HENRY SMITH FOUNDATION

Registered Charity 230102

ANNUAL REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

Contents

Chair’s Review	1
Report of the Trustees	2
Report of the Auditors	14
Financial Statements	17

Chair's Review

2025 was a year of significant change for Henry Smith. After an extensive period of review, we launched our new strategy in June, with a new brand and website, and opened the first grant programmes under our new strategic priorities.

We have always been drawn to the moments when support matters most and is hardest to find. Someone leaving prison with no money and nowhere to go. A young person leaving care and losing their network overnight. A family already under pressure when a new child arrives. What happens next can shape a life for years.

Too often, the right support is not there. Our new strategy sharpens our focus on these moments: backing organisations that stay alongside people when systems fail them, and working to improve the systems themselves so that failure is less likely.

We are focusing on a smaller number of priority areas, investing in the strength and capacity of the sector as well as in frontline services, and working more collaboratively with other funders and with government. The scale of social need in the UK is too great for any funder to address alone. Our ambition is to be a more collaborative organisation.

In 2025 we gave £35m in grants, with £14m awarded as one-off investment through our transition to a new strategy, and £15m awarded as initial time-limited funds within our new strategic priority areas. Our smaller, more historic and specialised programmes awarded grants of £4m. Our main grants funding included an additional £11m to help organisations during our strategy transition. Our 2026 budget is higher, aiming to invest almost £50m towards our new strategic priority areas.

We continued to enjoy positive investment returns in 2025, with total portfolio returns of 7% matching both our portfolio benchmark and our long-term benchmark of CPI inflation plus 4%. This was despite a continued trend of challenging markets and inflation. Over longer periods our diversified, actively managed portfolio continues to outperform its benchmarks by a significant margin.

We sold our largest rural estate, in Sutton Bridge, Lincolnshire for more than £50 million. Proceeds for this sale have been earmarked for £50m investment into social and affordable housing, and we were pleased to close on commitments of £30m into funds before the end of 2025. Capital from these commitments will be deployed during 2026 and 2027, enabling the building of new housing stock, as part of our ambition to seek greater social impact from our investment portfolio.

Since year-end we have successfully marketed and sold our largest commercial asset, in Old Bond St, London for over £90m. Proceeds from this sale will be reinvested into new property opportunities.

The implementation of our new strategy continues to be a complex and demanding exercise. I am extremely grateful to the team for their continued hard work, skill and passion during this period of organisation change.

Finally, we were sad to see the departure of Emma Davies and Jan Garrill. Emma left the Henry Smith Board early in 2026 having served to great effect on our Investment Committee, including as chair of the committee. Jan left the charity in June having served as trustee and co-chair on our Grants Committee and on our Kindred Committee We are grateful for their service to the Foundation. I am pleased to be able to thank my fellow Trustees for their support and commitment, shown in their continuing generosity with time, skills and experience.

William Sieghart, Chair.

Report of the trustees

Trustees

J Asquith
B Colgrain
J Garrill (retired June 2026)
B Kernighan
F Rahman
W Sieghart (Chair)
A Beeforth
E Davies (retired February 2026)
M Granger
B Nahl
G Roberts
N Pollock

Registered Office
3rd Floor, Caledonia House, 223 Pentonville Road, London N1 9NG

Website
www.henrysmith.foundation

Chief Executive
A Shukla

Foundation Registration
Henry Smith Foundation is the operating name of The Henry Smith Charity, registration 230102

Bankers:	Bank of Scotland, 8 Lochside Avenue, Edinburgh, EH12 9DJ
Solicitors:	SNR Denton LLP, One Fleet Place, London, EC4M 7WS Veale Wasbrough Vizards LLP, 24 King William Street, London, EC4R 9AT
Auditor:	Crowe U.K. LLP, 55 Ludgate Hill, London EC4M 7JW
Investment Custodian:	Northern Trust, 50 Bank St, London, E14 5NT
Investment Advisers:	Cambridge Associates, 80 Victoria Street, London, SW1E5JL
Property Advisers:	JLL, 33 Cavendish Square, London, W1A 2NF Savills UK Ltd, Stuart House, City Road, Peterborough, PE1 1QF

Report of the trustees

Overview

Introduction

Henry Smith Foundation is the operating name of The Henry Smith Charity, which was established from a gift of land given during the lifetime of Henry Smith, and a bequest upon his death in 1628. Since then, the Foundation has honoured the spirit of Henry Smith's will, working to combat disadvantage and meet the challenges and opportunities facing people in need throughout the UK. Nearly four centuries after we were first established, Henry Smith Foundation is one of the largest grant-making charities in the UK.

Henry Smith Foundation aims to bring about lasting change to people's lives, helping them to benefit from and contribute to society. We achieve this by providing funding to reduce social and economic disadvantage. Our grantees are at the core of our mission and work.

The Foundation is registered in England and Wales and governed by a Scheme of the Foundation Commissioners dated 5 October 2000 which came into effect on 1 January 2001.

Trustees

The Foundation is required to have between ten and twenty trustees and current trustees are listed on page 1 of this report. New trustees serve up to two terms of five years each, with provision in exceptional cases for a third term of up to five years. Trustees are appointed following a formal recruitment process, including an assessment of the Foundation's needs and the mix of skills and experience on the Board. A structured induction programme is provided for all for new trustees. Board effectiveness is maintained and ensured through regular reviews of both Board and individual trustee performance, and training is provided as needed.

Decision Making

The Board is responsible for all major policy decisions and for approving strategy and objectives. It meets four times a year. The Foundation's most significant grants are approved by the Board, but significant decision-making authority is also delegated to the following committees and others:

- Decisions in respect of the Foundation's grant programmes are delegated to trustee committees or appointed staff, with recommendations and decisions being reported to the Board.
- The Governance and People Committee is responsible for ensuring good governance of the Foundation and for people & culture strategy.
- The Investment Committee is responsible for investment policy, asset allocation, fund selection and performance monitoring.
- The Finance and General Purposes Committee is responsible for budgeting and financial management, organisational policies, staff remuneration, audit and risk management.

Day to day operational activities are delegated to the Chief Executive and members of the senior leadership team under a formal schedule of delegations.

Report of the trustees

The Foundation's objects and activities for the public benefit

The Foundation is constituted as two funds, the Main Fund and the Estates Fund.

