

SOCIETE GENERALE UK FOUNDATION

Charity Registration No. 1196579

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2022

SOCIETE GENERALE UK FOUNDATION
Charity Registration No. 1196579

REFERENCE AND ADMINISTRATIVE INFORMATION

| | |
|----------------------------------|---|
| Name of the Charity | Societe Generale UK Foundation |
| Registered Charity Number | 1196579 |
| Principal Office Address | One Bank Street, Canary Wharf, London, E14 4SG |
| Trustees | Ben Higgins Jasvant Singh Elise Sabran John Oberman Hannah MacKenzie – appointment 15 March 2022 Louise Redmond – appointment 27 June 2022 |
| Auditors | Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG |
| Bankers | Societe Generale, One Bank Street, Canary Wharf, London, E14 4SG |

TRUSTEES' ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022

The Trustees have pleasure in submitting their annual report together with the financial statements and auditors' report, for the period ended 31 December 2022.

REFERENCE AND ADMINISTRATIVE DETAILS

Details of the Trustees and advisors are shown on page 1.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Change in legal structure

With the support of specialist legal advice, the Societe Generale UK Foundation ("the Foundation") applied to the Charity Commission to change its legal structure on 31 December 2021 to coincide with the end of year financial accounting. The new Charitable Incorporated Organisation ("the CIO", registered charity number 1196579) was registered with the Charity Commission on 15 November 2021 and received a section 105 order (Charities Act 2011) to authorise the transfer of all assets and liabilities on 1 December 2021. The transfer of all undertakings, assets and the charity name from the previous unincorporated charity (registered charity number 1039013) to the new CIO (registered charity number 1196579) took place at 11:59pm on 31 December 2021.

The Foundation started operating as a CIO as of 1 January 2022. The new CIO will provide a more modern and robust charity format for the Foundation to continue to meet its charitable objects going forward.

The unincorporated Foundation ceased activity on 31 December 2021 and transferred all its assets and liabilities to the incorporated Societe Generale UK Foundation ("new CIO") (Charity number 1196579) on that date. The bank accounts of the new CIO were opened on 23 June 2022 and the funds were transferred from the unincorporated Foundation on 30 June 2022. Interest earned from 1 April 2022 to 30 June 2022 (£5,765) was transferred to the new CIO bank accounts on 5 July 2022.

The previous unincorporated charity (1039013) and the newly incorporated Societe Generale UK Foundation (1196579) were listed on the Charity Commission Register of Mergers on 9 August 2022. The previous unincorporated charity has now been removed from the Charity Commission Register of Charities.

The 2021 comparative figures referenced in the Trustees' Annual Report relate to the previous unincorporated Foundation. They have been used for comparative purposes only with the view that the new CIO's grant making and operations have not changed from that of the old Foundation.

Constitution

The Foundation's constitution is its governing document outlining the charity's objects, powers, structure and organisation. The constitution was developed as part of the application to restructure to a CIO and was ratified on 22 July 2021. The constitution was updated on 22 September 2021 to record a change on the trustee board.

TRUSTEES' ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022 (Continued)

Organisation

The Constitution requires that there shall be at least three Trustees. The power of appointment of a new Trustee is vested in the trustees acting by resolution and with prior consent from Societe Generale as the founding organisation. In selecting persons to be appointed as Trustees, the Trustees shall take account of the individuals personal or professional qualifications and their ability to make a positive contribution to the pursuit of the objectives or the management of the Foundation. In 2022, the Foundation appointed two new independent trustees to provide additional skills and experience as well as an impartial view to help manage conflicts of interest.

On appointment, Trustees are informed about the activities of the Foundation through a verbal briefing supported by the 'Trustee induction pack'. Trustees undertake on the job learning and training through participating in the Foundation's activities and considering the advice received from the Foundation's specialist legal and other advisers in the context of day-to-day activities and specific projects.

The Foundation is supported in its day-to-day operations by the Manager along with in-kind support from Societe Generale employees to manage the accounts and finances as well as areas such as banking, data protection and IT.

In 2022, the Foundation achieved its goal to transition legal structure and started operating as a Charitable Incorporated Organisation (CIO) as of 1 January 2022. Subsequently, the Foundation worked on the implementation of the new legal structure including formally notifying key parties, updating documentation, changing bank accounts and developing new policies and procedures.

