



Fair economy. Better world.

Friends Provident Charitable Foundation

(A company limited by guarantee)

Report and Financial Statements
For the year ended 30 September 2025

Charity No: 1087053
Company No: 4228843

Fair economy. Better world.

FRIENDS PROVIDENT CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2025

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Reference and administrative information

Charity name:	Friends Provident Charitable Foundation
Other names by which the charity is known:	Friends Provident Foundation
Charity number:	1087053 (England & Wales)
Company number	4228843 (England & Wales)
Registered address:	15 Priory Street York, YO1 6ET

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Board of Trustees

Trustees who served during the year and up to the date of this report were as follows:

Trustees:	Mofeyisayo Ayodele (from 1 January 2026) Abraham Baldry Paul Blyth Jennifer Coleman-Peers (from 1 January 2026) Ann Don Bosco Priya Gupta (from 1 January 2025) Kathleen Kelly (to 31 December 2025) Stephanie Maier Stephen Muers (Chair to 31 December 2025) Natalie Nicholles (from 1 January 2025) Luke Sandford (from 1 January 2026) Caroline Taylor (Vice Chair to 31 December 2025, Chair from 1 January 2026)
Associate Trustee:	Simin Wadiwala

Key management personnel

Foundation Director	Danielle Walker Palmour
Head of Funding Strategy	Abigail Gibson
Investment Engagement Manager	Charlie Crossley
Social Investment Portfolio Manager	James Anthony
Finance and Operations Manager	Kate Kendall
Communications Manager	Sarah Heathwood (from 30 June 2025)

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Principal advisors

Principal bankers:	CAF BANK Limited PO Box 289 West Malling Kent ME19 4TA	Triodos Bank NV Deanery Road Bristol BS1 5AS
Auditor:	Sayer Vincent 110 Golden Lane London EC1Y 0TG	
Investment advisor:	Gallagher (formerly Redington) 1 Angel Court London EC2R 7HJ	
Solicitors:	Wrigley's Solicitors LLP 3rd Floor, 3 Wellington Place Leeds LS1 4AP	
Investment managers:	Columbia Threadneedle Investments 78 Cannon Street London EC4N 6AG	Cazenove Capital 1 London Wall Place London EC2Y 5AU
	Tribe Impact Capital LLP 52 Jermyn Street London SW1Y 6LX	

Chair's introduction

I believe that an organisation's values and culture are two of its most important aspects, and that they are central to whether or not it succeeds.

This year at Friends Provident Foundation, the Trustees and staff team reflected on our values, refreshing them to better reflect how we want to be and act over the coming years.

A value that we decided is central to our way of working is to "challenge ourselves and others to think and act in new and different ways". One of the great privileges of being an endowed foundation is independence: we believe that we should use that to push the boundaries of what is possible in ways that others are not able. We are starting to put new approaches into practice across the two main pillars of our work: our investment activity and our grantmaking.

On the investment side, we're really pleased to be working with several other foundations on the Endowments Investing Challenge. We feel this is bold and different: issuing a broad challenge to the investment industry to look at investments to support future generations and, crucially, directly involving a panel of young people in deciding which proposals best achieve that end.

We do not yet know where this will take us: look out for more updates as the Challenge develops through to a public event in March 2026. One of my favourite memories of my time with Friends Provident is chairing a similar event we did in 2020: I'm confident this one will be even better.

On grantmaking, we've been changing things in several ways: providing some partners with more stable core funding; new streams of work addressing perceptions and financial systems change; and enabling more co-creation of applications to support different organisations. It is early days with these changes, and we are keen to hear feedback.

As well as new approaches, we have new people. I've been very pleased this year to welcome Priya Gupta and Natalie Nicholles as new Trustees, who are both already making a fantastic contribution. As new Trustees join, the terms of others come to an end: the Foundation will be very sorry to lose Kathleen Kelly after providing nine years of wisdom, warmth and insight to the board.

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This is also my final annual report as Chair as my term also concludes. Being a Trustee for nine years and Chair for five of those has been an absolute privilege: Friends Provident Foundation has a wonderful team who are committed to seeing the big picture and making important things happen. I'm leaving the Chair role in the excellent hands of Caroline Taylor and will be following the next stages of the Friends Provident journey with great interest.

Stephen Muers

Chair to 31 December 2025

Director's report

This year has been marked by change and progress - welcoming new colleagues, saying farewell to valued team members and advancing our mission through innovation and collaboration. I am proud of how our staff and Trustees have navigated these transitions while working effectively with partners to promote a fair and sustainable economy.

Strategic developments

This year saw the launch of a new grants strategy and process, which has received positive feedback from partners and fund recipients. We continue to refine our approach to improve accessibility and support applicants in developing strong proposals. Alongside this, a new Investment Policy now underpins the Endowments Investing Challenge: a £50 million collaborative initiative with six partners. Managed by Charlie Crossley and James Anthony, the Challenge aims to demonstrate that mission-driven investments can deliver both impact and returns.

Operationally, we introduced a new performance management process and HR system, aligning staff remuneration with industry benchmarks. Our operations team maintained high standards throughout the year, managing significant financial transactions and supporting multiple projects and recruitments.

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Learning and accountability

We implemented our learning strategy with Lucent, enabling us to capture insights and share knowledge more effectively. This work addresses gaps identified by the Foundation Practice Rating, particularly around accountability to stakeholders.

Changes to the Board

This year we say goodbye to two key members of our Board. Stephen Muers, our Chair, and Kathleen Kelly, Chair of our Resources Committee, are both leaving after being with the Foundation for nine years. During that time, Stephen has led the Board with clarity of thought, incisiveness of comment, alongside great sensitivity. Kathleen has consistently brought us back to a focus on purpose and finding new ways to engage and amplify the voices of those furthest from power. We are hugely indebted to them both for their contributions to our work.

Sim Wadiwala, our Associate Trustee, continues to bring a fresh perspective to our Board. We introduced this paid role to remove one of the barriers to becoming a Trustee – the practical reality that only those who have enough work flexibility and income can afford to be Trustees. The role is designed as a pathway to becoming a full Trustee through training and support. As an Associate Trustee, Sim contributes to Board discussions, which benefits both the Foundation and Sim, but does not have voting rights. While we expect paid Trustees to make up a small proportion of our Board in the future, we are committed to supporting those with the experience and skills that help us achieve our mission to be part of Friends Provident Foundation.

Strengthening our team

We were delighted to welcome several new colleagues who have already made a significant impact. In April, Kate Rudd joined as our first Funding Programme Officer, bringing expertise in economics and sustainability. In August, Jo Bridger became Grants Manager following the departure of Jo Wilce earlier in the year. Jo's experience and knowledge of Salesforce have strengthened the efficiency of our grants team. In June, Sarah Heathwood joined as Communications Manager, succeeding interim support from Ashanti Akabusi of Virtubands, whose

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professionalism ensured a smooth transition. We now employ 6.7 FTE (a 10% increase on last year of 6.1 FTE).

Looking ahead

For several years, we have distributed more than we have earned in income, because of what Trustees judged to be the urgent need to support new economy actors. We recognise the need to do this work strategically and so are undertaking a review of our longevity, without altering our strategic direction or current commitments. Conversations with stakeholders will continue into 2026.

Danielle Walker Palmour

Our purpose

Friends Provident Foundation is an independent charity that makes grants and uses its endowment towards a fair and sustainable economic system that serves people and planet. We connect, fund, support and invest in new thinking to shape a future economy that works for all.

We're a catalyst for wider change, making an impact through continuous experimentation and shared learning. We do all we can to embody the change we want to see. We invest in great social enterprises and use our money in line with our values.

We will continue to fund new thinking, connect new ideas, invest our capital in line with our aims and values and create better systems.

This annual report focuses on our main mission which is to create a fair and sustainable economy.

For more information, please visit our website at www.friendsprovidentfoundation.org.

Equity and social justice

Equity and social justice is a central element of our values which inform our ways of working. A focus on justice – a rebalancing of power and resources is vital to achieving our overall objective of a fair and sustainable economy.

We have been rated B for diversity in the Foundation Practice Rating (FPR) for two years running, reflecting the impact of decisions we have taken about setting targets in our diversity plan. Ratings range from A to D, so our current rating shows that there is still room for improvement. The FPR is a review of UK foundations' practices in diversity, accountability and transparency. We set up the initiative, with support from other foundations, in 2021.