The objects of the Main Fund of the Henry Smith Foundation have been changed at various points over the years, while maintaining the spirit of Henry Smith's original bequest. The objects as currently agreed with the Foundation Commission are as follows:

- For the relief of the poor kindred of Henry Smith;
- For hospitals, hospices and other forms of residential care or provision of health care for those who are sick or in need and for other institutions providing medical assistance for those in financial need;
- For the relief of poor, aged or sick persons and their spouses, widows, widowers and dependants;
- For the relief of poor, aged or sick members of the clergy and their spouses, widows, widowers and dependants;
- For the relief, rehabilitation and training of disabled persons including disabled ex-Servicemen and war widows;
- For any medical research;
- For the promotion of moral welfare or social service;
- For the relief and rehabilitation of those persons who are or have been slaves or serfs and their dependants who are in need or distress or for preventing their seizure;
- For the costs of property to be used as accommodation for poor persons; and
- For the relief and maintenance of godly preachers or otherwise for the furtherance or promotion of knowledge and religion.

The objects of the Estates Fund of the Henry Smith Foundation are as follows:

- For the relief of poor, aged or infirm persons or advancing in life such persons in specified, historic parishes;
- For the benefit of hospitals or convalescent homes in the specified, historic parishes;
- For the relief of poor, aged or infirm or advancing in life such persons elsewhere in England and Wales; and
- For the benefit of hospitals or convalescent homes elsewhere in England and Wales.

The Foundation's objects provide the framework within which more detailed funding priorities are set; these priorities will change from time to time as needs change and the funding landscape shifts. ***Current priorities for the Foundation's grant programmes are set out on the Foundation's website.***

Henry Smith funds organisations across the UK that work with people facing poverty, disadvantage and inequality. Our aim is lasting change: for the people our grantees support, and for the communities and systems around them.

Public Benefit

Trustees have considered the Charity Commission guidance on public benefit when planning future activities, setting grant-making policies and in making grants. The positive social impact anticipated from each grant is considered before a grant is awarded and monitored. This enables trustees to be confident that the Foundation has, through its wide range of grantees, achieved significant public benefit for vulnerable groups across the UK. A diverse range of public benefit is provided by the hundreds of charities we support each year, as they work to alleviate need and distress, and help people lead more fulfilling lives. A summary of our grant making in 2025 is set out below illustrating the work we have supported.

Report of the trustees

Diversity, Equity and Inclusion

Diversity, equity and inclusion shape how we work and how we fund. We embed DEI in our grant-making decisions, our organisational culture, and our relationships with grantees and partners. We collect DEI data from all main grant applicants using the DEI Data standard, which helps us understand where our funding reaches and doesn't reach underserved groups to make better decisions. More detail on our approach is available at www.henrysmith.foundation.

Organisational Values

In 2025 we embedded a set of organisational values developed to reflect our new strategy: *Catalysts for Change, Relationship-centred, Forward thinking, and Always learning.*

Grant Making Programmes

2025 was a year of transition into our new strategy, “Elevate Your Impact”. We took time through 2025 to develop initial, time-limited funding programmes for the strategy, and launched these in the second half of the year. To ensure a continued flow of funding to the sector we also awarded transition grants to many of our existing grant holders, along with several strategic funding initiatives. While the total awarded was lower than previous years, we have allocated larger amounts to 2026 and 2027 to make use of the funds and ensure we maintain our ongoing funding commitment to the sector.

We awarded grants through the following programmes during the year.

Programme	**Overview**
2025-2030 Strategy Grant Programmes	Funding organisations supporting people through three key life transitions including: Getting Started, Building Independence and Safer Futures. As well as an Opportunity Fund that champions innovation and works to create a stronger sector.
Transition Grants	Made during the closure of our Main Grants programmes, supporting existing grant holders and bringing new funding to the sector during the strategy development phase.
Heritage Grant Programmes:	
Holiday Grants	For recreational trips and holidays for groups of children aged 13 and under in the UK who are disabled or disadvantaged.
Parishes Grants	Grants for local organisations, based broadly on an allocation by the Trustees of Henry Smith’s will for relief of poverty in specified parishes.
Clergy and Christian Projects	For projects supporting the wellbeing of Anglican clergy.
Kindred Grants	Grants to descendants of the sister of Henry Smith or adopted by a descendant, in financial need.

Report of the trustees

Grants totalling £ 34.2 million were awarded as follows:

Programme		Total Funding Committed
2025-2030 Strategy Grant Programmes		16,600,000
- Building Independence	4,800,000	
- Getting Started	4,997,000	
- Safer Futures	5,000,000	
- Opportunity Fund	1,803,000	
Grants in Transition		14,566,000
Heritage Grant Programmes		4,014,000
Less: Cancelled/Refunded Grants		(967,000)
Total Grant Awards		**£ 34,213,000**

A full list of the grants we made to organisations over the last year along with the detailed criteria for each grant programme is available on our website www.henrysmith.foundation

Achievements and Performance – 2025-2030 Strategy Grant Programmes £16,600,000

In June 2025, we launched our new 2025-2030 strategy. We fund organisations supporting people through three key life transitions:

- **Getting started** – Supporting families to give their young children a strong start.
- **Building independence** – Helping young people aged 14-25 move into adulthood with confidence, skills and hope.
- **Safer futures** – Supporting people to rebuild their lives after abuse, displacement or prison.

Within each funding priority, we run grant programmes with clear aims and criteria, backing both frontline organisations and those working to change the systems that shape people's lives.

As well as supporting the three key life transitions, we launched an Opportunity Fund that champions innovation, backs great people and ideas, and works to create a stronger sector. The Opportunity Fund is invitation-only. It supports innovation, leadership development and ideas that don't fit neatly within our core priorities but have clear potential for impact.

In 2025, for our new grant programmes, we received applications and made grants as follows:

	Getting Started	Building Independence	Safer Futures	Total
Funds launched:	**Together We Begin**	**Shout**	**Domestic Abuse Fund**	
Total number of applications	207	711	235	1,153
Total number of assessments	64	40	26	130
Total number of grants	35	20	20	75
Success rate	55%	50%	76%	58%

We assess applications with a wide range of criteria to ensure robust, transparent and consistent funding decisions in line with our charitable objectives. Most grants were for three years, the largest grant was for £328,000 and the average grant awarded was £189,000, a 15% increase on the previous grant programmes.