In September 2022, the Foundation approved to undertake a strategic review to define a new vision, clarify alignment to its parent company, Societe Generale, and develop a 3-5 year plan. The Foundation engaged a specialist external agency to deliver the review which comprised of a landscape assessment, including stakeholder review and benchmarking exercise, co-creation of the strategy, development of an engagement plan and introduction of a new measurement tool to assess impact. The strategic review was initiated in October 2022 and a management report presented to the trustees in March 2023. The Foundation is presently reviewing the outcomes of the report and planning the launch of the refreshed strategy in November 2023.

Fund Raising Requirements

The Foundation does not undertake any fundraising activity. All donations have been received from Societe Generale and connected entities. Accordingly, the Foundation has not engaged with any third parties in relation to fundraising activity nor have any complaints been received.

Risk Management

The Trustees have reviewed the major strategic, governance, grant making, operation, financial and compliance risks which impact on the work of the Foundation and concluded that there are sufficient controls in place. Risks are assessed against the likelihood of occurrence and impact if occurred and these are recorded in the Foundation's risk register. All risks were identified as low in the 2023 risk register, however, the Foundation is continuing to work towards strengthening the areas of risks that have been identified.

TRUSTEES' ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022 (Continued)

Impact of COVID-19

The impact of the global pandemic on the charity sector was much reduced in 2022. However, the risks for the Foundation and its charitable activity continued to be assessed through the risk register. The risks were identified as low as working practices have returned to normal and there has not been any significant impact on programmes with all partners in a secure financial position. Due to the continued decrease in significance, COVID-19 has been removed from the 2023 risk register.

Key Management Personnel Remuneration

The Trustees consider the Board of Trustees as comprising the key management personnel of the Foundation responsible for directing and controlling the Foundation and running and operating it on a day-to-day basis. All Trustees give their time freely and no Trustee remuneration was paid in the year. Details of Trustees' expenses are disclosed in note 8 to the accounts.

During 2022, the Foundation Manager continued to oversee all day-to-day operations and support the Board of Trustees. The role was facilitated through an outsourced entity which manages Societe Generale contractors with the costs being incurred by Societe Generale and recharged 100% plus VAT to the Foundation.

The Foundation is also supported in-kind by employees of Societe Generale who advise on areas such as data protection as well as overseeing the finances and accounting.

The Foundation engages external support such as legal or consultancy advice as required.

OBJECTIVES AND ACTIVITIES

The Trustees hold the Foundation's funds for the public benefit to advance such charitable purposes, objectives or institutions as the Trustees determine. In practice, the Trustees have elected to align the Foundation's charitable activity with Societe Generale's global Citizenship Commitment guidelines and UK CSR strategy, focusing on education and employability.

The Foundation is not an open grant giving body and does not accept unsolicited applications for funding. The Foundation instead works in partnership with key partners to deliver strategic projects that align with its charitable objectives and Societe Generale's CSR strategy.

Grant making and operational policy

The Foundation's grant making policy focuses on supporting communities and organisations local to Societe Generale offices and its employees. The principal areas of support focus on the themes of education and employability. The Foundation's main activities include:

- Matching programme: matching donations supporting the fundraising, donations and volunteering time of Societe Generale staff.
- Key projects: one-off or rolling donations to strategic education/employability projects which link with Societe Generale's CSR programme.
- Specific project: Shake Climate Change which is an innovative programme established to support entrepreneurs combatting climate change in agriculture and food production.
- Ad hoc donations: Exceptional one-off donations and matching to support emergency appeals.

TRUSTEES' ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022 (Continued)

Matching programme

The matching programme provides donations to match the charitable activity of Societe Generale staff. The matching policy provides enhanced donations to support the Societe Generale UK charity partners which are nominated and selected by Societe Generale staff. Matching donations are also provided to other charities providing they fit within the criteria below and the conditions outlined in the policy. During 2022, the Trustees approved to maintain the enhanced (doubled) matching levels for the foreseeable future.

The Foundation's matching policy supports:

- Charities or organisations with a charitable purpose registered with any of the UK regulators (Charity Commission for England and Wales, the Office of the Scottish Charity Regulator and the Charity Commission for Northern Ireland) Guernsey Registry and Jersey Charity Commissioner.
- Organisations recognised to have a charitable purpose, such as a school, hospital or similar, including not-for-profit and social enterprises.
- Organisations with overseas beneficiaries which are registered in the UK and work only within the scope of education and employment.

