

**LLOYD'S OF LONDON
TERCENTENARY FOUNDATION**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2021**

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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LLOYD'S OF LONDON TRICENTENARY FOUNDATION

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

(Registered Number 298482)

TRUSTEES

Mr Andrew Carrier (Chair)
Mr Ian Branagan
Mr Jean-Bernard Crozet
Professor Tom Welton (Retired Feb 2022)
Dr Sarah Jane Fox
Dr Swenja Surminski
Mr Martin Burke
Ms Netsai Mangwende
Dr Holly Hedgeland (appointed Dec 2020)
Dr Nicola Haines (appointed Dec 2020)
Ms Susan Kay (appointed Dec 2020)
Ms Catherine Scullion (appointed Feb 2022)
Mr Nathan Hambrook-Skinner (appointed Feb 2022)

Secretary

Ms Sarah Chamberlain

Investment Advisors

Cazenove Capital Management
12 Moorgate, London, EC2R 6DA

Auditors

Simpson Wreford & Partners
Suffolk House, George Street, Croydon, CR0 0YN

Bankers

National Westminster Bank PLC
P O Box 12258, 1 Princes Street, London EC2R 8PA

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LLOYD'S OF LONDON TRICENTENARY FOUNDATION

REPORT OF THE TRUSTEES

The trustees of Lloyd's of London Tricentenary Foundation ("the Foundation") are pleased to present the report and audited financial statements of the Foundation for the year ended 30 September 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

Lloyd's of London Tricentenary Foundation (LTRF) is constituted by a Trust Deed dated 11 January 1988 and is a registered charity subject to the provisions of the Charities Act 2011. In 2011, Trustees agreed to use the working name of Lloyd's Tricentenary Research Foundation. The financial statements have been prepared in accordance with the accounting policies set out on pages 16 and 17 and comply with the Foundation's Trust Deed and applicable law.

The Foundation is also guided by a separate term of reference, which covers issues such as number of trustees, frequency of meetings and quorate meetings.

Responsibility for carrying out the objectives of LTRF rests with the trustees. LTRF is supported by a Secretariat working under the direction of the trustees, employed by the Corporation of Lloyd's and supported by the wider Global Community Engagement team. Delegated authority is given to the Global Community Engagement, Central Finance and Treasury and Investment Management teams at Lloyd's to advise and assist, as per LTRF's Delegated Authority documentation. With the exception of audit fees, bank charges, insurance and investment management fees which are borne directly by LTRF, all administration costs of LTRF are borne in full by the Corporation of Lloyd's.

The disbursement of the Fund is at the sole discretion of the trustees unless funds have been given for a specific purpose.

Trustees

Trustees are selected for relevant experience either in academia or the Lloyd's market. New trustees are nominated by the Council of Lloyd's in discussion with existing trustees. Potential trustees are invited to meet with the Chair of the Foundation. Before agreeing to become a trustee, they will be informed of the Foundation's structure, objectives and activities, and their responsibilities as a trustee.

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

There were 11 trustees as of 30 September 2021. Professor Tom Welton retired in February 2022 and to ensure there will be 12 trustees in place, as per the trust deed, 2 new appointments have been made.

The trustees are aware of the requirement to declare any conflict of interest and this is a standing agenda item.

Governance

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

As a charity established to provide charitable grants on behalf of the Lloyd's market, trustees are drawn from across the Lloyd's market with the aim of representing different market constituencies – underwriters, brokers and members of Lloyd's governing body. The Board of Trustees also includes members external to the Lloyd's market, and a significant number of trustees have academic experience directly or indirectly.

LTRF also aims to maintain a diverse Board of Trustees, representing different voices as outlined in its Recruitment Policy, reviewed every three years. A formal external recruitment process exists and is followed.

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

REPORT OF THE TRUSTEES (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governance (continued)

Potential trustees apply and are then formally interviewed by LTRF's trustee recruitment subcommittee who then make decisions on who to put forward to the board. The board collectively agree what skills and knowledge gaps exist on the board and recruit candidates based on their experience and expertise, knowledge and interest in the sector.

