

**LLOYD'S OF LONDON TRICENTENARY FOUNDATION**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED**  
**31 DECEMBER 2022**

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**LLOYD'S OF LONDON TRICENTENARY FOUNDATION**

**REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2022**

The trustees of Lloyd's of London Tercentenary Foundation ("the Foundation") are pleased to present the report and audited financial statements of the Foundation for the period ended 31 December 2022.

**TRUSTEES AND OFFICIALS**

<b>Registered number</b>	298482
<b>Address</b>	Lloyd's of London One Lime Street London EC3M 7HA 020 7327 1000
<b>Trustees</b>	Mr Andrew Carrier (Chair) Mr Ian Branagan (Resigned February 2022) Mr Jean-Bernard Crozet (Resigned January 2023) Professor Tom Welton (Retired February 2022) Dr Sarah Jane Fox Dr Swenja Surminski (Resigned May 2022) Mr Martin Burke Ms Netsai Mangwende (Resigned March 2022) Dr Holly Hedgeland Dr Nicola Haines Ms Susan Kay (Resigned January 2023) Ms Catherine Scullion (appointed February 2022) Mr Nathan Hambrook-Skinner (appointed February 2022)
<b>Secretary</b>	Mrs Forida Islam
<b>Investment Advisors</b>	Cazenove Capital Management 12 Moorgate London EC2R 6DA
<b>Auditors</b>	Simpson Wreford & Partners Suffolk House George Street Croydon CR0 0YN
<b>Bankers</b>	National Westminster Bank PLC PO Box 12258 1 Princes Street London EC2R 8PA

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Structure**

Lloyd's of London Tercentenary 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 Tercentenary Research Foundation. The financial statements have been prepared in

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

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 team at Lloyd's, an outsourced finance team (Simpson Wreford & Partners) and Lloyd's Treasury and Investment Management 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.

The number of trustees had temporarily dropped to 9 trustees as of 31 December 2022. There were 2 new appointments made and 4 resignations in the year. A further 2 resignations were received post year end. A note was made in the trustee meeting that this was a temporary measure with the view to bring that back up to twelve at the next recruitment drive.

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.

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



## **LLOYD'S OF LONDON TRICENTENARY FOUNDATION**

### **REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)**

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. Five 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.

Trustee's 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.

#### **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

## LLOYD'S OF LONDON TRICENTENARY FOUNDATION

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

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 was completed on 30 November 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 completed on 30 November 2022.

#### Fulbright – Lloyd's Awards

Lloyd's Tercentenary Research Foundation has supported two Lloyd's scholars to carry out their risk-related research in the US during the 2021/2022 academic year and will be supporting a further two Lloyd's scholars during the 2022/2023 academic year.

#### Makoto Takahashi - *The People and the Atom*

Makoto's research critically examines 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 was done with specific reference to nuclear disaster management. He has successfully pushed forward research on three articles. (Corrections completed on one, a second is under revision currently, and a third has been submitted). As well as this he has translated his research for a public audience through the Picturing the Invisible exhibition at the Royal Geographical Society and TUM. He won the Ziman Award for Public Engagement from the European Association for the Study of Science and Technology (EASST), presented research findings at the Science and Democracy Network (SDN), ISEEH, and Rita Allen Foundation. He also co-organised a conference to mark the 20th Anniversary of the STS Program at Harvard and is currently shortlisted for a Tenure Track Assistant Professorship at TU Munich.

#### Henry Birt - *Plant-Soil Feedback under Drought conditions: Implications for Climate Change Risk*

Henry has been focussed on microbiomes and how they can promote drought tolerance in crops, this research looks ever more timely as we have seen droughts across much of the world, where these were previously uncommon leading to greater risk to food production systems. On his return to the UK Henry will take up a new role as Research Associate at the University of Manchester in the Department of Earth and Environmental Sciences Henry has been published in seven publications this year, has two more in preparation and has one in review. Henry is planning to be involved with the Ditchley Park conference "A hungry world on the move"

#### Riccardo Mogre – *Dynamic models to mitigate project risks: an application in the US offshore-wind industry*

Riccardo arrived in the U.S. in August 2022 and has made a good start on his research project. He has embraced the Fulbright values and mission and has been an active member of the community in Boston bringing Fulbrighters together.



