

LLOYD'S OF LONDON FOUNDATION
(previously known as Lloyd's Charities Trust)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees of Lloyd's Charities Trust ("the Trust") have pleasure in presenting their report together with the audited financial statements of the Trust for the year ended 31 December 2022.

TRUSTEES AND OFFICIALS

Registered number	207232
Address	Lloyd's of London One Lime Street London EC3M 7HA 020 7327 1000
Trustees	Ms Vicky Carter (Chair) Mr David Ibeson Mr Andrew Brooks (resigned January 2023) Ms Amy Bumstead (resigned January 2023) Mr Oliver Ferrari Ms Caroline Klein Ms Claire O'Meara Ms Elizabeth Cabrera Ms Hannah-Polly Williams Mr Mark Fidler Mr Ola Jacob Raji Mr Raza Hassan
Secretary	Ms Michaela Hawkins (Resigned 01 July 2021) Miss Jessica Tamman (Appointed June 2021) Mrs Forida Islam (Appointed September 2021)
Investment Advisors	Cazenove Capital Management 12 Moorgate London EC2R 6DA
Auditors	Simpson Wreford & Partners Suffolk House George Street Croydon CR0 0YN
Bankers	National Westminster Bank PLC PO Box 12258 1 Princes Street London EC2R 8PA

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)**STRUCTURE, GOVERNANCE AND MANAGEMENT****Structure**

Lloyd's of London Foundation (LoLF) is a registered charity established for the public benefit under a deed of trust dated 17 June 1953 and is a registered charity subject to the provisions of the Charities Act 2011. It confines its grants to those purposes accepted in law as charitable. The financial statements have been prepared in accordance with the accounting policies set out on pages 19-20 and comply with the Foundation's deed and applicable law.

The change in name from 'Lloyd's Charities Trust' to Lloyd's of London Foundation took place in August 2022. The Lloyd's of London Foundation seeks to be the centre for all charitable activity and engagement for the Lloyd's Corporation and the market.

The Foundation is also guided by terms of reference which cover issues such as number of trustees, frequency of meetings and quorate meetings.

Responsibility for carrying out the objectives of the Foundation rests with the trustees. The Foundation is supported by a Secretariat working under the direction of the trustees, employed by the Corporation of Lloyd's and supported by the wider Global Community Engagement team. Delegated authority is given to the Global Community Engagement team at Lloyd's, an outsourced finance team (Simpson Wreford & Partners) and Lloyd's Treasury and Investment Management to advise and assist, as per the LoLF Delegated Authority documentation. With the exception of audit fees, bank charges, and investment management fees which are borne directly by the Foundation, all administration costs are borne in full by the Corporation of Lloyd's.

The disbursement of the Foundation's fund is at the sole discretion of the trustees unless funds have been given for a specific purpose.

Trustees

There were twelve trustees as at 31 December 2022.

The normal maximum term of office is nine years and trustees are asked to serve a minimum of three years.

All trustees give their time freely and no trustee remuneration was paid in the year from funds of LoLF. Any reasonable travel expenses were covered for trustees, as a cost borne by the Corporation of Lloyd's.

Governance

New trustees are appointed by the Board of Trustees, following approval from the Council of Lloyd's.

As a charity established to provide charitable grants on behalf of the Lloyd's market, trustees are drawn from across the Lloyd's market with the aim of representing different market constituencies – underwriters, brokers and members of Lloyd's governing body. Trustees external to the Lloyd's market are also on the Board of Trustees and bring specific skills and expertise, and diversity of experience.

The Foundation also aims to be a diverse Board of Trustees, representing different voices as outlined in its Recruitment Policy, which is reviewed every three years. The formal recruitment process allows potential trustees to apply to become a trustee, and then the Foundation's trustee recruitment subcommittee will formally interview potential candidates and decide who to put forward to the board. The board will collectively agree what skills and knowledge gaps exist on the board and recruit candidates based on their experience and expertise, knowledge and interest in the charitable sector.

Potential trustees are invited to meet with the trustee recruitment subcommittee (including the Chair and the Global Community Engagement team) before agreeing to become a trustee. They will be informed of the

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

Foundation's structure, objectives and activities, and their responsibilities as a trustee. A full induction will be undertaken for all new trustees that follows good practice and guidance from the Charity Commission. All new trustees are required to sign the LoLF's Code of Conduct as part of their onboarding process.

Once appointed, trustees will be supported by the Secretary and the Board of Trustees in any area of induction or training needed. Regular updates are provided at the meetings with regards to governance issues and changes to charity regulations.

All trustees complete a Register of Interests and a skills audit on an annual basis, as well as alerting the Chair and Global Community Engagement team when there is a new potential conflict of interest.