Report of the trustees

Getting started

We fund organisations that support families during pregnancy and the first five years of a child's life, helping parents feel confident and children get the best possible start.

Building independence

We fund organisations helping young people move into adulthood with confidence and skills. We also support work that connects services and pushes for policies that reflect young people's real experiences.

Safer Futures

We fund organisations supporting people who are leaving prison, have experienced domestic abuse, or are seeking safety after conflict or persecution.

Geographical Distribution

Our grants reach organisations across the UK, though much of the work meeting the greatest need is in the most deprived urban areas. We actively review our geographical spread and promote the Foundation in areas with fewer applications. Grants were awarded across the whole of the UK.

	Getting Started	Building Independence	Safer Futures
England, East Midlands	4		1
England, London	8	3	3
England, North East		2	1
England, North West	4	1	1
England, South East	1	2	1
England, South West	2	1	3
England, West Midlands	5	1	
England, Yorkshire and the Humber	5		1
England Wide		2	4
Northern Ireland	1	2	
Scotland	3	3	2
Wales	2	2	1
UK wide		1	2
Total	**35**	**20**	**20**

Learning and Evaluation

We monitor the outcomes of all grants through annual progress reporting, examining the numbers of people reached and the benefit provided. We use this data, alongside insight from the wider sector, to inform our grant-making and future planning. For our new strategy we are developing Impact and Learning frameworks across our priority areas and Opportunity Fund, which will being rolled out from 2026.

Achievements and Performance – Grants in Transition £14,566,000

In June 2024, we closed our Main Grants strategy after seven years. To maintain funding during the transition period, we continued to support existing grantees and launched a FlexFund releasing an additional £2.4m to cover increased costs due to the increase in employers national insurance. We also made our first Opportunity Fund grants, partnering with organisations working across care leavers, school exclusions, immigration advice, women in the criminal justice system, Black-led early years services, care-experienced children in Scotland, LGBT+ young people, and domestic abuse. Total Opportunity Fund grants in 2025 came to £9.2m across eight partnerships.

Report of the trustees

Achievements and Performance – Heritage Grant Programmes

Holiday Grants £690,000

The Holiday Grants programme funds short holidays and recreational trips for groups of children aged 13 and under who are disabled or living in poverty. During the year we made 343 grants. Grants ranged between £500 and £2,750 and were made to schools, youth groups, not-for-profit organisations and charities.

Clergy and Christian Projects £1,054,000

The Clergy and Christian Projects programme funds Anglican clergy wellbeing through two routes: grants to individual clergy, and grants to organisations running projects that help clergy remain healthy and effective in their ministry.

During the year grants were awarded as follows:

Programme	Grant Amount
Grants to support individual clergy, managed through Church of England dioceses	£759,000
Grants to Christian projects to support wellbeing	£295,000

Kindred £1,579,000

In line with Henry Smith's will, we award grants to descendants of the sister of Henry Smith, or those adopted by a descendant, who are in financial need. Over 200 households received support in 2025.

Parishes £691,000

The parish scheme is a separate fund within the endowment, representing just over 2% of our assets. We distribute annual grants of between £2,000 and £24,000 to over 150 parishes and organisations supporting around 15,000 people, based broadly on an allocation set out by the Trustees of Henry Smith’s will for the relief of poverty.

Plans for Future Development

In June 2025, we launched our new strategy, with a new brand, website, and grant programmes. Funds will be launched across each programme area in 2026 and beyond, with our total programme planned to increase significantly to almost £50m . Our priorities include deepening partnerships with funders, the wider voluntary sector and government, and exploring how technology can improve our effectiveness. We continue to develop our approach to DEI across the organisation, aligned with our new strategy and values. Across 2026 we will develop and begin implementing a framework for impact, learning and accountability, aligned to our strategy and priorities.

Report of the trustees

Financial Review

Investments

The Henry Smith Foundation is a permanent endowment, with assets held in perpetuity. These assets are the primary funding source for the Foundation, so the performance of investments over the long term is vitally important to the sustainability of the Foundation, and the impact it can make through the grants it awards.

The Foundation operates a Total Return approach to investment, with power to spend both income and capital, provided the core endowment of the fund is maintained. The Foundation has power under its Scheme to invest in stocks, shares, funds, securities and other property. The Trustees have appointed professional investment advisors, who advise on investment policy and strategy, asset allocation, manager selection and performance.

Investment Policy

The investment portfolio has the primary long-term objective of maximising sustainable spending from the portfolio to support grant-making. The secondary long-term objective is to maintain the real value of the fund in perpetuity after spending. The Foundation currently aims to spend 4% per annum of the portfolio in grant-making over the long-term and the portfolio has a goal of returning an annual 4% real return over a rolling 5-year period.

It is recognised that to achieve the primary objective of sustaining a 4% spending rate over the long term, there will be periods of short-term volatility of investment returns. The investment strategy seeks to build a diversified portfolio that minimises the long-term impact of short-term fluctuations, accepting short-term fluctuations while ensuring that the distribution policy can be maintained and sustainable, long-term investment returns are achieved. Given the portfolio's strategic asset allocation and investment strategy it is understood that potential short-term losses are possible.

The Foundation also recognises that there are several other forms of risk beyond short term volatility that need to be managed as part of the ongoing oversight of the portfolio. These risks include the prudent management of liquidity, the level of exposure to non-Sterling denominated assets, the level of overall leverage in the portfolio and risks associated with investing alongside investors with different goals.

Non-financial impact

The Foundation has an ambition to increase the wider, positive impact of its financial investments. As part of this commitment, we made a commitment of £30m into social and affordable housing funds in 2025. This will enable significant new provision of social and affordable housing in the UK across 2026 to 2028. A further £20m has been allocated for potential additional fund commitments from 2027.

The Foundation adopted the following policy in relation to Environmental, Social and Governance (ESG) issues, and has communicated the policy to all fund managers with whom it invests.

- We take ESG factors into account when we select new managers and when assessing existing managers.
- We also review our direct equity investments held via index-tracking funds to assess which companies we may wish to exclude/engage with.
- We apply a materiality lens to the observations and judgements that we make.