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

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

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

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

At the trustee meetings, the trustees agree the broad strategy and areas of activity for LTRF, including consideration of governance, grant giving, charity partnerships, investment, reserve and risk management policies and performance. The day to day administration of grants and the processing and handling of applications prior to consideration by the relevant subcommittee is delegated to the Global Community Engagement team at Lloyd's.

LTRF has a number of subcommittees of which trustees and the Global Community Engagement team are a part, which are convened as and when required. Lead trustees are also allocated to lead on LTRF's investments and sitting on the Charities Investment Advisory Committee and acting as lead trustees for academic research partners and Fulbright.

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

Risk Management

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

The Risk Register outlines the major risks to which the charity is exposed. The Risk Register is reviewed annually and trustees are also alerted to any new risks.

Trustees approach to risk management concerning their investment income is outlined in the Financial Review on page 6.

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

LTRF has a Conflict of Interest policy and procedure which all trustees and new trustees are familiar with and follow. This is reviewed every three years.

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

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

REPORT OF THE TRUSTEES (continued)

OBJECTIVES AND ACTIVITIES

The Foundation was established in 1988 with the objective of funding research in the fields of medicine, science, safety, the environment, engineering and business. For a number of years this was achieved by the award of research fellowships to post-doctoral candidates of outstanding merit (Lloyd's Fellows) and business scholarships.

Today, through its partnerships with specifically commissioned academic institutions and research organisations, Lloyd's Tercentenary Research Foundation continues its work of funding top-flight academic research by supporting new programmes of research on risk related issues.

In 2012, Lloyd's Tercentenary Research Foundation entered into a partnership with the US-UK Fulbright Commission. The Fulbright-Lloyd's of London Scholar Awards enables British academics or professionals to undertake risk-related research in the US. The Scholar Award offers funding to study for up to 12 months in a top higher education institute in the US.

In April 2019 trustees agreed to fund a three-year project entitled "*Future Indonesian Tsunami's: Towards End-to-end Risk quantification (FITTER)*", led by University College London (UCL) in collaboration with Oxford Brookes University, Brunel University London and the Institute of Technology Bandung. The project began on 1 August 2019 and will complete on 31 July 2022.

In September 2020 trustees chose Carolyn Kousky's "*Closing the Disaster Insurance Risk Gap for Low Income Households*" from a proof of concept project to receive further funding of £250k for a two-year project. The project began on 1 October 2020 and will finish on 30 September 2022.

Fulbright – Lloyd's Awards

Lloyd's Tercentenary Research Foundation has supported three Lloyd's scholars and two Lloyd's postgraduate academics to carry out their risk-related research in the US during the 2020/2021 academic year.

Fulbright – Lloyd's Scholars:

- Neil Ferguson - *The Disengagement, Deradicalization and Reintegration of Violent Extremists*

Neil is currently working with the Profiles of Individual Radicalization in the United States (PIRUS) team at the University of Maryland to understand why some violent extremists chose to travel abroad to join ISIS, while others decided to instead plan and engage in ISIS inspired domestic terror attacks within the US. He has contributed a chapter to a book which is exploring how former combatants can be motivated to make the transformation away from using violence to engaging in peace building and community capacity building.

- Makoto Takahashi - *The People and the Atom*

Makoto plans to critically examine the role that scientific advice plays in modern states by tracing ethnographic details about who is granted the cultural authority to speak for 'science' and how a given society expects 'science' to be presented. This will be done with specific reference to nuclear disaster management. In October Makoto Takahashi led an exhibition, related to the subject of his Fulbright project, "Picturing the Invisible" which brings together six photographers to examine the legacy of the 2011 North East Japan earthquake, tsunami and nuclear disaster opens at the Royal Geographical Society in London, <https://picturing-the-invisible.art/>

- Alex Best - *Modelling Coevolution in a Complex Infectious Disease System*

The aim of Alex's proposal is to develop mathematical models that will improve understanding of infectious disease dynamics in real-world populations. Specifically, to build parametrics and analyse mathematical models explicitly tailored to Prof Mike Boots' (UC Berkeley) insect-baculovirus experimental system.

