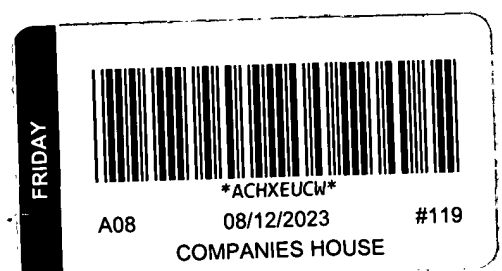

FNZ FOUNDATION
(A company limited by guarantee)

UNAUDITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022



FNZ FOUNDATION
(A company limited by guarantee)

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FNZ FOUNDATION
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 30 NOVEMBER 2022**

Trustees	V Sharif, Chair B Richardson, Trustee G De Battista, Trustee (resigned 30 November 2022) C P Warner, Trustee
Company registered number	13004093
Charity registered number	1193269
Registered office	67 Lombard Street London EC3V 9AJ
Accountants	Donald Reid Limited Chartered Accountants 18a/20 King Street Maidenhead Berkshire SL6 1DT
Solicitors	Addleshaw Goddard Milton Gate 60 Chiswell Street London EC1Y 4AG

FNZ FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2022

The Trustees present their annual report together with the financial statements of the Company for the year 1 December 2021 to 30 November 2022. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The Charity's objects remain as follows:

- (i) To preserve and protect the health, and promote the education of, the underprivileged in society;
- (ii) To promote for the benefit of the public the conservation protection and improvement of the physical and natural environment.; and
- (iii) The promotion of such other purposes as shall be charitable in accordance with the law of England and Wales.

b. Strategies for achieving objectives

The Foundation has three components to its strategy for achieving its aims. The first is to take a strategic approach to selecting high-impact partnerships with organisations who deliver on the charity's objectives. Secondly, the intention for FNZ Group to consolidate charitable giving through the Foundation aligns with the values of both organisations. Finally, engaging employees in charitable giving to amplify the mission and objects of the Foundation is planned.

c. Activities undertaken to achieve objectives

The Foundation's activities remained focused on three main areas of development. The first, to evaluate and put in place strategic partnerships with charities aligned with its mission, alongside maintaining an appropriate allocation of grants for smaller, local, community-led initiatives and for the matching of FNZ Group employee charitable raising donations.

Progress continues to move forward on a programme of activities intended to engage employees in charitable giving through the engagement of regional stakeholders and the development of a core strategy for implementation.

d. Social investment policies

For the period to date, given the nature of the Foundation grant making activities, a social investment policy was drafted and is undergoing a review process with a view to implementation. This policy will be reviewed annually.

FNZ FOUNDATION
(A company limited by guarantee)

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

Objectives and activities (continued)

e. Grant-making policies

We take an approach whereby we carefully select organisations with whom we partner to ensure that we do the very best we can, through long-term partnerships, in the areas where we make grants. Secondly, following a due diligence process, the Foundation made its first grant in line with its strategic objectives to The Nature Conservancy ('TNC') specifically to support their work on carbon markets and scaling nature-based climate solutions. TNC's mission is to conserve the lands and waters on which all life depends, in line with the FNZ Foundation's objects. There is a strong alignment between The Nature Conservancy and FNZ's Foundation's objectives: conservation of natural capital and inclusion of local communities in the development of sustainable livelihoods models. The project is an innovative "incubator" approach for forest carbon projects which can then go on to sell carbon credits and become self-sustaining.

The Foundation also provided a donation to UK Charity We Help Ukrainians, an organisation dedicated to supporting and empowering individuals and communities in Ukraine. The ongoing challenges faced by Ukrainians, ranging from economic hardships to geopolitical uncertainties, necessitate a concerted effort to provide assistance and foster sustainable development. The grant supported key benefits at a critical time for Ukraine including humanitarian aid, emergency relief, and immediate assistance provided to those affected by conflict, ensuring timely and effective relief for vulnerable populations.

f. Volunteers

No remuneration is provided to any personnel associated with the Foundation with the exception of professional services fees to service providers and advisors, for example legal and accounting services. All personnel contribute time on a voluntary basis.

g. Main activities undertaken to further the Company's purposes for the public benefit

Achievements and performance

a. Main achievements of the Company

This was the second period in the FNZ Foundation's establishment and the disbursement of the TNC grant was the central achievement.

b. Review of activities

The main grant disbursed in the period to TNC was used to bolster their efforts in carbon markets and the expansion of Natural Climate Solutions (NCS). Carbon markets operate on a pay-for-performance model, predominantly driven by community-led behavioural changes that yield climate impact through emissions reductions or removal. TNC's initiatives involve communities altering land management practices, committing to forest or mangrove protection and restoration plans, incurring associated costs, yet reaping benefits such as enhanced environmental health, productive soils, and mitigated flooding and erosion.

c. Fundraising activities and income generation

During the period, principal focus was given to considerations and management of the grants deployed.

