,895	170,131,579
	-Tangible Fixed assets	4,735	6,313
	-Cash under management	10,462,596	11,281,210
	-Cash at bank and in hand	5,930,893	3,291,835
	Financial liabilities		
	Measured at amortised cost		
	-Creditors	10,141,489	7,574,280
	The net gains attributable to the Trust's financial instruments are summarised as follows:		
	Income and expense		
	Measured at fair value through SOFA:		
	-Net gains (including changes in fair value)	13,874,060	(18,467,602)

17. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Income from:			
Donations	390,940	11,033,468	11,424,408
Investments	741,861	1,250,622	1,992,483
Charitable activity	11,050		11,050
Total Income	1,143,851	12,284,090	13,427,941
Expenditure on:			
Charitable activities	3,828,692	3,259,691	7,088,383
Raising funds: investment management	399,576	566,096	965,672
Total Expenditure	4,228,268	3,825,787	8,054,055
Net income before gains on investments	(3,084,417)	8,458,303	5,373,886
Net gains on investments	(8,469,137)	(10,186,571)	(18,655,708)
Net income	(11,553,554)	(1,728,268)	(13,281,822)
Other recognised losses	(4,988)	193,094	188,106
Net movement in funds	(11,558,542)	(1,535,174)	(13,093,716)
Reconciliation of funds:			
Total funds brought forward	77,693,436	112,560,107	190,253,543
Total funds carried forward	66,134,894	111,024,933	177,159,827

18. GRANTS AWARDED IN PREVIOUS REPORTING PERIOD

Mental Health: Research		
University College London	Research- Increasing social prescribing referrals	£896,467
University of Bristol	Research- Improving Sleep	£790,322
University of Oxford	Research – Adolescent parents, depression and parenting	£439,775
MQ	Core costs	£100,000
Mental Health: Access to Support		
Jigsaw4u	Therapeutic support for young people	£310,176
Anna Freud Centre	Expansion of remote schools early intervention for pupils, parents and teachers	£300,000
The Wave Project	Sustainability of the surf therapy project	£300,000
Empire Fighting Chance	Expanding the Boxing Therapy programme	£289,770
The Music Works	Evaluation and sustainability for the music programme	£273,807
Groundwork London	Support to expand the support at the Nest	£263,755
Body & Soul	Online mental wellbeing courses	£256,537
Raw Material Music and Media	Music and media programme	£252,858
The Mix	Expansion of digital counselling	£250,000
Young Roots	Personalised support for refugees and asylum seekers	£248,493
YoungMinds	Review of digital mental health support	£200,000
OTR Bristol	Community partnership programme	£193,271
Ormiston Families	Talking and creative therapy sessions for children of those in prison	£150,000
Dose of Nature	Therapeutic nature walk programme	£150,000
Youth Access	Core costs	£100,000
Comics Youth	Creative programme for young people	£90,000
Designs in Mind	Artistic programme for young people	£90,000
Kent Community Foundation	Youth mental health projects in Kent	£34,000
Focus Bath	Counselling support in Bath schools	£30,000
Student Minds	Enhancing University Mental Health Day	£30,000
PROMISEWorks	Core costs	£30,000
AT The Bus	Developing a growth plan	£25,000

Gingerbread	Wellbeing workshops for single parents	£15,000
Somerset and Wessex Eating Disorder Association	Children & young people's early intervention counsellor	£15,000
Mental Health: Prevention		
Student Minds	Core costs	£150,000
Anna Freud Centre	Creating an animation on trauma for children and young people affected by conflict	£120,000
Amber Foundation	Team leader at a new centre in Kent	£50,000
Place2Be	Enhancing Children & Young People's Mental Health Week 2023	£30,615
Oxfordshire Youth	Building Resilience programme	£30,000
Dalai Lama Centre for Compassion	Compassion Matters course in schools	£30,000
Oxfordshire Youth	Mental Health Ambassadors	£30,000
Gardening with Disabilities Trust	Access to gardening for disabled young people	£15,000
Carefree	Breaks for Young Carers	£15,000
James' Place Charity	Scoping for targeted marketing project	£10,000
Anna Freud Centre	Development of UKTC animation on trauma for CYP affected by conflict and war	£10,000
Environment		
Royal Welsh Agricultural Society	Da Byw 2023	£10,000
Total Grants		£6,624,846

19. KEY SERVICE PROVIDERS

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