Key components

Internal operations

- We are working to get agreement from the Charity Commission for payment of Trustees.
- Staff undertook sensory training to better understand how to support colleagues with visual or hearing impairments.

Grantmaking

- The changes to our grant application process aim to make our approach more inclusive and relational and less extractive for applicants, particularly benefiting smaller organisations with no fundraising team.
- The Shifting Cultural Perceptions programme strand is exploring how some communities understand and think about the economy and how we might imagine ways to change it.

Investment management

- Through the Endowments Investing Challenge we are surfacing the needs and priorities of future generations who are those most impacted by the investment decisions made now.

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Communications and accessibility

- We are working to make our communications content across all channels accessible to more audiences.

Climate emergency declaration

We are aware that our economy continues to drive our society's overshoot of planetary resource boundaries, as well as still not providing for the needs of those most vulnerable to market failure. Friends Provident Foundation understands a fair and sustainable economy is not possible without both decarbonising our way of life as well as addressing the existential threats to nature and biodiversity our current patterns of consumption pose.

To this end, we're working with the Sustainability Clinic, an interdisciplinary initiative run by the University of York. The Clinic's team is reviewing our operations and systems to better understand the embedded carbon and consumption in our ways of working. We will review and share a report with Trustees in 2026.

Earlier in the year, staff and Trustees undertook two half day sessions of Carbon Literacy training. This introduced us to some key concepts - some of us for the first time - as well as affording an opportunity to discuss goals together.

Progress towards our goals in 2024-25

We set a range of ambitious organisational goals for both staff and Trustees, to continue to drive the most effective delivery of our mission:

1. To continue to develop our key strategies to progress alignment and impact.
 - This was wholly met this year (see Grants and Investments reports below).

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2. To review how the outsourcing of the Communications function has operated for the Foundation in 2024.
 - Following the excellent celebration of our 20 year anniversary in 2024, we considered our future communications activity. We took the operational decision to bring the substantive role back in house. Building on the strong foundations established by Ashanti Akabusi of Virtubrands, we successfully recruited a new Communications Manager, Sarah Heathwood. We thank Ashanti for her strong, systematic and professional communications support.

3. To implement the review of the salary and benefits structure conducted in 2024 - this will entail further developing our performance and development frameworks to align better with our goals and culture.
 - This was fully met and the new system has been implemented.

4. To restructure and develop internal systems to support Foundation operations and communications - this is part of our commitment to continuous improvement.
 - This was not fully achieved this year. The HR system was implemented and now supports staff information and annual leave tracking. The new finance system was not fully scoped and will need to be undertaken in the new financial year. Due to the changes in our Communications function quite late in the accounting year, further work on communications systems is ongoing.

5. To develop our governance and support of the refreshed Trustee board to enable Trustees to fulfil their fiduciary duties and model our mission - we continue to innovate and develop our Board with new Board members, an application to pay Trustees with the Charity Commission and an Associate Trustee role and work together to increase our effectiveness.
 - This has been fully achieved and further developments are underway.

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6. To reassess and reduce our carbon impacts and contributions to biodiversity loss in our operations, investment portfolios and through grant-funded activities - this is a new area for exploration and development this year.
 - This was reassessed this year through the development of our Investment Policy, undertaking staff and trustee Carbon Literacy training and contracting a full audit with the Sustainability Clinic at the University of York. A full report from the latter will be considered by Trustees in 2026.

7. To research and consider if other income sources (donors, other funders, etc) might contribute toward the achievement of our mission - this is another exploratory area for the Foundation. We look forward to sharing our findings in 2026.
 - This was considered in more depth as part of strategic discussions relating to the longevity of the Foundation. Trustees continue to assess the options available to us.

8. To effectively deliver Year Five of the Foundation Practice Rating, obtaining sufficient funding to continue the initiative.
 - This was fully achieved.

Our goals for 2025-2026

As part of the process of setting our goals for the year, we noted that our annual plans tend to reflect the new and the innovative work we plan rather than the “Business as Usual” processes reflecting the provision of excellent operations and governance support. We will continue to consider this approach over the course of the year.

Trustees also challenged us to consider the use of a question of focus as an underpinning of the plan. Our aim is that fulfilling the activities and work outlined

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in the plan will assist in answering the question of “How can we most effectively collaborate with key stakeholders?”.

Goals

- To support the process of Trustee consideration of the Foundation’s organisational strategy to best define our purpose, timescales and expenditure to achieve our mission and use our resources.
- To coordinate and deliver the Endowments Investing Challenge to positively impact the investment sector and influence the practices of asset owners to demand mission aligned portfolios.
- To fully implement key operational systems for finance and HR, to review the use of AI in our operations and to support team effectiveness.
- To integrate learning into our processes and functions with the support of Lucent.
- To deliver and launch a report on the 2025 Foundation Practice Rating (FPR) cohort, with consultation. Also to raise funds for 2026 and to support an evaluation of the FPR. To continue to seek a new host to support the FPR beyond 2027 or close it down.
- To effectively support good governance through the transition in the role of Chair, the reapplication to the Charity Commission on Trustee remuneration and the recruitment of new Trustees.

Grants report

This year, we reimagined how we fund, who we reach and how we work in partnership with those driving change.

Conventional grantmaking approaches can reinforce power imbalances, reward style over substance and consume excessive applicant time. In response, we redesigned our approach to be more inclusive and relational, and less extractive for applicants.

Two major shifts define this change. First, we made unrestricted funding our default, unless there is a good reason to impose some restrictions. Second, we overhauled our application process to focus on conversation, accessibility and

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fairness. Applicants can now introduce ideas and test alignment with our funding priorities through a ‘Say Hello’ enquiry (written, filmed or voice note), followed by an exploratory chat or a conversational application interview, which we write up on their behalf. This approach shifts the labour of writing, at **Stage One of the application process**, from applicants to us, helping those without professional fundraising capacity compete on equal terms. We offer clear feedback for those who don’t progress. (A written application is still required from those who progress to Stage Two of the application process.)

We also reduced unnecessary bureaucracy for returning core grantholders to ensure continuity for key organisations working at the heart of the UK’s new economy movement.

How it’s gone: early results and learning

The new approach was implemented gradually across the year. We worked with our learning partner Lucent and with the consultancy, Modern Grantmaking, to review how the changes are working in practice.

Early results show the reach and value of a more open, conversational entry point. Applicants have described the process as welcoming and low-pressure, with several noting that it saved time and reduced anxiety.

“It felt like a real conversation, less like trying to ‘get funding’ and more like exploring shared goals. The process gave us confidence that our voice mattered, even before we submitted anything.” Applicant feedback, Modern Grantmaking Review 2025

For staff, it has improved the fit and focus of the pipeline, allowing early signposting for those outside our remit. Most Programme Advisory Group assessors found Foundation-authored write-ups clearer and more comparable, supporting fairer decisions, although some missed the nuance of hearing the applicant’s voice.

The new process encourages us to listen more deeply and to treat each conversation as a partnership to best represent each application, reducing misunderstanding between the applicants and the assessors. This also means

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that when a potential applicant isn't a fit, we can give clearer feedback and signpost to other potential opportunities.

"Friends Provident Foundation turned me down for a fund I applied to, and I want to thank them. Their response was clear, specific and showed me they had genuinely taken the time to read and understand my application." Carly Trisk-Grove, The Public Plate (thepublicplate.com)

Challenges and adaptations

The shift to a relational, rolling model has not been without challenges. Some applicants found it unclear what to expect at each stage. A few felt the structured questions could make conversations feel formal or evaluative, rather than exploratory. Others needed support to articulate a clear theory of change, which varied widely between applicants. Internally, rolling rounds placed sustained pressure on staff capacity and limited opportunities for reflection.

Looking ahead: refinement and next challenges

Next year, we will focus on deepening quality, accessibility and reflection. In response to our review, we will introduce clearer guidance for each stage; preserve applicants' own words in the final write-up by including direct quotes; use improved theory of change questions; and set internal reflection windows to avoid continuous assessment fatigue.

We will also continue integrating technology to streamline the process and reduce administrative burden. We'll continue to learn from partners to embed transparency and trust across all our funding practices.

