The Lancashire Foundation

Financial Statements and Trustees' Report

For the year ended 31 December 2025

Registered Charity in England and Wales number 1149184

The Lancashire Foundation

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The Lancashire Foundation

Reference and Administrative Details of the Lancashire Foundation

Trustees

Louise Wells (Chair) (appointed 1 November 2017)
Derek Stapley (appointed 1 December 2014)
Emma Grimes (appointed 29 March 2018)
Robert Kennedy (appointed 5 March 2022)
Kate Parker (appointed 1 July 2025)

Registered Office

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London
EC3M 3BY

Banker

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London
SE1 9DZ

Auditor

KPMG LLP
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E14 5GL

Solicitor

Bates Wells Braithwaite London LLP
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EC4M 6YH

Investment adviser

Amber River Premier
Swan House
Liston Road
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SL7 1DP

Registered Charity in England and Wales Number 1149184

The Lancashire Foundation

Trustees' report
For the year ended 31 December 2025

The trustees present their report and the audited financial statements of The Lancashire Foundation ("the Charity") for the year ended 31 December 2025. The financial statements have been prepared in accordance with the accounting policies set out in Notes 2 and 3 to the accounts and comply with the Charity's Trust Deed, the Charities Act 2011, the Statement of Recommended Practice: Accounting and Reporting by Charities published in 2019 and Amendments to FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Structure, Governance and Management

Governing Document

The Charity is structured as a charitable trust governed by a Trust Deed dated 27 September 2012 and is a charity registered by the Charity Commission, number 1149184, operating from the registered office shown on page 3.

Organisation

The Charity is managed by the trustees who hold quarterly meetings.

Decisions are taken at meetings when a quorum of at least one third of the number of trustees or three trustees, whichever is greater, are present.

Decisions may also be taken without a meeting on a unanimous basis through written resolution or other communication between the trustees.

The day to day management of the affairs of the charity has been delegated to the Donations Committee ("the Committee").

The role and activity of the Committee can be summarised as follows:

- To receive and analyse requests for donations from charitable bodies and where appropriate recommend to the trustees that a donation be made;
- To seek to build relationships with those charities that the Foundation supports and through developing strong and long-term relationships be able to provide assurance that the Foundation's funds are spent in a manner that leads to their effective use; and
- To support the Foundation in achieving its purpose through its core aims and objectives.

For the year ended 31 December 2025, the following trustees were members of the Committee:

Emma Grimes
Kate Parker

Other members of the Committee for the year ended 31 December 2025 were as follows:

Jennifer Wilson (Chair)
Mark Carvalho (resigned Sept 2025)
Kelly Turner
Nick Nebard (resigned Sept 2025)
Nancy Da Silva
Minnie Beagley
Jayne King
Christopher Curtin (appointed Sept 2025)
Stella Tomlin (appointed Sept 2025)

The composition of the Committee is reviewed from time to time by the trustees in order to make such changes as are necessary to ensure that it remains reflective of and responsive to the needs of the Charity.

Appointment of trustees

The founder of the Charity, Lancashire Holdings Limited ("the Founder"), may appoint new or additional trustees by written resolution provided that if the number of trustees falls to less than three and the Founder fails to appoint new trustee(s) within six months thereof, the remaining trustees may appoint new or additional trustees by written resolution so as to bring the number up to three.

The trustees who have served during the year are set out on page 3. The number of trustees shall not be permitted to fall below three.

All trustees give of their time freely and no trustee may receive any remuneration or other benefit in money or money's worth from the Charity.

On appointment, all new trustees receive information and training as appropriate to ensure that they are familiar with all aspects of the Charity including its finances, future plans and objectives.

Risk management

The trustees have, within the year under review, assessed the risks that the Charity faces and can confirm that systems are in place to minimise those risks. The trustees will continue to monitor and re-consider the risks the Charity is exposed to during the coming year.

The principal uncertainty facing the Charity is the level of future income. Due to the discretionary and annual nature of donations made by the Charity and its strong financial position the trustees believe that this can be effectively managed.