The Trustees have excluded from our directly held investment portfolio companies who have significant involvement (greater than 10% of turnover) in the production or retailing of alcohol or tobacco, gambling or predatory lending. Companies with any involvement in the production or sale of indiscriminate weaponry are also excluded.

All our public equity managers have implemented ESG policies, which are integrated into their investment approach and lead to engagement with portfolio companies regarding ESG issues. Almost all our hedge fund managers have ESG policies in place. The public equity portfolio exposure to fossil fuel producers is less than 50% of the exposure of the benchmark indices, and the weighted average carbon intensity for all the companies held in the public equity portfolios is 60% of the carbon intensity of the benchmark indices. We continue to review our portfolio exposures and consider our approach to carbon on a regular basis.

Asset Allocation and Strategy

Approximately 60% of the investment portfolio was allocated to growth assets during the year, to provide longer term returns, with the remaining allocation invested in diversifying assets. Further details are given in note 9 to the accounts.

Total Return Approach to Investing

The Foundation operates a Total Return approach to investments, with freedom to invest the entire endowment with the aim of maximising total returns regardless of whether those returns accrue by way of income or capital growth. Over the long term the investment portfolio has a target annualised return of CPI +4%; over shorter periods we assess performance against a blended benchmark comprising benchmarks for the individual asset classes in which we invest.

Issuance of Long-Term Loan Notes

In early 2022 the Foundation issued £100m in 50-year loan notes, with a fixed interest rate of 2.75% and full repayment of capital due in 2072.

Detailed analysis from the Foundation's investment advisor shows that investment of the £100m proceeds across the investment portfolio for the full 50 years will enable the Foundation both to increase its annual distributions and see an increased portfolio value in 50 years' time. The trustees are satisfied that the risks are demonstrably very low, and the expected benefit, while taking the long-term to fully accrue, will prove to be material.

Investment Returns for 2025

Total investment returns (investment income net of fees plus capital gains) totalled £18.5m for the year. Total returns for the portfolio (including the currency hedge) in 2025 were 7.2% (2024: 8.2%), broadly in-line with the CPI +4% real return target (7.4%).

Over the last 10 years the portfolio has delivered an annualised return of 8.8%, in line with the policy benchmark (8.8%), despite the recent period of heightened inflation.

These returns are the investment returns achieved on total invested capital, including £100m of additional capital raised in 2022 through the issuance of long-term loan notes. The investing of this additional capital, net of interest costs, has contributed an estimated 0.2% per annum to investment returns from 2022.

Investment Costs

The Foundation aims to maintain transparency over the total fees paid on investments and regularly reviews manager fees to ensure they are matched by performance. We spent £15.7m (2024: £17.1m) on our investment fees and costs. Over time we have obtained excellent returns with lower volatility, which have more than compensated for the fee costs.

“Core Endowment” (endowment funds)

Under the Total Return approach, the Foundation must ensure that the value of total endowment funds does not fall below the Core Endowment. The Core Endowment is fixed at £276m, representing the value of the endowment as at 31 December 1991. Endowment funds in excess of the Core Endowment are known as the Unapplied Total Return; these are the accumulated returns from which the Foundation may make funds available for grant-making. The Trustees also monitor the value of endowment funds compared to an inflation-adjusted measure of the Core Endowment, recognising the need to maintain the Foundation’s spending power in real terms.

The Foundation’s current policy is to transfer each year from the endowment funds, into the Main Unrestricted and Estates Restricted funds, 4.0% of the total value of the endowment as averaged over the previous 5 years (referred to as the “Distribution Rate”); these funds are then available for grant making and operations.

These transfers are funded over time by the total investment returns achieved by the Foundation’s endowment. The Trustees review the Distribution Rate from time to time and adjust as necessary to take account of prevailing rates of investment return.

In addition, the Trustees agreed in 2021 to distribute an additional up to £100m over ten years, in light of strong historic investment performance. With advice from Cambridge Associates this additional amount has been assessed as affordable while preserving the long-term funding capacity of the Endowment. A total of approximately £50m has already been committed from this to support the grants programmes over the last four years.

The movements in Unapplied Total Return for 2025 are shown in note 7 to the accounts. The Foundation transferred £49.1m into the Main Unrestricted and Estates Restricted funds for its annual distribution. For 2026 the Trustees have agreed a transfer of £50.8m calculated at a 4.0% Distribution Rate. On 31 December 2025, the endowment funds totalled £1.39bn, well above the Core Endowment. The Trustees are satisfied that the level of funds held are considered appropriate to meet the needs of the Foundation.

Reserves

The Main Unrestricted fund balance, representing unspent funds made available for grant-making, was £10m at year-end, with grant-making during the transition to a new strategy being lower than the annual distribution of funds from the Endowment. This balance will be spent down across 2026 and 2027 as the strategy is fully implemented. The Loan Notes Designated Fund represents accumulated net gains made from the investment during 2022 of £100m loan notes proceeds into the investment portfolio, net of interest costs. The balance was £13.0m at year-end. The Estates Restricted fund is used solely for grants under the Parish programme, with reserves of £0.9m at the year-end.

Risk Management

The Trustees formally review risk on an annual basis as well as when issues arise, and during the year adopted a new risk management framework to enable more effective risk management.

The Trustees also meet the auditors during the year to discuss recommendations arising from their annual audit, which inform our approach.

One of the key risks identified is that of substantial investment losses, which would reduce the amount of funding available over the longer-term and hence the Foundation’s impact; to address this the Foundation has a diversified investment portfolio and actively manages a range of risks, including performance, liquidity, currency and other risks, which should minimise the potential for long term losses. The investment portfolio continues to be resilient, and saw positive returns in 2025.

The Foundation actively monitors a range of current risks, including the ongoing impact of the cost-of-living crisis, and wider economic and political events. Risks include business continuity in the event of disaster or other business interruption, and a policy and action plan are in place to manage this risk.

Maximising impact through its grant-making is one of the Foundation's over-arching goals, and failure to achieve this is a key risk. The Foundation launched a new strategy in 2025, aimed at ensuring that its grant-making approach is designed to maximise impact.

Safeguarding is a key risk area, and a safeguarding policy and training plan are in place.

Data Protection and the GDPR legislation remain important priorities. Key areas have been addressed, and work is ongoing to ensure compliance as the Foundation's activities develop over time.

