

The Halifax Foundation for Northern Ireland
(Company Limited by Guarantee)

Annual report and financial statements
for the year ended 31 December 2024

The Halifax Foundation for Northern Ireland

Annual report and financial statements for the year ended 31 December 2024

Contents	Pages
References and administrative details of The Halifax Foundation for Northern Ireland	1
Trustees' Report	2 - 9
Independent auditor's report to the members of The Halifax Foundation for Northern Ireland	10 - 13
Statement of financial activities (incorporating income and expenditure account)	14
Balance sheet	15
Statement of cash flows	16
Notes to the financial statements	17 - 28

The Halifax Foundation for Northern Ireland

References and administrative details of the Foundation

Trustees/directors

Chair

Brenda Kelly (Appointed as Chair on 23 November 2024)
Gillian Boyd (Resigned 23 November 2024)

Deputy Chair

Michael Prendergast (Appointed as Deputy Chair 06 December 2024)

Trustees

Gillian Boyd (Resigned 23 November 2024)
Aidan Bennett
Jennifer Burnside (Appointed 13 June 2024)
Barry Connolly (Resigned 06 October 2024)
Jenny Ebbage
Angela Hodgkinson
Rebecca Hume
Brenda Kelly
Aine McCoy (Resigned 13 June 2024)
Michael Mulhern
Niall Parfitt
Michael Prendergast
Melvin Slaine

Finance, Audit, Investment & Risk Committee

Michael Prendergast (Chair)
Aidan Bennett
Barry Connolly (Resigned 06 October 2024)
Rebecca Hume

Grants Committee

Niall Parfitt (Chair)
Angela Hodgkinson
Melvin Slaine

Human Resources, Governance & Nominations Committee

Jenny Ebbage (Chair)
Gillian Boyd (Resigned 23 November 2024)
Jennifer Burnside (Appointed 13 June 2024)
Brenda Kelly
Aine McCoy (Resigned 13 June 2024)
Michael Mulhern

Company Secretary & Chief Executive

Brenda McMullan

Registered Office/Principal Office

2 North Queen Street
Belfast
Northern Ireland
BT15 1ES

Solicitors

Edwards & Co. Solicitors
28 Hill Street
Belfast
BT1 2LA

Investment Managers

Evelyn Partners
The Ewart
3 Bedford Street
Belfast
BT2 7EP

Bankers

Danske Bank
Donegall Square West
Belfast
BT1 6JS

Independent Auditors

Deloitte LLP
Abbots House, Abbey St
Reading, United Kingdom
RG1 3BD

The Halifax Foundation for Northern Ireland

Trustees' Report (Incorporating the Directors' report) for the year ended 31 December 2024

The Trustees, who are also Directors of The Halifax Foundation for Northern Ireland (the Foundation) or the purposes of the Companies Act 2006, submit their Annual Report and the audited Financial Statements for the year ended 31 December 2024. This Trustees' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

The annual report and financial statements of the Foundation have been prepared in accordance with Charities "Statement of Recommended Practice" applicable to charities preparing their accounts in accordance with FRS 102 ("the SORP"), the Companies Act 2006, and the Charities Act Northern Ireland 2008, 2013 and 2022. The Statement of Financial Activities (SOFA) shows the gross income from all sources.

Objectives and activities

The Foundation is one of four grant-making trusts funded by the profits of Lloyds Banking Group, together receiving 0.5% of profits. The Foundation is an independent charitable foundation, and policies are determined by the Trustees of the Foundation.

Vision

The Foundation envisions a sustainable and inclusive Northern Ireland where everyone thrives.

Mission

The Foundation invests in local charities, empowering communities in greatest need to flourish.

Strategy

The Trustees approved a five-year strategy (2024 – 2028), *Better Together*. This strategy saw the renewal of the Halifax Foundation for Northern Ireland (the Foundation)'s values as follows:

<i>We Nurture:</i>	We enable local charities to develop and enhance their ability to respond to community needs. We support each other to deliver beyond what is expected.
<i>We are Responsive:</i>	We actively listen to our community and adapt our programmes to have the greatest impact on community need.
<i>We are Passionate:</i>	We believe deeply in our vision and work tirelessly to support communities in greatest need.
<i>We act with Integrity:</i>	We are open, transparent and honest with our applicants and with each other.