Trustees meet at least three times a year as this is sufficient for the size and nature of the organisation. As stated in the original Trust Deed, any questions submitted at a meeting shall be decided by a majority vote of the trustees present at a meeting, but in the event of a tie the Chair shall have a second or casting vote.

At the trustee meetings, the trustees agree the broad strategy and areas of activity for the Foundation, including

consideration of governance, grant giving, charity partnerships, investment, reserve and risk management policies and performance. The day to day administration of grants and processing and handling of applications prior to consideration by the relevant subcommittee is delegated to the Global Community Engagement team at Lloyd's. The charity partner selection committee of trustees meet as required to review all applications for partnerships and shortlist applications and recommendations to take forward to the board.

Annual grant giving is awarded through the Lloyd's Market Charity Awards through a subcommittee who meet annually to review all applications and shortlist applications from the Lloyd's market and recommendations to take forward to trustee meetings.

LoLF has a number of subcommittees of which trustees and the Global Community Engagement team are a part of, and they are chaired by a trustee. These include:

- Trustee recruitment
- Charity partner selection
- Lloyd's Market Charity Awards
- Financial Planning

Lead trustees are also allocated to lead on: the risk register; the Foundation's investments which involves sitting on the Charities Investment Advisory Committee and acting as a lead trustee for charity partners.

Minutes are taken at each meeting, circulated to trustees along with action points and responsibilities, and kept as a record.

It should be noted that the accounting and finance function had been outsourced from the internal finance team at Lloyd's to an external organisation, Simpson Wreford & Partners (SWP) in August 2022. It was agreed SWP would be providing the following services:

- Administration of the charities' banking function
- Bookkeeping and monthly accounting services
- Preparation of management reports for trustees' meetings
- Preparation of annual statutory accounts.

A separate function within the organisation would be looking after this part of the service to ensure there was no conflict of interests.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)**Risk Management**

The trustees have considered the major risks to which the charity is exposed and reviewed those risks and established systems and procedures to manage those risks. LoLF's risk management approach is outlined in their risk management policy, which is reviewed every three years.

The risk register outlines the major risks to which the charity is exposed. The risk register is reviewed annually.

The trustees' approach to risk management concerning their investment income is outlined in the Financial Review on page 7.

As Lloyd's employees, all individuals administering LoLF are able to raise issues relating to fraud and financial crime in accordance with Lloyd's Speaking Up procedures.

LoLF has a conflicts of interests policy and procedure which all trustees and new trustees are familiar with and follow. This is reviewed every three years.

LoLF also has a complaints policy which outlines how complaints should be made and escalated within the Foundation and its delegation of authority to the Corporation of Lloyd's. This is reviewed every three years.

Objectives and Activities

The objective of the Foundation is to make grants to charitable organisations on behalf of the Society of Lloyd's in line with the strategy of the Foundation. The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities.

It focuses on three key areas established for the public benefit to achieve the Foundation's strategic priorities:

1. General Fund

The Lloyd's of London Foundation partners with charities to build more resilient, more sustainable and more inclusive communities, empowering these communities through tangible action and long-term partnerships.

The Foundation partners with people and charities to build resilient communities. Society needs resilience more than ever: The ability to bounce back from unexpected events and prepare for a more sustainable, inclusive future. The LoLF works to empower and embolden communities through action and long-term partnerships. It supports charitable causes focusing on the following themes:

- Employability
- Social mobility
- Mental health
- Disaster avoidance and recovery
- Climate

2. Lloyd's Community Programme

Established in 1989, Lloyd's Community Programme (LCP) is a sub-fund of the Foundation which helps individuals achieve their full potential through support from the Lloyd's market. This is achieved through projects that tackle disadvantage and foster opportunity, including in the Lloyd's market. Through long-standing relationships with local delivery partners, LCP has established a wide range of volunteering opportunities for employees across the Lloyd's market.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)**3. Lloyd's Education Fund**

The Lloyd's Education Fund provides university bursaries to young people from schools in London who have achieved their A-level results and have a firm offer from a university outside of London. This fund was previously known as the Cuthbert Heath Centenary Fund.

ACHIEVEMENTS AND PERFORMANCE**1. General Fund**

During 2022, Lloyd's of London Foundation made donations amounting to £521k from its General Fund to support the programmes described below. This has resulted in support to 13 organisations, helping many more beneficiaries globally.

Lloyd's Market Charity Awards

To meet our aim to support the individual and collective charitable efforts of colleagues in the Lloyd's market, Lloyd's of London Foundation runs the annual Market Charity Awards, that makes donations to their chosen causes. This is a long-standing scheme that recognises and celebrates charities that Lloyd's market employees are actively involved with; through volunteering or fundraising activities, as well as supporting employees through difficult times.

