

Rothsay

Foundation

A close-up photograph of a bumblebee on a flower, with its head and wings visible. The image is framed by a large white circle. The text "we care" is overlaid on the circle, with "we" inside a smaller white circle.

we care



Rothsay Foundation
Trustees' Report and Financial Statements 2021

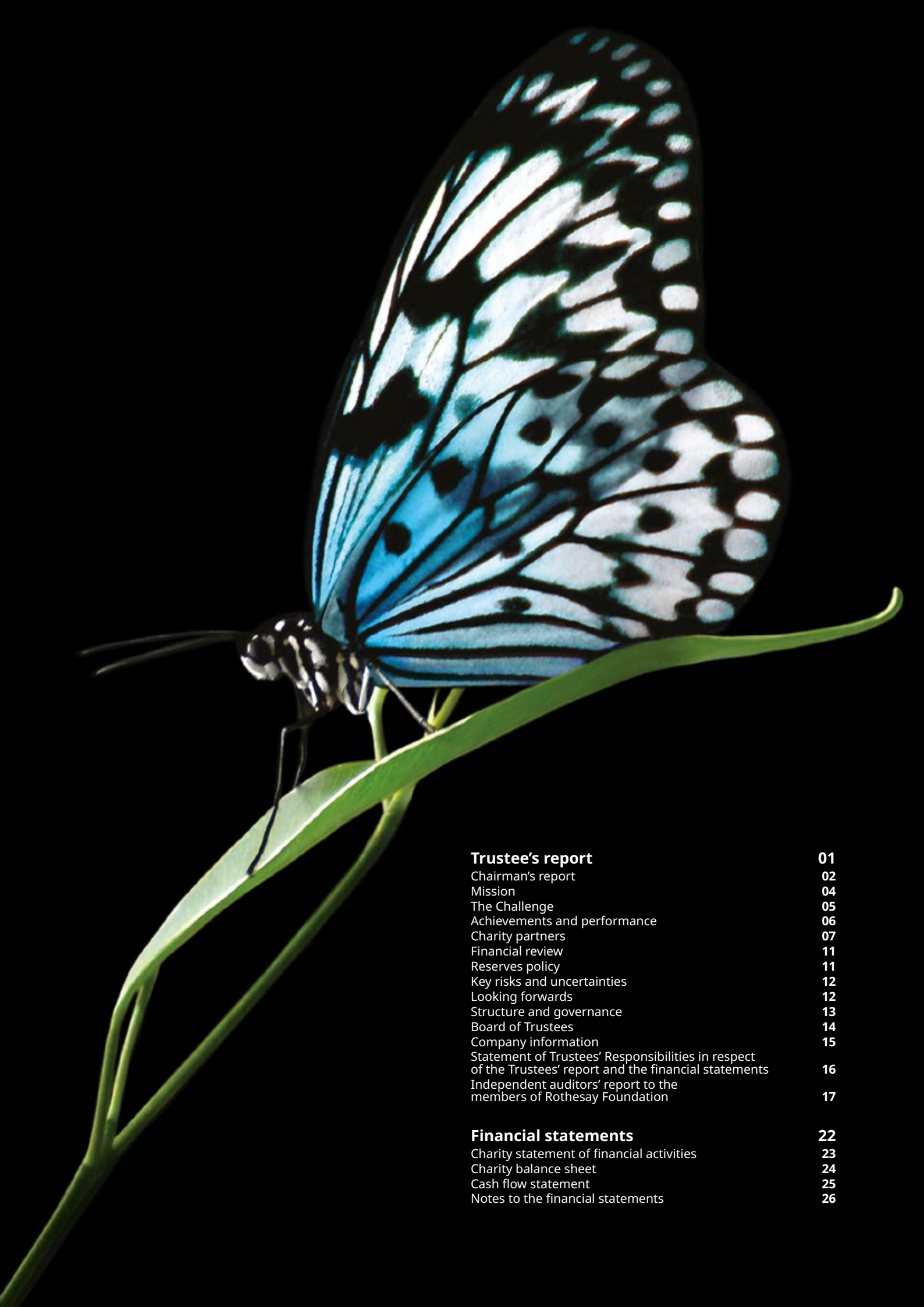
Company number: 12263987
Charity number: 1189490



Our purpose

Helping to secure
and improve the
quality of life for
older people.