The Strategic Objectives of the Foundation are:

- To provide grants and other enabling support to local charities, responding to the needs of the communities they serve.
- To collaborate with others and encourage those we support and work with to collaborate, so as to maximise the impact of the resources available.
- To strengthen our partnership with the Lloyds Banking Group, utilising fully the resources available through it.
- To maintain robust organisational governance and continue to enhance and optimise grant giving processes.

Grant Making Strategy

The Foundation is established to support charitable activities, principally in, but not limited to, Northern Ireland, including in particular the provision of support for people in greatest need in order to:

- (a) advance education and training; and
- (b) promote the provision of facilities in the interest of social and community welfare.

The Halifax Foundation for Northern Ireland

Trustees' Report (Incorporating the Directors' report) for the year ended 31 December 2024 (continued)

Grant Making Strategy (continued)

The Foundation achieves this objective by awarding grants to charities on receipt of an official application form. All applications are then assessed against established criteria and awarded grants at the discretion of the Board of Trustees. The strategy (2024 – 2028): *Better Together* saw the creation of five new grants programmes:

IGNITE:	12-month seeding grants of up to £2,000 to support set-up costs for new charities.
FLEX:	12-month grants of up to £10,000 to support charities that directly help people in greatest need.
EMPOWER:	1 to 2-year grants of up to £20,000 for infrastructure charities providing support to voluntary and community sector groups.
COLLABORATE:	12-month grants of up to £20,000 to support charities coming together to tackle a social issue at a local level.

40INVEST:	2-year grants of up to £40,000 to support smaller charities that directly help people in greatest need. Grantees will be announced in 2025 to celebrate 40 years of grant giving in Northern Ireland.
-----------	---

All grant programmes have unique monitoring and evaluation requirements that must be met. Following successful completion of these requirements, charities may be eligible to re-apply.

Public Benefit

In reviewing our aims, objectives and planning for future activities, the Trustees have considered the Charity Commission for Northern Ireland's general guidance on public benefit. The Trustees always ensure that the activities undertaken are in line with the charitable objectives and aims of the Foundation.

'Public Benefit' is the legal requirement that every organisation set up for one or more charitable aims must be able to demonstrate. In order for an organisation to be recognised and registered by the Charity Commission as a charity in Northern Ireland, it must fulfil the requirements of the Public Benefit Test known as 'the public benefit requirement.'

The Foundation fulfils the following charitable purposes for the public benefit: the prevention or relief of poverty; the advancement of education; the advancement of health or the saving of lives; the advancement of citizenship or community development; the advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity, and; the relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage.

The Foundation invites applications for the funding of grants from organisations with recognised charitable status. These applications are then reviewed against specific criteria and objectives which are set by the Trustees, in accordance with the objects of the Foundation. The Foundation was recognised, and registered, by the Charity Commission for Northern Ireland as a charity in Northern Ireland on 01 June 2015.

Achievements and performance

During the year, the Foundation received 430 applications for support towards its four live grant programmes, IGNITE, FLEX, COLLABORATE and EMPOWER with requests totalling £1,622,702. 245 applications were approved, totalling £1,514,704. This represents a 57% success rate.

Details of all grants awarded can be found at: <https://www.halifaxfoundationni.org/impact/>

The Halifax Foundation for Northern Ireland

Trustees' Report (Incorporating the Directors' report) for the year ended 31 December 2024 (continued)

Achievements and performance (continued)

Whilst the Foundation is primarily a grant-making organisation, due to its unique and strong relationship with Lloyds Banking Group, the Foundation have been able to offer a package of support to grantees beyond financial. The Trustees are proud to have worked alongside to offer a number of initiatives aimed at strengthening good governance and operations of small charities, including:

<i>Charity Mentoring:</i>	Matching senior Lloyds Banking Group colleagues with grantees of the Foundation, helping to develop the skills of leaders and giving a fresh perspective to foster personal and professional growth.
<i>Charity Response Forums:</i>	Giving grantees space to safely explore broad and wide-ranging discussions around issues that the charity is facing.
<i>Skills Exchange Programme:</i>	Pairing a grantee with a team of Lloyds Banking Group colleagues on a longer term basis, to help the charity with a thorny issue they are facing.