The Foundation's matching policy is unable to support requests from:

- Organisations which are concerned solely with promoting religious beliefs, political parties and affiliated groups, drugs or research and animals.
- Organisations with overseas beneficiaries which are registered in the UK and work outside the scope of education and employment.
- Organisations with overseas beneficiaries which are not registered in the UK whether they work within or outside the scope of education and employment.
- Organisations whose work does not fit with Societe Generale's values and which could potentially damage the reputation of the Societe Generale Group.

Public Benefit

The Trustees confirm that they have given due consideration to the Charity Commission's general guidance on public benefit. These requirements are addressed in this report.

Achievements and Performance

The Foundation achieved its aim of transitioning legal structure and the subsequent post incorporation work was completed successfully during 2022. An additional key achievement was also initiating the strategic review, the first of its kind for the Foundation. The advice and insights from the specialist consultancy will support the Foundation to develop a clearer overall vision, clarity on future direction and ultimately greater community impact.

The Foundation's aims were carried out for the public benefit. In 2022, the Foundation provided £911,959 (2021: £897,958) of donations to support strategic projects (including SHAKE Climate Change), matching contributions and ad hoc donations in response to emergency appeals.

The Foundation matched £266,177 (2021: £181,365) of Societe Generale UK employee charitable activities including fundraising, donations and volunteering. As a result of fundraising and volunteering returning to pre-pandemic levels, and the doubling of the matching limits, the total matching in 2022 was significantly higher than that of previous years. The matching contributions supported 45 charities (2021: 41 charities) from the UK, Channel Islands and Gibraltar including registered charities, not-for-profit ventures and other organisations with a recognised charitable purpose.

TRUSTEES' ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022 (Continued)

The Foundation, through its matching programme, provides enhanced support for Societe Generale's selected charity partners. The charity partnerships, established in 2021 through a competitive staff selection process in each major region, continued. These were:

- UK mainland – Shelter 'Getting Real Opportunities of Work' (GROW) Programme - offering 12-month paid placements to people who have lived experience of poor housing and homelessness.
- Gibraltar – Clubhouse Gibraltar – providing short term work experience placements for young people from disadvantaged backgrounds.
- Jersey – Jersey Women's Refuge – supporting victims of domestic abuse to take part in confidence building workshops to re-enter employment.
- Guernsey – Guernsey's Rural Occupational Workshop (GROW) – providing employment opportunities for individuals with learning difficulties through their agricultural site.

During 2022, the Foundation matched £200,401 of Societe Generale UK employee activity supporting the Societe Generale charity partnerships (2021: £97,626 for Shelter, Clubhouse Gibraltar, Jersey Women's Refuge and Guernsey's Rural Occupational Workshop and £88,798 for CLIC Sargent).

The strategic projects supported in 2022 were:

- SHAKE Climate Change – A grant of £330,782 (2021: £631,438) was made to deliver the fourth year of the £3.5 million climate entrepreneur programme. This additional cohort was made possible through underspend on the initial grant commitment due to unrealised investments. SHAKE supports entrepreneurs and start-up ventures which are combating climate change through the development of innovative solutions in agriculture and food production. Delivered by Rothamsted Research, in conjunction with leading academic institutions, SHAKE Climate Change, through its focus on supporting and training the best minds in science and business, will fund innovation and job creation in this important area. By 2022, SHAKE had directly invested £1.26 million in 11 ventures unlocking an additional £5.78m in grant and equity funding and creating 36 highly skilled jobs.
- Societe Generale UK Foundation Fund - The grassroots grants programme, delivered by East End Community Foundation (EECF) is a five-year rolling £600k plus commitment which aims to improve educational development, literacy and employability for young people in locations local to Societe Generale offices (Tower Hamlets, Hackney, Newham, Richmond and Bristol). The Year 5 grants round of £130,000 (2021: £Nil due to Year 5 being moved to 2022) ran from August 2022 to July 2023 and provided 9 grants including seven organisations who received repeat funding of £10,000. In 2022, the Fund piloted two higher value grants of £23,500 with a greater emphasis on youth employment outcomes. Collectively, the 9 funded projects, at the halfway point, had supported 271 young people with education and employability activity, with 67 undertaking qualifications and 39 achieving a progression into employment, an apprenticeship or work placement. A full year report is expected in October 2023.
- Evolve – A grant of £22,000 was paid in 2022 (2021: £22,000) to East London Business Alliance (ELBA) to deliver Year 2 of the 'Evolve' project, a collaborative partnership between Linklaters, UBS, Societe Generale and the Societe Generale UK Foundation, delivered by ELBA. Evolve aims to build the capacity of community organisations across Hackney, Tower Hamlets and Islington to help ensure their sustainability and improve their ability to support residents on employability, enrichment and essential services. To date, since its start in January 2021, nearly 500 employee volunteers have shared over 2,161 hours of support to 300 plus beneficiaries from over 100 organisations helping them on leadership, problem solving and skills development.