Trustee's report	01
Chairman's report	02
Mission	04
The Challenge	05
Achievements and performance	06
Charity partners	07
Financial review	11
Reserves policy	11
Key risks and uncertainties	12
Looking forwards	12
Structure and governance	13
Board of Trustees	14
Company information	15
Statement of Trustees' Responsibilities in respect of the Trustees' report and the financial statements	16
Independent auditors' report to the members of Rothesay Foundation	17
 Financial statements	 22
Charity statement of financial activities	23
Charity balance sheet	24
Cash flow statement	25
Notes to the financial statements	26



Helping to secure and improve
the quality of life for older people

Ray King
Chairman, Rothsay Foundation



Chairman's report

I am pleased to say that the Rothesay Foundation has made good progress throughout the year, despite the ongoing challenges presented by the COVID-19 pandemic. We have supported a number of charities who have been heavily impacted by the pandemic and we also partnered with Age UK Lambeth and Iceland Foods to launch our 'Lambeth Winter Cheer' campaign, designed to help those older people living in the greatest need in the London borough of Lambeth.

We are pleased with the results of the campaign – which provided pensioners who were solely reliant on the State Pension or benefits with a £30 voucher to help them celebrate over the Christmas period – particularly that it has helped Age UK in Lambeth to make contact with many local people who are in need of the services they provide.

We are very conscious of the cost of living crisis that continues to grow aggressively, particularly driven by greatly increased energy prices and global supply shortages. Accordingly, we plan to significantly expand the roll out of the 'Lambeth Winter Cheer' partnership to a number of other areas in the UK which the Foundation has identified as having high levels of older people living in material deprivation. We are excited about the potential of this local-first approach to create innovative partnerships across the private and charitable sectors which can be mobilised at scale across the country.

We have learnt over the past year that to have the most long-term, positive impact we need to not only provide financial aid to those in need but also to help those organisations dedicated to tackling pensioner poverty to operate as effectively as possible. For this reason, we are increasing the amount of Rothesay staff who will support the Foundation, bringing expertise across operations, digital technology and policymaking. With this team in place, we have the ability to support our charity partners to build and improve their own capabilities for the long term, whether this be their resourcing, internal processes or digital infrastructure. We also know that to achieve positive impact at real scale, we need to raise awareness of the high levels of pensioner poverty in the UK, which is only likely to get worse with the current cost of living crisis, and to help foster greater national debate on how this can be tackled. Through conversations with national media publications who share the Foundation's concerns, we are optimistic that this can be achieved and we look forward to forging new partnerships in this space soon.

Finally, I would like to take this opportunity to give my thanks and warm wishes to our former Chief Executive, Anthony Walters, who left the Foundation in the second half of the year. Anthony's contribution in setting up the Foundation's success has been enormous and he departs having had a real impact on the organisations we have partnered with.

With best wishes,



Ray King
Chairman, Rothesay Foundation
11 May 2022



Mission

The Rothesay Foundation was established in 2019 by Rothesay, the UK's largest pensions insurance specialist. The Foundation was approved as a charity in 2020.

Rothesay is a purpose-built business, dedicated to protecting people's pensions. From its very first day, Rothesay has had a clear purpose: securing the future for every one of its policyholders.

The work of the Rothesay Foundation is rooted in this purpose. The Foundation's mission is to help secure and improve the quality of life for older people in need in the UK, enabling them to live their lives in a happy, safe and fulfilling way. In order to achieve this, the Foundation focuses on tackling material deprivation in the pension-age population in the UK, defined across four key areas:

- **Housing** – ensuring older people have a warm, comfortable home with working facilities.
- **Social** – helping older people to be able to have social interactions, such as travelling to see friends or family.
- **Finance** – supporting older people to pay their bills or unexpected costs, such as replacing essentials.
- **Basic** – providing essential services such as three healthy meals a day, access to a telephone or suitable clothing.