In 2022, donations between £7.5k up to £25k (depending on the size of the charity) were awarded. In some cases the charities would receive their donations across two years.

In 2022, 42 applications eligible for an award were received from individuals working in 21 businesses across the Lloyd's market and 8 winners were chosen to receive a donation on behalf of 8 charities. Donations totalled £112k to the 8 charities.

Habitat for Humanity Great Britain

Lloyd's of London Foundation continued their partnership with Habitat for Humanity Great Britain with a 1-year partnership from February 2022 – February 2023. The partnership encourages a Lloyd's market approach to help meet Habitat for Humanity's goal of a world where everyone has a safe and decent place to live.

Habitat for Humanity Great Britain were awarded a grant of £130,000 to support a project building community resilience against flood risk in Ethiopia. The project enabled more than 20,000 urban residents to protect themselves against flood risks and improving sanitation. Additionally, the programme has supported 19 individuals to become expert WaSH (Water, Sanitation and Hygiene) trainers. 4,000 individuals have received training and Habitat for Humanity have been able to develop drainage and flood-mapping support to the community. The Foundation supported the rising costs of materials with an additional £4,760.

In addition to this project, Lloyd's of London Foundation also donated £15,000 towards Habitat for Humanity's Ukraine Emergency Relief Appeal. This enabled the provision of 2,600 emergency travel kits for refugees who arrived in Romania. The Foundation has been able to support 32,000 refugees across Romania, Poland and Hungary with accommodation after fleeing Ukraine.

In the UK, Lloyd's has supported 80 hours of volunteering for Habitat for Humanity's Empty Spaces to Homes project in Barking and Dagenham, London, where colleagues were able to convert empty retail spaces into safe homes for vulnerable people in the community.

Lloyd's of London Foundation Flagship Charity Partners

Applications to apply to become one of the 2023 Lloyd's of London Foundation Charity partners opened in October. We received over 500 applications, of which trustees shortlisted down to 12 charities who delivered programmes across a range of projects in the areas of employability, social mobility, mental health, climate and

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

disaster avoidance and relief. Employee voting will open in January 2023 whereby the three charities that receive the most votes from Lloyd's colleagues will become the Foundation's 2023 charity partners and will receive a grant of between £25,000 and £50,000.

2. Lloyd's Community Programme

Delivery partners' applications for funding were reviewed at the LoLF trustee meeting. All applications were successful, and LCP continues to work with THEBP (now trading as The Switch), ELBA and SEO to deliver volunteering opportunities for the Corporation and Market. The trustees agreed to donate an additional £5k each to The Switch and ELBA to support the charities through the increased operational costs incurred due to inflation and costs charities were facing in the aftermath of the pandemic.

In 2022, funding from the Lloyd's of London Foundation supported 1,160 beneficiaries through our partnership with The Switch. 870 employees from across the Corporation and market volunteered 3,900 hours towards our school outreach programmes such as student mentoring, employability skills workshops and educational schemes which aim to increase confidence, aspirations and develop life skills.

Through our partnership with ELBA, funding supported 16,403 beneficiaries, 203 (direct) and 16,200 (indirect); 34 team challenges including 2 Just Turn Up Day events and engaged 519 volunteers. ELBA's Board Builders programme allowed employees the opportunity to join the board of an East London Charity. In 2022, we had five trustees volunteer, providing for approximately 36 hours in their role as a trustee.

The 'Insuring Futures' collaboration between SEO London and the Lloyd's Community Programme is continuing to help transform the lives of students from diverse backgrounds. As well as educating students about the structure and function of London's insurance markets, 'Insuring Futures' creates opportunities for candidates to work with market firms. Importantly, this helps candidates in the long term by building workplace skills and instilling confidence in their ability to thrive in an industry they might not have otherwise considered. In the academic year 2021/2022 our work with SEO engaged 650 students from SEO Careers and 164 students from SEO Schools, placed 89 students into work placements across the market and saw 300 volunteers support as workshop leaders and mentors.

In 2022 Lloyd's Community Programme's delivery model moved back to in-person volunteering and across all delivery partners supported an estimated 18,200 beneficiaries. In 2022 LCP disbursed grants to its delivery partners of £349k and the programme involved 1,600 volunteers from 58 companies across the Lloyd's market. The number of volunteer hours has been estimated at 6,800.

3. Lloyd's Education Fund

In 2022, income from LEF investments was used to support the Lloyd's University Bursary Fund. 12 students from low-income backgrounds were selected for a £5,000 grant for the 2022 cohort to help towards living expenses while studying for undergraduate degrees at universities outside of London. Applications were open to young people from schools across London.