TRUSTEES' ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022 (Continued)

- Street League – in 2022, the Foundation approved a new three-year commitment of £40,000 per year to part fund Street League's East London Academy. Street League uses the power of sport to tackle poverty and give young people the opportunities they need to succeed in life, helping them to move into sustainable jobs, education and training opportunities. In Year 1, the East London Academy supported 40 young people with 13 moving into employment, 1 into education and 2 into training.
- Life Chances Campaign – in 2022, the Foundation approved a new three-year commitment of £40,000 per year for the Life Chances campaign delivered by EECF. The collective fund was established to support grassroots organisations to recover from the pandemic and create lasting change addressing the critical issues of wellbeing and employment for young people, digital exclusion and tackling pensioner poverty. The Foundation's donation contributes to the young people strand where, in its first year, the fund has helped 127 to develop employability skills with 127 undertaking work experience, 27 gaining a qualification and 49 securing employment.
- The Baobab Foundation – in 2022, the Foundation made a one-off donation to support the research and development phase of this new foundation. The Baobab Foundation is a new type of funder created by and for communities to significantly scale resourcing to Black and Global Majority communities in the UK, contributing to wealth redistribution, equitable access, solidarity and sustainability. To date, they have established the legal structure, branding, designed and delivered one funding round, all with the participation of their 600 plus strong membership.

The Foundation supported two significant emergency appeals in 2022 through the Disaster Emergency Committee (DEC). These were:

- Ukraine Humanitarian Appeal - £25,000 straight donation and £35,000 to match Societe Generale employee donations. The response was the most substantial received for any appeal to date.
- Pakistan Floods Appeal - £25,000 straight donation and £4,620 in matching donations. (2021: £25,000 donation and £3,500 to India Coronavirus Appeal)

Annually, over the Christmas period, the Foundation also supports two local appeals in East London:

- the ELBA Toy Appeal which buys presents for underprivileged children and
- the EECF Winter Bag Appeal which provides care packages for the elderly.

In 2022, the donation was increased to £4,000 for each appeal in recognition of rising cost of living challenges (2021: £2,500 each).

The Foundation continues to demonstrate its commitment to the aims and objectives it has set.

Financial Review

During the period ended 31 December 2022 the funds were comprised solely of cash which was held in a non-interest-bearing account and a 35-day notice deposit account. The annual donations from Societe Generale were reinstated and the Foundation received £600,000 in 2022 along with a discretionary "bonus donation" of £250,000 which was based on the 2021 performance of the Bank. The Foundation received additional one-off donations of £11,435 (2021: £50,302). No other donations were received during the year (2021: £Nil). The charitable expenditure was £1,119,158 (2021: £1,086,756).

TRUSTEES' ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022 (Continued)

Reserves Policy and Review

The total funds of the Foundation as of 31 December 2022 stood at £5,652,700 (2021: £5,844,022). The Foundation had unrestricted funds of £4,510,177 (2021: £4,711,240) and designated funds of £1,142,523 (2021: £1,132,782).

The designated funds (refer to Note 7) were:

- £438,281 for seed funding for Cohort 5 of SHAKE Climate Change, delivered through a new multi-funder model.
- £429,122 for the Societe Generale UK Foundation Fund Years 6-8.
- £94,600 for the ELBA collaborative community project 'Evolve' for Years 3-6.
- £85,260 for Life Chances Campaign Year 2 and 3.
- £85,260 for Street League East London Academy Year 2 and 3.
- £5,000 ELBA Christmas Toy Appeal for 2 years.
- £5,000 EECF Christmas Winter Bags for 2 years.

In recognition of Cost of Living impacts on the charitable sector, the Foundation agreed in May 2023 to a standard annual uplift of 3% on annual grants with a discretionary additional percentage agreed on an annual basis. For 2023, trustees agreed a 5% uplift on grants for Life Chances Campaign and Street League Year 2.

The free reserves of the Foundation are also impacted by the matching programme and the volume and number of requests submitted by Societe Generale employees.