Our challenge is to sustain the balance between openness and rigour, to remain relational without becoming resource-intensive and to embed learning without slowing innovation. We will also continue to explore how unrestricted funding and trust-based practices can support resilience and creativity across the new economy field.

Results in numbers

Between October 2024 and September 2025, we received 305 enquiries across all three programme strands and reviewed 193 stage one applications.

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Shifting Cultural Perceptions ran over the first quarter of this financial year. As a one-off funding round, it followed a one-stage process. 120 organisations submitted an initial enquiry and 25 were taken to our Programme Advisory Group for review. Six were awarded funding.

We then formally launched two new funding strands in 2025. **Transforming Financial Systems** opened in March and attracted a high level of enquiries, revealing strong thematic clusters around climate-related financial risk, legal accountability, narrative change and fiduciary duty.

New Economy Infrastructure opened in May after a renewal-only phase for existing grantholders in the earlier part of the year. This allowed us to provide continuity for long-term partners while inviting new organisations to strengthen the field's shared infrastructure.

Over the year we developed 73 applications under the Transforming Financial Systems and New Economy Infrastructure programme strands: 19 (26%) were invited to stage 2. Of these, seven were fully developed into applications, for review by Trustees, and three of those were funded (42%). A further 12 were invited to stage 2 and are in the process of being assessed.

Programme	Applications	Invited to Stage Two	Funded
Shifting Cultural Perceptions	120	25	6
Transforming Financial Systems	73	7 reviewed +6 pending	3
New Economy Infrastructure	28	0 reviewed* +6 pending	0

* We renewed grants for ten existing grantholders working within the New Economy Infrastructure programme.

In total, we committed £3.4 million in new, renewed and extended grant funding across the year, plus £12,246 in programme delivery costs for Shifting Cultural Perceptions. This substantial increase from previous years is due to two main decisions: we have started a new three-year grant programme this year, with grant expenditure front-loaded into the first year; and we have agreed additional core funding for several existing grantholders over the next three years.

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You can find out more about the grants we awarded this year in Appendix A and on our website.

Investments report

This year, we challenged ourselves to rethink *how* we make investment decisions, not just *what* we invest in. We are experimenting with how to bring a more collaborative and participatory approach to our investing.

A basis for this was laid by the review of our [Investment Principles and Policy](#), where we tested a participatory approach through a stakeholder survey.

With the [Endowments Investing Challenge](#), we are building on a process we first ran in 2020. We are again working with partners to increase transparency of investment processes that have traditionally been the preserve of Trustees, staff members and advisors. The Challenge has invited perspectives that reflect the future generations who our endowments are ultimately meant to serve.

We are questioning: how can a charitable foundation like Friends Provident Foundation – whose beneficiaries are often diffuse and hard to define – bring in meaningful external input to shape decisions about how its capital is allocated? The Challenge offers a live opportunity to test this: working alongside charitable foundation partners and a Future Generations Panel of seven young adults from across the UK, we’re shaping a new way to make decisions for a £50 million investment mandate.

How it’s gone

The participatory approach has been both energising and demanding. We are still in the early stages of building “organisational muscle” in this area and have relied on the support of partners and external experts.

Participation is bringing significant value and learning. For example, the clarity of vision of the Future Generations Panel – for “a sustainable and fairer future where we take pride in communities and are equitable, with no hate and injustice” – has helped anchor our work in purpose. Their insights have also challenged us: we are learning that sometimes participation confirms that we are

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on the right track and sometimes it pushes us further than we might have gone alone.

We are also learning that a truly collaborative process is incredibly resource-intensive: from facilitation to communication to administration. It requires openness, humility, flexibility and a willingness to move at a different pace: one that allows for listening and reflection.

Looking ahead

We are still in the middle of this journey. The Endowments Investing Challenge process will continue into next year, culminating in a public event in March 2026, and we expect to see a significant change in our investment portfolio as a result. We also see potential to deepen participatory practice across other areas of our work: not as a one-off exercise, but as a way of further embedding openness, shared accountability and learning into our organisational culture.

The ultimate impact of this experiment remains to be seen, but already it has changed how we think about our role as a charitable foundation.

Social investments and investment engagement

We entered three social investments this year: increasing our existing investment with Ethex; supporting a former grantholder (Fair Tax Foundation) with a community share raise; and continuing our involvement in the WorkerTech Partnership by investing in the WorkerTech Fund. In addition, our investment in Snowball Impact Management Limited was acquired by Tribe Impact Capital LLP.

We were also part of a group of investors who co-filed real living wage transparency shareholder resolutions at UK retailers JD Sports, Marks & Spencer and Next. The resolutions, coordinated by grantholder, ShareAction, encouraged the companies to be more open about their pay practices for low paid workers and move towards being accredited real living wage employers.

We have maintained transparency of our approach by keeping our website up to date with our investment approach, key documents, strategy, portfolio, governance and team. Gallagher remain our investment advisor, following the acquisition of Redington in October 2024.

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Details of our current investment holdings and managers can be found on pages 45 and 46 of the financial statements and in Appendix B.

Communications report

Over the past year we've challenged ourselves as a staff team and Board with questions around how we best achieve our mission. As these discussions influence our decisions in the year ahead, communication must play an essential part.

To enable communications to be part of our strategic decision-making, we decided to bring it in-house. Communications consultant Ashanti Akabusi has contributed wonderfully over the last year and we're grateful for her perspective and approach. Sarah Heathwood, our new Communications Manager, joined the team in June and has been focused mainly on supporting the Endowments Investing Challenge and the Foundation Practice Rating.

Alongside that she has been putting in place the groundwork to help us develop a new communications strategy: auditing our content and channels, working with the team on a strategic analysis of the organisation, considering our brand, and more.

As we look ahead to 2025-26, we want to ensure that communications is part of how we achieve our mission and this consideration of where we are now will be central to this.

Operations report

This year has been both busy and rewarding for the operations team. We have successfully settled into our new office and built strong relationships with our landlord, York CVS, and other tenants. The new space has already proved its value, hosting both our staff and Trustee away days, both of which were highly productive and well-received.

We are challenging ourselves to review the systems we use and are in a process of learning from this and implementing new or improved systems.

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We have completed a staff rewards review and delivered the first full cycle of a new performance management process. This has made a real cultural shift in how we focus on our work and support each other's development. We also introduced a new HR system, which is designed to make managing all types of leave and administration related to staffing more efficient, transparent and centralised.

Recruitment has been a strong theme in our work this year. We have welcomed three new members of staff and are in the process of recruiting new Board members. We have used this opportunity to review and learn from our current recruitment practices and will revisit this once the recruitment of new Trustees concludes.

Looking ahead, we plan to review and update our banking and finance systems to ensure they are integrated and support the staff team to meet our overall mission.

Financial review

Reserves and going concern

The total charity funds at the year-end of £21.44 million (2024: £24.26m) were held in the endowment fund. The capital comprising the Foundation's expendable endowment is the principal source of income to meet the Foundation's objectives and running costs. Of these funds, £21.41million were unrestricted and £31,056 were restricted.

The Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern.

In 2016, Trustees took the strategic decision to expend capital from the endowment in pursuit of our mission. In order to ensure there are adequate funds to support a potentially higher level of expenditure, the Foundation adopted a policy to 'draw down' a sum from the endowment each year to match the difference between our projected income and our projected expenditure as set by Trustees in the annual business planning process.

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In 2021, Trustees decided to slow down the reduction of the capital base. This was to enable a rebalance of internal resources to allow greater focus on investment engagement and impact.

In 2025, Trustees have been reviewing the use of capital to ensure that the charity's commitment to maximising its impact through grant-making and investment activity continues, whilst holding an appropriate level of reserves to ensure financial sustainability and operational stability. A new grants programme has led to higher expenditure this year but this will be balanced by lower levels of grant-making in the following two years.

Trustees also recognise that Foundation income from investments can fall. To mitigate this risk, it is the Trustees' intention to hold three to six months' operating costs, which includes grant payments, as a cash reserve; estimated at £700,000 to £1,400,000. At the year end cash at bank was £1.3 million. This is held as part of Foundation funds and will not be expended although Trustees do not consider it necessary to have a separate reserves account.

The reserves policy was last reviewed and approved by the Trustees in September 2025. Trustees will continue to review the level of reserves taking into consideration the cost base of the Foundation.