FNZ FOUNDATION
(A company limited by guarantee)

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

Achievements and performance (continued)

d. Investment policy and performance

Principles of our investment approach centre on our obligation to secure the best financial return, within the appropriate level of risk, to be spent on the charity's aims as set out in our objects. Material investment decisions are supported through taking independent advice and legal guidance where necessary, selecting investments appropriately in this context and documenting and communicating decisions

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

For the period to date, given the nature of the Foundation grant making activities, a reserves policy has been drafted for approval and implementation. This policy will be reviewed annually.

c. Material investments policy

In line with our approach to investments, material investment decisions are supported through taking independent advice and legal guidance where necessary, selecting investments appropriately in this context and documenting and communicating decisions. Charity Commission Guidance CC-14 provides a basis for this approach.

Structure, governance and management

a. Constitution

FNZ Foundation is registered as a charitable company limited by guarantee and was set up by a Trust deed.

b. Methods of appointment or election of Trustees

The management of the Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

c. Financial risk management

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

FNZ FOUNDATION
(A company limited by guarantee)

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

Members' liability

The Members of the Company guarantee to contribute an amount not exceeding £1 to the assets of the Company in the event of winding up.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. 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 affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees on 30 November 2023 and signed on their behalf by:



V Sharif
(Chair of Trustees)



B Richardson
(Trustee)

FNZ FOUNDATION
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 NOVEMBER 2022**

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:				
Donations and legacies	3	-	-	1,025,000
Investments	4	420	420	-
Total income		420	420	1,025,000
Expenditure on:				
Charitable activities	6	509,046	509,046	34,509
Total expenditure		509,046	509,046	34,509
Net (expenditure)/income before net gains on investments		(508,626)	(508,626)	990,491
Net gains on investments		-	-	499,691
Net movement in funds		(508,626)	(508,626)	1,490,182
Reconciliation of funds:				
Total funds brought forward		1,490,182	1,490,182	-
Net movement in funds		(508,626)	(508,626)	1,490,182
Total funds carried forward		981,556	981,556	1,490,182

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

The notes on pages 9 to 17 form part of these financial statements.

FNZ FOUNDATION
(A company limited by guarantee)
REGISTERED NUMBER: 13004093

BALANCE SHEET
AS AT 30 NOVEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	9	500,000	500,000
		<u>500,000</u>	<u>500,000</u>
Current assets			
Debtors	10	278	278
Cash at bank and in hand		986,067	992,604
		<u>986,345</u>	<u>992,882</u>
Creditors: amounts falling due within one year	11	(504,789)	(2,700)
Net current assets		<u>481,556</u>	<u>990,182</u>
Total assets less current liabilities		<u>981,556</u>	<u>1,490,182</u>
Net assets excluding pension asset		<u>981,556</u>	<u>1,490,182</u>
Total net assets		<u><u>981,556</u></u>	<u><u>1,490,182</u></u>
Charity funds			
Restricted funds	12	-	-
Unrestricted funds	12	981,556	1,490,182
Total funds		<u><u>981,556</u></u>	<u><u>1,490,182</u></u>

FNZ FOUNDATION
(A company limited by guarantee)
REGISTERED NUMBER: 13004093

BALANCE SHEET (CONTINUED)
AS AT 30 NOVEMBER 2022

The Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees on 30 November 2023 and signed on their behalf by:



V Sharif
(Chair of Trustees)



B Richardson
(Trustee)

The notes on pages 9 to 17 form part of these financial statements.

FNZ FOUNDATION
(A company limited by guarantee)

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

1. General information

FNZ Foundation is a private company limited by guarantee. The company was incorporated in the United Kingdom and is registered in England & Wales. The registration number is 13004093. The registered office address is 67 Lombard Street, London, United Kingdom, EC3V 9AJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

2.2 Income

All income is 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.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

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

All expenditure is inclusive of irrecoverable VAT.

FNZ FOUNDATION
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.4 Interest receivable

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

2.5 Investments

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

Investments held as fixed assets are shown at cost less provision for impairment.