The Foundation continues to monitor staff wellbeing, aiming to provide a supportive and safe working environment, along with specific support and tools where this can benefit individuals.

The Trustees have reviewed areas of potential risk for the Foundation and concluded that there are sufficient controls in place across the organisation to ensure it meets its responsibilities.

Preparation of the Accounts on a Going Concern Basis

The Foundation's normal practice is to distribute no more than 4% of assets annually calculated on a five-year rolling basis. On occasion, the Foundation may make additional distributions, in which case an assessment of affordability and long-term sustainability is carried out, with advice from its investment advisor.

Total assets at 31 December 2025 were significantly more than the £276 million "core endowment" which must be preserved. The Trustees continue to consider the Foundation to be a going concern and to prepare the accounts on this basis.

Remuneration of Key Management Personnel and Staffing

The Trustees consider the Board of the Foundation and the Senior Leadership Team as comprising the key management personnel of the Foundation, in charge of directing and controlling the Foundation and running and operating the Foundation on a day-to-day basis.

No Trustees are remunerated by the Foundation. Remuneration for the Senior Leadership Team is reviewed annually, with salary increases determined in light of inflation rates and affordability. Salary increases and remuneration levels are also reviewed against other grant-making charities of a similar size and activity, to ensure remuneration is fair and not out of line with that generally paid for similar roles.

Conflicts of Interest

From time to time the Foundation makes grants to organisations with whom one or more of its Trustees is connected, typically as a Trustee or member of staff. The Foundation takes steps to ensure that decisions on these grants are made at arms-length, and in accordance with its policies for dealing with potential conflicts of interest.

Fundraising

The Foundation has no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Report of the trustees

Statement of Trustees' Responsibilities

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 and 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 Foundation and of the incoming resources and application of resources of the Foundation 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;
- make judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

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

Disclosure of information to auditors

So far as each of the Trustees at the date of this report is aware:

- There is no relevant audit information of which the Foundation's auditor are unaware.
- Each trustee has taken all steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Approved by the Trustees on 24 June 2026



William Sieghart
Chair

Independent Auditor's Report to the Trustees of The Henry Smith Charity

Opinion

We have audited the financial statements of The Henry Smith Charity ('the Charity') for the year ended 31 December 2025 which comprise the Statement of Financial Activities, Charity Balance Sheet, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2025 and of the Charity's income and receipt of endowments and expenditure, 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the 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.

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 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.

Independent Auditor's Report to the Trustees of The Henry Smith Charity

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 requires us to report to you if, in our opinion:

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

Responsibilities of the trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the 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 of the Charities Act 2011 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Charity for fraud.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance and General Purposes Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor

London

9 September 2026

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Statement of Financial Activities
for the Year Ended 31 December 2025

	Main Unrestricted Fund £'000	Loan Notes Designated Fund £'000	Estates Restricted Fund £'000	Endowment Funds £'000	2025 Total £'000	2024 Total £'000
INCOME						
Investment income (note 3)	-	1,281	-	17,511	18,792	16,197
Other income	156	-	-	10	166	154
Transfer to income (note 7)	47,995	-	1,105	(49,100)	-	-
TOTAL INCOME	48,151	1,281	1,105	(31,579)	18,958	16,351
EXPENDITURE (note 4)						
Expenditure on raising funds (investment costs)	-	2,750	-	12,926	15,676	17,061
Charitable activities						
Grant-making	38,149	-	691	-	38,840	65,302
TOTAL EXPENDITURE	38,149	2,750	691	12,926	54,516	82,363
Gains/(losses) on investment and currency assets (note 9)	-	7,542	-	119,939	127,481	107,765
NET MOVEMENT IN FUNDS	10,002	6,073	414	75,434	91,923	41,753
TOTAL FUNDS BROUGHT FORWARD AT 1 JANUARY 2025	-	**6,949**	**498**	**1,292,956**	**1,300,403**	**1,258,650**
TOTAL FUNDS AT 31 DECEMBER 2025	**10,002**	**13,022**	**912**	**1,368,390**	**1,392,326**	**1,300,403**

The notes on pages 20 to 31 form part of these accounts.

All income and expenditure derive from continuing activities. The statement of financial activities includes all gains and losses recognised during the year and there is no difference between the results for the year stated above and their historical cost equivalents.

Balance Sheet as at 31 December 2025

	Main Unrestricted Fund £'000	Loan Notes Designated Fund £'000	Estates Restricted Fund £'000	Endowment Funds £'000	2025 Total £'000	2024 Total £'000
FIXED ASSETS						
Tangible Fixed Assets (note 8)	117	-	-	-	117	15
Investments (note 9)	58,586	113,022	-	1,368,355	1,539,963	1,469,821
Total Fixed Assets	58,703	113,022	-	1,368,355	1,540,080	1,469,836
CURRENT ASSETS						
Debtors (note 10)	268	-	-	619	887	698
Cash at bank	3,922	-	1,859	-	5,781	8,302
	4,190	-	1,859	619	6,668	9,000
CREDITORS						
Amounts falling due within one year (note 11)	(31,791)	-	(947)	(584)	(33,322)	(53,411)
NET CURRENT ASSETS/ (LIABILITIES)	(27,601)	-	912	35	(26,654)	(44,411)
TOTAL ASSETS LESS CURRENT LIABILITIES	31,102	113,022	912	1,368,390	1,513,426	1,425,425
CREDITORS						
Amounts falling due after one year (note 12)	(21,100)	(100,000)	-	-	(121,100)	(125,022)
NET ASSETS	**10,002**	**13,022**	**912**	**1,368,390**	**1,392,326**	**1,300,403**
FUNDS						
Main Endowment Fund	-	-	-	1,334,590	1,334,590	1,262,959
Estates Endowment Fund	-	-	-	33,800	33,800	29,997
Main Unrestricted Fund	10,002	-	-	-	10,002	-
Loan Notes Designated Fund	-	13,022	-	-	13,022	6,949
Estates Restricted Fund	-	-	912	-	912	498
TOTAL FUNDS AT 31 DECEMBER 2025	**10,002**	**13,022**	**912**	**1,368,390**	**1,392,326**	**1,300,403**

Approved by the Trustees on 24 June 2026 and signed on their behalf by:

William Sieghart
Chairman

Jonathan Asquith
Trustee

The notes on pages 20 to 31 form part of these accounts.