The Foundation allows for a minimum of two years' worth of operational spend to ensure that the charity can meet its commitments in the event of future income uncertainty. Under this policy the minimum level to be held is £2,691,000 (2021: £1,675,000) and the free reserves are above this minimum level.

Investment strategy

In 2022, the Foundation continued to work on its strategy and the investment of the, previously ringfenced, £2,000,000. A competitive pitch process was held to select an investment manager. The Board were unanimous in their decision to appoint a very experienced and well-regarded investment firm with a dedicated responsible charity multi-asset fund. The investment firm underwent significant due diligence and was formally appointed in July 2022. An investment policy was developed using best practice guidance which was ratified in January 2023. The Foundation completed all necessary onboarding steps and documentation for the investment firm which was finalised in March 2023. The first tranche of £500,000 was transferred for investment in June 2023. This will be placed in a multi-asset fund with Environmental, Social and Governance considerations and will be held for the long term, a five-to-seven-year period.

Future Plans

The Foundation will continue working on its refreshed strategy to create a clear vision, purpose and mission statement with the launch planned in 2023. This will include updated charitable activities and new engagement points for Societe Generale employees. The Foundation will subsequently develop a three-to-five-year business plan to help govern its ongoing grant making approach and maximise its impact.

TRUSTEES' ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022 (Continued)

During 2023, the Foundation will work on strengthening and diversifying its board. The trustees will undertake a skills audit in order to identify key gaps for recruitment. New trustees will be engaged from each Societe Generale entity to ensure representation across Societe Generale offices and locations on the board. The current Chair will be stepping down and an application process within the existing board will take place to appoint a new Chair.

The Foundation will continue with its investment strategy, transferring £500,000 instalments at agreed time periods, subject to a market review and trustees' approval. The Foundation will review its cash deposits and investigate longer-term options to provide greater returns.

The Foundation will continue to enhance its governance in line with best practice. This will include developing further policies and procedures and formalising its relationship with its parent company, Societe Generale, through:

- establishing a trademark license agreement for use of the name and logo, and
- a Framework agreement governing the relationship and support.

To support the Foundation's operations and to stay abreast of best practice, the Foundation will join the Association of Charitable Foundations.

Post Balance Sheet Events

There were no post balance sheet events.

Going Concern

The Board of Trustees is of the opinion that the Foundation has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties regarding the Foundation's ability to do so.

TRUSTEES' ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022 (Continued)

TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

The Trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Foundation and of the income and expenditure for the year. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Foundation will continue in its operations; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Foundation and to enable them to ensure that the financial statements comply with the Charities Act 2011. The Trustees are responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees are aware at the time the report is approved:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by the Trustees and signed on their behalf by:



.....
Ben Higgins
Trustee
One Bank Street
London, E14 4SG

Date: 26 October 2023
.....



.....
Jasvant Singh
Trustee
One Bank Street
London, E14 4SG

Date: 26 October 2023
.....2023

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SOCIETE GENERALE UK FOUNDATION

Opinion

We have audited the financial statements of the Societe Generale UK Foundation for the period ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of the charity's net movement in funds for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Foundation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SOCIETE GENERALE UK FOUNDATION
(Continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

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

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

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to Charity Law, 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 preparation of the financial statements such as Charities Act 2011 and Charities SORP (2019).

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 cut-off of donations income. Audit procedures performed by the engagement team included:

- Enquiries of management regarding correspondence with regulators;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SOCIETE GENERALE UK FOUNDATION
(Continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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

Haysmacintyre LLP

Haysmacintyre LLP
Statutory Auditors

27 October 2023
Date:

10 Queen Street Place
London
EC4R 1AG

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES

For the period ended 31 December 2022

| | | Unrestricted Funds |
|---|----|-------------------------|
| | | <u>15 November 2021</u> |
| | | <u>to</u> |
| <u>Notes</u> | | <u>31 December 2022</u> |
| | | <u>£</u> |
| Income from: | | |
| Donations and legacies | 2 | 861,435 |
| Investment income | 3 | 66,400 |
| | | <hr/> |
| Total income | | 927,835 |
| Expenditure on: | | |
| Charitable activities | 4 | (1,119,157) |
| | | <hr/> |
| Total expenditure | | (1,119,157) |
| | | <hr/> |
| Net expenditure before transfer | | (191,322) |
| Transfer of assets and liabilities from Societe Generale UK Foundation (Unincorporated) | 10 | 5,844,022 |
| | | <hr/> |
| Net movement in funds | | 5,652,700 |
| Fund balance brought forward | | - |
| | | <hr/> |
| Fund balance carried forward | | 5,652,700 |
| | | <hr/> <hr/> |

There were no recognised gains and losses other than those included in the Statement of Financial Activities.