20 charities availed of the above programmes in 2024.

The Foundation continued to administer the Matched Giving Scheme on behalf of Lloyds Banking Group. In this arrangement, the Foundation matches both fundraising for chosen charities of Lloyds Banking Group/Halifax employees, as well as volunteering hours at a rate of £10 per hour. In 2024, 169 applications to the Scheme were approved (2023: 165 awards), totalling £70,106 (2023: £66,132).

The Foundation supported a total of 306 (2023: 322) organisations through its Grants Programmes and Matched Giving Scheme. A total number of people cited by applicants to directly benefit from grant initiatives was 138,153 (2023: 350,745).

The Foundation anticipates supporting in the region of 300 organisations in 2025, and approximately 150,000 beneficiaries.

Financial review

The Foundation had net income for the year of £162,790 (2023: net expenditure of (£244,592)). This is including gains on revaluation of investments held in shares of £18,840 (2023: £27,619).

Grant making policy

The Trustees approve the Foundation's grant programmes. The Foundation will only accept applications from registered charities. All programmes involve an application process. Applications are assessed by grants staff, including robust assessment of governance. Internal challenge meetings are held with the grants team and Chief Executive. A Grants Committee (made up of up to four Trustees) meets to review recommendations from the Grants team. Final ratification of all recommendations is sought by the full Board of Trustees before decisions are shared with applicants. The applicant's Chairperson must sign up to Terms and Conditions before funding is released via bacs payment. All grantees must complete an evaluation report, outlining expenditure, performance, and impact. Grantees must demonstrate the direct benefits their work has on people in need via monitoring and evaluation, which the grants team thoroughly review.

Results

Lloyds Banking Group plc shareholding

The Foundation is principally funded by annual donations received under deed of covenant from Lloyds Banking Group plc. Under the term of the covenant the Foundation was allocated 4,329,276 limited voting shares in Lloyds Banking Group, recognised as ordinary shares in 2017. The share portfolio has since been diversified, and at the end of the year, all the remaining shares in Lloyds Banking Group have been sold (237,490 shares held in 2023). No further limited voting shares are held by the Foundation and therefore no similar share income is due from the Lloyds Banking Group plc.

The Halifax Foundation for Northern Ireland

Trustees' Report (Incorporating the Directors' report) for the year ended 31 December 2024 (continued)

Financial review (continued)

Investments

The market value of the investments held at 31 December 2024 was £1,847,521 (2023: £1,695,285). During the financial year, the Foundation disposed of £3,222,085 in investments (2023: £957,600). The portfolio now consists of a structured allocation to UK government bonds and cash funds. This is in line with our investment policy to obtain a low-risk and diverse portfolio. The Foundation received £2,119,569 (2023: £1,495,685) under deed of covenant, of which £33,820 relates to Gifts in Kind (2023: £24,666) and dividend income of £31,228 (2023: £68,191).

After expenditure of £2,014,483 (2023: £1,864,976), the net outgoing resources before adjustment for movement in market value of shares amounted to £18,840 (2023: £27,619). The net outgoing resources and increase in market value of shares have been added to the unrestricted funds brought forward giving a balance of £2,276,309 (2023: £2,113,519) at the balance sheet date.

Investment policy

Following a robust tendering process, the Board of Trustees appointed Evelyn Partners as investment managers on 13 June 2024, replacing Investec. The appointment was made on the basis of a low-risk portfolio to achieve a balanced return objective.

The Foundation's Investment Policy outlines the Trustees' desire to diversify the portfolio, with the ability to draw down funds annually over the next 4 years to align with the Foundation's strategy and top up the Foundation's grant giving.

To achieve this, investments are structured primarily in a ladder of UK government bonds and cash funds held within an execution-only account. Under this arrangement, Evelyn Partners facilitates transaction execution, but does not have discretionary authority or provide investment advice. This structure is appropriate, as the government bonds are held to maturity to support planned drawdowns.