Cashflow Statement
for the Year Ended 31 December 2025

	2025 £'000	2024 £'000
Net cash used in operating activities (note 16)	**(63,008)**	**(60,829)**
Cash flows from investing activities		
Investment Income received	19,246	16,204
Payments for Investment Management and advice	(4,443)	(4,294)
Interest paid on Long-Term Bond	(2,750)	(2,750)
Purchase of tangible fixed assets	(132)	(3)
Cash withdrawn from fixed asset investments to fund operating costs	48,567	46,022
Repayment of social investments	-	-
Net cash provided by investing activities	**60,489**	**55,179**
Change in cash and cash equivalents in the year	**(2,521)**	**(5,650)**
Cash and cash equivalents at 1 January 2025	8,302	13,952
Cash and cash equivalents at 31 December 2025	**5,781**	**8,302**

Reconciliation of net debt

	Cash at bank £'000	Long-Term Bond £'000	**Total Net Debt** **£'000**
Balance at 1 January 2025	**8,302**	**(100,000)**	**(91,698)**
Cashflows	(2,521)	-	(2,521)
Balance at 31 December 2025	**5,781**	**(100,000)**	**(94,219)**

The notes on pages 20 to 31 form part of these accounts.

Notes to the Accounts

1. CHARITY INFORMATION

The Charity (registered no. 230102) is a public benefit entity established in the UK as a Trust governed by a Scheme of the Charity Commissioners dated 5 October 2000. It operates from its principal place of business, 3rd Floor, Caledonia House, 223 Pentonville Road, London N1 9NG.

2. ACCOUNTING POLICIES

Basis of Preparation

The accounts have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of certain fixed asset investments, and in accordance with applicable accounting standards, the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the previous Statement of Recommended Practice: Accounting and Reporting by Charities effective from 1 April 2005 which has since been withdrawn.

Trustees have considered the impact of the external environment on the Charity's activities and resources. The impacts on investment performance and grant making activities have been reviewed and included in our risk management framework. These factors have been considered alongside relevant forecasts and budgets and trustees are not aware of any material uncertainties surrounding the Charity's ability to continue as a going concern.

Funds

The Charity's Funds include two permanent endowments. The Main Endowment Fund may be used to support all the Charity's objects. The Estates Endowment Fund may only be used to support charitable activities in specified, historic parishes in England. The assets of both funds are pooled and managed as a single investment portfolio; investment returns are allocated in proportion to the Funds' asset values.

The Estates Restricted Fund reflects funds made available from the Estates Endowment Fund for grant-making which are not yet spent. The Loan Notes Designated Fund represents the current valuation of £100m raised through issuing loan notes in 2022 and invested in the Charity's investment portfolio, less the £100m creditor balance repayable in 2072.

Income

Dividends are recognised as receivable when a security is listed as ex-dividend. Income from fixed interest investments is recognised when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank or investment fund. Other investment income is recognised when notified as payable to the Charity by the relevant fund managers.

Expenditure

Liabilities are recognised as expenditure when there is a legal or constructive obligation committing the Charity to the expenditure. Grants, both single and multi-year, are recognised in the accounts as liabilities after they have been approved by the Trustees, the recipients have been notified and there are no further terms and conditions to be fulfilled within the control of the Charity. In these circumstances there is a valid expectation by the recipients that they will receive the grant.

Notes to the Accounts

Expenditure on raising funds
Expenditure on raising funds includes the direct costs paid to service providers for managing the investment assets, the direct costs of activities including staff salaries and other expenditure, and an allocation of related support costs. Support costs are allocated according to an estimate of the proportional usage across different activities supported, generally on a staff time basis.

Charitable activities
The cost of charitable activities consists of grants awarded, the direct costs of grant making activities including staff salaries and other expenditure, and an allocation of related support costs.

Investments
Marketable investment assets are included in the financial statements at their fair values, either at closing market prices (listed investments) or through independent valuation (unlisted direct property) or from valuations provided by the investment manager (unlisted hedge funds, private equity and indirect property). Cash held for investment purposes is included within investments.

The Charity enters into forward currency contracts to reduce currency exposure in its investment portfolio. The basis of fair value of these forward exchange contracts is estimated by using the gain or loss that would arise from closing the contract at the balance sheet date. All investment and currency gains and losses are recognised as incurred.

Pensions
The Charity operates a defined contribution scheme. Contributions payable to the scheme are included as expenditure in the period in which the Charity receives the related services from the employees.

Irrecoverable VAT
Irrecoverable VAT is included in the Statement of Financial Activities or Fixed Assets within the expenditure to which it relates.

Fixed assets
Leasehold improvements are included at cost and depreciated on a straight-line basis over the remaining term of occupation of the Charity's premises. Fixtures, fittings and equipment are included at cost and depreciated on a straight-line basis over 3 years. The cost of assets includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Operating leases
Rental costs of operating leases where the Charity is a lessee are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Rental income from operating leases where the Charity is a lessor is recognised on a straight-line basis over the term of the relevant lease.

Key judgements and assumptions
In the application of the charity's accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Valuation of investment properties – these are stated at their estimated fair value based on professional valuations as disclosed in note 9. Commercial Property valuations are prepared by applying an investment yield to the appropriate rental income stream, having regard to the individual asset fundamentals, including inter alia, location, lease length and tenant covenant strength.

The relevant investment yield and rental values are determined principally through the use of comparative data.

Valuations for Rural Estates properties let on Assured Shorthold, Farm Business or protected residential tenancies are calculated by applying a discount to the vacant possession value to reflect the degree to which vacant possession is not immediately available. Valuations for properties let under the Agricultural Holdings Act 1986 are prepared by making an assessment of the estimated rental value of the properties, as compared to the current rent passing, and applying to the estimated rental value a valuation yield to reflect the individual characteristics of the property.

Valuation of private equity investments – these are stated at their estimated fair value based on valuations carried out by the fund managers.

Financial instruments
The Charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

Financial assets held at amortised cost comprise cash at bank, together with trade and other debtors. Financial liabilities held at amortised cost comprise trade and other creditors.

Investments held as part of an investment portfolio are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure.