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

Catherine Russell - *Predicting the distribution and concentration of pollutants in reservoir stratigraphy*

Catherine arrived in the U.S in October 2022. Catherine has already established the field work she will be engaging with and was recently published in the conversation on the risk to rivers and our water supplies <https://theconversation.com/rivers-worldwide-are-running-dry-heres-why-and-what-we-can-do-about-it-189270>

## Research projects

### 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.

The project funding ended in November 2022. Deliverables include developing the first high-resolution tsunami risk model for Indonesia, capable of estimating economic losses from local and regional tsunami hazard, estimating economic losses to livelihoods based on damage to household assets which can be used to assess the protection gap, estimating health costs to households based on changes to out-of-pocket health spending which can be used to develop health related disaster sensitive social protection measures. The model provided is available to technical users in Indonesian agencies to maintain and extend their view of tsunami risk. The research on vessel evacuation modelling for ports introduces new ways of mitigating impacts and to foster collaboration and practical application of the data and models beyond the project, the project team with the assistance of IDF, is establishing relationships with disaster researchers and practitioners in Indonesia, via the National Research and Innovation Agency (BRIN), National Board for Disaster Management (BNPB), and Ministry of Finance. The aim is to support a diverse community of users that can collaborate in addressing tsunami risk and similar research areas.

### Carolyn Kousky - *Closing the Disaster Insurance Risk 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. This project was originally scheduled to be completed in September 2022 but due to unavoidable delays in the last few months of the project was completed in November 2022 after trustees agreed a no cost extension. Deliverables included a proof of concept report, a published academic paper on microinsurance in the US, a report on Hurricane Michael survey data, a webinar on 'innovations in flood insurance in times of climate change', a blog post on parametric approaches in the US, guidance for US regulators, an academic paper from the broader survey on the role of insurance in recovery, an academic paper on the impact of delays in financial resources on recovery and an issue brief on linking microfinance and microinsurance.

### Helen Dacre- *Volcanic Ash and Risk Testbed*

In the summer of 2022, LTRF launched its next round of research grant applications. Trustees agreed to fund the proof-of-concept Helen Dacre project. The project will run for 6 months from 2022-2023. The aim of Helen's proposal is to create the next generation of volcanic ash forecasting product that will allow airlines to calculate along-flight dosage and its uncertainty. Engagement with the engine manufacturers and aviation regulators will enable Helen to develop new forecast products which meet the needs of the aviation industry. Progress to date includes running a simulation of the 2019 Raikoke eruption for a single phase of the eruption, output ash concentration data using 6 different averaging periods and 4 different horizontal resolutions giving 24 experiments in total, calculating the ash dosage along a single flight path for each experiment, testing sensitivity to the flight track orientation and comparing the spread of dosage estimates to those from previously performed ensembles that account for uncertainty in the source parameter and wind fields.

## **LLOYD'S OF LONDON TRICENTENARY FOUNDATION**

### **REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)**

#### **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 31 December 2022 totalled £5,039k (30 September 2021: £5,184k) 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.

Trustees continued to be in agreement that the direction of their investments was an ethical investment policy. This also aligns, 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 0.25% 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 £19k for the period ended 31 December 2022 (year ended 30 September 2021: £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 period the market value of the Foundation's investment portfolio increased to a total of £4,806k as at 31 December 2022 (30 September 2021: £4,962k). 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 December 2023. These have a maximum cost of £60k per award per year, plus inflationary increases as necessary. Trustees have also committed to funding the Helen Dacre research proof of concept project which is going to carry a cost of £40k.

##### **PLANS FOR FUTURE PERIODS**

The trustees will continue to support the Fulbright – Lloyd's Awards programme as well as the new Dacre project already committed to. Trustees will also begin to think about the future of the LTRF and whether the charitable objectives are currently still being met and if not what direction the charity should go in to ensure the maximum benefit is realised.