The Foundation received a donation of £581,175 from the Founder during 2025 (2024: £594,078)

Objectives and Activities

The Charity and its Trust Fund are administered and managed by the trustees. The objects of the Charity are to hold the Trust Fund and its income upon trust and to apply them for all purposes which are exclusively charitable under the laws of England and Wales from time to

time by the making of grants to any individual, group, organisation or institution in the United Kingdom, Bermuda and worldwide.

The Charity is committed to channelling its resources in an effective way to meet community needs, particularly focused on helping the severely disadvantaged in society.

The Charity's strategy is to provide grants to charities or organisations whose work reflects and is aligned to the values and interests of the people and businesses within the Lancashire group of insurers. In certain cases, these grants may be renewed for a number of years, subject always to an annual review of the proposed grant at the discretion of the Charity.

The Charity also invites applications for grants from members of staff of The Lancashire Group to charities with which they have an interest or involvement.

The trustees review the success of the Charity's activities through:

- analysis of levels of staff engagement with charities including the amount of "matching donations" made by the Charity;
- analysis of the allocation of donations to different types of charities;
- analysis of the performance of the underlying charities; and
- assessing the impact of the Charity's funding on the outcome and success measures used by each recipient organisation.

Reserves policy

The trustees have assessed the availability of resources to provide ongoing support to the majority of the charitable organisations currently supported based on the level of funds held, anticipated investment income and future donations from the Founder and are satisfied that sufficient reserves are held.

Restricted Funds

At 31 December 2025 the Charity held restricted funds of £nil (2024: £nil). See note 10 for further details.

Public benefit

In setting objectives and reviewing activities, the trustees have had regard to the Charity Commission's guidance on public benefit and consider that the activities described above demonstrate the public benefit provided by the Charity.

Investment policy

The Charity holds shares in the Founder which it received when exercising share warrants gifted by the Founder. The policy of the Charity is to hold these shares to receive dividend income to fund donations and to sell shares if required to provide additional cash.

The Charity has also holds a diversified portfolio of investment funds which is managed by a third-party provider. The performance of the funds is regularly monitored by the trustees. When considering potential funds to be held in the portfolio criteria around social responsibility are applied with the aim of selecting ethical and sustainable investments.

Cash balances are held in liquidity funds, term deposit and interest-bearing current accounts.

Achievements and Performance

During the year the Charity distributed £665,235 (2024: £688,002) to 98 (2024: 109) charities. £169,499 (2024: £232,255) of this amount was distributed to 58 (2024: 63) charities as part of a staff initiative whereby staff could apply for a donation for their nominated charity.

The 10 largest donations during 2025 were to Californian Community Foundation in response to the LA wildfires, Cancer Research, The Family Centre, St Giles Trust, Bermuda Autism Support "Tomorrow's Voices", Alzheimer's Society, HOME, British Red Cross Hurricane Melissa fund, UNICEF Gaza fund and Malawi Community Hubs

During the year, the Charity matched individual employee fundraising up to a limit of £3,000, resulting in donations of £37,243 (2024: £20,754).

Details of grants made can be found in the notes to the financial statements. The trustees ensure that grants are made in accordance with the Charity's objectives.

The level of the annual donation from the Founder is dependent on its results for the year and the circumstances of the Charity. During 2025 the Charity received a donation from the Founder of £581,175 (2024: £594,078).

Financial Review

During 2025 the Charity received donation income of £621,175 (2024: £774,530) including a donation from the Founder of £581,175 (2024: £594,078). The Charity also received investment income of £142,764 (2024: £181,784) giving total incoming resources of £763,939 (2024: £956,314). The incoming resources in 2024 included a credit of £179,152 in relation to the waiving of Lancashire Group graduate scheme costs payable by the charity to Lancashire Insurance Services Limited.