In total, Lloyd's Education Fund disbursed grants of £158k to 34 students with AEGIS London providing funding for three of these bursaries (one student per year), totalling £15k and General Reinsurance Corporation providing funding for one of these bursaries (one student in first year), totalling £5k. In 2022 the payments were split into two payments, one in January 2022 and one in September 2022, to better support students in managing their money. This sum, therefore, represents the second tranche and final payment (£2k per student) of funding for the 2019 cohort, as well as first tranche (£3k per student) of funding for the, 2020, 2021 and 2022 cohort. AEGIS and General Reinsurance Corporation will continue to fund one bursary student per year, LEF will continue funding five places and the Corporation of Lloyd's will fund five students per year. This commitment has currently been made for three years.

One student from the 2021 cohort took a gap year and will return to university in the 2022/2023 academic year. Two students from the 2020 cohort notified the Global Community Engagement team in March 2022 that they would be pausing their studies and will reassume year three in the 2022/2023 academic year. The Global

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

Community Engagement Team received no correspondence from another student in the 2020 cohort after several attempts to contact them, and so they did not receive their third year payment. One student from 2019 cohort came back from their break and resumed year three in the 2022/2023 academic year. All students are required to sign up to new Lloyd's Community Programme's partner SEO London, to receive employability support, work placement opportunities in the Lloyd's market, a mentor, and support applying for career opportunities once they complete their degree.

FINANCIAL REVIEW**Funding Sources and Reserves Policy****General Fund and Lloyd's Community Programme**

The General Fund of Lloyd's of London Foundation and the Lloyd's Community Programme received an annual donation of £350k from the Council of Lloyd's to support the work of its partner charities, community partners and the Lloyd's Market Charity Awards.

Trustees have agreed a reserves policy of holding circa £250k in reserve. This equates to nearly one year's income received from the Council of Lloyd's and permits cover for any unbudgeted expenditure during the year. As at 31 December 2022, reserves totalling £753k were held.

Lloyd's Education Fund

The Lloyd's Education Fund relies on the investment income from funds managed by Cazenove Capital Management. The policy has been to leave the capital of the fund untouched as far as possible in order to provide a future income stream to support the fund's activities. This policy has remained unchanged during the last year. As at 31 December 2022, reserves totalling £2,409k were held

Risk analysis

The Foundation's principal risk is the reduction in funding and inability to fundraise. This could manifest through the Council of Lloyd's ceasing funding to the Foundation, the Foundation losing their ability to fundraise or if the Foundation's investment portfolio weakens, meaning that dividends significantly reduce.

LoLF have significant mitigation processes in place which means that these scenarios are very unlikely. The Lloyd's charities risk register and regular risk reviews mean that controls are in place for each risk. This is supported in kind by the Lloyd's Corporation Risk & Regulatory team. LoLF also have a cash reserve meaning in any circumstance which this may occur, they are able to honour their grant giving requirements within their current partnership contracts. Grant agreements also feature termination clauses which protect LoLF from these risks and protect any reputational issues.

Investment policy and management

The invested funds of Lloyd's Education Fund are held in funds managed by Cazenove Capital Management, whereby the costs of investment management are borne directly by the Foundation and amount to £6k (2021: £8k).

Investments are reviewed during the year to ensure that they are meeting the trustees' long-term objectives of maximising income whilst protecting the capital value of the Fund.

The cash element is placed with Morgan Stanley Funds PLC (Gartmore) as are any surplus funds from the General Fund and Lloyd's Community Programme funds.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

Bi-annual review meetings are held with the Foundation's advisory investment manager, Cazenove Capital Management as part of the Charities Investment Advisory Committee, as well as additional meetings with the lead trustees for LoLF's investments.

A report on the investments by Cazenove Capital Management is included on pages 11-12.

Summary of investment changes and capital movement

The loss for the year amounted to £246k (2021 gain: £257k).

Ethical Policies

The trustees review their level of exposure to ethically sensitive investments regularly and although they have not adopted a negative screening policy, they continue to monitor their exposure level throughout 2022. The exposure level to ethically sensitive investments continued to be low and investment managers continue to engage with companies to encourage them to manage their ESG impact.

Commitments and Liabilities

The trustees have committed expenditure of £7k to charitable partnerships at the end of the year.

Lloyd's Education Fund

As at the end of 2022, Lloyd's Education Fund has made a commitment to fund up to five Lloyd's University Bursary Fund students for three years of university.

As part of the same bursary programme AEGIS London and Gen Re have committed to fund one student for three years of university. The Corporation of Lloyd's has committed to fund five students for three years of university from 2020.

The total number of students on the programme is currently 34 with a total value of funding of £170k per annum.