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

REPORT OF THE TRUSTEES (continued)

OBJECTIVES AND ACTIVITIES (Continued)

Fulbright – Lloyd's Awards (Continued)

Fulbright – Lloyd's Postgraduate:

- Tam Minh Trinh - *The Impact of Technological Advancements on the Labour Market in the Next 20 Years*

Tam's research focused on empirically examining the evidence from previous trade shocks in the UK's local labour market to draw on the opportunities and challenges to the UK's labour market policy. Her motivation was driven by the growing evidence of regional inequality and "left behind places" in the UK. Results suggest that increased import competition from China exacerbates wage inequality as it disproportionately impacts the bottom ten percentile income earners most negatively.

- Katy Wilson - *Climate Change Management and Mitigation with a Focus on the Private Sector*

Alongside Katy's research on Climate Change Management and Mitigation she took classes in 'Financing the Clean Energy Economy' to better understand how to finance clean energy projects and the calculations underlying such deals and the 'Economics of Sustainability Management' to encourage herself to consider climate change from a different perspective.

Future Indonesian Tsunami's: Towards End-to-end Risk quantification (FITTER)

The project aims to research and model physical loss and social vulnerability arising from tsunami events across all the islands of Indonesia. The focus is on co-developing, with other partners, local stakeholders and experts, a catastrophe model of Indonesian tsunamis comprising of an event set and vulnerability curves on the open platform Oasis.

FITTER published the first proof-of-concept illustration of holistic risk modelling for the town of Cilacap, Java, Indonesia, using the Oasis loss modelling framework, combining earth sciences, numerical modelling, statistics and economics. This research received the best poster award at the International Tsunami Conference in 2021. The vulnerability module was innovative, using household survey data to assess welfare impacts.

FITTER is now scaling up tsunami modelling to regional tsunami sources, extent of exposure, and hazard uncertainties over the wider regions of South Java and Sumatra-Andaman for future tsunami impacts. It is developing an increased understanding of business interruption and recovery patterns based on the 2004 Indian Ocean tsunami, and its effect on households in Aceh and North Sumatra. FITTER is now exploring vessels evacuation modelling for ports in collaboration with the Indonesian Ministry of Fisheries. To create innovative financing approaches for disaster resilience building, FITTER started working together with UNDP, the Indonesian Ministry of Finance and the National Disaster Management Authority (BNPB).

Proof of concept projects

In December 2019 trustees agreed to fund three six-month proof of concept projects. The project which was chosen for a further two years of funding was:

Closing the Disaster Insurance Gap for Low-Income Households

The objective of the project was to design an implementable, scalable, sustainable, and economically viable parametric microinsurance programme for low-income families, coupled to disaster mitigation efforts, and implemented through a public-private partnership. In addition to designing a viable programme, the work aimed to identify potential local partners and firms interested in piloting the concept. The project focus was the United States, but the general design can be developed broadly to be used in other countries.

The proof-of-concept report produced in the first phase of the project has now gone through academic peer-review and been updated and published in an academic publication: Kousky, C., L. Shabman, and H. Wiley (2021). "Can Parametric Microinsurance Improve the Financial Resilience of Low-Income Households in the United States?" *Economics of Disasters and Climate Change*.

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

REPORT OF THE TRUSTEES (continued)

OBJECTIVES AND ACTIVITIES (Continued)

Proof of concept projects (Continued)

The research team is underway on two other aspects of the project. First, a survey of disaster survivors has been developed and piloted. They have deployed this survey to the Florida panhandle and survivors of Hurricane Michael. They are now actively working to deploy the survey to Puerto Rico and Philadelphia and are exploring deploying it in two other locations, as well. Second, they have completed semi-structured interviews with insurance regulators and are in the process of completing the regulatory roadmap. That should be drafted in early 2022.