The Foundation partners with charities and other organisations to make this possible. It takes an 'active funding' approach to its partnerships, providing financial donations along with:

- **Expertise** – our understanding of scaling organisation and programme delivery.
- **Data & technology** – to help our partners have the most up-to-date technology so that they can effectively manage their data and reach more people in need, more efficiently and with a wider range of services.
- **Awareness & research** – so that the issue of pension-age poverty in the UK is better understood.
- **Measurement** – to ensure the Foundation's funding is having the highest amount of positive impact possible.

The Challenge

Understanding the poverty crisis among UK pensioners.

In 2030, 19.6 million people in the UK will be aged 60 and older, an increase of 24% from 2018. According to the UK Office for National Statistics, one in five people (21.8%) in 2030 will be 65+ years, 6.8% will be 75+ and 3.2% 85+.

Within the context of an increasingly ageing population, the UK is also seeing growing numbers of older people living in poverty. The Government's households below average income statistics show that 2.1 million pensioners are living in poverty after housing costs, almost a fifth of the entire UK pensioner population. This number has grown from the previous year by 200,000 more people, the largest number of pensioners living in poverty in more than 15 years.

With rising costs of living being experienced across the UK, the number of pensioners living in poverty is likely to continue to increase with the health and well being of older people further impacted.

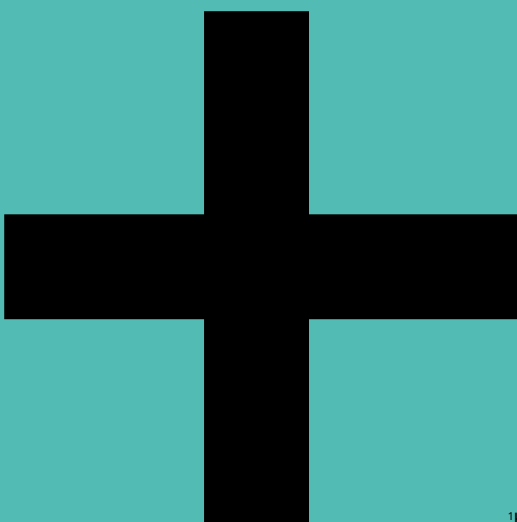
Helping to secure and improve the quality of life for the UK's older generation has never been more important. To do so will require long-term smart thinking supported by new types of partnerships and systems of support.

2.1m

over 65 year olds live in poverty in Great Britain (18% of the pensioner population).¹

200,000

more pensioners were living in poverty in 2019/20, compared to the year before, the highest number in 15 years.



¹Households below average income: for financial year ending 1995 to 2020, DWP, 2021.

Achievements and performance

Following an extensive analysis of over 3,000 UK charities and foundations which have a focus on supporting the elderly, the Rothesay Foundation produced a shortlist of organisations to which we believed we could provide the most valuable support.

Much of this support has focused on helping those charities which have been doing important work but were in urgent need of funds due to the COVID-19 pandemic, either because the costs of delivering their services had significantly risen or their usual funding structures were impacted.

During the year, the Foundation has also engaged extensively with a range of charities and other organisations to understand how we could best partner with them to help older people living in material deprivation. We found that, beyond funding, organisations could also benefit from support in coordinating their work with other charities or local service providers. They also needed help in raising awareness of the need for the support they provide, along with improved technology to more effectively deliver their services and measure their impact.

In order to better understand where the Foundation could have the most impact, we launched a pilot campaign in the London borough of Lambeth called 'Lambeth Winter Cheer'. Partnering with Iceland Foods and Age UK Lambeth, the campaign was designed to support the 8,000 older people the Foundation had identified as living in poverty in the Lambeth area over the festive period.