During the year donations of £665,235 (2024: £688,002) were made. After including sundry expenses of £38,025 (2024: nil), governance costs of £31,233 (2024: £22,964), a loan impairment credit of £248 (2024: nil) and foreign exchange loss of £26,183 (2024: loss of £14,780) total resources expended were £760,428 (2024: £725,746).

During 2025 the Charity received donations of £40,000 and incurred sundry expenses of £38,025 in connection with a dinner arranged for Waves Music Therapy (see note 10 for further details).

Taking into account a gain on the revaluation of investments of £25,209 (2024: gain of £90,530) total funds increased in 2025 by £28,720 (2024: increase of £321,098).

At 31 December 2025, the Charity had net assets of £1,633,902 (31 December 2024: £1,605,182).

Related parties

As noted above, the Founder at its discretion has the power to provide donations to the Charity and has the power to appoint trustees. The Charity holds an investment in the shares of the Founder.

Future Plans

The Charity will continue to encourage staff to take part in charitable activities, often by matching sums raised, or by direct grants to charities or organisations in which staff have an interest or involvement. The trustees encourage involvement from staff in the charities or organisations supported by the Charity.

The charity will also make funds available to support the wider ESG initiatives that the Founder has committed to with a focus on supporting social causes.

The Charity Governance code

The trustees have considered the principles of the Charity Governance Code and applied these to the operation of the charity as follows:

1. Organisational purpose

The trustees are clear about the Charity's aims which are described in the objectives and activities section above and ensure that these are being delivered effectively and sustainably.

2. Leadership

The Charity is led by the trustees who provide strategic leadership in line with the Charity's aims and values.

3. Integrity

The trustees act with integrity, adopting values and creating a culture which helps to achieve the organisation's charitable purposes. The trustees are aware of the importance of the public's confidence and trust in charities, and the trustees undertake their duties accordingly.

4. Decision-making, risk and control

The trustees make sure that their decision-making processes are informed, rigorous and timely and that effective delegation, control and risk assessment and management systems are set up and monitored.

5. Trustee effectiveness

The trustees work as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions.

6. Diversity

The trustees are committed to embracing diversity to support the effectiveness, leadership and decision-making within the Charity.

7. Openness and accountability

The trustees manage the organisation in a transparent and accountable way.

Statement of disclosure of information to auditor

The trustees who held office at the date of approval of this trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Charity's auditor is unaware and each trustee has taken all the steps they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

The Lancashire Foundation

Statement of trustees' responsibilities in respect of the trustees' annual report and the financial statements

Under the trust deed of the Charity and charity law, the trustees are responsible for preparing a Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The trustees are required to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

The financial statements are required by law to give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- assess the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Charity or to cease operations or have no realistic alternative but to do so.

The trustees are required to act in accordance with the trust deed of the Charity, within the framework of trust law. They are responsible for keeping accounting records which are sufficient to show and explain the charity's transactions and disclose at any time, with reasonable accuracy, the financial position of the Charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Charity and to prevent and detect fraud and other irregularities.

Approved by the trustees and signed on their behalf by:



Louise Wells
Trustee
1 October 2026

The Lancashire Foundation

Independent auditor's report to the Trustees of The Lancashire Foundation
Opinion

We have audited the financial statements of The Lancashire Foundation ("the Charity") for the year ended 31 December 2025 which comprise the Statement of Financial Activities, Statement of Financial Position, Cash Flow Statement and related notes, including the accounting policies on pages 18 and 19.
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 its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion
We have been appointed as auditor under section 145 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Charity in accordance with, UK ethical requirements including the FRC Ethical Standard.

