

**LLOYD'S OF LONDON
TERCENTENARY FOUNDATION**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2018**

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

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**LLOYD'S OF LONDON
TERCENTENARY FOUNDATION**

(Registered Number 298482)

TRUSTEES

Mr Dominic Christian (Chair)
Mr Andrew Carrier
Mr Ian Branagan
Mr Jean-Bernard Crozet
Mr Jon Hancock
Professor Dame Julia Higgins (retired 6 March 2018)
Mr Anthony Hines
Professor Tom Welton
Dr Sarah Jane Fox (appointed 29 November 2017)

Secretary

Ms Michaelae Hawkins

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

LLOYD'S, LIME STREET, LONDON, EC3M 7HA
0207-327-1000

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 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Foundation is constituted by 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 page 17 and comply with the Foundation's trust deed and applicable law.

The Foundation is administered by a secretariat working under the direction of the Trustees, employed by the Corporation of Lloyd's. With the exception of audit fees, investment fees and bank charges, which are funded by the Foundation, the administration costs of the Foundation are borne in full by the Corporation of Lloyd's.

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 Chairman 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.

During the year there was one Trustee appointment: Dr Sarah Jane Fox on 29 November 2017. Professor Dame Julia Higgins stepped down as a Trustee on 6 March 2018. The Trustees expressed their gratitude for the contribution Professor Dame Higgins had made to the work of the Foundation during her tenure. There were no other changes to the composition of the Board of Trustees.

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

Risk Management

A Risk Register outlining the major risks to which the charity is exposed and the systems and procedures in place to manage those risks, as identified by Trustees and the Secretariat, is reviewed annually.

The Risk Register is monitored regularly throughout the year and Trustees are alerted to any new risks.

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 Tricentenary Research Foundation continues its work of funding top flight academic research by supporting new programmes of research on risk related issues.

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

REPORT OF THE TRUSTEES (continued)

OBJECTIVES AND ACTIVITIES (continued)

In 2012, Lloyd's Tercentenary Research Foundation entered into a partnership with the US-UK Fulbright Commission. The Fulbright-Lloyd's of London Scholar and Postgraduate Awards enable 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, whilst the Postgraduate Award provides first-year funding for a UK post-graduate to pursue a Master's degree in the US.

Lloyd's Tercentenary Research Foundation agreed to fund a two-year research project entitled *Utilisation of scenarios in the Insurance Industry and for developing countries* in July 2016 which commenced on 1 October 2016. Delays to project meant that the funding did not begin until January 2018, meaning the project will run until December 2019.

In 2017, Lloyd's Tercentenary Research Foundation commissioned a two-year research project led by the Smithsonian Tropical Research Institute ("STRI") entitled '*Agua Salud: Science to advance risk mitigation and land use management strategies in tropical watersheds and landscapes*'.

ACHIEVEMENTS AND PERFORMANCE

Fulbright – Lloyd's of London Awards

Lloyd's Tercentenary Research Foundation supported three academics to carry out risk-related research in the US during the 2018/19 academic year.

Fulbright – Lloyd's of London Scholars:

- Judith Canellas – *Tackling greenhouse gas emission and food scarcity by synthesising microbial protein for livestock feed from waste water*

Judith is a recent PhD graduate from the School of Water, Energy and Environment at Cranfield University. For her thesis project, Judith developed and evaluated physico-chemical processes that allow one to efficiently extract reactive nitrogen, a potent environmental pollutant that is normally expensively dissipated, from wastewater so that the nitrogen can become a valuable resource. In her Fulbright project with environmental microbiologist Prof. Kartik Chandran at Columbia University, Judith hopes that she can use microorganisms to transform reactive nitrogen, recovered by the previously developed process, into high quality protein. Supplementing livestock feed with such high quality protein could help to transform the current, wasteful and unsustainable way how nitrogen is used into a cyclical and sustainable process.