The campaign ran throughout the whole of December 2021 and in to January 2022, providing eligible residents with a £30 Iceland gift voucher to spend in one of seven local Iceland stores. Age UK Lambeth provided a telephone hotline so that older people who relied purely on a State Pension or benefits could call them and then be sent a voucher, helping to make it easier for them to celebrate over the Christmas period.

In total, the Lambeth Winter Cheer campaign helped 2,017 older people living in deprivation in Lambeth. Importantly, it also increased the number of people aware of Age UK's local Lambeth branch, and the support services it offers, by over two thirds.

As the cost of living crisis in the UK continues to grow, the Foundation plans to increase its activity to tackle pensioner poverty in the following ways:

- Significantly expanding the roll out of the 'Lambeth Winter Cheer' partnership to a number of other areas in the UK which the Foundation has identified as having high levels of older people living in material deprivation.
- Increasing the number of charity partners we work with, helping them to operate as effectively as possible. This includes helping them to improve their own capabilities for the long term, such as their resourcing, internal processes and digital infrastructure.
- Providing our charity partners with access to Rothesay's commercial expertise, where appropriate. Currently, this includes providing partners with access to our data management tools and training.
- Launching a partnership with a national media publication to raise awareness of the high levels of pensioner poverty in the UK and to help foster greater national debate on how this can be tackled.
- Significantly increasing this year's total donation amount to our partners as compared to last year's in line with our five-year plan.

To achieve this level of activity, we are increasing the amount of Rothesay staff who will support the Foundation, bringing expertise across operations, digital technology and policymaking.



Charity partners



Lambeth Winter Cheer – partners



Age UK Lambeth is an independent local charity that has worked in the community to help older people, their families and carers for over 70 years. Their mission is to support older people in Lambeth to live enriched, productive and purposeful lives but challenging the stigma of ageing, reducing social isolation and ensuring they get the right support at the right time.

Iceland

Iceland is recognised as the UK's leader in frozen food and operates over 950 stores across the country, together with a multi-award-winning online shopping service. It prides itself on being a convenient and friendly place to do the family's weekly shop, as well as meet everyone's daily top-up shopping needs for fresh, chilled, frozen food and groceries. For more than 20 years Iceland has also offered a unique, free home delivery service for in-store purchases.

Always committed to doing the right thing for customers, communities and the environment, Iceland was a pioneer in removing artificial colours, flavours and non-essential preservatives from its own label food in the 1980s, and in banning genetically modified ingredients in the 1990s. In 2018 it committed to becoming the first major retailer, globally, to eliminate plastic packaging from all of its own label products by the end of 2023, and to remove palm oil as an ingredient from its own label range by the end of 2018.



Our partners & charities



The Rothesay Foundation is supporting Food Train with a £380,000 grant over two years from September 2020. These funds will facilitate expansion to the remaining 23 council districts of Scotland where Food Train is not currently operating, delivered by:

- A new team of four supported by the Food Train Head Office.
- A new digital platform that will facilitate the integration and management of Food Train's logistics and supply chain.

Today an estimated 10% of older people living in Scotland suffer from malnutrition and 4% need some form of ongoing care or support.

Since 1995, Food Train has been making daily life easier for older people, providing vital services to those who are no longer able to manage independently, through age, ill health, frailty or disability. Food Train makes hundreds of grocery deliveries every week, ensuring those most in need have access to fresh groceries. In 2021, they made 69,700 deliveries, sometimes seeing demand over 80% higher than pre-COVID-19.

The Rothesay Foundation will continue to support and learn from Food Train as they expand their shopping service model in Scotland and develop their new technology platform. These learnings will be applied across the Foundation's other charitable initiatives wherever possible.