Finally, they have been engaging local governments on the possibilities of parametric microinsurance. Working with New York City, they have teamed with a local community group to secure a grant to pay for them to pilot an "aggregator" model of microinsurance in 2022. They are also in active conversations with Washington, DC about whether they could use their municipal captive to provide microinsurance policies for floods. Puerto Rico has adopted enabling regulation and the first parametric microinsurance policies were written on the island this year.

FINANCIAL REVIEW

Funding Sources and Reserves Policy

The capital base of the Foundation was originally derived from covenants and donations received from firms and individual members of the Lloyd's market. The dividend income from the invested capital is used to support the charity's funding programme.

Lloyd's Tercentenary Foundation relies on the income from its investment fund to support its grant making, leaving the capital of the Fund untouched as far as possible to provide a future income stream. Unrestricted funds at 30 September 2021 totalled £5,184k (2020: £4,570k) which are available at the discretion of the Trustees to meet the continuing requirements of the Fund.

Investment Policy and Management

Investments are reviewed on a regular basis by the responsible trustee and monitored by the Board of Trustees to ensure that they are meeting the trustees' long-term objectives of maximising income available for charitable purposes whilst maintaining the real value of the capital.

Throughout the year, trustees have had a number of discussions about the direction of their investments and general appetite for an ethical investment policy. This was formalised at the first meeting of 2021 to fit in with trustee preference as well as to align, where relevant, with the Lloyd's responsible investment policy.

Half yearly review meetings are held with the Fund's advisory investment manager, Cazenove Capital Management. Fees are deducted based on the whole portfolio on a daily average market value at a rate of 0.325% subject to VAT. There are also underlying fund management charges which are deducted from investment income or capital.

The cost of investment management is borne directly by the Fund and amounts to £18k (2020: £18k). A report on the investments by Cazenove Capital Management is included on pages 9 and 10.

The cash element is placed with Morgan Stanley Funds PLC (Gartmore) as are any surplus funds from the General Fund.

During the year the market value of the Foundation's investment portfolio increased to a total of £4,962k (2020: £4,010k). More detail of this can be found in the Investment Managers report, pages 9 and 10.

Commitments and Liabilities

The trustees have committed to funding one Fulbright Lloyd's Scholar Award each year until the 2022/2023 academic year. These have a maximum cost of £170k per year, plus inflationary increases as necessary.

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

REPORT OF THE TRUSTEES (continued)

PLANS FOR FUTURE PERIODS

The trustees will continue to support the Fulbright – Lloyd's Awards programme as well as the projects already committed to. The trustees will explore supporting and/or commissioning further academic research on the thematic focus areas identified.

Trustee response to COVID-19

LTRF currently divides its financial commitments between its investment income for Fulbright and its capital drawdown for additional projects. The reduction in investment income as a result of the COVID-19 will not currently materially affect any current projects committed to. As the investment income has continued to be significantly low, trustees have decided to reduce their commitment to Fulbright. Trustees will continue to monitor the markets closely and have the option to divert drawdown funds to support Fulbright or any other projects as they see fit. As a result of COVID-19, trustees expect that some of the research may see delays in its completion which is acceptable to trustees. COVID-19 has resulted in delays to Fulbright academics beginning their studies, but this has not impacted the application process for Fulbright who continue to recruit.

Public Benefit

The trustees have given due regard to the guidance on public benefit published by the Charity Commission when planning activities and considering grant applications and programmes for future funding.

The trustees have delivered public benefit through their programme of grant making for the advancement of medical, scientific, technical or business-related education and research through its partnership with the US-UK Fulbright Commission and through its funding of other research projects listed above.

Whistleblowing

All individuals administering Lloyd's Tercentenary Research Foundation are employees of Lloyd's and able to raise issues relating to fraud and financial crime in accordance with Lloyd's whistle-blowing procedures.