- Kealan Fallon – *Developing materials with over 100% quantum efficiency for state-of-the-art solar energy technology*

Kealan is a postdoctoral research associate based at the University of Cambridge. He recently gained his PhD from University College London (UCL) on organic semiconducting materials. His interdisciplinary work combines chemistry and physics to explore how energy interacts with matter. During his Fulbright year, he will research materials designed to improve the efficiency of solar cells by harnessing high energy light that is wasted in traditional solar devices. US researchers have made ground-breaking discoveries in this area and he is excited to work alongside the talented scientists at Columbia University and at the Rowland Institute at Harvard University. Kealan is passionate about engaging children and young people with science and plans to participate in outreach programmes during his time in the US.

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

REPORT OF THE TRUSTEES (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

Fulbright – Lloyd's of London Postgraduate:

- David Franklin – *International Development MPA*

David will study for an MPA in International Development at the Harvard Kennedy School. He hopes to study how emerging technology can both improve our understanding of global risks, and support policymaking in developing markets. This follows a maths degree from Cambridge and eight years in the Country Risk team at J.P. Morgan, in which he travelled around the world advising governments on their public ratings and assessing their sovereign risk profiles. That job ignited an interest in politics, and after the Brexit vote he founded Centre Forward, a 3,600-strong political movement seeking to narrow the Leave/Remain divide. The opportunity to lead similar discussions in the US, and bring ideas back across the Atlantic, is a key part of the attraction of a Fulbright grant.

Smithsonian Tropical Research Institute

In February 2018 trustees received a report from the Smithsonian Tropical Research Institute as to their progress after a year of funding.

The team spent the first year completing a review of recent land use trends which also projects changes in land use for the next 50 years. The team originally planned to use land use change maps produced by the Panama Canal Authority to determine rates of land use change but had to choose a different source as the originals were found to contain subjective and potentially biased determinations of land use. While the scope of work (in terms of area) was more than doubled, the team still completed the deliverable of producing a land use change map projecting for the next 50 years based on recent trends. This effort represents the most up-to-date assessment of historical land-use change in the Watershed and adjacent areas heretofore assembled.

The team completed their year one objectives of evaluating existing land cover data, held three stakeholder meetings and completed the 50 year projection.

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

REPORT OF THE TRUSTEES (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.

The Trustees are confident that adequate funds are available to fund its commitments to the Lighthill Risk Network and Fulbright Commission. All reserves of the Foundation are unrestricted.

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.

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 0.35% subject to VAT, this has changed to 0.325% as at July 1st 2018. 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 £22,070 (2017: £21,583).

A report on the investments by Cazenove Capital Management is included on pages 9 - 11.

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

Summary of Investment Changes and Capital Movement

The Foundation's assets are invested in the following funds:

- Scottish Widows Foundation Growth Fund
- Schroder UK Income Fund
- Trojan Income Fund
- Schroder Global Emerging Markets Fund
- Schroder QEP Global Active Value Fund

The Foundation also invests in two Common Investment Funds - The Charities Property Fund (manager: Savills Investment Management (UK) Ltd) and COIF Charities Property Fund (manager: CCLA Investment Management Ltd). There have been no investment changes during the year.

The asset mix as at 30 September 2018 for Lloyd's Tercentenary Research Foundation is 70.7% UK Equities, 4.9% Emerging Markets Equities, 13.7% Global Equities, 8.5% UK Property Funds and 2.3% cash.

During the year the net value of the Foundation's investment portfolio decreased by £167,993.

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

REPORT OF THE TRUSTEES (continued)

Summary of investment changes and capital movement

The deficit for the year amounted to £136,864, this amount together with the disposition of the Fund at the beginning and end of the year is shown in the following table:-