We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the Charity or to cease its operations, and as they have concluded that the Charity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Trustees' conclusions, we considered the inherent risks to the Charity's business model and analysed how those risks might affect the Charity's financial resources or ability to continue operations over the going concern period.
Our conclusions based on this work:

- we consider that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and

- we have not identified, and concur with the Trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Charity will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the management regarding the Charity's policies and procedures to prevent and detect fraud and whether they had knowledge of any actual, suspected or alleged fraud;
- Reading Trustee, and Donations Committee meeting minutes
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Charity has simple revenue streams with limited complexity around revenue recognition.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments based on risk criteria and comparing the identified entries to supporting documentation. These included those posted with descriptions containing key words or those posted to seldom used accounts with a corresponding entry to cash.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the trustees and management. We discussed with the trustees and management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related charities legislation and SORP), and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. This Charity is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

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 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 fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the Charity has not kept sufficient accounting records; 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.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 10, the Trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

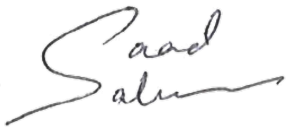
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Charity's Trustees as a body, in accordance with section 145 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. 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 its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Saad Salman
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square
London
E14 5GL

1 October 2026

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Lancashire Foundation

Statement of financial activities for the year ended 31 December 2025

	Note	2025 Unrestricted funds	2025 Restricted funds	2025 Total funds	2024 Total funds
		£	£	£	£
Income from					
Donations	5	581,175	40,000	621,175	774,530
Investments	8	142,764	-	142,764	181,784
Total income		723,939	40,000	763,939	956,314
Expenditure on					
Charitable activities	6	(658,012)	(45,000)	(703,012)	(688,002)
Governance costs	7	(31,233)	-	(31,233)	(22,964)
Unrealised and realised foreign exchange losses		(26,183)	-	(26,183)	(14,780)
Total expenditure		(715,428)	(45,000)	(760,428)	(725,746)
Gain on revaluation of investments	8	25,209	-	25,209	90,530
Net incoming resources before transfers/ (outgoing)		33,720	(5,000)	28,720	321,098
Transfers					
Transfer between funds		(5,000)	5,000	-	-
Net movement in funds		28,720	-	28,720	321,098
Fund balance brought forward		1,605,182	-	1,605,182	1,284,084
Fund balance carried forward		1,633,902	-	1,633,902	1,605,182

All operations are continuing.
The accompanying notes form part of these financial statements.

The Lancashire Foundation

Statement of financial position as at 31 December 2025

	Note	2025	2024
		£	£
Assets			
Current assets			
Investments	8	1,568,795	1,543,586
Cash and cash equivalents		148,954	103,358
Total current assets		1,717,749	1,646,944
Liabilities			
Current liabilities			
Creditors	9	83,847	41,762
Total current liabilities		83,847	41,762
Net current assets		1,633,902	1,605,182
Net assets		1,633,902	1,605,182
Funds			
Unrestricted		1,633,902	1,605,182
Restricted	10	-	-
Total funds		1,633,902	1,605,182

The accompanying notes form part of these financial statements.
Approved by the trustees on 1 October 2026 and signed on their behalf by:

.....

Louise Wells
Trustee

The Lancashire Foundation

Cash flow statement for the year ended 31 December 2025

	2025 £	2024 £
Cash flows from operating activities:		
Net cash used in operating activities	(70,984)	(112,500)
Cash flows from investing activities:		
Dividends and interest from investments	142,764	181,784
Net cash provided by investment activities	142,764	181,784
Change in cash and cash equivalents in year	71,780	69,284
Cash at the beginning of year	103,358	48,855
Change in cash due to exchange rate movements	(26,184)	(14,780)
Cash at bank at end of year	148,954	103,358

	2025 £	2024 £
Net incoming/ (outgoing) resources (as per the statement of financial activities)	3,511	230,568
Adjustments for:		
Dividends and interest from investments	(142,764)	(181,784)
Increase / (Decrease) in creditors	42,085	(176,064)
Revaluation adjustments	26,184	14,780
Net cash used in operating activities	(70,984)	(112,500)

Analysis of cash and cash equivalents

	2025 £	2024 £
Cash at bank	8,005	55,935
Notice deposits	140,949	47,423
Total cash and cash equivalents	148,954	103,358

The accompanying notes form part of these financial statements.

The Lancashire Foundation

Notes to the financial statements

1. Statement of compliance

The Charity is a charitable trust. The financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements for the year ended 31 December 2025.

