

# Rothesay

Foundation

we care



Rothesay Foundation  
Trustees' Report and Financial Statements 2022

Company number: 12263987  
Charity number: 1189490



Our purpose

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

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

**James Dickson**  
Chairman, Rothsay Foundation



## Chairman's report

I am happy to say that the Rothesay Foundation has made very good progress throughout the year, significantly increasing the range of support it was able to provide and delivering its first nationwide activation to help pensioners living in deprivation: the 'Summer Cheer' campaign.

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 which could be used at Iceland Food stores, to help them with the cost of living – particularly that it also helped raise awareness of the additional benefits and support services that many pensioners are currently eligible for but not receiving, such as Pension Credit payments.

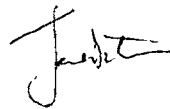
To achieve this, Age UK's information guide on claiming the right benefits in later life was sent to all 80,000 'Summer Cheer' campaign participants who received an Iceland voucher, as well as a further 5,000 who contacted the helpline once all of the available vouchers had been allocated. The guide will help some of the most vulnerable pensioners living in our country to better understand the range of benefits they could receive and provides practical guidance on how to access this support.

We are very conscious that the cost of living crisis continues to grow, particularly driven by greatly increased energy prices and global supply shortages. Accordingly, we plan to focus on providing older people in need with cost of living support at scale and to work with our partners to ensure as many pensioners as possible receive the state benefits they are eligible for. This includes directly following up with 'Summer Cheer' participants, where they are happy to be contacted, and to fund the support infrastructure and awareness campaigns that are necessary to help the vulnerable elderly navigate an often complex welfare system.

Through conversations with our commercial and charity partners, as well as national media publications who share the Foundation's concerns, we are optimistic that this ambition can be achieved and we look forward to forging new campaigns and programmes of support in this area over the years ahead.

Finally, I would like to take this opportunity to give my thanks and warm wishes to our former Chair of Trustees, Ray King, who left the Foundation in the second half of the year following his decision to retire. Ray's contribution and support in setting up the Foundation, driving its continued growth and progress – particularly during the challenges of COVID-19 – has been critical to its success and we would like to thank him for all his work and wish him the very best in retirement.

With best wishes,



**James Dickson**  
Rothesay Foundation  
25 May 2023

# Mission



The Rothesay Foundation was established in 2019 by Rothesay, the UK's largest specialist pensions insurer. 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 a similar 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 organisations 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

### The cost of living crisis among UK pensioners.

As the cost of living crisis continues to push high numbers of pensioners living in the UK into poverty, Age UK's research,<sup>1</sup> showing that 770,000 pensioner households (single people or couples) were also missing out on Pension Credit payments (worth around £1.5 billion every year), was particularly concerning.

The Department of Work and Pensions states that claiming Pension Credit can be worth over £3,300 a year<sup>2</sup> for pensioners who are eligible to receive this extra financial support. Crucially, receiving Pension Credit helps to not only give older people extra cash, but once claimed it can also unlock other financial help towards the cost of living such as a free TV licence, free NHS dental treatment and help towards energy costs through the Warm Home Discount.

Working with eligible pensioners who are not currently receiving Pension Credit to get access to this support, and to the wider benefits it can unlock, has the potential to materially help a huge number of vulnerable older people over multiple years in a way in which a single charity, or Foundation, could never achieve alone. The Rothesay Foundation has therefore focused its efforts this year into trying to reach as many pensioners as possible who are likely to be eligible for Pension Credit and other State benefits, but who are not currently receiving them, providing them with information on how it could help and practical support on how to apply.

1 <https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/cost-of-living-parliamentary-briefing--june-2022.pdf>

2 <https://www.gov.uk/government/news/eligible-pensioners-urged-to-claim-pension-credit-to-help-with-cost-of-living>



## Achievements and performance

Following the success of 'Winter Cheer', the pilot community campaign which took place in the London borough of Lambeth in late 2021, the Foundation expanded its partnership with Iceland Foods and Age UK to significantly increase its support for the growing number of pensioners living in poverty in the UK.