**LLOYD'S OF LONDON TRICENTENARY FOUNDATION**

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

**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 20 June 2023 and signed on its behalf by: -



Andrew Carrier  
Chair



Holly Hedgeland  
Trustee

**LLOYD'S OF LONDON TRICENTENARY FOUNDATION**

**STATEMENT OF THE TRUSTEES' RESPONSIBILITIES FOR THE PERIOD ENDED 31 DECEMBER  
2022**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

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

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

<b>Portfolio Summary</b>		
<b>Description</b>	<b>Market Value £</b>	<b>Portfolio Weight %</b>
<b>Equities</b>	<b>4,312,659</b>	<b>89.7%</b>
<b>UK</b>	<b>2,202,000</b>	<b>45.8%</b>
ASI UK All Share Tracker Fund	1,076,816	22.4%
Trojan Income Fund	535,065	11.1%
Schroder Income Fund	590,119	11.6%
<b>Emerging Markets</b>	<b>264,180</b>	<b>5.5%</b>
Schroder Global Emerging Markets	264,180	5.5%
<b>Global</b>	<b>1,846,479</b>	<b>38.4%</b>
Schroder Global Sustainable Growth	1,846,479	38.4%
<b>Property</b>	<b>426,213</b>	<b>8.9%</b>
Charities Property Fund	426,213	8.9%
<b>Cash</b>	<b>67,310</b>	<b>1.4%</b>
sterling cash	67,310	1.4%
<b>Total</b>	<b>4,806,181</b>	<b>100%</b>

Source: Cazenove Capital as of 31.12.2022

**Economic and Market outlook**

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

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

Russia's bombardment of Ukrainian cities over the holiday season is a sad reminder that there is little prospect of a de-escalation of the conflict any time soon. By contrast, it looks increasingly likely that both sides are preparing for renewed offensives in the spring. Besides the humanitarian cost, this will have global economic implications as the world grapples with continued uncertainty over energy and agricultural supplies. There are



**LLOYD'S OF LONDON TRICENTENARY FOUNDATION**

**REPORT OF THE INVESTMENT MANAGER TO THE TRUSTEES OF LLOYD'S OF LONDON  
TRICENTENARY FOUNDATION FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)**

other international flashpoints to worry about. Taiwan is likely to remain a source of tension between China and the US and could lead to further disruption in global trade and supply chains. Iran's nuclear programme, alongside the challenge from domestic unrest, could also be a source of instability in the Middle East.

**Cazenove Capital Management, 31 December 2022**

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

**Opinion**

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

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

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

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

We have nothing to report in this regard.



## LLOYD'S OF LONDON TRICENTENARY FOUNDATION

### REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF LLOYD'S OF LONDON TRICENTENARY FOUNDATION FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

#### Matters on which we are required to report by exception

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

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

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

#### Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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.



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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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*

**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: 20 June 2023

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 DECEMBER 2022

	Note	Period ended 31 December 2022 £'000	Year ended 30 September 2021 £'000
<b>INCOME:</b>			
Investment income	2	128	86
Total income		128	86
<b>EXPENDITURE:</b>			
Cost of raising funds:			
Investment management fees		(19)	(18)
Charitable activities:			
Grants payable	3	(72)	(377)
Other expenditure		(7)	(6)
Total expenditure		(98)	(401)
Net expenditure and net movement in funds before (loss) / gain on investments		30	(315)
Realised (loss) / gain		-	69
Unrealised (loss) / gain		(175)	860
Net (loss) / gain on investments	6	(175)	929
<b>NET MOVEMENT IN FUND</b>		(145)	614
<b>Reconciliation of Funds:</b>			
Total fund brought forward		5,184	4,570
<b>Total fund carried forward</b>		<b>5,039</b>	<b>5,184</b>