2. Basis of preparation and accounting

Basis of preparation

The financial statements are prepared on a going concern basis. The trustees believe the going concern assumption to be appropriate as the trustees have sufficient unrestricted funds available for the ongoing use and continuing benefit of the Charity and its objectives. The Trustees are satisfied that the level and diversification of reserves held is sufficient to mitigate the related risks and have concluded that there are no material uncertainties that could cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

The key factors considered are that the Charity has a strong balance sheet with sufficient net assets and no significant ongoing contractual obligations. The vast majority of the net assets held by the Charity are highly liquid and can be readily sold if required. The trustees have analysed the latest available information in relation to the net assets when assessing the impact on going concern and the fact that donation income for the year 2026 from the founder has already been approved and paid by the founder. In addition, all outgoing donations and charitable activities are fully at the discretion of the Charity and can be withheld if needed as such there are no long-term commitments in relation to the outgoing donations. As a result of these factors, the Trustees expect that the Charity has adequate reserves to continue its operations for a period of at least 12 months from the date that the financial statements are approved.

Presentation currency
The financial statements are presented in Pounds Sterling which is the functional currency of the Charity.

Foreign currency transactions are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions, or at the average rate for the period when this is a reasonable approximation. Monetary assets and liabilities denominated in foreign currencies are translated at year end exchange rates. The resulting exchange differences on translation are recorded in the statement of financial activities.

Basis of accounting
The financial statements have been prepared under the accruals concept and provide information that is relevant, reliable, comparable and understandable.

3. Significant accounting policies

a) The accounts are prepared under the historic cost convention as modified by the revaluation of investments, and are drawn up in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, and applicable

United Kingdom accounting standards. Amendments to FRS 102 were issued on 27 March 2024. These are not expected to have any significant effect on the Foundation.

b) Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

c) Shares are initially recognised at cost. They are subsequently recorded at fair value, determined based on bid prices from recognised exchanges, broker-dealers, recognised indices or pricing vendors. Any gain or loss on revaluation is taken to the statement of financial activities.

d) Voluntary income is recognised in the statement of financial activities when:
   - The Charity becomes entitled to it;
   - The trustees are reasonably certain they will receive it; and
   - The trustees are reasonably certain that the value can be reliably measured.

e) Investment income is accounted for in the year which the Charity is entitled to receipt.

f) Grants payable are recognised when donations are approved by the donations committee and trustees.

g) Due to the ongoing financial support of the Charity by the Founder, there are no costs incurred in relation to generating funds.

h) Governance costs comprise of audit fees and bank charges and are accounted for on an accruals basis. These are allocated to unrestricted funds.

i) Restricted funds in relation to "Project Transform" are those which must be applied in accordance with the purpose for which they were raised.

j) Unrestricted funds comprise those funds which the trustees are free to use for any purpose in the furtherance of the charitable objectives.

k) Where the donations committee and trustees allocate unrestricted funds to a restricted purpose such as "Project Transform" then the relevant funds are transferred from unrestricted to restricted funds.

l) Concessionary loans are recorded at the amount paid, with the carrying amount adjusted to allow for potential impairment due to non-payment.

4. Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received with categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

5. Donations received

	2025	2024
	£	£
Donation from Lancashire Holdings Limited	581,175	594,078
Graduate scheme costs waived (see note 11)	—	179,152
Donations to Project Transform appeal (see note 10)	—	1,300
Donations to Waves charity dinner (see note 10)	40,000	—
	621,175	774,530

6. Charitable activities

	2025	2024
	£	£
Grants to institutions made in the year (see note 10)	665,235	688,002
Adjustment to provision for potential loss on concessionary loan (see note 8)	(248)	-
Sundry expenses (see note 10)	38,025	
	703,012	688,002

No charge is made for the trustees' services nor are the trustees reimbursed by the Charity for any costs they may incur. There are no other staff costs and the Charity does not employ any staff.