£380,000

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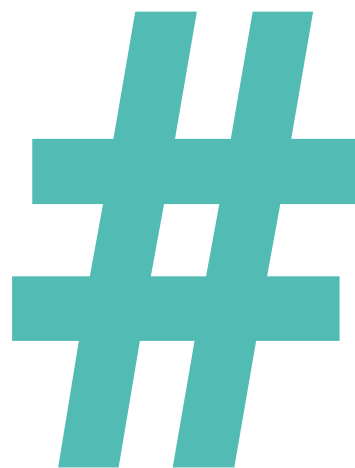


The Rothsay Foundation awarded an emergency one year grant of £250,000 (payable in two instalments) to enable GoodGym to deliver essential practical and social support to older and vulnerable people throughout the COVID-19 pandemic. The grant supports their network of 20,000 volunteers in 59 locations across the UK and enabled them to:

- Maintain deliveries during the outbreak.
- Protect key staff roles.
- Emerge strong as restrictions are lifted.
- Continue covering food costs for those unable to afford them.

The Rothsay Foundation funding allowed GoodGym to maintain their focus on supporting vulnerable older people by delivering food, prescriptions and other essential services. During the first national lockdown, volunteer members completed 16,985 'missions' including delivering food and prescriptions and providing hospital discharge support to older people. It has also allowed them to on-board and complete background checks for new members.

The Foundation will continue to work with GoodGym to understand and improve their delivery model, including how they might integrate a shopping/food delivery service into their technology platform.



£250,000

The Rothsay Foundation awarded an emergency one year grant of £250,000 (payable in two instalments) to enable GoodGym to deliver essential practical and social support to older and vulnerable people throughout the COVID-19 pandemic.

Financial review

The Foundation is funded from donations from the Rothsay Limited Group. Total income for the year consisted of donations and donated services of £257,000 (2020: £2,586,000). Expenditure in the year was £315,000 (2020: £323,000) which comprised the second year grants to the charities described on the previous page, Food Train £190,000 and GoodGym £125,000 (2020: Food Train £98,000, GoodGym £125,000 and SafeLives £100,000).

Reserves policy

At 31 December 2021 the Foundation had net assets of £1,862,000 (2020: £2,177,000). These are held as cash.

The Trustees do not have a formal reserves policy. The Foundation operates from donations from the Rothsay Limited Group and the Trustees will not commit their resources beyond the level of donations received. The Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern due to the commitments made and support provided by the Rothsay Limited Group.



Key risks and uncertainties

Given the net assets of the Foundation and the support provided by the Rothesay Limited Group, there are no material risks and uncertainties in relation to the ongoing operation of the Foundation. The main risks therefore relate to the effectiveness of the charities to which grants are being made. This risk is managed by the Trustees through comprehensive analysis of the potential charity partners and active engagement once the Foundation has committed to providing grants.

Looking forwards

The Trustees will continue to develop the Foundation's 'active funding' approach, providing financial donations to the organisations it works with along with other types of non-financial support. Based on the learnings from the Lambeth 'Winter Cheer' campaign, the Trustees will also explore new ways in which the Foundation can bring together the charitable and commercial sectors to create innovative partnerships, while refining the 'Winter Cheer' operating model so that it is scalable at a national level.

The Trustees also plan to appoint further independent Trustees to bring complementary skills and experience for the Foundation.

Structure and governance

The Rothesay Foundation is a registered charity (number 1189490) and was incorporated (company number 12263987) on 15 October 2019. It is governed by its Memorandum and Articles of Association dated 15 October 2019 as amended by special resolutions dated 29 April 2020 and 20 May 2021. The Foundation operates with support from the Rothesay Limited Group.

The Trustees of the Foundation since 1 January 2021 and as at the date of this report are as follows:

- Ray King
- Professor Dame Carol Black
- Addy Loudiadis
- James Dickson

Further details on the current Board of Trustees can be found on the following page.

Board of Trustees



**RAYMOND (RAY)
KING**
CHAIRMAN OF
TRUSTEES

Ray King is a Non-Executive Director of Rothesay, having stepped down as Chairman in December 2017. Ray ended his executive career as Group CEO of Bupa, having previously been Finance Director. Earlier in his career he held senior management roles at Diageo/Guinness plc, Southern Water plc and ICI plc.