3. INVESTMENT INCOME

	2025 £'000	2024 £'000
Equities	3,287	3,370
Fixed Income	9,855	6,301
Property	5,650	6,526
	18,792	**16,197**

Notes to the Accounts

4. EXPENDITURE

	Expenditure on Raising Funds £'000	Grant-making £'000	Governance £'000	Total 2025 £'000	Total 2024 £'000
Grants awarded (note 5)	-	34,213	-	34,213	61,924
Direct costs					
Direct property costs	1,314	-	-	1,314	2,120
Investment management, administration and advice	14,088	-	-	14,088	14,705
Staff costs (note 6)	139	1,382	181	1,702	1,626
Auditors' remuneration*	-	-	58	58	54
Other costs	-	199	141	340	360
Effect of discounting grant liability		247		247	(726)
	15,541	1,828	380	17,749	18,139
Support costs					
Staff costs (note 6)	28	986	12	1,026	1,092
Premises and office services	107	1,375	46	1,528	1,208
	135	2,361	58	2,554	2,300
Total expenditure	**15,676**	**38,402**	**438**	**54,516**	**82,363**

* - in the current and previous year the auditors' remuneration was solely for audit services.

5. GRANTS AWARDED

	2025 £'000	2024 £'000
Grants to organisations	32,842	60,167
Grants to individuals	2,338	1,831
Grants returned or cancelled	(967)	(74)
Total Grants Awarded	**34,213**	**61,924**

Further analysis of our main grant awards is given in the Trustees' Report and a full listing of grants awarded to organisations is available on our website (www.henrysmith.foundation). This information has not been audited.

6. STAFF COSTS

	2025 £'000	2024 £'000
Wages and salaries costs	2,240	2,132
Social security costs	248	233
Pension costs	239	239
Other benefits	116	114
	2,843	2,718

The average number of employees		
Generating Funds	2	2
Grant-making	37	41
Governance	1	1
Total	**40**	**44**

The number of employees with emoluments greater than £60,000:		
£150,000 - £160,000	1	-
£140,000 - £150,000	-	1
£130,000 - £140,000	-	-
£120,000 - £130,000	-	1
£100,000 - £110,000	1	1
£80,000 - £90,000	1	-
£70,000 - £80,000	4	2
£60,000 - £70,000	5	3

No pension contributions were outstanding at the year end.

Total remuneration for key management personnel for the year amounted to £761,000 (2024: £644,000). Expenses reimbursed to key management personnel for the year amounted to £10,301 (2024: £5,632).

7. MOVEMENT IN UNAPPLIED TOTAL RETURN

The overall movement in unapplied total return in the year was as follows:

	2025 £'000	2024 £'000
Unapplied total return at 1 January 2024	**1,016,956**	**980,585**
Add: Income received	17,521	15,075
Less: Expenditure on raising funds	(12,926)	(14, 311)
Less : Investment gains/(losses)	119,939	100,226
Unapplied total return before transfer to income	1,141,490	1,081,575
Less: transfer to income	(49,100)	(64,619)
Unapplied total return at 31 December 2024	**1,092,390**	**1,016,956**
Add: core endowment	276,000	276,000
Endowment assets at 31 December 2024	**1,368,390**	**1,292,956**

The Charity is permitted to adopt a total return approach to its investments by Order of the Charity Commissioners for England and Wales dated 20th December 2006.

Notes to the Accounts

8. TANGIBLE FIXED ASSETS

	Fixtures, Fittings & Equipment £'000	Leasehold Improvements £'000	Total £'000
Cost at 1 January 2025	211	215	426
Additions	71	60	132
Disposals	-	-	-
Cost at 31 December 2025	282	276	558
Accumulated depreciation at 1 January 2025	196	215	411
Depreciation charged in the year	20	9	29
Accumulated depreciation at 31 December 2025	216	224	441
Net Book Value at 31 December 2025	**66**	**51**	**117**
Net Book Value at 31 December 2024	15	-	15

9. INVESTMENTS

	2025 £'000	2024 £'000
Listed Investments	445,998	391,288
Unlisted Investments	789,565	801,746
Investment Properties	161,373	208,154
Cash and other balances	143,027	68,633
Total Investments	**1,539,963**	**1,469,821**

The movement in market value of investments (excluding cash and other balances) was as follows:

	2025 £'000	2024 £'000
Listed Investments		
Market Value at 1 January 2025	391,288	397,830
Investment (losses)/gains net of fees	54,368	2,485
Additions	67,520	21,973
Disposals	(67,178)	(30,820)
Market Value at 31 December 2025	**445,998**	**391,288**

Notes to the Accounts

Unlisted Investments		
Market Value at 1 January 2025	801,746	742,490
Investment (losses)/gains net of fees	70,816	86,464
Additions	67,152	23,259
Disposals	(150,149)	(50,467)
Market Value at 31 December 2025	**789,565**	**801,746**
Investment Properties		
Market Value at 1 January 2025	208,154	199,201
Investment gains/(losses) net of fees	3,537	8,953
Additions	-	-
Disposals	(50,318)	-
Market Value at 31 December 2025	**161,373**	**208,154**

Total gains were made up as follows:	2025 £'000	2024 £'000
(Losses)/gains on investment assets	128,721	97,902
Other currency (losses)/gains	(1,240)	9,863
Investment and currency (losses)/gains	**127,481**	**107,765**

The market value of listed investments at the year-end was £446m (2024: £391m). None of these were UK-only investments (2024: Nil).

At 31 December 2025 the Charity had nine foreign exchange forward contracts open in eight currencies, with a notional sterling liability of £1.1 million (2024: £11.9m). These contracts were entered into to mitigate the currency risk of being a UK based charity while holding global equity and hedge fund assets in local currencies. These foreign exchange forward contracts have all been revalued at the applicable year-end rates and the resulting unrealised losses are included within the overall value of the investments above. The settlement date for the contracts ranged from 31 January 2026 to 30 June 2026.

The Charity’s direct holdings in property were valued at 31 December by currently Registered RICS Valuers employed by the Charity's property advisers, and in accordance with the RICS Valuation – Professional Standards (January 2014) published by the Royal Institution of Chartered Surveyors.

The Charity has committed to fund up to a further £100.7m (2024: £73.6m of capital calls from private equity funds. These calls will be funded from the sale of liquid assets across the investment portfolio, and from distributions from private equity funds.