The Founder and the Charity have jointly sponsored an internship programme for Bermuda resident college graduates. The amount due to Lancashire Insurance Services Limited at 31 December 2023 was waived in the prior year resulting in a credit to the income statement of £179,152 in 2024.

7. Governance costs

	2025	2024
	£	£
Audit fee	30,000	18,000
Legal fees	—	3,438
Bank charges	1,233	1,526
	31,233	22,964

The fee for the audit of the financial statements was £25,000 (2024: £15,000). Amounts presented above include VAT of £5,000 (2024: £3,000).

8. Investments

The Charity holds the following investments:

	2025	2024
	£	£
Lancashire Holdings Limited shares	909,790	935,338
Externally managed investment funds	659,005	608,248
	1,568,795	1,543,586

Lancashire Holdings Limited shares

At 31 December 2025, the Charity held 141,933 (2024: 141,933) common shares in Lancashire Holdings Limited which are listed on the London stock exchange. These have been recorded at fair value based on the closing share price on 31 December 2025 and 31 December 2024.

No shares were sold during 2025.

Externally managed investment funds

During 2020, the Charity implemented a plan to diversify investments held and placed £1,000,000 in a portfolio of investment funds which is managed by a third-party provider. These have been recorded at fair value based on the closing fund price on 31 December 2025 and 31 December 2024.

During 2025, no withdrawals (2024: £nil) were made from the externally held investment funds.

The funds held in the portfolio are summarised by type as follows:

	2025	2024
	£	£
Balanced multi-asset	658,650	606,625
Global equity	177	174
Flexible allocation	—	—
UK bond	177	162
UK equity	—	—
Global bond	—	—
Asia-Pacific equity	—	—
Cash	1	1,287
	659,005	608,248

At 31 December 2025, the externally managed portfolio included investments in 7 funds (2024: 6).

Investment income included the following:

	2025	2024
	£	£
Dividend income on Lancashire Holdings Limited shares	132,301	164,773
Bank interest	10,463	17,011
	142,764	181,784

The gain on revaluation to fair value of investments included the following:

	2025	2024
	£	£
Lancashire Holdings Limited shares	(25,548)	49,676
Externally managed investment funds	50,757	40,854
	25,209	90,530

9. Creditors

	2025 £	2024 £
Accrued expenses	48,000	18,000
Accrual in relation to donations for the year	22,919	23,762
Amounts due to Lancashire Insurance (UK) Ltd (see note 11)	12,928	—
	83,847	41,762

10. Restricted funds

Since 2010, groups of employees from across the Lancashire Group of Companies have volunteered for 'Project Transform' and travelled to work alongside charities, initially to the Philippines and more recently to Tanzania.

Restricted funds are held in a separate bank account. During the year £5,000 was pledged from the Foundation for the benefit of Project Transform. There was no unpaid balance at 31 December 2025

During the year the Foundation assisted in the administration of a charity dinner hosted by a member of the Lancashire executive for the benefit of Waves Music Therapy. £40,000 was received for the purchase of tables at the event and all proceeds were paid out in either expenses or to the charity. The income was recognised within restricted funds. Expenditure incurred in delivering the event of £38,025 and the subsequent donation to Waves Music Therapy of £1,975 were charged against the restricted fund. All restricted income received during the year was utilised for its intended purpose and, accordingly, no restricted fund balance remained at 31 December 2025.

11. Related parties

During the year the Charity received a donation from Lancashire Holdings Limited of £581,175 (2024: £594,078) and investment income of £132,301 (2024: £164,773) from the Charity's holding of shares in Lancashire Holdings Limited.

Included within creditors is a payable of £12,929 due to Lancashire Insurance (UK) Ltd in relation to donations made on behalf of the Foundation.

There were no sales of Lancashire Holdings Limited shares during the year (refer to note 8 for further details).

There were no amounts due to or from Lancashire Holdings Limited at 31 December 2025.