The accompanying notes form part of these financial statements.

SOCIETE GENERALE UK FOUNDATION
Charity Registration No. 1196579


BALANCE SHEET

As at 31 December 2022

| | <u>Notes</u> | <u>2022</u> £ |
|-----------------------------|--------------|------------------|
| Current assets: | | |
| Cash and cash equivalents | | 5,734,291 |
| | | <hr/> 5,734,291 |
| Current liabilities: | | |
| Creditors | 5 | (81,591) |
| | | <hr/> |
| Net assets | | 5,652,700 |
| | | <hr/> <hr/> |
| Funds | | |
| Unrestricted funds | 7 | 4,510,177 |
| Designated funds | 7 | 1,142,523 |
| | | <hr/> |
| | | 5,652,700 |
| | | <hr/> <hr/> |

The accompanying notes on pages 17 - 23 formed an integral part of this balance sheet.

These financial statements were approved by the Trustees and signed on their behalf by:



Ben Higgins
Trustee

Date: 26 October 2023
.....



Jasvant Singh
Trustee

Date: 26 October 2023
.....

STATEMENT OF CASH FLOWS

For the period ended 31 December 2022

| | | <u>15 November 2021</u> <u>to</u> <u>31 December 2022</u> <u>£</u> |
|--|---|---|
| | <u>Notes</u> | |
| Cash from operating activities | | |
| Net cash used in operating activities | A | (237,667) |
| Cashflows from investing activities | | |
| Interest received | | 66,400 |
| Decrease in cash and cash equivalents in the period | C | (171,267) |
| Cash and cash equivalents transferred from Societe Generale UK Foundation (Unincorporated) | | 5,905,558 |
| Cash and cash equivalents carried forward | B | 5,734,291 |
| A. Reconciliation of net income to net cash flow from operating activities | | |
| Net movement in funds | | (191,322) |
| Interest received | | (66,400) |
| Increase in creditors | | 20,055 |
| Net cash used in operating activities | | (237,667) |
| B. Analysis of cash and cash equivalents | | |
| Cash at bank | | 5,734,291 |
| Total cash and cash equivalents | | 5,734,291 |
| C. Analysis of changes in Net Cash Funds | | |
| | <u>Transferred from</u> <u>Societe Generale</u> <u>UK Foundation</u> <u>(Unincorporated)</u> <u>£</u> | <u>Cashflows</u> <u>£</u> |
| | | <u>At 31 December</u> <u>2022</u> <u>£</u> |
| Cash at bank | 5,905,558 | (171,267) |
| Total cash and cash equivalents | 5,905,558 | (171,267) |

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The Societe Generale UK Foundation is a registered charity in England and Wales (registration number 1196579) whose principal place of activity is at One Bank Street, Canary Wharf, London, E14 4SG.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice for Charities (SORP 2019) (Second Edition, effective 1 January 2019) applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ((FRS102) and the Charities Act 2011.

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

There are no areas of critical judgment or estimation used in the preparation of the financial statements.

b) Going Concern

The Board of Trustees is of the opinion that the Foundation has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties regarding the Foundation's ability to do so.

c) Income

Donations receivable are recognised where there is entitlement, probability of receipt and the amount is measurable.

d) Investment Income

Investment income is recognised where there is entitlement, probability of receipt and the amount is measurable.

e) Expenditure

Expenditure is included on an accruals basis. With the exception of grants and these are charged to the Statement of Financial Activities when awarded and a commitment is entered into.

f) Cash and cash equivalents

Cash and cash equivalents includes cash and short term highly liquid investments with short term maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (Continued)

g) Creditors and provisions

Creditors and provisions are recognised where the Foundation has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

h) Financial Instruments

The company only enters into basic financial instruments that results in the recognition of financial assets and liabilities like other debtors, trade creditors and other creditors. Financial assets are measured at amortised cost and are assessed at the end of each reporting period. Financial liabilities are measured at the present value of future cash flows and subsequently measured at amortised cost.