	Market value 01.10.17 £	Deployment of incoming resources £	Movements on cash account £	Unrealised gains / (losses) on Investments £	Disposals £	Market value 30.09.18 £	%
UK Property Fund	555,702	-	-	6,051	(124,020)	437,733	10%
Trojan Income Fund (GBP Equity)	598,847	-	-	(4,413)	-	594,434	11%
Aberdeen Foundation Growth Fund (GBP Equity)	2,561,614	-	-	26,667	(174,038)	2,414,243	48%
Schroder QEP Global Active Value Fund	659,198	-	-	46,151	-	705,349	12%
Schroder Income Fund (GBP Equity)	578,325	-	-	50,448	-	628,773	11%
Schroder Glob Emerging Markets	245,100	-	-	5,161	-	250,261	5%
Cash Account	83,471	-	33,814	-	-	117,285	2%
	5,282,257	-	33,814	130,065	(298,058)	5,148,078	99%
Net current assets	49,326	(136,864)	312,869	-	-	225,331	1%
	5,331,583	(136,864)	346,683.00	130,065	(298,058)	5,373,409	100%

Commitments and Liabilities

The Trustees have committed to funding two Fulbright – Lloyd's of London Scholar Awards until the 2018/19 academic year and one Fulbright – Lloyd's of London Post-Graduate Award for the 2018/19 academic year. These have a maximum cost of £106,000 per year, plus inflationary increases as necessary.

£100,000 was paid to the Lighthill Risk Network in January 2018 to fund the Utilisation of scenarios in the Insurance Industry and for developing countries project, lasting until December 2019.

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 of London Awards programme as well as the 'Agua Salud: Science to advance risk mitigation and land use management in tropical landscapes' project. The 'Utilisation of scenarios in the Insurance Industry and for developing countries' research project has now been fully funded and Trustees will continue to receive reports until the end of the project in December 2019.

The Trustees will explore supporting and/or commissioning further academic research on the thematic focus areas identified.

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 the Smithsonian Tropical Research Institute and Lighthill Risk Network.

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 28th February 2019 and signed on its behalf by: -

Dominic Christian
Chairman

Trustee

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

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

The purpose of this statement is to distinguish the Trustees' responsibilities for the financial statements from those of the auditors as stated in their report.

The Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008 requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the Foundation's financial activities during the year and of its financial position at the end of the year.

In preparing the financial statements the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow the recommendations of the Charity Commission and of the accounting profession with regard to form and content of the financial statements, or to disclose and explain any departures there from; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will be able to continue to meet its objectives.

The Trustees are responsible for keeping accounting records which are such as to disclose, with reasonable accuracy, the financial position of the Foundation at any time, and to enable the Trustees to ensure that the financial statements comply with the disclosure regulations. They are also responsible for safeguarding the Foundation's assets, and hence for taking reasonable steps for the prevention and detection of error, 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 2018

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 shall be managed on an advisory basis with Cazenove Capital 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 tradeable 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
Equities	4,599,475	89.2%
UK	3,643,865	70.7%
Aberdeen UK All Shs Tra -B-Net-GBP	2,414,243	46.8%
Schroder Income -S-GBP-Inc	628,773	12.3%
Trojan Income Fund -S-GBP-Inc	594,434	11.5%
Emerging Markets	250,261	4.9%
Schroder GI Em Mkts -S-GBP-Inc	250,261	4.9%
Global	705,349	13.7%
Schroder QEP GI Act Val -S-GBP-Inc	705,349	13.7%
Alternatives	437,733	8.5%
Property	437,733	8.5%
Charities Property Fund	437,733	8.5%
Cash	117,286	2.3%
Capital	101,132	2.0%
Income	16,154	0.3%
Total	5,148,078	100.0%

source, Cazenove Capital as at 30.09.18

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

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

Portfolio Performance

The portfolio ended September with a value of £5,148,078. Over the year to the 30th September 2018 the portfolio returned 6.7% and generated £87,153 in income.

Fund Performance 12 months to 30th September 2018

1-Year

UK Equities

Aberdeen UK All Share tracker	5.7%
Schroder Income Fund	12.3%
Trojan Income Fund	3.4%
<i>FTSE All Share Index</i>	<i>5.8%</i>

Emerging Market Equities

Schroder Global Emerging Markets Fund	3.4%
<i>MSCI Emerging Markets Index</i>	<i>2.0%</i>

Global Equities

Schroder QEP Global Active Value Fund	9.1%
<i>MSCI AC World Index (Net dividends reinvested)</i>	<i>12.9%</i>

Property

Charities Property Fund	9.9%
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Performance is quoted net of underlying fund fees.