PLANS FOR THE FUTURE

The plans for the 2023 financial year include:

- Launching the new Lloyd's of London Foundation 2023 charity partners for the including a programme of employee engagement and fundraising opportunities.
- Increasing support from the Lloyd's market through company donations and improving the marketing of the Foundation.

General Fund

Trustees plan to continue supporting Habitat for Humanity Great Britain (2022 – 2023); and continue to run the Lloyd's Market Charity Awards scheme. The Foundation will also unveil the 3 new charity partners for 2023.

Lloyd's Community Programme

LCP will continue to fund ELBA and The Switch subject to an annual review of all programmes and partners. SEO London will no longer be supported through LCP and will move into the remit of the Corporation. LCP will continue to engage Lloyd's managing agents with volunteering opportunities and actively raise funds from Lloyd's brokers who wish to support the programme and get involved. A focus for 2023 includes utilising an improved suite of communication materials to the market to raise awareness about opportunities for market engagement, in addition to increasing engagement from the Corporation of Lloyd's employees as well as considering the long-term benefits and capacity for providing remote volunteering opportunities.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

In 2023, programmes will be reviewed to ensure that they are fit for purpose and benefit those who need it most.

Lloyd's Education Fund

Following approval from trustees, the fund continues to be used to support the Lloyd's University Bursary Fund and the wider travel bursary fund.

Public Benefit

The Trustees take full account of the published Charity Commission general guidance on public benefit and are satisfied that the aims of the charity are carried out wholly in pursuit of its charitable aims for the public benefit. Lloyd's Charities Trust's grant-making is of measurable benefit to individuals. Applications can be made by all charities focussing on disaster risk reduction on a global scale.

Acknowledgements

The trustees wish to record their sincere thanks to members of the Corporation of Lloyd's staff who assist with the administration of the financial statements of the Foundation, and to the Corporation of Lloyd's which bears the majority of the administration costs.

Approved by the Board of Trustees on 26 June 2023 and signed on its behalf by:-

Vicky Carter
Chair

David Ibeson
Trustee

STATEMENT OF THE TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2022

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 law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT OF THE INVESTMENT MANAGER TO THE TRUSTEES OF LLOYD'S OF LONDON
FOUNDATION FOR THE YEAR ENDED 31 DECEMBER 2022****Overview****Investment Objective**

The portfolio is designed to maximise income whilst protecting the real value of capital over the medium to long term. The portfolio is managed on an advisory basis with Cazenove Capital Ltd providing investment advice on an ad hoc basis, custody, reporting and administration services. The portfolio uses a broad range of investments and may allocate a high proportion of its assets to equity, or equity-like, investments in pursuing its aims. Whilst the majority of the portfolio is invested in readily tradable assets, illiquid assets are considered part of the investable universe and the portfolio may have some exposure. Cash, fixed income and other defensive assets will normally account for only a small part of the portfolio.

Portfolio Summary

Description	Market Value £	Portfolio Weight %
Multi-Asset	2,166,688	90.6%
Charity Multi-Asset Fund	528,897	22.1%
Charity Responsible Multi-Asset Fund	1,637,790	68.5%
Cash	224,107	9.4%
Sterling cash	46,852	2.0%
JP Morgan Liquidity Fund	177,256	7.4%
Total	2,390,795	100%

Economic and Market outlook

Central bankers may well start to sound less anxious about inflation in 2023. However, investors must still contend with the slowdown that will result from the steep rises in interest rates we have seen over the past year. If inflation cools quickly, this slowdown could be relatively shallow and short-lived, as central banks signal a willingness to cut interest rates to support growth. Schroders' economists anticipate that the Federal Reserve may be in a position to cut rates in the second half of 2023, with the Bank of England and European Central Bank to follow. However, the path of inflation remains far from certain. Markets could become more volatile if it becomes apparent that interest rates will need to rise higher - or stay high for longer – than is currently anticipated.

Beijing has surprised investors by quickly dismantling the coronavirus restrictions that have been weighing on Chinese activity for over two years. At some point, this is likely to result in a strong rebound in economic activity, potentially boosting global demand and complicating efforts to bring inflation under control. However, the timing of this recovery remains unclear and China could face a prolonged period of weakness as it experiences a Covid "exit wave." This uncertain outlook is reflected in the performance of commodities, which are still highly dependent on Chinese demand. Prices jumped late last year as it emerged that Covid restrictions would be eased: they have since retreated as it has become more likely that the boost to activity may be delayed.

Russia's bombardment of Ukrainian cities over the holiday season is a sad reminder that there is little prospect of a de-escalation of the conflict any time soon. By contrast, it looks increasingly likely that both sides are preparing for renewed offensives in the spring. Besides the humanitarian cost, this will have global economic implications as the world grapples with continued uncertainty over energy and agricultural supplies. There are other international flashpoints to worry about. Taiwan is likely to remain a source of tension between China and the US and could lead to further disruption in global trade and supply chains. Iran's nuclear programme, alongside the challenge from domestic unrest, could also be a source of instability in the Middle East.