Financial review and performance

The Foundation's income is primarily derived from investment performance. Total income for the year ended 30 September 2025 was £649,707 (2024: £996,642), with over half of this attributable to dividends and interest received from the principal investments – open-ended investment trusts with underlying investments in equities and corporate bonds.

A donation of £124,062 (including gift aid) was received this year. In 2024, two donations, totalling £522,500 were received. Donations are added to the funds available for grantmaking.

Grant funding of £153,334 was received for the Foundation Practice Rating project, being coordinated by the Foundation (2024: £62,500). The project year does not run concurrent to the Foundation's financial year. As a result, some grant funding received in this financial year for the Foundation related to late funding agreed for the previous year of the project.

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The total expenditure for the year was £4,125,243 (2024: £2,200,525). Of this, grant commitments amounted to £3,399,171 (2024: £1,045,283). A new grant programme started this year, with planned higher expenditure in year 1 of the 3 year programme. Other expenditure was £726,072 (2024: £1,155,242). Net expenditure for the year was £3,475,537 (2024: £1,203,883) before investment gains of £658,904 (2024: gains of £2,526,450), leading to net expenditure of £2,816,633 (2024: net income of £1,322,567).

The value of the Foundation's net assets reduced to £21,441,362 (2024: £24,257,995), as a result of a decrease in the value of investments held and an increase in the grants payable creditor.

As per our investment policy, Trustees expect our investments to direct capital to socially and environmentally useful activity, and focus on long-term impacts rather than short-term financial returns. This involves navigating trade-offs between investments with higher financial returns, which may not align as well with impact objectives but may allow the Foundation to spend more on grants and operations, with highly impactful investments which might offer lower financial returns, higher financial risk or less liquidity. Investment performance is reviewed by the Investment Committee, with advice from our Investment Advisers. A modest gain on listed investments this year (see above) was offset against funds drawn down from these investments of £2,300,000 (2024: £2,650,000) to cover both grant payments and operational expenditure, giving a net reduction in investments of £1.6 million (2024: net increase of £0.3 million). Social investments increased to £962,450 (2024: £482,000).

The grants payable creditor increased by £1.7 million to £2,997,789 (2024: £1,264,928) due to the significant increase in new grant commitments during the year. (See the Grants Report above.)

Risk management

The Trustees are responsible for overseeing the effective management of the Foundation and for safeguarding its assets. Risk management is an ongoing activity and is reviewed by all Trustees at least annually.

FRIENDS PROVIDENT CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2025

During the year, the Trustees have reviewed the risks facing the Foundation covering governance and management issues, financial, regulatory, legal and operational risks. Mitigating actions have been taken regarding the major risks that have been identified, namely:

- Investment risk with loss of income impacting operations and mission – Trustees tolerate this risk whilst closely monitoring the markets and the Foundation’s investment portfolios.
- Mission risk with having an ambitious mission with limited resources – Trustees tolerate this risk.
- Grant-funding risk that the new grants programme does not meet organisational objectives, with growing applications inadequately handled and a negative impact on the new economy movement – Trustees mitigate and manage this risk with staff and external advisors.
- Financial risk relating to internal operations and the management of resources – Trustees mitigate and manage this risk with staff and external advisers.

Each risk identified was assessed in terms of the potential impact and likelihood of occurrence and the Trustees confirm that they believe that, for each of these risks, appropriate controls are in place to mitigate the significant risks to an acceptable degree.

Policies, governance and operational framework

Management and advice

During the year, our investment managers were Columbia Threadneedle Investments, Cazenove Capital and Snowball Impact Management Limited, the latter being acquired by Tribe Impact Capital LLP in May 2025. An investment policy, updated in June 2025, has been agreed by Trustees, with investment objectives shared with the investment managers. The managers provide regular reports and are invited to Investment Committee meetings to discuss asset allocation and investment performance.

FRIENDS PROVIDENT CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2025

To support Foundation staff and Trustees in their commitment to the responsible use of its assets and as a means of sharing our practice, the Foundation continued as a member of the Charities Responsible Investment Network.

Gallagher (formerly Redington), our independent investment advisors, provided general investment advice to the Trustees. Trustees instruct the investment managers to reflect the advice received in their management of the Foundation's assets.

Wrigley's Solicitors LLP was retained to provide legal advice on direct investment documentation and on our general charitable activities.

Climate risk management in our investment portfolio

Trustees are mindful of a wide range of experts who consider that climate risk is arguably the biggest risk to economies today. They understand that climate-related systemic risk could have a highly negative impact not only on the Foundation's assets but also on its core mission and stakeholders through disruption of the financial system, with implications for jobs, incomes and inequality. They seek, therefore, to do whatever they reasonably can to progress a rapid transition to a low-carbon economy and to safeguard the Foundation's capital.

Resources

Some years ago, Trustees took the decision that the Foundation can spend its capital as well as its income in pursuit of our mission. This has been at a reduced rate over the past three years (2021–2024), following the decision to balance our grant expenditure alongside mission-driven investment. A new three-year grant programme began this year and, whilst it is not planned to change the total grant expenditure over that period, expenditure will be much higher this year and lower in the two subsequent years of the programme. Trustees are actively reviewing both strategy and resources to manage the risk of this approach. The average spend over the next three years will be £2 million per annum.

Trustees are prepared to consider accepting a higher level of risk or a lower level of financial return than the market norm, especially for those social investments that are closely aligned with the Foundation's specific programme aims. For

FRIENDS PROVIDENT CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2025

investments that generate broader positive social impact and meet the Foundation's general charitable objectives, but without specific alignment with programme aims, Trustees might look for levels of risk and return that are closer to the benchmark for that asset class.

Staff remuneration

Trustees have adopted and reviewed the pay policy that applies to all staff members. A new pay policy was introduced from 1 October 2024, including a new pay structure and job evaluation process.

Trustees review salaries annually against suitable inflation measures. These reflect a cost-of-living measure weighted equally with average wages.

Reflecting our programme focus on pay transparency and in line with NCVO guidance, the ratio between the highest salary (£106,602) and the median salary (£44,469) in the Foundation is 2.4:1. The ratio of the top salary to the lowest is 3.5:1. These calculations are based on full-time equivalent salaries, net of salary sacrifice deductions.

The charity made contributions to employees' personal pension plans based on a fixed percentage of salary. In September 2014, Trustees established a company pension scheme in which contributions are made to NEST.

Statement of fundraising practices

The Foundation does not engage in public fundraising and does not use professional fundraisers or commercial participators. The Foundation, nevertheless, observes the relevant fundraising regulations and codes. During the year there were no instances of non-compliance with these regulations and codes, and the Foundation received no complaints relating to its fundraising practice.

Governance arrangements

A Board of Trustees, of up to ten individuals, who must hold at least two meetings each year, administers and controls the Foundation and has control of its property and funds. Trustees are subject to fixed-term appointments as set out

FRIENDS PROVIDENT CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2025

in the Memorandum and Articles of Association updated in January 2022. During the year, Trustees have formally met four times, plus a residential Away Day.

The Trustees have complied with the duty in Section 17 of The Charities Act 2011 to have due regard to the Charity Commission's published guidance concerning the operation of the Public Benefit requirement under that Act.

We also have an Associate Trustee who attends and contributes to Board discussions but does not have voting rights.

Trustee roles and responsibilities

An induction pack of materials is distributed to new Trustees, covering all relevant aspects of the role and the Foundation. For all Trustees, we make training and coaching opportunities available. We also invite guest speakers before Trustee meetings and at our annual Away Day to share learning and engage staff and Trustees. This year featured staff and Trustee Carbon Literacy Training, a session with our Learning Partner Lucent to reflect on our strategy at our Away Day and a half day meeting to hear from our Investment Service Providers on key developments and the contribution of our investment holdings to our mission.

The role of the Trustees includes setting strategic direction and agreeing the financial plan, approving grant-making applications and monitoring the Foundation's grant activities, ensuring that all activities are within its agreed charitable objectives and pursued for the public benefit. Matters reserved for the Trustees are approved by the Trustees and are subject to annual review.

Trustees act on advice and information from regular meetings with the Director and their appointed advisers and from the Foundation's Resources Committee and Investment Committee under terms of reference approved by the Board of Trustees.