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

**LLOYD'S OF LONDON TRICENTENARY FOUNDATION**

**Lloyd's  
Tricentenary  
Research  
Foundation**

**BALANCE SHEET AS AT 31 DECEMBER 2022**

		31 December 2022	30 September 2021
	Note	£'000	£'000
<b>INVESTMENTS</b>			
At Market Valuation	6	4,806	4,962
<b>CURRENT ASSETS</b>			
Debtors	7	-	2
Short term deposits		18	18
Cash at bank		217	241
		<u>235</u>	<u>261</u>
<b>CURRENT LIABILITIES</b>			
Creditors	8	<u>(2)</u>	<u>(39)</u>
<b>NET CURRENT ASSETS</b>		<u>233</u>	<u>222</u>
<b>NET ASSETS</b>		<u>5,039</u>	<u>5,184</u>
<b>FUNDS</b>			
Unrestricted		<u>5,039</u>	<u>5,184</u>

Approved and authorised for issue by the Board of Trustees on 20 June 2023 and signed on their behalf:-



Andrew Carrier  
Chairman



Holly Hedgeland  
Trustee

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

**1. ACCOUNTING POLICIES****Basis of accounting**

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

**Going concern**

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

**Investment income**

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

**Gains and losses on investments**

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

**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.

**Taxation**

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

**Investments**

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

**Debtors**

Debtors are recognised at the settlement amount due.

**Short term deposits**

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

**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.

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

## 1. ACCOUNTING POLICIES (continued)

**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

	Period ended 31 December 2022 £'000	Year ended 30 September 2021 £'000
Fixed Property	22	12
Equity Fund Investments	106	74
Cash	-	-
	<u>128</u>	<u>86</u>

## 3. ANALYSIS OF GRANTS PAYABLE

	Period ended 31 December 2022 £'000	Year ended 30 September 2021 £'000
<b>Risk related research projects:</b>		
Fulbright Commission	102	71
Kousky Project (Proof of Concept)	-	241
FITTER Project	-	65
University of Pennsylvania	(30)	-
	<u>72</u>	<u>377</u>

## 4. AUDITOR'S REMUNERATION

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

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

## 5. STAFF COSTS AND NUMBERS

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

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

## 6. QUOTED INVESTMENTS

	2022			
	Equity £'000	Property £'000	Cash £'000	Total £'000
Market value brought forward	4,475	439	48	4,962
Net (sales) and purchases	-	-	-	-
Net unrealised gain/(loss) for the period	(162)	(13)	-	(175)
Net realised gain/(loss) for the period	-	-	-	-
Movements on cash account	-	-	19	19
Market value carried forward	<u>4,313</u>	<u>426</u>	<u>67</u>	<u>4,806</u>

	2021			
	Equity £'000	Property £'000	Cash £'000	Total £'000
Market value brought forward	3,593	411	6	4,010
Less: Sales during the year	(19)	-	-	(19)
Net unrealised gain for the year	860	-	-	860
Realised gain for the year	41	28	-	69
Movements on cash account	-	-	42	42
Market value carried forward	<u>4,475</u>	<u>439</u>	<u>48</u>	<u>4,962</u>

## 7. DEBTORS

	Period ended 31 December 2022 £'000	Year ended 30 September 2021 £'000
Prepayments and accrued income	-	2
	<u>-</u>	<u>2</u>

## 8. CREDITORS

	Period ended 31 December 2022 £'000	Year ended 30 September 2021 £'000
Accruals	2	39
	<u>2</u>	<u>39</u>



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

**9. COMMITMENTS**

The trustees have committed to funding one Fulbright Lloyd's Scholar Award each year until December 2023. These have a maximum cost of £60k per award per year, plus inflationary increases as necessary. Trustees have also committed to funding the Helen Dacre research proof of concept project which is going to carry a cost of £40k.

**10. DISCLOSURE OF RELATED PARTY TRANSACTIONS AND TRUSTEE REMUNERATION**

The trustees receive no remuneration. No expenses were reimbursed in the period ended 31 December 2022 (year ended 30 September 2021: £nil).

There were no related party transactions in the period ended 31 December 2022 (year ended 30 September 2021: £nil).

**11. CHANGE IN ACCOUNTING PERIOD**

The Fund extended its current reporting period to 31 December, in order to align its reporting date with other Lloyd's charities.

The comparative figures have been presented for the year ended 30 September 2021 and are therefore not directly comparable with the figures for the 15 month period ended 31 December 2022.

The change in accounting reference date was undertaken with the authority of the Trustees.