Cazenove Capital Management, 31 December 2022

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF LLOYD'S OF LONDON
FOUNDATION FOR THE YEAR ENDED 31 DECEMBER 2022****Opinion**

We have audited the financial statements of Lloyd's of London Foundation (the 'charity') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet 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 its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least 12 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 other information comprises the information included in the annual report, including the Trustees' report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF LLOYD'S OF LONDON
FOUNDATION FOR THE YEAR ENDED 31 DECEMBER 2022 (Continued)****Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees are responsible for the preparation of financial statements which 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We obtained an understanding of the legal and regulatory framework applicable to the entity and the sector in which it operates, through discussions with management and those charged with governance. We identified the financial reporting framework including but not limited to United Kingdom Generally Accepted Accounting Practice and the Charities Act 2011, Data Protection Act 2018 and the Bribery Act 2010 as being of significance in the context of Lloyd's Charities Trust and its ongoing activities.
- We made enquiries with management and those charged with governance along with reviewing board meeting minutes to confirm our understanding that the charity continued to comply with the applicable legal and regulatory frameworks, and also to confirm our understanding of the specific policies and procedures enlisted by the charity to ensure ongoing compliance.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF LLOYD'S OF LONDON
FOUNDATION FOR THE YEAR ENDED 31 DECEMBER 2022 (Continued)**

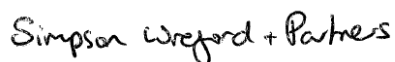
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud may occur, and gained an understanding of the charity's policies and procedures on fraud risks through discussion with the charity's management.
- We considered the risk of material misstatement due to fraud as a result of possible management override of controls and improper revenue recognition. In addressing this risk of fraud from the above we have tested the appropriateness of journal entries and other adjustments including a sample of manual journals along with testing revenue recognition and confirming that cut-off is appropriate.
- We communicated those laws and regulations considered relevant to the charity, and potential fraud risks to all engagement team members, and consider that the engagement team had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations, and remained alert to any indications of fraud throughout the audit.

Due to 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 Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Simpson Wreford & Partners**

Statutory Auditor
Suffolk House
George street
Croydon
CR0 0YN

Date : 12 September 2023

Simpson Wreford & Partners is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

		Unrestricted Funds	Restricted Funds		31 Dec 2022	31 Dec
		General Fund	Lloyd's Education Fund	Lloyd's Community Programme	Total	Total
	Note	£'000	£'000	£'000	£'000	£'000
INCOME:						
Donations and legacies	2	15	20	350	385	1,008
Investment income	3	4	93	-	97	83
Total income		19	113	350	482	1,091
EXPENDITURE:						
Investment management fees		-	(6)	-	(6)	(8)
Audit and other professional fees		-	-	-	-	(2)
Charitable activities:						
Donations and grants payable	6	(329)	(27)	(165)	(521)	(779)
Bursaries	6	-	(158)	-	(158)	(109)
Total expenditure		(329)	(191)	(165)	(685)	(898)
Net income / (expenditure) and net movement in funds		(310)	(78)	185	(203)	193
Net realised gain / (loss) on investments	7	-	(246)	-	(246)	62
Net unrealised gain / (loss) on investments	7	-	-	-	-	195
Net gain/(loss) on investments		-	(246)	-	(246)	257
NET MOVEMENT IN FUNDS		(310)	(324)	185	(449)	450
Balance brought forward at 1 January 2022		576	2,733	302	3,611	3,161
Balance carried forward at 31 December 2022		266	2,409	487	3,162	3,611

The notes on pages 19 - 24 form part of these financial statements.

BALANCE SHEET AS AT 31 DECEMBER 2022

	Note	Unrestricted Funds	Restricted Funds		31 Dec 2022	31 Dec 2021
		General Fund £'000	Lloyd's Education Fund £'000	Lloyd's Community Programme £'000	Total £'000	Total £'000
INVESTMENTS						
At market value	7	-	2,216	175	2,391	2,633
CURRENT ASSETS						
Debtors	8	17	11	115	143	-
Short term deposits		156	-	195	351	351
Cash and cash equivalents		95	182	2	279	709
		268	193	312	773	1,060
CURRENT LIABILITIES						
Creditors	9	(2)	-	-	(2)	(82)
Total liabilities		(2)	-	-	(2)	(82)
NET CURRENT ASSETS		266	193	312	771	978
NET ASSETS		266	2,409	487	3,162	3,611
FUNDS		266	2,409	487	3,162	3,611