Trustee recruitment

Trustees are recruited through open advertisement. They are interviewed by a panel of existing Trustees against a set of advertised criteria and with due regard to the Foundation's commitment to equality of opportunity and fair treatment. We monitor the response to all vacancies in terms of gender, ethnicity and disability.

FRIENDS PROVIDENT CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2025

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs and of 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);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and,
- each Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the organisational and financial information included on the charitable company's

FRIENDS PROVIDENT CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2025

website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The report of the Trustees has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the Trustees on 10 March 2026 and signed on their behalf by

Caroline Taylor
Chair of the Board of Trustees (from 1 January 2026)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRIENDS PROVIDENT
CHARITABLE FOUNDATION

Opinion

We have audited the financial statements of Friends Provident Charitable Foundation (the 'charitable company') for the year ended 30 September 2025 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 30 September 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

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 charitable company 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 Friends Provident Charitable Foundation's ability

FRIENDS PROVIDENT CHARITABLE FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRIENDS PROVIDENT CHARITABLE FOUNDATION

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 other information comprises the information included in the trustees' annual 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRIENDS PROVIDENT
CHARITABLE FOUNDATION

report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRIENDS PROVIDENT
CHARITABLE FOUNDATION

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

FRIENDS PROVIDENT CHARITABLE FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRIENDS PROVIDENT CHARITABLE FOUNDATION

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 is available 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 charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Coyle (Senior statutory auditor)

13 April 2026

for and on behalf of Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

Friends Provident Charitable Foundation

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 30 September 2025

	Note	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Income from:							
Donations	2	124,062	-	124,062	522,500	-	522,500
Charitable activities							
Foundation Practice Rating Project		-	153,334	153,334	-	62,500	62,500
Investments	3	372,210	-	372,210	411,642	-	411,642
Other		100	-	100	-	-	-
Total income		496,372	153,334	649,706	934,142	62,500	996,642
Expenditure on:							
Raising funds		40,789	-	40,789	32,941	-	32,941
Charitable activities							
Support for Resilient Economies		3,919,349	-	3,919,349	1,985,287	-	1,985,287
Endowments Investing Challenge		-	23,300	23,300	-	-	-
Foundation Practice Rating Project		-	141,805	141,805	-	182,297	182,297
Total expenditure	4	3,960,138	165,105	4,125,243	2,018,228	182,297	2,200,525
Net expenditure before net gains on investments		(3,463,766)	(11,771)	(3,475,537)	(1,084,086)	(119,797)	(1,203,883)
Net gains on investments	12	658,904	-	658,904	2,526,450	-	2,526,450
Net (expenditure)/income		(2,804,862)	(11,771)	(2,816,633)	1,442,364	(119,797)	1,322,567
Transfers between funds	18	(16,650)	16,650	-	(16,700)	16,700	-
Net movement in funds		(2,821,512)	4,879	(2,816,633)	1,425,664	(103,097)	1,322,567
Reconciliation of funds:							
Total funds brought forward		24,231,818	26,177	24,257,995	22,806,154	129,274	22,935,428
Total funds carried forward		21,410,306	31,056	21,441,362	24,231,818	26,177	24,257,995

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 19 to the financial statements.

Friends Provident Charitable Foundation

Balance sheet

Company no. 04228843

As at 30 September 2025

	Note	£	2025 £	£	2024 £
Fixed assets:					
Tangible assets	11		13,922		12,361
Listed Investments	12		22,069,864		23,711,503
Social Investments	13		962,450		482,000
			<u>23,046,236</u>		<u>24,205,864</u>
Current assets:					
Debtors	14	191,186		219,969	
Cash at bank and in hand		1,299,509		1,179,842	
		<u>1,490,695</u>		<u>1,399,811</u>	
Liabilities:					
Creditors: amounts falling due within one year	15	(1,846,172)		(1,166,454)	
Net current (liabilities)/assets			<u>(355,477)</u>		<u>233,357</u>
Total assets less current liabilities			<u>22,690,759</u>		<u>24,439,221</u>
Creditors: amounts falling due after one year	16		<u>(1,249,397)</u>		<u>(181,226)</u>
Total net assets			<u><u>21,441,362</u></u>		<u><u>24,257,995</u></u>
The funds of the charity:					
Restricted income funds	18		31,056		26,177
Unrestricted income funds:					
Designated funds		283,950		1,159,100	
General funds		21,126,356		23,072,718	
		<u>21,410,306</u>		<u>24,231,818</u>	
Total unrestricted funds			<u>21,410,306</u>		<u>24,231,818</u>
Total charity funds			<u><u>21,441,362</u></u>		<u><u>24,257,995</u></u>

Approved by the Board of Trustees on 10 March 2026 and signed on their behalf by:

Caroline Taylor
Chair of Trustees (from 1 January 2026)

Friends Provident Charitable Foundation

Statement of cash flows

For the year ended 30 September 2025

	Note	2025		2024	
		£	£	£	£
Cash flows from operating activities					
Net (expenditure)/income for the reporting period (as per the statement of financial activities)		(2,816,633)		1,322,567	
Depreciation charges		4,495		3,536	
Dividends and interest from investments		(372,210)		(411,642)	
Gains on investments		(658,904)		(2,526,450)	
Impairment (reversals)/losses		(306,200)		210,000	
Decrease in debtors		28,783		5,537	
Increase/(decrease) in creditors		1,747,889		(865,293)	
Net cash used in operating activities		(2,372,780)		(2,261,745)	
Cash flows from investing activities:					
Dividends and interest from investments		372,210		411,642	
Purchase of fixed assets		(6,056)		(9,764)	
Proceeds from sale of investments		2,674,913		2,678,366	
Purchase of investments		(535,455)		(997,292)	
Transfer in to investment funds		(13,000)		(15,000)	
Funds released for reinvestment		-		250,000	
Net cash provided by investing activities		2,492,612		2,317,952	
Change in cash and cash equivalents in the year		119,832		56,207	
Cash and cash equivalents at the beginning of the year		1,239,441		1,183,234	
Cash and cash equivalents at the end of the year		1,359,273		1,239,441	

Analysis of cash and cash equivalents

	At 1 October 2024	Cash flows	Other non- cash changes	At 30 September 2025
	£	£	£	£
Cash held as part of investment portfolio	59,599	165	-	59,764
Cash at bank and in hand	1,179,842	119,667	-	1,299,509
Total cash and cash equivalents	1,239,441	119,832	-	1,359,273

The charity held no borrowings at either 1 October 2024 or 30 September 2025.

1 Accounting policies

a) Statutory information

Friends Provident Charitable Foundation is a charitable company limited by guarantee and is incorporated in the United Kingdom.

The registered office address and principal place of business is The Priory Street Centre, 15 Priory Street, York, YO1 6ET.

b) Basis of preparation

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

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties which may cast significant doubt about the charity's ability to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of approval of these financial statements.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Trustees are aware that there are net current liabilities but this is principally down to timing and the fact that liabilities are recognised in full for the following 12 months but there is no corresponding income recognised. In addition, the Foundation has significant resources available in fixed asset investments which can be drawn down as required to fund working capital.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment managers.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1 Accounting policies (continued)

f) Fund accounting

Unrestricted funds are donations and other income received or generated by the charity which may be used freely in pursuit of the charity's objects at the discretion of the Trustees.

The investment assets derived from the donation of £20 million from Friends Provident plc in 2004. The assets are expendable at the discretion of the trustees.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds relate to income earned which may only be applied towards specific projects or causes in line with the terms by which the income was received.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on raising funds principally relates to the costs of managing the charity's investments.
- Expenditure on charitable activities includes the costs of grant making and associated activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Each new grant commitment results in a creditor of equal value. This grants payable creditor reduces over time as the grant is paid to the recipient.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

i) Allocation of support costs

Expenditure is allocated to the particular activity where the cost relates directly to that activity.