**PROFESSOR
DAME CAROL
BLACK**

Professor Dame Carol Black is currently Chair of the British Library, the Centre for Ageing Better, and Think Ahead, the Government's fast stream training programme for Mental Health Social Workers. She co-chairs NHS England/Improvement's Expert Advisory Group on Employee Health and Wellbeing. She is a member of RAND Europe's Council of Advisers, and of the Boards of the Institute for Employment Studies and UKActive. In 2022 she was appointed Independent Adviser to the Government on combatting misuse of drugs.



**ANTIGONE
(ADDY)
LOUDIADIS**

Addy Loudiadis is Rothesay's founder and Chief Executive Officer. Addy established Rothesay in 2007 as a business purpose-built to protect pensions. Addy was previously a partner of Goldman Sachs and served as the co-head of the Investment Banking Division in Europe. Before moving to investment banking, she was head of European Fixed Income Sales at Goldman Sachs. Addy sits on the Board of the Association of British Insurers.



**JAMES
DICKSON**

James Dickson is Rothesay's General Counsel. He joined Rothesay in 2009 and is responsible for the legal function and execution team. Prior to joining Rothesay, James was at Linklaters for 15 years (11 years as a Partner) specialising in structured finance.

Company information

The Trustees present their Annual Report and the audited financial statements for the Rothesay Foundation (the Foundation), company registered number 12263987, and charity registered number 1189490, for the year ended 31 December 2021. The Foundation was incorporated on 15 October 2019 and therefore the comparative represents a fourteen month period.

The financial statements have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime. The Company has taken the exemption available and has not produced a strategic report.

Registered office

The registered office and principal place of business is The Post Building, 100 Museum Street, London WC1A 1PB.

Auditors

Resolutions to appoint PricewaterhouseCoopers LLP (1 Embankment Place, London, WC2N 6RH) in office as auditors of the Company pursuant to Section 487(2) of the Companies Act 2006 were passed on 9 April 2020.

Bankers

Barclays Bank UK Plc, 1 Churchill Place, London, E14 5HP.

Statement of Trustees' responsibilities in respect of the Trustees' report and the financial statements

The Trustees (who are also Directors of Rothesay Foundation for the purposes of Company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the charitable Company for that year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, 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 charitable Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Section 418, Directors' reports shall include a statement, in the case of each Director in office at the date the Directors' report is approved, that:

- a. so far as the Trustee is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- b. he/she has taken all the steps that he ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The Trustees' report on pages 1 to 16 was approved by the Board of Trustees on 11 May 2022 and signed on their behalf.



Ray King
Chairman of Trustees
11 May 2022

Independent auditors' report to the members of Rothsay Foundation

Report on the audit of the financial statements

Opinion

In our opinion, Rothsay Foundation's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable Company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Trustees' Report and Financial Statements (the "Annual Report"), which comprise: the charity balance sheet as at 31 December 2021; the charity statement of financial activities and the cash flow statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 charitable Company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charitable Company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Trustees' Annual Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Trustees' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the charitable Company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Trustees' Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the Trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities in respect of the Trustees' report and the financial statements, the Trustees (who are also the Directors of the charitable Company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Trustees are also responsible for such internal control as they 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 charitable Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable Company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the members of Rothesay Foundation

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

Based on our understanding of the charitable Company, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journals to manipulate financial results or conceal the misappropriation of assets. Audit procedures performed included:

- testing all transactions during the year ended 31 December 2021;
- obtaining confirmations of cash balances as at 31 December 2021;
- testing the recognition of grant expenditure in line with terms of the grant awards;
- enquiry of management and the board of Trustees, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud; and
- assessing financial statement disclosures, and testing to supporting documentation, for compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Trustees were not entitled to: take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.