The 'Summer Cheer' campaign was rolled out in 269 Iceland stores from 1 August until 16 September. It provided local pension-age residents who relied solely on a state pension and benefits with a £30 voucher which could be used at Iceland Food stores for food and other essentials.

The campaign was designed to give participants some immediate financial support through the Iceland vouchers, while also providing them with information about the eligibility criteria for receiving Pension Credit (and other benefits) along with practical guidance on how to apply. In this way, the Foundation hopes to help campaign participants receive financial support over the long term too.

### Summer Cheer participant

**" I would like to say a big thank you to all concerned for providing me with my £30 Iceland voucher. My freezer has been running empty as I am on a pension of £125 a week and really struggling. I recently visited a food bank only to be told they could not help me as I am not on benefits. This is a wonderful thing you are doing to help us. "**

### Richard Walker, Managing Director of Iceland Foods, said:

**" Since the launch of the partnership last Christmas, the cost-of-living crisis has taken hold of the UK, and now more than ever, people are struggling to access the food they need. No one should ever have to worry about how they are going to eat or drink, and we hope that the support we can offer across the UK will help pensioners access and enjoy a worry-free meal during this difficult time. "**

## Achievements and performance continued

### Hannorah Lee, Director of Partnerships at Age UK said:

“Many older people are really worried about soaring food and energy prices and are facing impossible choices such as whether they can afford to buy fresh food or turn their heating on during the colder weather. At the same time over £1.5 billion benefits go unclaimed by older people every year. We encourage any older person who is worried about money and thinks they might be entitled to some help to contact Age UK by calling its national advice line, free of charge, on 0800 169 65 65 (8am-7pm), visiting [www.ageuk.org.uk/money](http://www.ageuk.org.uk/money), or contacting their local Age UK for free information and advice.”

### Addy Loudiadis, of the Rothesay Foundation, said:

“We hope our vouchers will provide a small amount of relief to the growing number of older people living in real financial difficulty in the UK. Going forward, we are committed to working with brilliant partners like Iceland and Age UK to help as many pensioners as possible get access to their full benefit allowances.”

### Summer Cheer participant

“Just a note to say thank you so much to you and Iceland for sending me the £30 voucher – it will help me get some nourishing food, which I can eat during the winter.”

### Immediate Support: the £30 Iceland vouchers

- Iceland provided the £30 vouchers at zero profit.
- The Foundation initially purchased 40,000 vouchers at a cost of approximately £1m.
- The 269 participating Iceland stores were mapped against 16 areas nationwide which were identified by Rothesay's actuarial team as having some of the highest numbers of pensioners living in material deprivation in the country.
- The Foundation appointed a commercial fulfilment partner, responsible for handling calls to the campaign hotline and for sending out the vouchers to eligible campaign participants.

### Long-Term Support: the Age UK Benefits Advice Guides.

#### The Foundation team:

- Worked with Age UK to develop the campaign call centre's script for call handlers, ensuring it was designed to best support the older population.
- Ensured that with each Iceland voucher, participants also received a copy of Age UK's information guide on financial advice and claiming benefits, to help older people and their carers understand what support they might be eligible for.
- Offered participants the opportunity to have their details saved by the Foundation so that they are included in future campaigns which might further help them.
- Delivered an extensive national and local media programme to raise awareness of the level of pensioner poverty in the UK, including Age UK's benefits guide and national advice line.

Following the scale of the response from eligible pensioners to the campaign over its first few weeks, the Foundation trustees approved a doubling of the Foundation's original commitment with a further approximately £1m of funding to purchase an additional 40,000 Iceland vouchers. Funding to cover additional costs, such as increasing our fulfilment partner's staffing levels, was also approved.

In total, the 'Summer Cheer' campaign successfully provided over 80,000 pensioners living in deprivation with a £30 voucher, giving them a small amount of relief as their living costs continued to increase. A further 5,000 additional Age UK benefits guides were provided once the campaign had closed, resulting in a total of 85,000 pensioners receiving information on applying for Pension Credit, along with the other benefits and support services they may be eligible for.