Salary costs are apportioned, based on an estimate of staff time, as follows:

- | | |
|--------------------|-----|
| ● Support costs | 85% |
| ● Governance costs | 15% |

Support and governance costs are allocated in full to charitable activities – Support for Resilient Economies projects.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

1 Accounting policies (continued)

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|-------------------------|---------|
| ● Computer equipment | 4 years |
| ● Fixtures and fittings | 4 years |

l) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

m) Social Investments

Social investments are valued at their fair value, which would ordinarily equate to market value where this is available. Where fair value is not practicable, social investments are recognised at cost less impairment. An annual review is carried out, either by external independent consultants or by Foundation staff, to determine whether investments should be impaired. Any impairment losses are included within expenditure during the year.

n) Debtors

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

o) Cash at bank and in hand

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

p) Creditors and provisions

Creditors and provisions 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Friends Provident Charitable Foundation

Notes to the financial statements

For the year ended 30 September 2025

1 Accounting policies (continued)

q) Financial instruments

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

r) Pensions

The Foundation operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Foundation in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the Foundation to the fund. The Foundation has no liability under the scheme other than for the payment of those contributions.

2 Income from donations

	2025 Total £	2024 Total £
Donations	124,062	522,500
	<u>124,062</u>	<u>522,500</u>

The Foundation received a one-off donation from a private donor during the year which has been included within unrestricted funds. The donation was fully expended during the year. The Foundation's trustees determined how the donation was spent.

3 Income from investments

	2025 Total £	2024 Total £
Gross dividends	344,845	389,486
Income from social investments	22,641	17,799
Bank interest	4,724	4,357
	<u>372,210</u>	<u>411,642</u>

All income from investments is unrestricted.

Friends Provident Charitable Foundation

Notes to the financial statements

For the year ended 30 September 2025

4a Analysis of expenditure (current year)

	Charitable activities						2025 Total £	2024 Total £
	Raising funds £	Support for Resilient Economies projects £	Endowments Investing Challenge £	Foundation Practice Rating Project £	Governance costs £	Support costs £		
Investment manager's fees	15,843	-	-	-	-	-	15,843	15,528
Investment advice & other costs	24,946	-	-	-	-	-	24,946	17,413
Grant commitments (Note 5)	-	3,399,171	-	-	-	-	3,399,171	1,045,283
Impairment (reversal)/losses (Note 13)	-	(306,200)	-	-	-	-	(306,200)	210,000
Staff costs (Note 7)	-	-	-	-	65,681	372,192	437,873	374,521
Staff training, expenses & other related costs	-	-	-	-	-	34,259	34,259	34,001
Grant advisory group, assessors & grantee support	-	12,246	-	-	-	5,069	17,315	5,588
Learning Strategy	-	-	-	-	-	38,662	38,662	14,285
Climate Emergency Developments	-	-	-	-	-	13,900	13,900	7,000
Communication, dissemination & website costs	-	-	-	-	-	95,397	95,397	131,576
Overhead costs	-	-	-	15,833	-	86,356	102,189	92,952
Operational investment costs	-	-	21,470	-	-	31,336	52,806	40,696
Legal & professional fees	-	-	1,830	125,972	-	22,618	150,420	171,748
Auditor's remuneration	-	-	-	-	16,723	-	16,723	17,017
Trustee meetings & expenses	-	-	-	-	31,939	-	31,939	22,917
	40,789	3,105,217	23,300	141,805	114,343	699,789	4,125,243	2,200,525
Support costs	-	699,789	-	-	-	(699,789)	-	-
Governance costs	-	114,343	-	-	(114,343)	-	-	-
Total expenditure 2025	40,789	3,919,349	23,300	141,805	-	-	4,125,243	
Total expenditure 2024	19,238	2,151,056	139,041	139,041	-	-		2,200,525

Friends Provident Charitable Foundation

Notes to the financial statements

For the year ended 30 September 2025

4b Analysis of expenditure (prior year)

	Charitable activities					2024 Total £
	Raising funds £	Support for Resilient Economies projects £	Foundation Practice Rating Project £	Governance costs £	Support costs £	
Investment manager's fees	15,528	-	-	-	-	15,528
Investment advice & other costs	17,413	-	-	-	-	17,413
Grant commitments	-	1,045,283	-	-	-	1,045,283
Impairment (reversal)/losses (Note 13)	-	210,000	-	-	-	210,000
Staff costs (Note 7)	-	-	-	56,178	318,343	374,521
Staff training, expenses & other related costs	-	-	-	-	34,001	34,001
Grant advisory group, assessors & grantee support	-	-	-	-	5,588	5,588
Learning Strategy	-	-	-	-	14,285	14,285
Climate Emergency Developments	-	-	-	-	7,000	7,000
Communication, dissemination & website costs	-	-	34,998	-	96,578	131,576
Overhead costs	-	-	-	-	92,952	92,952
Operational investment costs	-	-	-	-	40,696	40,696
Legal & professional fees	-	-	147,299	-	24,449	171,748
Auditor's remuneration	-	-	-	17,017	-	17,017
Trustee meetings & expenses	-	-	-	22,917	-	22,917
	32,941	1,255,283	182,297	96,112	633,892	2,200,525
Support costs	-	633,892	-	-	(633,892)	-
Governance costs	-	96,112	-	(96,112)	-	-
Total expenditure 2024	32,941	1,985,287	182,297	-	-	2,200,525

Friends Provident Charitable Foundation

Notes to the financial statements

For the year ended 30 September 2025

5 Grant making (current year)	2025	2024
	£	£
Grants payable at the start of the year	1,264,928	2,171,035
Grant commitments made in the year	2,220,003	873,684
Grants (written back) or adjusted	1,179,168	171,599
Net grants committed in the year	<u>3,399,171</u>	1,045,283
Grants paid	(1,666,310)	(1,951,390)
Grants payable at the end of the year	<u><u>2,997,789</u></u>	<u>1,264,928</u>
Creditors: amounts due within one year (note 15)	1,748,392	1,083,702
Creditors: amounts due in over one year (note 16)	1,249,397	181,226
Total creditors at the end of the year	<u><u>2,997,789</u></u>	<u>1,264,928</u>

Details of the grant commitments made in the year can be found in the Trustees' Annual Report. Those made in the previous year can be found in the prior year filed accounts.

In September 2024, Trustees agreed, in principle, to extend core funding to some existing grant holders, closely aligned with the Foundation's mission. Grant extensions of £1,177,170 were made during the year to seven organisations. Under new agreed procedures, grant applications were not required but due diligence was performed before the funding was awarded. Details of this core funding are included in the appendix to the Trustees' Annual Report.

6 Net income/(expenditure) for the year

This is stated after charging:

	2025	2024
	£	£
Depreciation	4,495	3,536
Auditor's remuneration (excluding VAT):		
Audit	13,500	13,750
	<u><u>13,500</u></u>	<u><u>13,750</u></u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2025	2024
	£	£
Salaries and wages	353,469	304,220
Social security costs	30,575	25,495
Employer's contribution to defined contribution pension schemes	53,829	44,806
	<u><u>437,873</u></u>	<u><u>374,521</u></u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (continued)

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2025 No.	2024 No.
£80,000 – £89,999	1	1

The total employee benefits (including employer's pension contributions and employer's national insurance) of the key management personnel were £342,466 (2024: £280,762).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2024: £nil). No charity trustee received payment for professional or other services supplied to the charity (2024: £nil).

Trustees' expenses represents the payment or reimbursement of travel, subsistence, training and IT/technology costs totalling £5,228 (2024: £2,987) incurred by 9 (2024: 9) members relating to attendance at meetings of the trustees.

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 8.5 (2024:8.0). The full time equivalent number of staff was 6.7 (2024: 6.1).

9 Related party transactions

Due to the nature of the Foundation's operations and the composition of the trustee board and staff and their charitable interests, it is possible that the Foundation will make a donation to a charity in which a trustee or staff member may have a governance interest. In recognition of this possibility, trustees have developed a policy of disclosure to ensure there is no conflict of interest and that such a donation is made at arm's length.

Stephen Muers, Chair of trustees, is Chief Executive Officer of Better Society Capital which has an investment in Ethex Investment Club Limited ('Ethex'). The Foundation increased its own investment in Ethex by £43,000 in January 2025, giving a total investment of £100,000 at 30 September 2025. (In June 2024, the Foundation had awarded a core funding grant to Ethex of £25,000, with no remaining balance included in grant creditors at 30 September 2024. A previous impairment of the Ethex investment of £40,000 was also reversed last year.)

Better Society Capital is also a co-investor in the Workertech Fund. The Foundation committed to a £250,000 investment during the year, with £31,250 invested by 30 September 2025.