Daniel Chan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

London
11 May 2022



Financial statements

Financial statements	23
Charity statement of financial activities	24
Charity balance sheet	25
Cash flow statement	26
Notes to the financial statements	27

Charity statement of financial activities

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Total funds 2021 £'000	Total funds 2020 £'000
Income from:			
Donations received	B.1	257	2,586
Total income		257	2,586
Expenditure on:			
Charitable activities	B.2	(315)	(323)
Donated services	B.3	(257)	(86)
Total expenditure		(572)	(409)
Net (expenditure)/income		(315)	2,177
Transfers between funds		—	—
Net movement in funds		(315)	2,177
Reconciliation of funds			
Total funds brought forward		2,177	—
Total funds carried forward	D.1	1,862	2,177

The Rothesay Foundation did not allocate any restricted funds during the year. All of the funds analysed in the statement above are unrestricted.

The Charity statement of financial activities incorporates an income and expenditure account.

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

Notes A – E form an integral part of these financial statements.

Charity balance sheet

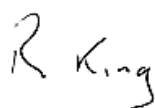
AS AT 31 DECEMBER 2021

	Note	2021 £'000	2020 £'000
Current assets			
Cash at bank and in hand	C.1	1,862	2,177
Total assets		1,862	2,177
Charity funds		—	—
Unrestricted funds	D.1	1,862	2,177
Total charity funds		1,862	2,177

The financial statements have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

Notes A – E form an integral part of these financial statements.

Approved by the Trustees and authorised for issue on 11 May 2022 and signed on its behalf by:



Ray King
 Chairman of Trustees
 11 May 2022

Company number 12263987
 Charity number: 1189490

Cash flow statement

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £'000	2020 £'000
Cash flows from operating activities			
Net (expenditure)/income		(315)	2,177
Change in cash at bank and in hand in the year		(315)	2,177
Cash at bank and in hand as at 1 January		2,177	—
Cash at bank and in hand at 31 December	C.1	1,862	2,177

Notes A – E form an integral part of these financial statements.

Notes to the financial statements

Note A - Accounting policies

The principal accounting policies and judgements used in the preparation of the financial statements are summarised below.

A.1 Basis of preparation

The financial statements of the Company have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these financial statements. The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime. The Company has taken the exemption available and has not produced a strategic report.

The Company constitutes a public benefit entity as defined by FRS 102. The financial statements of the Company are presented in sterling (£) rounded to the nearest thousand (£'000).

A.2 Going concern

The Trustees have considered the Foundation's financial position, liquidity and future commitments as well as the impact of COVID-19 on the charity and remain satisfied that the Foundation has adequate resources to continue in business and to meet its obligations for the foreseeable future. The financial statements have therefore been prepared on a going concern basis.

A.3 Fund accounting

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objectives.

A.4 Donation recognition

Donations received are recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. In the event that a donation or grant is subject to conditions, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Company and it is probable that those conditions will be fulfilled.

A.5 Donated services

Donated services are those provided to the charity free of charge. All donated services are recognised at their value to the charity as assessed by the Trustees. The value of the donated services is recognised as income from donations in the statement of financial activities and the corresponding expense is recognised as expenditure on donated services.

A.6 Grants payable

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled conditions attaching to that grant is outside of the control of the Charity.

Notes to the financial statements

continued

Note A – Accounting policies (continued)

A.7 Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably.

A.8 Critical assumptions and the use of estimates

During the preparation of the financial statements the Company selects accounting policies and makes estimates and assumptions that impact on the items reported and their presentation. The most significant areas of adjustment and key assumptions that affect items in the financial statements are to do with estimating the liability from multi-year grant commitments. The Trustees review the reasonableness of these judgements and assumptions as well as the appropriateness of the accounting policies applied.

The Trustees do not consider there to be any matters of significant judgement made during the financial year.

Estimates are based on evidence available at the accounting date and opinions provided by subject matter experts. Actual results may vary from the estimates provided. As new facts become available estimates will be updated. The Trustees do not consider there to be any material estimations made during the year.