Source: Schroders, Lipper, DataStream

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

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

Market Summary

Markets generated positive returns over the year. Global economic growth, subdued inflation and strong corporate earnings have been supportive and UK equities have produced a total return of 5.8% over 12 months and Global equities returned +12.9% in sterling terms.

Trade slows global growth

Global growth forecasts have been downgraded for 2018 and 2019, reflecting the escalation and persistence in trade tensions and a slowdown in global trade activity. However, despite these downgrades, the level of growth remains reasonable, buoyed by the US which has benefited from supportive fiscal policy. President Trump's package of tax cuts has fed robust spending, resulting in strong corporate earnings and US equity market outperformance. Stronger US growth has also led to interest rate increases and dollar strength which, in turn, has negatively impacted sentiment in emerging markets.

Geopolitical risks create the potential for volatility

Ongoing US-Chinese tensions have already dampened trade; and show no sign of reaching a conclusion. We expect the dispute to be prolonged, with a significant risk that all trade between the two nations will be subject to tariffs by the end of next year. The US mid-term elections in November were also be a source of volatility for markets. Closer to home, the ongoing Brexit negotiations continue, with little clarity on the outlook post 29th March 2019. Sterling is currently acting as a 'Brexit Barometer', strengthening if the probability of a 'deal' increases, and weakening if 'no deal' is perceived as the most likely option.

Portfolio implications

Rising inflationary pressure and the gradual unwinding of monetary support has meant that bond yields in the UK and US have moved upwards. We expect further yield increases and remain underweight bonds. Equity markets have benefited from strong earnings growth, particularly in the US, and remain supportive. However, we recognise the potential for volatility, with both the age of the bull market and the geopolitical backdrop suggesting diversification could bear fruit in coming months.

**Cazenove Capital
November 2018**

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 2018 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 2018, 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- *the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or*
- *the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.*

Other information

The trustees are responsible for the 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. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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

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.

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

Use of our report

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

Simpson Wreford & Partners

Statutory Auditor

Suffolk House

George Street

Croydon

CR0 0YN

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 2018

INCOME AND EXPENDITURE	Note	30-Sep 2018 £	30-Sep 2017 £
INCOME:			
Investment income	2	<u>186,263</u>	<u>177,065</u>
Total income		<u>186,263</u>	<u>177,065</u>
EXPENDITURE:			
Cost of raising funds:			
Investment management fees		22,070	21,583
Charitable activities:			
Grants payable	3	299,249	233,478
Administrative Expenses		8	2,447
Audit fees		1,800	1,800
Total expenditure		<u>323,127</u>	<u>259,308</u>
Net expenditure and net movement in funds before gains on investments		(136,864)	(82,243)
Net gains on investments	4	<u>178,690</u>	<u>388,812</u>
NET MOVEMENT IN FUND		41,826	306,569
Reconciliation of Funds:			
Total fund brought forward		<u>5,331,583</u>	<u>5,025,014</u>
Total fund carried forward		<u>5,373,409</u>	<u>5,331,583</u>

The notes on pages 16 to 20 form part of these financial statements.

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

BALANCE SHEET AS AT 30 SEPTEMBER 2018

	Note	2018		2017	
		£	£	£	£
INVESTMENTS					
At Market Valuation	4		5,148,078		5,282,257
CURRENT ASSETS					
Debtors	5	10,877		12,703	
Short term deposits		18,433		35,433	
Cash at bank		<u>203,103</u>		<u>8,558</u>	
		<u>232,413</u>		<u>56,694</u>	
CURRENT LIABILITIES					
Creditors falling due within one year	6	<u>7,082</u>		<u>7,368</u>	
		<u>7,082</u>		<u>7,368</u>	
NET CURRENT ASSETS			<u>225,331</u>		<u>49,326</u>
NET ASSETS			<u>5,373,409</u>		<u>5,331,583</u>
FUNDS					
Unrestricted			<u>5,373,409</u>		<u>5,331,583</u>

Approved and authorised for issue by the Board of Trustees on 28th February 2019 and signed on their behalf :-

Dominic Christian
Chairman

Trustee

The notes on pages 16 to 20 form part of these financial statements.