Acknowledgement

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

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



Andrew Carrier
Chair

Trustee

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

STATEMENT OF THE TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

TRUSTEES' RESPONSIBILITIES STATEMENT

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

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on 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 charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

REPORT OF THE INVESTMENT MANAGER TO THE TRUSTEES OF LLOYD'S OF LONDON TRICENTENARY FOUNDATION

YEAR ENDED 30 SEPTEMBER 2021

Overview

Investment Objective

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

Portfolio Summary

Description	Market Value £	Portfolio Weight %
Equities	4,474,319	90.2%
UK	2,223,921	44.8%
ASI UK All Share Tracker Fund	1,070,562	21.6%
Trojan Income Fund	582,338	11.7%
Schroder Income Fund	571,021	11.5%
Emerging Markets	313,413	6.3%
Schroder Global Emerging Markets	313,413	6.3%
Global	1,936,986	39.0%
Schroder Global Sustainable Growth	1,936,986	39.0%
Property	439,625	8.9%
Charities Property Fund	439,625	8.9%
Cash	47,992	1.0%
sterling cash	47,992	1.0%
Total	4,961,936	100%

Portfolio Performance

Fund Performance 12 months to 30 September 2021

Equities		
UK		
Fund	ASI UK All Share Tracker Fund Net Return	28.1%
	Schroder Income Fund	51.1%
	Trojan Income Fund	9.4%
Index	FTSE All Share Index	27.8%
Emerging Market	Schroder Global Emerging Markets Fund	15.2%
Index	MSCI Emerging Markets Index	13.3%
Global		
Fund	Schroder Global Sustainable Growth	28.1%
Index	MSCI AC World	5.3%
Alternatives		
Property		
Fund	Charities Property Fund	11.5%
		13.1%
Index	AREF/MSCI All Balanced Property	

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

REPORT OF THE INVESTMENT MANAGER TO THE TRUSTEES OF LLOYD'S OF LONDON TRICENTENARY FOUNDATION (continued)

Portfolio positioning

We expect that the ongoing economic recovery and low interest rates will remain supportive of equity markets. We continue to see opportunities in longer-term themes, such as healthcare and technology, as well as more cyclical sectors as economies fully reopen. However, we may be heading towards a more volatile period for markets as growth momentum cools, inflation remains at somewhat elevated levels and central banks begin the process of normalising monetary policy.

Cazenove Capital Management, 30 September 2021

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF LLOYD'S OF LONDON TRICENTENARY FOUNDATION

Opinion

We have audited the financial statements of Lloyd's of London Tricentenary Foundation (the 'charity') for the year ended 30th September 2021 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30th September 2021, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF LLOYD'S OF LONDON TRICENTENARY FOUNDATION (continued)

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF LLOYD'S OF LONDON TRICENTENARY FOUNDATION (continued)

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

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

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Simpson Wreford & Partners

Statutory Auditors
Suffolk House
George Street
Croydon
CR0 0YN

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

Date

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 SEPTEMBER 2021

INCOME AND EXPENDITURE	Note	2021 £'000	2020 £'000
INCOME:			
Investment income	2	<u>86</u>	<u>146</u>
Total income		<u>86</u>	<u>146</u>
EXPENDITURE:			
Cost of raising funds:			
Investment management fees		(18)	(18)
Charitable activities:			
Grants payable	3	(377)	(256)
Other expenditure		(6)	(7)
Total expenditure		<u>(401)</u>	<u>(281)</u>
Net expenditure and net movement in funds before gains / (loss) on investments		(315)	(135)
Realised gain / (loss)		69	(50)
Unrealised gain / (loss)		<u>860</u>	<u>(600)</u>
Net gain / (loss) on investments	5	<u>929</u>	<u>(650)</u>
NET MOVEMENT IN FUND		614	(785)
Reconciliation of Funds:			
Total fund brought forward		<u>4,570</u>	<u>5,355</u>
Total fund carried forward		<u><u>5,184</u></u>	<u><u>4,570</u></u>

The notes on pages 16 to 19 form part of these financial statements.