From 07 March 2025, the Foundation maintains a separate bespoke discretionary account with Evelyn Partners to manage a portion of its cash reserves. This account is subject to restrictions, limiting investments to cash and near-cash instruments. The investment managers primarily purchase UK Treasury Bills, enabling the Foundation to achieve a higher return on its cash holdings compared to traditional UK commercial bank rates.

The current Investment Strategy does not require an Ethical Policy, however should this change in the future, Trustees will consider the content.

Reserves policy and going concern

The Foundation is principally funded by an annual donation received under a deed of covenant from Lloyds Banking Group plc. The Board of Trustees approves applications for grants at its quarterly meetings, having regard to the level of reserves required to meet its administrative expenses over the period until the next year's income is received. The Foundation keeps its Reserves Policy under review.

The Trustees have reviewed the Foundation's projected budgets and are comfortable that adequate funding is in place to ensure the Foundation can continue its operations for at least 12 months and the financial statements can be signed off as a going concern.

The Foundation aims to maintain a reserve level of 3 months running costs of £100,100, 1 quarter budgeted grants of £510,000, totalling £610,100 and wind up costs of £303,225. Actual reserves held as of 31st December 2024 were £2,276,309 (2023: £2,113,519). Trustees plan to spend down surplus reserves held in investments over the next 4 years, as part of their new strategy, 'Better Together' 2024 – 2028.

Reserves will be utilised to support the community and voluntary sector with grant funding, as well as supportive initiatives to support and strengthen grantee's resilience.

The Halifax Foundation for Northern Ireland

Trustees' report (Incorporating the Directors' report) for the year ended 31 December 2024 (continued)

Financial review (continued)

Taxation status

The Foundation is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Foundation's primary objectives, if these profits and surpluses are applied solely for charitable purposes. The Foundation is not registered for VAT and accordingly, all its expenditure is recorded inclusive of any VAT incurred.

Structure, governance and management

Constitution

The Foundation is a Company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1. The Foundation is governed by its Memorandum and Articles of Association.

Registration

The Halifax Foundation for Northern Ireland is the registered name of the Foundation. The Foundation is registered with the Charity Commission for Northern Ireland. The Registered Charity Number is 101763 and the Company Registration Number is NI 019019. The Registered Office is 2 North Queen Street, Belfast, Northern Ireland, BT15 1ES.

Relationship with Lloyds Banking Group

The Trustees continued to work strategically with our Funder, Lloyds Banking Group. To ensure the ongoing success of the Foundation, the Trustees were delighted to sign an agreement in 2017, which provided stability. The Trustees proposed to utilise an element of current reserves and income from the sale of investments during 2024 to continue to provide grants to the local community.

Pay and remuneration of key management personnel

The key management personnel of the Foundation received remuneration of £122,560 (2023: £105,893).

The HR, Governance and Nominations (HRGN) Committee determines the remuneration packages and terms and conditions of both the Chief Executive and Grants Manager and recommends to Trustees the salary for the forthcoming year. Pay setting is calculated by research on market indicators.

Trustees

The Trustees who acted during the year and up to the date of signing these financial statements are shown on page 1.

Potential candidates for appointment as Trustees are considered by the HRGN Committee, which makes recommendations to the Board of Trustees for up to nine Trustees. A further three Trustees are appointed by Lloyds Banking Group. Appointments, once made, are notified to the Lloyds Banking Group Board. Appointments to the Board are made with due regard to maintaining a gender, geographical, social and skills mix in respect of its membership. New Trustees receive a formal Induction Programme as well as ongoing training to include GDPR, Cyber Security, and Safeguarding.

At the date of signing the annual report, there are currently 10 trustees.

The Board of Trustees meets quarterly to determine the Foundation's policies. In addition, a Board Meeting to focus on strategic planning takes place annually.