Approved and authorised for issue by the Board of Trustees on 26 June 2023 and signed on its behalf by: -



.....
Vicky Carter, Chair



.....
David Ibeson, Trustee

The notes on pages 19 - 24 form part of these financial statements

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £'000	2021 £'000
Net cash used in operating activities	10	(523)	(285)
Cash flows from investing activities:			
Interest and dividends		97	83
Purchase of investments		-	(2,395)
Proceeds from sale of investments		-	2,223
Net cash provided by investing activities		97	(89)
Change in cash and cash equivalents in year		(426)	(374)
Cash and cash equivalents brought forward		1,102	1,476
Cash and cash equivalents carried forward		676	1,102
Cash and cash equivalents consist of:			
Cash within investments		46	42
Short term deposits		351	351
Cash at bank		279	709
Total		676	1,102

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES**Basis of accounting**

The charity constitutes a public benefit entity as defined by FRS 102. In preparing the financial statements the fund follows best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities" (Charities SORP FRS 102) in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. They are drawn up on the historical accounting basis except that investments held as fixed assets are carried at market value.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Donations and legacies

Donations and legacies are included in the statement of financial activities when receivable.

Investment income

Dividends from equity investments are taken into account on the due date of payment; all other income is included by reference to the amount due in respect of the accounting period.

Gains and losses on investments

Gains or losses on disposals in the year are calculated by reference to the carrying value of the holding as at the date of sale.

Grants

Grants are accounted for by reference to the amount due in respect of the accounting period.

Administration expenses

The cost of the administration of the Charity is borne in full by the Corporation of Lloyd's with the exception of investment management fees, audit fees and bank charges. No remuneration was paid to the Trustees and any reasonable Trustees expenses are reimbursed by the Corporation.

Taxation

The Foundation is established as an exempt approved charity for taxation purposes.

Investments

Investments are stated at their market value at the date of the balance sheet. Gains and losses on investments are taken directly to the statement of financial activities.

Debtors

Debtors are recognised at the settlement amount due.

Short term deposits

Short term deposits include short term highly liquid investments with a short maturity of three months or less from the date of acquisition.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES (CONTINUED)**Creditors**

Creditors are recognised where the charity 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 are normally recognised at their settlement amount.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at amortised cost or as specified in the preceding accounting policies. As there are currently no long term financial instruments, the transaction value and settlement value will be the same.

Allocation between funds

Investment income and capital gains and losses on investments are allocated to individual funds in proportion to their share of the Fund account balance at the beginning of the year.

Funds

The General Fund comprises all unrestricted monies which may be used towards meeting the charitable objectives of the Lloyd's Charities Trust at the discretion of the trustees.

The Lloyd's Education Fund and Lloyd's Community Programme are restricted funds to be used for specific purposes or for donations subject to donor-imposed conditions, as confirmed by the trustees.

Further details of each fund are disclosed at note 13.

2. DONATIONS AND LEGACIES

	2022	2021
	£'000	£'000
General donations	35	42
Donation from the Corporation of Lloyd's	<u>350</u>	<u>966</u>
	<u>385</u>	<u>1,008</u>

3. INVESTMENT INCOME

	2022	2021
	£'000	£'000
Dividends – UK equities	92	78
Dividends – property fund	-	5
Interest – UK fixed interest investments	<u>6</u>	<u>-</u>
	<u>98</u>	<u>83</u>

4. AUDITOR'S REMUNERATION

The auditor's remuneration constituted an audit fee of £2k (2021: £2k) and non-audit fees of £nil (2021: £nil).

As noted in the report of the Trustees, the auditor was paid for the provision of bookkeeping services. This was for an amount of £5k (2021: £nil) and was paid by the Corporation of Lloyd's.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(continued)**5. STAFF COSTS AND NUMBERS**

The average number of employees was nil (2021: nil). No remuneration was paid in either the current or prior period.

6. ANALYSIS OF CHARITABLE EXPENDITURE

	2022 £'000	2021 £'000
Funded from unrestricted funds:		
Habitat for Humanity Great Britain	150	43
Lloyd's Market Charity Awards	179	498
Funded from restricted funds:		
Lloyd's Community Programmes	165	238
Lloyd's Education Fund	185	109
	<u>679</u>	<u>888</u>

More detail of the individuals and institutions paid can be found within the trustee's report.