**Areas where the vouchers were made available to eligible pensioners included:**

- Glasgow
- Strathclyde
- Greater Manchester
- Liverpool
- Wirral
- Newcastle North
- Sunderland
- Huddersfield/Barnsley
- Sheffield
- Birmingham
- West Midlands
- Glamorgan
- Newport
- North Wales
- Lambeth

The Summer Cheer campaign provided 80,000 pensioners living in deprivation with a £30 voucher.

**Summer Cheer participant**

**"** My mother really appreciates your kind generosity which will help enormously during these financially challenging times. **"**

**Summer Cheer participant**

**"** I have today received the £30 voucher from you. I would just like to say a big thank you as this will help me out no end during these hard times. **"**





# Charity partners



## Summer Cheer – partners



Age UK is a national charity that works with a network of partners, including Age Scotland, Age Cymru, Age NI and local Age UKs across England, to help everyone make the most of later life, whatever their circumstances.

In the UK, the Charity helps more than seven million older people each year by providing advice and support. It also researches and campaigns on the issues that matter most to older people. Its work focuses on ensuring that older people: have enough money; enjoy life and feel well; receive high quality health and care; are comfortable, safe and secure at home; and feel valued and able to participate.

Age UK's subsidiary charity, Age International, supports older people globally in over 30 developing countries by funding programmes such as vital emergency relief and healthcare and campaigning to raise awareness and change policies.

Age UK is a charitable company limited by guarantee and registered in England (registered charity number 1128267 and registered company number 6825798). Charitable services are provided through Age UK and commercial products are offered by the Charity's Community Interest Company (CiC) (registered company number 1102972) which donates its net profits to Age UK (the Charity).

## Summer Cheer – partners continued

The Iceland logo, featuring the word "Iceland" in a bold, red, sans-serif font.

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 meeting 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 and 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 has supported Food Train with a £380,000 grant over two years from September 2020 (£98,000 in 2020, £190,000 in 2021 and £92,000 in 2022). 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.

The Rothesay Foundation hope to 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.

## 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 £2,051,000 (2021: £257,000). Expenditure on charitable activities in the year was £1,964,000 (2021: £315,000) which comprised of the second year grant to Food Train of £92,000, described on the previous page, and £1,872,000 for the Summer Cheer campaign (2021: Food Train £190,000 and GoodGym £125,000).

## Reserves policy

At 31 December 2022 the Foundation had net assets of £2,333,000 (2021: £1,862,000). 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 Rothsay 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 forward

Despite the very difficult financial position of many older people living in the UK and campaigns like 'Summer Cheer', we know that the amount of unclaimed benefits which pensioners are eligible to receive each year is still very sizeable. If this financial support was able to be more effectively accessed, its potential to help the UK's elderly population would be huge.

The Trustees will continue to develop the Foundation's response to try to tackle this problem, building on the success of the 'Summer Cheer' campaign, including by following up with eligible campaign participants to offer them further support. Potential activations for this follow up programme include offering benefits eligibility checks and increasing the amount of expert support which is available to those in need.

The Foundation will also continue to raise awareness of the number of pensioners living in poverty in the UK, the challenges they experience every day, and the barriers they face to receiving the level of Government support they are eligible for. It will continue to explore new ways in which the Foundation can bring together the charitable and commercial sectors to create innovative partnerships, while refining the 'Summer Cheer' operating model so that it can deliver as effectively as possible going forward.

The Trustees also plan to appoint further independent Trustees to bring complementary skills and experience for the Foundation and will continue to utilise Rothsay staff's expertise across operations, data analysis, digital technology and policymaking.





## 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 2022 and as at the date of this report are as follows:

	Appointed	Resigned
<b>Ray King</b>		30 June 2022
<b>Professor Dame Carol Black</b>		
<b>Tom Pearce</b>	19 April 2023	
<b>Terry Miller</b>	19 April 2023	
<b>Hilary Berg</b>	19 April 2023	
<b>Addy Loudiadis</b>		
<b>James Dickson</b>		

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

## Board of Trustees



### JAMES DICKSON

James Dickson was, until January 2023, Rothesay's General Counsel and still acts as a specialist senior legal counsel advising on Rothesay's most significant transactions and strategic initiatives. 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.