2. DONATIONS AND LEGACIES

All the donations have been received from Société Générale and connected entities.

| | <u>15 November 2021</u> <u>to</u> <u>31 December 2022</u> <u>£</u> |
|---|---|
| Annual donations | |
| Société Générale (London Branch) | 299,840 |
| Société Générale International Limited | 57,360 |
| Société Générale Equipment Finance Limited | 26,800 |
| SG Kleinwort Hambros (CI) Limited | 52,410 |
| SG Kleinwort Hambros Bank (Gibraltar) Limited | 7,030 |
| SG Kleinwort Hambros Bank Limited | 66,560 |
| ALD Automotive Limited | 90,000 |
| | <hr/> 600,000 |
| One-off donations: | |
| Société Générale (London Branch) | 250,000 |
| SG Kleinwort Hambros Bank Limited | 11,435 |
| | <hr/> 261,435 |
| | <hr/> <hr/> 861,435 |

NOTES TO THE FINANCIAL STATEMENTS

3. INVESTMENT INCOME

| | <u>15 November 2021</u> to <u>31 December 2022</u> £ |
|------------------|---|
| Deposit interest | 66,400 |
| | <hr/> <hr/> |

4. EXPENDITURE

| | <u>15 November 2021</u> to <u>31 December 2022</u> £ |
|--------------------------|---|
| Grants (Refer to Note 6) | 911,959 |
| Support Costs | 164,228 |
| Governance costs | 31,570 |
| Audit fee | 11,400 |
| | <hr/> <hr/> |
| | 1,119,157 |

The Foundation had no employees during the year ended 31 December 2022.

5. CREDITORS

| | <u>2022</u> £ |
|----------------|------------------|
| Grants payable | 41,047 |
| Accruals | 40,544 |
| | <hr/> <hr/> |
| | 81,591 |

Grants payable

| | <u>2022</u> £ |
|--|------------------|
| Liability transferred from Societe Generale UK Foundation (Unincorporated) | 20,232 |
| Amount expended in the year | (891,144) |
| Amount accrued in the year | 911,959 |
| | <hr/> <hr/> |
| As at 31 December 2022 | 41,047 |

NOTES TO THE FINANCIAL STATEMENTS

6. CHARITABLE GRANTS TO INSTITUTIONS

No grants were paid to individuals.

| | <u>15 November 2021</u> <u>to</u> <u>31 December 2022</u> <u>£</u> |
|---|---|
| Charity of the Year: | |
| Shelter | 187,437 |
| Guernsey's Rural Occupational Workshop (GROW) | 7,470 |
| Clubhouse Gibraltar | 2,917 |
| Jersey Women's Refuge | 2,577 |
| | <hr/> 200,401 <hr/> |
| Grants for projects: | |
| Rothamsted Research | 330,782 |
| East End Community Foundation (EECF) | 174,000 |
| Street League | 40,000 |
| East London Business Alliance (ELBA) | 26,000 |
| Baobab Foundation | 20,000 |
| | <hr/> 590,782 <hr/> |
| Grants for one-off donations: | |
| Disasters Emergency Committee (DEC) | 50,000 |
| The Oliver King Foundation | 5,000 |
| | <hr/> 55,000 <hr/> |
| Grants for charities supported by staff of Société Générale: | |
| Disasters Emergency Committee (DEC) | 39,620 |
| Aspiring Solicitors Foundation | 3,750 |
| Other grants paid less than £2,000 (donations and voluntary work to various charities) | 22,406 |
| | <hr/> 65,776 <hr/> |
| | <hr/> <hr/> 911,959 <hr/> <hr/> |

NOTES TO THE FINANCIAL STATEMENTS

7. FUNDS

| | <u>Transferred from Unincorporated Foundation</u> | <u>Income</u> | <u>Expenditure</u> | <u>Transfer between funds</u> | <u>Balance at 31 December 2022</u> |
|-------------------------------------|---|---------------|--------------------|---------------------------------------|--|
| | <u>£</u> | <u>£</u> | <u>£</u> | <u>£</u> | <u>£</u> |
| Unrestricted funds | 4,711,240 | 927,835 | (536,375) | (592,523) | 4,510,177 |
| Designated funds | | | | | |
| - SHAKE Climate Change Project | 698,782 | - | (330,782) | 70,281 | 438,281 |
| - EECF: SG UK Foundation Fund | 130,000 | - | (130,000) | 429,122 | 429,122 |
| - ELBA: Evolve Project | 44,000 | - | (22,000) | 72,600 | 94,600 |
| - EECF: Life Chances Campaign | 120,000 | - | (40,000) | 5,260 | 85,260 |
| - Street League East London Academy | 120,000 | - | (40,000) | 5,260 | 85,260 |
| - The Baobab Foundation R&D phase | 20,000 | - | (20,000) | - | - |
| - ELBA: Christmas Toy Appeal | - | - | - | 5,000 | 5,000 |
| - EECF: Christmas Winter Bags | - | - | - | 5,000 | 5,000 |
| Total Designated Funds | 1,132,782 | - | (582,782) | 592,523 | 1,142,523 |
| Total Funds | 5,844,022 | 927,835 | (1,119,157) | - | 5,652,700 |