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2018

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 accounting basis except that investments held as fixed assets are carried at market value.

b) COVENANTED INCOME

There is no future income due from covenants.

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 DISPOSAL OF INVESTMENTS

Gains and losses on disposals 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, this being the mid-point of the quotations on the Stock Exchange Daily Official List. Gains and losses on investments are taken directly to the statement of financial activities.

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2018 (continued)

1 ACCOUNTING POLICIES (continued)

g) TAXATION

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

h) DEBTORS

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.

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.

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.

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2018 (continued)

2 INVESTMENT INCOME

	2018 £	2017 £
Property		
Dividends - Property Fund	24,524	25,910
Overseas		
Dividends - Schroders Global Emerging Market	20,635	3,213
Dividends - Schroders QEP Global	-	14,736
UK		
Dividends - Aberdeen Foundation Growth Fund	94,446	90,018
Dividends - Schroders Income Fund	21,877	19,964
Dividends - Trojan Income Fund	24,599	23,063
Gartmore Interest	84	148
Bank Interest	31	-
Miscellaneous Investment Income	67	13
	<u>186,263</u>	<u>177,065</u>

3 ANALYSIS OF GRANTS PAYABLE

	2018 £	2017 £
Risk related research projects:		
Fulbright Commission	145,639	178,520
Smithsonian Donation	50,000	50,000
Other Donations	<u>103,610</u>	<u>4,958</u>
	<u>299,249</u>	<u>233,478</u>

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2018 (continued)

4 QUOTED INVESTMENTS

	2018 £	2017 £
Market value brought forward	5,282,257	4,885,221
Disposals	(346,683)	-
Realised investment gain	48,626	-
Net unrealised gain/loss for the year	130,065	388,812
Movements on cash account	33,814	8,224
Market value carried forward	5,148,079	5,282,257

Investment portfolio:

	2018		2017	
Description	Book Value	Market Value	Book Value	Market Value
Trojan Income Fund (GBP Equity)	503,182	594,434	503,182	598,847
Aberdeen Foundation Growth Fund (GBP Equity)	2,103,884	2,414,243	2,277,922	2,561,614
Schroder QEP Global Active Value Fund	505,318	705,349	505,318	659,198
Schroder Global Emerging Markets	174,222	250,261	174,222	245,100
Schroder Income Fund (GBP Equity)	505,744	628,773	505,744	578,325
Schroder Cash Account Balance	83,471	117,285	83,471	83,471
UK Fixed Property Fund	356,663	555,702	480,683	555,702

5 DEBTORS

	2018 £	2017 £
Cazenove income receivable	10,867	12,698
Gartmore interest receivable	9	5
Total	10,876	12,703

LLOYD'S OF LONDON TRICENTENARY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2018 (continued)

6 CREDITORS

	2018 £	2017 £
Audit fee	1,800	1,800
Cazenove Management Fee	5,282	5,568
Total	7,082	7,368

7 COMMITMENTS

The Trustees have committed to funding two Fulbright – Lloyd's of London Scholar Awards until the 2018/19 academic year and one Fulbright – Lloyd's of London Post-Graduate Award for the 2018/19 academic year. These have a maximum cost of £106,000 per year, plus inflationary increases as necessary.

£100,000 was paid to the Lighthill Risk Network in January 2018 to fund the Utilisation of scenarios in the Insurance Industry and for developing countries project, lasting until December 2019.

8 DISCLOSURE OF RELATED PARTY TRANSACTIONS & TRUSTEE REMUNERATION

The trustees receive no remuneration but the Foundation does reimburse trustees' travel expenses incurred when carrying out activities on behalf of the charity. No travel expense were paid in 2018 (2017 – no travel expenses were paid).

There were no related party transactions in the year (2017 – none).