### THOMAS (TOM) PEARCE

Tom Pearce is Co-Founder and Chief Executive Officer of Rothesay. Tom founded Rothesay with Addy Loudiadis in 2007 and was previously its Managing Director. Tom has overall responsibility for Rothesay's strategy and operational delivery, including Business Development, Financing, Investment Origination and Operations. Tom has been a Board Director of Rothesay since 2016. Prior to founding Rothesay, Tom was part of the fixed income and investment banking team at Goldman Sachs with responsibility for pension fund and insurance company clients. Tom sits on the board of the Association of British Insurers.



### THERESE (TERRY) MILLER

Terry Miller is a non-executive director of Rothesay and the senior independent director of Galliford Try Plc, a non-executive director of Goldman Sachs International Bank and Goldman Sachs International, and a non-executive director and senior independent director of the Stelrad Group plc. During 2021, Terry was appointed as a non-executive director of the British Equestrian Federation. She was previously general counsel of the London Organising Committee of the Olympic and Paralympic Games (LOCOG), and a non-executive director of the British Olympic Association. Prior to her LOCOG appointment she was a partner of Goldman Sachs, most recently as international general counsel. Terry was awarded an OBE for services to the London 2012 Games in the 2013 New Year's Honours List.



### HILARY BERG

Hil has spent more than 25 years supporting corporate, public and third sector organisations to integrate purpose into strategy and to campaign for change, with a focus on climate and social justice, and collaborative social innovation. Hil's work has involved initiatives across the world and she's won multiple industry awards. She has twice been named Outstanding UK Independent Consultant by the Chartered Institute of Public Relations (CIPR) and was one of the country's founding Chartered PR Practitioners. She has a Masters in PR and Communications for Social Change, with a research specialism in brand activism.

Hil is currently head of strategy at M&C Saatchi Life – a global strategic and creative consultancy specialising in transformative sustainability. She was previously head of sustainability at Iceland Foods and director of communications and marketing at Alder Hey Hospital.

She is a member of the Chartered Institute of Public Relations Global ESG Panel; an Advisory Board Member for Business in the Community; and a Trustee of Feeding Britain.



### 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 co-founder and former Chief Executive Officer from 2007 to 2022. Addy has now taken the role of Founder Director of Rothesay Limited. 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 is also a former board member of the Association of British Insurers.

## 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 2022. Comparative information has been presented for the year ended 31 December 2021.

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.

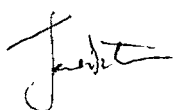
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable Company and enable them to ensure that the financial statements 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/she 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 19 was approved by the Board of Trustees on 25 May 2023 and signed on their behalf.



**James Dickson**  
Chairman of Trustees  
25 May 2023

# Independent auditors' report

## TO THE MEMBERS OF ROTHESAY FOUNDATION

### Report on the audit of the financial statements

#### **Opinion**

In our opinion, Rothesay 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 2022 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 2022; 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 continued

## 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 2022;
- obtaining confirmations of cash balances as at 31 December 2022;
- testing the recognition of grant expenditure in line with terms of the grant awards;
- enquiring 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](http://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 charitable Company'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  
25 May 2023

# Financial statements



## In this section

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# Charity statement of financial activities

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Total funds 2022 £'000	Total funds 2021 £'000
<b>Income from:</b>			
Donations received	B.1	2,051	257
<b>Total income</b>		2,051	257
<b>Expenditure on:</b>			
Charitable activities	B.2	(1,964)	(315)
Donated services	B.3	(551)	(257)
<b>Total expenditure</b>		(2,515)	(572)
<b>Net expenditure</b>		(464)	(315)
Transfers between funds		–	–
<b>Net movement in funds</b>		(464)	(315)
<b>Reconciliation of funds</b>			
Total funds brought forward		1,862	2,177
<b>Total funds carried forward</b>	D.1	1,398	1,862

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

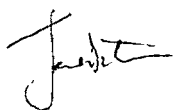
AS AT 31 DECEMBER 2022

	Note	2022 £'000	2021 £'000
<b>Current assets</b>			
Cash at bank and in hand	C.1	2,333	1,862
<b>Total assets</b>		2,333	1,862
<b>Liabilities</b>			
Other creditors	C.2	935	–
<b>Total liabilities</b>		935	–
Unrestricted funds	D.1	1,398	1,862
<b>Total charity funds</b>		2,333	1,862