Stephen Muers also sits on the Advisory Group for the Impact Investment Institute. A grant of £150,000 was awarded to the Institute in December 2024 under the Shifting Cultural Perceptions strand of work. There was a balance of £112,500 included in grant creditors at 30 September 2025.

Paul Blyth, a trustee of Friends Provident Charitable Foundation, was previously employed by Snowball. The Foundation invests in Snowball Impact Investment LP and was a shareholder in Snowball Impact Management Limited (SIML), until it was acquired by Tribe Impact Capital LLP in May 2025.

Danielle Walker Palmour, the Foundation Director, was a director of SIML, as a representative of the Foundation. Her term as director ended on 10 July 2025. The nine individual Foundation trustees were appointed as members of Tribe Impact Capital LLP on 17 July 2025 but this was reversed on 15 December 2025 when the Foundation, as an incorporated charity, was made a member. Details of these investments are given in Notes 12 and 13 below.

Ann Don Bosco, a trustee of Friends Provident Charitable Foundation, is a Director of the Economic Change Unit (ECU) which was given core funding of £300,000 in January 2025. There was a balance on £180,000 included in grant creditors at 30 September 2025. (ECU was awarded a cost of living grant increase of £3,000 in March 2024. There was no remaining balance included in grant creditors at 30 September 2024.)

Simin Wadiwala, who was appointed as an Associate Trustee in July 2023, has links to Decolonising Economics who were awarded a grant of £181,000 in March 2025, under the New Economy Infrastructure strand of work. The full balance of £181,000 was included in the grants creditor at 30 September 2025.

The individuals mentioned above did not take part in the funding/investment decisions involving their related party transactions.

There are no donations from related parties (2024: None) which are outside the normal course of business and no restricted donations from related parties (2024: None).

Other than as disclosed above, there were no other related party transactions during the period of the report (2023–24: no other transactions).

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Tangible fixed assets

	Computer equipment £	Fixtures & Fittings £	Total £
Cost			
At the start of the year	15,006	4,800	19,806
Additions in year	6,056	–	6,056
Disposals in year	–	–	–
At the end of the year	21,062	4,800	25,862
Depreciation			
At the start of the year	7,245	200	7,445
Charge for the year	3,295	1,200	4,495
Eliminated on disposal	–	–	–
At the end of the year	10,540	1,400	11,940
Net book value At the end of the year	10,522	3,400	13,922
At the start of the year	7,761	4,600	12,361

All of the above assets are used for charitable purposes.

12 Listed investments

	2025 £	2024 £
Fair value at the start of the year	23,651,904	23,354,528
Additions at cost	15,005	684,292
Disposal proceeds	(2,328,713)	(2,678,366)
Transfer in during year	13,000	15,000
Funds released for reinvestment	–	(250,000)
Net gain/(loss) on change in fair value	658,904	2,526,450
	22,010,100	23,651,904
Cash held by investment broker pending reinvestment	59,764	59,599
Fair value at the end of the year	22,069,864	23,711,503
Investments comprise:		
	2025 £	2024 £
UK Common investment funds	18,402,706	20,013,656
Shares listed on the London Stock Exchange	123,753	102,630
Other investments	3,483,641	3,535,618
Cash	59,764	59,599
	22,069,864	23,711,503

12. Listed investments (continued)

Individual holdings of listed fixed asset investments, held at 30 September 2025, which represent a material proportion of the total value of the fixed asset investment portfolio were as follows:

	Valuation £	Proportion %
Cazenove Sustainable Growth Fund	12,014,562	54.6
Columbia Threadneedle Responsible UK Equity Fund	2,007,139	9.1
Columbia Threadneedle Responsible Global Equity Fund	2,376,744	10.8
Columbia Threadneedle Responsible Sterling Corporate Bond Fund	2,004,261	9.1
Snowball Impact Investments LP	3,483,641	15.8

13 Social investments

	2025 £	2024 £
Balance at the start of the year	482,000	379,000
Additions at cost	520,450	313,000
Disposal proceeds	(346,200)	-
Impairment reversal/(charge)	306,200	(210,000)
Balance at the end of the year	<u>962,450</u>	<u>482,000</u>

All social investments have been valued at historical cost, less impairment.

The Foundation holds funds in Snowball Impact Investments LP (see note 12 above) but also held a social investment in Snowball Impact Management Limited (SIML), the company acting as the General Partner of the fund. This investment cost £1 million but was fully impaired at 1 October 2024. In May 2025, SIML was acquired by Tribe Impact Capital LLP. The Foundation now holds 'membership points' in Tribe which are equivalent to an equity stake. These points were valued at £346,200 as at 30 September 2025.

The Foundation made a new investment in the Workertech Fund during this year, with a commitment to invest £250,000. At 30 September 2025, the outstanding commitment is £218,750.

Individual holdings of social investments, held at 30 September 2025, were as follows:

	Valuation £	Proportion %
Tribe Impact Capital LLP	346,200	36.0
Egni Co-op	100,000	10.4
Energy Garden	100,000	10.4
Ethex Investment Club Limited	100,000	10.4
Fair Tax Foundation	100,000	10.4
AWEL Co-op	95,000	9.9
Wyre Catchment CIC	90,000	9.3
Workertech Fund	31,250	3.2
	<u>962,450</u>	<u>100.0</u>

Friends Provident Charitable Foundation

Notes to the financial statements

For the year ended 30 September 2025

14 Debtors

	2025 £	2024 £
Grants receivable	42,566	38,600
Prepayments	14,845	42,187
Accrued income	133,775	139,182
	<u>191,186</u>	<u>219,969</u>

15 Creditors: amounts falling due within one year

	2025 £	2024 £
Grants payable (note 5)	1,748,392	1,083,702
Other creditors	–	36,401
Accruals	97,780	46,351
	<u>1,846,172</u>	<u>1,166,454</u>

16 Creditors: amounts falling due after one year

	2025 £	2024 £
Grants payable – within 1 to 5 years (note 5)	1,249,397	181,226
	<u>1,249,397</u>	<u>181,226</u>

17a Analysis of net assets between funds (current year)

	Restricted £	General unrestricted £	Designated £	Total funds £
Tangible fixed assets	–	13,922	–	13,922
Investments	–	23,032,314	–	23,032,314
Current assets	54,356	1,152,389	283,950	1,490,695
Current liabilities	(23,300)	(1,822,872)	–	(1,846,172)
Long term liabilities	–	(1,249,397)	–	(1,249,397)
Net assets at 30 September 2025	<u>31,056</u>	<u>21,126,356</u>	<u>283,950</u>	<u>21,441,362</u>

17b Analysis of net assets between funds (prior year)

	Restricted £	General unrestricted £	Designated £	Total funds £
Tangible fixed assets	–	12,361	–	12,361
Investments	–	24,193,503	–	24,193,503
Current assets	26,177	214,534	1,159,100	1,399,811
Current liabilities	–	(1,166,454)	–	(1,166,454)
Long term liabilities	–	(181,226)	–	(181,226)
Net assets at 30 September 2024	<u>26,177</u>	<u>23,072,718</u>	<u>1,159,100</u>	<u>24,257,995</u>

Friends Provident Charitable Foundation

Notes to the financial statements

For the year ended 30 September 2025

18a Movements in funds (current year)

	At 1 October 2024 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 September 2025 £
Restricted funds:					
Restricted funds:					
Foundation Practice Rating Project	26,177	153,334	(141,805)	16,650	54,356
Endowments Investing Challenge	-	-	(23,300)	-	(23,300)
Total restricted funds	26,177	153,334	(165,105)	16,650	31,056
Unrestricted funds:					
Designated funds:					
Foundation Practice Rating Project	33,300	-	-	(16,650)	16,650
Endowments Investing Challenge Project	-	-	-	58,000	58,000
Grant funding of core organisational costs	1,125,800	-	-	(916,500)	209,300
Total designated funds	1,159,100	-	-	(875,150)	283,950
General funds	23,072,718	1,155,276	(3,960,138)	858,500	21,126,356
Total funds	24,257,995	1,308,610	(4,125,243)	-	21,441,362

Funds held during the current and prior year comprised of both restricted and unrestricted funds. The narrative to explain the purpose of the restricted and designated funds is given at the foot of the note below.