Unrestricted funds comprise those funds that the Trustees are free to use in accordance with the charitable objectives. The Trustees have set a reserves policy to allow for a minimum of two years' worth of operational spend to ensure that the charity can meet its commitments in the event of future income uncertainty. The total unrestricted funds are above the minimum reserves level.

Designated funds are unrestricted funds which have been ring fenced by the Trustees' to support a specific project: Shake Climate Change (which provides funds for grants with the focus on supporting climate entrepreneurs) and also projects for the following charities: East End Community Foundation (EECF), East London Business Alliance (ELBA), Street League East London Academy and The Baobab Foundation.

The transfer between the unrestricted funds and designated funds relates to the following projects which were agreed in 2022/2023 with funds designated for project delivery in 2023 and beyond: Shake Climate Change Project for seed funding for Cohort 5, delivered through a new multi-funder model; EECF SG UK Foundation Fund Years 6-8 (£429,122); ELBA Evolve Project Years 4-6 (£72,600); increase in Street League East London Academy (£5,260); Life Chances Campaign delivered by EECF (£5,260); ELBA Christmas Toy appeal for 2 years (£5,000) and EECF Christmas Winter Bags for 2 years (£5,000).

NOTES TO THE FINANCIAL STATEMENTS

8. TRUSTEES' REMUNERATION, BENEFITS AND EXPENSES

None of the trustees have been paid any remuneration or received any other benefits from employment with the Foundation. Trustee expenses that have been reimbursed amount to £47.70, which related to an independent Trustee's travel expenses to the Trustees board meetings.

9. RELATED PARTIES

The Trustees consider Societe Generale (London Branch) ("SGLB") to be the main related party of the Foundation. Four of the six Trustees of the Foundation are employees of SGLB. No remuneration or payments of any kind have been paid directly by the Foundation to the SGLB employed Trustees in the period nor are they paid in their capacity as Trustee of the Foundation by SGLB.

The administration of the Foundation is carried out by SGLB which bears all the costs except for the Foundation's manager costs, audit fees, insurance premiums, external legal fees incurred by the Foundation and Charity Aid Foundation ("CAF") fees, all of which are paid directly by the Foundation, barring for the manager costs of £121,925, which are paid for by SGLB and recharged to the Foundation.

SGLB is a branch of Societe Generale, the ultimate holding company for the SG group.

Other related party transactions:

| | <u>Donations</u> <u>received</u> <u>15 November</u> <u>2021</u> <u>to</u> <u>31 December</u> <u>2022</u> <u>£</u> |
|---|--|
| Annual donations | |
| Société Générale (London Branch) | 299,840 |
| Société Générale International Limited | 57,360 |
| Société Générale Equipment Finance Limited | 26,800 |
| SG Kleinwort Hambros (CI) Limited | 52,410 |
| SG Kleinwort Hambros Bank (Gibraltar) Limited | 7,030 |
| SG Kleinwort Hambros Bank Limited | 66,560 |
| ALD Automotive Limited | 90,000 |
| | <hr/> 600,000 |
| One-off donations: | |
| Société Générale (London Branch) | 250,000 |
| SG Kleinwort Hambros Bank Limited | 11,435 |
| | <hr/> 261,435 |
| | <hr/> <hr/> 861,435 |

NOTES TO THE FINANCIAL STATEMENTS

9. RELATED PARTIES (Continued)

| | <u>Amounts owed to related parties 2022 £</u> |
|----------------------------------|---|
| Société Générale (London Branch) | 29,144 |

10. TRANSFER OF ASSETS AND LIABILITIES FROM SOCIETE GENERALE UK FOUNDATION

On 31 December 2021 the net assets of Societe Generale UK Foundation (registered charity number 1039013) were transferred to the Foundation. The following table shows the net assets transferred to the Foundation on 31 December 2021.

| | <u>£</u> |
|---------------------------|------------------|
| Cash and cash equivalents | 5,905,558 |
| Creditors | (61,536) |
| | <u>5,844,022</u> |