2.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.8 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.9 Financial instruments

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

2.10 Fund accounting

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

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

FNZ FOUNDATION
(A company limited by guarantee)

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

3. Income from donations and legacies

	Unrestricted funds 2022 £	Total funds 2022 £
Donations	-	-
	<u> </u>	<u> </u>
	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Donations	1,025,000	1,025,000
	<u> </u>	<u> </u>

4. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Interest receivable	420	420	-
	<u> </u>	<u> </u>	<u> </u>

5. Analysis of grants

	Grants to Institutions 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Grants to Institutions	505,000	505,000	-
	<u> </u>	<u> </u>	<u> </u>

Analysis of grants to institutions in the period:

The Nature Conservancy: £500,000;

We Help Ukrainians: £5,000.

FNZ FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022**

6. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Total 2022 £
Grants to institutions	505,000	505,000
Bank charges	84	84
Audit and accountancy fees	2,100	2,100
Training fees	750	750
Insurance	1,112	1,112
Total 2022	509,046	509,046
	<i>As restated Unrestricted funds 2021 £</i>	<i>As restated Total 2021 £</i>
Bank charges	146	146
Audit and accountancy fees	2,700	2,700
Legal fees	30,829	30,829
Insurance	834	834
<i>Total 2021 as restated</i>	34,509	34,509

The trustees have restated the comparatives in order to provide a more detailed analysis of expenses as they believe that this will be beneficial to the user of the accounts. There is no change to total expenses or their classification between direct and support as a result of this more detailed analysis.

FNZ FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022**

7. Analysis of expenditure by activities

	Grant funding of activities 2022 £	Support costs 2022 £	Total funds 2022 £
Grants to institutions	505,000	-	505,000
Bank charges	-	84	84
Audit and accountancy fees	-	2,100	2,100
Training fees	-	750	750
Insurance	-	1,112	1,112
	<u>505,000</u>	<u>4,046</u>	<u>509,046</u>

	<i>As restated Support costs 2021 £</i>	<i>As restated Total funds 2021 £</i>
Bank charges	146	146
Audit and accountancy fees	2,700	2,700
Legal fees	30,829	30,829
Insurance	834	834
	<u>34,509</u>	<u>34,509</u>

The trustees have restated the comparatives in order to provide a more detailed analysis of expenses as they believe that this will be beneficial to the user of the accounts. There is no change to total expenses or their classification between direct and support as a result of this more detailed analysis.

8. Trustees' remuneration and expenses

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

During the year ended 30 November 2022, no Trustee expenses have been incurred (2021 - £NIL).

FNZ FOUNDATION
(A company limited by guarantee)

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

9. Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 December 2021	500,000
At 30 November 2022	<u>500,000</u>
Net book value	
At 30 November 2022	500,000
At 30 November 2021	<u>500,000</u>

10. Debtors

	2022 £	2021 £
Due within one year		
Prepayments and accrued income	278	278
	<u>278</u>	<u>278</u>

11. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	2,700	-
Other creditors	500,000	-
Accruals and deferred income	2,089	2,700
	<u>504,789</u>	<u>2,700</u>

FNZ FOUNDATION
(A company limited by guarantee)

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

12. Statement of funds

Statement of funds - current year

	Balance at 1 December 2021 £	Income £	Expenditure £	Balance at 30 November 2022 £
Unrestricted funds				
General Funds - all funds	1,490,182	420	(509,046)	981,556

FNZ FOUNDATION
(A company limited by guarantee)

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

12. Statement of funds (continued)

Statement of funds - prior year

	<i>Income</i>	<i>Expenditure</i>	<i>Gains/ (Losses)</i>	<i>Balance at 30 November 2021</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Unrestricted funds				
General Funds - all funds	1,025,000	(34,509)	499,691	1,490,182

13. Summary of funds

Summary of funds - current year

	<i>Balance at 1 December 2021</i>	<i>Income</i>	<i>Expenditure</i>	<i>Balance at 30 November 2022</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
General funds	1,490,182	420	(509,046)	981,556

Summary of funds - prior year

	<i>Income</i>	<i>Expenditure</i>	<i>Gains/ (Losses)</i>	<i>Balance at 30 November 2021</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
General funds	1,025,000	(34,509)	499,691	1,490,182

FNZ FOUNDATION
(A company limited by guarantee)

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

14. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Total funds 2022 £
Fixed asset investments	500,000	500,000
Current assets	986,345	986,345
Creditors due within one year	(504,789)	(504,789)
Total	981,556	981,556

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Fixed asset investments	500,000	500,000
Current assets	992,882	992,882
Creditors due within one year	(2,700)	(2,700)
Total	1,490,182	1,490,182

15. Related party transactions

During the current period there were no related party transactions. However during the last period investments with a cost of £500,000 were sold for a consideration of £999,691 to entities of which a trustee, CP Warner, is an employee. CP Warner did not vote on the decision by the charity to make the disposal and the trustees consider that the disposal was in the best interest of the charity, with a fair return received on the investment.