Derek Stapley and Robert Kennedy who are trustees of the Charity are also Trustees of Malawi Community Hubs. During the year the Charity donated £15,000 (2024: £5,000) to Malawi Community Hubs.

Robert Kennedy who is a trustee of the Charity is married to a former employee of WeSeeHope. During the year the Charity donated £1,046 (2024: £5,000) to WeSeeHope.

12. Subsequent events

The Founder has approved and paid a donation to the Charity of £338,765 for 2026 which will enable it to continue to meet its objectives in that year by supporting new and existing charities.

The Lancashire Foundation

Appendix 1: Grants to Institutions

	2025 £	2024 £
California Community Foundation	50,000	—
The Family Centre	41,359	40,000
Alzeimer's Society	40,000	40,000
Cancer Research	40,000	50,694
Bermuda Autism Support "Tomorrow's Voices"	40,000	40,000
St Giles Trust	40,000	40,000
HOME	40,000	5,000
Hurricane Melissa: British Red Cross	25,000	—
Gaza: UNICEF	25,000	—
Malawi Community Hubs	15,000	5,000
London Air Ambulance	13,936	10,000
Knowledge Quest	11,000	10,000
Cradles to Crayons (C2C)	10,000	—
BMC access and conservation trust	10,000	—
Waterstart	10,000	5,000
Catholic Charities of Fairfield County New Covenant Center	10,000	—
Royal British Legion Lloyds Patriotic Fund	7,500	—
Children with cancer	6,000	3,000
SpinalCure Australia	5,098	—
Medical detection dogs	5,000	5,000
FOELH (Friends of Essex and London homeless)	5,000	5,000
Coach Core	5,000	—
Mission Aviation Fellowship	5,000	5,000
Dementia Bermuda (formerly Action on Alzheimer's & Dementia)	5,000	5,000
Tanzania Host Experience (Project Transform)	5,000	3,953
Convoy4Ukraine	5,000	—
Papyrus Prevention of Young Suicide	5,000	—
Leukaemia Foundation - World's Greatest Shave	5,000	—
Windreach Bermuda	5,000	5,000
Victor Scott Primary School	5,000	5,000
Warwick Academy Outreach Programme	5,000	5,000
The Poppy Factory	5,000	5,000
International Care Ministries (Philippines)	5,000	10,000
Together for Short Lives	5,000	—
Bermuda Cancer Care (Relay for Life)	4,994	4,731
Wave Music Therapy (Proceeds from charity dinner)	4,975	—
Catherine J. Malatesta Foundation	3,092	—
The Bermuda National Trust	3,092	—
Lymphoma Support and Research	3,075	—
Forerunner Mentoring	3,025	—
Cystic Fibrosis	3,000	—
Cardiac Risk in the Young	3,000	—
Nick Kilhams Foundation	3,000	—

The Lancashire Foundation

Appendix 1: Grants to Institutions

The Mudchute Association	3,000	—
Bobby's Big Heart	3,000	3,000
Women's Resource Centre	3,000	—
The Christie Charity	3,000	—
St Georges Cricket Club	3,000	—
My Armagh	3,000	—
The Include Project	3,000	—
Molly Olly Wishes	3,000	—
Skylarks Community Choir	3,000	—
Days of Hope	3,000	—
WilderMe	3,000	—
YYC Youth Centres of Calgary	3,000	—
Hackney Aquatics	3,000	—
Old Grammarian Rugby Club	3,000	—
MAZE Parenting Programme	3,000	—
Charlie Waller Trust	3,000	—
Gambia org of VI	3,000	—
The RAP Foundation	3,000	—
All saints School	3,000	—
Motor Neurone disease	3,000	—
Bermuda Heart Foundation	3,000	—
British Heart Foundation	3,000	—
The Academy of Woodlands	3,000	—
Living Reef	3,000	—
Barnados	3,000	—
Bermuda centre for creative learning	3,000	—
Sea Change Sailing Trust	3,000	—
Vision Bermuda	3,000	—
DPOL HD Drone for the Bermuda Dinghy Club	3,000	—
Mercy Ships	3,000	—
SCARS Bermuda	3,000	—
Klaserie Private Nature Reserve Rhino Protection Fund	3,000	—
MCC Foundation	3,000	—
Gina Spence	2,996	—
Nonprofit alliance of Bermuda	2,995	—
The Ahoy Centre	2,525	—
Teenage Cancer Trust	2,160	—
American Red Cross	—	40,000
HPV Foundation	—	30,000
Canadian Red Cross, Alberta Fires Appeal	—	25,000
Mummy's Star	—	20,000
The Human Milk Foundation	—	20,000
Mates4Mates	—	10,000
22 Zero	—	6,158
Scars	—	6,000
Salvation Army Bermuda	—	6,000
Furnishing Futures	—	5,600
Silver Jubilee Park	—	5,000