7. QUOTED INVESTMENTS

	2022			
	Equity £'000	Property £'000	Cash £'000	Total £'000
Market value brought forward	2,591	-	42	2,633
Net (sales) and purchases	-	-	-	-
Net unrealised gain/(loss) for the year	(246)	-	-	(246)
Net realised gain/(loss) for the year	-	-	-	-
Movements on cash account	-	-	4	4
Market value carried forward	<u>2,345</u>	<u>-</u>	<u>46</u>	<u>2,391</u>
	2021			
	Equity £'000	Property £'000	Cash £'000	Total £'000
Market value brought forward	2,001	161	204	2,366
Net (sales) and purchases	336	(164)		172
Net unrealised gain/(loss) for the year	195			195
Net realised gain/(loss) for the year	59	3		62
Movements on cash account	-		(162)	(162)
Market value carried forward	<u>2,591</u>	<u>-</u>	<u>42</u>	<u>2,633</u>

8. DEBTORS

	2022 £'000	2021 £'000
Deferred income	143	-
	<u>143</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(continued)**9. CREDITORS**

	2022	2021
	£'000	£'000
Accruals	2	6
Accruals for grants payable	-	76
	<u>2</u>	<u>82</u>

10. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021
	£'000	£'000
Net movement in funds	(449)	450
Less interest and dividend income shown within investing activities	(97)	(83)
(Gain) / loss on investments	246	(257)
Decrease / (increase) in debtors	(143)	39
(Decrease) / increase in creditors	(80)	(434)
Net cash (outflow) / inflow from operating activities	<u>(523)</u>	<u>(285)</u>

11. DISCLOSURE OF RELATED PARTY TRANSACTIONS & TRUSTEE REMUNERATION

The trustees receive no remuneration and no expenses were reimbursed within the financial year 2022.

There were no related party transactions in the year 2022.

12. FUNDING COMMITMENTS

Lloyd's Charities Trust has made a commitment to spend the annual donation from the Council of Lloyd's to fund a number of partners including through the Lloyd's Community Programme. This includes its partnerships with Habitat for Humanity Great Britain as well as the Lloyd's Market Charity Awards. Any other partners were selected through a fair and open applications process in 2022.

At the end of the year, there were funding commitments of £7k.

13. FUNDS**General Fund**

The general fund is available to be spent for any purposes of the charity.

Lloyd's Education Fund

Previously the Cuthbert Heath Centenary Fund, The Lloyd's Education Fund was established to benefit young people in London communities. Funds are generated by income from the charity's investments and are used to provide bursaries and educational support to low income students. Funds are restricted to this purpose.

Lloyd's Community Programme Fund

Expenditure from The Lloyd's Community Programme is restricted to funding local organisations with the aim to help individuals achieve their potential with the support from the Lloyd's market. Income is generated mainly through an annual donation of £250,000 from the Council of Lloyd's. In addition, donations are made by brokers in the Lloyd's market

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(continued)

14. ANALYSIS OF COMPARATIVE INFORMATION WITHIN THE STATEMENT OF FINANCIAL ACTIVITIES

	General Fund £'000	Lloyd's Education Fund £'000	Lloyd's Community Programme £'000	31 Dec 2021 Total £'000
INCOME:				
Donations and legacies	718	-	290	1,008
Investment income	-	83	-	83
Total income	718	83	290	1,091
EXPENDITURE:				
Investment management fees	-	(8)	-	(8)
Audit and other professional fees	(2)	-	-	(2)
Charitable activities:				
Donations and grants payable	(541)	-	(238)	(779)
Bursaries	-	(109)	-	(109)
Total expenditure	(543)	(117)	(238)	(898)
Net income/(expenditure) and net movement in funds	175	(34)	52	193
Net realised gain / (loss) on investments	-	62	-	62
Net unrealised gain / (loss) on investments	-	195	-	195
Net gain/(loss) on investments	-	257	-	257
NET MOVEMENT IN FUNDS	175	223	52	450
Balance brought forward at 1 January 2021	401	2,510	250	3,161
Balance carried forward at 31 December 2021	576	2,733	302	3,611

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(continued)

15. ANALYSIS OF COMPARATIVE INFORMATION WITHIN THE BALANCE SHEET

	General Fund £'000	Lloyd's Education Fund £'000	Lloyd's Community Programme £'000	31 Dec 2021 Total £'000
INVESTMENTS				
At market value	-	2,458	175	2,633
CURRENT ASSETS				
Debtors	-	-	-	-
Short term deposits	156	-	195	351
Cash and cash equivalents	424	277	8	709
	<u>580</u>	<u>277</u>	<u>203</u>	<u>1,060</u>
CURRENT LIABILITIES				
Creditors	(4)	(2)	(76)	(82)
Total expenditure	<u>(4)</u>	<u>(2)</u>	<u>(76)</u>	<u>(82)</u>
NET CURRENT ASSETS	576	275	127	978
NET ASSETS	<u>576</u>	<u>2,733</u>	<u>302</u>	<u>3,611</u>
FUNDS	<u>576</u>	<u>2,733</u>	<u>302</u>	<u>3,611</u>