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 25 May 2023 and signed on its behalf by:



**James Dickson**  
 Chairman of Trustees  
 25 May 2023

Company number 12263987  
 Charity number: 1189490

# Cash flow statement

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £'000	2021 £'000
<b>Cash flows from operating activities</b>			
Net expenditure		(464)	(315)
Other liabilities		935	–
<b>Change in cash at bank and in hand in the year</b>		<b>471</b>	(315)
Cash at bank and in hand as at 1 January		1,862	2,177
<b>Cash at bank and in hand at 31 December</b>	C.1	<b>2,333</b>	1,862

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), except where stated.

### **A.2 Going concern**

The Trustees have considered the Foundation's financial position, liquidity and future commitments and remain satisfied that the Foundation has adequate resources to continue in business and to meet its obligations for the foreseeable future, which are completely at the discretion of the Trustees. 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 where applicable 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

	2022 £'000	2021 £'000
Donations received	2,051	257
<b>Total donations received</b>	<b>2,051</b>	<b>257</b>

During 2022, Rothesay Life Plc (another Rothesay Limited Group company) donated £1,500,000 and donated a further £551,000 of service to The Foundation. During 2021 Rothesay Life Plc donated £257,000 of service to the Rothesay Foundation.

### B.2 Analysis of grants

	2022 £'000	2021 £'000
Recipients of institutional grants:		
Food Train	92	190
GoodGym	–	125
Iceland	1,872	–
<b>Total</b>	<b>1,964</b>	<b>315</b>



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

	2022 £'000	2021 £'000
Auditors' remuneration	35	32
Salaries, bonus and other employee benefits	92	145
Other expenditure	424	80
<b>Total</b>	<b>551</b>	<b>257</b>

Salaries, bonus and other employee benefits include recharged staff costs borne by another group undertaking. The increase in other expenditure has been driven by the administration costs of the Iceland voucher call centre.

**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. There are no charges related to key management personnel (2021: one individual who left in October 2021).

	2022 £'000	2021 £'000
Wages and salaries	–	83
Social security costs	–	12
Other pensions costs	–	7
<b>Total employee benefit expense</b>	<b>–</b>	<b>102</b>

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:

	2022 £'000	2021 £'000
Auditors' remuneration	35	32
<b>Total</b>	<b>35</b>	<b>32</b>

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 – Assets and liabilities

#### C.1 Analysis of current assets

	2022 £'000	2021 £'000
Cash at bank and in hand	2,333	1,862
<b>Total</b>	<b>2,333</b>	<b>1,862</b>

#### C.2 Analysis of other creditors

	2022 £'000	2021 £'000
Payables to other Group undertakings	935	–
<b>Total</b>	<b>935</b>	<b>–</b>

Payables to other Group undertakings relate to payments made by another Group undertaking on Rothesay Foundation's behalf.

### Note D – Charity funds

#### D.1 Analysis of charitable funds

	Balance as at 1 January 2022 £'000	Income £'000	Expenditure £'000	Funds carried forward at 31 December 2022 £'000
Analysis of fund movements	1,862	2,051	(2,515)	1,398
<b>Total</b>	<b>1,862</b>	<b>2,051</b>	<b>(2,515)</b>	<b>1,398</b>

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

## Note E – Other notes

### E.1 Financial commitments and contingencies

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

	2022 £'000	2021 £'000
Grant commitments	-	92
<b>Total</b>	<b>-</b>	<b>92</b>

At the balance sheet date, the Charity was not committed to pay any donations from funds to beneficiary charities.

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 during the prior year 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 2022 there were no transactions between Rothesay Pensions Management Limited and key management personnel in relation to services provided to the charity.

	2022 £'000	2021 £'000
Salaries, bonus and other employee benefits	-	102
<b>Total</b>	<b>-</b>	<b>102</b>

During 2021 one employee earned over £60,000. Since the Trustees do not receive any remuneration or employment benefits there are no related party transactions to disclose in relation to the Trustees.

# Rothsay

Foundation

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