Notes to the Accounts

10. DEBTORS

	2025 £'000	2024 £'000
Rents receivable	133	341
Other debtors	567	86
Prepayments	187	271
	887	**698**

11. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £'000	2024 £'000
Grants payable	32,498	52,003
Accruals	715	864
Rental income in advance	109	544
	33,322	**53,411**

Movements in rental income in advance were as follows:	
Balance brought forward at 1 January 2025	544
Released to income in the year	(435)
Deferred in the year	-
Balance carried forward at 31 December 2025	**109**

12. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2025 £'000	2024 £'000
Grants payable	21,433	25,602
Effect of discounting grant liability	(479)	(726)
Accruals and provisions	146	146
Fixed-term bond issuance	100,000	100,000
	121,100	**125,022**

The Charity received £100m from a bond issued on 10 March 2022 to Metropolitan Life Insurance Company and Metlife Insurance K.K. The Charity will pay annual interest of 2.75% and the balance is repayable in full in 2072.

Notes to the Accounts

13. MATURITY OF FINANCIAL LIABILITIES

	2025 £'000	2024 £'000
In one year or less, or on demand	33,322	53,411
In more than one year, but not more than two years	11,365	20,107
In more than two years, but not more than five years	9,735	4,915
In more than five years	100,000	100,000
	154,422	**178,433**

The movement in grants payable during the year was as follows:

	2025 £'000	2024 £'000
Grants payable at 1 January 2025	77,605	72,935
Grants awarded	35,180	61,988
Cancelled grants	(967)	(74)
Payments made	(57,888)	(57,254)
Market Value at 31 December 2025	**53,930**	**77,605**

14. RELATED PARTY TRANSACTIONS

Expenses of £6,385 (2024: £4,838) were reimbursed to four Trustees during the year to cover travel and other related costs incurred by them in fulfilment of their duties. The Trustees received no remuneration during the year or in the previous year.

15. OPERATING LEASE COMMITMENTS

At year-end the Charity held a lease for its premises expiring in May 2027. Rental payments amounted to £245,275 in 2025 (2024: £161,222) and are contracted to be £68,673 per quarter until the end of the lease term.

At year-end the Charity held rental leases on its investment properties under which payments are receivable until lease expiry or term of notice as follows:

Year	**Payments receivable in year £000**
2026	291
2027	328
2028	539
2029 and subsequently	26,681

The total payments receivable under rental leases at 31 December 2025, until expiry or term of notice for all leases, was £27.8 million (2024: £35.3 m).

Notes to the Accounts

16. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025 £'000	2024 £'000
Net movement in funds	91,923	41,753
Investment losses/(gains)	(129,165)	(108,111)
Investment income and deposit interest	(18,957)	(16,351)
Investment management and advice	15,676	17,061
Depreciation	29	24
Decrease/(Increase) in debtors	(188)	140
(Decrease)/Increase in creditors	(24,010)	4,308
Currency gains/(losses)	1,684	347
Net cash flow from operating activities	**(63,008)**	**(60,829)**

Notes to the Accounts

18. STATEMENT OF FINANCIAL ACTIVITIES FOR PRIOR YEAR

	Main Unrestricted Fund £'000	Loan Notes Designated Fund £'000	Estates Restricted Fund £'000	Endowment Funds £'000	2024 Total £'000	2023 Total £'000
INCOME						
Investment income (note 3)	-	1,133	-	15,064	16,197	14,446
Other income	143	-	-	11	154	2
Transfer to income (note 7)	63,557	-	1,062	(64,619)	-	-
TOTAL INCOME	63,700	1,133	1,062	(49,544)	16,351	14,448
EXPENDITURE (note 4)						
Expenditure on raising funds (investment costs)	-	2,750	-	14,311	17,061	15,761
Charitable activities						
Grant-making	63,700	-	1,602	-	65,302	49,774
TOTAL EXPENDITURE	63,700	2,750	1,602	14,311	82,363	65,535
Gains on investment and currency assets (note 9)	-	7,539	-	100,226	107,765	88,041
NET MOVEMENT IN FUNDS	-	5,922	(540)	36,371	41,753	36,954
TOTAL FUNDS BROUGHT FORWARD AT 1 JANUARY 2024	-	**1,027**	**1,038**	**1,256,585**	**1,258,650**	**1,221,696**
TOTAL FUNDS AT 31 DECEMBER 2024	**-**	**6,949**	**498**	**1,292,956**	**1,300,403**	**1,258,650**

Notes to the Accounts

19. BALANCE SHEET FOR PRIOR YEAR

	Main Unrestricted Fund £'000	Loan Notes Designated Fund £'000	Estates Restricted Fund £'000	Endowment Funds £'000	2024 Total £'000	2023 Total £'000
FIXED ASSETS						
Tangible Fixed Assets (note 8)	15	-	-	-	15	42
Investments (note 9)	69,154	106,949	-	1,293,718	1,469,821	1,417,942
Total Fixed Assets	69,169	106,949	-	1,293,718	1,469,836	1,417,984
CURRENT ASSETS						
Debtors (note 10)	357	-	-	341	698	838
Cash at bank	7,052	-	1,250	-	8,302	13,952
	7,409	-	1,250	341	9,000	14,790
CREDITORS Amounts falling due within one year (note 11)	(51,556)	-	(752)	(1,103)	(53,411)	(47,843)
NET CURRENT (LIABILITIES)/ASSETS	(44,147)	-	498	(762)	(44,411)	(33,053)
TOTAL ASSETS LESS CURRENT LIABILITIES	25,022	106,949	498	1,292,956	1,425,425	1,384,931
CREDITORS Amounts falling due after one year (note 12)	(25,022)	(100,000)	-	-	(125,022)	(126,281)
NET ASSETS	**-**	**6,949**	**498**	**1,292,956**	**1,300,403**	**1,258,650**
FUNDS						
Main Endowment Fund	-	-	-	1,262,959	1,262,959	1,229,905
Estates Endowment Fund	-	-	-	29,997	29,997	26,680
Loan Notes Designated Fund	-	6,949	-	-	6,949	1,027
Estates Restricted Fund	-	-	498	-	498	1,038
TOTAL FUNDS AT 31 DECEMBER 2024	**-**	**6,949**	**498**	**1,292,956**	**1,300,403**	**1,258,650**