Note B – Charity statement of financial activities

B.1 Donations received

	2021 £'000	2020 £'000
Donations received	257	2,586
Total donations received	257	2,586

During 2021, Rothesay Life Plc (another Rothesay Limited Group company) donated £263,000 of service to The Foundation. During 2020 Rothesay Life Plc donated £2.5m to the Rothesay Foundation.

B.2 Analysis of grants

	2021 £'000	2020 £'000
Recipients of institutional grants:		
Food Train	190	98
GoodGym	125	125
SafeLives	—	100
Total	315	323

Note B – Charity statement of financial activities (continued)
B.3 Donated services

	2021 £'000	2020 £'000
Auditors' remuneration	32	30
Salaries, bonus, and other employee benefits	145	56
Other expenditure	80	—
Total	257	86

Salaries bonus and other employee benefits include recharged staff costs borne by another group undertaking.

B.4 Analysis of staff costs and remuneration of key management personnel

All Rothesay Limited Group persons involved in the Foundation's operations are employed by a wider Group undertaking, Rothesay Pensions Management Limited (RPML). The charges made by RPML in relation to wages and salaries, social security costs, and other pension costs for all the services provided (personnel and other) to the Foundation have been borne by another Group undertaking. The charges relating to key management personnel (one individual who left the Foundation in October) as at 31 December 2021 are as follows:

	2021 £'000	2020 £'000
Wages and salaries	83	46
Social security costs	12	6
Other pensions costs	7	4
Total employee benefit expense	102	56

The Trustees are not remunerated for their services to the Foundation and any expenses are reimbursed by another Group undertaking.

B.5 Auditors' remuneration

Fees paid and payable to the Company's auditors (excluding VAT) are as follows:

	2021 £'000	2020 £'000
Auditors' remuneration	32	30
Total	32	30

Auditors' remuneration has been borne by another Group company, Rothesay Life Plc.

B.6 Taxation

The Rothesay Foundation is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the Charity is exempt from taxation in respect of income of capital gains received within categories covered by Part 10 of the Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Notes to the financial statements

continued

Note C – Asset and liabilities

C.1 Analysis of current assets

	2021 £'000	2020 £'000
Cash at bank and in hand	1,862	2,177
Total	1,862	2,177

Note D – Charity funds

D.1 Analysis of charitable funds

	Balance as at 1 January 2021 £'000s	Income £'000s	Expenditure £'000s	Funds carried forward at 31 December 2021 £'000s
Analysis of fund movements	2,177	257	(572)	1,862
Total	2,177	257	(572)	1,862

	Balance at incorporation £'000s	Income £'000s	Expenditure £'000s	Funds carried forward at 31 December 2020 £'000s
Analysis of fund movements	—	2,586	(409)	2,177
Total	—	2,586	(409)	2,177

Note E – Other notes

E.1 Financial commitments and contingencies

At the balance sheet date, the Charity was committed to the following:

	2021 £'000	2020 £'000
Grant commitments	92	407
Total	92	407

At the balance sheet date, the Charity was committed to pay donations from funds to beneficiary charities over a period to January 2022, subject to certain conditions being met by the charities. No amount has been recorded in the balance sheet for these amounts.

Note E – Other notes (continued)
E.2 Related parties disclosure

The Charity received a donation of £257,000 of donated services (2020: £2.6m (£2,500,000 donation and £86,000 of donated services)) from another Group company, Rothesay Life Plc.

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind. There were no expenses paid to the Trustees in the year.

The Charity considers its key management personnel comprise the Trustees and the interim Chief Executive Officer of the Foundation (who left the Foundation during October 2021). All employment benefits are incurred by another Group company. During the year ended 31 December 2021 transactions between Rothesay Pensions Management Limited and key management personnel in relation to services provided to the charity were as follows:

	2021 £'000	2020 £'000
Salaries, bonus and other employee benefits	102	56
Total	102	56

One employee earned over £60,000 during the year ended 31 December 2021 (2020: £nil). Since the Trustees do not receive any remuneration or employment benefits there are no related party transactions to disclose in relation to the Trustees.

Rothestay

Foundation

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