The Board is assisted by several Committees, which have Terms of Reference approved by the Board, to which they report on their meetings and other activities. The role of the **Finance, Audit, Investment & Risk Committee** is to satisfy themselves that any financial statements published by the Foundation follow approved accounting principles; to oversee the investments portfolio of the Foundation and give an accurate account of the Foundation's financial affairs. The Committee meets quarterly or more often if required. The role of the **Human Resources, Governance and Nominations Committee** is to make recommendations to the Board on the appointment of new Trustees, make recommendations to the Board for the remuneration of staff and Human Resource matters that arise, and ensure good governance arrangements are in place. The Committee meets quarterly or more

The Halifax Foundation for Northern Ireland

Trustees' report (Incorporating the Directors' report) for the year ended 31 December 2024 (continued)

Trustees (continued)

often if required. The **Grants Committee** and the Foundation's Officers analyse all grant applications and make recommendations to the Board. The Committee meets on six occasions per year.

Within an agreed strategic framework all operational issues fall within the remit of the Board of Trustees. Day to day operations are delegated to the Chief Executive.

Risk management

The Board of Trustees has assessed the principal risks to which the Foundation is potentially exposed, particularly those relating to its operations and finances. It is recognised that risk management is an ongoing activity involving all Trustees and Officers, and it has been established as a quarterly agenda item for the Finance, Audit, Investment & Risk Committee, reviewed annually by the Board. The Board of Trustees reviews specific aspects of risk on a structured basis with a quarterly report to the Finance, Audit, Investment and Risk Committee. The Board is satisfied that systems are in place to mitigate these risks.

The principal risk facing the Foundation is Lloyds Banking Group's performance. This could impact the level of donation received by the Foundation. This is mitigated by a minimum payment agreed by the Bank and maintaining close communications with the Bank.

The Trustees have assessed the going concern and have sufficient funding to continue for at least 12 months from the date of signing of these financial statements.

Reference and administrative details

Details of these are included on page 1.

Funds held as custodian trustee on behalf of others

There are no funds held as custodian trustee on behalf of others.

Plans for future years

The IGNITE, Community FLEX, COLLABORATE and EMPOWER Programmes continued in 2025. 40 INVEST grantees were announced and awarded in January 2025. To further celebrate 40 years of grant-giving, the four Foundations funded by Lloyds Banking Group will launch a financial resilience fund in Summer 2025.

All grants are awarded on the basis of evidence that the funding will have a positive impact on the beneficiaries.

All organisations that receive a grant are required to demonstrate the direct benefits their work has on people in need via monitoring and evaluation, which the assessment team thoroughly review. A review of the Foundation activities is detailed in the Trustees Report, pages 2 – 4.

As per the Foundation's strategy '*Better Together*' 2024 – 2028, the Foundation will continue to award grants to charitable organisations to benefit people in Northern Ireland who are deemed in greatest need.

The Halifax Foundation for Northern Ireland

Trustees' report (Incorporating the Directors' report) for the year ended 31 December 2024 (continued)

Directors'/Trustees' indemnities

As permitted by the Articles of Association, the Directors benefit from an indemnity, a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained Directors' and Officers' liability insurance throughout the financial year in respect of itself and its Directors.

Statement of Trustees' responsibilities

The Trustees (who are also Directors of The Halifax Foundations for Northern Ireland for the purposes of company law) are responsible for preparing the Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 FRS 102 (second edition – October 2019);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

Statement as to disclosure to our auditors

In so far as the Trustees are aware at the timing of approving our Trustees' report:

- there is no relevant audit information of which the charitable company'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 company's auditors are aware of that information.

Small company exemption

The Trustees have prepared this report in accordance with special provisions relating to small sized companies with Part 15 of the Companies Act 2006.

The Trustees have taken advantage of the small companies' exemption, in accordance with section 414B of the Companies Act 2006, from including a separate Strategic Report in these financial statements.

The Halifax Foundation for Northern Ireland

Trustees' report (Incorporating the Directors' report) for the year ended 31 December 2024 (continued)

Independent auditors

A resolution concerning the appointment of Deloitte LLP as auditors to the Foundation will be proposed at the annual general meeting.

Approved by the Board of Directors and signed on behalf of the Board on:

A handwritten signature in black ink, appearing to read 'B. Kelly'.

Mrs Brenda Kelly
Chair/Trustee
11 June 2025