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

BALANCE SHEET AS AT 30 SEPTEMBER 2021

	Note	2021 £'000	2020 £'000
INVESTMENTS			
At Market Valuation	5	4,962	4,010
CURRENT ASSETS			
Debtors	6	2	10
Short term deposits		18	18
Cash at bank		241	608
		<u>261</u>	<u>636</u>
CURRENT LIABILITIES			
Creditors	7	<u>(39)</u>	<u>(76)</u>
NET CURRENT ASSETS		<u>222</u>	<u>560</u>
NET ASSETS		<u><u>5,184</u></u>	<u><u>4,570</u></u>
FUNDS			
Unrestricted		<u>5,184</u>	<u>4,570</u>

Approved and authorised for issue by the Board of Trustees on XX February 2022 and signed on their behalf:-



Andrew Carrier
Chairman

Trustee

The notes on pages 16 to 19 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2021

1 ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

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

b) GOING CONCERN

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

c) INVESTMENT INCOME

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

d) GAINS AND LOSSES ON INVESTMENTS

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

e) ADMINISTRATION EXPENSES

The costs of the administration of the Foundation are borne in full by the Corporation of Lloyd's with the exception of investment management fees, audit fees and bank charges. The Trustees receive no remuneration but the Foundation reimburses Trustees' travel expenses incurred when carrying out activities on behalf of the charity.

f) INVESTMENTS

Investments are stated at their market value at the date of balance sheet. Gains and losses on investments are taken directly to the Statement Of Financial Activities.

g) TAXATION

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

h) DEBTORS

Debtors relate to prepayments and accrued income. Debtors are recognised at the settlement amount due.

i) SHORT TERM DEPOSITS

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

**NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2021
(continued)**

1 ACCOUNTING POLICIES (continued)

j) CREDITORS

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

1 ACCOUNTING POLICIES (continued)

k) FINANCIAL INSTRUMENTS

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

2 INVESTMENT INCOME

	2021 £'000	2020 £'000
Fixed Property	12	17
Equity Fund Investments	74	128
Cash	-	1
Total	<u>86</u>	<u>146</u>

3 ANALYSIS OF GRANTS PAYABLE

	2021 £'000	2020 £'000
Risk related research projects:		
Fulbright Commission	71	70
Kousky Project (Proof of Concept)	241	50
FITTER Project	65	70
Smithsonian Donation (Proof of Concept)	-	50
Brucal Project (Proof of Concept)	-	16
Total	<u>377</u>	<u>256</u>

4 AUDITORS REMUNERATION

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

The auditor's remuneration constituted an audit fee of £2k (2020: £2k) and non-audit fees of £nil (2020:£nil).

NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2021 (continued)

5

	2021			
	£'000	£'000	£'000	£'000
	Equity	Property	Cash	Total
Market value brought forward	3,593	411	6	4,010
Net (sales) & purchases	(19)	-	-	(19)
Realised investment gain	69	-	-	69
Net unrealised gain	860	-	-	860
Movements in cash account	-	-	42	42
Market value carried forward	4,503	411	48	4,962

QUOTED INVESTMENTS

	2020			
	Equity	Property	Cash	Total
Market value brought forward	4,214	437	346	4,997
Net (sales) & purchases	3	-	-	3
Realised investment (loss)/gain	(50)	-	-	(50)
Net unrealised loss for the year	(574)	(26)	-	(600)
Movements on cash account	-	-	(340)	(340)
Market value carried forward	3,593	411	6	4,010

6 DEBTORS

	2021 £'000	2020 £'000
Prepayments and other debtors	2	10
Total	2	10

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2021 (continued)

7 CREDITORS

	2021 £'000	2020 £'000
Accruals and other creditors	39	6
Fulbright Donation	-	70
Total	<u>39</u>	<u>76</u>

8 COMMITMENTS

The Trustees have committed to funding one Fulbright Lloyd's Scholar Award each year until the 2022/2023 academic year. These have a maximum cost of £170k per year, plus inflationary increases as necessary.

9 DISCLOSURE OF RELATED PARTY TRANSACTIONS & TRUSTEE REMUNERATION

The Trustees receive no remuneration and no travel expenses were paid in 2021 (2020 – none). There were no related party transactions in the year (2020 – none).