The Lancashire Foundation

Appendix 1: Grants to Institutions

WeSeeHope	—	5,000
Bermuda Cancer Care (Relay for Life)	4,994	4,731
Bermuda Championships	—	3,738
The Liam Taylor Legacy	—	3,060
Morgan's Message	—	3,038
BRACE - Dementia Research	—	3,000
St Christopher's Hospice	—	3,000
Masterworks Foundation	—	3,000
We are Beams	—	3,000
Yorda Adventures	—	3,000
DailyMale	—	3,000
Love Oliver	—	3,000
Multiple System Atrophy Trust	—	3,000
CALM	—	3,000
Thames Hospice	—	3,000
Bermuda Volleyball Association	—	3,000
Barrow Farm Riding and Carriage Driving for the Disabled	—	3,000
Lads Need Dads	—	3,000
St Catherines Hospice	—	3,000
Kohima Educational Trust	—	3,000
Crohn's & Colitis UK	—	3,000
Tunnel to Towers	—	3,000
Juvenile Diabetes Research Foundation	—	3,000
Memory Action Group	—	3,000
The Dignity Foundation	—	3,000
Parents 1st UK	—	3,000
Stroke Association	—	3,000
The Mustard Seed	—	3,000
Association for Glycogen Storage Disease	—	3,000
Hoffman Institute	—	3,000
The Worst Girl Gang Ever Foundation	—	3,000
Haven House Children's Hospice	—	3,000
Sophie Hayes Foundation	—	3,000
The Lily Foundation	—	3,000
Ham United Group Community Interest Company	—	3,000
St. John Fisher Kidbrooke	—	3,000
Great Ormond Street Hospital Charity	—	3,000
Royal Marsden	—	3,000
The Motherhood Plan	—	3,000
St. Albans Cathedral Music Trust	—	3,000
Zoes Place	—	3,000
St Lukes Hospice	—	3,000
Pewsey Heritage	—	3,000
Arthur Rank Hospice Charity	—	3,000
Arthur Rank Hospice	—	3,000
Bermuda SPCA	—	3,000
Alzheimers Society	—	3,000
Alsama Project	—	3,000

The Lancashire Foundation

Appendix 1: Grants to Institutions

PALS	—	3,000
Ace Africa	—	3,000
Open Airways	—	3,000
World Pheasant Association	—	3,000
Waves Music Therapy	—	3,000
ERIC The Children's Bowel & Bladder Charity	—	3,000
Young Minds	—	3,000
East Anglia's Children's Hospices	—	3,000
Occular Melanoma UK	—	3,000
Norfolk & Norwich Hospital	—	3,000
Family Matters	—	3,000
Inn from the cold	—	2,977
Support Public Schools - Harrington Sound	—	2,800
The Royal Marsden	—	2,500
Support Public Schools - Purvis Primary	—	2,200
Ovarian Cancer Action	—	2,000
Stop Hate UK	—	2,000
Haven House	—	2,000
Child Bereavement UK	—	2,000
Bhubesi Pride Foundation (Football Kits)	—	1,000
Miscellaneous donations under £2,000	9,413	7,553
Total donations	**665,235**	**688,002**