18b Movements in funds (prior year)

	At 1 October 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 September 2024 £
Restricted funds:					
Restricted funds:					
Foundation Practice Rating Project	129,274	62,500	(182,297)	16,700	26,177
Total restricted funds	129,274	62,500	(182,297)	16,700	26,177
Unrestricted funds:					
Designated funds:					
Foundation Practice Rating Project	-	-	-	33,300	33,300
Grant funding of core organisational costs	-	-	-	1,125,800	1,125,800
Total designated funds	-	-	-	1,159,100	1,159,100
General funds	22,806,154	3,460,592	(2,018,228)	(1,175,800)	23,072,718
Total funds	22,935,428	3,523,092	(2,200,525)	-	24,257,995

18 Movements in funds (continued)

Purpose of restricted funds

Foundation Practice Rating Project

During the year, Friends Provident Foundation has coordinated the Foundation Practice Rating Project, working alongside other partner trusts/foundations (see details below). The aim of the project is to develop a new method of assessing the governance and reporting practices of private trusts and foundations in the UK, creating a public record of their achievements. Performance will be assessed in three areas: Transparency, Accountability and Diversity.

External funders for the current phase of the Foundation Practice Rating Project include:

	Total grant	Recognised in 2024–25
	£	£
City Bridge Trust	50,000	16,500
Indigo Trust	45,000	16,500
John Ellerman Foundation	30,000	20,000
Joseph Rowntree Charitable Trust	50,000	33,334
Joseph Rowntree Reform Trust	14,500	14,500
Paul Hamlyn Foundation	50,000	16,500
The Robertson Trust	45,000	30,000
		<hr/>
		147,334
Opt-ins for one year only:		
BBC Children in Need, Cripplegate Foundation, Richard Cloudesley Foundation, The Leathersellers Foundation and Wimbledon Foundation		6,000
		<hr/>
		153,334
		<hr/> <hr/>

In addition, Friends Provident Foundation has committed £50,000 for the period 2024–26.

Endowments Investing Challenge Project

Friends Provident Foundation is coordinating the Endowments Investing Challenge Project, in partnership with six other charitable organisations. A public tender process will take place in March 2026 to select an investment service provider for a mandate of up to £50 million. These pooled resources will be invested in a portfolio that demonstrates positive impact for future generations. Project costs of £23,300 have been incurred to date. The total project costs will be shared, with contributions from partner organisations due before 30 June 2026.

Purpose of designated funds

In March 2024, the Trustee Board agreed to designate £50,000, as the Foundation's contribution to the Practice Rating Project project over a three year period. Of this, £16,650 has been transferred into the project's restricted fund for the current financial year (2024: £16,700), leaving £16,650 in designated funds.

In September 2024, the Trustee Board agreed in principle to extend core funding to eight existing grant holders. £1,125,800 was set aside in designated funds for this purpose. Funding extensions have been agreed for six grantholders to date, with two extensions yet to be finalised. £209,300 has been retained in designated funds for these final two core funding grants.

In December 2024, the Trustee Board agreed to go ahead with the Endowments Investing Challenge, with details provided above. The Foundation is setting aside designated funds of £58,000 towards it.

19 Legal status of the charity

The charity 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.

Appendix A: Grants made in 2024-25

Previous grants programme

Total previous grants programme spend: £200,890

Organisation	Project title / focus	Amount (£)	Duration	New or previously funded
The Equality Trust	Collaborative systems change: imagining and achieving a diversified and democratic functional future	100,890	2 years	Previously funded
The Pathways Fund	Catalysing inclusive growth and social equity	100,000	1 year	New applicant

New grants programme

Shifting Cultural Perceptions

Total Shifting Cultural Perceptions spend: £900,000.

Organisation	Project title / focus	Amount (£)	Duration	New or previously funded
Client Earth	The laws of economics are not what you think they are	150,000	3 years	Previously funded
Heard Organisation	Exploring how narrative change can shift perceptions of the economy	150,000	3 years	New applicant
Impact Investing Institute	Changing the narrative: rethinking capital markets for systemic change	150,000	3 years	New applicant

FRIENDS PROVIDENT CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2025

New Economics Foundation	Understanding the appeal of austerity and how to beat it	150,000	3 years	Previously funded
Poverty Truth Network	Economics for all	150,000	3 years	New applicant
Rethinking Economics	Building an influencer community to reclaim the 'not enough money' debate	150,000	3 years	Previously funded

Transforming Financial Systems (TFS)

Total Transforming Financial Systems spend: £607,183

Organisation	Project title / focus	Amount (£)	Duration	New or previously funded
Common Wealth / Ownership Futures	Visualising extractive capitalism	70,000	1 year	Previously funded
Finance Innovation Lab	Core renewal	204,800	30 months	Previously funded
Peers for the Planet	Cross-party sustainability and finance	122,113	2 years	Previously funded
Positive Money	Core extension	90,270	21 months	Previously funded
War on Want	Global wealth tax campaigning	120,000	2 years	New applicant

New Economy Infrastructure (NEI)

Total New Economy Infrastructure spend: £1,689,100

All organisations were previously funded.

Organisation	Project title / focus	Amount (£)	Duration
CLES (Centre for Local Economic Strategies)	Core extension	63,500	18 months

FRIENDS PROVIDENT CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2025

Decolonising Economics / Social Change Nest CIC	Movement-building for racial justice	181,000	36 months
Economic Change Unit	Core renewal	300,000	30 months
New Economics Foundation	Core renewal	115,700	34 months
NEON (New Economy Organisers Network)	Movement Builders network	150,000	24 months
People's Economy	Renewal following strategic review	240,000	36 months
Rethinking Economics	Core renewal	204,800	30 months
Stir to Action Ltd	Grassroots training and practice	80,000	24 months
The Black Economists Network Ltd	Sector diversification and leadership	156,000	24 months
Wellbeing Economy Alliance (Scotland)	Core renewal	198,100	30 months

Adjustments and uplifts

Total adjustments and uplifts spend: £8,000.

Organisation	Project title / focus	Amount (£)	Duration
Kinfolk Network	10% uplift to support coordination capacity	8,000	Adjustment

Total funding in 2024-25

Grants funded	Value (£)
Core grants	1,177,170
Projects	2,220,003
Grant uplift	8,000
Other grant adjustments	(6,002)
Total	3,399,171

Appendix B: summary of investments

Top 10 underlying funds in Cazenove Capital fund at September 2025

- Schroder WM Global Sustainable Equity Fund GBP
- UBS S&P 500 ESG Elite UCITS ETF GBP
- HSBC Global Investment Funds – Global Sustainable Healthcare Equity Fund GBP
- Schroder Sustainable Diversified Alternative Assets Fund GBP
- UBAM Positive Impact Emerging Equity Fund GBP
- Sparinvest Ethical Global Value Fund GBP
- UK Treasury Gilt 0.375%
- Vontobel Fund – TwentyFour Sustainable Short Term Bond Income GBP
- Rockefeller US Small Cap Equity ESG UCITS GBP
- RobecoSAM Circular Economy Fund GBP

Top 20 company investments in our Columbia Threadneedle Investments funds at September 2025:

- Microsoft Corp Common Stock USD.00000625
- Nvidia Corp Common Stock USD.001
- Astrazeneca PLC Common Stock USD.25
- Apple Inc Common Stock USD.00001
- HSBC Holdings PLC Common Stock USD.5
- HSBC Bank PLC (Responsible Sterling Corporate Bond Fund)
- Bank of Montreal (Responsible Sterling Corporate Bond Fund)
- Canadian Imperial Bank of Commerce (Responsible Sterling Corporate Bond Fund)
- Westpac Banking Corp (Responsible Sterling Corporate Bond Fund)
- Mastercard Inc Common Stock USD.0001
- Experian PLC Common Stock USD.1
- Linde PLC Common Stock
- Relx PLC Common Stock GBP.00144397
- Standard Chartered PLC Common Stock USD.5

FRIENDS PROVIDENT CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES - YEAR ENDED 30 SEPTEMBER 2025

- Schneider Electric SE Common Stock EUR4.0
- Lloyds Banking Group PLC Common Stock GBP.1
- NatWest Group PLC Common Stock GBP1.0769
- National Grid PLC Common Stock GBP.1243129
- Compass Group PLC Common Stock GBP.1105
- Unilever PLC Common Stock GBP.00031111